

Management Diagnostic Report

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Tony's Chocolonely

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Abstract

This report provides a management diagnostic of Tony's Chocolonely, a purpose-driven chocolate manufacturer known for its mission to make 100% slave-free chocolate the norm. The analysis evaluates the company's management practices across four dimensions: planning, leading, organizing, and controlling. It examines how effectively Tony's social mission is reflected in its internal management systems and leadership culture. Drawing on management theories discussed in class, the report assesses both strengths and challenges in areas such as empowerment, organizational structure, and performance management. The findings lead to targeted recommendations designed to strengthen employee motivation, maintain a unified company culture, and ensure sustainable growth as Tony's continues its international expansion.

Introduction

The aim of this report is to analyze the management practices of Tony's Chocolonely and suggest ways in which the company's structure and operations could be further strengthened. It applies established management frameworks and current organizational data to provide practical recommendations for sustainable growth and effective management.

For simplicity and readability, the terms "Tony's Chocolonely" and "Tony's" are used interchangeably throughout this report.

Tony's Chocolonely is a particularly interesting case for this form of analysis. The company combines strong commercial performance with a clear social mission, demonstrating how a purpose-driven business can successfully grow in a competitive market. As it expands internationally, Tony's faces major challenges, such as balancing its mission with operational control, and maintaining an open, flat culture while managing increasing complexity (Abu Ghazaleh et al., 2018).

Founded in Amsterdam in 2005 by journalist Teun van de Keuken, Tony's operates as a global player in the chocolate industry, with the goal of ensuring that 100% of its chocolate is produced without slave labour. The company produces and sells chocolate, promoting fair trade and transparency throughout the supply chain. Today, Tony's employs over 300 people and generates more than €200 million in annual revenue (Tony's Chocolonely, 2024).

Tony's journey illustrates how an organization can combine strong values, innovation and growth. This report provides a management diagnosis of Tony's Chocolonely, focusing on its structure, leadership and coordination, and offers recommendations to support its continued success.

1. Assess the Planning

1.1 What is a company's purpose?

The purpose of a company expresses its fundamental reason for being. It is not only about what the company does, but why it exists and how it creates value for society. According to Cynthia A. Montgomery (2019), a company's purpose must define who we are, what makes us distinctive, and what we exist for. In addition a purpose shows what a company chooses to be and, equally, what it chooses not to be. It shapes managerial decisions, aligns employees, and allows stakeholders to understand the organization's contribution to society. A well-defined purpose therefore helps the organization make related strategic choices and remain competitive in a dynamic environment.

In modern management, planning represents the first and most essential managerial function. It involves defining the company's goals, identifying the resources required, and setting the direction for future actions. Planning gives meaning to all other management activities by translating the company's purpose into concrete objectives and strategies. Effective planning requires managers to think ahead, make conscious choices, and ensure that every decision contributes to the organization's purpose (Bez, 2025). A clear purpose is therefore the foundation of successful planning. It guides employees, attracts customers and suppliers, fosters innovation, and creates a unique position that competitors cannot easily imitate. Companies that lack such clarity often suffer from strategic inconsistency and internal disconnection between mission, culture, and operations (Michels, 2024).

1.2 Tony's Chocolonely's purpose



Figure 1: Tony's Chocolonely's official purpose

The official purpose of Tony's Chocolonely stated above, was found on the company's website (Tony's Chocolonely, 2025). This statement reflects the company's strong social mission and its commitment to creating a fair and ethical cocoa industry. The

following section analyses this purpose through Cynthia Montgomery's framework, which focuses on defining who the company is, what makes it distinctive, and why it exists.

1.3 Cynthia Montgomery's method

1.3.1 Who are we?

The phrase "Together we'll end exploitation in cocoa" communicates a strong sense of collective responsibility and moral engagement. However, it does not explicitly define the organization's identity or role in this collective effort. The word "together" includes multiple stakeholders - consumers, suppliers, farmers, and partners - but leaves open the question of who leads this movement and what specific capabilities Tony's contributes. For a purpose to guide strategy effectively, it must define the organization's character and position within its ecosystem. In its current form, the statement expresses passion but lacks clarity about Tony's concrete identity as a company that produces and sells chocolate while driving industry change.

1.3.2 What makes us distinctive?

Tony's Chocolonely differentiates itself through ethical practices such as sourcing 100 % traceable cocoa, paying farmers a living income, and maintaining a fully transparent supply chain. Yet these distinctive elements are absent from the official purpose. The statement communicates that the company stands against exploitation, but not what makes it unique in addressing that problem. A strong purpose should articulate both the moral cause and the distinctive approach that sustains competitive advantage. Without reference to its operational model, Tony's risks blending into the broader category of ethical chocolate brands that share similar intentions but differ in execution. The company's competitive edge lies precisely in its integrated "open-chain" approach, which could be reflected more directly in its purpose to strengthen both clarity and credibility.

