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## Article

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## Article

# Applying the Holacracy and Company Democracy Models to the Public Sector: A Critical Analysis of Implementation in the Indian Ministry of Education

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**Abstract:** This paper explores and compares two participatory management approaches—the Company Democracy Model and Holacracy—for their application within the Indian Ministry of Education. It emphasizes the need for innovative organizational techniques in the management of the public sector, particularly in light of the dynamic demands posed by the New Education Policy (NEP) 2020. The study evaluates how these approaches enhance employee engagement and improve the quality of deliverables. Lewin’s Field Force Analysis is utilized to examine the organization’s strategy. The study employs Kotter’s Change Model to assess the applicability of Holacracy—a decentralized, project-oriented system, characterized by its dynamic and self-organizing structures. This model is analyzed for its potential to meet the Ministry’s shifting priorities and to foster adaptability through autonomous teams. Conversely, the Company Democracy Model, which emphasizes employee-centric growth and decision-making within a tiered, spiral framework, is evaluated using the ADKAR Change Model. This model’s compatibility with the Ministry’s hierarchical structure and its potential to enhance participatory governance are key areas of focus. The study contributes novel insights by integrating change management theories with a refined presentation of the CDM pyramid and by introducing specific performance metrics for both models. By combining theoretical frameworks with practical applications, this paper offers a sustainable governance model suited to dynamic organizational environments.

**Keywords:** participative management; change management; strategy; leadership; education; company democracy; holacracy; innovation



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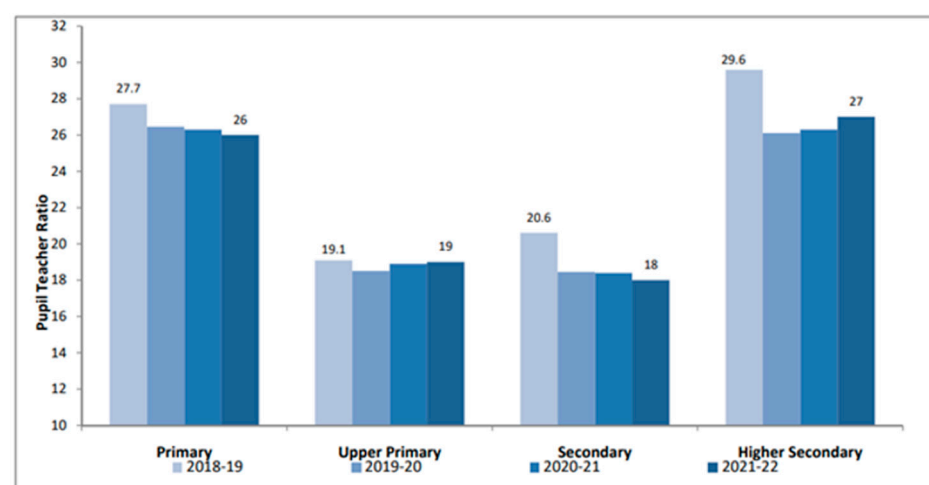
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## 1. Introduction

The rapidly evolving environment of public sector management needs novel approaches to increase the organizational effectiveness and employee engagement. This paper critically examines two participatory management frameworks, the Company Democracy Model (CDM) and Holacracy, in the context of the Indian Ministry of Education. As the Ministry navigates the complexity of the New Education Policy (NEP) 2020, there is a critical need to investigate management strategies that promote adaptation and responsiveness to the changing educational demands in large and complex organizational structures, with cultural and ethical challenges.

The Indian school education system is one of the world's largest, with approximately 1.5 million schools, more than 9.5 million teachers, and nearly 265 million students from various socioeconomic backgrounds, spanning from pre-primary to higher secondary schools (UDISE Report, 2022). The Department of School Education Literacy (DoSEL) created the UDISE+ system, which includes several unique features, and implemented it at the beginning of the 2018–2019 school year in order to offer school-specific data on school details, enrolment, physical facilities, teachers, and so on (UDISE Report, 2022).

According to UDISE (Unified District Information System for Education) documentation, the pupil-teacher ratio (PTR) is a key performance indicator in school education (UDISE Report, 2022). The PTR demonstrates the availability of an adequate number of instructors to teach the children enrolled in various levels of education. Figure 1 displays the PTR for various degrees of schooling, from the 2018–2019 school year to the 2021–2022 school year (UDISE Report, 2022).



**Figure 1.** Pupil Teacher Ratio (PTR) for Department of School Education and Literacy of Indian Ministry of Education (UDISE Report, 2022).

The All-India Survey on Higher Education (AISHE) collects data through surveys to evaluate and monitor the Department of Higher Education, providing a comprehensive picture of higher education in the country. The survey aimed to cover all institutions in the country providing higher education. According to the AISHE Report (2022), the estimated Gross Enrolment Ratio (GER) in Higher Education, for the age range of 18–23-year-old, in India, is 28.4 (AISHE Report, 2022).

The GER is a major indication of higher education participation rates. Higher GER ratings suggest that people of the particular age group are more likely to attend higher education. According to the AISHE Report (2022), the Pupil Teacher Ratio (PTR) for the regular mode is 24 when considering both universities and colleges, as shown in Table 1.

While the Indian Ministry of Education has made significant progress in improving access and infrastructure, the challenges involved in the delivery of quality education to an enormous, diverse population remain. Addressing these challenges necessitates innovative administrative frameworks that are in line with the Ministry's objectives under the New Education Policy (NEP) 2020. The NEP prioritizes equitable access, transdisciplinary learning, and technological integration, while requiring flexible, inclusive, and adaptive organizational strategies.

Participative management has emerged as a credible technique for encouraging employee inclusion and shared accountability. Organizations can build an accountability culture by

actively including employees in the decision-making processes, which will eventually lead to an increased performance and a reduced resistance to change (Park et al., 2015).

**Table 1.** Pupil Teacher Ratio Trend for Department of Higher Education in Indian Ministry of Education (AISHE Report, 2022).

Year	Universities and Colleges	Universities and Their Constituent Units
2017–2018	30	20
2018–2019	29	18
2019–2020	28	18
2020–2021	24	19
2021–2022	24	18

This study focuses on how the CDM and Holacracy can improve employee engagement, assisting the Ministry in achieving its objectives of effective governance and service delivery. By employing known change management theories, such as Lewin’s Field Force Analysis and Kotter’s Change Model, this study examines the Ministry’s competence to employ these approaches. The CDM emphasizes a layered, spiral framework, that is consistent with conventional hierarchical systems, whereas Holacracy encourages a decentralized approach, represented by self-organizing teams.

The selection of these two theories was based on their organizational culture and disruptive approach. The Holacracy eliminates the hierarchical approach by assuming that every employee can be employed anywhere when a need arises, whereas the CDM eliminates the hierarchical approach by giving opportunities to those who demonstrate knowledge, regardless of rank or position. The literature review identified viable methods for addressing hierarchical approaches in the Indian Ministry of Education, given its organizational culture and bureaucratic system resistance.

To contextualize these models, this study investigates their potential applicability to the Ministry’s two departments: the Department of School Education and Literacy (DoSEL) and the Department of Higher Education. DoSEL, through initiatives such as UDISE+, uses data to govern policy and address structural inefficiencies, such as pupil-teacher ratios. Similarly, the Department of Higher Education uses AISHE data to track Gross Enrolment Ratios (GER) and PTR trends, highlighting the need for adaptive measures that maximize resources and improve student outcomes.

In conclusion, this analysis not only highlights the potential benefits of each model, but also discusses the problems involved with their implementation in a public sector environment. Through this research, the study aspires to provide beneficial findings on participative management methods to possibly drive innovation and improve organizational efficiency within the Indian Ministry of Education.

## 2. Participative Management and the Public Sector

Participative management is a leadership approach that actively involves employees at all levels of an organization in the decision-making process. It encourages employees to think strategically, voice their perspectives, and take shared responsibility for the outcomes of their actions. This collaborative approach fosters a culture of inclusivity and engagement, where employees feel valued and empowered to contribute to the organization’s strategic goals (Rok, 2009).

The implementation of participative management has been shown to reduce resistance to change within organizations. When employees are actively involved in shaping decisions, they are more likely to accept and support the changes that follow. This sense of ownership

and participation stimulates motivation for change, making it easier to implement new processes, technologies, or organizational shifts. As a result, participative management enhances the overall organizational performance by fostering a proactive, change-ready workforce (Pardo-del-Val et al., 2012).

One of the key benefits of participative management is the promotion of accountability. When employees are directly involved in the decision-making process, they become more invested in the outcomes. This increased sense of responsibility encourages them to strive for better results, leading to higher levels of individual and team performance. Accountability is a critical aspect of effective governance, especially in the public sector, where transparency and efficiency are often scrutinized.

The public sector, which employs a significant share of the global workforce, faces ongoing challenges in implementing effective human capital strategies. One of the primary challenges in public management is fostering a work environment where employees feel empowered to contribute to the decision-making processes. Traditional, top-down management styles have often been criticized for stifling innovation and employee engagement. However, participative management offers a solution by promoting shared leadership and encouraging employees to take an active role in shaping the policies, procedures, and initiatives within their organizations (Kim, 2002).

By embracing participative management, public sector organizations can enhance their capacity for innovation, adaptability, and performance. This approach has the potential to address the ongoing challenge of human capital development in public administration, ensuring that employees are engaged, motivated, and aligned with organizational goals. As governments worldwide seek to improve service delivery, reduce inefficiencies, and foster good governance, participative management stands out as a valuable strategy for building a more agile, accountable, and high-performing public sector workforce (Markopoulos & Vanharanta, 2020).

