

Praise for *Building High-Impact Organizations*

“This book stands out for a reason: it bridges the gap between theory and practice with unusual precision. Many rely either on abstract models they’ve never applied or on anecdotal experience that lacks grounding in research. Here, those worlds come together, creating something far more impactful than either alone. That is exactly why this approach has worked for us where others have failed. And in working with Alexander Vuylsteke, this becomes tangible: he doesn’t just explain ideas, he demonstrates them in action, leading by example in his interactions with both me and the team.”

—Pietjan Vandooren, co-founder and CEO of Rock.estate

“Thanks to this method I have seen myself and my organization change in ways I didn’t really know were possible. We feel the impact every day. This book offers a process to let go of most of the control, enable people to take ownership, give them space to speak up, and grow in the organization. As a result, our organization is now less founder-led and more team-led.”

—Niels Desot, co-founder and CEO of dear digital

“This book is a treasure trove of valuable insights, presented in concise, easy-to-read chapters. What I appreciated most were the actionable tips and ready-to-use templates. I was able to implement new processes and workflows right away. I highly recommend it!”

—Yannick Bontinckx, co-founder and CEO of Ziggu

“This book has given me immediate value with practical tools to start managing my company in a more productive way. All of which has been rooted in best practices from successful entrepreneurs around the world *and* tried and tested by Alexander in a real organization. I wholeheartedly recommend *Building High-Impact Organizations* if you want a happier team, more focus for yourself and a growing business.”

—Jochen Boeykens, founder of Skindr and VC at Torus

“The practices in this book made an impact on our organization and culture from day one, that continues to increase! I would definitely recommend it.”

—Steven Van Den Ouweland, co-founder and CEO of Distrilink

“This book is a game-changer, offering clear frameworks for building a high-performing team. Within weeks, I saw noticeable shifts in team alignment and effectiveness. The combination of strategic depth and day-to-day tools makes it incredibly valuable.”

—Cobus Van Gheluwe, founder and CEO of Funkey

BUILDING HIGH-IMPACT ORGANIZATIONS

**A Tactical Guide To Unlocking Initiative,
Collaboration, and Leadership in Teams**

ALEXANDER VUYLSTEKE

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INTRODUCTION

THERE HAS TO BE A BETTER WAY

*Life isn't about waiting for the storm to pass.
It's about learning to dance in the rain.*

—Vivian Greene, writer and artist

*House of Cards - Work Is Not Working - Building a Cathedral - A Better Way -
About This Book*

House of Cards

“If he leaves, our start-up story is officially over,” we were saying to each other. We were about to enter a very unpleasant Christmas holiday period. Our company’s bank account was dropping fast and we saw no way to reverse it. The last thread keeping us alive was our lead sales person who was still bringing in a decent amount of new clients, which means cash, which means oxygen.

Right as I left the office before it closed for two weeks, I couldn’t help but noticing how the team seemed a little lifeless. I knew from the past how much they cared about our mission and they were still doing their jobs, but they did not look thriving. I wondered if I would like to work at my own company if I were an employee instead of its founder, and the obvious answer was no. I wanted to do the best work of my life, and this place did not seem to bring this out in people. That realization woke me up. I had the freedom to

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build whatever I wanted, and now I had created a company where I would not like to be an employee of myself?

The moment I stepped out of the office, I began exploring every book and case study for wisdom on how to create a team environment where people thrive. I planned to take a few decisive measures. But it was too late. After the Christmas holidays, our sales friend came to us with tears in his eyes and announced his departure. He knew the potential consequences for the company but did what felt right for him, and we supported that.

We had built a house of cards. We were sure it would collapse... and it almost has. Somehow we survived. Nothing magical happened. Cornered, we hustled for every inch of progress and seemingly out of nowhere came a few new ideas and victories that pulled us out of the swamp. Start-ups are more resilient than founders sometimes fear.

Despite our unexpected resurrection, I introduced a number of organizational changes in the months that followed the Christmas break. But they did not stick. We slipped back into our old way of working and kept hustling, each month trying hard to find cash to pay the bills. Lesson learned: leaders need to walk the talk, or change will not stick.

Our failure to change would boomerang back in our faces two years after surviving our first near-death experience. We were still building a house of cards. We had generated some growth but with highly unstable profitability and bad cash flow management. Our company's bank account was once again in free fall. The team seemed completely burnt out from the constant pressure, day after day, year after year. We kept pushing harder and harder, but as the saying goes: if you keep doing the same things, you will keep getting the same results.

Something inside me snapped when, at different moments, two team members came to me in tears and said how they were broken by the way we had been managing the team. They sounded completely hopeless but cared enough about the company to share this with me and beg for change, rather than leave. Thinking about it now, I realize how lucky we were to have a team

that never abandoned our mission. Back then, I got home devastated and ashamed that I let all this happen.

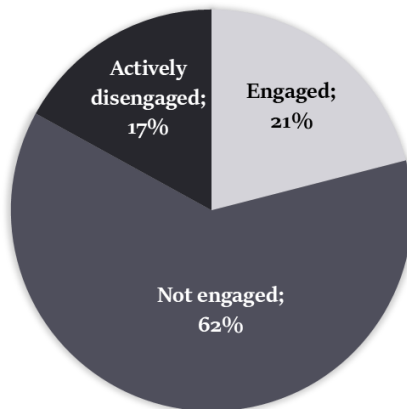
When, not much later, my co-founder decided to leave the company, the company's future became even more uncertain.

Work Is Not Working

We were not the only ones struggling to get the best out of our team. Building a great team is hard. Many workplaces are plain dysfunctional. Ask friends how it is going at work and there is a good chance that they start venting about challenges with coworkers, direct reports, their manager, or company management.

The evidence is clear on this. According to Gallup's annual employee engagement survey, merely 21% of employees worldwide is engaged, while Europe does even worse with only 13% engagement.

Employees Worldwide



To be clear, engagement does not equal satisfaction, but rather centers around motivation and action. Gallup defines employee engagement as the involvement and enthusiasm of employees in their work and workplace, and distinguishes three categories:

- **Engaged:** committed, enthusiastic and psychologically invested in their work.

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- **Not engaged:** present but disconnected, going through the motions.
- **Actively disengaged:** resentful and potentially harmful to team morale and outcomes.

These figures imply that 79% of people spend the majority of their awake adult life either on autopilot or sabotaging the workplace.

There has to be a better way. And indeed, low levels of engagement are not inherent to work life. Gallup finds that in best-practice organizations, an astounding 70% of employees are engaged. This is nearly five times the average of all companies. Can you imagine how much potential most companies are leaving on the table, and what work would look like if all companies succeeded at engaging 70% of their team instead of a meagre 21%?

Aside from reducing human misery, companies significantly compromise their overall performance by neglecting team engagement. According to Gallup's 11th employee engagement meta-analysis, teams in the top quartile of employee engagement achieve 23% higher profits and 18% higher sales productivity. Moreover, they experience 51% lower employee turnover and 78% less absenteeism. Research by Bain showed that increasing motivation from *satisfied* to *engaged* grows output by 50%, while boosting motivation further to *inspired* expands output by another 50%. Further, the top quartile of publicly traded companies in McKinsey's Organizational Health Index deliver roughly three times the returns to shareholders as those in the bottom quartile. Analyzing the venture capital industry, McKinsey also found that 65% of investor portfolio failures are caused by people and organizational issues.