1.3.3 Why do we exist?

The purpose explicitly answers this question: Tony's Chocolonely exists to end exploitation in the cocoa industry. This moral ambition is powerful and aligns well with the company's social mission. Nevertheless, its phrasing is broad and idealistic, raising questions of feasibility and scope. Can one firm realistically "end exploitation in cocoa"? From a management perspective, an effective purpose should balance inspiration with operational focus, defining a concrete direction that employees and partners can

translate into strategic objectives. A more precise statement might link the company's existence to leading systemic change through specific practices, partnerships, and advocacy, rather than suggesting a total elimination of exploitation across an entire global industry.

1.4 Note to the CEO: Refining the company's purpose

Based on the previous analysis, Tony's Chocolonely's purpose could be refined to achieve greater strategic precision while preserving its strong moral foundation. A well-formulated purpose should not only inspire but also serve as a clear managerial guide that connects values to everyday decisions. Tony's current statement powerfully expresses ethical intent but does not communicate how the company operationalizes its mission or what makes it distinct in pursuing it. To strengthen coherence between purpose and practice, a revised version should explicitly mention Tony's unique approach, its traceable supply chain, living-income payments, and open collaboration with partners across the industry. A more informative formulation could be:

"We are a chocolate company on a mission to make cocoa fair. By producing chocolate with 100 % traceable beans, paying farmers a living income, and sharing our open-chain model, we fight exploitation at its roots. Together with consumers and partners, we exist to end inequality in cocoa once and for all."

This version maintains the emotional strength of the original while providing a clearer strategic direction. It identifies who the company is, outlines what differentiates it from competitors, and specifies how its business model supports the ultimate goal of a fair cocoa industry. Such a purpose can be more easily diffused internally to guide employees' actions and externally to reinforce Tony's identity as both a chocolate producer and a driver of systemic change. By linking moral ambition with operational distinctiveness, the new purpose transforms a broad ethical vision into a practical framework for sustainable management and growth.

2. Assess the Leading

This section explores Tony's Chocolonely's leadership and employee empowerment strategies, examining how the company manages, motivates and supports its people.

2.1 Definition of Leadership and Empowerment

Leadership

Leadership can be defined as “a process whereby an individual influences a group of individuals to achieve a common goal” (Northouse, 2010). This definition underlines that leadership is an interactive process between leaders and followers, rather than a personal skill or characteristic. It involves mutual influence and communication, highlighting that leadership takes place within groups and is directed towards shared goals instead of individual interests.

According to Kotter (1998), leadership and management are distinct from each other. While management focuses on planning, organizing and controlling processes, leadership is primarily responsible for handling change. This is achieved by setting a clearly defined direction, aligning people towards it, and motivating and inspiring them to collectively achieve goals.

Together, these perspectives portray leadership as an interactive influence-based process that aligns and motivates individuals to work towards common goals during times of complexity and change.

Empowerment

Empowerment refers to the measures initiated by a company's management to increase employees' autonomy and participation in decision-making within the workplace. It involves transferring decision-making authority and responsibility from superiors to employees, thereby enabling them to organize work processes largely independently. Empowerment also involves providing employees with the necessary information and fostering task-related communication with their supervisors. At an organizational level, it contributes to a flatter hierarchy, less bureaucracy and improved performance. At an individual level, it enhances motivation, autonomy and a stronger sense of self-responsibility (Nissen, 2018).

Leadership and empowerment are closely linked. While leadership involves influencing and aligning people towards shared goals, empowerment provides the autonomy and trust needed to pursue these goals successfully. The next section builds on these

theoretical foundations to explore how Tony's Chocolonely integrates these principles into its leadership practices and organizational culture.

2.2 How does Tony's Chocolonely manage and lead its employees?

Tony's Chocolonely's leadership approach is deeply rooted in its social mission: "To make 100% slave-free chocolate the norm" (Tony's Chocolonely, 2025). This purpose not only shapes the company's external business model, but also how it manages and leads its employees. According to Northouse (2021), transformational leadership is characterized by inspiring and motivating employees through vision, values, and personal development rather than control or hierarchy. This approach is reflected in leadership at Tony's.

Tony's fosters a culture of inclusion, authenticity, and shared purpose, from recruitment and onboarding to daily management. As part of the onboarding process, each new employee, or "Tony", receives a personal "Tony's Title", a chocolate buddy and a mug shot, as a symbol of belonging and equality within the team (Tony's Chocolonely Annual FAIR Report, 2024). This reinforces the idea that leadership at Tony's is based on human connection over authority. Such an attitude is also reflected in McGregor's Theory Y, which assumes that people are intrinsically motivated, seek responsibility, and perform best in an environment of trust and creative freedom (McGregor, 1960).

The company's leadership structure emphasizes openness and collaboration through flat hierarchies and transparent communication. Internal surveys confirm that the company's stated values of putting the team first and promoting a "family-like vibe" are upheld, with 99% of employees reporting that they can "be themselves at work" (Tony's Chocolonely Annual FAIR Report, 2024). These results suggest a high level of psychological safety, which transformational leaders encourage by demonstrating empathy and aligning personal objectives with the organization's mission.

