

## The Autonomy Revolution: Eight Habits of Successful High-Autonomy Firms



*More and more firms are embracing radical new approaches to organisation design centred around networks of “high autonomy” teams. It sounds great, but in practice is very hard to do. Why have some firm’s attempts led to confusion and mass departures, while other firms become exemplars? Here are eight things the world’s top companies do promote high-autonomy working among staff.*

Times are changing. Around the world hierarchies are flattening or disappearing and new, exotic forms of organisation are appearing. Spotify calls them *Squads*, Zappos, an online retailer, calls them *Circles* but at more and more firms, staff are working in autonomous teams. I wrote about this new paradigm in a previous article, [Death of the Machine: How Millennials have Re-written the Rule Book on Org design](#). This short note summarises some interesting observations stemming from my recent work with UK high-growth firms, on what the world’s most valuable and hippest firms are doing to get teams working autonomously - successfully.

### **What IS Autonomy?**

First what it is NOT. Autonomy Doesn’t mean

- Doing whatever you like. The employer defines the *boundaries* of the employee’s control and decision-making power, creating the environment in which the employee can choose how autonomous he or she wishes to be
- Working in isolation. Being autonomous doesn’t give a person the right to work without supervision or collaborators
- Working without a net. It’s only in dysfunctional organizations that employees are left to figure out their jobs with little or no input from management. That’s not autonomy; that’s

lack of leadership. In a well-run organization, autonomous employees receive strong, clear guidance from leaders, established procedures, manuals and so on.

The common thread is less *directive* leadership, more autonomy for staff: Staff in high autonomy environments make their own choices, rather than being directed, on things ranging from how to solve a business problem to when to come into the office; and from what topics to work on in the first place, to how to build their careers. Tracy Maylett, CEO of Decisionwise [defines Autonomy thus](#): "Autonomy is the power to shape your work environment in ways that allow you to perform at your best."

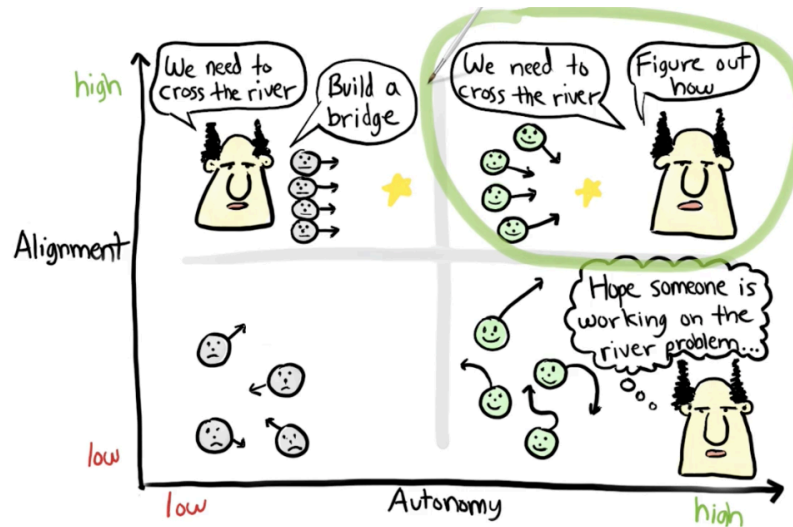
### **The Downside Risk**

Working in a high Autonomy company sounds at first blush like fun, yet it does not come easy. [Zappos](#) had 30% of staff leave in the year after they introduced their high autonomy model. Less directive leadership also means more responsibility for the individual: how are conflicts mediated, decisions reached, and all these new judgement calls made? It adds up to stress. Recently, firms striving to *instill* high autonomy, rather than having been 'born that way' are encountering a subtler challenge: dismantling hierarchy in a firm which is accustomed to it does not lead automatically to the outbreak of effective autonomous working and the collective unleashing of engagement and dynamism. It takes work: work to develop the practices, to learn - or write - the tools, and to educate staff in the expected behaviours which replace old conventions.

### **The Eight Habits**

Here, then, are eight habits being practiced by some of the world's leading practitioners:

1. **Focus leaders on creating *alignment*.** Swedish music-streaming firm Spotify, a prominent proponent of autonomous teams - or 'squads' as the firm calls them - sees alignment as the key to enabling autonomy. The leader's job is not to direct a solution or process, but to generate alignment on what the problem to be solved is. In other words, to say "we need to cross the river", rather than "go build a bridge". The team has autonomy to decide how. This is perhaps the most fundamental habit, because it is the alignment which enables the autonomy. Acting on their own initiative, staff with low alignment will pull in different directions, whereas high alignment increases chances of pulling in concert.



The link between alignment and autonomy. Image: [Spotify](#)

2. **Set boundaries.** The writer [Ken Blanchard](#) said "A river without banks is just a large puddle—what permits a river to flow is its banks." The key to channelling autonomy is recognising that it is freedom to operate *within boundaries or guardrails*. Both Netflix and Spotify layout transparent boundary conditions within which teams have autonomy. They allow wide scope: Netflix's concern ethics, safety, harassment, or trading on insider information. Spotify's squads are bound by the squad's mission, and by certain rules of good citizenship, such as listening to and responding to the needs of other squads. One metaphor the firm uses is of a jazz band, in which each player is riffing, yet they listen and respond to the other players, thus play in harmony. Uber, while now something of a corporate anti-hero, exemplified, during its rapid growth phase, this approach of empowered teams acting within (broad) constraints. Its city launch teams were briefed to act, without seeking approval, unless one of three boundary conditions applied: a) the action might end up in the press, b) it involved a large amount of money, or c) it might result in a law suit.
  