The hard impact of soft stuff:

Vast research shows that team engagement and organizational health are not fuzzy, nice-to-have concepts. They are essential to both the well-being of workers and the financial results of companies.

Not only employees suffer at work, business owners too struggle.

Especially leaders of start-ups and small businesses face strong pressure due to the rapidly changing nature of their markets, company, and team. A study conducted by researchers from Stanford and UC Berkeley unveiled a sobering reality: entrepreneurs are about 50% more likely to experience mental health concerns than the general population.

Especially as teams grow, they start to wrestle with internal complexity and all kinds of people-related challenges: creating clarity and focus amidst chaos, maintaining team unity and cooperation across departments, enabling leaders to work on instead of in the business, hiring and keeping the right people, and so on. Typical cries of despair by their leaders sound as follows:

- Where is the joy and fulfilment in this? Would I even want to work in the type of workplace I'm creating?
- Why do I feel prisoner in my own company? Why does everything depend on me being present, radiating energy, and noticing what's failing? How can I have more breathing room myself and operate in my own *zone of genius*? How can the team operate more autonomously?
- How can I create a high-performing team without ending up with a hypercompetitive, toxic culture?
- How can I sell my company without selling my soul?
- Does it really have to be like this? Am I the only one for whom this does not feel right? Isn't there a better way?

Building a Cathedral

With my co-founder gone and the business floundering, I stood for the choice whether to continue or not. I felt our story was not finished yet and decided to give it one more chance. We were at a major inflection point. This time we needed to get it right. Like before, my initial focus was on the team. I wondered: How to help a team come alive? This is the quest that would obsess me for the next decade.

Objective of this quest:

How to design an environment that enables team members to do the best work of their life?

Two books in particular confirmed my intuition that there had to be a better way: *Maverick* by Ricardo Semler and *Reinventing Organizations* by Frédéric Laloux. These pioneers look at organizations in a completely different way. They share a view of organizations that let people bring their whole selves to work without professional mask, finding inspiration in a deeper purpose that they share, fostering internal relationships based on deep trust and candor, collaborating with a high degree of autonomy, initiative and ownership by everyone, and ultimately developing themselves into more mature coworkers and conscious leaders. A third major source of inspiration was Netflix, whose way of working was initially documented in its famous *Culture Deck* and later in the book *No Rules Rules*.

I shared this newfound inspiration with the team and they got as excited as I was. We introduced some radical changes fast because time was running out. Each team now operated as a mini-business and managed itself, supported by a rotating coordinator that was selected among the team members. We went for radical transparency, including salaries (also my own) and company financials. We created equal decision rights: everyone could decide about anything as long as input was requested from relevant people and their decision was aligned with our company mission, vision and values. I promised that in principle I would never overrule team members solely based on my position.

Our drastic approach brought the team alive but initially created collateral damage. For example, by reporting financial data regularly to the entire team, team members felt personally responsible for the losses that the company was incurring. This was too big a burden to carry. Burn-out became an often discussed topic. Some team members started doubting our transition to self-organization, but we decided to persevere for the time being.

We made all kinds of adjustments, such as changing our interpretation of

transparency from “in your face” reporting to making all data accessible, clarifying responsibilities, and taking away some of the pressure on most team members. Over time, informed by further research, we built an organizational system that contained the seeds of the method presented in this book.

Paradoxically, by introducing all kinds of new practices we ended up with less instead of more overhead activity. Everything seemed suspiciously simple. At some point we started doubting if we did management differently or just had less of it. Less reporting and administration, fewer meetings, shorter discussions, fewer useless arguments, less back-channeling, less second-guessing, less politics, less doubt, less anxiety. Our office life wouldn't make for good television with so little drama!

In hindsight, our new approach was transformative to our company and its results.

First, the team shifted from near burn-out to consistently high levels of engagement and creativity, as well as giving only five-star reviews on Glassdoor. Working at our company became a lot more sustainable and employee turnover fell drastically. Teammates continuously grew, taking on greater leadership and increasingly complex challenges.

Second, customer satisfaction increased from 7,6 to 9,8 out of 10, with a newly created internal *wall of love* bulging with beautiful customer stories and referrals pouring in. Our existing operational efficiency combined with the newfound team passion and empathy allowed us to switch from a low-price strategy to offering a “wow” customer experience.

Third, the company's financial health went from barely break-even to highly profitable. The business model shifted from a high dependency on new customer acquisition to mostly recurring revenues. Customer lifetime value doubled thanks to lower churn and more repeat business. All of this nearly eliminated the need for outbound marketing and sales. Everything became simpler and we delivered higher revenue with far fewer resources, causing profitability to rise sharply. All this in a highly competitive market.

Fourth, I was able to work much less and do what I love. I went from spending sixty to seventy hours per week managing the business, mostly in firefighting mode, to spending about ten hours per week mentoring the self-organizing team.

People sometimes ask if this transformation involved a drastic change in team composition. Maybe we simply hired a stronger team? It would indeed be hard to isolate the impact of our interventions if half of the team members were replaced in the process. But this was not the case. Out of a team approaching twenty people, there was one person who did not function well in the new setup and eventually left.

Five years after the transition, I transferred ownership of the company. I realized the company I co-founded was no longer the right fit for my own growth, and I lacked the skills it needed at this stage. As the team was mostly self-organizing and my role was largely limited to mentoring, the handover to new management took only a few hours, much to their surprise. More than two years passed after my departure before the first team member left. Knowing all too well the numerous stories of start-ups that implode after being acquired, I could not have wished for a smoother transition.

Finally, the company was no longer a house of cards but a rock-solid cathedral (or perhaps more accurately, *chapel*)!

A Better Way

This book is the result of a decade long quest for a practical system that brings out the best in teams. It seeks to tap into the symbiotic relationship between team, clients, business. When the team thrives, the product or service outperforms, customers become raving fans, and the business prospers.

This book's key message:

This book seeks a win-for-all among team, customer, and business.

For this, an organization should be designed to provide team members with a platform for personal growth in service of the company's mission.

Then companies can *grow with the flow*: grow graciously with less perceived effort in a complex, unpredictable context.

This development-oriented approach helps teams excel while also supporting the organization's future growth and adaptability.

From all the research I encountered, I distilled four principles that the organizational culture, structure and practices should be aligned with in order to promote such approach:

1. **Purpose**, which provides direction and a source of fuel.
2. **Autonomy & Responsibility**, which unlock individual talents.
3. **Trust & Candor**, which unlock team synergy.
4. **Self-Development**, which generates renewal and growth.

In this book, you will find detailed, step-by-step blueprints for developing your own High-Impact Organization based on these four principles. It includes:

- A new lens for understanding organizations in a way that opens up possibilities.
- Essential practices for leaders to develop people, step back and work on what matters.
- Simple practices for fostering customer orientation among the team.
- Tools for creating psychological safety and trust.
- Energizing team meeting routines that promote candor and initiative.
- A decision making process that empowers everyone to make swift decisions with sufficient input from others.
- Feedback and accountability systems based on support rather than blame.