Employee growth and leadership development have always been at the heart of Tony's management philosophy. The company has relaunched a program called Tony's Growth Cycle, designed to provide continuous feedback, goal-setting and personal development opportunities for all employees (Tony's Chocolonely Annual FAIR Report, 2024). In addition, two training programs, Leadership Foundations and Leadership Advancement, have been implemented to enhance leadership skills at all career levels (Tony's Chocolonely Annual FAIR Report, 2024). These programs demonstrate the kind of attention to individual needs that is a key component of transformational

leadership, as they empower employees to grow into self-driven, responsible members of the team.

The Quest-CHEER-naire survey is used to measure engagement regularly. This makes sure that leaders pay attention to what their employees say. In 2023/24, Tony's achieved an engagement score of 60% and revealed that 88% of employees feel aligned with the company's mission and 81% believe they actively contribute to its success (Tony's Chocolonely Annual FAIR Report, 2024). These results highlight how the leadership team at Tony's successfully combines setting a strategic direction with encouraging active employee involvement, building motivation through fostering trust, purpose and appreciation rather than relying on external control.

Overall, Tony's Chocolonely manages and leads its employees through a value-driven, transformational approach based on trust, participation and personal development. Embracing the Theory Y mindset, Tony's leaders view their employees as self-motivated partners who share in the company's ethical purpose. This leadership method maintains engagement and lays the foundation for empowerment at all levels of the organization.

2.3 Assessment of the degree of empowerment integrated

Tony's Chocolonely demonstrates a strong commitment to empowerment by fostering autonomy, intrinsic motivation and a sense of purpose among its employees. The company's management practices closely reflect Daniel Pink's (2009) motivation framework, which identifies autonomy, mastery and purpose as the three essential drivers of human motivation in modern organizations. Pink's theory is based on the idea that genuine motivation does not come from external rewards or control, but from intrinsic

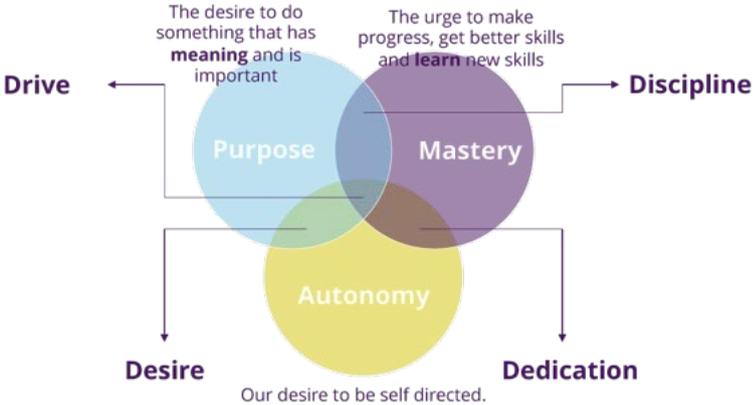


Figure 2: Daniel Pink's Three Intrinsic Elements of Motivation

factors that enable individuals to act autonomously, develop mastery and find purpose in their work.

At Tony's, empowerment begins with autonomy: employees have the freedom to organize their work and make autonomous decisions. Through initiatives like Tony's Growth Cycle, employees are encouraged to set personal development goals, receive continuous feedback and take control of their professional development (Tony's Chocolonely Annual FAIR Report, 2024). The company's flat hierarchies and informal culture support this autonomy, enabling employees to share ideas confidently and take ownership of their work (Tony's Chocolonely Annual FAIR Report, 2024). This reflects Pink's view that having autonomy over one's work is essential for creativity, accountability and sustained engagement.

Tony's emphasizes continuous learning and personal growth, aligning with Pink's second driver: mastery. The two training programs, Leadership Foundations and Leadership Advancement, enable employees to develop their leadership and collaboration skills at various stages of their careers (Tony's Chocolonely Annual FAIR Report, 2024). These opportunities for self-improvement and skill development help employees to reach higher levels of competence and confidence. This focus on mastery enables individuals to progress at their own pace while contributing to the company's collective success.

The third and most noticeable source of empowerment at Tony's is purpose. The company's mission to make slave-free chocolate the norm gives every employee a clear moral and social direction (Tony's Chocolonely Annual FAIR Report, 2024). The resulting shared sense of purpose creates a deep emotional connection and aligns individual motivation with organizational goals. In Pink's theory, purpose converts everyday tasks into meaningful contributions, and this is precisely what Tony's achieves through its mission-driven ethos.

Tony's also emphasizes continuous learning and personal growth, aligning with Pink's second driver, mastery. The introduction of two new training programs, Leadership Foundations and Leadership Advancement, enables employees to strengthen leadership and collaboration skills at different stages of their careers (Tony's Chocolonely Annual FAIR Report, 2024). These opportunities for self-improvement and skill development support employees in reaching higher levels of competence and confidence.

Such a focus on mastery empowers individuals to progress at their own pace while contributing to the company's collective success.

Tony's Chocolonely's practices can be examined further through Maslow's (1943) hierarchy of needs. Based on Maslow's theory, human needs are structured into five stages: physiological needs, safety, belonging, esteem and self-actualization. In the context of empowerment this means that individuals must have their basic needs at least partially fulfilled before they can focus on higher-level needs such as self-actualization.



