A SYSTEM FOR GOAL ORIENTED GOVERNANCE

Large modern organizations almost certainly have a number of subjects who are unhappy with their position within the organization and the organization in general. Make no mistake about it, when a person joins an organization they become a subject of that organization, regardless of the type of the organization. While the term "subject" has obviously negative connotations, in this context it simply means that a person's membership in an organization is subject to the rules of that organization.

Subjects who have discontent with the organization, for any reason, cannot be expected to act in the best interests of the organization. In order for a subject to be truly effective they must understand the goals the organization and decide to join of their own free will.

Organizations exist to accomplish goals, more often than not the statement those goals are ambiguous to the extent that many subjects are unable to understand those goals.

Often the processes to implement the goals of an organization are so complex that it is impossible to expect all those involved to understand the motivation and intent behind those processes. Processes are defined and implemented by all subjects of the organization, both formal and informal, and those processes are constantly in flux.

It is self-evident that in any non-trivial organization it is impossible for any single workable group of people to know about and understand all the processes in an organization.

Since it is impossible for any one group of people to understand the implementation of an organization, hierarchal command and control may be effective from setting high level goals, but it cannot be effective in the implementation of those goals.

Furthermore in any organization there will be people who, while agreeing with the stated goals of the organization, have reasonable disagreements on the implementation of that goal, or solution.

In a hierarchal organization structure, the further these disagreements are from those empowered to determine the solution the more impossible it is for them to personally arbitrate those disagreements to determine the most effective solution.

The chain of command solution, used in many hierarchal organizations, which ostensibly places trusted, respected and competent subjects in the position to arbitrate disagreements a higher level commander cannot reasonably understand, in fact only exasperates this problem.

Any non-trivial goal, even if simple to state and understand, often requires a complex solution which requires consensus among multiple disciplines to define. The chain of command structure was specifically developed due to the fear that rule by consensus would be impractical since true consensus is almost always impossible to achieve on a large scale. Even many forms of structured consensus, such as republican representation, often lead to unacceptable compromise for an organization with limited resources.

The underlying defect in the chain and command structure is that every goal requires a single solution, when in reality it is often impractical to determine the correct solution until competing solutions are in place.

Organizations that eliminate the pitfalls of structured command and control already exist, they are called marketplaces. Marketplaces exist within every organization; however they are systematically stifled and ignored in a hierarchal organization structure.

Much theoretical and applied research exists on the efficiency, effectiveness and fairness surrounding markets with the almost unanimous conclusion that, while no other known organization structure is as simultaneously efficient, effective and fair as a marketplace, there are market failures where goals important to many are discounted by individual actors through rational self-interest.

While people decide to act out of self-interest, that self-interests extends to decisions that not only immediately effect themselves but also to those people and ideals that which they value. The author contends that market failures are a failure of the marketplace and not of the individuals' choices

Since subjects of an organization by definition value and respect the goals of that organization, it is then in their self-interest to make decisions that espouse those organization goals. Therefore, an organizational marketplace will have no failures so as long as the goals espoused by the organization are clearly defined, understood and accepted by all members of that organization.

This document proposes a market-oriented governance system where an organization defines various roles relevant to their organization, inalienable and immutable rights and responsibilities associated with those roles, and committees responsible for defining formalized processes, surrounding the creation of ad-hoc committees that are then responsible for accomplishing a goal. Individual actors can then choose to use these processes, or not, in so much that they are willing and able to do so.

"All truths are easy to understand once they are discovered; the point is to discover them." - Galileo Galilei

"All the world's a stage,
And all the men and women merely players;
They have their exits and their entrances,
And one man in his time plays many parts,
His acts being seven ages." – William Shakespeare

"Any effectively generated theory capable of expressing elementary arithmetic cannot be both consistent and complete. In particular, for any consistent, effectively generated formal theory that proves certain basic arithmetic truths, there is an arithmetical statement that is true, but not provable in the theory" - Kurt Gödel

"A spider conducts operations that resemble those of a weaver, and a bee puts to shame many an architect in the construction of her cells. But what distinguishes the worst architect from the best of bees is this, that the architect raises his structure in imagination before he erects it in reality." – Karl Marx

"All human situations have their inconveniences. We feel those of the present but neither see nor feel those of the future; and hence we often make troublesome changes without amendment, and frequently for the worse." – Benjamin Franklin

