

Xavier Castaner

Post-modernism, modernism and pseudo-innovation: The case of organizational concepts (buzzwords)

Our contemporary society is often called *post-modern* (e.g. Lipovetsky, 1983), characterized by the return of some sort of tribalism or communitarism which we may want to call neo-medievalism or a new form of medievalism (Kobrin, 1998), where identities and “tribes” are structured around lifestyle – concerning eating, dressing and entertainment habits which Lipovetsky and Serroy (2014) consider some kind of aestheticism – or national identity, or both.

The term post-modern literally means *after* modernity or modernism. And modernism is a period which mainly refers to the Western “civilization” or society where human beings were fascinated by innovation, a need and admiration for new “things”, whether scientific discoveries and achievements (like getting to the moon), technologies and their derived goods, such as the telephone or the television. It is unclear to me that we have superseded “modernity” or modernism at least in terms of this awe and desire for new things, including apparently new ideas. Indeed, the value or credibility of science is being questioned by some, such as the current incumbent of the USA presidency about climate change and his opinion of university education. However, it seems to me that we are still very much or even more hungry for new things, in an accelerated way; so we are still quite modern or even, as Lipovetsky and Charles (2004) say, hypermodern.

First, whereas in the late 19th century and great part of the 20th century, only few territories such as Western Europe, Canada and the USA had seen a substitution of agricultural by “industrial” or service work, now urbanization and tertiarization (the increasing relative importance of the service sector) have reached most parts of the globe, with few exceptions such as parts of Africa, Asia or South America. And this urbanization process (the migration of rural population devoted to agricultural

work to urban areas for industrial or service tasks) has made this new urban population, concentrated or, better said, dispersed in metropolitan areas, new consumers of the modern “Western” way of life (what some call consumerism), even more avid for newness, new objects, new ideas, new experiences. Maybe the most salient case is China and its new affluent population, which is fascinated with technology and in particular information/communication technology, exemplified with Shanghai where the vast majority of citizens don’t use any cash (coins or bills) to pay anymore but use their cell or “smart” phone to do so. This obviously generates a reinforcing dynamic in which corporations have an incentive to constantly launch new generations of their goods in order to keep their demand happy. This incentive might lead to what some call the “programmed” obsolescence of goods by corporations which more precisely means an earlier than necessary decay of the good. This is one of the consequences of our fascination with novelty, which triggers inefficient and often environmental wasteful behavior given that the “obsolete” good is actually still useful. And sometimes it even entails fraudulent corporate behavior embedding the early, unnecessary decay of the good functions in the corporate goods.

But the perverse effects of our obsession with newness go beyond objects, products or goods in general. It also concerns ideas. And this is in my view probably the most dangerous implication.

Our increased demand for new ideas is reflected in the exponential proliferation of books and scientific articles on creativity and innovation (see figure) in the last century in general and in particular in the last twenty years.

And the organizational domain is not an exception. Information and communication technologies have no doubt evolved and the internet and “smart” phones and related devices have made available vast information



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and accelerated electronic communication and transactions, changing many human practices. With the advent of these new tools, tele or remote working (not in the office) has been made possible, potentially allowing for a better “life-work” balance as well as reducing the need for office space. In parallel or maybe as a consequence, several organizations have eliminated the allocation of a “permanent” desk to most of their employees, going beyond the “open space” practice already instituted since the 1990s which by eliminating privacy raised questions of social control and the quality of communication with external parties when it was still done via voice. The consequences of the new practice – of no desk assigned – on employee identification and socialization and ultimately satisfaction and quality of work need to still be determined.

As an example of the increasing proliferation of neologisms to refer to phenomena for which we already have names or concepts and which this represent pseudo-innovation, I want to focus here on a term which have emerged in the recent years regarding a supposedly new organizational form, the holocracy. Is holocracy really a new idea?

