Freedom-form organisations, innovation and quality of work life: towards a new model of interaction

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Abstract: In this article, we aim to bring together the fields of innovation management and organisational psychology (Deci and Ryan, 1985, 2000) in order to study an increasingly adopted organisational form – the freedom-form organisation (F-form) – and its effects on innovation capability and quality of work life. The findings from an exploratory case study of a small French company in the software services industry allow us to build a model and to formulate propositions for studying the interaction between freedom-form organisations, innovation capability and quality of work life.

Keywords: freedom-form organisation; innovation capability; quality of work life; innovation management; interaction model; organisational psychology.

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1 Introduction

Since Schumpeter’s seminal work (1934), research on innovation has mostly focused on technological innovation – the launch of new products and technical processes by organisations (Damanpour, 2014). However, a recent stream of research stresses the importance of management innovation, i.e., changing organisational form, applying new practices and processes in the development of technological innovation (Mol and
Birkinshaw, 2006; Volberda et al., 2013) or introducing high performance work systems (HPWS) to support organisational innovation (Fu et al., 2015). Research has outlined the relationship between different organisation forms and their influence on innovation. Tensions have been pointed out between exploiting controlled knowledge versus exploring new knowledge (March, 1991), and stimulating vs. constraining employees (Perez-Freije and Enkel, 2007). Other research has identified work environments and management practices in support of creativity (Amabile et al., 1996). The strategy literature focus on dynamic capabilities (Teece et al., 1997) has led to inquiries in organisational innovation capability (Liao et al., 2007), while organisational psychology has explored the link between employee well-being and motivation at work. In these different perspectives, an environment fostering autonomy, competence and well-being stands out as a key condition for unleashing employee initiative, and hence the capacity to innovate.

In this article, we aim to bring together the fields of innovation management and organisational psychology (Deci and Ryan, 1985, 2000) in order to study a recent organisational form – the freedom-form organisation (F-form) – and its effects on innovation capability and quality of work life (QWL). F-form organisation is the expression coined by Brian Carney and Isaac Getz, authors of Freedom Inc. (2009), to refer to an organisational form where “employees enjoy complete freedom and responsibility to take any action that they decide is best for the company” (p.35). In France and neighbouring countries the book triggered a ‘corporate liberation’ (Trapp, 2017) with hundreds of companies and public sector institutions, including Airbus, Decathlon, Michelin, the French Social Security, several Belgian ministries and many SMEs, adopting the F-form and praising its positive effect on employee well-being and initiative.

The article presents the findings from an exploratory study of Sogilis, a small French company in the software services industry that has adopted the principles of the F-form since its creation in 2008. Specifically, we question the impact of the F-form organisation on two aspects: innovation capability on the one hand, and QWL on the other hand. Or, said simply, are free employees more innovative? Are free employees happier?

We shall first present the theoretical background of F-form organisations. Based on the literature on innovation management and organisational psychology, we go on to propose an analytical framework combining management for innovation and QWL. The findings from our single case study allow us to formulate propositions on the impact of the F-form on innovation capability and QWL. Finally, we discuss the interest in combining two literatures whose synergies have hitherto been ignored.

2 Towards an analytical framework combining freedom-form organisation, innovation capability and quality of work life

This article brings together three distinct theoretical fields:
1. the literature on F-form organisation
2. innovation capability with a focus on human resource management (HRM)
3. the literature on QWL.
2.1 F-form organisation: theoretical and practical foundations

F-form organisations are part of a number of organisational experiments focusing on less hierarchical organising (Lee and Edmondson, 2017). These forms of organisation are characterised by efforts to decentralise authority, a severing of the reporting relationship between subordinate and manager, flexible role definitions and employee autonomy. Lee and Edmondson (2017) distinguish between radical and incremental self-managing organisations (SMOs) depending on the extent to which decision authority is decentralised regarding firm strategy, organisation and work design, work and resource allocation, managing and monitoring work execution, personnel and performance management.

F-form can be considered as one manifestation of SMOs. Carney and Getz (2009) carried out a five-year ethnographic project among 18 companies known for “having responsible employees who were free to act” – including WL Gore and Harley-Davidson in the USA, the cleaning company SOL in Finland, Semco in Brazil (Semler, 1989), and automotive supplier FAVI in France. Their research depicts the main characteristics of the F-form both in terms of organisational design – removal of hierarchy and of symbols of power (such as reserved parking spaces and titles) – and of leadership style, emphasising the role of the ‘liberating’ leader who shares the company vision and values with employees, and creates an environment satisfying people’s universal needs for competence, autonomy and relational support. The authors highlight the outcomes of such a fulfilling environment: employees are happy and engaged at work, which leads to greater performance and productivity.