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- An organizational structure that combines cross-functional collaboration with functional excellence.
- A compensation system that doesn't depend on one person's opinion and encourages self-development.
- And much more...

The High-Impact Operating System presented in this book is meant as a starting point that you can build on to develop your own, unique way of working. Rather than blindly copying this approach, it is important to understand the reasoning behind it. This allows your team to gradually develop the internal capability to adapt, refine, and occasionally reinvent your operating system as the organization evolves.

What I hope you will get from this book is a practical method to help your team come alive, enabling people to do the best work of their life and genuinely enjoy it. We do not have to choose between high performance and human fulfillment; between excellence and joy. This book explains a concrete, life-enriching method that integrates both.

Organizations adopting these practices have seen exciting results. Teams shift from merely working hard to being deeply engaged, inspired, and creative. Customers feel deeply understood and become raving fans. Companies need much less formal management, while growing profitably and sustainably.

The promise of this book is not to get rid of people issues for once and for all. People will be people. Rather, its objective is to provide you with a system that deals with complexity graciously and enables the elegant resolution of whatever people issues arise, relying on shared habits and procedures rather than being solely dependent on managers to intervene.

About This Book

How I Ended Up Writing This Book

This book is rooted in both research and practice. As a management consultant

early in my professional life, I have gained useful insights in organizational design and leadership. Later, when I worked for impact investors seeking both a financial and social return, I got intrigued by how smallholder farmer cooperatives organized themselves. However, the journey that led to this book only really started when I helped transform the company that I co-founded, as I explained earlier. For the next decade, I would study hundreds of books and companies to understand how small entrepreneurial companies can bring out the best in people (see the appendices for suggested further reading).

I started sensing I was on to something when my own company began to be featured as a case study in academic research, several books, dozens of conferences, and even a documentary. In the meantime, my company had started running quite independently with a mostly self-organizing team (how else could I participate in all those little adventures?) For several years, I used my free time to take on hands-on leadership roles in other teams ranging between fifty and a hundred and fifty people, allowing me to further develop my approach.

Seeing patterns across the teams I had worked with, I started compiling best practices in an extensive library called the CEO Playbook, a resource for leaders of growing organizations. By now, I have worked as an advisor with dozens of start-ups, scale-ups and small businesses that have further validated my approach. Many more have used the CEO Playbook without my assistance. This book consists of its most essential practices, all tried and tested in practice.

The CEO's most important operational responsibility is designing and implementing the communication architecture for the company. Absent a well-designed communication architecture, information and ideas will stagnate and your company will degenerate into a bad place to work.

—Ben Horowitz, co-founder of Andreessen Horowitz (a16z)

I wrote this book because in all my research, I have not encountered a full-fledged, tactical guide to building an internal operating system that is rooted in a positive view of human nature and tailored to small and medium-sized businesses. Businesses need this, and the world needs it to. We need

organizations that help people grow into conscious leaders, create engaged and inspired teams by tapping into intrinsic motivation, and make a positive contribution to the world. This book offers a practical method that you can start applying immediately. I hope that you will be inspired and improve on it further, just as I have built on the ideas of others.

Book Structure

Development happens from the inside out, in ever expanding circles of impact. This book is structured accordingly.

Part 1 – Foundations examines the lens through which you see people and organizations. These assumptions and perspectives strongly influence the structures, processes, and practices that you apply. Reviewing how you think is therefore crucial before starting to introduce new ways of working. This first part ends with a Manifesto for High-Impact Organizations.

Part 2 – Individual Leadership is about you: the builder of the ship we call a team. One cannot simply expect others to change how they behave, without changing oneself. While leadership is a vast field of study, this part includes a few specific practices that I have seen to make all the difference in building a High-Impact Organization.

Part 3 – Team Practices is about the ship that is built. It is the largest part of this book, providing a mini operating system that enables one team unit to thrive. This is the group of people one works most closely with day to day.

Part 4 – Company Foundations is about turning a number of ship into a coherent, nimble fleet. Here, the book concludes with describing the larger structures and processes that need to be defined at the company level to enable collaboration and alignment across teams.

Target Audience

This book is written for entrepreneurs and leaders of start-ups and small and medium-sized businesses.

My own experience is situated primarily in companies ranging from just a handful to a few hundred team members. I have found these practices to

resonate particularly well with dynamic companies that are growing rapidly or going through major change.

Especially CEOs, COOs, and operators should benefit from reading this entire book. Other formal and informal leaders, if they want, can skip the last part, which addresses Company Foundations that are largely out of their hands. Everyone else may jump straight to Part 3 (Team Practices) to contribute to the healthy functioning of their own team.

Navigating This Book

Here are a few suggestions for getting the most out of this book.

This book is structured to be read sequentially from start to finish. Understanding earlier chapters will help you interpret and effectively apply the chapters that follow. However, this does not mean that you should *apply* everything in that sequence. More on that in a minute.

I suggest to try most, if not all practices. This book attempts to provide a coherent blueprint for designing your High-Impact Organization, everything fits together, and different practices are mutually reinforcing. To keep the book digestible, non-essential tools and practices have been left out. But not everything requires ongoing effort; practices may be recurring, occasional, or one-off.

Try practices exactly as described for three to five times. Although one size does not fit all, the tools and practices provide a decent start that requires limited customization for most readers. They are optimized based on many iterations in different types of companies, and it is sometimes hard to predict their impact. One example is the Tactical Meeting format. Most people who are introduced to this format, are somewhat repelled. It looks complicated and rigid. And yet, to the best of my knowledge, not one team stopped using it. Everyone so far likes how it dramatically shortens meetings while energizing participants.

Once you are able to apply a practice as described, seek to make it your own and improve on it. Each company is different. Once you master

not only the mechanics of certain practices but also the underlying idea, see if you can further transform them to fit your company's context and needs. Run small experiments, learn, improve, and continue (or stop) using each approach.

Do not try everything at once but start small in a relevant place. This book is meant to be applied, but its comprehensiveness may feel daunting to some. The good news is that you can reap benefits as soon as you start applying parts of it, as long as you start in a relevant place. But where to start? The best order of actions is somewhat of an art and depends on your context. In general, it is almost always a good idea to start with the Tactical Meeting, Feedback Circle, Input Process, and Direct Alignment. To help you further, the end of each chapter contains a careful selection of initial actions that you can take right away and that generate tangible results with limited effort. At the end of this book, I will offer some more specific guidance on how to go about.

Finally, it may be practical to create a place in your company's internal wiki to document new practices. Your team can use this as a reference point to understand your internal operating system. As you continuously introduce or modify practices, changes can be pushed to this wiki in a similar way as software updates.

Part 1.

Foundations

CHAPTER 1.1.

ENGAGEMENT

Leadership is communicating to people their worth and potential so clearly that they are inspired to see it in themselves.

—Stephen R. Covey, writer, businessman, and speaker

Paradox of Engagement - Assumptions About Human Nature - Pygmalion Effect - Suggested Action

This and the next few chapters will help you reflect about how you view teamwork. To change, we need to unlearn and learn; to let go of old thought patterns and beliefs, and make room for new ones.