Holocracy, more known as holacracy, is a term derived from holarchy, invented in 1967 by Arthur Koestler in his book *The Ghost in the Machine*¹. But the correct term is holocracy given that the expression refers to a system or organization where the power (-cracy) belongs to all (holo-). The New York Times attributes the creation of term holacracy to Mr. Robertson and describes it as a “radical self-management system ... where ... the goal ... is to create a dynamic workplace where everyone has a voice and bureaucracy doesn’t stifle innovation” (Gelles, 2015)².

First, it is not clear how or whether holocracy differs from democracy, but even if we take holocracy to refer to democracy within organizations (rather than states), it is unclear whether decision-making power and self-management are the same thing.

Second, as the NYT article suggests, it would almost entail the end of supervising managers, a concept which has already been long discussed in the literature since 1990s under the term of “self-managed” teams (e.g. Holpp, 1993).

But let’s analyze the holocracy notion more closely. It refers to an organization where decision-making is decentralized and where everyone has a voice.

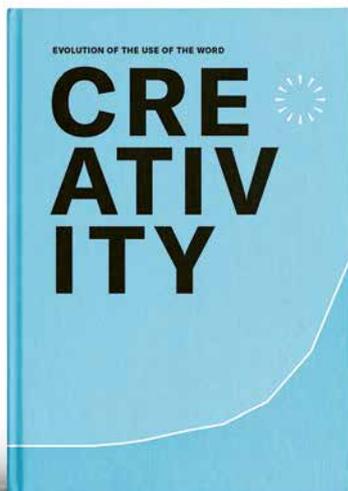
Both decentralization and giving voice (e.g. Hirschman, 1970), also known as allowing for participation (e.g. Tannenbaum & Massarik, 1950; Mitchell, 1973), two concepts which are distinct, have long been discussed in the management and organizational literature, almost since its inception. So the answer to the question is no, holocracy is not a new idea, just a new term which synthetically captures or includes two well-studied managerial practices. Strictly speaking decentralization entails the delegation or reallocation of decision-rights to lower level employees, which provides them with autonomy to decide regarding a certain number of issues (decision scope) without having to seek (prior) approval to their superior but, of course, being accountable for the result to his or her superior (e.g. Vancil, 1980). So, employees still have managers or superiors to whom they are accountable and have to report to for their decisions.

Decentralization is supposed to locate decision-making power where the best knowledge lies, i.e. to the employee or group which have the knowledge (e.g. Galbraith, 1973). As mentioned, the literature on decentralization,

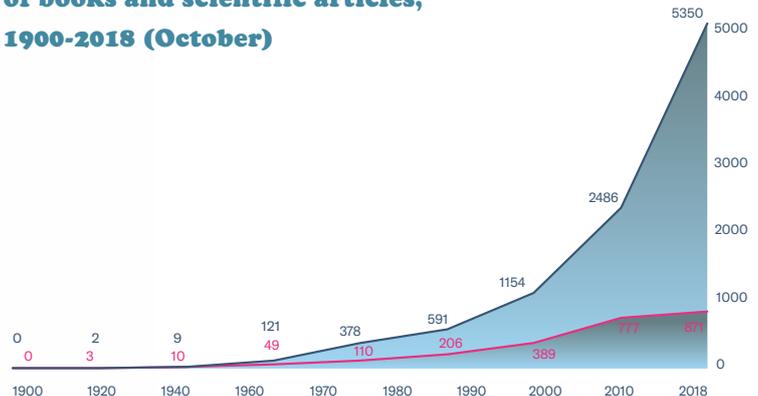
delegation and autonomy in organizations is vast and thus one wonders why we need a new word in the managerial/organizational literature. As a matter of fact, Hedlund already in 1986 discussed the term heterarchy in opposition of hierarchy, to signify the advent of more decentralized organizations, particularly for multinational corporations. Interestingly, Hedlund refers to holographies as a special case of heterarchy and defined them as systems where one part can be used to define the entire system because the part encapsulates the properties of the system (Simon, 1962). And he recognizes that both terms had then already been discussed in the literature and that he might exaggerate their newness. It is important to see that he published this article 32 years ago, before the massive inflow of the new information and communication technologies we now use daily. No one seems to recognize this predecessor to holocracy, though the term might be more appropriate than heterarchy: Anthropologist Bodnarenko (2005; 2017) follows Crumley in her definition of heterarchy as “the relation of elements to one another when they are unranked or when they possess the potential for being ranked in a number of different ways” and argues that it is therefore not strictly the opposite of hierarchy, but is rather the opposite of homoarchy, which is itself defined as “the relation of elements to one another when they possess the potential for being ranked in one way only” (references obtained from consulting Wikipedia).