In France and neighbouring countries, the increasing number of organisations adopting the F-form led to the emergence of a ‘corporate liberation’. This emergence has been facilitated by the following specific factors: a charismatic speaker (professor Isaac Getz); a dedicated website (http://freedominebook.com); role models, such as Jean-François Zobrist, former director of Favi, and author of the book Favi’s Story: The Company that Believes that Man is Good (2014); an increasing number of companies adopting the model; media coverage in French mainstream press and on TV; consultants offering to help companies liberate; and critics pointing out the risks of social-control and over-engagement. F-form also fuels academic research with a number of articles attempting to characterise the F-form (Gilbert et al., 2017; Colle et al., 2017), and even a special issue in a French academic journal taking a more critical perspective (see the whole issue).

The cases related by Carney and Getz indicate greater performance and innovation capability. This is consistent with research that has demonstrated the role of psychological empowerment and organisational trust on innovation capability (Johns, 2006; Liden and Antonakis, 2009; Ertürk, 2012), or the role of participative coordination mechanisms in new product development (Olson et al., 1995). Indeed, the F-form is heir to a longstanding tradition in organisational psychology and management theory that values autonomy at work.

F-form can be traced back to organisational psychology motivation theory (intrinsic vs. extrinsic) and McGregor’s (1960) distinction between theory X and theory Y of management. More specifically, the F-form’s focus on the liberating role of the leader is influenced by self-determination theory (Deci and Ryan, 1985, 2000). Self-determination theory focuses on how social and cultural factors facilitate or undermine people’s sense of initiative, in addition to their well-being and the quality of their performance.
Conditions supporting the individual’s experience of autonomy, competence, and relatedness are argued to foster the highest quality forms of motivation and engagement for activities, including enhanced performance, persistence, and creativity. According to Getz, the role of the liberating leader is to provide such a nurturing environment, which contributes to QWL: “When people are treated with consideration, when they are provided with support and self-direction, they self-motivate and take initiative, leading to increased performance and enhanced personal wellbeing” [Getz, (2009), p.37].

F-form also builds upon to management theorists’ and practitioners’ work on autonomy: from mutual adjustment (Mintzberg, 1979) to organisational learning (Appelbaum and Goransson, 1997; Argyris and Schón, 1996; Garrat, 1987) or autonomous regulation (Reynaud, 1988). The writings of Getz also resonate with more prescriptive works such as Mary Parker Follett’s (1868–1933) concept of ‘power with’ rather than ‘power over’ (Graham, 1995) or Elton Mayo’s experiments at the Hawthorne plant (Mayo, 1933) indicating that paying attention to workers’ overall needs increased productivity. F-form can also be considered a late offspring of participative management (Gilbert et al., 2017). Experiments in participative management in the 1960s and ‘70s such as industrial participative democracy in Norway and Sweden, self-managing teams or semi-autonomous work teams in France, Belgium and Italy, refer to initiatives to give subordinates “an opportunity to participate in the various decisions that are made in their organisation which affect them directly or indirectly” [Argyris, (1955), p.1]. The F-form has similarities with participative management practices: reduction of hierarchical levels, teams that self-organise and are committed to results, decisions taken by the employees concerned. However, it extends decision authority to all areas of decision making beyond work execution, and to the whole organisation, not only front-line teams (Lee and Edmondson, 2017). Other specific features of the F-form include the focus on innovation and entrepreneurship, the key role of the liberating leader (Gilbert et al., 2017), and the focus on QWL.

In summary, we consider the F-form to be a contemporary manifestation of a quest for re-imagining conventional organisational hierarchies. Given its wide-ranging theoretical influences, it is both an organisational model, which can be defined through its structure, but also a corporate philosophy with values inspired by humanistic management (McGregor, 1960) and research in organisational well-being.

### 2.2 F-form organisation and innovation capability

Gilbert et al. (2017) highlight the potential of F-form organisation to stimulate innovation. In the F-form, innovation goes beyond dropping ideas in suggestion boxes. Each employee is expected to contribute to organisational or product innovation, thus becoming an intrapreneur (Pinchot, 1985). Our purpose here is to explore how the F-form organisation influences innovation capability.

Liao et al. (2007, p.348) define innovation capability as “going through various types of innovation and achieving an overall improvement”. There are two main types of innovation: products/services innovation and process innovation (Assink, 2006). Product innovation capability consists of bringing new products and/or services to the market. Process innovation capability deals with applying new and advanced procedures at work. Other types of innovation can also be considered such as business model and management innovation. In line with other authors in this field, Casadesus-Masanell and
Zhu (2013, p.464) define business model innovation as “the search for new logics of the firm, new ways to create and capture value for its stakeholders, [it] focuses primarily on finding new ways to generate revenues and define value propositions for customers, suppliers and partners”. Birkinshaw et al. (2008, p.825) define management innovation as “the invention and implementation of a management practice, process, structure, or technique”. Organisational or management innovation includes work design, leadership approaches, staff welfare and recruitment systems. Following Assink (2006), we assimilate business model and management innovation with process innovation. Hence, in this process we consider the whole spectrum of innovation types in order study the influence of F-form organisation on innovation capability as a whole.