Paradox of Engagement

Sometimes you need to zoom out to see things more clearly. Let us for a moment expand our analysis beyond work and include other activities that also require significant responsibility, effort or skill. Most of us, including your team members, have likely participated in one of the following activities:

- Buying and renovating a home, which is a major decision and financial responsibility.
- Volunteering as fundraiser, firefighter, or helping hands, sacrificing personal time and being pulled far out of the comfort zone.
- Learning to master a music instrument, which may take years of dedicated practice.
- Writing a book, which involves a long process of hard work that

usually results in little financial profit.

We do these activities with great dedication, creativity, and skill. We are not forced to do these activities and yet they require great effort. We put our heart and soul in it. I cannot help but ask the following paradoxical question.

Paradox of Engagement:

Why do so many people feel disengaged at their paid jobs, yet give their all to other activities, even if unpaid?

Think deeply about this question for a moment. Now, for each activity in the list above, try to identify the most powerful source of motivation behind it. Probably you will come up with explanations such as deeper meaning, authentic connection with others, creative self-expression, self-mastery, and learning.

Should paid work not be at least as engaging as those unpaid activities in our free time? What's going on here? Why is there a discrepancy between how we show up at work and how we show up outside work? If we could tap into those same sources of motivation in companies, wouldn't colleagues be more fulfilled and companies be more successful? Finding a way to achieve this is one of the aims of this book. Let's stop wasting human talent.

Assumptions About Human Nature

I have just pointed to examples demonstrating why I believe that most people want to make something beautiful of their life. Yet, plenty of evidence indicates that actual engagement at work is abysmal. So are people inherently motivated or not?

In the 1960s, McGregor studied this question and defined two sets of beliefs that managers hold about employees: Theory X and Theory Y. Theory X basically stated that most people are unmotivated and irresponsible. Theory Y proposed exactly the opposite: most people are motivated and responsible.

Theory X reflected the assumptions that most managers in this day held:

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- People dislike work, find it boring, and will avoid it if they can.
- People must be forced or incentivized to make the right effort.
- People would rather be directed than accept responsibility.
- People are motivated mainly by money and job security.
- People have little creativity, except to bypass rules.

Theory Y, on the other hands, reflected a more positive view of human nature:

- People find work as natural as play or rest.
- People will direct themselves towards a target that they accept.
- People will seek and accept responsibility.
- People are motivated by the desire to realize their own potential.
- Creativity and ingenuity are widely distributed.

If you ask people what theory best reflects their own behavior, most of them would answer Theory Y. However, when asking people what theory best reflects the behavior of their colleagues, most answer Theory X.

Theory X is arguably the most pervasive worldview behind today's management practices in our workplaces. Think of rigid job descriptions, mandatory procedures, endless reporting, school-style performance evaluations, incentives, and all kinds of policies on vacation, working hours, office time, use of equipment, expenses...

Pygmalion Effect

We don't see things as they are, we see them as we are.

—Anaïs Nin, writer

So, which of both fundamental assumptions about human nature is true? The optimistic theory that people have about themselves (Theory Y) or the pessimistic theory that people have about others and that is most reflected in management practices (Theory X)?

Let's speculate about potential arguments. Maybe Theory Y is true in

general, but work is something we simply have to do and there's no way to make it engaging, so at work we actually behave more like Theory X? But then why is team engagement in best-in-class organizations five times higher than the average, as Gallup's statistics showed? One explanation could be that the nature of work is different at those companies, but that's not what Gallup finds. Gallup argues that engagement can actually be increased by changing the organizational and management framework within which colleagues operate. Then the question remains: why do some organizations succeed at this, and others do not?

According to further research by McGregor and others, Theory X and Y are both true. To an extent, our expectations about people are a self-fulfilling prophecy: what we believe is what becomes reality. In psychology, this is called the Pygmalion effect, after a Greek myth where a sculptor's great expectations for his statue result in it coming to life.

Pygmalion Effect:

People behave according to the image you have of them.

When you see—and treat—they as motivated and responsible, reducing control mechanisms, they are more likely to act as such. When you expect more of people, they act accordingly.

When you approach others with suspicion and enforce strict rules and penalties (Theory X), they may resent you for it and will often find ways to game the system, which may seem to confirm your expectations. On the other hand, if you treat people with trust (Theory Y), they are likely to respond to your vulnerability with responsible actions, once again reinforcing your beliefs. Most people respond to vulnerability with mercy. It goes against the personal morals of most people to abuse someone's vulnerability, especially of people close to us. Trust therefore breeds responsibility.

The way you see people is the way you treat them, and the way you treat them is what they become. Treat people as if they were what they ought to be, and you help them to become what they are capable of being.

—Johann Wolfgang von Goethe, writer, artist, and scientist

I can testify of this from personal experience. You may remember that my own company transformed from an organization that was rooted mostly in Theory X to one that was rooted in Theory Y with almost the exact same group of people. In our case, the transition was discussed explicitly with the team. I explained that I would let go of all mechanisms that smelled of control or coercion instantly, to make room for the team to take ownership and initiative of everything that we were doing. I also explained that this felt extremely scary to me, akin to falling backwards off a cliff and hoping that the bunch of people is still there at the bottom to catch me by the time I'm there. What happened next, was way beyond the team not letting me down. They did everything in their power to make this transition a success, to the extent that we had to intervene to avoid people pushing through beyond their own limits.

The Pygmalion effect explains the Paradox of Engagement. People are often more motivated for unpaid activities outside work than they are at their paid jobs because the environment is completely different and they are treated differently. At work, the Theory X worldview that is so pervasive in conventional management approaches, becomes a self-fulfilling prophecy through the Pygmalion effect. Contrary to work, unpaid and voluntary activities usually occur in a Theory Y-like context: these exchanges are mostly based on mutual goodwill rather than coercion. They have to be; otherwise who would partake in these activities without remuneration? Imagine how our motivation, creativity and engagement would change if we were forced to volunteer or learn a music instrument. We would probably show up completely differently, going through the motions without putting our heart and soul in it.

In conclusion, engagement is primarily a design challenge, rather than a personality challenge. The operating system you put in place defines

the game that will be played: one of control-based, strictly transactional exchanges (Theory X) or one of exchanges based on mutual trust and goodwill (Theory Y). To put it in simplistic terms: if you treat people like children, they will act like children. Treat them like responsible adults and they will act as such. Shaping the organization according to Theory Y beliefs therefore improves engagement and performance.

Suggested Action

As I explained, the quest for this method all started when I experienced dissonance between the organization I had created in my own company, and the organization in which I would see myself flourish if I were an employee instead of owner. I instinctively felt there was a lot of untapped potential. You can do the following exercises to run a similar thought experiment.

- Imagine (if you're not already) you are the CEO and you can change anything you want about the internal organization of your company. After you are done with your design, you will stop being the CEO and will “reincarnate” as a team member. All other team members have also been carefully selected and are as well-intended and responsible as you are. How would you design your organization differently from today? In what type of environment would you flourish? You may explore goal setting, work distribution, decision making, feedback, reporting, performance evaluation, internal communication, information sharing, compensation...
- Some of us may feel resistance when doing the previous exercise. We trust our own positive intentions and responsibility much more than we do other people's innate nature. In her bestselling book *Loving What Is*, Byron Katie offers a four-step process (“The Work”) for challenging our own assumptions and beliefs. If you believe that most other people are not as innately motivated and responsible as you are, I invite you to examine your belief as follows.