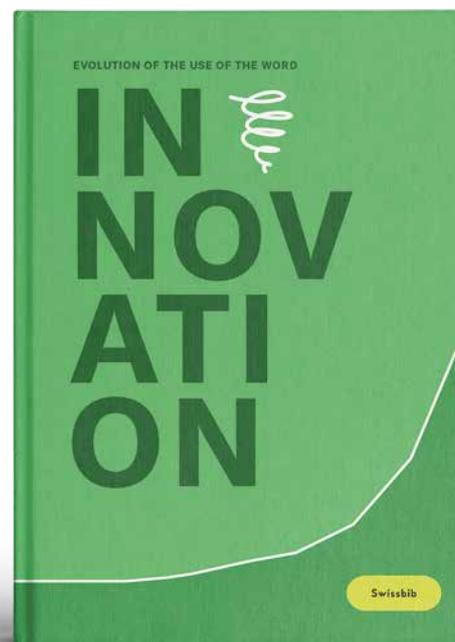
As we can see a lot of confusion can emerge when terms are not defined properly or are not properly related to their etymological source or meaning.

Decentralization or delegation is supposed to empower employees, which has its own long-standing literature in the organization



Evolution of the use of the word CREATIVITY in the title of books and scientific articles, 1900-2018 (October)





and job design streams (e.g. Galbraith, 1977; Vancil, 1980; Hackman & Oldman, 1975) – more recently also called “high involvement” systems (e.g. Pil & MacDuffie, 1996), another example of the proliferation of synonymous terms in the managerial world.

Allowing participation or giving voice, also referred today as “inclusion” (Feldman & Khademian, 2000), is a different concept given that it doesn’t give the decision power to a single individual. It goes from “simply” giving voice whereby certain employees are invited to utter their opinion to the extreme of shared decision-making where all invited participants jointly decide, i.e. have to reach a consensus. For both participation and voice there is a literature since as early as the inception of the academic field of management and organization theory. So, participation is not a new term or practice.

From above, the question we may want to ask and answer is why these forms of organization are becoming so popular today? Maybe the emphasis of holocracy on participation signals the increasing need in a more knowledge-based society to give more voice to employees whose role is to contribute their intellectual capital. This cause might come along greater societal pressure, particularly but not only from the newer generations, for democratic decision-making in general (though populations in different quarters seem to be demanding more authoritarian leaders).

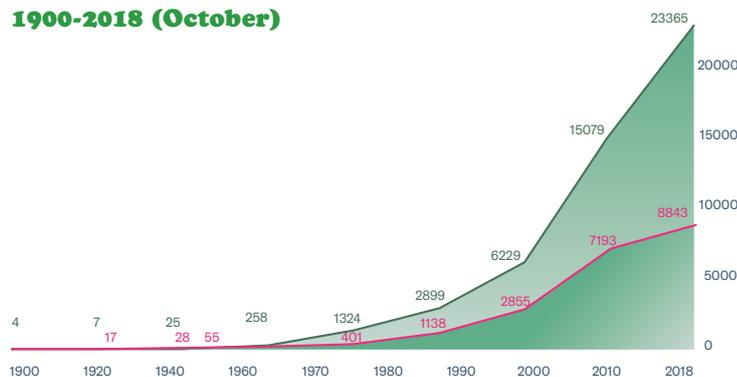
As we can see from Gelles’ article, the contemporary champions of “holacracy” see hierarchy and bureaucracy as problems. But are they?