Figure 3: Maslow's hierarchy of needs

The company's inclusive, people-centred environment addresses higher-order psychological needs, such as belonging, esteem and self-actualization. Regular team traditions such as "Tony of the Quarter" and open communication structures cultivate a sense of belonging and community (Tony's Chocolonely Annual FAIR Report, 2024). Feedback mechanisms like the Quest-CHEER-naire survey and visible recognition boost esteem and appreciation (Tony's Chocolonely Annual FAIR Report, 2024). The Growth Cycle provides opportunities for learning and career development, enabling employees to reach the highest level in Maslow's model: self-actualization.

The brand fosters empowerment by cultivating intrinsic motivation and personal fulfillment, rather than through strict systems. By aligning its people strategies with Pink's autonomy-mastery-purpose model and Maslow's hierarchy of needs, the company creates a culture in which employees feel trusted and valued and are motivated to give their all to the ethical mission of the company. Together, these two frameworks illustrate how Tony's Chocolonely supports both the motivational and psychological dimensions of empowerment, addressing employees' higher-order needs while promoting independence and growth.

However, by comparing Tony's Chocolonely's approach with classical management theories, it is apparent that the company primarily embodies assumptions of McGregor's Theory Y, which states that employees are intrinsically motivated, seek responsibility and perform best where they are trusted with autonomy and purpose (McGregor, 1960). All these values are reflected in Tony's leadership culture. The company's flat hierarchy, openness and focus on development demonstrate that management views employees as autonomous collaborators aligned with the company's overarching mission.

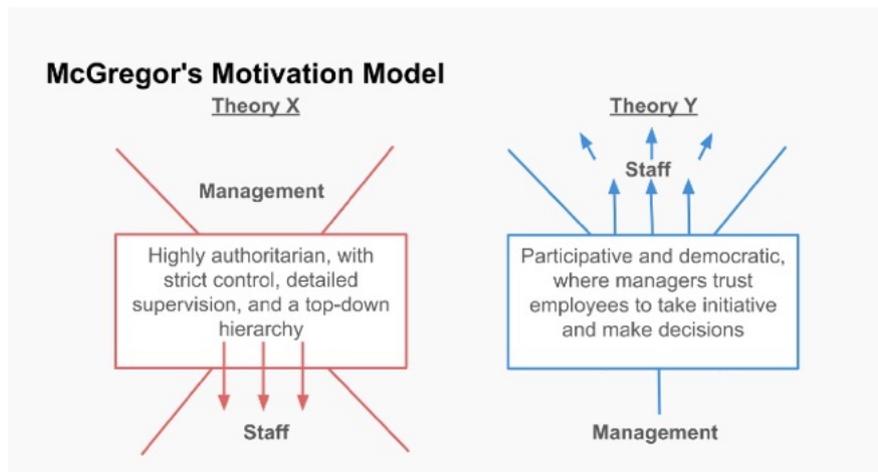


Figure 4: McGregor's Theory X and Theory Y

Nevertheless, maintaining a purely Theory Y environment is challenging, particularly as Tony's continues to expand internationally. As organizational complexity increases, the need for coordination, consistency and greater accountability may require the introduction of more structured, control-oriented (Theory X) elements. This tension between empowerment and structure is a natural boundary condition for growth-oriented companies.

From a theoretical standpoint, Tony's successfully integrates the psychological dimensions of Pink's intrinsic motivation theory and Maslow's hierarchy of needs. Nonetheless, continued growth will require a deliberate effort to maintain these empowerment mechanisms on a larger scale. It will be essential to ensure that autonomy remains balanced with clarity and that personal purpose continues to align with organizational direction.

These insights demonstrate that, although Tony's Chocolonely currently embodies the principles of modern, empowering leadership, the company must proactively preserve this balance as it grows.

2.4 Note to the CEO: Fostering empowerment through leadership

Based on the above analysis, it can be seen that Tony's Chocolonely has successfully developed a strong culture of empowerment that embodies McGregor's (1960) Theory Y. This theory is based on the belief that employees are intrinsically motivated, can direct themselves, and perform best when trusted with responsibility. At the same time, the company's practices closely follow Pink's (2009) autonomy–mastery–purpose model, as well as Maslow's (1943) theory of hierarchy of needs. As Tony's Chocolonely prepares for further international expansion, it is essential that the balance between autonomy and structure is maintained in order to sustain empowerment across the organization (Tony's Chocolonely Annual FAIR Report, 2024).

To preserve and strengthen this culture, it would be beneficial for Tony's to reinforce empowerment at every level of the organization, while also introducing structures that ensure consistency and accountability. This can be realized by giving teams more decision-making power through empowerment frameworks that are defined by each local team. These frameworks give teams autonomy without reducing flexibility. Collaboration across departments and shared learning projects should be promoted further to help employees reach higher levels of mastery and professional growth, giving them more confidence and competence. At the same time, internal communication about Tony's social mission should continue to draw attention to its real-world impact, ensuring that employees remain connected to the company's purpose and ethical goals. Introducing recognition rituals such as "Tony of the Quarter" to its international offices could further strengthen a sense of belonging, esteem and identity. As the company grows, clearly defined boundaries for empowerment will help to maintain clarity and security, while preserving the trust-based culture that has been key to Tony's success. For instance, the Growth Cycle could include clear decision-making boundaries to balance freedom with accountability.