Researchers in HRM have explored the impact of HRM practices on firm innovation (Armstrong et al., 2010; Cabello-Medina et al., 2011; Shipton et al., 2005). Specifically, the HPWS perspective emphasises the importance of empowering front-line workers, giving them the information and knowledge they need to make decisions, and rewarding them for doing so (Becker and Huselid, 1998). HPWS involve the use of selective staffing, extensive training and development, mentoring, performance management and incentives (Fu et al., 2015; Gittell et al., 2010; Takeuchi et al., 2007). In the abilities motivations and opportunities (AMO) model developed by Boxall and Macky (2009), improvements in knowledge enhance ability, while empowerment and information enhance the opportunity to contribute. Rewards are a direct attempt to enhance motivation, which may also be improved through empowerment (enjoying more autonomous work), information (feeling better informed) and knowledge (enjoying a growth in skills) (Boxall and Macky, 2009).

Empirical support has been found for the link between HPWS and organisational innovation. Thus, Shipton et al. (2005) emphasised the importance of a supportive learning climate in order to create, transfer and implement knowledge. Cooke and Saini (2010) note that HR areas to support an innovation-oriented business strategy include: greater democracy and fairness (flexibility, autonomy, empowerment, communication); performance-based rewards, better psychological outcome (job rotation and enrichment, job satisfaction), and better talent management. De Winne and Sels (2010) show that both human capital (of owners/managers and employees) and HRM are important determinants of innovation in start-ups. Even though the hierarchical structure itself is not addressed, all these works have in common an emphasis on autonomy.

Based on the extant literature (Schuler, 1986; Searle and Ball, 2003; Shipton et al., 2006), Defélix et al. (2015) propose the MICE framework for analysing the alignment of HR practices with a firm’s innovation practices: management, incentives, competence and environment.

2.2.1 MICE framework for innovation capability

- Management refers to the work context. Does line management support and facilitate innovation through feedback, encouraging initiative, openness to new ideas?
- Incentives encompass all the levers used to recognise and reward innovation at the individual and team level. Is risk-taking encouraged and valued? Intrinsic motivators such as job content, recognition, autonomy, and time off are important. Extrinsic motivators (individual and team bonuses) have to be aligned with the innovation strategy. As Cooke and Saini (2010) point out, tensions arise when there is a
mismatch between short-term performance-oriented objectives and the longer time frame required for developing innovation.

- **Competence**: do employees have the skills and abilities to innovate? Both technical and relational skills are sought. Staffing and training practices play a key role.

- **Environment (organisational climate)**: does the organisation support a culture of innovation. Is there time and space for sharing ideas, discussing and learning?

The MICE framework is well suited to study the influence of the F-form organisation on innovation capability through an HWPS lens. We shall use it in order to build a model of the impact of F-form organisation on innovation capability. HPWS' focus on autonomy and knowledge development can also be linked to employee well-being. Therefore, we shall apply this same HRM lens to study the influence of F-form organisation on QWL.

### 2.3 F-form organisation and QWL

Scholars debate the influence of the F-form on QWL. While in the wake of Carney and Getz (2009) some point to the positive effects on the F-form on employee wellbeing, others emphasise the risks of over-commitment. Peer-control in self-managed teams can lead to stress and burn out over time (Barker, 1993). In addition, in F-form organisations, people often work – albeit voluntarily – for longer hours, for no extra pay, with less security and less opportunity for upward mobility in a horizontal organisation. For researchers in the critical perspective (Courpasson, 2000; Picard, 2015), peer pressure can exert a softer form of control which is less visible but just as coercive for employees.

Our purpose here is to explore the impact of the F-form organisation on employee QWL. There are many definitions of QWL (Nadler and Lawler, 1983; Sashkin and Burke, 1987). QWL refers to the favourableness of a work environment. It is often associated with terms such as humanisation of work, participative work or industrial democracy.

We build on Nadler and Lawler’s (1983) definition of QWL as “a way of thinking about people, work and organisations. Its distinctive elements are (i) a concern about the impact of work on people as well as on organizational effectiveness, and (ii) the idea of participation in organizational problem-solving and decision making” (p.26).

In order to do so, we rely on Abord de Chatillon and Richard’s (2015) model for analysing well-being at work through a four-dimensional construct called SLAC: sense (meaning of work), link (quality of social links), activity (actual work) and comfort (work conditions). This framework draws from recent works on well-being at work (Dagenais-Desmarais and Savoie, 2012), which reflect older research concerning occupational mental health (Warr, 1994; Ryan and Deci, 2001).