### 3. Theoretical Framework

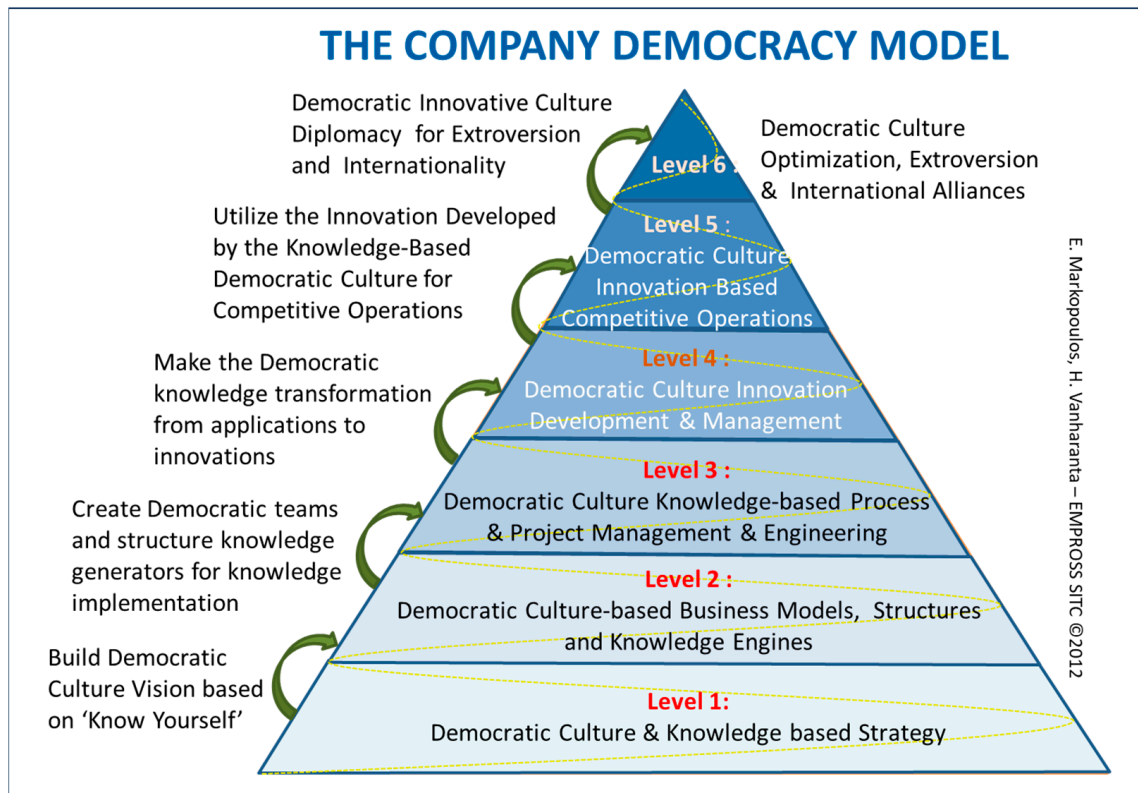
Organizational management is a dynamic field that continuously evolves to meet the demands of modern businesses. Two prominent models have gained attention for their innovative approaches to management—the Company Democracy Model and Holacracy. These models diverge significantly from traditional hierarchical structures and offer unique methodologies for improving organizational agility, employee engagement, and decision-making. Both models emphasize participation and empowerment, but employ distinct frameworks, structures, and processes.

#### 3.1. The Company Democracy Model

The Company Democracy Model is a comprehensive methodology designed to facilitate the creation of business knowledge, foster organizational development, and drive competitive advantage. This model emphasizes the democratic participation of employees in the decision-making process. It is built on an evolutionary, level-based, spiral framework, that allows organizations to progress through stages of maturity (Figure 2). The primary goal of the model is to foster a knowledge-driven, participatory organizational culture that enhances employee engagement, strategic thinking, and innovative capacity (Markopoulos & Vanharanta, 2018a).

At the heart of the Company Democracy Model is a hierarchical, but evolutionary, “pyramid-like structure”, that guides the organization’s development, from one level of maturity to the next. Each level represents a higher degree of organizational capability and competence. As the organization advances through the levels, employees are encouraged to take on greater responsibilities, contribute to decision-making processes, and develop

leadership skills. The leadership, and in this case the phronetic leadership [Vanharanta et al. \(2020\)](#), plays a crucial role in facilitating this development, ensuring that employees are equipped with the skills, knowledge, and resources necessary to succeed at each stage of growth ([Markopoulos & Vanharanta, 2021](#)).



**Figure 2.** The Company Democracy Model.

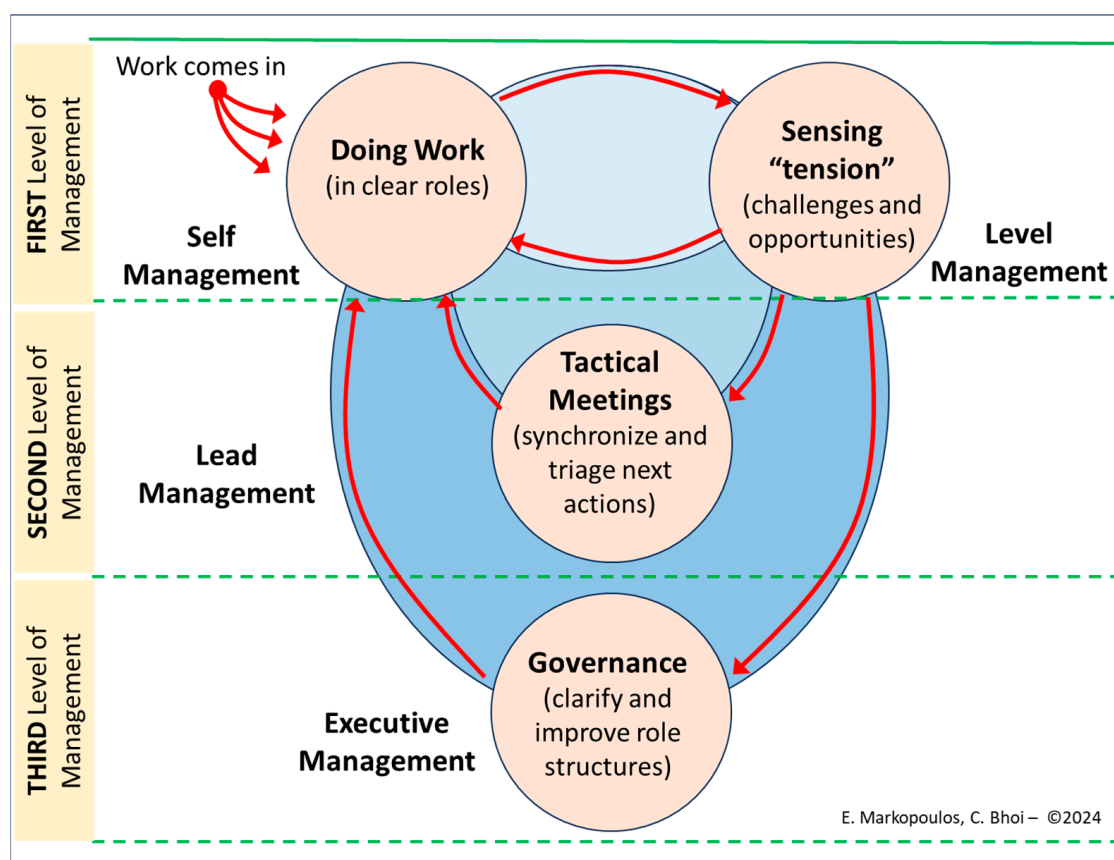
The Company Democracy Model can be successfully implemented in organizations regardless of their sector or size. This versatility makes it an attractive option for businesses aiming to enhance their strategic capabilities. The model's emphasis on continuous development ensures that the organizations remain adaptable to changing market conditions, technological advancements, and global trends. By focusing on employee involvement and democratic decision-making, the Company Democracy Model aligns with the values of modern entrepreneurship, where collaboration and collective intelligence are essential for growth ([Markopoulos & Vanharanta, 2018a](#)). Variations in the theory have been applied in several private sector organizations, such as the Pori Nuclear Power Plant in Finland. It has also been studied as the basis for setting up Democratic Governmental Corporate Entrepreneurship projects for the transformation of the public sector in the Balkan region ([Markopoulos et al., 2021](#)).

Unlike Holacracy, which shifts the focus away from individuals, the Company Democracy Model places employees at the center of organizational development and success ([Markopoulos et al., 2023a](#)). By prioritizing employee growth and active participation, this model nurtures a culture of continuous improvement. The static design of this organizational structure ensures stability and predictability, allowing employees to develop their data handling, decision-making, and performance capabilities. The development process is not only about achieving higher levels of organizational maturity but also about empowering employees to take on more meaningful roles within the organization ([Markopoulos & Vanharanta, 2021](#)).



### 3.2. The Holacracy Model

Holacracy is a distinctive and relatively new organizational management system, that aims to distribute authority and decision-making power across the organization, rather than centralizing it at the top (Kumar S. & Mukherjee, 2018). This approach is based on “social technology” that creates self-organizing teams, referred to as “circles” or “holons.” These circles operate semi-autonomously, allowing for greater flexibility, responsiveness, and adaptability to how the organizations function (Figure 3). Holacracy eliminates traditional job titles and hierarchical management roles, replacing them with roles that are defined according to the work that needs to be carried out (Radojevic et al., 2016). The theory has been implemented with significant success across various industries, such as the retail industry, with the implementation of holacracy in the Zappos company (Yugendhar & Ali, 2017), in Higher Education in Turkey (Turpçu, 2024), and in the United Nations (Nair & Joy, 2024), among others.



**Figure 3.** The Holacracy model with management level and type indicators.

One of the core principles of Holacracy is decentralization. Authority is distributed throughout the organization and decision-making is no longer limited to a select group of top executives. Instead, the roles are created based on the tasks required to achieve the organization’s objectives. Employees may take on multiple roles within different circles, allowing for cross-functional collaboration. This shift from a top-down management system to a peer-to-peer cooperative approach enables organizations to become more agile and responsive to change. Since there is no formal “boss” or senior leadership team dictating instructions, every employee has a chance to participate in the decision-making process (Mosamim & Ningrum, 2020).

The Holacratic model prioritizes work over individual employees. This means that roles and responsibilities are shaped by the work that needs to be carried out, not by

the personal characteristics, skills, or preferences of employees. This structure allows the organizations to remain more fluid, as roles can be created, redefined, or eliminated, based on the changing needs of the organization. The model also emphasizes flexibility, which allows the employees to perform multiple responsibilities at the same time, often across different circles (Robledo, 2024).

One of the primary challenges of Holacracy is its relative novelty. It is still a young management practice that is not yet widely adopted. As a result, many organizations face difficulties in its implementation, especially those accustomed to traditional hierarchical management systems. However, organizations that successfully adapt to the opportunities and threats of the market—especially those using Just-In-Time (JIT) production or service delivery—can leverage Holacracy to enhance their agility, reduce inefficiencies, and improve responsiveness to external pressures (Radojevic et al., 2016).

### 3.3. Key Differences Between the Models

A comparative analysis between the Company Democracy Model and the Holacracy Model, considering fifteen criteria, is provided in Table 2.

