

What is Self-Management?  
Author: Doug Kirkpatrick  
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## Introduction

Self-Management is the organizational philosophy represented by individuals freely and autonomously performing the traditional functions of management (planning, organizing, coordinating, staffing, directing, controlling) without mechanistic hierarchy or arbitrary, unilateral command authority over others.

Effective Self-Management relies on two key principles. First, individuals should not use force against other people or their property. Second, individuals should respect and uphold the commitments they have made to others. These two key principles provide the foundation for most of our current legal system, both civil and criminal. When people act in accordance with these principles, the result is a peaceful and harmonious civil society. When people work in organizations with these principles, there are no barriers to becoming engaged, collaborative and lofty performers.

Principles are commonly defined as fundamental, general or primary laws or truths. An example of a principle of physics is the law of gravity. Human beings can freely choose to respect the law of gravity or not. If a person chooses to ignore the law of gravity and jumps off a tall building, it is likely that the result will be negative. Similarly, when a person chooses to use force against others (or the property of others), or to renege on a commitment, the consequences are usually negative. Alternatively, when human beings uphold these two key principles, they help themselves and others to thrive, prosper and pursue happiness.

## Management, Part One

Traditional, hierarchical management arose in the 1800s to serve a unique confluence of historical circumstances: a gigantic, emerging national market for industrial goods following the Civil War; new technologies generated by the Industrial Revolution; and the demands of a fast-growing railroad industry.

A new American transcontinental railroad ran about 5,000 miles, ten times the run of the longest English railroad. The rail industry's enormous fixed capital costs required Herculean planning and foresight (try to imagine the planning needed for the Union Pacific and Central Pacific to work from different directions to complete the first transcontinental railroad in 1869). Professional managers became necessary to coordinate the efforts of tens of thousands of workers and their materials and equipment. Managing the rail scheduling, pricing, distribution logistics, human resources, repairs, and capital investments all required a workable system of hierarchical management. Scheduling trains and tracks had to be managed especially well: mistakes could be, and often were, fatal. While a functional hierarchy of specialized skills could manage a few hundred miles of track with the rudimentary electronic communication systems of the

day, a set of divisional functional hierarchies would be needed to manage an entire railroad, with each division head reporting to a corporate CEO, who reported to the Board of Directors.

Thus was established the dominant American management structure of the twentieth century. The other industries to come, automobiles, telecommunications, aviation, and many others, would rely heavily on these hierarchical managerial systems, which drew a clear demarcation between managers and mere laborers, as well as between jobs that required specialized skills.

The idea of hierarchical management was developed and fiercely communicated by theorists like Frederick Winslow Taylor, who famously declared to a congressional committee that “I can say, without the slightest hesitation, that the science of handling pig-iron is so great that the man who is ... physically able to handle pig-iron and is sufficiently phlegmatic and stupid to choose this for his occupation is rarely able to comprehend the science of handling pig-iron.” Taylor’s appetite for force was evident in his statement regarding how to introduce his system of “scientific” management: "It is only through enforced standardization of methods, enforced adaption of the best implements and working conditions, and enforced cooperation that this faster work can be assured. And the duty of enforcing the adaption of standards and enforcing this cooperation rests with management alone."

#### Self-Management: A Description

According to the BlessingWhite 2008 Employee Engagement Report, fewer than one in three employees in North America are fully engaged in their work. This represents an enormous loss in productivity, economic prosperity and human happiness. Another finding showed that while 71% of employees surveyed agreed that their manager understands what they do well, only 66% indicated that their manager encourages them to use their talents as much as possible—a sad commentary on unused and underutilized talent in organizations.

The philosophy of Self-Management makes the idea of reliance on another, higher manager for recognition and encouragement obsolete and removes all structural barriers to full employee engagement.

Self-Management goes well beyond traditional empowerment programs, where employees are given designated slices of power while a manager above them retains the ultimate power of discipline or termination. Self-Management provides people all the power they need from the first day of work to accomplish their mission—and no one has the authority to unilaterally fire them.

Self-Management allows people all the freedom they need to accomplish their mission: to make those business decisions they are in the best position to make, to perform the tasks of traditional management for those processes they are in the best position to steward, to decide for themselves what training and mentoring they need to be successful, to

collaborate, team or work alone as circumstances require, and to communicate and cooperate with others in pursuit of the mission. Not everyone can thrive in a self-managed organization: those who try to wield power and authority (i.e., be a “boss”), tend not to thrive in such a system—no one is required to follow them. Likewise, those who need to be continuously directed to perform their responsibilities will not thrive in such a system—no one else will have time to manage them. Self-Management is particularly conducive to those who take initiative, communicate and work well with others.

Self-Management represents an acid test for prospective leaders: since no one has any directive or command authority in a self-managed system, no one has an obligation to obey anyone else. Leadership roles must be cultivated and earned. Those who are willing to pay the price of developing high-quality relationships and exhibiting leadership qualities by excellent performance, modeling exemplary behaviors, communicating, envisioning, initiating and caring will be viewed by colleagues as leaders. The reverse is also true.

Leadership in a self-managed system tends to devolve to the person or persons possessing the most expertise in a particular subject, whether ongoing or temporary. Without formal titles, self-managed leadership is informal and based on competence and trust. Self-Management is therefore conducive to the notion of dynamic hierarchies, with self-organized work groups forming themselves with or without leaders based on the issue, problem, process or project at hand, and leadership rotating to whoever’s expertise is most relevant at a particular moment.

Self-Management eschews the use of force against other people or their property. Thus, any conflict involving people in a self-managed system requires an orderly, ethical process to gain agreement on how best to resolve that conflict. Such a process is best represented by pairing a request and a response, coupled with an orderly method to steer that request to a point of clear agreement. In a self-managed environment, there are no “behavioral consequences”, since no one has any authority to issue consequences. The only consequence involves individuals becoming subject to requests from other self-managers who perceive a need for change. Self-Management is the antithesis of the views of Frederick Taylor regarding the division of management and labor. Self-Management embraces the humanity and initiative of all persons in an organization and seeks their full engagement in a continuous upward cycle of improvement.

Effective Self-Management requires that people live up to their commitments: long-term and short-term, formal and informal, written and verbal. Only by keeping commitments can individuals build trust in each other and prosper and thrive in an ecosystem of high performance.

Self-Management embraces all available tools and technologies, including electronic real-time feedback systems (people must seek their own feedback, since there are no traditional managers to provide it), rigorous business process definition and stewardship, peer agreements regarding expectations and performance, continuous education and

training, and myriad others, many of which are enabled or enhanced by modern information technologies.

## Looking Forward

Margaret Wheatley, in her book *Leadership and the New Science*, says: “In a quantum world, everything depends on context, on the unique relationships available in the moment. Since relationships are different from place to place and moment to moment, why would we expect that solutions developed in one context would work the same in another?” Her prescient observation is remarkably appropriate in the context of the evolution of organizational management from management by/of others to Self-Management. While the exigencies of a developing railroad industry across a young and raw continent may have demanded one type of management approach, the type of management demanded by a flat world shaped by information-rich electrons flying instantly around the world wings of light creates demands that no one could have foreseen when Samuel Morse invented the telegraph. Margaret Wheatley’s question is a defining one for our times: it is becoming increasingly clear that the traditional hierarchical management structures that served well in the Industrial Age are becoming obsolete and even counterproductive. In a quantum world, where everything depends on context, a new management paradigm must emerge. The paradigm of Self-Management is now knocking on the door of the American workplace. Who will answer?