### 2.3.1 SLAC framework for well-being at work

- **Sense** implies awareness in the individual that his work carries meaning. You could summarise this by saying “I feel good when my work makes sense to me”. In the field of psychology, a group of authors has made the construction of meaning at work one of the essential constituents of well-being and psychological health (Ben-Shahar, 2007; Frankl, 1946; Seligman, 2002; Yalom, 1980).
Social link includes social support and recognition from colleagues, superiors and the quality of relationships within the team. Social support has been identified as central to the preservation of QWL and healthy work (Karasek and Theorell, 1990; Veiel and Bauman, 1992).

Activity describes the quality of the production activity and the capacity for the individual to do his work well by mobilising the resources of the work team and by deploying his power to act (Clot, 2009; Kordahi, 2012; Sen, 1993).

Comfort refers to a feeling of physical, functional and psychological well-being, involving not only work conditions but also the satisfaction of basic needs allowing the activity to be carried out over a long period of time without depleting employee’s resources or developing psychosocial pathologies.

The MICE and SLAC frameworks stem from different research traditions (see Table 1), yet there a number of synergies. Therefore, we propose to combine them in order to answer our dual research question regarding the impact of F-form on innovation capability and QWL.

### Table 1  MICE and SLAC frameworks

<table>
<thead>
<tr>
<th>Criteria</th>
<th>MICE framework</th>
<th>SLAC framework</th>
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<tbody>
<tr>
<td>Purpose</td>
<td>To analyse the alignment of HR practices with innovation strategy</td>
<td>To understand and find how to improve quality of work life</td>
</tr>
<tr>
<td>Construct</td>
<td>Four dimensions: management, incentives, competence, environment</td>
<td>Four dimensions: sense (meaning), (social) link, activity, comfort</td>
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### 3 Methodology and context

Since our aim is to develop a model of the F-form organisation’s interaction with innovation capability and QWL, we opted for an exploratory case study. We focused on a single case study in order to deepen our knowledge of the F-form organisation and its influences. We conducted an intensive qualitative study of a specific case. This method is better suited when our aim is to generate propositions [Gerring, (2006), p.38].

Specifically, we study the case of Sogilis, a small company in the software service sector, located in France. Following Seawright and Gerring (2008, p.301), we selected an extreme case which exemplifies a strong manifestation of F-form organisation. In addition, Sogilis stands out as particularly innovative, not only in its products but also in its organisational form and business model through its relationship with customers. Its leader, an autodidact software developer, acknowledges the influence of reading books on alternative forms of management such as holacracy, agility, and other alternative management models in shaping the company.
We have been able to follow the company since 2015 through regular formal and informal meetings, and thus can retrace the evolution of its organisation over the past three years. Data was collected in 2015 and 2016 through interviews with employees. We had a number of follow-up interviews in 2017. We met twice with two employees and once with three employees who are particularly involved in business development and management facilitation.

Our initial interview guide was loosely structured around the main themes of innovation, quality of work life, and management practices. After a few interviews however, we realised the strong connection with the MICE and SLAC analytical frameworks and redrafted our interview guide accordingly.

All interviews were recorded and fully transcribed. Following Denzin (1978), to increase validity and gain different perspectives on the F-form, we triangulated our interview data with observation of meetings and the consultation of press articles on the company. Table 2 shows our different ways of collecting data.

**Table 2** Data collection

<table>
<thead>
<tr>
<th>Collective discussion seminars</th>
<th>Semi-structured interviews: 16 (out of 27 employees)</th>
<th>Observation of work practices</th>
<th>Documents</th>
</tr>
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<tbody>
<tr>
<td>November 2015: Initial presentation of the company by one of the partners and visit to the company buildings within the framework of a university / business chair</td>
<td>December 2015–February 2016: 12 people interviewed for a total staff of 20 people: 7 IT specialists, 2 partners, 1 communication officer, 1 financial officer, 1 former employee</td>
<td>January 2016: ‘Recruitment brief’: a ‘stand up meeting’ where employees discussed the recruiting strategy and the last applicants they had met.</td>
<td>Consultation of press articles on the company</td>
</tr>
<tr>
<td>April 2016: Presentation of the findings by the research team following first interview round and discussion with employees.</td>
<td>November 2016: Follow-up interview with one of the ‘facilitators’</td>
<td>January 2016: Informal meeting in front of the ‘Lego scoreboard’ for project monitoring</td>
<td>Consultation of company blog: sogilis.com/blog/</td>
</tr>
<tr>
<td></td>
<td>June 2017: Interview with the two new business developers about changes in the strategy</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>July 2017: Follow-up interview with one of the partners</td>
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*Data analysis:* similar to our interview guide, data analysis went through two stages. We first coded the data in an open, inductive manner, letting the themes emerge from the interviewees’ discourse. Thus, our first coding tables included categories listing the motivations for joining or starting the company, such as freedom, responsibility and company vision, practices described as specific to the company in terms of HR and innovation, as well as tensions or challenges felt in the F-form organisation. In a second stage, we used the dimensions of the MICE and SLAC frameworks simultaneously in order to answer our double research question.
3.1 The context: a 'born free' start-up