**Table 2.** Key differences between the Company Democracy and the Holacracy Model.

Criteria	Company Democracy Model	Holacracy
Structure	Pyramid-like hierarchical, level-based structure	Self-organizing teams (circles/holons)
Decision-Making	Participatory, with key role of leadership	Decentralized, peer-to-peer cooperation
Adaptability	Effectively applied by any organization, regardless of its size and sector of operations	Beneficiary applied by organizations adapting opportunities and threats, such as the Just-In-Time system
Role of Leadership	Leadership drives development and maturity of employees	No central leadership, authority is distributed
Focus	Knowledge creation and sharing regardless of the employees' roles, ranks or responsibilities	Task and role-centered, work defines roles
Functionality	Keeps employees in the center of the organizational development and success	Targets the work that has to be carried out and not the people conducting it.
System approach	Functions as a whole single entity, uniting the people for the organization's development by democratizing access to opportunity	Functions as a system of systems, where several working entities operate in parallel with an organization
Flexibility	Static organizational design but dynamic employee roles and power distribution	Highly flexible, roles change according to tasks
Application	Can be applied in any sector or industry	Used primarily in tech, startups, and agile environments
Delegation of Authority	Authority granted to knowledge holders for incremental progression of the levels from the bottom to the top.	No top management and senior leadership. All team members in a circle participate in peer-to-peer cooperation with distributed authority
Responsibility	Employees are responsible for individual and team outcomes	Employees can have multiple roles in different circles
Innovation	Promotes knowledge creation and innovation	Encourages cross-functional collaboration
Nature of Organization	Functions as a whole single entity	Functions as a collection of autonomous circles
Organizational Design	Static design with interdisciplinary approach emphasizing on enhancing performance capabilities	Dynamic design with changes constantly based on the new needs generated to create holons/circles.
Challenge	Progression requires organizational maturity	Adoption is difficult for organizations used to hierarchy

Based on the analysis of Table 2, both the Company Democracy Model and Holacracy provide innovative approaches to organizational management that aim to replace the rigidity of traditional hierarchical systems with more dynamic, participatory structures. However, each model has its unique attributes, benefits, and limitations (Markopoulos et al., 2023b).



The Company Democracy Model prioritizes employee development, emphasizing the role of leadership in guiding employees through various stages of organizational maturity. Its hierarchical, level-based approach ensures that employees gain competence, capability, and knowledge as they move up the organizational spiral. By enabling continuous development, it fosters a sustainable and innovation-driven culture. This model is applicable across a variety of industries and sectors, regardless of the organization's size (Markopoulos & Vanharanta, 2021).

In contrast, Holacracy emphasizes flexibility, adaptability, and decentralization (Yokota, 2019). The focus shifts from people to tasks, with roles created according to organizational needs. The use of "circles" and self-organizing teams allows the organizations to be more agile, making them well-suited for fast-paced and constantly changing environments, such as technology startups. However, Holacracy is more challenging to implement, especially for companies accustomed to traditional hierarchies. Employees must be trained in the new governance system, and organizations must be prepared to embrace fluidity in their operations.

Both models have the potential to revolutionize the way organizations are managed. While Holacracy promotes agility and responsiveness, the Company Democracy Model focuses on gradual, evolutionary development. The implementation of either model requires the organizations to assess their goals, industry context, and workforce readiness. Public sector organizations, in particular, may benefit from testing both models, as each has the potential to foster greater employee engagement, accountability, and innovation.

#### 4. Public Sector Organization: Indian Ministry of Education

To understand the potential implementation of Holacracy and the Company Democracy Model in a public sector organization, we will focus on the Indian Ministry of Education. The global education development goal, defined by Goal 4 (SDG4) of the 2030 goal for Sustainable Development, accepted by India in 2015, is to "ensure inclusive and equitable quality education and promote lifelong learning opportunities for all" by 2030 (Ministry of Human Resource Development, 2020). Such an ambitious aim demands an extensive restructuring of the educational system to support and nurture learning in order to fulfill all of the 2030 Agenda for Sustainable Development's important targets and goals (Ministry of Human Resource Development, 2020).

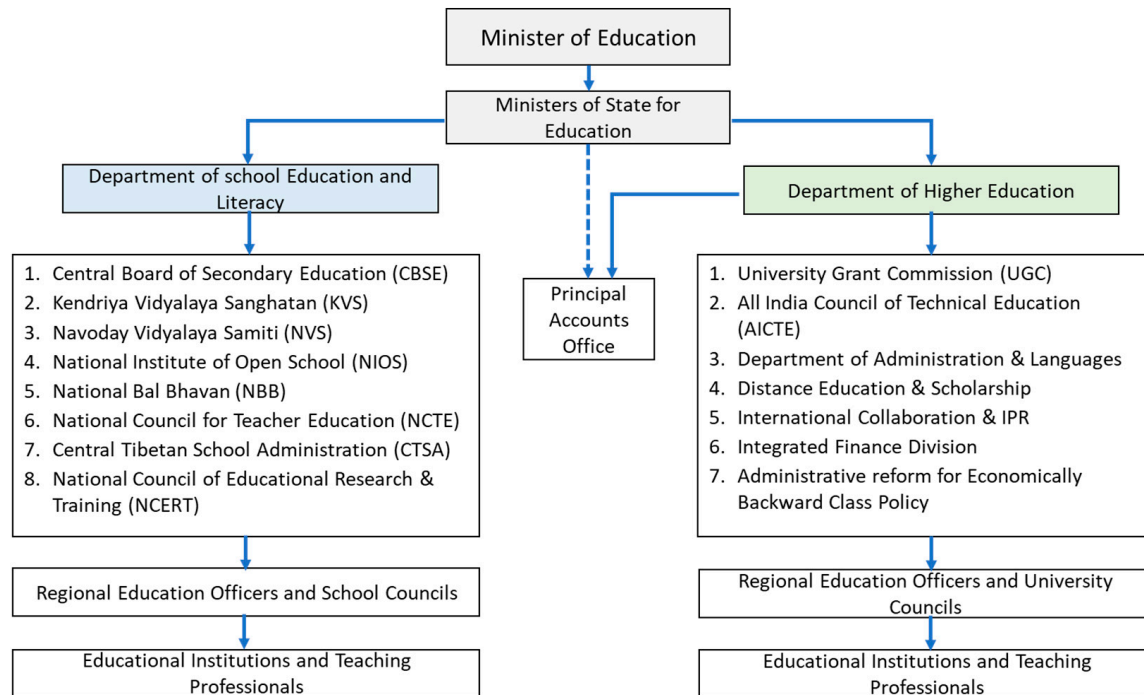
The Ministry of Education plays a vital role in shaping India's educational policies and managing the country's vast education system. Given its role as a central governing body, the Ministry provides an ideal context for exploring how decentralized management models, like Holacracy and Company Democracy, could transform its internal processes, decision-making, and employee participation. This section will be divided by subheadings. It will provide a concise and precise description of the experimental results, their interpretation, as well as the experimental conclusions that can be drawn.

To understand the potential implementation of Holacracy and the Company Democracy Model in a public sector organization, we will focus on the Ministry of Education, Government of India. The Ministry of Education plays a vital role in shaping India's educational policies and managing the country's vast education system. Given its role as a central governing body, the Ministry provides an ideal context for exploring how decentralized management models like Holacracy and Company Democracy could transform its internal processes, decision-making, and employee participation. It should provide a concise and precise description of the experimental results, their interpretation, as well as the experimental conclusions that can be drawn.

#### 4.1. Organizational Structure of the Ministry of Education

The Ministry of Education is broadly divided into two main departments (Figure 4):

1. Department of School Education and Literacy
2. Department of Higher Education



**Figure 4.** The organization structure for the Ministry of Education.

It also has a third department, the Principal Account Office, which has been administered by the Department of Higher Education ([Indian Ministry of Education, 2025](#)). These departments play a crucial role in driving India's education system. Each department has distinct roles and responsibilities.

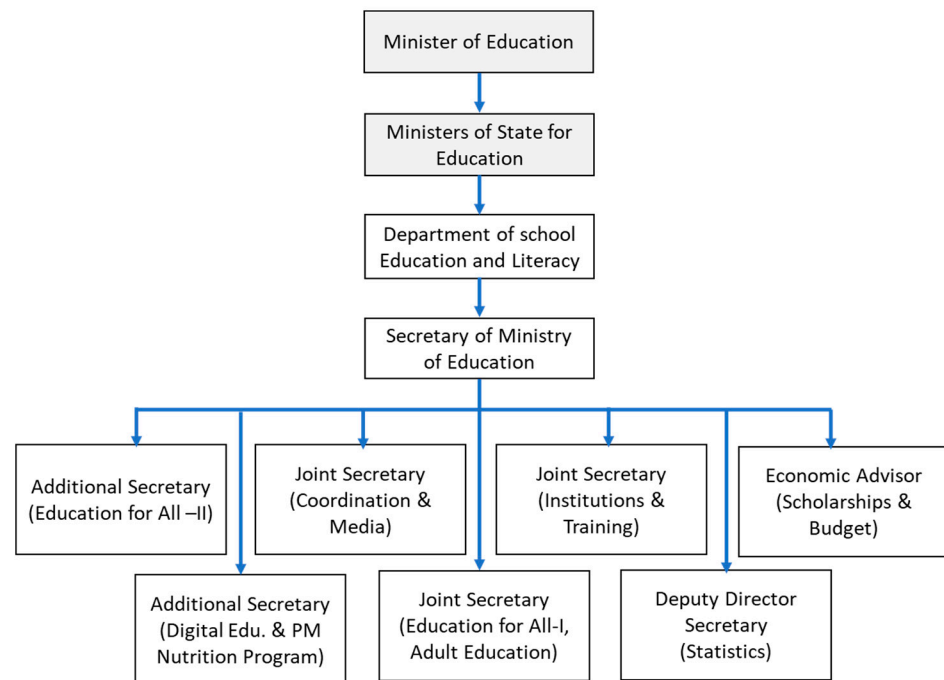
##### 4.1.1. Department of School Education and Literacy

The Department of School Education and Literacy focuses on ensuring universal access to quality education for children from pre-primary to secondary level. It aims to achieve the objectives of the National Education Policy (NEP) 2020, which promotes access, equity, and inclusion in education for marginalized and disadvantaged groups. This department is responsible for the following core functions:

- **Policy Formulation and Implementation:** Designing and enforcing education policies that promote compulsory and inclusive education for children.
- **Management of Education Programs:** Running large-scale education programs, like Sarva Shiksha Abhiyan (SSA), Mid-Day Meal Scheme (MDMS), and Right to Education (RTE) Act compliance.
- **Teacher Training and Development:** Ensuring the professional development of teachers through capacity-building initiatives.
- **Monitoring and Evaluation:** Assessing the performance of education programs and identifying areas for improvement.

The leadership of this department includes a Secretary, Additional Secretary, and Joint Secretaries, who supervise directors and other operational staff. Figure 5 illustrates the detailed structure of the Department of School Education and Literacy, highlighting the

flow of decision-making from the top to the district and block levels. The hierarchical system ensures accountability, but can also result in slow decision-making due to the multiple layers of approval required Education ([Indian Ministry of Education, 2025](#)).