In conclusion, Tony's Chocolonely should reinforce the psychological foundations of empowerment by promoting autonomy, enabling mastery and communicating purpose. By balancing empowerment with structure, the company can preserve its unique culture of trust and motivation and continue to grow as a leading example of mission-driven, people-centered leadership.

3. Assess the Structure

The following section analyzes Tony's Chocolonely's organizational structure based on five key building blocks of organizational design: Specialization, Formalization, Centralization, Hierarchy, and Coordination. The analysis evaluates the structure's main strengths and weaknesses and concludes with recommendations for the CEO.

3.1 Definition of Structure

Organizational design is the process of creating, implementing, monitoring, and changing the structure, processes, and procedures of an organization (Mintzberg, 1979). Organizational structure describes how the work of individuals and teams is coordinated and how resources are shared within the organization (Mintzberg, 1979). At Tony's Chocolonely, the structure aims to balance business growth with a strong commitment to its mission of ending exploitation in the chocolate industry (Tony's Chocolonely Annual FAIR Report, 2024).

3.2 The five key building blocks of organizational structure

3.2.1 Specialization

Specialization refers to the degree to which tasks are divided into separate jobs, or the division of labor (Mintzberg, 1979). Tony's Chocolonely shows a moderate to high level of functional specialization. As of September 2024, the company employs 307 people organized by function and geography (Tony's Chocolonely Annual FAIR Report, 2024). The main functional areas include Sales, Marketing, Operations, Impact, Finance, and HR. Geographically, the company is divided into the Bar Factory (54 employees), Homebase Amsterdam (125), the US (33), the UK (29), DACH Germany (28), Benelux & Beyond (38), the Nordics (6), and Tony's Open Chain (15). At the executive level, seven Chiefs lead the main functional domains.

This structure increases productivity and clarifies responsibilities (Mintzberg, 1979). At Tony's Chocolonely, clearly defined roles within functional departments allow employees to focus on their expertise, while the combination of functional and geographic organization ensures efficient distribution of responsibilities. The company also reduces the typical downsides of high specialization, such as limited flexibility, through cross-functional collaboration on mission-driven projects (Tony's Chocolonely, Annual FAIR Report, 2024).

3.2.2 Formalization

Formalization refers to the extent to which employee behavior is guided by clearly defined rules, procedures, and standards (Mintzberg, 1979). Tony's Chocolonely uses a dual strategy to balance its commercial and mission-driven objectives.

On the one hand, the Mission Lock establishes the mission and the Five Sourcing Principles as irrevocable legal obligations embedded in the Articles of Association (Tony's Chocolonely, 2024). These are enforced through standard operating procedures, third-party audits, the Beantracker platform and formal compliance systems. This high level of formalization ensures consistent compliance with the mission across all operations (Mintzberg, 1979). Supported by independent Mission Guardians, the Mission Lock provides governance structures that prevent mission drift and maintain strategic consistency (Tony's Chocolonely, 2024). The Mission Lock not only ensures compliance but also strengthens the company's internal culture by reinforcing its identity as a social enterprise, enabling employees to prioritize mission-critical decisions with confidence (Tony's Chocolonely, 2024).

On the other hand, teams retain autonomy in product development, marketing, and problem-solving. Employees can choose their own projects, receive personal development budgets and take advantage of flexible working arrangements (Tony's Chocolonely Annual FAIR Report, 2024). CEO Douglas Lamont emphasizes that the leadership team must balance structure with entrepreneurial freedom (Lamont, 2024). This low level of formalization fosters creativity, flexibility, and initiative (Mintzberg, 1979).

Overall, Tony's approach shows that high formalization is essential for mission-critical compliance, while low formalization enables innovation and operational creativity.

3.2.3 Centralization

Centralization refers to the degree to which decision-making is concentrated at the top of the organization (Mintzberg, 1979). Tony's Chocolonely uses a hybrid model that separates mission-related from operational decisions.

Decisions affecting the mission, the sourcing principles, and core values are highly centralized. The seven-member Chiefs Team, three independent Mission Guardians, and the Supervisory Board are responsible for overseeing mission compliance, cocoa sourcing standards, living income commitments, and supply chain integrity (Tony's Chocolonely Annual FAIR Report, 2024; Tony's Chocolonely, 2024). This ensures consistent mission implementation, coordinated authority and protection against mission

drift (Mintzberg, 1979). Tony's ownership structure strengthens this centralization of mission-related decisions, ensuring that strategic commercial decisions remain aligned with the company's social objectives (Tony's Chocolonely, 2024).