Sogilis was created in 2008 by Christophe Baillon, the actual CEO and autodidact software developer, with the purpose of developing zero-defect, tailor-made applications and sustainable software. The motto of the company is “Passionate People, Great software”. Alongside its expertise in software development, Sogilis also offers guidance to start-ups and large companies in the management of innovative projects (from technical to business and financial aspects). It is a fast-growing company with 27 employees on three different sites and €1.3 million in revenue. The company structure fits the characteristics of radical SMOs depicted by Lee and Edmondson (2017): there is no hierarchy apart from the two associates, employees have full autonomy and authority to execute work, decision authority is shared and decisions are taken after collective discussions. Initially, Christophe played the role of super sales representative, contacting prospective clients and bringing in projects for the developers. However, he quickly realised that this traditional approach was frustrating and demotivating for the team who felt they had no say in the decision to take on a project. Since then, Sogilis has reversed gears. Rather than approaching prospective clients, the company makes visible its way of working: it is clients who choose to approach Sogilis. Communication and presence in the local agile and innovation networks help make Sogilis visible to clients. “This way, we get projects that are exciting for our developers,” said Christophe. Before signing on a project, developers can spend up to two days with a prospect in a pre-sales meeting questioning and challenging the project before deciding whether they will accept it. This free time before collaboration sets the tone for the relationship, “We aren’t typical subcontractors: we co-create with our clients from start to finish (…)” (Christophe). This is how the company website describes its way of working with clients: “We choose each other, we get involved, we challenge you, we set you free.”

4 Findings

4.1 MICE: management practices contributing to innovation.

4.1.1 Managing people: set them free to liberate their energy

Support functions are limited to finance and communication. There are no middle managers such as project managers. The teams are composed and evolve according to the clients’ projects. Indeed, one of the house rules is that developers are free to take or refuse a project as long as they respect the criteria of ‘enthusiasm, profit and fun’. That is, the client must be enthusiastic about the work done, the team has to make sure costs are covered, and work should be fun.

Depending on the project, different members will take the lead. In line with agile methodology, two employees play the role of scrum master or facilitator, as they prefer to be called. These two employees, who are experienced in customer relationship, provide guidance to the younger developers whenever they need help: giving advice on how to make a sales offer, discussing the budget with the client, or handling conflict. Their objective is to help the team gain autonomy on all aspects of project management. The developers have usually had their first work experience in software services companies where they resented the hierarchical chain of command, and they see a difference in the
facilitator’s role: “I never felt the hierarchical aspect (...). I really have the feeling that they’re here to give us a hand” (Corentin, developer).

HRM practices are distributed between the teams and the partners. Until recently, recruitment relied solely on unsolicited applications. Recruitment is carried out by the teams. Developers choose who they want to recruit through two-hour sessions where they ask the applicant to ‘come with the code you are proud of’ and work with him/her on a practical case. The objective is to test the applicant’s technical expertise but also relationship skills. The partners then meet the applicant proposed by the team to make sure they share the company vision and values. Indeed, not all employees will be at ease in this type of environment where there is no clear job description or fixed schedule, and where autonomy and entrepreneurship are valued. Requiring developers to have an entrepreneurial mind is key when the flat organisation does not offer career progression along a vertical ladder. Instead, Sogilis provides support for starting one’s own company. “We won’t add intermediary layers, but we will develop new activities” (Luc, facilitator).

The creation of subsidiaries in Lyon and in Australia, of Hionos, specialising in autopilot systems for drones, or of i-bubble for underwater drones, all originated from employees who initially developed their projects within Sogilis. In addition and in line with Deci and Ryan (1985, 2000) autonomy can also be seen as another need satisfied here.

There are no performance evaluations as such. In line with agile methods, retrospective meetings allow developers to get and give feedback on individual and team work. Every four months, each employee meets with the partners for a ‘mutual review’ described as a “a constructive exchange that truly goes both ways” (Laurent, associate). There is no formal tool or standard question; the review is based on open questions and a spirit of mutual challenge. Following the review, a percentage salary increase may be triggered.

Wages reflect market prices, regardless of education level, and they are discussed on the basis of experience, but for Christophe (CEO), “someone who would limit himself to the monetary aspect would clearly not be interested in joining us”.

A principle of the organisation is to be systematically in overcapacity of production, so that a person who is absent does not impact the progress of their project, and so that deadlines are always met. A core principle of the business model is that 70% of service activities should cover all costs. This means pricing service activities higher than the company’s competition so that the 30% remaining time can be dedicated to R&D activities and keeping up to date with current technology. A Lego scoreboard in the centre of the open space allows all staff to visualise the state of the workload per individual. Once a week, everyone meets in front of the Lego scoreboard to discuss work, anticipate peaks and lows, and decide what should be done. Communicating about the company is everyone’s duty. Developers are encouraged to attend conferences, talks, and after work sessions to present the company’s unique style and draw prospective clients and applicants.