**Figure 5.** The Organization Structure of the Department of School Education and Literacy.

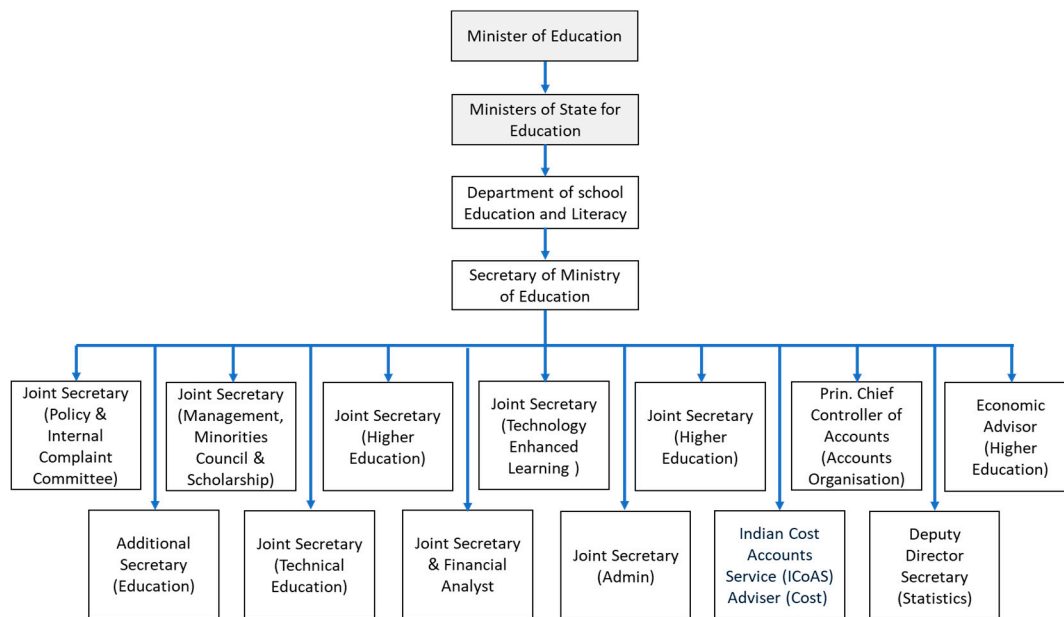
#### 4.1.2. Department of Higher Education

The Department of Higher Education focuses on improving India's higher education system, including universities, research institutions, and technical education providers. It is responsible for managing institutions like the Indian Institutes of Technology (IITs), National Institutes of Technology (NITs), and Indian Institutes of Management (IIMs). This department also oversees key regulatory bodies like the University Grants Commission (UGC) and the All-India Council for Technical Education (AICTE) ([Ministry of Human Resource Development, 2020](#)).

As per Ratan, and Ranjan, 2020, the primary functions of the Department of Higher Education include the following:

- Development of Educational Infrastructure: providing funding and resources for the establishment of new universities and technical institutions.
- Policy Formulation and Implementation: formulating policies to promote research, quality assurance, and employability in higher education.
- Management of Student Scholarships and Fellowships: managing student aid programs, including scholarships for underprivileged students.
- Regulation and Oversight: overseeing universities and colleges to ensure compliance with national education standards.

The structure of the Department of Higher Education is presented in Figure 6, which outlines the flow of responsibilities from the Cabinet Minister of Education down to the secretaries and directors Education ([Indian Ministry of Education, 2025](#)). Like the Department of School Education, this department follows a bureaucratic structure that requires multiple levels of review before decisions are made. This often results in delays in policy implementation and responsiveness Education ([Indian Ministry of Education, 2025](#)).



**Figure 6.** The Organization Structure for Department of Higher Education.

#### 4.1.3. Role of the Ministry of Education Leadership

The overall leadership of the Ministry of Education is headed by the Cabinet Minister of Education, who serves as the senior-most authority overseeing both departments. The Cabinet Minister is supported by three State Ministers of Education, each of whom represents specific states and is responsible for ensuring the effective implementation of education programs in those states Education ([Indian Ministry of Education, 2025](#)).

The key leadership positions in the Ministry include the following:

- Cabinet Minister of Education: the top authority responsible for strategic planning and policy direction.
- State Ministers of Education: represent state interests and ensure state-level compliance with education policies.
- Secretaries and Joint Secretaries: these administrative officials ensure the execution of policies and supervise the work of directors and operational staff.

This hierarchical model ensures a clear chain of command, but limits opportunities for lower-level employees to participate in decision-making. The Holacracy and Company Democracy models offer alternatives that promote employee participation, self-management, and decentralized leadership.

#### 4.2. Application of Holacracy and Company Democracy Model

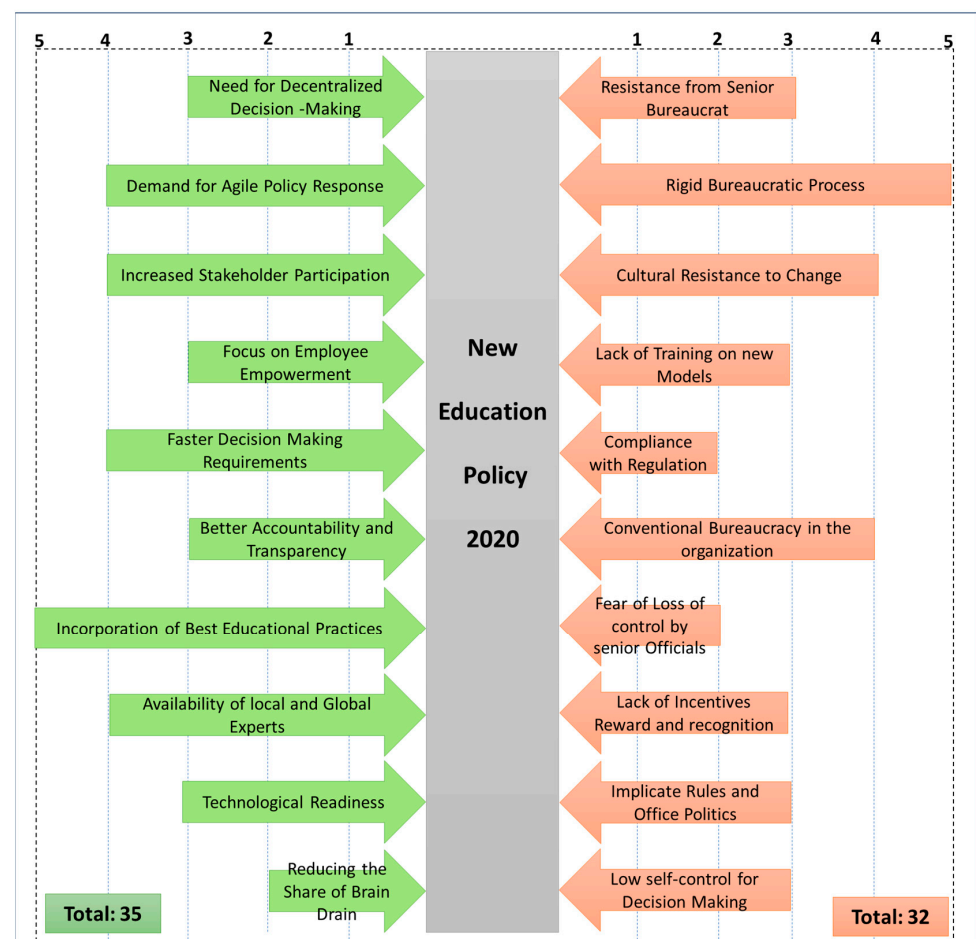
To assess the feasibility of implementing the Holacracy and Company Democracy Model in the Ministry of Education, a Lewin's Force Field Analysis is conducted. This method, developed by Kurt Lewin ([Thomas, 1985](#)), identifies the driving and restraining forces that influence organizational change ([Hussain et al., 2018](#)).

##### 4.2.1. Lewin's Force Field Analysis

The Force Field Analysis identifies the forces that drive or restrain the implementation of Holacracy and Company Democracy in the Ministry for the new education policy 2020 implementation. Table 3 presents the main driving and restraining forces, while Figure 7 visualizes the forces by indicating the strength of each force and the outcome of the analysis.

**Table 3.** Forces related to the implementation of the New Education Policy 2020.

Driving Forces	Restraining Forces
Need for Decentralized Decision-Making	Resistance from Senior Bureaucrats
Demand for Agile Policy Responses	Rigid Bureaucratic Processes
Increased Stakeholder Participation	Cultural Resistance to Change
Focus on Employee Empowerment	Lack of Training on New Models
Faster Decision-Making Requirements	Compliance with Regulations
Better Accountability and Transparency	Fear of Loss of Control by Senior Officials
Incorporation of best educational practices	Conventional Bureaucracy in the organization
Availability of local and global experts	Lack of incentive, reward or recognition
Technological Readiness	Implicate rules and office politics
Reducing the share of brain drain	Low self-control for decision-making

**Figure 7.** Visualization of the forces related to the new education policy 2020 implementation.

This analysis indicates that while certain forces support the adoption of Holacracy and Company Democracy (such as the demand for agile responses and the need for decentralization), there are also significant restraining forces, such as resistance from senior bureaucrats or a fear of loss of control.

#### 4.2.2. Suitability of Holacracy in the Ministry

Benefits: enables decentralized, faster decision-making at the district and state levels; increases flexibility and responsiveness to emergencies like COVID-19; supports the creation of cross-functional, self-organized teams.

Challenges: requires the employees to adopt new roles and abandon hierarchical control; faces resistance from senior officials accustomed to top-down leadership.

#### 4.2.3. Suitability of Company Democracy Model in the Ministry

Benefits: encourages employee participation in policy formulation; promotes growth and competence development of lower-level staff; nurtures a culture of learning, innovation, and self-improvement.

Challenges: requires significant employee training to enable participation in decision-making. The maturity-based approach takes time to achieve at all levels of the organization (Markopoulos & Vanharanta, 2017).

As the Ministry of Education, Government of India, operates in a hierarchical structure that emphasizes accountability and control, the implementation of Holacracy and the Company Democracy Model could foster better employee engagement, faster decision-making, and decentralized leadership taking into consideration the situation in which knowledge is generated, and decisions are made (Markopoulos et al., 2022b). While Lewin's Force Field Analysis highlights the potential challenges to change, it also reveals that the driving forces are strong enough to warrant further exploration of these models. By adopting a hybrid approach, the Ministry could balance the benefits of decentralization and participation with the need for accountability and oversight.