Decisions relating to operations and regions are largely decentralized. Teams in the US, UK, DACH and the Netherlands operate semi-autonomously, taking independent decisions on marketing strategy, pricing, retail partnerships and product development and continuing to be accountable to the central mission (Tony's Chocolonely Annual FAIR Report, 2024). For example, Tony's US team independently negotiated retail partnerships with major retailers and developed localized marketing campaigns while ensuring 100% traceable cocoa sourcing and compliance with the Five Sourcing Principles (Tony's Chocolonely Annual FAIR Report, 2024). These strategic markets are responsible for over 88% of total sales, allowing regions to respond effectively to the needs of local customers and to market dynamics. This decentralization fosters motivation, flexibility and rapid adaptation while avoiding the common disadvantages of centralization, such as slow decision-making and inflexibility (Mintzberg, 1979).

Overall, Tony's hybrid approach shows that the right level of centralization depends on the context. Mission-critical elements require centralization to ensure consistency, while operational decisions benefit from decentralization to enable fast and adaptive responses.

3.2.4 Hierarchy

A hierarchy defines the formal reporting lines and establishes who reports to whom (Mintzberg, 1979). According to the Tony's Chocolonely Annual FAIR Report (2024), the company has a deliberately flat hierarchy with three levels: the seven-member Chiefs Team at the top, functional heads and regional managers in the middle, and specialists and individual contributors at the base. With 307 employees and over €200 million in revenue, the structure is remarkably flat.

Flat hierarchies typically lead to faster decision-making, reduced administrative costs, and easier communication between departments (Mintzberg, 1979). At Tony's Chocolonely, this approach has been effective. The company achieved a 60 percent engagement score, strong mission alignment, and improved employee retention, with turnover dropping from 23.64 percent to 14.73 percent (Tony's Chocolonely Annual FAIR Report, 2024). These results suggest that employees appreciate direct access to leadership and fewer management layers.

However, the structure shows signs of strain as the company grows. Research shows that flat hierarchies have coordination problems when managers oversee too many people directly (McKinsey, 2017). Employee feedback reflects this challenge, with ratings of only 6.4 out of 10 for "enabling teams effectively" and 6.7 out of 10 for "managing change as the company scales" (Tony's Chocolonely Annual FAIR Report, 2024). After hiring 101 new employees in 2023–24, the seven chiefs now have significantly more people and responsibilities to manage. Flat structures are effective for speed and employee satisfaction in smaller organizations, but maintaining good coordination becomes more difficult as a company grows larger and more complex.

3.2.5 Coordination

According to Mintzberg (1979), coordination is how an organization aligns the work of employees, teams, and departments to reach common goals. It ensures that individual actions support the organization's mission instead of creating confusion or conflict.

Tony's Chocolonely relies on two main coordination mechanisms. First, mutual adjustment enables employees to organize their work through informal communication and self-selected projects. For example, Monday morning all-hands meetings promote transparency and shared responsibility without strict top-down control (Abu Ghazaleh et al., 2018). Additionally, the Beantracker platform ensures that all departments work from shared, real-time data on cocoa sourcing, strengthening coordination across functions (Tony's Chocolonely Annual FAIR Report, 2024).

Second, standardization of norms guides decision-making. The Five Sourcing Principles and four core values (Outspoken, Entrepreneurial, Willful, Makes You Smile) encourage employees to act in line with the mission (Tony's Chocolonely Annual FAIR Report, 2024). The Beantracker platform, cross-functional strategy sessions, and company-wide events such as the Tony's Company Carnival also support coordination by strengthening culture and teamwork.

Overall, Tony's can be described as an adhocracy (Mintzberg, 1979). The company relies primarily on mutual adjustment to coordinate work, encourages innovation and applies decentralization where it adds value. The operating core and support staff play central roles, while a mission-driven culture supported by the Mission Lock keeps the organization aligned (Tony's Chocolonely Annual FAIR Report, 2024; Tony's Chocolonely, 2024).

3.3 Strengths and Weaknesses

Tony's organizational structure demonstrates several clear strengths. The Mission Lock, with its independent Mission Guardians, provides legal and structural protection against mission drift. This is a common challenge for enterprises that experience rapid growth (Tony's Chocolonely Annual FAIR Report, 2024; Hemingway & Maclagan, 2004). Its flat hierarchy strengthens employee engagement and retention, allowing for quick responses to market changes. Mission-based coordination has also been effective. For example, during the 2023–24 cocoa season, Tony's delivered 97% of its planned cocoa volumes despite price increases of over 50%.

However, the structure is showing signs of strain. With 307 employees working across several continents, coordination based mainly on mutual adjustment becomes harder, as seen in the score of 6.4/10 for "enabling teams effectively." The seven chiefs have a very broad span of control, which is made more difficult by the 101 new hires in 2023–24. In the long term, resistance to change could become a risk because success with the current model may make necessary adjustments more difficult to implement (Mintzberg, 1979).

3.4 Note to the CEO: Strengthening the organizational structure

To support future growth and address current organizational challenges, several practical adjustments are suggested.

First, Tony's should appoint Regional Presidents for North America and Europe, as these markets generate over 88 percent of total sales. These Regional Presidents would report to the Chief Impact Officer, preserving centralized oversight of mission-critical decisions while enabling faster regional responses to market dynamics. This change would reduce the workload of the seven chiefs and address the low employee rating of 6.4 out of 10 for "enabling teams effectively" (Tony's Chocolonely Annual FAIR Report, 2024; McKinsey, 2017).

