Predicaments of Enterprise Hierarchy

Traditional enterprise organizational models are all containing layers of hierarchical structures with predefined and predetermined roles and activities.

Regardless the type of activity, in such an enterprise one can usually witness the following phenomena!

A hiring executive will hire with predominance a particular type of person, very much based on subjective reasoning. The hired person, in turn, when hiring somebody, will hire observing very much the same type of person. And so on ... the result being the creation of a 'church' inside the enterprise. The problem with that is it leads to silos.

If the above would be the only process resulting in silos, perhaps the impact would be much smaller. Unfortunately, hierarchy also forces the distribution of systemic activities in form of 'salami slices', where each office or department is completing one type of work, only. Larger the enterprise, more difficult it becomes to synchronize and optimize the activities of these 'cells'.

These approaches of 'slicing' the work and of ' simplifying' it, also lead to the strategy of hiring less and less skilled manpower, which becomes 'disposable' when end line financial results demand it. So, after investing resources in hiring new employees, the enterprise gets rid of them. Then, later the same enterprise hires a new wave of less skilled employees and the cycle repeats. All that, motivated by financial results. And this is a huge and costly error on the long term:

every human being goes through a learning cycle which starts with theoretical knowledge, then practical knowledge and only after these comes the creative knowledge - the enterprise described above is depriving itself of the very creative stage, where the employee is able to give back in form of improvements and innovations of the business in question!

In conjunction with the above, hierarchy forces upon staff - at all levels - a highly detrimental practice: internal competition! Especially around decision-making activities, internal competition is the very reason for placing individual career way above the duty towards the organization. Have a look at your work environment and check it out through the filter of personal goals: those of you and those of everybody else around the enterprise. Then, write it down and check how much time is wasted around your enterprise on activities having little or nothing to do with the end-goals of your organization.

To the above, 'Dynamic Digital Enterprise model' is bringing the flat hierarchy and interchangeable leadership roles for the specific purpose of avoiding the above phenomena. By not having a multi-layers hierarchy as such, by delegating repetitive work to machines and having only highly skilled humans do the creative work, by bringing on board only people passionate about their work, by creating the optimal culture, D.D.E. model is changing the game:

instead of playing the odds of surviving, the business plays the odds of becoming more successful.