OPEN COLLECTIVE
IT SOLUTIONS

OPEN COLLECTIVE
IT SOLUTIONS

INSPIRED INNOVATION

Our purpose is to be courageous
and work together with all involved in a playful manner
to bring sustainable innovation to create a better world.

Shifting to a More Courageous Business Culture

Blueprint of the
Open Collective IT Solutions
Culture
by Harry de Bont
October 2020

CONTENTS

Shift to a more courageous business culture.

Companies have explicit goals, but not all goals and purposes align with the well-being of the environment or the needs of the employees. Every organization is built to optimize its goals. Stakeholders, directors, managers and employees are set in place to facilitate this optimization. When company goals are **mis-aligned** with the employees, conflict and tension are inescapably going to rise up. Managers working in a conflicted environment are lured into **over-management** to make sure to meet their goals. Potential employees, charmed by established companies offering a sense of reliability, security and possibility, join this endeavour. These employees usually don't see their own personal values reflected in the organizational goals, and start to diverge from or question them, eventually showing non-compliance. Supervisors unconsciously react to this opposing attitude by **one-way communication** in the organization and turn a blind eye towards upward oriented feedback and ideas. Employees consequently feel **unmotivated and unhappy** which undermines their energy to be effective even more. Supervisors will feel confirmed in their belief that employees are flaky and thus begin to use force, threats and micro-management resulting in **complacency and belittling behaviour**[1]. **Conflict and tension** are tangible and on the rise. Employees will suffer and **stress-out** and start to leave the company. **High turnover** and **sick leave** is the result, further pushing remaining management and employees to **work harder** and **worry more** about good results. Is there need to shift away from this? Can we achieve a company whose success relies on the shared values of its employees and stakeholders and thrives on the natural engagement everyone feels?

Who should read this paper?

Anyone, who, like us, believes that such a shift is much needed. This paper is for everybody who knows or feels we can do better than that, everybody who is looking for a grip in the challenge of improving organisational culture so we all thrive together.

---

[1] How Narcissistic Leaders Destroy from Within – Lee Simmons, Stanford Business April 30, 2020

Levels of (in)effectiveness.

Within Open Collective we use a five levels '**courage and fear**' model[2] that provides insight to shift the ineffective organizational aspects described above to create an effective, cohesive organisational culture. Using the model enables organisations to transform **stress** in surrender, frustration into energy, numbness into engagement, fear of failure into pride in one's contribution and insecurity into **playfulness**. While applying the model the mindset[3] changes from closed to open. The future feeling changes from diminishing to expanding. The feeling of loss-of-control changes to self-determination and autonomy.

The five levels of the 'courage and fear' model are:
1) level of meaning;
2) level of drive;
3) level of value;
4) level of capabilities;
5) level of possibilities.

In the three sketches below the levels each have a different quality (how culture is perceived) and different result as a consequence of the amplification of fear or the presence of courage. A fear driven organization works top-down and a courage driven organisation operates bottom-up.

Let's first look at a sketch of a traditional company through the lens of this five levelled model (A). Initially this company is still quit effective but in the second sketch of this traditional company it ends up spiralling down because of a seemingly small decision. (B). In the last example the same problem is solved from a bottom-up perspective seen through the same five levels (C).

---

[2] The five layered 'courage and fear' model is developed by MonadCompany Copyright © 2020
[3] Caroll s. Dweck Ph.D., Mindset - the new psychology of success.

Sketch A) An effective traditional hierarchical company

Level 1) Meaning is perceived as necessity

On a high level a company expresses its reason for being here, it's mission and its purpose. Despite appearances and not totally unexpected, creating Shareholder return turns out to be the primary reason for existence in many organisations. Competition is engaged to survive, healthy margins are much needed to finance the costs of the organisation and ensure future investments and innovations. Obviously more profit is better than less. Top-down alignment is essential to make sure everybody is contributing to this important goal. Everybody feels pressure to contribute, a lot of effort is needed to live up to this. Employees begin to feel they "must" do and "need" to do more to reach the goals.

Result: Sense of urgency

Level 2) Drive is perceived as the authority of leadership

To make this all happen there needs to be a focus discriminating success and failure. Contributions can be categorized as useful or useless. Where there is a chance of failure directive leadership is applied to ensure a solution, reports are put in place to make sure it all stays safe. A clear strategy is put forward, and diverging from it is considered loss of energy and is undesirable. It is thought to be true that the more clear and strict a manager handles strategy, leadership and control the more secure the company's goals are.

To tightly control the operation is thought to be a clear sign of a dedicated manager.

Result: Sense of control

Level 3) Value is perceived as a sacrifice for the greater goal

What is thought to be essentially important for the company is believed to be equally important for teams and team members. After all, without each other, nothing happens. Choices are aligned with the greater goal. Because setbacks are inevitable, there is a sense of urgency. Questions are (sometimes) appreciated, but when things are clear, work has to be done. Mostly the invitation of questions is a façade designed to present an open feedback forum, but in reality, questioning is seen as a distraction, a lack of motivation or a lack of focus on the goal. Sometimes a political approach is necessary to avoid resistance. People take a breath of relief when meetings are finally over, because despite a lot of communication there is not a lot of dialogue.