4.1.2 Incentives: passion and entrepreneurship

Motivation is based on intrinsic factors such as work content. The developers mention “being able to build something totally new” (Corentin, developer), “being challenged with complex problems” (Alexandre, developer) or “the freedom to try out something and see if it works” (Eric, developer). Ideas can turn into business opportunities. “At Sogilis, you can’t become manager, but you can become entrepreneur” (Luc, facilitator).
The startup Squadrone System originated from an in-house project as one employee recalls: “I had worked for a client on drones for avionics. In 2013, we had a lull in our activity. Christophe attended a start-up weekend and told the people there: we have some spare time; we’d like to do something with drones. He met some guys and that’s how they came up with the idea of using drones for shooting extreme sports” (Eric, developer). A Sogilis employee decided to develop the project as a start-up and benefited from Sogilis advice on developing his business and securing funds.

Everyone in the company agrees that start-ups are their favourite clients because they bring innovative projects. In order to address the specific needs of entrepreneurs, the company has developed tailor-made services to help them define their business strategy and look for funding. The same applies to employees: “working at Sogilis is like being in an incubator. It is a great place to learn how to develop an idea and turn it into a start-up” (Luc, facilitator).

Indeed, everyone is expected to have an entrepreneurial mind and to make suggestions for developing innovation within the company, thus becoming an intrapreneur (Pinchot, 1985). Monthly strategy meetings with all employees allowed Sogilis to re-define its strategy as an integrated services provider. In addition to its core expertise in safety-critical embedded software, Sogilis now offers its customers (often start-ups) advice in business development (targeting the market, setting up a team) and financing. Thus, Sogilis innovates in its services to customers and accordingly in its business model while continuously redefining its own organisational form.

4.1.3 Competence: beyond technical skills

‘Passionate people, great software’. The initial emphasis on technical skills – while still important – is balanced with relational abilities: curiosity, willingness to learn, and to move out of one’s comfort zone, and the ability to accept criticism are features that teams try to find out when they meet applicants. “We need to know if this guy he thinks like us, if he’s got the same mindset. If it’s someone with whom we’d like to work. We check for technical skills, but also for his way of working, his vision of a company” (Eric, developer).

Thanks to this combination of technical and relational competencies, the team gets innovative projects on the software market. Indeed, customers feel sufficiently confident to bring in Sogilis experts on their critical and innovative projects. Competence management here favours innovation capability because it leads to work on innovative projects. These projects require rare skills in programming languages and security aspects, as in the field of embedded software. The customer relationship is a mix between social proximity, knowledge expertise and agility in customer relation management.

The willingness to learn and to move out of one’s comfort zone is also important. “It’s really people who come in the morning with one wish: learning more about their activity and improving” (Alexandre, developer). “We had never worked on a drone, we had no experience (...) we taught ourselves” (Eric, developer). Hiring people with skills and a desire to learn and continuously improve leads to successful innovative projects.

4.1.4 Environment: a work design that favours discussion

The organisation encourages innovative behaviour, “If you have a crazy idea, try it! Go for it! If you need time for it, that’s fine” (Myriam, in charge of communication). This is
also reinforced by the external environment. Close contact with start-ups and agility networks allow for picking up on innovations, bringing in interesting projects. It can also inspire developers to become entrepreneurs.

Digital communication tools such as Basecamp (an enterprise social network) allow everyone to keep in touch wherever they are, and favour social ties among the team. One drawback however is information overload, sometimes leading to cacophony and less efficiency: empowering employees to make decisions means that everything is discussed, and often challenged. “Communication tools make many things easier. There is traceability. (...) However, when we discuss more general issues about organization or people relationships (...) they don’t make sense anymore. Because a discussion with 15,000 answers and very long texts, we get the feeling that we don’t really follow the discussion, we miss something, and this is a problem” (Corentin, developer). Guidelines have therefore been introduced: when you spend too much time writing your arguments on a discussion platform, you should switch to voice and arrange a phone call. Decisions should be taken with those who are directly impacted by the topic, and not by everyone.

Collective discussion also deals with the organisation itself: the organisational model is continuously questioned and redefined as the strategy evolves. For example, in January 2017 the decision was made to reorganise into two autonomous business units in order to better address the two fields of expertise – critical embedded software and web applications – and to keep small, reactive teams.

Thus, it seems management practices in F-form contribute to innovation capability. Indeed, the F-form liberates the energy to innovate (creating new activities, learning new techniques, processing innovation) thanks to autonomy and the sharing of project management authority. Mainly based on intrinsic factors (work content), the incentives in F-form stimulate innovation capability through the creation of new activities and the evolution of the business model and organisation. Looking for more than technical skills (relational and attitude) allows companies to recruit people who contribute to getting innovative projects from customers. A work environment dedicated to internal discussion – through tools and collective meetings – and external discussion with the network also help innovation capability by continuously redefining work processes and the business model. We now turn to the influence of the F-form on QWL.