Second, the company should introduce a clear Decision Rights Framework to define which decisions require chiefs' approval, which require cross-functional consultation such as pricing or product launches, and which regional teams can make autonomously within mission parameters (Mintzberg, 1979). This would improve efficiency, strengthen coordination, and maintain entrepreneurial freedom while reducing the risk of functional silos.

Third, Tony's should formalize cross-functional project governance by defining team composition, decision authority, milestone reviews, and knowledge transfer processes. This would improve coordination and communication as the company continues to grow with 307 employees across multiple regions (Mintzberg, 1979).

Together, these adjustments enable Tony's to scale while preserving the organizational strengths that define its competitive advantage: a flat hierarchy, mission-driven coordination, and a culture of engagement and innovation.

4. Assess the Control Process

According to Sea Bez (2025), controlling in management refers to a continuous feedback loop that drives action. It involves setting standards, measuring actual performance, comparing it with expectations, and taking corrective measures when deviations occur. In this context, analyzing Tony's Chocolonely's control mechanisms allows us to assess how effectively the company maintains alignment between its social mission, operational performance, and ethical values.

4.1 Controlling functions within the company

4.1.1 Supply control with the "Bean Tracker"

In order to have ethical sourcing, the company has implemented 5 ethical sourcing principles on which its strategy is based. This control is carried out continuously. At the managerial level we use Quality Control, that is to say that the following principles are used to ensure that products or services meet quality standards. Deviations from desired quality are identified through feedback mechanisms, and corrective actions are taken (Tony's Chocolonely, 2025).

- Cocoa bean tracing: Direct negotiation with cocoa producers and partner cooperatives (rather than anonymous purchase of heaps) ensures transparency about who produces the beans, on which farms, and under what social and environmental conditions.
- Paying a higher price: By bridging the gap between the farm gate price (the minimum price received by farmers) and the living income reference price, Tony's ensures a fair income. They do this, in particular, through two premiums: the Fairtrade Premium and the Living Income Premium.
- Supporting strong farmers: By ensuring that cocoa farming is safe and sustainable. For example, Tony's Open Chain program provides training on safe pesticide use and sustainable agricultural practices in Ghana and Côte d'Ivoire, helping farmers become stronger and better equipped to structurally correct inequalities in the value chain.
- Improving quality and productivity: The company invests in agricultural knowledge and skills in collaboration with partner cooperatives to develop greater expertise in agricultural practices and achieve better quality and productivity. This contributes to preventing deforestation and increasing farmers' income, two key objectives for the company.

- Sustainable engagement with partners: Tony's collaborates long-term with partners such as Albert Heijn and Ben & Jerry's to expand fair trade sourcing. These multi-year engagements demonstrate how Tony's integrates control mechanisms across its extended supply chain. (Moreover, the initiative "Tony's open chain" which encourages other companies to take the same initiative.)

4.1.2 Control of the company's mission

In order to achieve the desired result, which is to protect their core mission, the company uses a legal structure. Tony Choco Lonely introduced a "golden share" mechanism to prevent shareholders from changing the company's mission or any of its founding principles, even if management or capital were to change (Toplensky, 2023).

This golden share is held by independent "mission guardians," who have the right to veto any legal changes to the company's mission and related principles.

They are:

- Seth Goldman, the former boss of Honest Tea who is chair of the vegan brand.
- Beyond Meat; the British-Nigerian lawyer and TV presenter Ikenna Azuike
- Anne-Wil Dijkstra: former Tony's board member

This practice is a way to guarantee the company's mission. The Tony's chief executive, Douglas Lamont said: "A growing number of purpose-driven companies are looking for ways to secure their impact models at the core of their business permanently and irrevocably, independent of shareholder structure." This brings credibility to the company and its mission which is "immunized", in fact the establishment of this legal structure makes the mission "sustainable" over time, unlike other companies which can declare a mission but modify it afterwards. Goldman said: "I've learnt from my own experience that, even when we create companies with the highest aspirations in mission, times change, people change, new people come in, and organizations change too. So, no mission is guaranteed." (Toplensky, 2023).

This mechanism corresponds to a preventive control (Bez, 2025), anticipating potential deviations before they occur. It can also be linked to the concept of mission lock-in and impact governance in control theory, as it institutionalizes preventive control through formal and legal structures.

Regarding the approach, this mechanism represents control by domination (Bez, 2025). Here, this form of control is framed by a legal structure ("golden share") with rules and supervisors ("Guardian mission") and it helps combat any conflicts of interest that may arise between stakeholders (Toplensky, 2023).

4.1.3 Global evaluation of the activities with the publication of an annual FAIR report

Publishing an annual report can be an internal control tool for a company, particularly for evaluating its activities: Measuring gaps between forecasts and actual results. Identifying areas for improvement. Holding managers accountable for their decisions (Tony's Chocolonely Annual FAIR Report, 2024).

This represents a form of corrective control (Bez, 2025), as it occurs after the process is complete. The analysis of results and feedback loop helps the company adjust its strategies and improve future performance. As control theory explains, such feedback mechanisms are crucial to maintaining organizational learning and adaptation.

