

# Some offices have done away with managers

By Seth Stevenson, Slate

You might wonder sometimes, perhaps after an especially inane quarterly job review, what it would be like not to have a boss. Or, after that same job review, not to be a boss. What if we were all workplace equals, with everyone possessing the same privileges and the same authority?

The truth is, there are all sorts of drawbacks to employing managers. (Note to my editor: Not you! You're perfect! Never change!) More layers of management means paying more workers, and generally at higher salaries. It means introducing inefficiency, as each decision gets slowly passed up the chain for approval. In a hierarchical organization, decisions get made at the top of that chain by the people with the least connection to the facts on the ground. Meanwhile, the folks at the bottom, in the heart of the action, feel no agency over their work. In short: no bosses, no problems. So why not get rid of the management structure altogether?

A few workplaces have done exactly that. The California-based Morning Star Co. – the world's largest tomato processor – has no titles, no promotions, and yes, no managers. As detailed in a 2011 case study by management guru Gary Hamel in the Harvard Business Review, Morning Star relies mainly on contract-style agreements between its workers. These agreements are called Colleague Letters of Understanding (CLOUs, pronounced "clues"), and each one is renegotiated annually. There are about 3,000 total CLOUs in effect at any given time, connecting workers in a web of shared responsibilities and expectations.

If you need an expensive new piece of manufacturing equipment

to fulfill your CLOU, you go ahead and buy it without needing permission. If you need an additional worker to make good on your division's promised output, you go ahead and hire her. This doesn't mean you're operating in a vacuum: You are still expected to consult widely with your colleagues to get their input before making any major moves. At the end of the year, each unit must defend its performance to its peers. And compensation is determined by a panel of co-workers that will carefully assess your worth to the firm.

**Read the whole story**