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Holacracy: A Complete System for Agile Organizational Governance and Steering

by Brian J. Robertson

Agile methods have had a huge impact on the software industry by evolving the way we think about software development, and the results are hard to ignore. Now business leaders are looking for ways to reap the benefits of agile principles in whole-organization governance and management. This is difficult without a tangible methodology to make agile principles concrete and accessible. This *Executive Report* examines the governance aspects of holacracy, which provides a complete and practical system for achieving agility in all aspects of organizational steering and management.

Executive Report

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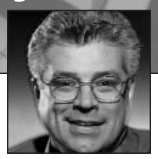
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Holacracy: A Complete System for Agile Organizational Governance and Steering

AGILE PROJECT MANAGEMENT ADVISORY SERVICE

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by Brian J. Robertson

The emergence of agile techniques fundamentally shook the world of software development. It changed not only the practices of software development, but also our understanding of how to think about the process in the first place. It helped evolve our mental models of what software development is really all about. This shift has taken firm root in the software industry and for good reason. Successful agile implementations have reported significant results, including: greater productivity, improved quality, higher morale, and products more aligned with market needs. Agile methods make it possible for software teams to systematically harness self-organization and embrace change, to incorporate feedback throughout development, and to seize opportunities that would otherwise be missed. Agile software development is truly a stark contrast to the machine-like predict-and-control methods of a waterfall approach.

For better or worse, agile methods are also in stark contrast to the organizational leadership, management, and governance structures of modern day business, which — like waterfall approaches — rely on autocratic predict-and-control management and tend to fight change. This paradigm clash often creates significant stress between agile teams and the rest of the organization — stress that sometimes destroys the agile adoption effort before it even starts. For organizations that do manage to integrate the two paradigms and reap the benefits of agile methods, interesting questions often arise such as: (1) can we run the rest of our organization on similar principles? and (2) what would it take to make our entire organization agile?

Similar questions are being asked in boardrooms around the world, well beyond the software industry. In an era of rapidly increasing complexity and ever-shorter time horizons to react, a more agile approach to governing our organizations has significant appeal. Those who have seen the possibilities of agile software development have a leg up on answering these questions, though broadening the approach from individual software teams to the entirety of an organization is still a monumental task. Fortunately, there are emerging methods that do for

entire organizations what agile has done for software teams. Executives and managers seeking to harness agility throughout the organization now have a starting point.

This *Executive Report* examines the governance aspects of holacracy, a complete and practical system for achieving agility in all aspects of organizational steering and management. The report begins with an overview of the agile way of thinking before reviewing the challenges of traditional governance methods and then turning to an alternative solution: holacracy.

WHAT IS AGILE?

Agile is not just about software development. Agile methodologies include collections of specific processes and best practices for software development, but the agile movement itself is tapping into something far beyond how to write code and manage releases. 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. As Kent Beck, creator of Extreme Programming (XP) wrote, "XP is about social change" [4]. The universal values and principles described in the agile movement begin to capture and elucidate this emerging new worldview, this social change, and the specific practices of the agile methodologies follow from those. The practices may get most of the attention, though they are really only the footnote of what agile is all about: the output of a new way of thinking.

The same principles and worldview behind agile software development are now taking hold in other aspects of human society as well. Many in the agile space are already familiar with the lean manufacturing movement sparked in the automotive industry and agile's resemblance to it [15]. Other similar movements have arisen during the past few decades in dozens of other industries as well — each with its own name and its own specific practices, but each with a core understanding and core principles strikingly similar to what we call agile. In fact, many researchers studying human psychological development beyond the transition to adulthood have described an advanced stage or wave of development that brings understanding extremely similar to the principles behind agile. Notable models include Don Beck's Spiral Dynamics [3], Ken Wilber's integral psychology [17], and Jane Loevinger and Susanne Cook-Greuter's exhaustive studies and models of human self-identity development [9, 14]. You can even find a focus on what looks like agile principles in the development described by many spiritual teachers, from modern American guru Andrew Cohen to the great Indian sage Sri Aurobindo. While agile methodologies may talk about software development, clearly the root understanding behind them is anything but limited to the software world.

Applying Agile Principles to Organizational Governance

Can the principles of agile software development be applied to organizational leadership and governance? Of course, though it will be neither smooth nor sustainable unless those principles are reduced to reliable domain-specific practices. Jumping back to software development for a moment, it is one thing to apply agile *practices* in a software team; there are many agile practices and methodologies that specify concrete behaviors that anyone can learn and apply. Agile "principles" on the other hand are very difficult to apply directly as they

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are abstract thoughts and projections of a new mindset. It is the specific practices that are more easily learned and applied not the mindset. Often, folks new to agile find it takes many years of applying agile practices to truly understand the principles and the mindset shift behind them.

