

GOVERNANCE MODELS – HOLACRACY

Elements	Notes
Reference to the source document(s)	<p>Holacracy: A Complete System for Agile Organizational Governance and Steering by Brian J. Robertson http://the-hub.pbworks.com/f/Holacracy_-_Robertson.pdf</p> <p>With additional info from:</p> <p>Agile Manifesto Principles http://agilemanifesto.org/principles.html http://en.wikipedia.org/wiki/Agile_software_development#Principles</p> <p>We The People: Consenting to a Deeper Democracy. A Guide to Sociocratic Principles and Methods. How to Apply the Principles of Dynamic Self-Governance to Our Workplaces, Governments, and Organizations by John Buck and Sharon Villines http://www.sociocracy.info/book.html</p> <p>Plus:</p> <p>Personal stories from friends of friends about their experiences and stuff like:</p> <p>http://www.google.co.uk/search?q=site%3Ablog.p2pfoundation.net+ken+wilbur</p> <p>http://www.google.co.uk/search?q=site%3Ablog.p2pfoundation.net+andew+cohen</p>
Vision / Mission / Overall Purpose of the governance model	<p>“Holacracy is a next step in the evolution of human organizations. It includes a set of interwoven models, principles, practices, and systems that enable a fundamental transcendence of virtually all aspects of modern organizational dynamics.”</p> <p>“Holacracy includes several core practices for organizational structure and governance, most of which are based on or came from an earlier governance system called sociocracy”</p>
Guiding principles/values (if applicable)	<p>Whilst never spelling them out, the document often refers to “agile principles”.</p> <p>“At its core, “agile” is an emerging way of looking at and being in the world — a new understanding of the nature of reality and a new approach to interacting with the world around us.”</p> <p>“what agile is all about: the output of a new way of thinking.”</p> <p>“XP principles of failure, opportunity, reflection, and continual improvement also relate to dynamic steering.”</p> <p>I guess these principles are considered to be embedded in the sociocratic practices adopted by holacracy (who have given them slightly different names to those used in sociocracy):</p> <ul style="list-style-type: none"> • Circle organisation • Double linking • Decisions by integrative emergence (i.e. “by consent”- participative consensus-seeking after open discussion) • Dynamic steering • Integrative elections <p>These practices may also help fulfil the following Hub Principles:</p>

- Principle #01: We practice transparency & accountability
- Principle #05: Subsidiarity of leadership, governance and actions
- Principle #12: We are responsible owner of our role within Hub
- Principle #15: We learn collectively and continuously
- Principle #4: We practice a partnership mentality [NW]
- Principle #11: We are a Distributed Network [NW]
- Principle #19: We create structures that encourage participation and collaboration [NW]

Overall structure of the governance model including:

- Various bodies involved
 - semi-autonomous, self-organizing circles
- Roles of bodies
 - leading
 - doing
 - measuring
- Legal entities involved
 - nothing mentioned
- Roles of legal boards of entities
 - nothing specified
- How are decisions made
 - “Double linking” with decisions and elections “by consent”
- How are services/skills/learnings exchanged between bodies (if applicable)
 - All circles measuring and “Double linking” provides feedback loops

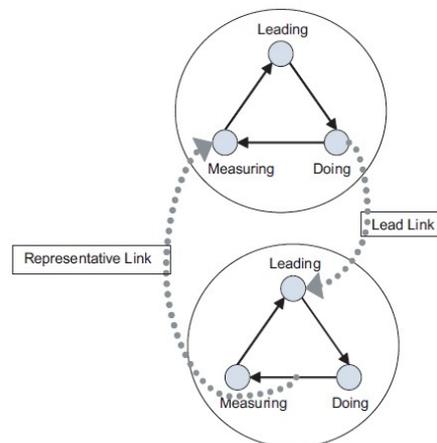
Circle organization — the organization is built as a “holarchy” of semi-autonomous, self-organizing circles (a bit like Constellations in the Constellation Model, or Operational Units in Viable Systems).

“Each circle is *given an aim by its higher-level circle(!?!)* and has the authority and responsibility to execute, measure, and control its own processes to move toward that aim.”

Each circle meets regularly to set policies and delegate accountability and control for specific functional areas and roles.