Given the Indian Ministry of Education's bureaucratic culture, it is crucial to assess the driving and resistive forces affecting the system. Lewin's Field Force Analysis is used to select and strengthen these approaches for the Indian Ministry of Education's execution of the New Education Policy 2020. This approach aids the examination into the contributing and opposing forces for the implementation of the New Education Policy 2020. Despite the weighted response of each force concerning the deployment of NEP 2020, this democratic model's response may result in a very modest marginal success for driving forces, which is insufficient to enhance the approach selection. This minor marginal win may change in the future as the implementation circumstances such as organizational culture, system.

## 5. Implementation of Holacracy in the Ministry of Education, Government of India

### 5.1. Understanding the Suitability of the Ministry of Education for the Holacracy Model

The Ministry of Education of the Government of India is a multifaceted organization with numerous departments and divisions, each operating under different verticals and addressing various aspects of the education system. Within this structure, some of these departments function as autonomous bodies, giving them a degree of operational independence. This decentralized setup, coupled with the diverse functions and the broad scope of projects under the Ministry, makes it an ideal candidate for the adoption of a flexible and dynamic management model like Holacracy. Holacracy is particularly suited to environments that require a high level of adaptability and self-organization, and the Ministry of Education, with its complex and varied functions, fits this description well.

A significant factor that enhances the suitability of the Ministry of Education for the implementation of Holacracy is the sophisticated technological infrastructure available within the organization. This infrastructure enables effective communication and information sharing, which are critical components of the Holacracy model. Holacracy thrives in environments where transparent communication, real-time collaboration, and fluid information



flow are the norms, as it decentralizes decision-making and empowers individuals at all levels of the organization. The advanced technological resources within the Ministry will facilitate the coordination and management of teams and projects across various divisions, ensuring that the self-organizing teams of Holacracy can function smoothly and efficiently.

Furthermore, the education sector in India is continually evolving, with new reforms and initiatives being introduced regularly to address emerging challenges and opportunities. This constant evolution creates an environment that requires flexible management practices capable of responding quickly to new demands. Holacracy, with its ability to adapt to changes and manage dynamic project needs, fits well within this context. As noted by [Radojevic et al. \(2016\)](#), Holacracy is designed to facilitate responsiveness to change and innovation, qualities that are essential for addressing the dynamic nature of educational reforms. Thus, the Ministry's evolving role in implementing reforms and responding to new educational needs makes it a suitable environment for the adoption of the Holacracy model, as it can provide the flexibility and responsiveness needed to drive the success of these reforms.

In summary, the Ministry of Education's existing organizational structure, technological infrastructure, and its involvement in ongoing education reforms align well with the principles and practices of Holacracy, making it an appropriate model to drive more adaptive, efficient, and collaborative management within the organization.

## 5.2. Implementation Process of the Holacracy Approach in the Ministry of Education

The successful implementation of Holacracy within the Ministry of Education, Government of India, requires a strategic and well-structured approach. Given the Ministry's large hierarchical structure and its responsibility for overseeing critical education reforms such as the National Education Policy (NEP) 2020, it becomes essential to adopt a systematic change management process. To ensure smooth adoption of Holacracy, it is beneficial to integrate Kotter's Change Model with the Holacratic approach. This combination aligns with the Ministry's objective to become more agile, participative, and effective in managing large-scale projects.

In a Holacratic organizational structure, the Ministry of Education will act as the super circle. Within this super circle, there will be two prominent sub-circles, representing the two key departments:

1. Department of School Education and Literacy
2. Department of Higher Education

Each of these departments will consist of teams and sub-teams (roles), which are smaller working groups dedicated to specific projects, tasks, or deliverables. The central operational model of Holacracy is based on role-based work assignments, where employees no longer have fixed job titles, but take on multiple roles based on the needs of the project or department. This structure emphasizes accountability, agility, and flexibility.

The roles in the Holacratic system will be filled by the following key actors:

- Secretaries (of each department) and officers working as policy makers and program developers.
- Lead Links—responsible for guiding and coordinating specific teams.
- Team members—administrative staff and officers engaged in the operational execution of the New Education Policy 2020.

Holacracy Structure in the Ministry of Education.

1. Super Circle (Ministry of Education)
  - The Ministry of Education is the primary governing body at the top of the Holacratic structure. It serves as the overarching super circle that provides

overall direction, vision, and strategy. The Cabinet Minister of Education and three State Ministers form the top leadership team that drives policy at the central level.

## 2. Sub-Circles (Departments of School Education and Higher Education)

The Ministry is divided into two key departments:

- Department of School Education and Literacy—responsible for elementary and secondary education initiatives, literacy promotion, and teacher training.
- Department of Higher Education—responsible for the development of higher education institutions, curriculum, and research infrastructure.

## 3. Roles

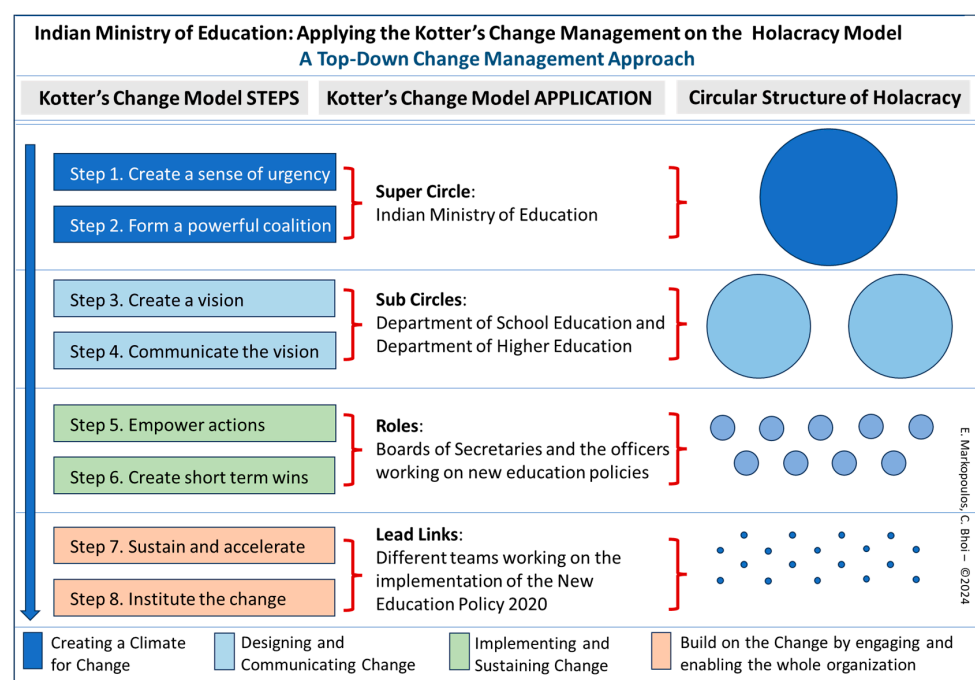
Each department will have roles filled by Secretaries, Joint Secretaries, Deputy Secretaries, and policy officers. Instead of adhering to rigid hierarchical roles, they will function according to the concept of “roles” in Holacracy. These roles are assigned based on the skills, experience, and capacity of the individuals, and each role is aligned with the responsibilities for policy design, project execution, and stakeholder management.

## 4. Lead Links

The Lead Link is responsible for assigning roles, managing priorities, and ensuring smooth coordination among teams. Each vertical within the sub-circles will have a Lead Link managing specific projects like the NEP 2020 implementation. For example, the policy development team in the Department of School Education will have a Lead Link responsible for guiding the officers and ensuring the alignment with NEP objectives.

### 5.3. Role of Kotter’s Change Model in Holacracy Implementation

To effectively manage the change from a hierarchical structure to a Holacratic system, the 8-step Kotter’s Change Model is applied (Rajan & Ganesan, 2017), (Figure 8). This model is a well-recognized approach to managing large organizational transformations, and it aligns with the project-centric nature of Holacracy.



**Figure 8.** Incorporating Holacracy Model by Implementing Kotter’s Change Model in Ministry of Education.

The following outlines the integration of the Kotter's model with Holacracy in the Ministry of Education.

1. **Create Urgency:** the catalyst for change comes from the introduction of the National Education Policy (NEP) 2020, which demands faster implementation, cross-functional coordination, and participatory decision-making. The urgency to shift from a hierarchical decision-making process to a more agile and decentralized approach stems from the necessity to meet new education reform goals.
  - **Super Circle Role:** the catalyst for change comes from the leadership of the Ministry, including the Cabinet Minister of Education and the three State Ministers, who recognize the need to implement Holacracy for faster decision-making.
2. **Form a Powerful Coalition:** to initiate change, a strong leadership coalition must be created. In Holacracy, the coalition is formed by the top-tier leadership at the Ministry level and the heads of the two departments (sub-circles).
  - **Super Circle Role:** the Secretary Heads of the Department of School Education and Literacy and the Department of Higher Education form the Powerful Coalition. They bring together a team of experts and senior officials with decision-making authority to lead the change. This group is responsible for designing the vision, ensuring there is broad support for the change, and mobilizing support from stakeholders at the central and state levels.
3. **Develop a Vision for Change:** a clear and compelling vision must be created to help stakeholders understand why the shift to Holacracy is necessary.
  - **Sub-Circle Role:** the Board of Administrative Officers and Secretaries of both departments develop the vision and strategy. Their role is to create a change roadmap that defines how Holacracy will function in the Ministry, what it will look like, and how success will be measured.
4. **Communicate the Vision:** change communication is essential to ensure that all team members understand and support the new structure.
  - **Lead Link Role:** the Lead Links of individual teams in the sub-circles lead communication initiatives. They create campaigns and workshops to educate employees about Holacracy principles.
5. **Remove Obstacles:** obstacles to change may include employee resistance, bureaucratic mindsets, and regulatory compliance challenges.
  - **Role Holders:** key administrative roles in the verticals of each sub-circle identify and remove barriers to implementation. These roles ensure proper support for training, resolve legal compliance issues, and simplify regulatory procedures to enable smooth implementation.
6. **Create Short-Term Wins:** short-term wins help maintain the momentum. For instance, the successful completion of smaller projects under the new structure can be celebrated.
  - **Role Holders:** the teams working on specific aspects of NEP 2020, such as curriculum design and teacher training, can achieve short-term wins. Progress can be tracked, and employees involved in successful projects should be recognized and rewarded.
7. **Build on the Change:** once initial wins are achieved, the change must be sustained by building on momentum.

- **Lead Links Role:** Lead Links ensure that teams continue to identify areas for improvement and integrate lessons learned. They continuously align roles and responsibilities, helping teams to build on their past achievements.
8. **Anchor the Changes in Culture:** to ensure sustainability, the new approach must become part of the organization's culture.
    - **Super Circle Role:** the Ministry's top leadership, including the Cabinet Minister of Education, champion the new model and institutionalize Holacracy principles. Changes must be formalized in policy documents, rules, and protocols, ensuring they become a permanent feature of the Ministry's culture.