4.2 SLAC: a work context that contributes to QWL

4.2.1 Sense-giving and sense-making

The meaning of work is clear in all the people we met. The two partners define their role as “coaching people and giving as much information as possible so that people can make sense of their job (…)” (Laurent). Sogilis’ motto of ‘Passionate people, great software’ often comes across as a declaration by developers, reflecting a good level of sharing of the company’s vision and purpose by the working community.

Everyone feels they are working on ‘useful projects’. Projects are often “exciting because it makes sense for the client” (Adrien, developer). What also makes sense for Sogilis developers, on top of the autonomy given in their everyday activities, is to participate in key HR or strategic processes such as recruitment. In addition, feeling that they ‘choose’ the projects they work on reinforces their sense of self-determination, intrinsic motivation and commitment to do everything possible to make the customer ‘delighted’. “You work better when you do what you like” (Eric, developer).
4.2.2 Social link (L) nourished by friendship and debating spaces

Employees point out the quality of social ties: “We have a good atmosphere; we are very frank with one another” (Myriam, in charge of communication). There are off-work activities such as going skiing together or just going for a drink after work. This friendliness is coupled with real discussion about work, thanks to physical or digital management tools: “The tool used to manage projects is Basecamp and we also have a Lego scoreboard where we will put all the projects and each person will put on what project he’s working on and for how many days” (Adrien, developer).

4.2.3 A collective productive activity (A) allows each employee to deploy his power to act

At Sogilis, the Lego scoreboard and the Basecamp tool enable discussion, and make it possible to mobilise the team’s resources: “Problem solving is done collectively, even with people who are outside the team. It is during these meetings where we are as many as possible that we will be able to think together” (Adrien, developer).

In this activity, knowledge and self-development are important factors of QWL. While there are few formal training sessions, developers mention continuous learning “by finding myself in contact with problems that I did not know before” (Corentin, developer), through coaching with more expert team members, or hands-on learning. Self-development is encouraged: looking up online tutorials, attending meetups. “Here, everyone arrives in the morning with one wish: to learn more about your work and improve” (Alexandre, developer).

4.2.4 Comfort at work (C): choosing the place and pace of work

Working time and vacations are defined within the teams. Decisions such as working away from home or from another country are also made at team level. “We have people who went to Lisbon last week and worked from there, just because they wanted to. Some wanted to go to Australia, they opened a Sogilis office there” (Luc).

Unlike most service companies, employees rarely work at the clients’ site. “We choose our place of work” is another principle. Such choices are possible because “Laurent and Christophe (the associates) trust us” (Corentin, developer). Trust implies responsibility, and a certain amount of social control: “In regards to work time arrangements, we are free to do what we want. Obviously, we know that we have a level of profitability to have. So, everyone manages to have reasonable working hours” (Adrien, developer).

The open-space office looks fun and relaxed: there are Nerf guns on some desks, a big gym ball on the floor, and a Wii in the break room.

5 Discussion: the interaction model of F-form, innovation capability, and QWL

The findings point to the positive relation between F-form organisation, innovation capability and QWL. F-form organisation favours product innovation by allowing teams to work on critical and innovative projects that are a mix between technical competencies
with rare programming skills and social performance in order to apply agile methodology in software development. In addition, thanks to its participative strategy, Sogilis evolves on the software market by offering original integrated services from software development to consulting services for business development.

Globally, the participative strategy allows the continuous questioning and evolution of the organisational model, which also feeds into its innovation capability. Nevertheless, the use of communication tools introduces risk of information overload in F-form organisation especially when everything is collectively discussed. Consequently, discussion should be limited to specific topics to limit the risk of endless and ineffective conversation. Concerning the relation between F-form organisation and QWL, the findings mainly highlight the well-being of employees.

We observed some crossover between the dimensions of SLAC and MICE as shown in Figure 1.

Figure 1  Interactions between MICE and SLAC (see online version for colours)

For example, management practices empower sense-making and sense-giving processes by opening strategic conversations between employees and the associates. Social link is also important within the teams and throughout the company. Incentives in F-form organisation create the conditions of comfort at work by giving autonomy to team-members to define working time, vacation and teamwork organisation. Collaborative activity stimulates skills development not only in the technical ‘hard’ skills but also in soft skills. Finally, F-form organisation forms an ecosystem with its environment because of a work design that favours dialogue with all the stakeholders. It enables the multiplication of discussion spaces that feed social link and contribute to sense making.