Each circle performs its own:

- leading
- doing
- measuring



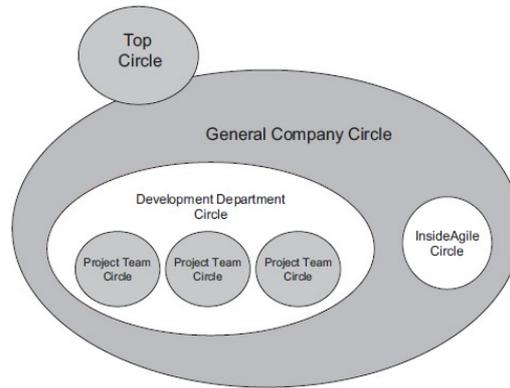
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Figure 5 — Leading, doing, and measuring across circle levels.

Double linking — a lower circle is always linked to the circle above it via at least two people who belong to and take part in the decision making of both the higher circle and the lower circle. One of these links is the person with overall accountability for the lowerlevel circle’s results, and the other is a representative elected from within the lowerlevel circle.

Decisions by integrative emergence — policies and decisions are crafted in circle meetings by systematically integrating the core truth or value in each perspective put forth until no one present sees additional perspectives that need to be integrated

	<p>before proceeding under the then current proposal. This is achieved by adopting sociocracy's practice of making decisions "by consent" (very similar to many well designed consensus-seeking participative decision-making processes).</p> <p>Dynamic steering — holacracy transcends predict-and-control steering with dynamic steering. All policies and decisions are made based on present understanding and refined as new information emerges.</p> <p>Rather than attempting to figure out the best path to take in advance to reach a given aim (predict) and then planning and managing to follow that path (control), circles replace most up-front predictions with incremental adaptation in light of real feedback – by constantly taking in new information about their present state and environment.</p> <p>Integrative elections — people are elected to key roles through an integrative election process after open discussion (i.e. "by consent")</p>
<p>Money flow including:</p> <ul style="list-style-type: none"> ○ How is money raised and for what purpose? ○ How is money managed? ○ Any other money exchange between various bodies? 	<p>Main source document doesn't include anything about money, finances or budget setting (although it does say each semi-autonomous circle owns and controls its own decisions and policies, performs its own work, and then adapts its decisions and policies based on real feedback and that decisions should be made by consent)</p>
<p>Strengths of the model</p>	<ul style="list-style-type: none"> • Circle organisation • Measuring and Double Linking creates feedback loops that enable Dynamic Steering • Defined participative decision making processes
<p>Challenges in the model</p>	<p>How best to facilitate dynamic governance by consent in internationally distributed circles?</p> <p>Belief that organisations actually have their own "free will" – questionable and could lead to abuses of power cloaked as the organisation simply exercising its own "free will".</p> <p>Sure, systems are more than the sum of their parts (i.e. they have properties that are qualitatively distinct from any of their parts), but I'm not even sure most individuals genuinely have "free will" let alone organisations!</p> <p>"Top circle" apart from and above the "General Circle" (as shown in the diagrams) with aims and responsibilities assumed to flow down from the top.</p>



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Figure 3 — Another view of Ternary Software’s holarchy.

Assumption that people in “higher level” circles are also at higher levels of personal development. This, again, sounds alarm bells about potential abuses of power.

From what I've heard/ read, such abuses of power do take place within the “Integral” scene that “holacracy” comes from. For example “Integral” leaders like Ken Wilber and Andrew Cohen, in response to criticism, often say/ write things like: “I am at a higher level and you simply don’t understand” or “you are not acting according to the will of the organisation”.

Any remarkable achievements using the model

“Holacracy includes several core practices for organizational structure and governance, **most of which are based on or came from an earlier governance system called sociocracy**”

The most commonly cited examples of sociocracy are:

Kees Boeke's private residential school **Werkplaats Kindergemeenschap** or Childrens Community Workshop, founded in 1926. Kees began by adopting the Society of Friends system of governance that rejected majority voting in favour of full inclusiveness. Queen Juliana, who reigned in the Netherlands from 1948 to 1980, believed that royal children should live and be educated with other children. She and her children had spent World War II in Canada but on their return, with all the best schools in Europe to choose from, she choose Boeke's.

The Dutch company **Endenburg Electrotechniek**, set-up by Gerard Endenburg's parents after World War II to prove their egalitarian principles were economically viable, is still going strong today. Gerard finished his high school studies under Kees Boeke and turned Endenburg Electrotechniek into the first sociocratically organised corporation.

What can be used/adopted by the Hub governance model

Basically all of the sociocracy/ dynamic governance stuff.

- Circle **self-organisation**
- **Measuring and Double Linking** creating **feedback loops** that enable **Dynamic Steering**.
- Defined **participative decision making processes** that seek agreements everyone can accept/ consent to