4.1.4 Control by the internal alert system or "Bottom up"

The company has set up a "Speak Up" portal for its employees, suppliers, partners, etc. The goal is to be able to report, anonymously or not, behavior that violates the company's ethical principles. This system enables real-time behavioral control among stakeholders, allowing issues to be reported immediately (Tony's Open Chain, n.d.).

It establishes standards and policies for ethical behavior and acts as a self-control mechanism within the organization (Bez, 2025). Once the system is in place, employees and partners effectively monitor themselves and each other, ensuring accountability across levels.

According to Amy Edmondson's research on psychological safety (cited in Bez, 2025), effective control requires an environment where individuals feel safe to report mistakes or misconduct without fear of punishment. This principle is directly applicable to Tony's, where trust and transparency are essential for the "Speak Up" initiative to function effectively.

4.2 Note to the CEO: Improving control practices

Here is an analysis of Tony's Chocolonely's control processes, followed by specific recommendations to improve the company's control:

First of all, the company has a strong commitment force, particularly with the "golden share" that leaves no room for deviation from the initial objective, in addition to rigorous quality control with the "Bean tracker". Furthermore, the "Tony's Open Chair" model also exerts a positive influence on other companies, encouraging them to do the same as Tony's.

However, some areas for reflection and improvement must still be considered, particularly by remaining vigilant regarding the reliance on self-reporting, implemented with the "Speak Up" initiative. It is important to ensure that the company's culture guarantees psychological safety for the people who use this tool, so that they can speak up without fear of negative feedback. We must also remain vigilant regarding feedback that may be raised, which can be subjective, given that people's view of ethics is qualitative.

Based on its strengths and areas for improvement, the company could implement several strategic actions to improve its control processes.

- Integrate AI tools to strengthen diagnostic control: AI can enhance reporting speed and data accuracy, supporting management in identifying anomalies and improving transparency. As discussed in the Management Course (Bez, 2025), AI can be used as a control tool to detect discrepancies, suggest corrective actions, and support managerial decision-making.
- Ensure psychological safety and data reliability: Guarantee full anonymity and clear anti-retaliation clauses for those reporting issues, reinforcing trust across the organization.
- Structure control systems according to management theory: Distinguish between strategic, operational, and cultural controls to clarify responsibilities and improve coordination across departments.

In summary, Tony's Chocolonely already demonstrates advanced ethical and preventive controls. By reinforcing its feedback mechanisms and leveraging technology, it can further ensure the robustness and sustainability of its mission-driven governance. These recommendations are consistent with the principles of control theory outlined by Sea Bez (2025), emphasizing feedback, corrective action, and transparency as key drivers of organizational performance.

Conclusion: Position Paper

Tony's Chocolonely has achieved something rare: rapid commercial growth while staying committed to a social mission. The company generates over €200 million in revenue with 307 employees across multiple continents and makes a real impact on cocoa farming communities. This proves that purpose-driven businesses can succeed commercially. However, Tony's now faces a critical moment. As the organization grows, its management practices need to evolve to maintain both performance and mission.

The diagnostic analysis shows strong foundations across planning, leading, organizing, and controlling. The Mission Lock protects against mission drift through legal mechanisms. The flat hierarchy and empowerment culture create high engagement and retention. The hybrid approach to centralization balances mission consistency with regional flexibility, and control tools like the Beantracker ensure transparency. These strengths are genuine and have served the company well.

At the same time, some challenges are emerging. Employee feedback points to coordination difficulties as teams scale. The flat structure is under pressure with 307 people spread across continents, and informal coordination methods that worked at smaller scale are becoming harder to maintain. These issues are not failures but natural consequences of growth.

The core challenge is balancing mission authenticity with operational scalability. Tony's needs to formalize certain processes without losing its entrepreneurial culture and distribute leadership responsibilities without adding rigid hierarchy.

Three priorities stand out. First, the company should refine its purpose statement to make its distinctive approach clearer, including specific commitments like 100% traceable sourcing and open-chain collaboration. Second, structural adjustments could help with coordination. Appointing Regional Presidents for North America and Europe would take pressure off the seven Chiefs while keeping mission oversight intact. A Decision Rights Framework would also clarify when decisions need central approval, cross-functional input, or can be made regionally. Third, control mechanisms could be strengthened by integrating AI diagnostic tools and making sure performance feedback feels psychologically safe.

These recommendations respond directly to what the analysis has revealed. Implementing them would let Tony's keep its competitive edge while building the coordination

needed for international operations. The company has already shown that purpose and profit can work together. The next step is proving that this model can scale effectively. If Tony's can refine its purpose, adapt its structure, and strengthen its controls, it will continue demonstrating that mission-driven business makes strategic sense.

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Images

Figure 1: Tony's Choclonely's official purpose

Tony's Choclonely (2025). our promise. <https://tonyschoclonely.com/pages/our-promise> (last accessed November 2, 2025).

Figure 2: Daniel Pink's Three Intrinsic Elements of Motivation

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Figure 3: Maslow's hierarchy of needs

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Figure 4: Figure 4: McGregor's Theory X and Theory Y

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