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1. Is it true? (simple yes/no)
 2. Can you absolutely know that it's true? (simple yes/no)
 3. How do you act, what happens, when you believe it to be true?
 4. How would you act without the belief that it's true?
- Consider making your fundamental assumptions about the nature of people explicit, and clarify to existing and new team members that their systems, practices, and behavior are required to reflect these assumptions.

CHAPTER 1.2.

AGILITY

You can't control the wind, but you can adjust your sails.

—Adapted from Cora Hatch, writer

Paradox of Control - Organizational Metaphors - Navigating Complexity - Key Distinctions - Suggested Action

This chapter starts with another paradox: the Paradox of Control. (One clearly needs to love paradoxes to build a great team!) Next, it introduces several mental models for understanding organizations, differing in their levels of autonomy and control. We then explore which mental models are most useful for achieving agility; i.e. the ability to navigate complex, dynamic environments. Finally, I will point out that the absence of control is not equivalent to the absence of structure. Quite the opposite: autonomy-focused organizations perhaps require even more structure than those based on control.

Note that, in this book, the meaning of the word *agility* refers to an organization's overall ability to navigate dynamic environments with speed and decisiveness thanks to a high degree of self-regulation. This is consistent with the principles of the Agile movement, although the scope of this book is broader than software development.

Paradox of Control

In uncertain times or when things go wrong, leaders often respond by tightening control. They introduce new policies, more reporting, stricter

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procedures, and additional performance indicators. The intention to get more involved is understandable, yet something curious often happens. Instead of becoming more effective, the organization becomes slower, less adaptive, and increasingly bureaucratic. Most decisions are relayed to leaders, initiative disappears, and teams struggle to respond to unexpected situations or changing market conditions. This leads to a puzzling question.

Paradox of Control:

Why does tighter control over individual behavior often reduce an organization's collective control?

To explore this question, let's review several mental models for designing organizations that differ in how they approach control.

Organizational Metaphors

We cannot solve our problems with the same level of thinking that created them.

—Albert Einstein, theoretical physicist

This section reviews three opposing pairs of organizational metaphors. In each pair, one metaphor reflects a higher degree of control over individuals, while the other reflects a lower degree.

These mental models act as lenses through which we see and interpret organizations. No single model is inherently “truer” or more accurate than another; what matters is choosing one that is useful for the situation at hand. A good lens allows you to see something you hadn't noticed before and make better decisions.

You can think of mental models as software programs running in our minds—ones we can temporarily swap out for others. I invite you to experiment with loading different models, even ones you're not used to.

It's important to remember that these models are not literal prescriptions. Even when I argue that some are generally outdated, they can still be relevant

in certain companies or situations.

Machine vs. Living System

Science has generated such magnificent breakthroughs since the Enlightenment a few centuries ago, that it understandably has become the dominant way to make sense of reality. During the 1950s, Taylor spread the application of the scientific method to the management of workers, coining the term *scientific management*, which was rooted in the view of organizations as **machines**. This approach created tremendous productivity gains in predictable environments, such as factories making the same thing for decades with employees doing mostly the same job until their retirement.

We have been conditioned for about a century to think of organizations as predictable machines that can be controlled. The objective of such approach centers on extracting maximum output from the organizational machine, with minimum drama and errors. Machines accurately respond according to programmed rules, but struggle when conditions change beyond what was anticipated.

This paradigm is still very much ingrained in the conventional wisdom of people that enter into management roles. Power is concentrated with a few managers, predefined goals and performance indicators mold colleagues into their manager's expectations, and we learn not to show weakness or failure so that we do not get a negative performance evaluation.

Yet, a new mental model seems to be gaining increasing adoption. It sees organizations as **complex, living systems** that embrace human's unpredictability and creativity, which are inherently linked. Living systems learn and spontaneously adapt to a wide range of novel situations. They are plentiful in nature; the image of a garden or forest may come to mind.

Irregularity may be the key differentiator between life and machine. In one *Star Trek* episode, the question of whether a tiny, unknown entity was alive was explored by analyzing the variability of the pulses it produced. If the pulses

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were irregular, they indicated life; if they were regular, they suggested a simple pattern of cause and effect resulting from the entity's interaction with its surroundings. Moral of the story: irregularity and unpredictability are features of life, not bugs. Using control mechanisms to avoid those features also restricts the organization's ability to adapt and innovate.

Once we look at the organization through the lens of a living system, we stop seeing people as a resource from which to extract maximum output, but rather consider them as parts of an organism that should be nurtured in order to end up with a healthy, vibrant whole. In other words, we see ourselves as gardeners rather than mechanics.

Machine	Living system
<ul style="list-style-type: none">• Complicated but predictable• Not changing its own mechanics• Can be controlled centrally based on external reward & punishment stimuli (extrinsic motivation)	<ul style="list-style-type: none">• Complex and unpredictable• Constantly adapting to changing environment• Can be influenced but not controlled centrally (intrinsic motivation)

Symphonic Orchestra vs. Improv Jazz Band

What could an organization that reflects a living system look like? Music offers an instructive example. On the one hand, we have a **classic symphonic orchestra**, which is great at reproducing music that has been composed centuries ago. One may argue that a great classical musician engages with the notes as much with their head as with their heart and soul, but as a metaphor it much resembles the machine paradigm, which is deterministic in nature.

On the other hand, an **improvisational jazz band** operates without music scores and no central conductor. Guided by a shared style and habitual patterns, the band players create music on the spot, based on the emerging ideas of the band members and reactions of the audience. They operate based on distributed responsiveness rather than centralized control. When one member takes the initiative, the others follow his or her lead. A bit later, someone else sets the tone. This way of playing requires great listening and adaptation skills. There are only notes; no mistakes. Many actions are perceived

as mistakes only because we do not react to them appropriately, says jazz player Stefon Harris in his TED talk (or rather *performance*) called *There are no mistakes on the bandstand* in New York in 2011.

Symphonic orchestra	Improvisational Jazz Band
<ul style="list-style-type: none"> • Predict audience's taste, and control delivery • Interplay based on conductor and synchronized music scores • Helpless without conductor and music scores 	<ul style="list-style-type: none"> • Sense audience's taste, respond live. No errors; only wrong reactions • Interplay based on flexible music patterns, and alternating cues to lead or go solo, with others support • Improvise well without conductor and music scores

Traffic Lights vs. Roundabout

The book *Brave New Work* by Aaron Dignan proposes another interesting application of the machine versus living system paradigm. Have you ever thought about how municipalities choose between traffic lights and roundabouts to organize traffic flow in intersections?

The **signal-controlled intersection with traffic lights** is the most popular solution. According to Dignan, this approach is based on the assumptions of Theory X:

- People cannot be trusted to manage the intersection on their own. They need to be told what to do.
- Complex problems must be managed with elaborate rules and technology, in the form of cables, lights, switches, and control centers, programmed to optimize the flow of traffic.
- We need a plan for every possible scenario, with multicolored signals, arrows, the ability to switch from solid to flashing lights, and so on.