#### *5.4. Benefits of Kotter's Model with Holacracy in the Indian Ministry of Education*

The following benefits derive from the use of the Holacracy in the Ministry of Education.

1. **Clear Vision and Direction:** the use of Kotter's Model ensures that the purpose and vision for Holacracy are clearly defined from the start, reducing confusion and resistance.
2. **Collaborative Leadership:** the creation of a powerful coalition brings together the Secretaries, Ministers, and Senior Officials, encouraging collaborative decision-making.
3. **Effective Communication:** Holacracy requires frequent communication, and Kotter's model emphasizes this, ensuring that all levels of the Ministry are engaged.
4. **Capacity for Change:** resistance is a significant barrier to change. Kotter's model addresses this through removal of obstacles and short-term wins, which demonstrate the benefits of the change to skeptical employees.

As the Indian Ministry of Education has the bureaucratic system and by nature it has a resistance to change which highlights the need to have approach which creates urgency and necessity to adopt the change. As a result, the Kotter Change Model is the ideal technique for dealing with organizations that have a disruptive organizational culture. Though the Kotter Model's approach is not ethically appropriate, the cultural dimensions of this organization justify using it. There may be limitations, such as employee strikes or an impact on the organization's performance due to the Kotter change model, but if dealt with using strategic implementation, these limitations can be effectively managed.

Overall implementation of Holacracy in the Ministry of Education, Government of India, requires a strategic approach to overcome the challenges of hierarchical resistance and large-scale transformation. By integrating Kotter's Change Model into the implementation process, the Ministry can effectively guide the change process. The Ministry of Education's holacratic structure with super circles, sub-circles, roles, and lead links provides a clear, flexible, and participatory governance framework. This approach supports the Ministry's mission to achieve the ambitious objectives of the NEP 2020. With effective leadership, clear vision, and proper communication, the shift to Holacracy can enhance agility, accountability, and participatory governance in India's education sector.

## **6. Implementation Barriers of the Holacracy Approach in the Ministry of Education**

Although Holacracy presents a promising approach for the Ministry of Education, its implementation faces several key barriers that need to be overcome for it to be effective. One of the primary challenges is the increased workload and stress on employees, due to the simultaneous functioning in multiple roles and responsibilities within the Holacratic structure. As individuals are required to take on various duties across different roles,

this can lead to overburdened employees, negatively impacting their productivity and overall well-being.

Furthermore, employees with low self-confidence or fear of making incorrect decisions may struggle to adapt to a system where decision-making is decentralized and shared among teams. Such employees could hinder the performance of holons (self-organizing teams), as their ability to make informed decisions is compromised by a lack of confidence. Additionally, the current organizational culture, which tends to be more conventional and bureaucratic, may resist adopting a more dynamic and flexible approach like Holacracy.

The ingrained hierarchy and bureaucratic mindset within the organization may create significant resistance to change, making it harder to integrate Holacracy as a valued organizational approach. Moreover, poor communication, the presence of implicit rules, and internal political dynamics can further complicate the implementation process, as these issues may lead to misalignment and lack of transparency. Lastly, the employees who lack a clear understanding of the model and the necessary skills may feel incompetent, which further exacerbates the challenges faced during implementation (Galli, 2018).

## **7. Pre and Post Conditions for the Implementation of the Holacracy Approach to the Ministry of Education**

### *7.1. Pre Conditions for the Implementation of the Holacracy Approach to the Ministry of Education*

For the successful implementation of Holacracy in the Ministry of Education, several pre-conditions need to be in place. Holacracy is a project-oriented approach, with employees working in holons (self-organized teams) based on project needs; therefore, it is essential that employees are hired based on their specific skill sets. This ensures that employees are well-equipped to take on multiple roles and responsibilities across different projects, as required by the Holacracy system.

Additionally, social technology should be established to facilitate effective communication and coordination between the various circles (teams) within the organization. Such technological tools will help maintain the necessary coordination and ensure that all employees are aligned with the organization's objectives. It is also crucial that the vision and project goals of Holacracy are communicated with a strategic approach across the organization.

Clear communication of the new structure, roles, and responsibilities will help employees understand the objectives and how their individual contributions fit into the broader framework. This may involve training programs designed to educate employees about the new model, helping them transition smoothly into their roles within the Holacracy system.

### *7.2. Post-Conditions for the Implementation of the Holacracy Approach to the Ministry of Education*

Once the Holacracy model is implemented, it is critical to introduce post-conditions to ensure the model's sustainability and effectiveness over time. First, a robust performance mapping model must be put in place to track progress and assess the impact of Holacracy on organizational outcomes. This model will provide valuable insights into the performance of holons and how effectively they achieve their goals.

Another important post-condition is the recognition and reward system. Employees often expect social recognition, rewards, and incentives for their remarkable contributions to the organization. To maintain motivation and reinforce positive behaviors, the organization must ensure that there are clear recognition and reward mechanisms in place. These should be designed to acknowledge individual and team achievements and to foster a culture of continuous improvement.

Additionally, it is important to regularly assess the reliability of each circle's work by conducting audits and evaluations to ensure that the work is of high quality and aligns with the overall objectives of the organization. These evaluations should be performed periodically to maintain the effectiveness of Holacracy and ensure the successful transition of projects from one circle to another.

## 8. Performance Matrix and Leadership Type and Traits Required for the Holacracy Model

### 8.1. Performance Matrix

To evaluate the success of projects implemented under the Holacracy model, particularly in the context of the New Education Policy (NEP) 2020, the following parameters can be used. The benefits resulting from the implementation of Holacracy are likely to be significant, as the system allows for greater employee involvement and decentralized decision-making, leading to more efficient project outcomes. Employee satisfaction can be assessed through quarterly surveys, designed to assess how employees perceive their roles within the system.

The employees who excel in a dynamic, self-organizing environment are likely to report high levels of job satisfaction, especially as their skills and experience grow with the increased flexibility Holacracy provides. However, the employees who struggle with change or the dynamic design of the Holacracy model may face difficulties and experience frustration, which could affect their performance.

The cost of deliverables under Holacracy will likely be higher compared to traditional management models, as it requires significant technological resources and platforms to maintain effective coordination between circles. Nevertheless, the quality of deliverables will likely be high, as Holacracy promotes a self-organizing and democratized organization, fostering ownership and accountability within teams. However, due to the nature of the decentralized model, there may be a higher risk of uncertainties and external threats, such as inconsistent employee engagement, lack of clarity in roles, or unforeseen challenges arising from the model's complexity.

### 8.2. Leadership Type and Traits Required

For Holacracy to be implemented successfully, it is essential to have leaders who are smart, conscientious, and forward-thinking. These leaders must recognize that authoritarian control is not the most effective way to achieve success within this decentralized system (Radojevic et al., 2016). Rather, they must possess certain leadership traits, including trust, focus, execution, vision, and passion. These traits are critical for leaders to guide their teams through the complexities of the Holacracy model.

Transformational leadership styles are particularly well-suited for this environment, as they emphasize employee empowerment, motivation, and visionary thinking. Such leaders inspire their teams to embrace change, take ownership of their roles, and contribute meaningfully to the overall success of the organization.

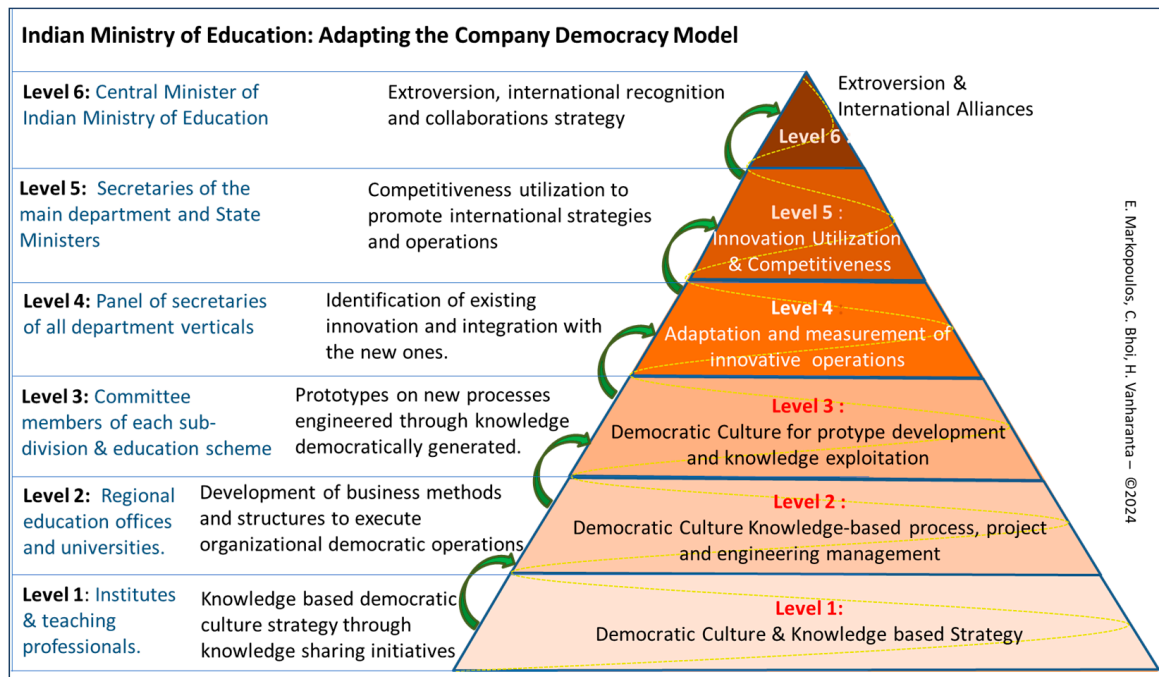
Transformational leaders can navigate the inherent challenges of Holacracy and ensure that the system is implemented effectively, encouraging continuous improvement and participation from all employees. These leadership traits and styles will be fundamental to managing change and fostering the organizational culture needed for Holacracy to thrive.