"There is an inherent tradeoff between equality and efficiency." – Arthur Okun

"Even the striving for equality by means of a directed economy can result only in an officially enforced inequality - an authoritarian determination of the status of each individual in the new hierarchical order." - Friedrich von Hayek

"Governments never learn. Only people learn." - Milton Friedman

"Ask not what your country can do for you, ask what you can do for your country." – JFK

"Education is a prime example of market failure." – Stephen Haessler

"The enemy knows the system." – Claude Shannon

*"Follow me; and let the dead bury their dead."* – Jesus Christ

Lind Innovation is both a company and an organizational system, member organizations need only to subscribe to the constitution of Lind Innovation and do not necessarily need to provide Lind Innovation with an ownership stake. The concept here is mutual acceptance, an organization must choose to become "A Lind Innovation", and Lind Innovation must choose to recognize that organization. The terms of this agreement will specify how this relationship can be terminated from either side. A member organization has rights and responsibilities defined in the constitution, based on the "role type" assigned to the organization.

People can also become members of Lind Innovation, again by mutual acceptance. The big difference between people and organizations is that people always have a right to leave the organization for any reason; however the organization can only remove a person's membership through due process. A person's membership in Lind Innovation is generally not directly tied to any compensation, and, like organizations', the rights and responsibilities are defined through the organization's constitution.

A QUICK INTRODUCTION TO UML

Unified Modeling Language (UML) is an industry standard language for expressing object-oriented designed. Primarily used in computer science it is gaining traction in other fields, very imperfect it still is a great way to start a conversation as well as organize one's thoughts.
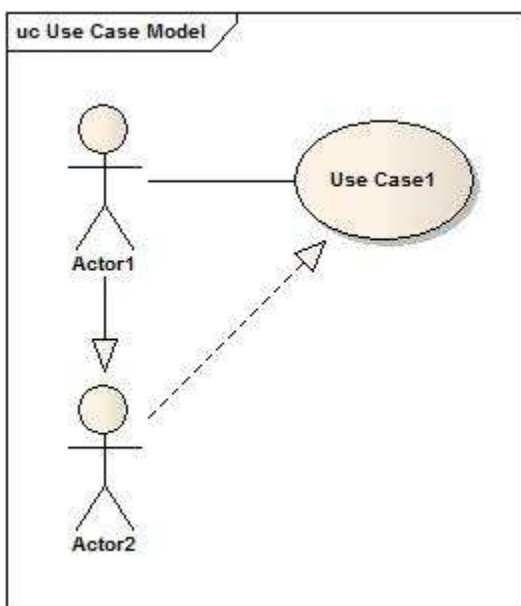
Actor*: an entity that can make decisions

Use Case*: a set of logic entities can use

Actor1 inherits Actor2 (is of type)

Actor2 realizes Use Case 1 (creates at runtime)

Actor1 uses Use Case 1 (has that functionality)