The findings reveal a potential virtuous cycle where management practices and QWL mutually reinforce one another to impact positively on innovation and QWL. Indeed, we started by treating management for innovation and QWL separately. However, in the Sogilis case, we see a potential mutual reinforcement of the two dimensions. For instance, meaningful work at Sogilis is work that entails technical innovation, and thus contributes to innovation capability. Similarly, the work environment which favours discussion is great for testing new ideas collectively and develops innovation capability. Respectively, being able to choose projects strengthens QWL. Launching new services and products increase motivation and passion, thus enhancing QWL. Therefore we propose a heuristic model combining the two frameworks (Figure 1). We go on to develop propositions based on this model.
Figure 2  Combining innovation capability and QWL in F-form organisations

- Proposition 1: F-form organisation favours innovation capability.
  1a The sharing of project management power in F-form organisations favours the innovation capability of employees.
  1b The more there are incentives for entrepreneurship in F-form organisations, the more the innovation capability of employees is favoured.
  1c Prioritising skills management and relational qualities in F-form organisations favours the innovation capability of employees.
  1d The more frequent the external and internal interactions in F-form organisations, the more the innovation capability of employees is favoured.

- Proposition 2: F-form organisation favours quality of work life.
  2a The more employees make sense of their job in F-form organisations, the better the quality of work life.
  2b The friendlier the social ties among employees in F-form organisations the better the quality of work life.
  2c Collective problem solving in F-form organisations favours quality of work life.
  2d The more employees control their place of work, the more the quality of work life is favoured.

- Proposition 3: F-form organisation favours the mutual reinforcement of quality of work life and innovation capability.
  3a F-form organisation favours innovation capability through the mediating effect of quality of work life.
  3b F-form organisation favours quality of work life through the mediating effect of innovation capability.

This model calls for further quantitative testing. We could rely on structural equation modelling in order to test the total effects of the F-form, and accordingly the whole model at one time by testing the direct (Propositions 1 and 2) and indirect effects.
(Propositions 3) of the model. To measure the degree of F-form, we could operationalise the characterisation of Lee and Edmondson’s SMOs (2017, p.40) who distinguish between “radical and incremental efforts to organize less hierarchically (that is, those that seek change within the contours of the managerial hierarchy versus those that fundamentally depart from it)”. This measure of F-form organisation could be interpreted as a degree of organisational innovation according to its degree of MICE and SLAC efforts. Then, we could measure the influence of the degree of F-form on innovation capability and QWL. The survey could be sent to many companies in the software service sector which is particularly concerned with this organisational evolution because of agile methodology principles that lead to questioning the whole organisation.

6 Conclusions

In this article, we brought together the fields of management innovation and organisational psychology through an HR lens in order to study innovation capability and QWL in F-form organisation. Our results build on previous research in innovation management that highlights the importance of autonomy to foster innovation capability, and on organisational psychology research on the determinants of work life quality. Building on the HPWS perspective, we combined two frameworks stemming from two different traditions. Herein lays our theoretical contribution. Indeed while a number of quantitative studies have examined the relationship between work environment/climate and employee creativity or innovation (Abbey and Dickson, 1983; Shalley et al., 2000) and highlighted the importance of autonomy, low organisational controls, and rewards, the combination of the MICE and SLAC frameworks allows us to take into account additional aspects such as the meaning of work, skills development and social relationships.

Our findings are also important for companies as there is rising interest in F-form organisations and their impact. The MICE and SLAC dimensions could also be used as a simple tool to assess a company’s alignment with innovation strategy and work in improving QWL.

Based on a case study, we offered a model which links positively F-form organisation, innovation capability and QWL, and developed two main propositions. Our empirical findings led us to suggest a third proposition that goes beyond our initial research question: we found a virtuous cycle where QWL and innovation capability mutually reinforce one another. These propositions call for further quantitative research to test them.

This research also calls for a qualitative exploration of the F-form’s dynamic capabilities. Our results suggest the high potential of the F-form to continuously transform itself (thanks to the importance of collective discussion) in order to adapt to the environment. This exploratory research is based on one small company, ‘born-free’ from its inception. Further research is necessary to put to the test our proposed model in other contexts: companies in different sectors, with different employee profiles (not only engineers), of larger size, or switching from a command and control style to F-form organisation.

In addition, there may be contextual elements and cultural specificities for the strong interest in F-form organisations in France. Many comparative studies (Hofstede, 1991,
have shown that French companies have normally one or two hierarchical levels more than comparable companies in Germany and the UK for example. Top executives enjoy privileges and are often inaccessible. The name freedom-form, translated as entreprise libérée in French may also resonate in the collective mind: entreprise libérée and its alluring promise rings similar to the promises of the French Republic motto Liberté Egalité Fraternité. Thus, it would be interesting to extend this research to different countries.

References


Freedom-form organisations, innovation and quality of work life


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Notes
1 A TV show on French-German Arte channel called ‘Le bonheur au travail’ (‘Happiness at work’) in January 2015 brought freedom-form organisations to public attention, and established a connection between this organisational form and quality of work life. Since then the YouTube trailer has been viewed more than 122,000 times.