## 9. Implementation of the Company Democracy Model Approach to the Ministry of Education

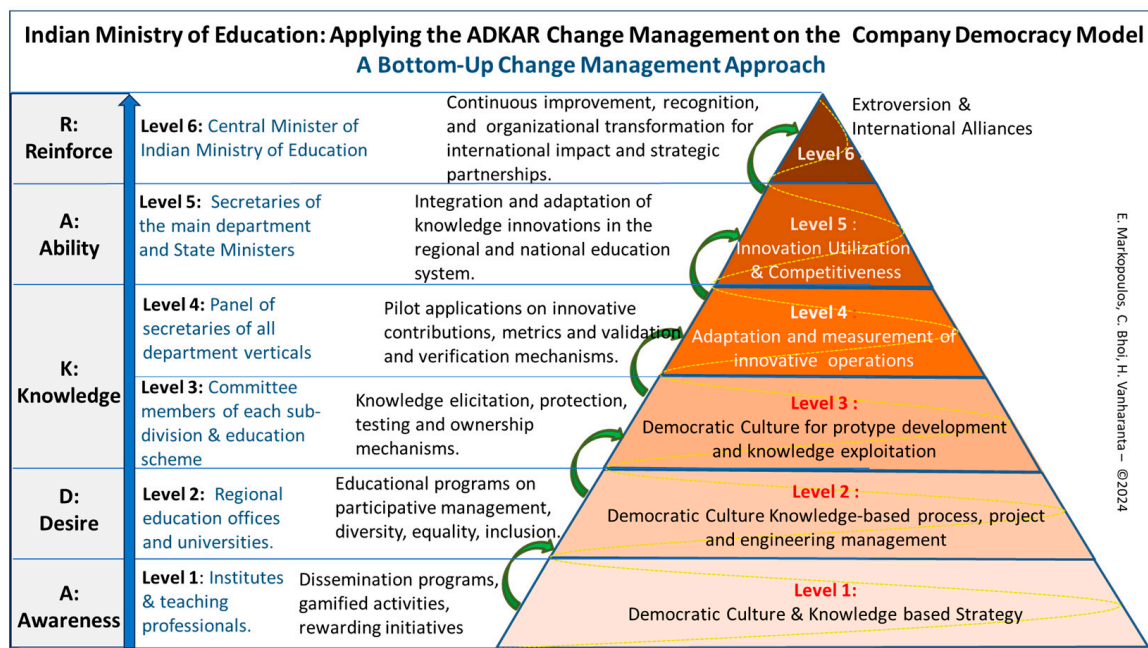
The Company Democracy Model can be effectively applied to the Ministry of Education, Government of India, by integrating a knowledge-based democratic culture strategy



across different levels of the organization. The model emphasizes democratic decision-making and continuous knowledge-sharing, ensuring that all levels of the Ministry are involved in the implementation of strategic initiatives, such as the New Education Policy (NEP) 2020 (Figure 9). The model is structured into several levels, each contributing to the organizational development strategy while incorporating the ADKAR Change Model (Figure 10), which focuses on awareness, desire, knowledge, ability, and reinforcement to manage change effectively (Markopoulos et al., 2023b; Paramitha et al., 2020).



**Figure 9.** Incorporating the Company Democracy Model in Ministry of Education.



**Figure 10.** Incorporating the Company Democracy Model by Implementing ADKAR Change Model in Ministry of Education.

The ADKAR Change Model at this stage focuses on reinforcing change, ensuring that the transformation resulting from NEP 2020 is sustained and has a lasting impact. Through

strategic collaborations and partnerships, the Ministry will continue to grow its influence and global reputation, ensuring that India's education system remains competitive on the world stage. This level also plays a crucial role in establishing international standards and ensuring that the Ministry is at the forefront of educational reforms.

## 10. Implementation Process of the Company Democracy Model in the Ministry of Education

### 10.1. Level 1: Development of Knowledge-Based Organizational Culture Strategy

At the first level, the focus is on developing a knowledge-based organizational culture that sets the foundation for planning, development, operations, and initiatives through knowledge sharing initiatives (Markopoulos & Vanharanta, 2015). This level primarily involves educational institutions and teaching professionals, who will generate and share knowledge related to organizational growth. These stakeholders play a critical role in the early stages of the NEP 2020 implementation, particularly in increasing awareness for change. Through fieldwork experiences and the use of tools like the ADKAR Change Model, workshops, assessments, and knowledge-sharing initiatives, Level 1 can help generate the necessary knowledge to lay the groundwork for the effective adoption of the NEP 2020.

At this stage, professionals from educational institutions will engage with practical knowledge generation, helping to define the growth potential of the organization. The focus will be on the creation of knowledge that will be instrumental in identifying gaps, challenges, and opportunities in the current system, allowing for informed and well-guided decision-making as part of the democratic model.

### 10.2. Level 2: Development of Business Methods and Structures

Level 2 is designed to help develop the necessary business methods and structures needed to execute organizational democratic operations that will support the implementation of the organizational democratic culture strategy (Markopoulos & Vanharanta, 2021). It involves regional educational officers and a group of universities, which will collaborate to apply knowledge management practices within teams, validating and applying the knowledge acquired at Level 1.

In this phase, the goal is to create a desire for change and to generate a sense of ownership over the implementation of the NEP 2020. The ADKAR Change Model can be used effectively here to motivate the teams to embrace and progress with knowledge management. At this level, the focus will be on refining business processes, ensuring that the knowledge generated at the grassroots level is aligned with the broader educational goals of the Ministry, and implementing structures that will aid in the success of NEP 2020.

### 10.3. Level 3: Developing Process and Project Engineering Practices

Level 3 builds on the previous levels by further developing process and project engineering practices, utilizing the democratically generated knowledge (Markopoulos & Vanharanta, 2018a). This level is responsible for the actual design, implementation, and application of the knowledge generated democratically by engineering and applying new processes and new technology prototypes to projects and initiatives that align with the Ministry's organizational development culture, which involves committee members from each sub-division of the education program, who validate the knowledge gained from Level 1 and apply it to their respective teams.

At this level, the ADKAR Change Model continues to be a guiding tool, helping to create and nurture knowledge that supports the implementation of NEP 2020. Through this process, the project teams will focus on applying the knowledge from earlier stages and using that insight to drive project success. The emphasis will be on ensuring that the

projects within the Ministry are aligned with democratic principles, with all stakeholders contributing their knowledge and ideas to enhance decision-making processes.

#### *10.4. Level 4: Identifying Innovation for Organizational Competitiveness*

At Level 4, the focus shifts to identifying and nurturing existing innovations within the organization that will contribute to its ability to compete in the international arena (Markopoulos & Vanharanta, 2021). This involves the identification of existing innovation and integration with the new ones developed and tested in level 3. This level is made up of a panel of secretaries from both the Department of School Education and Literacy and the Department of Higher Education. This panel is tasked with identifying areas of innovation that can significantly enhance the Ministry's competitiveness and capacity for change.

Using the ADKAR Change Model, the panel will drive the identification of new opportunities for innovation, ensuring that NEP 2020 incorporates contemporary best practices and innovations in educational policy. This level will also explore ways to enhance the Ministry's overall strategic goals, focusing on fostering innovation as a central element of organizational success.

#### *10.5. Level 5: Leveraging Competitiveness for Global Strategy and Operations*

Level 5 takes the organization's competitiveness and leverages it to advance the Ministry's global strategy and operations (Markopoulos & Vanharanta, 2021). This level includes the secretaries from the two main departments, as well as state education ministers, who collectively work on creating business ecosystems that foster innovation at a national level. This level plays a crucial role in driving the Ministry's ability to adapt to global educational trends, while also ensuring that the Ministry stays competitive in its mission to promote quality education at all levels.

Using the ADKAR Change Model, this level will foster collaborative innovations by aligning stakeholders towards a common vision, helping to position the Ministry as a leader in educational reforms globally. This level also plays a critical role in supporting the implementation of NEP 2020, particularly in aligning national education policies with international standards and preparing India's education system for global competitiveness.

#### *10.6. Level 6: International Recognition and Strategic Alliances*

At Level 6, the focus is on positioning the organization at the pinnacle of its strategic goals, which involves increasing extroversion, achieving international recognition, and leveraging global collaborations (Markopoulos & Vanharanta, 2018a). This level is made up of the central minister, who reports directly to the Cabinet, Prime Minister, and Parliament Assembly. This level is critical in reinforcing change, ensuring that the Ministry's initiatives, especially NEP 2020, are in line with global educational standards.

By adopting the Company Democracy Model, the Ministry of Education can foster a knowledge-driven democratic culture, enabling collaborative decision-making and continuous improvement across all levels. Each level, from educational institutions to global partnerships, plays a pivotal role in the NEP 2020 implementation.

## **11. Role of ADKAR Change Model in the Implementation of the Company Democracy Model**

The ADKAR model is a widely recognized framework for managing change in organizations, developed by Jeff Hiatt. It stands for Awareness, Desire, Knowledge, Ability, and Reinforcement, and focuses on guiding individuals through the change process. When applied to the Company Democracy Model in the context of the Ministry of Education, the ADKAR model can serve as an effective tool to facilitate the transition toward a more democratic and participatory organizational culture.

By applying the ADKAR Change Model at each stage, the Ministry can ensure that the transition is well-managed, and that change is both sustained and reinforced at all levels of the organization. Ultimately, this approach will lead to higher-quality deliverables, improved employee engagement, and a more innovative and globally competitive education system.

#### 11.1. Awareness

The first stage in the ADKAR model is creating awareness of the need for change. For the Ministry of Education, this involves communicating the necessity of shifting towards a Company Democracy Model. Stakeholders at all levels, from ground-level employees to senior leadership, need to understand why this change is essential. This could include highlighting the benefits of employee empowerment, dissemination programs, gamified activities, rewarding initiatives, collaborative decision-making, and improved job satisfaction through democratic structures (Markopoulos et al., 2022a). Awareness can be created through seminars, workshops, and internal communications that emphasize how this model will improve efficiency, transparency, and inclusivity within the Ministry.

#### 11.2. Desire

Once employees are aware of the need for change, the next step is to generate a desire for the change. This involves creating motivation among employees to support and participate in the implementation of the Company Democracy Model. In the Ministry of Education, desire can be cultivated by emphasizing the benefits of employee participation, the opportunity for *personal* growth, and the empowerment of individuals to have a voice in decision-making processes. This can be achieved by executing educational programs on participative management, diversity, equality and inclusion. It is essential to address potential concerns, such as the fear of losing control or the uncertainty about the new processes, and show how the democratic approach will result in a more inclusive, collaborative, and effective workplace.

#### 11.3. Knowledge

The third stage is to build the knowledge required to implement the Company Democracy Model. Employees need to understand how the new democratic processes will work and how they can actively contribute. In this context, knowledge could involve training programs, role-playing exercises, and resources on how democratic decision-making, knowledge sharing, and collaboration will function within the Ministry. Furthermore, knowledge elicitation, protection, testing and ownership mechanisms can be developed to gather knowledge contributions, test their validity, and provide knowledge ownership and recognition to each knowledge participant. Pilot applications on innovative contributions, as well as metrics, validation, and verification mechanisms can enhance the ability of the knowledge contributors to participate more effectively and confidently in such a knowledge-based change-management strategy. Providing employees with the necessary tools and resources will ensure that they are well-equipped to engage with the new systems effectively.