Stricto sensu hierarchy in organizations is the existence of different levels of decision making where one has power over another. Hierarchy in enough itself is not problematic if authority comes with competence and not too many hierarchical levels are created, something which often slows down decision making and creates informational distortions. As I have said, according to the theory, decentralization or delegation is a practice which should allocate decision-making power where the competence (knowledge) to base the decision is.

Bureaucracy is not always a bad thing either. It depends on how we define it. Bureaucracy literally speaking refers to the fact the power lies in the bureau. But it is usually related to high formalization (standardization) of organizational processes, i.e. written-down (codified) procedures or rules which have to be followed, sometimes but not necessarily always generating substantial “paper”-work. However, standard operating procedures (SOP) exist supposedly because a certain way of performing a task was considered the best way allowing in this way to devote resources to other things (e.g. March & Simon, 1958). As de Gay and Visselko (2017) point out, it also refers to following due process, which hopefully entails (rational) analysis before decision-making and implementation, to avoid hasted, emotional and poor decisions. The problem is when a SOP is no longer the best way of performing a task and it is not replaced, sometimes even preventing the search for a better one (e.g. Levitt & March, 1988).

In conclusion, it is important for all of us to carefully look at terms which seem or are pre-

Evolution of the use of the word INNOVATION in the title of books and scientific articles, 1900-2018 (October)



sented as new. Sometimes, as Hedlund (1986) acknowledged, they might bring more attention to an aspect which was previously discussed or researched but little known which is good. But as we have seen sometimes the new term just replaces an older one such as holacracy for heterarchy, gives a loose meaning to the term such as in holacracy in terms of how power is really distributed and exercised among all organizational members, misuses a term such as in Hedlund's treatment of heterarchy or embeds ideas which have long been researched and known without mentioning them, such as in the case of holacracy where decentralization (delegation) and participation (voice and shared decision making) are central, something which is known as intellectual fraud.

The new information/communication technologies have also brought the so called "sharing" economy. And companies such as Uber have for some raised the question of what constitutes employment but actually Uber drivers are like franchisees. Though the "externalization" of the core operating task of an organization – driving in the case of Uber, Lyft, and other similar companies – might seem strange, the phenomenon of externalization in general – embedded in buzzwords such as the network(ed) organization (e.g. Powell, 1990) or the virtual corporation (e.g. Davidow & Malone, 1993) – and franchising in particular are very well known and studied for many years (e.g. Bradach & Eccles, 1989; Bradach, 1997).

The diffusion of machine learning and artificial intelligence along with robots in society in general and in organizations in particular

will for sure and oftentimes unnecessarily lead to many to propose new terms, whereas what is needed is to think (and legislate) about the meaning of organization and governance in a context where there may be few or no human beings working in it and the role of humans in these new organizations. Will we want to still refer to an organization if it is a legal entity owned by humans but with no humans managing and operating it? What about if artificial entities (computers, robots or a computer program) are allowed to be shareholders and create legal entities? Should they? And if there are still human owners or managers in an organization, how will and should they interact with artificial entities particularly for decision-making? Will artificial entities appropriately counteract only "bad" human emotions, override all of them or also develop human emotionality in which case "artificiality" and humanity will become blurred?

"I have benefited from the conversation with and suggestions from Marco Lalos as well as from the research assistantship of Federica Nolé."

¹ In *Janus: A Summing Up* Koestler (1978) continues the theories developed in *The Ghost in the Machine* and further elaborates on the concept of holarchy.

² "On the stage was Brian Robertson, who invented Holacracy at his start-up, Ternary Software. Mr. Robertson, a computer programmer with no training in human resources, let alone occupational psychology, seems an unlikely candidate to lead a workplace revolution. At Ternary, Mr. Robertson innovated his practices on the fly, testing his approach to self-management. The end result was what he refers to as an "operating system" for organizations" (Gelles, 2015).

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