

In business, as in government, direct democracy is not possible

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One of the mad ideas that seems to have been unchallenged during the recent referendum is that a referendum is democratic. The recent referendum demonstrates that the pressure from his own party to take a lead on Europe was [too much](#) for Mr Cameron, who passed the decision back to the country on the spurious grounds that this was democracy at work.

My argument is that it is neither healthy nor possible for an organisation, let alone a country, to require decisions to be made by the ultimate source of authority (in the former, the CEO, in the latter, the electorate). In contrast, a system in which roles are created, tasks are defined, authorised by decision-making and constrained by the requirement to make a regular account is a representation of democracy.

Within a psychodynamic model, [healthy organisations](#) operate well because decision-making is delegated with clarity to [each role in the system](#). The delegation of decision-making is the means of authorising someone in role. One of the mistakes that new managers (and some old managers) make is to think that delegation waters down one's own authority. In fact, the opposite is true, active delegation emphasises the [authority of the manager](#).

The channel through which authority is delegated is kept alive by the requirement for an account. A good manager tolerates the anxiety of giving away the running of whatever area is defined by the delegated decision-making. This stops him from the temptation of micro-managing. But he expects a regular account to be given for how the subordinate is getting on with the allocated job. It is not surprising that the jargon term that businesses use for this relationship is "direct reports". This term refers to those roles in the organisation that account directly to the particular manager and this defines the shape of his area of responsibility.

As well as the discipline of accounting, decision-making must be made within clear parameters. This will include things like a budget, clarity about who you go to for decisions above your grade and a clear sense of shared assumptions about how to carry out the work and this will include ethics.

This accountability process is a bit like the circulation of the blood in an individual human being. It is vital to [healthy functioning](#). There are other processes in organisations that reflect necessary systems in the individual, namely collecting information, thinking and self-monitoring. The difference between the individual and the group or organisation is that these processes have to be protected in groups and organisations because they are the first casualties in the presence of organisational anxiety. A typical example from the NHS would be closing thinking spaces on the grounds that these are not client contact time, therefore not money-making. You could say that part of a sensible monitoring system would be sensitivity to assaults on these processes.

Management roles inevitably attract pressure, so part of the job is to demonstrate a capacity to think under pressure. One of the most important thinking spaces in an organisation is the regular encounter between manager and frontline staff where the direct report occurs. During this accounting meeting the manager receives not only the verbal account from his subordinate but also an emotional message. The emotional message is usually not conscious but often carries very important information. For example, the manager might find himself becoming increasingly anxious as his staff member reports; if he anticipates an emotional exchange, he will be interested to know what this anxiety might mean and will seek to uncover the source. In health and social-care organisations, this is called [supervision](#).

An executive director will not know how operatives within his department do their work. He does not need to know this because they will inform him of any problems and he has given authority to them to get on and do their jobs to the best of their ability. As part of the accountability system, he might ask for a briefing about the detail of the work. If he had to carry information about the way that everybody within his system is carrying out their work, he would not be able to do *his* job which is executive management.

We authorise politicians to manage the political and economic world that our country is a part of. Most of us are ill-equipped to make decisions about complex economic and political situations of which membership of the European Union is a good example. There is no doubt that the referendum was to do with an emotional experience held by half the population of being made redundant, being pushed aside, being disaffected and alienated. This experience found symbolic expression in an image of hordes of foreigners taking over the country. The important message is that the neoliberal agenda of an unrestrained market has caused a massive divide between those who have and those who have-not. Those who have-not simply said “no” but they addressed it to the wrong organisation.

If we treat the EU as a symbol rather than the actual source of anxiety, we can see that the Brexit vote was a vote against the source of this sense of redundancy. The shock of the Brexit vote reminds us that when the essential structures and processes of healthy governance have been broken it will produce a perverse response.

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Notes:

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