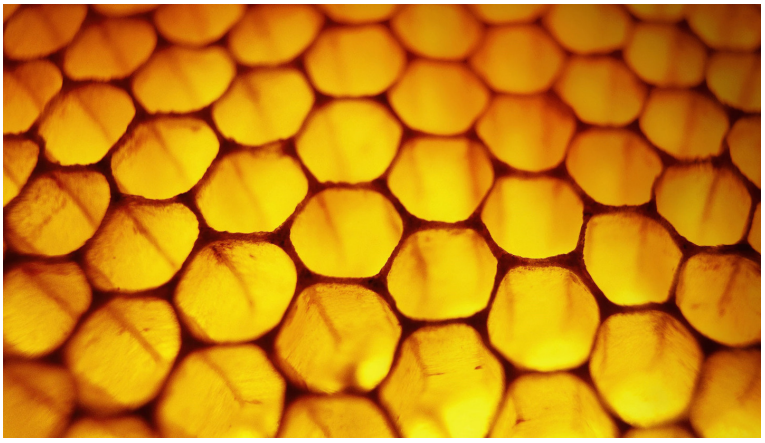
Self-Management and the Volunteer Economy at Incandescent

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Since the publication of Beyond the Holacracy Hype in HBR this summer, a number of people have asked me whether Incandescent has a form of self-managing organization. For the most part, the firm operates in a clear but loose hierarchy, in which objectives are delegated from clear sponsors to owners who then have great latitude to execute as they see fit to achieve their goals, operating within certain constraints established up front and further clarified along the way. We do, however, believe it is valuable to have a volunteer economy in which work can be performed in a fully self-managed way.

Here's how we currently articulate this balance:

Our four fundamental commitments, discovery, impact, community and economic value, represent Incandescent's "why." In the course of our work, we continually make "small c" commitments that add up to the "what" of the firm's agenda: deciding to undertake a client assignment and committing resources to fulfill the assignment well; setting a goal for evolving our capabilities that involves opportunity cost of diminished focus elsewhere; and so on. Anyone at the firm can propose an agenda that they believe the firm should undertake, whether a new opportunity on the outside or a new idea on the inside. This bottom-up, entrepreneurial action is deeply encouraged. This stance is an input to decision-making processes around the firm, but it remains the responsibility of the owner responsible for the relevant area (e.g., the client relationship, the internal function) to balance all the considerations in play and decide whether to make the commitment.

Alongside the management system the firm uses to make its more formal commitments (the "directed economy"), we make room for a "volunteer economy" in which people freely explore possibilities, share ideas and try to make a difference. In the volunteer economy, we operate as peers rather than as a hierarchy, are accountable for our behaviors (e.g., if I promise to do something, I should follow through) but not for fulfilling certain outcomes, and speak for ourselves rather than for the firm. The delineation of the volunteer economy as separate from the formal

domain of the firm's agenda creates room for divergent ideas and possibilities to be explored. For instance, we might not collectively prioritize development of ideas in a certain domain, but an interested group might still wish to gather and develop thinking in this area. We might not prioritize a certain client opportunity, but an individual who has an important relationship there might still choose to engage informally in advising certain individuals at the client. Sometimes, work will cross over from the volunteer economy into the firm's explicit agenda – what begins as a skunkworks project could become an effort that gets formally resourced, with explicit accountabilities delineated and agreed upon. Similarly, elements of the firm's formal agenda that are completed or from which we move away may give rise to work in the volunteer economy, as individuals and groups continue to explore what might be possible or nurture certain aspects of the work that are personally resonant.

Individuals can be recognized and rewarded for the work they do in the volunteer economy. The value to the firm of this work is often just as real and just as significant as work in the directed economy. Unlike certain companies like 3M and Google that have specific practices regarding how much time is placed into the volunteer economy, Incandescent does not have a universal norm. From time to time we will relax commitments and expectations in the directed economy in order to allow individuals and groups to have more energies to engage in the volunteer economy.

This specific balance represents one version of the kind of hybrid model of organizing that I believe more companies should explore. The right balance between hierarchy and self-management depends greatly on the nature of the work; the company's culture, capabilities, and stage; and the strategic and competitive imperatives in play. There are lots of possible ways to build self-managed elements into other kinds of management systems. We don't think that others should turn the "dial" to exactly the same setting as us, but we hope that others will also take a thoughtful approach to what setting on that dial will work best for them.