Result: Top-down alignment

Level 4) Capability is perceived as a measure of performance

All that matters is success whether it's a big project or a small task. In team meetings successes are celebrated. When problems arise, the responsible person is supposed to accept help to improve chances of success. These moments are noticed as moments of truth and remembered for the yearly review. Most notably, failures are highlighted as "areas for improvement" and often successes are attributed to the "team" versus an individual. Nobody wants to be the weak link in the team. In the end the one that least contributes suffers the most financially.

Result: Success is rewarded, failure is not

Success demands hard work and the pressure is on when colleagues get ill or resign. It is of the utmost importance that effective instruments are put in place as safety nets to handle these problems. In the case of illness Human Resources, Health Services and the manager are called upon to determine the legitimacy of the condition and to encourage the return of the worker's productivity. The manager will often offer what appears to be support, but feels like demand. The sick colleague will feel this pressure to start working again in the same situation that caused his condition. When employees ultimately resign, Human Resources holds an exit review to obtain feedback about the reasons for departure. These reasons are not given much attention until time passes and several employees show a trend in their burn out and departure experience. This high level of turnover has a significant negative impact on the finances, Human Resources and morale of the organisation. This makes recruitment a main priority for the organisation taking resources away from other potential development. By avoiding to address the root cause of turnover, the organisation creates more expense and drain of resources.

Result: Rigid control over the human factor

Sketch B) The downward spiral of the traditional hierarchical company

When organizations like the one described above are not under too much stress, there is enough leeway to still achieve good results. Employees, teams and managers in the organisation are able to navigate side roads in the described culture to still do their thing. But when the pressure is on, employees, teams, managers and sometimes the whole organisation ends up in a downward spiral. This downward spiral is triggered and amplified by fear. A downward spiral in a hierarchical organisation may start off with subtle consequences but often ends up in disaster. In principal this downward spiral could start at every single level of the 5 laid out above, but for the sake of clarity, the spiral starts at level one.

Level 1) Meaning is perceived as urgency

A mayor client has announced they want to stop the current collaboration. At the same time, the organisation just invested in costly upgrades for the company. The organisation is now suddenly financially fragile. Although still profitable, shareholders have noticed a trend of diminishing profit. Shareholders are afraid that this recent setback announces the start of a period of loss. The shareholders convince the directors to take precautionary measures. Budget cuts and maintaining the profitable activities become priority. The directors present this in a professional manner, by painting it as a new strategy. Nonetheless, the stress in the organisation is growing. Employees are less at ease and await further measures to impact their team or themselves.

Result: Stress and loss of overview

Level 2) Drive is perceived as a narrowed focus

The directors have emphasized priorities. Management already knows where the weak spots are. They clearly explain the chosen strategy. There is no time to lose. Management is curt and feels the pressure weigh on themselves. The road ahead has two objectives, to keep the profitability and to cut down on costs. Not all employees are going to like what is about to happen to them and their teams. Management arm themselves for the confrontation that is about to happen. Teams and employees view their management as the bearers of bad news. Every word, every expression lands with a heaviness. Everybody holds their breath and hunkers down. This is no time to stand out.

Result: Animosity and loss of personal felt responsibility

Level 3) Value is perceived as compliance and consensus

Meetings become charged occasions. Big changes happen suddenly with little to no preparation. A colleague who was already struggling is being laid off. Creative contributions are no longer being brought to the table, spontaneity has diminished. Employees, feeling the stress, are simply trying to hold on to what they have. Managers don't hear any protest or feedback because of the depressed mood of the team members. Individual expression has turned silent. The culture of the organisation is no longer a safe place to be.

Result: Repressed emotions and loss of individual expression.

Level 4) Capabilities are perceived as sticking to proven habits and routines

Work is executed as it is expected, the fear of failure is growing. Everybody, both managers and team members feel they are on their own because everyone becomes preoccupied with their own worries. People in the office are serious and the workplace has a heavy tone to it. Responsibilities and challenges feel even more unattainable and hopeless. When the workday is over, most go home exhausted and dread the next day.

Result: Evasion of challenges and loss of innovation.

Level 5) Possibilities are perceived as a unsafe and uncertain

The threat of the loss of security is personally felt. It's more quiet in all levels of the organisation. Nobody wants to stand out because that doesn't feel safe. Some cannot handle the pressure and fall ill experiencing different symptoms, sick leave is on the rise. Valued colleagues make the decision to accept that other job. Pressure grows even more. People start to wonder if there are no possibilities to turn the tide.

Result: Paralysis and resignation

The Courageous Open alternative

We can assume that in most traditional organisations hierarchy is put in place as a need to separate the mis-alignment of various interests in the organisation:

- Making more profit (shareholders)
- Holding a position of influence and power (management)
- having a fulfilling job (team members).

