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Welcome to flatland

When was the last time you were entertained by an employee handbook?

By Jenny Ivy | April 30, 2012 at 08:47 AM | Originally published on [Benefitspro.Com](#)

A company with no real growth goals, no standard salary structure and no hierarchy seems like the Wild West of HR. But for Valve Software, this sort of free-wheeling environment has helped produce some of the most profitable gaming products. there's really no practical way to weed out the underperformers. Valve's CEO and co-founder Gabe Newell (a former Microsoft designer) tells [Businessweek](#).

"If somebody is screwing up, we don't have a lot of internal controls to monitor that. We assume people know what they're doing."

That's because no one reports to anyone. Every individual employee is equally responsible for company goals, initiating and inserting themselves into projects, and, at times, even recruitment (who needs HR managers?). The company believes it's only as good as its employees and the only boss should be the customer – there's no red tape. Or at least, that's what it says in the [company handbook](#), which recently went public:

"Hierarchy is great for maintaining predictability and repeatability. It simplifies planning and makes it easier to control a large group of people from the top down, which is why military organizations rely on it so heavily. But when you're an entertainment company that's spent the last decade going out of its way to recruit the most intelligent, innovative, talented people on Earth, telling them to sit at a desk and do what they're told obliterates 99 percent of their value."

So if there's no boss, how do you get fired? Or promoted? Or rewarded? In Valve's view, the employees are all "stewards of our long-term relationship with our customers." A worker's value isn't weighed by superior expectations, but by two methods of evaluation: peer reviews and stack ranking, a "peer-driven valuation" that determines the level of compensation.

It all seems so utterly Utopian. Traditionalists in human resources will say this workplace design is vulnerable. And in some ways, Valve would agree. The company handbook admits its self-imposed flaws – something you won't find in most company documents: "The design of the company has some downsides. We usually think they're worth the cost, but it's worth noting that there are a number of things we wish we were better at."

Admittedly, this might be the first time I've read through an entire employee handbook. The spoofs on company politics and etiquette made this a real page-turner. When was the last time you were entertained by regulations?

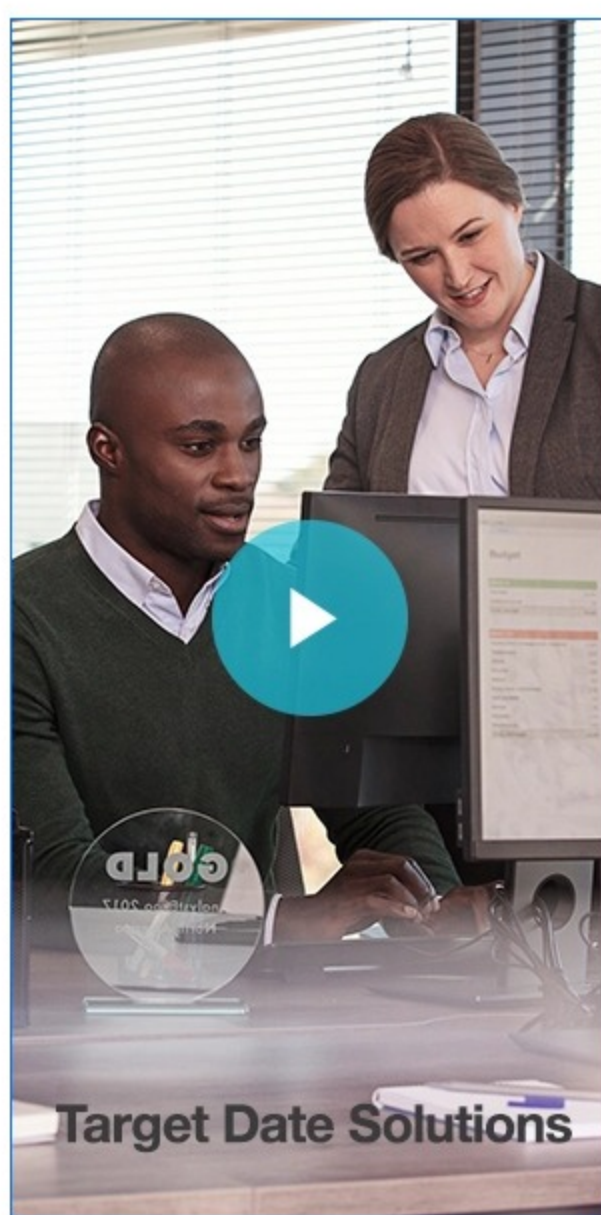
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