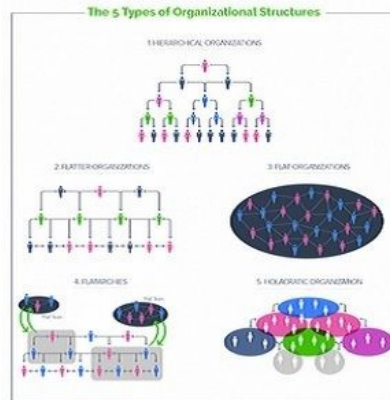




## Organisational Structures of the Future



In his book *The Future of Work*, Jacob Morgan describes five types of organisational structures and concepts that "either already exist in today's business landscape or are starting to emerge as viable options for the future of work." Key features that characterise each of these structures are summarised below.

### Traditional Hierarchy

In this model, communication typically flows from the top to the bottom which means innovation stagnates, engagement suffers, and collaboration is virtually non-existent. There is much bureaucracy that promotes sluggishness in the workplace. This model makes sense for linear work where no brain power is required.

The greatest strength of the hierarchy used to be that it was so reliable at maintaining the status quo, which was exactly what companies wanted decades ago. As organisations around the world explore alternative organisational models, those still stuck with the hierarchy will have a hard time trying to attract and retain top talent.

### Flatter Organisations

Unlike the traditional hierarchy where one way communication prevails, a "flatter" structure seeks to open up the lines of communication and collaboration while removing layers within the organisation. Most large (and many mid-size) organisations around the world are moving towards this model. Some form of hierarchy still exists within this model but that isn't necessarily a bad thing in this case.

In flatter companies there is still a strong focus on improving the employee experience, challenging the status quo around traditional management models, and the like. But instead of completely reinventing the entire company and introducing a radical new structure and approach to work, it achieves similar results in far shorter term and with much less effort and resource allocation.

### Flat Organisations

In flat companies, everyone is seen as equal, meaning there are usually no job titles, seniority, managers, or executives. The most famous example of this comes from Valve, the gaming company responsible for classics such as Half-Life, Counter-Strike, Portal, and many others. At Valve there are no job titles and nobody tells you what to work on. Instead all the employees at Valve can see what projects are being worked on and can join whichever project they want. If an employee wants to start their own project then they are responsible for securing funding and building their team.

Smaller and some medium size companies might be able to operate in this type of an environment, but for

organisations with thousands of employees then it becomes challenging.

### **Flatarchies**

These types of companies combine features of both hierarchies and flat organisations. They can be more hierarchical and then have ad-hoc teams for flat structures, or they can have flat structures and form ad-hoc teams that are more structured in nature. Organisations with this type of structure are very dynamic in nature and can be thought of a bit more like an amoeba without a constant structure.

This model can work within any type of company large or small. However, a flatarchy is to be thought of as a more temporary structure which creates isolated pockets of new structures when needed, such as in the case of developing a new product or service. The main benefit here is the focus on innovation which is quite a strong competitive advantage in the future of work.

### **Holacratic Organisations**

The basic goal with this structure is to allow for distributed decision making while giving everyone the opportunity to work on what they do best. There is still some form of structure and hierarchy but it's not based on people as much as it based on circles or what most people would think of as departments. Information is openly accessible and issues are processed within the organisation during special and ongoing meetings.

Holacracy can be more viable for smaller or medium size organisations or perhaps larger organisations that have started off with holacracy as their base operating model.

Source and image credit: [The Future Organization](#)

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