Another well-known solution is the **roundabout**, less prevalent but still widely used. Assumptions underlying the roundabout reflect Theory Y:

- People can be trusted, and will trust one another, to use judgment and do the right thing.
- Complex problems can be managed with simple rules and agreements

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that leave room for judgment: give the right-of-way to vehicles already in the circle and go with the flow of traffic.

- Many scenarios will unfold in the roundabout, but social coordination will be sufficient to handle them.

Now, which of the two approaches do you think results in fewest accidents? Which one allows the highest number of cars to pass through in a given time frame? Which one is cheapest? Which one is most resilient against external shocks such as the sudden unavailability of electricity?

In all of these cases, the roundabout wins. According to studies by the Insurance Institute for Highway Safety and the Federal Highway Administration, when traffic light intersections are replaced by roundabouts, injury collisions go down by 75%, fatal collisions go down by 90%, and delays go down by 89%. While signalized intersections require \$5,000–\$10,000 per year in operating costs, roundabouts eliminate most of these ongoing expenses.

Still, most people think traffic light intersections are safer. Our intuition tells us not to trust other drivers to handle a roundabout safely, and as a result we prefer traffic lights to take control. What a great metaphor for life in organizations, wouldn't you agree? Organizations around the world are already showing how we can work together differently. Like a roundabout, they trust team members to make their own decisions within agreed boundaries.

Traffic lights	Roundabout
<ul style="list-style-type: none">• Tells people exactly what to do• Complicated rules, technology, maintenance• Programmed to fit every possible scenario• Requires little thinking, only compliance• More popular	<ul style="list-style-type: none">• Trusts people's judgment within simple boundaries• Simple rules & technology,• Social coordination handles flow• Requires being present and responsible• More effective: fewer accidents, less delay, cheaper, more resilient

Navigating Complexity

You don't manage change—you navigate it.

—Peter Senge, systems scientist

None of the metaphors is inherently superior to the others. Their usefulness depends on the context. Symphonic orchestras produce magnificent music and can be a delight to listen to. But if you want to hear fresh, unexpected music, then improvisational jazz will achieve that more effectively.

Which mental models are most useful as a lens for organizational design, depends on the nature of the company. The optimal degree of individual control and coordination mechanisms depend on the type of work and the complexity of the environment.

Sometimes, circumstances demand a prioritization of control at least to some extent in order to succeed. This is the case when we need regularity, consistency, and error-prevention, and when the environment is relatively stable. Think of pharmaceutical manufacturing and airline operations. This need may also occur temporarily when a crisis demands swift action in order to avoid greater damage. For example, when a food business faces a sudden contamination risk. In such case, there may be no time to debate and it may be preferable for staff to just execute orders as requested.

Control promotes regularity and error-prevention:

Tight control makes sense in the rare cases when regularity and error-prevention are more important than creativity and adaptability.

Nowadays, most companies involve creative work in complex and continuously changing environments. The economy's shift from factory work to knowledge work has tremendously accelerated the pace of change in markets, companies, and careers. With less predictability, companies are seeking adaptability and creativity rather than repeatability and consistency. Think of modern industries like software development, design, marketing, consulting, research, and so on. With more digitization and automation,

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humans do less and less work that can be put into clear rules, patterns, and routines. The remaining work requires uniquely human abilities, such as creativity and judgment.

Micromanagement and other forms of tight individual control harm an organization's ability to navigate complexity, whether in the work itself or the environment. Trying to control complexity is futile. A control system with rules and policies, top-down decision making, overly granular KPIs, and fine-grained incentivization schemes limits distributed intelligence by suppressing differences and creativity. Such system does not give real control; it only provides the illusion of control. As soon as any assumption changes or anything irregular comes up, the rigid system fails to adapt.

Most of what we call management consists of making it difficult for people to get their work done.

—Peter Drucker, management consultant

This is the answer to the Paradox of Control: tight individual control often reduces collective control because most companies today operate in a complex context. Now that most work is irregular work, scientific management as it was conceived, does not work so well anymore.

To navigate complexity well, leaders need to play a different game. Rather than seeing the organization as a deterministic machine over which to seek control, they should let go of their desire to be fully in control; instead nurturing an organization that taps into team members' creativity and judgment. Relying on distributed intelligence, like a living system, is the only way to unlock a team's full potential and rapidly adapt to changes.

The ultimate advantage of a living system is its ability to respond to the unpredictable with creativity and resilience.

—Adapted from Margaret Wheatley, organizational theorist

Distributed intelligence helps navigate complexity:

Organizations with high autonomy—like living systems, improv jazz bands, and roundabouts—unlock creativity, judgment, and adaptability.

This distributed intelligence enables agility: the ability to navigate complex, unpredictable, and fast-changing environments.

In other words: in complex work, release individual control to gain collective agility.

Human intelligence cannot be forced or controlled. While machines can be directed centrally with precision and consistency, humans' motivation and inspiration cannot. On the contrary, seeking to control human's unpredictability suffocates these unique qualities and drains life from systems. Agility emerges when organizations distribute decision-making to the people closest to reality. For the organization to self-regulate, it needs to grant team members autonomy over tasks, methods, planning, and coordination—within clear guardrails.

Overall, while machine-like organizations may exert narrow, rule-bound forms of control optimized for specific conditions, a living system is able to exercise agility: i.e. broader, more adaptive forms of influence on unpredictable and ambiguous environments.

Key Distinctions

Control ≠ Accountability

Releasing individual control does not imply blind, unconditional or unlimited faith in someone's work. It remains essential to hold people accountable for their work and to establish the transparency that is required for this. Leaders can set a high bar for someone's output, without controlling the input every step along the way. There is also nothing wrong with putting agreements and expectations on paper; this does not equal micromanagement. On the contrary, creating clarity is part of good teamwork.

Control ≠ Structure

Leaders worry, “if we release control, won’t everything fall apart?” This concern comes from a confusion between control and structure, which are not the same. We may not need extensive control mechanisms, but we do need solid structure and procedures. A roundabout lacks the tight control of traffic lights but still provides a clear structure: roads, white lines, and a few simple rules, such as who has precedence when entering.

So, this review of opposing metaphors should not be misinterpreted as suggesting a trade-off between structure and autonomy. Rather, the trade-off is between control and autonomy. Even if we choose autonomy, we still require structure as well. Both are not incompatible; on the contrary, autonomy, like creativity, *requires* structure to flourish. Autonomy without structure is more like anarchy and chaos.

Control is optional, structure is not:

The mental models suggest a trade-off between control and autonomy; not between structure and autonomy.

Highly autonomous organizations need structure too. Without it, they degenerate into chaos.

Very small teams can operate successfully with minimal structure. However, once they grow beyond half a dozen members, they benefit from defining a clear internal operating system. This is particularly important for organizations with a living-systems worldview, as it provides the operational stability that enables autonomy, creativity, and innovation. Throughout this book, you will find elegant tools and frameworks for accomplishing this.

Much of the management advice circulating today is based on corporate settings and is, in my view, not well suited to help small companies build effective structures. Corporate guidance often prescribes structures and procedures that create organizations too rigid for the fast-changing environments in which small businesses operate. To be clear, structures and

procedures themselves should be well defined, but the organizational behavior they produce should remain flexible. The system as a whole should be dynamic and fluid, constantly adapting to new information and evolving situations.