#### 11.4. Ability

Ability refers to the employees' actual capability to implement the changes. Even if they understand the new model and have a desire to make it work, they need to develop practical skills to apply the new democratic structures in their day-to-day activities. This can be achieved by providing hands-on experiences, mentoring, and continuous feedback to ensure that employees are able to operate within a democratic framework confidently. In the Ministry of Education, this could involve giving employees at various levels op-

portunities to engage in decision-making processes, manage projects, and lead teams, thereby enhancing their leadership and collaborative abilities. Valid and tested knowledge contributions can then be integrated into the operations of the ministry and adapted as knowledge innovations within the regional and national education system.

#### 11.5. Reinforcement

The final stage in the ADKAR model is reinforcement, which ensures that the changes are sustained over time. For the Company Democracy Model to be successful in the Ministry of Education, there must be mechanisms in place to reward and reinforce the democratic behaviors that align with the new approach. This can include recognition programs, feedback loops, and incentives for teams and individuals who demonstrate commitment to the model (Markopoulos & Vanharanta, 2018b). Regular evaluations and audits can ensure that the practices are integrated into the culture, and any challenges or areas for improvement can be addressed promptly. Continuous improvement, recognition, and organizational transformation for international impact and strategic partnerships is the primal goals of the reinforcement stage.

The ADKAR model provides a structured and systematic approach to managing change, which can significantly enhance the successful implementation of the Company Democracy Model. By following the stages of awareness, desire, knowledge, ability, and reinforcement, the Ministry of Education can effectively guide its employees through the transition, ensuring that they are not only aware of the changes but also equipped and motivated to succeed in a democratic and empowered organizational environment. This process aligns the efforts of employees at all levels, ensuring a smooth and sustainable transition to a more inclusive, collaborative, and efficient organizational structure.

## 12. Implementation Barriers of the Company Democracy Model to the Ministry of Education

Although the Company Democracy Model can be a highly effective approach when implemented in the Ministry of Education, several challenges or barriers may hinder its smooth execution. One of the most significant barriers is the need for a participative management culture and leadership to be in place. This is critical as employee motivation is essential for fostering a participative and democratic culture within the organization. Without proper support, recognition or tangible rewards, employees may feel undervalued, resulting in low morale and a lack of enthusiasm to fully embrace the changes. Additionally, some employees may exhibit low self-confidence or a fear of making incorrect decisions, which can have a detrimental impact on project performance. Such fears can create hesitation in contributing actively to the decision-making process, which is a core component of the Company Democracy Model.

Another challenge is the existing bureaucratic organizational culture, which tends to be more hierarchical and rigid. This traditional structure can create resistance to adopting a new, more democratic approach to governance and decision-making. Employees accustomed to top-down decision-making might find it difficult to accept the shift to a system where decision-making is more decentralized and collaborative. Moreover, poor communication within the Ministry, coupled with implicit rules and internal politics, can serve as major hindrances to the smooth flow of ideas and collaboration. These barriers can significantly affect the transparency and effectiveness of the Company Democracy Model. Furthermore, some subordinates might lack the desire or knowledge to participate in the democratic processes, feeling incompetent or disengaged, thus affecting their contribution to the change initiatives.



These barriers need to be addressed through comprehensive strategies that promote transparency, communication, and trust within the Ministry. Organizational structures and incentives should be realigned to foster empowerment, and efforts should be made to create a culture where employees feel confident and valued.

### **13. Pre- and Post-Conditions for the Implementation of the Company Democracy Model to the Ministry of Education**

#### *13.1. Pre-Conditions for the Implementation of the Company Democracy Model to the Ministry of Education*

The Company Democracy Model is fundamentally human-centric, meaning that its successful implementation relies heavily on employee empowerment (Markopoulos & Vanharanta, 2020). A key pre-condition for implementing this model within the Ministry of Education is the need to empower employees at all levels, especially those at Level 1, as they play a critical role in executing projects at the ground level. To facilitate this, training programs and communication initiatives must be designed specifically to equip employees with the necessary skills and knowledge to contribute effectively to the organization's goals.

Additionally, employees from Levels 1 to 3 should be provided with ample platforms to propose improvement ideas and policy insights. Their involvement in decision-making should be encouraged, and their feedback should be valued as a key driver for change. Engaging employees in this way fosters a sense of ownership and responsibility, which is essential for the democratic culture the Company Democracy Model seeks to create.

Another crucial pre-condition is providing employees with learning opportunities that allow them to develop new skill sets. This includes drawing insights from global best practices and reforms in education systems worldwide. By learning from the best, employees will be better prepared to handle the challenges associated with implementing the New Education Policy (NEP) 2020 and contribute to the Ministry's transformation in line with the goals of the Company Democracy Model.

#### *13.2. Post-Conditions for the Implementation of the Company Democracy Model to the Ministry of Education*

For the effective sustenance of the Company Democracy Model after its initial implementation, a robust performance mapping model should be introduced. This model will help ensure that the implemented projects continue to deliver positive results over time and provide opportunities for teams to adapt to micro-changes based on feedback and emerging trends. Continuous evaluation of the project's progress will help maintain its alignment with the Ministry's overall vision.

Furthermore, employees often expect social recognition, rewards, and incentives for their remarkable contributions to organizational success. These needs should be addressed through structured recognition programs, which ensure that employees feel valued for their input. Such programs will reinforce the desired behaviors and enhance employee motivation, which is vital for the sustained success of the Company Democracy Model.

Another key post-condition is to ensure that employees at different levels, particularly those within the various verticals and small boards, are given democratic opportunities to set visions, implement new projects, and audit them periodically. This will ensure that the democratic processes are embedded in the culture of the Ministry at all levels, fostering continuous improvement and adaptability in response to challenges and changing needs.



## 14. Performance Matrix and Leadership Type and Traits Required for the Company Democracy Model

### 14.1. Performance Matrix

The success of the project implementation under the Company Democracy Model, particularly in the context of NEP 2020 within the Ministry of Education, can be assessed using several key parameters. One of the primary benefits of this approach is the higher capabilities delivered by the project. Employee satisfaction can be measured through quarterly surveys, where the increased feeling of participation and ownership fosters a sense of motivation for change. This in turn improves employee performance and enhances job satisfaction.

While the cost of delivering projects will be significant, it is expected to be lower compared to models like Holacracy. The reason for this is that the Company Democracy Model does not require complex technological platforms for governance. Instead, it relies on more straightforward, collaborative decision-making and knowledge management practices, which require less resource-intensive infrastructure. However, technological resources will still be necessary to support coordination and communication across various teams.

The quality of the deliverables is expected to be high, as the model fosters a self-motivated, democratic, and collaborative environment. Employee participation enhances decision-making, leading to more informed and effective actions. Finally, while the nature of the organization and its hierarchical structure introduces a moderate risk of uncertainties and threats, these risks can be mitigated through ongoing monitoring, feedback loops, and adaptability, ensuring that the organization remains agile in responding to unforeseen challenges.

### 14.2. Leadership Type and Traits Required

The Company Democracy Model requires leaders who are capable of inspiring and motivating employees to exceed their usual performance levels. The leadership traits essential for the effective implementation of this model include focus, execution, passion, wisdom, and vision. Leaders must possess the ability to guide teams through complex change processes while maintaining a collaborative and inclusive environment.

## 15. Conclusions

This paper explores and compares two participatory management approaches—the Company Democracy Model (CDM) and Holacracy—as applied within the Indian Ministry of Education. It emphasizes the need for innovative organizational techniques in the public sector management, particularly in light of the dynamic demands posed by the New Education Policy (NEP) 2020. The study evaluates how these approaches enhance employee engagement and improve the quality of deliverables. Lewin's Field Force Analysis is utilized to examine organizational readiness and challenges associated with implementing these models.

The study employs Kotter's Change Model to assess the applicability of Holacracy—a decentralized, project-oriented system characterized by its dynamic and self-organizing structures. This model is analyzed for its potential to meet the Ministry's shifting priorities and to foster adaptability through autonomous teams. Conversely, the Company Democracy Model (CDM), which emphasizes employee-centric growth and decision-making within a tiered, spiral framework, is evaluated using the ADKAR Change Model. This model's compatibility with the Ministry's hierarchical structure and its potential to enhance participatory governance are key areas of focus.

After critically analyzing the study and comparing the implementation of both models, it is evident that to effectively achieve the Ministry of Education's vision of participatory

management, the Company Democracy Model should be integrated into the existing organizational structure, with the appropriate pre-conditions and post-conditions outlined in the study (Table 4). Furthermore, the ADKAR Change Model can serve as a powerful tool for the change in management to facilitate the smooth transition and adoption of this approach, ensuring sustained growth and development for the Ministry of Education.

**Table 4.** Critical comparison of the outcome of the implementation of the Holacracy and Company Democracy models on Ministry of Education.

Parameters	Holacracy Model for Indian Ministry of Education	Company Democracy Model for Indian Ministry of Education
Suitability Factor	Certain verticals operating autonomously	Hierarchal organization structure
Implementation	Distributed authority within circular structure making project implementation complicated	Hierarchal structure enhancing performance by participation in spiral method
Challenges	Increased workload with consistent multi-tasking	Participative management and leadership culture required.
Performance	Cost of delivery increased. Significant risk and uncertainties with the change	Quality of deliverables increased with employee satisfaction

The findings reveal that while Holacracy is effective for addressing the dynamic project needs, it faces significant obstacles such as increased workload and cultural resistance stemming from entrenched bureaucratic norms. On the other hand, CDM demonstrates notable improvements in employee satisfaction and deliverable quality by fostering structured growth and democratic participation.

The study contributes novel insights by integrating change management theories with a refined presentation of the CDM pyramid and introducing specific performance metrics for both models. These metrics evaluate project outcomes, employee satisfaction, and service delivery quality. The analysis concludes that CDM aligns more closely with the Ministry's objectives and provides detailed pre- and post-adoption conditions for its successful implementation.

This alignment positions CDM as a more viable approach for achieving participative management in the Ministry of Education. By combining theoretical frameworks with practical applications, this paper offers a sustainable governance model, suited to dynamic organizational environments. It advances participatory management practices in public sector organizations, providing a pathway for more inclusive and effective administration.

The outcomes of this study would be extremely valuable in guiding other Indian Ministries to adopt these models and approaches when implementing new government programs and projects that drive transformation. The organizational culture is the same across all ministries, and while there may be certain domain-specific issues, the underlying cultural challenges that contribute to resistance to adoption are somewhat comparable. As a result, the findings of this study will undoubtedly be useful in guiding other Indian Ministries, such as Health, Renewable Energy, Agriculture, and Women's and Child Development, to name a few.

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