

At Netflix, autonomy above all else



Reed Hastings believes that talented people thrive when you simply leave them alone. So the co-founder and CEO of Netflix created a culture of independence.

At Netflix, people bask in autonomy. They have the freedom to do their jobs without managers tracking their every move.

The prevailing attitude is, "Do we really need this process? Isn't there a simpler way that makes everyone's life easier?" This has the effect of reducing the number of policies that govern everyday behavior.

Exceptions are made, of course, for rules that prevent catastrophes (such as data breaches of customer credit card data) or forbid illegal acts (such as workplace violence or harassment). Otherwise, Hastings and his team are careful to guard against "rule creep."

This leads to an unusual work environment. Employees do not need permission for vacation leave; instead, they set the time and length of their trip and then discuss it with their supervisor to avoid any confusion.

Rather than deal with expense limits when booking flights and hotels for business travel, employees simply follow an overriding rule, which is expressed as "Act in Netflix's best interests." As long as they spend the company's money as their own, they can make their own decisions freely.

To simplify the performance review process, Netflix took the step of eliminating formal appraisals that required managers to laboriously complete detailed forms. Frequent performance-related conversations between supervisors and each employee, coupled with periodic peer feedback that asks what each co-worker should stop, start or continue, provide everyone with ongoing input.

"Building a bureaucracy and elaborate rituals around measuring performance usually doesn't improve it," says Patty McCord, the company's former chief talent officer.

— *Extreme Teams*, Robert Bruce Shaw, AMACOM