In conclusion, machine-like organizations can exert precise control under predictable conditions. But most organizations today operate in complex and rapidly changing environments. In such environments, real influence does not come from tighter rules and supervision. It comes from enabling people to adapt, experiment, and respond intelligently to reality. By releasing individual control, we gain collective agility.

Solving the Paradox of Control is not easy. Letting go of control is scary because it sometimes results in initial failure or exploitation. To make the transition safer, you can gradually build up confidence by shifting in small steps. Many of the tools and practices in this book will allow you to do just that.

Suggested Action

Some practices in your organization may reflect the machine paradigm, while others reflect the living system paradigm. The following questions invite you to reflect on your own organization. Consider how you approach coordination, meetings, problem solving, decision making, feedback, goal setting and follow-up, performance evaluation, compensation... You can answer these questions individually or discuss them in a team workshop.

- Looking through the lens of the different mental models, can you give examples of how you currently work together? What traits of each model do you recognize in practice?

Example: "the way we allow everyone to make their own decisions corresponds to living system, jazz band, and roundabout, but our intolerance for any mistake or failure looks more like the other metaphors, creating a lot of anxiety and

overly prudence.”

- Looking through the lens of the different mental models, can you give examples of how you would like to work together differently? What traits of each model would you like to see reflected more in practice?

Example: “What if we reframed our work as a series of carefully designed experiments, where mistakes are expected sources of learning and these experiments are structured so they never threaten our continued existence?”

In which areas of your business are creativity and adaptability (favoring autonomy) more important than regularity and error-prevention (favoring control), and vice versa? Keep this distinction in mind as you proceed with the design of your organization.

MANIFESTO FOR HIGH-IMPACT ORGANIZATIONS

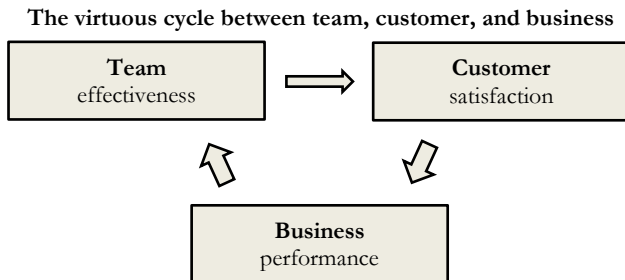
An organization should be designed to provide team members with a platform for personal growth in service of the company's mission.

—Yours Truly

High-Impact Organizations Grow With The Flow - Principles - What Might This Look Like in Practice? - High-Impact Manifesto - Suggested Action

High-Impact Organizations Grow With The Flow

Organizations should create a *win-for-all*: inspired team members, delighted customers, and a prosperous business. This is unlike traditional economics, which assumes a competitive, zero-sum worldview where one party's gain is another's loss.



This method is based on a belief that most people wake up every day with a desire for self-expression and fulfillment (cf. Theory Y) and that most teams

deal with complex work and environments. A team's full potential can then be unlocked by developing rather than controlling people.

Organizational Design North Star:

An organization should be designed to provide team members with a platform for personal growth in service of the company's mission.

Help team members grow and the company will grow.

The next generation of organizations is designed for human development, not control.

Guided by this north star, I will provide a practical guide for building what I call High-Impact Organizations.

High-Impact Organizations:

= Organizations that (1) enable team members to do their best work (2) in service of a meaningful purpose (3) by developing conscious leaders.

The word *organization* refers to both “hard” structures and processes, and “soft” culture. The term *high-impact* is a play on the ubiquitous phrase high-performing teams, and implies high performance with a positive impact. This impact stems from the pursuit of a meaningful purpose, and from the development of conscious leaders whose influence ripples throughout society.

A High-Impact Organization is able to *grow with the flow*. This phrase was one of the core values of the company I co-founded, and I decided to use it as the name for my advisory practice. I'm now using it here too.

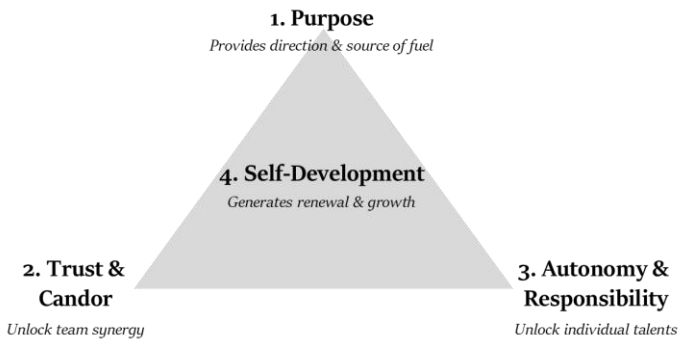
Grow With The Flow:

= To grow graciously with less perceived effort in a complex, unpredictable context by seeing teams as living systems rather than machines; embracing constant change and people's irregular, well-intended, and creative nature.

To be clear, to *grow with the flow* does not mean that we can or want to get rid of all friction. That would be unrealistic and undesirable. The only state without friction is, well, death. To *grow with the flow* refers to finding a certain equanimity amidst the tensions and disruptions that inevitably occur.

Principles

The appendices list the main sources of books, articles and case studies that I consulted to explore how to build a High-Impact Organization, as well as the Pyramid of Team Member Needs, which is my summary of team needs to meet in order to optimize engagement. From this pyramid, I derived four principles that makes the biggest contribution to building High-Impact Organizations. All four principles help design an environment that works with instead of against the living systems nature of teams, and results in a virtuous cycle between team, customer, and business (a win-for-all).



The following quote captures these four principles and the *win-for-all* philosophy of this method quite well:

Having the freedom to innovate virtually limitlessly and thus having an impact on my colleagues' day-to-day experience not only helped me evolve as a webdesigner, but also as a person.

It's difficult to imagine a workspace having a major, positive influence on your personal life, but Yools has made this possible. Thanks to this, I feel more involved and motivated to come to work and help our clients and other team members.

—Yannick Courcelles, webdesigner at Yools

In the next sections, I describe each principle. Your team may alter this manifesto so that it fits better with your own company culture and context.

Principle 1: Purpose

Purpose:

We strive to make a meaningful contribution to the world. Our purpose is why we exist. We choose purpose over profit as our source of motivation and inspiration. Purpose is the end goal, profit the means.

Team members don't necessarily need to be directed but they need a sense of direction. Motivation and creativity are most profound when this sense of direction comes from a clear, meaningful purpose: something beyond ourselves. We rely more on intrinsic motivation than extrinsic rewards.

Our customers are the ultimate beneficiaries of everything we do. We always try to be helpful for the sake of it. Everyone in the company measures their success by the impact they have on customer outcomes and experience, taking responsibility for effects as far downstream as they can see.

Being truly, deeply purpose-driven does not distract from growth and profit. On the contrary: a meaningful purpose inspires the team; an inspired team creates happy customers; and happy customers lead to healthy finances.

Profit is *a* goal but not *the* ultimate goal. Profit is like oxygen: we need air to live but we don't live to breath. Profit is necessary because it ensures our continued existence and allows us to invest in our purpose. But pursuing profit should never come at the expense of our purpose.