For more information see http://community.sparxsystems.com/tutorials/uml

THE SYSTEM OF GOVERNANCE

While this document specifically talks about a system of corporate governance, this model could easily be applied to social governance structures as well.
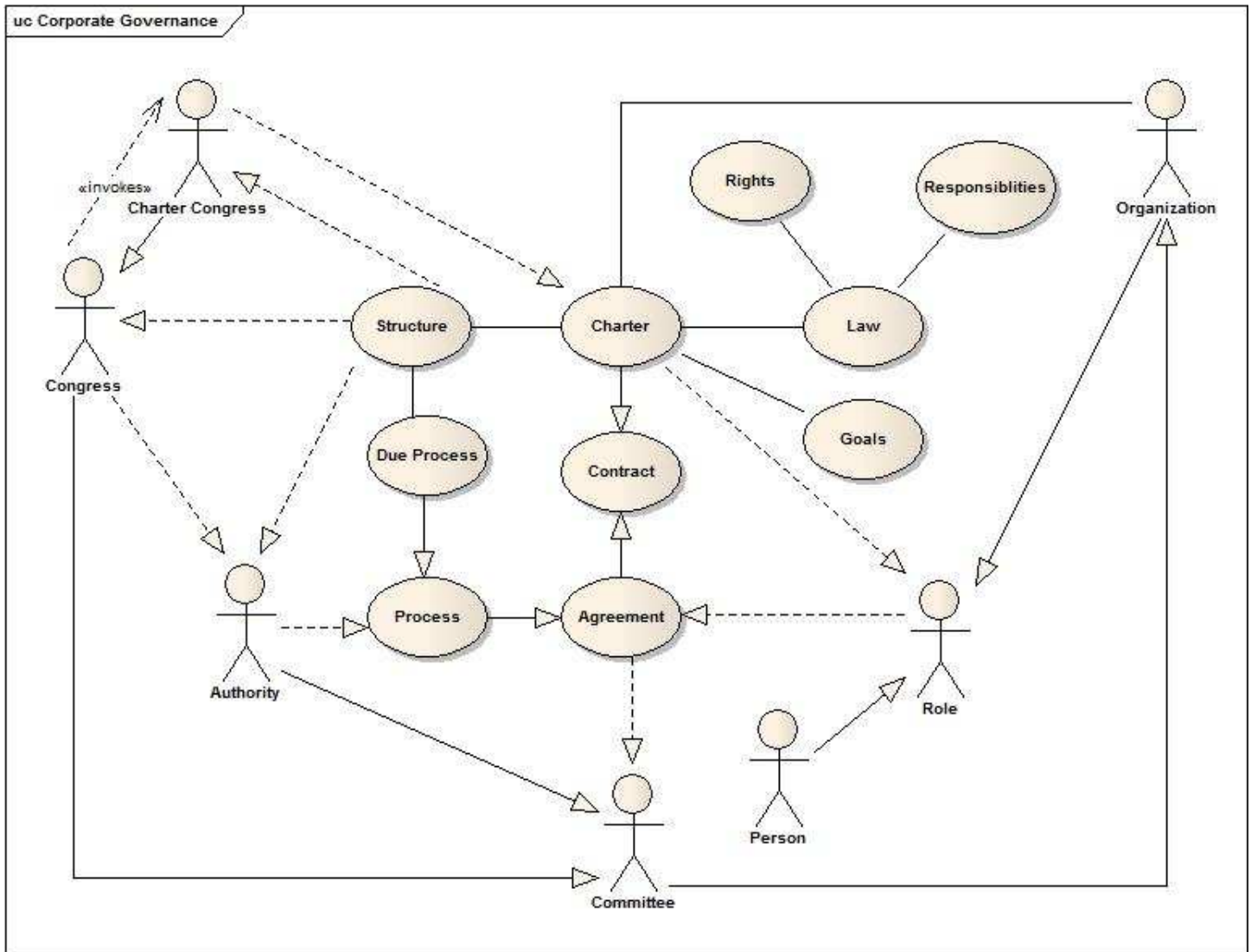
AGREEMENT

Agreement in this context is a business process, however this document goes a setup further and defines that all processes output a Committee. The idea here is that value can only be added through working together, which means a process can only add value if it brings different sets of people together. As the name suggests, multiple roles' are expected to agree to this before it takes place.

CHARTER

The charter defines the rights and responsibilities a given entity has, as well as processes optimized for use by the roles under the charge of the charter.

PROCESS

Process is an agreement that is specified in the charter, either by the charter congress or by the process congress.

GOALS

Goals define the purpose of the organization defined by the charter and must be accepted by all members of that organization.

LAW

"Law" is defined as inalienable rights and responsibilities assigned to roles defined in the Charter, while members can choose to follow the processes to follow, the process itself must always reflect these rights and responsibilities.

RIGHTS

Rights are attributes guaranteed to members who possess them, they are generally low opportunity cost to execute and enforce.

RESPONSIBILITIES

Responsibilities are attributes required to maintain membership and failure to do so could result in ejection from the organization.

STRUCTURE

The structure section of a charter defines how the governing structure operates.

CONGRESS AND CHARTER CONGRESS

A standing congress is defined for each charter which is responsible for defining and executing these processes, a Charter Congress is also defined which is used to modify the "Law" of the Charter when deemed necessary by the Congress. This separation of law and process specifically seeks to rectify a problem in the US system where law has become far too easy to modify and has caused abandonment of the underlying ideals of the founding fathers.

AUTHORITY

Authorities are special working groups designed for dealing with cross-team issues, such as arbitration, health care, education, etc. These groups may or may not be defined in the charter and like everything their use while optional, is designed to be highly optimized for the specific environment.

Congresses are charged with populating and operating the authorities defined in the charter as well as creating their own as necessary.

Due process defines mandatory processes that are to be used within the organization, arbitration processes for instance may be defined here.