The organisation that renounces this hierarchy in order to **trust** the organic development of individuals and teams will eventually end up having **better solutions** and more **innovative** and **viable ideas**. This paradigm shift requires an amount of courage to let go of the illusion of control. Self-managing teams are a fruitful ground for creative ideas and more optimal solutions. In self managing teams everybody has the opportunity to express his or her ideas, and to have them tested by colleagues without the fear of being rejected or of individual failure.

Of course this does not mean challenges and setbacks won't occur anymore. Because of the presence of possible failure and set back, operating from a place of **curiosity** and **playfulness** can be best described as **courageous**. An open and courageous organisation creates a safe **space to try out new stuff**, enhances opportunities and finds a way out. When people are encouraged to be curious and playful, they gain a deeper creativity which allows access to the very talents and strengths they were hired for. In addition, these attributes encourage employees to think outside of the box, where the most innovative solutions are found.

Individuals and teams grow accustomed to handling challenging situations with **trust** and know that creativity, collaboration and perseverance point towards the solution sought after. Because of this growing trust the felt pressure diminishes and a positive flow starts to encompass the whole organisation.
Instead being oriented top-down like the traditional hierarchical organisation, the courageous organisation handles it's affairs bottom-up. Grounded in **reality** and aligned by **shared values** and pursuing the **purpose statement**, they work together giving their best in achieving the most optimal possible result. Because this is not a traditional approach to run an organisation, it helps a great deal to be reminded of this new paradigm by available habits[4] and specially **designed rituals**[5]. This positive flow starts and is amplified by courage. It will influence everybody through the attraction of creativity, decisiveness, engagement, passion and inspiration, as attractive as a cool river during a hot summer.

---

[4] Habits such as adopting Holacracy
[5] Ritual Design: Crafting Team Rituals for Meaningful Organizational Change, F. Kursat Ozenc, Margaret Hagan, Stanford University

Sketch C) The bottom up approach of a courageous company

Let's observe the same situation as before, but now viewed from the Open and Courageous perspective: An important client is about to terminate current contracts.

Level 5) Possibilities felt as freedom to play

The threat of the loss of an important client is personally felt by individuals in the organisation. People group together to discuss the oppressive feelings and ease them by sharing and bearing the weight together. After this it's quiet, people start to reflect. Somebody breaks the silence, and suggests an idea that even sounds promising. Someone else starts playfully associating and expresses a similar but slightly different idea. Freely associating feels good to do and stimulates being even more playful, and it's not long before the whole group is joining in. A cacophony of ideas whirls through the air. Suddenly the group is quiet again, that last idea sounds pretty amazing, it even sounds like a solution to the problems brought forward by the client.

Result: Optimism and creativity

Level 4) Capabilities are to be developed and challenged

The solution the team found feels like a huge challenge, they have never done this before.

But the continuing enthusiasm of creativity and playfulness helps them think of a tiered approach that feels feasible. Experts are being consulted and the whole idea is being validated. Someone draws up the idea as a proposal to the client while another one adds the financial perspective. Meanwhile the technically talented team members prove the feasibility by creating a first demo. All ideas start to solidify into a tangible plan and everyone is enthusiastically engaged in the outcome.

Result: Pride and strength

Level 3) Values are the bases for choices

The plan is put back to the group for approval. The choices to make are clear. The values of the company are being matched to the found solution. It all seems to fit, this is something they have to try anyway, notwithstanding the chance of failure. Unanimously the team approves and divides up roles to make it all work. Who will meet with the client? Who will take on the internal challenges?

Result: Engagement and clarity of direction

Level 2) Drive is expressed as focus and perseverance

What needs to be done is clear now. Everybody involved is working on it. A meeting is set up with the client. Purchase orders are being made. The prototype is being improved and tested. All energy is **collectively** focused on making this work. Enthusiasm and productivity are high. It seems the client is open for a meeting. A bit later the client asks about the details of the suggested solution and prototype. The client is invited to investigate the prototype, but also the parts- supplier is invited. The whole team is present when the client is investigating the possibilities of this prototype. Something new is born: a new product that wasn't there before.

Result: Energy and transformation

Level 1) Meaning is found in trusting in a better future

The organisation is in flow. This is who we are. A setback becomes a new beginning. In a stroke of luck, this turns out to be more than just a solution for this client's problem and creates hope for an even better future. The client is very charmed by this organisation's approach, this inspires and starts to spread. The client is selling the idea to its network. This gives everyone the courage to become more visible and inspiration to make this world a better place, step by step.

Result: Flow and inspiration

Are you a software developer or a commercial talent who wants to work with the latest technologies on innovative projects in a courageous company where people come first?

- ➢ Do you want to know more about our philosophy?
- ➢ Are you interested in applying this to your own company?
- ➢ Whatever made you curious, let's talk about it!
  We are interested in meeting you.

Contact us – **info@opencollective.it** or visit **www.opencollective.it**