The principle of Purpose contributes to the development of a High-Impact Organization by providing a shared direction and a source of fuel.

Principle 2: Trust & Candor

Trust & Candor:

We believe most people on our team are trustworthy and responsible. We create a safe environment without “professional masks”, where everyone can be themselves. We connect by confronting each other compassionately and listening to understand, not reply.

Our organization flourishes with trust instead of control. We start from the assumption that people’s intentions are pure. We check our egos at the door, let go of the need to defend it, and make room to focus on what is important.

We make it safe to be vulnerable, take risks, experiment, and innovate. Instead of blaming or shaming, we proactively seek to help each other succeed and have each other’s backs. We remain true to ourselves, and others respect us for who we are. We communicate as equals no matter our job title. We confront each other compassionately instead of holding back. We listen to understand, not reply.

We avoid extensive reporting or control mechanisms that aim to prevent exceptional errors or misbehavior, but we do have systems for transparency and accountability.

We value equality and fairness, but not uniformity. We treat everyone with equal respect, while also treating everyone fairly based on varying preferences and contributions. Instead of trying to eliminate differences in personality, opinion, and skills, we combine them in powerful ways.

A team is not a group of people who work together. A team is a group of people who trust each other.

—Simon Sinek, writer and motivational speaker

Greater internal trust increases operational efficiency by greasing social

interactions and eliminating the hidden costs of low trust. Instead of questioning the motives behind someone's words, we trust them. We gladly do others a favor, knowing that they (or another colleague) will return it in the future. Trust and candor enable faster resolution of frictions inherent to teamwork. Trust prevents the need to spend excessive time on management, reporting, control, office politics, and power games.

The principle of Trust & Candor contributes to the development of a High-Impact Organization by improving collaboration and internal efficiency.

Principle 3: Autonomy & Responsibility

Autonomy & Responsibility:

We distribute decisions, initiative, and ownership. Managers rely mainly on influence, not force. We all bring up issues, even if they fall outside the scope of our roles, and we resolve tensions through direct dialogue. We keep our commitments and hold each other accountable.

Team members have far-reaching autonomy in how they organize their work, optimize internal processes, and contribute to the growth of the company. Distributing decisions across team members removes managerial bottlenecks and enables constant optimization and innovation in all parts of the organization.

Autonomy requires transparency for sound decision-making and mutual accountability, without letting accountability turn into a form of control.

Autonomy only works if coercion is absent. Leaders rely on persuasion, not authority or force. Tensions are resolved through dialogue until both sides feel understood.

Autonomy and responsibility are two sides of the same coin. The level of autonomy a person can handle, is proportional to the responsibility they can bear. Autonomy requires self-leadership, and we provide the space and support to foster this personal growth.

Autonomy does not mean full self-management. Teams may voluntarily delegate certain responsibilities to central support functions (e.g. aspects of recruiting) or to managers outside their team (e.g. work planning).

Autonomy enables evolutionary change. Change is constant when everyone can decide. We are not looking for a resting point. Progress is achieved by constantly adjusting a dynamic balance. We keep moving.

The principle of Autonomy & Responsibility contributes to the development of a High-Impact Organization by unlocking individual engagement and creativity, and by enabling collective self-organization and adaptability.

Principle 4: Self-Development

Self-Development:

We step out of our comfort zone and embrace constant change. We surf the wave, dancing on it instead of waiting for it to pass. We help each other grow. We align personal aspirations with the team's ambition.

The other three principles culminate in Self-Development. An organization strong in Purpose, Trust & Candor, and Autonomy & Responsibility, naturally fosters Self-Development.

Most people seek to learn and grow both as a professional and as a human being. Growth requires freedom to try things, safety to fail, and guided reflection on lessons learned.

Yools is like a school for life.

—Mathieu Boquet, former UI/UX designer at Yools

Self-Development is a win-win. Stronger team members build a stronger company. We seek to align personal career goals with the company's mission.

The principle of Self-Development applies to individuals as well as the organization as a system. Just like individuals are human beings that constantly evolve and grow, we see organizations not as machines but as living systems

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that constantly evolve and grow.

The principle of Self-Development contributes to the development of High-Impact Organizations thanks to mastery and leadership at the individual level, and renewal and growth at the organizational level.

What Might This Look Like in Practice?

Before we dive in, here is a rough overview of what a High-Impact Organization could look like in practice. The remainder of this book will introduce a set of practices that is carefully selected based on their people-centricity (human development) and their ability to generate immediate impact.

From	To
Extensive activity reporting.	Meetings focus on information that matters and the resolution of issues.
Extensive control mechanisms such as time tracking, reporting are applied to achieve a specific, predefined result.	Team members are motivated by a compelling purpose that benefits the customer, with leaders managing by ensuring context is clear and support is provided.
Customers are treated as a necessary evil, hidden behind statistics and numbers.	Customers are treated as a company's reason for being, and referred to by their personal name.
Formal performance evaluations by managers.	Frequent and informal peer feedback, preceded by self-reflection.
Failure associated with shame and blame.	Failure associated with learning and supporting.
Fine-grained information access policies.	Default to transparency.
People not in the room are often discussed.	Direct alignment between parties concerned, based on respectful confrontation.
Office politics and power games.	Colleagues look out for the interests of others and proactively offer opportunities.
Managers decide so because they say so.	Distributed decisions based on equal decision making rules for all.
Incentivization based on extensive goals and KPIs leads to team members gaming the system and doing the minimum necessary,	Alignment of personal mission with company mission and consideration of contributions beyond primary role leads to

with managers pulling the wagon	distributed initiative and ownership.
Change is orchestrated top-down with big strategic programs and roadmaps, requiring change management to mobilize team members	Change is spontaneous and continuous, with team members self-organizing around opportunities and issues that are spotted all over the organization.
Team meetings are mostly about operational and financial numbers.	Team meetings also discuss the customer's success and how well the team is working together.
Everyone in the entire company forms one, tightly interdependent team, like a giant tanker.	Teams operate as loosely coupled, tightly aligned mini-businesses, like a fleet of ship.
Team members hold rigid positions that they identify with and directly impact their compensation.	Team members hold multiple, fluid roles that can be easily altered without having to review compensation.

High-Impact Manifesto

HIGH-IMPACT MANIFESTO

Building High-Impact Organizations

Organizations that enable team members to do the best work of their lives while serving a meaningful purpose and growing into conscious leaders.

Win-For-All:

Organizations should create a win-for-all: inspired team members, delighted customers, and a prosperous business.

Organizational Design North Star:

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We distribute decisions, initiative, and ownership. Managers rely mainly on influence, not force. We all bring up issues, even if they fall outside the scope of our roles, and we resolve tensions through direct dialogue. We keep our commitments and hold each other accountable.

Principle 4 - Self-Development:

We step out of our comfort zone and embrace constant change. We surf the wave, dancing on it instead of waiting for it to pass. We help each other grow. We align personal aspirations with the team's ambition.

Suggested Action

Examine the description of each of the four principles.

- What evidence do you already observe of how they are apparent in

your organization?

- What could you do to bring some of the principles more alive in your organization?
- What definitions do you find hard to agree with? How would you revise the definition to maintain the underlying idea of the principle while taking into account objections you may have?