

# The Lattice Organization

W. L. Gore & Associates, Inc.



## **Bill Gore**

- Co-founder of W. L. Gore & Associates, Inc., with his wife, Vieve
- Creator of the lattice organization

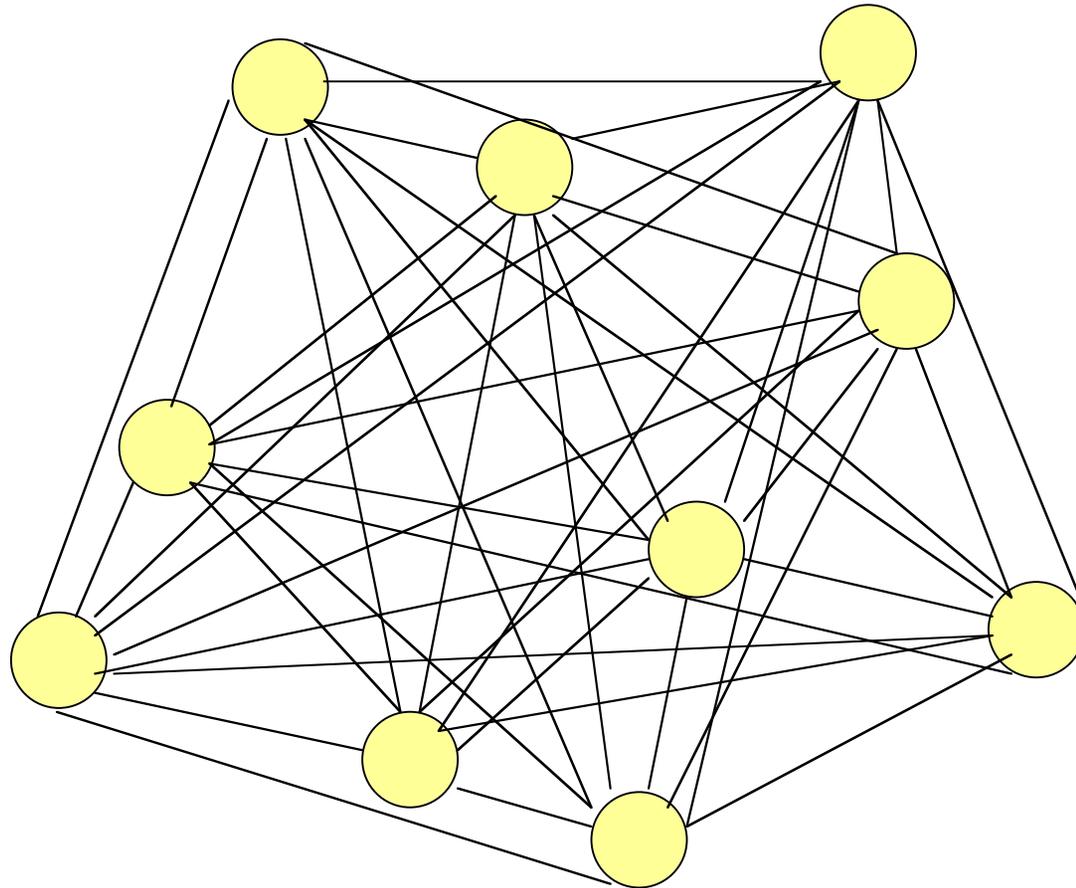
*A lattice organization is one that involves direct transactions, self-commitment, natural leadership, and lacks assigned or assumed authority. . . . Every successful organization has a lattice organization that underlies the façade of authoritarian hierarchy. It is through these lattice organizations that things get done, and most of us delight in going around the formal procedures and doing things the straightforward and easy way.*

*--Bill Gore*

## **Attributes of the Lattice**

- No fixed or assigned authority
- Sponsors (mentors) not bosses
- Natural leadership defined by followership
- Person-to-person communication
- Objectives set by those who must make things happen
- Tasks and functions organized through commitments

**Each person in the Lattice interacts directly with every other person with no intermediary.**



## **Challenges within the Lattice**

- Well-defined objectives are needed
- Decisions must be made
- People must know each other
- Compensation process must be fair

# Principles

- Fairness
- Freedom
- Commitment
- Waterline

**Principles** → **Practices** ← **Realities**

**Fairness**

**Freedom**

**Commitment**

**Waterline**

Compensation

Leadership

Vacations

Stock ownership  
plan

Work hours

Responsibilities

Expenditures

Trade secrets

Project  
priorities

Plant size

Plant clusters

Financial  
management

Purchasing

Contracts

Communication

Patents

**Economics**

**Finances**

**Competition**

**Legalities**

**Regulations**

**Publicity**

**Resources**

**Time**

**Culture**

## **Leaders**

- Focus on business objectives
- Coordinate activities
- Align teams to meet goals