3. **Actively retire rules, encourage use of judgement.** Notwithstanding (2) above, take a torch to the corporate rulebook. Netflix has become a noted champion of employee freedom and responsibility. It declares itself, "dedicated to increasing employee freedom and fighting the python of process", and is thus one of an increasing number of firms with no formal limits on, for example, days paid leave to take. "Our vacation entitlement policy is 'take vacation'", intones the firm's [culture](#) deck. Employees are expected to simply 'act in the firm's interest'... in other words, not abuse the system. Or more subtly, to act a bit more like stakeholders than employees. Management writer Frederic Laloux calls it "Forcing people to be grown ups". A similar lack of rulebook applies at Netflix to expenses. A recipe for chaos? As the firm itself wryly observes. "we also don't have a clothing policy, yet no one has come to work naked."

4. **Transparency and openness.** The establishment of trust is fundamental to establishing a culture that can support high autonomy. After all, environments without rules are open to abuse by actors 'not on board'. Therefore, take extra steps to make *open*, things which would previously have been *closed*; for example, minutes, or even recordings of Management Team meetings. British word-of-mouth marketing firm Verve has just moved to full *pay transparency* across the firm. Other firms, like US firm [Morning Star](#) go further. At Netflix, "Nearly every document is fully open for anyone to read and comment on, and everything is cross-linked." The thing about a transparency agenda, is that although uncomfortable, it fosters feelings of ownership among staff.
  
5. **Minimise 'Blast Radius'** - a Spotify term meaning to limit the damage done by a change, innovation or experiment that fails. One of the key benefits of high autonomy is freedom to experiment. Spotify actively encourages experimentation and is at pains to be 'failure friendly'. Regular team (Squad) retrospectives farm for learnings while avoiding blame - all very 'growth mindset'. But... if you're going to be failure friendly, it's smart to limit the downside. Spotify has the luxury of being able to test updates and innovations in a limited way - for example to small subsets of users. Not so easy if you make, for example, flight safety systems, but for firms that can, the principle is sound.
  
6. **Mantras.** Pop Quiz: which firm coined the following phrases?:
  - a. "Move fast and break things"
  - b. "Done is better than perfect"
  - c. "Code wins arguments"The answer is Facebook for all three. They appear either in Mark Zuckerberg's manifesto to investors at the time of Facebook's IPO - "[the Hacker Way](#)", or painted on the walls of Facebook's office buildings. Of course, mantras are nothing new - think "Keep Calm and Carry On" - indeed they have acquired a bad rep over recent years for their many glib manifestations: think "Safety First", or the pronouncements of David Brent. What is striking is how leaders of high-autonomy organisations have reclaimed the mantra, not to convey platitudes, but to convey pointed examples of expected behaviours or norms, and thus shorthand ways to assert a target culture across rapidly growing firms.
  
7. **Bootcamp.** The British army has Sandhurst. Facebook has 'Bootcamp'. Effective teams need to share a certain context, and common set of behavioural norms. (Behavioural norms is a topic in its own right, but come close to *manners* - something people notice most when they're missing! For example, in one team a developer asserted his right to work between the hours of 6pm and 2am each day because he was a 'night owl'. Fine if you work alone - but not if you're part of a real team). Crisp on-boarding programmes help form these norms, and help teams move faster through the Tuckman [stages of group development](#). British hyper-growth firm Verve, after tripling its headcount in a little over a year, found that moving to high-autonomy teams meant significant investment in training, starting with an overhaul of the on-boarding process. Operating a

high autonomy workplace requires mastery of a set of tools and practices (such as the 8 in this list) which often need to be learned. Las Vegas firm Zappos, whose radical move to high autonomy led initially to mass departures, spent several years and millions of consulting dollars embedding the numerous norms and tools it requires.

8. **Staff Tools.** Many staff find moving into a high autonomy mode of working disorienting or stressful. Firm leadership needs to “give everybody *tools* to make better discretionary decisions” as one senior HR director at Verve put it. Examples of tools: Uber developed detailed *playbooks* for city General Managers. Zappos has *gig marketplaces* from which staff can select projects to join and thus be more autonomous in the way they build their careers. Columbian dance/fitness brand Zumba became a global phenomenon essentially by equipping 100,000 dance instructors with tools from playlists to merchandise, to training modules on marketing. Technology plays a role; hosting playbooks (which need to be common to all, yet editable by all); online gig marketplaces, - all depend on easy access to shared servers. Performance measurement, which becomes more not less important in the high-autonomy world, is greatly aided by slick, app-like tools which employees use to give and receive feedback and track progress.

The rise of the autonomous team is not a universal trend. Indeed there exist counter-trends towards *more* centralisation and hierarchy in some types of organisation; the policing of organised crime for example. But it's a notable feature at three of the worlds six most valuable companies at the time of writing. So it's definitely a thing. Call it the '*Autonomy Revolution*'. For the firms doing it well, the rewards manifest in higher productivity, and in improved attraction and retention of top talent. But for firms wanting to move towards it, there are many ways to get it wrong. Heeding these 8 tips may help.