Roles' are the center of the governance actor structure, as they are defined by the Charter for the underlying actors, which include their rights and responsibilities. A person or organization must mutually agree to their role with the Congress defined in the Role's Charter.

Authorities play a crucial role in market-oriented organizations, as they provide professional services to the various working groups. The idea is these types of organizations would work for trade or something other than cash to maximize the capitalization of the organization.
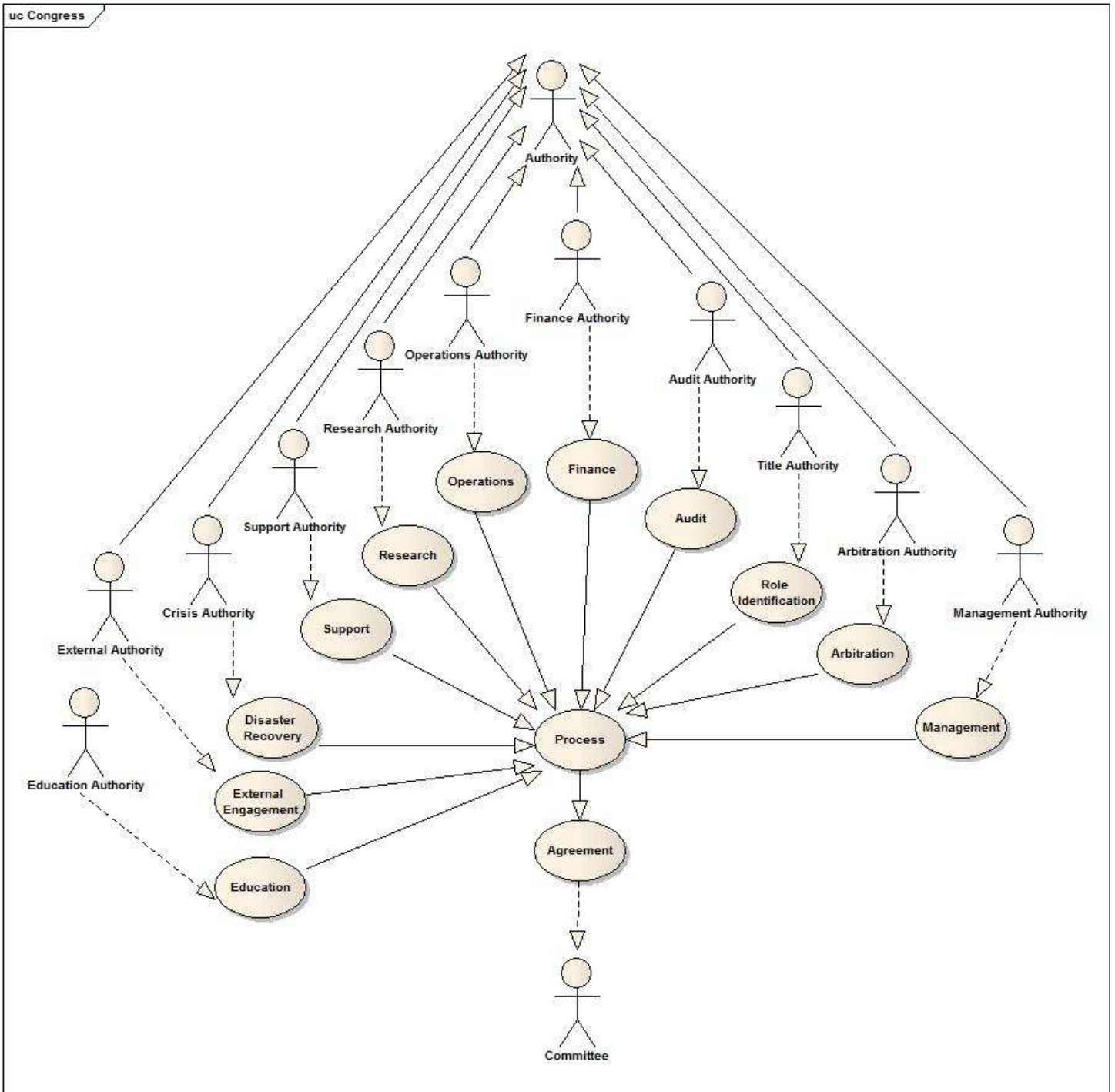
MAJOR AUTHORITIES

Management: management oversight. Education: training. Title Authority: accept role requests. Finance: manage project finances.