## **Leaders offer associates:**

- Assistance in problem solving
- Acknowledgement of team accomplishments
- Encouragement
- Definition of problems
- Help in strategy formulation
- Explanation of business practices
- “Big picture” viewpoint
- Role model behavior

## **Sponsors**

- Engage in a one-on-one relationship
- Focus on the development and growth of the associate

## **Sponsors offer associates:**

- Encouragement
- Guidance on principles and practices
- Feedback on performance
- Help in securing resources
- Advocacy for the associate in compensation discussions
- Guidance in personal development planning
- Role model behavior

## Differences in Sponsoring and Leading

### Sponsoring

- A two-person relationship
- Focus on a person
- Helps associate grow in contribution

### Leading

- A group or team environment
- Focus on a business opportunity
- Aligns team members to business goal

## **Overlap in Leading and Sponsoring**

- Sponsor and leader are not necessarily two different associates
- Often two different roles of one person (at different occasions, at different times of career)
- Sponsoring potential can be starting platform for natural leadership

***The simplicity and order of an authoritarian organization make it an almost irresistible temptation. Yet it is counter to the principles of individual freedom and smothers the creative growth of man. Freedom requires orderly restraint. The restraints imposed by the need for cooperation are minimized with a lattice organization.***

*--Bill Gore*

# Notes for presenters

## **Slide 2-Bill Gore**

Bill and Vieve Gore founded W. L. Gore & Associates, Inc., in 1958 to pursue applications for the polymer PTFE, commonly known by the DuPont trade name TEFLON®. In addition to being an entrepreneur and a scientist, Bill was a student of human nature. His theories of management were inspired in part by *The Human Side of Enterprise*, published in 1960. This book by Douglas McGregor was novel in its time for proposing that humans were inherently self-motivated to work, as opposed to the view that people had an inherent dislike of work and required extensive direction and control. In the lattice organization Bill created a work environment that he believed would free people from the constraints of bureaucracy and hierarchy, enabling them to maximize their inherent potential.

## **Slide 3-Attributes of the lattice**

In the lattice, individual authority and credibility are based upon proven skill or a history of contribution rather than an assigned title. All employees are known by the same title, “associate.”

Every associate has a sponsor who guides him/her in growing in contribution.

Leadership evolves based on knowledge, skill, experience or capability in the particular activity in which a team is involved. Leaders are associates who have developed followers.

Each person in the lattice interacts directly with every other person.

Teams or groups formulate their own plans of action rather than having them dictated to them.

Each associate self-commits to projects or responsibilities.

## **Slide 4-Direct communication**

There is no hierarchy of communication, no need to go through one associate to reach another. Associates are free to go directly to whomever they believe has an answer.

### **Slide 5-Challenges within the lattice**

Associates must understand the objectives of the organization and their businesses in order to make wise judgments about their own commitments.

Complete consensus can never be reached. Different decision-making styles are required in different situations.

Small teams facilitate direct communication. Any single Gore plant contains a number of small teams (business teams, functional teams, etc.) that enable associates to interact and pursue common goals.

Clustering multiple plants near each other can help facilitate interaction among unrelated teams.

Gore uses a peer ranking system for compensation. Associates rank each other twice a year on contribution to the success of the enterprise, and functional committee assigns pay according to the rankings. This method was designed to be as internally fair as possible. Benchmarking with other companies ensures external competitiveness.

### **Slide 6-Principles**

Everyone will:

Try to be *fair*. Sincerely strive to be fair with each other, our suppliers, our customers, and all persons with whom we carry out transactions.

Allow, help and encourage associates to grow in knowledge, skill, scope of responsibility and range of activities. *Freedom*

Make his or her own *commitments* – and keep them.

Consult with other associates before taking actions that might be “below the *waterline*” and cause serious damage to the enterprise. [This is an analogy to a boat, where shooting the boat below the waterline (damaging the reputation or financial health of the business) could result in sinking it.]

### **Slide 7-Principles, practices and realities**

Gore practices reflect regulatory and legal realities outside the company but they are rooted in the company’s core principles. For example, the stock ownership plan reflects fairness; sponsoring reflects freedom; compensation reflects fairness, commitment and waterline; trade secrets and patents are waterline, etc.

**Slides 8 & 9: Leaders**

There are multiple types of leaders at Gore. Different leaders guide associates in different activities: there are line leaders, business leaders, functional leaders, task force leaders, divisional leaders, etc. The appellation “leader” has to be earned by gaining followers.

**Slide 10: Sponsors**

Sponsors commit to being knowledgeable about the activities, well being, progress, accomplishments, personal concerns and ambitions of the associate sponsored. Each associate has at least one sponsor; some have more than one.

**Slide 11: Sponsoring vs. Leading****Slide 12: Sponsoring and leading commonalities**

An associate can be both a sponsor and a leader at the same time although they are separate roles.