Before any specific agile methodologies came to be — before the term agile was even coined — there were bold individuals struggling to apply agile principles in software development teams that had entrenched waterfall processes and practices. These pioneers had to use their gut-feel understanding of agile principles and invent actual practices and processes to capture them. Before that happened, applying agile in a software team meant individual heroics: individuals who "got it," who had a feel for a better way, pushed against existing systems to make something happen. While heroic and sometimes helpful, such efforts rarely result in sustainable change, unless they succeed in generating concrete repeatable practices and supporting structural change. Fortunately, some of those early heroics did manage to make that breakthrough and give rise to what we now call the agile methodologies.

Likewise, anyone can apply agile principles to organizational governance, though to move beyond individual heroics, they will first need to find concrete organizational governance and management practices that embody those principles, as well as a structure that supports their use and adoption. It is also critically important to recognize that an agile organizational structure and process is not at all the same thing as no structure or no process. As is the case with effective agile software development, an agile organization requires a more disciplined process than the traditional model, not a less disciplined one and certainly not anarchy. Thriving on the edge of chaos and surfing the emerging wave of reality is extremely tricky business; doing it without getting swept away in the tide requires significant discipline and a carefully crafted structure and process.

EXISTING GOVERNANCE OPTIONS

Let's start by considering the structure and decision making of the modern corporation. There is a limited democracy in place externally: the shareholders elect board members by majority vote (weighted by how many shares they own), and the board, in turn, appoints a CEO by majority vote. From there, all decision making is autocratic, and the CEO essentially has supreme power. Typically, the CEO delegates some of his or her power to managers, creating what is akin to a feudal hierarchy. This hierarchy steers the organization through top-down, predict-and-control planning and management where plans officially flow down from above and accountability officially flows up from below. Those governed have virtually no voice in the governance except by the good graces of those above and no official way to ensure key insights or perspectives they hold are incorporated into plans or policies. At worst, this system tends toward corruption and domination. Even when the worst is avoided, this system still tends to be both inflexible to change and incapable of artfully navigating the complexity most businesses now face.

The real challenge of course isn't in articulating the weaknesses of the modern approach — there's plenty of evidence for that — it is in coming up with something worthwhile with which to replace it. Some companies attempt to skip an explicit power structure or use only a minimally defined one. That can work to a point, though there's an insidious danger to it. With no explicit power structure in place, one will implicitly emerge over time since decisions need to be made, and they will be made — one way or another — and social norms will develop. The best you can hope for at that point is a healthy autocratic structure of some sort, though more often you end up with something far more insidiously dominating and ineffective.

So perhaps you try running the organization via consensus? That doesn't scale at all, and the time and energy required is often so

impractical that the system is bypassed for most decisions, leaving you with the same problems as having no explicit structure. Even worse, sometimes consensus can pull people toward a narcissistic space. What about some kind of internal democracy? Democracy often results in the same challenges and inflexibility as autocracy but with a higher time cost. To make matters worse, the majority rarely know best, so you're stuck with ineffective decisions on top of the other downsides of autocracy. While all of these approaches have some merit, none are highly effective at harnessing true self-organization and agility throughout the enterprise.

Fortunately, there is another alternative.

HOLACRACY OVERVIEW

The sidebar "What Is Holacracy?" offers an in-depth definition of this system. However, grand definitions aside, holacracy™ is a very practical system for achieving agility in all aspects of organizational leadership and governance. Holacracy includes an organizational structure and concrete practices that fully embody agile values and principles. The remainder of this report focuses on the organizational governance aspects of holacracy.[1]

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 (discussed later in this report). The following list offers an overview of these practices:

- **Circle organization** — the organization is built as a "holarchy" of semi-autonomous, self-organizing circles. 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.
- **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 lower-level circle's results, and

WHAT IS HOLACRACY?

The following in-depth definition of holacracy comes from its Web site [11]:

> 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. Holacracy embraces everything we've learned about organizations so far, and at the same time, represents a quantum leap to a higher order of organization, one capable of artfully navigating in a world of higher-order complexity and increasing uncertainty. The shift to this new level of organization is as fundamental as the leap from the monarchies of old to the democracies of today, and, as with any such shift, it brings new possibilities, new challenges, and a vast stretch of uncharted territory to explore.
>
> From the root "holarchy," holacracy means governance by the organizational entity itself — not governance by the people within the organization or by those who own the organization, as in all previous systems of governance, but by organization's own "free will." With holacracy in place, the natural consciousness of an organization is freed to emerge and govern itself, steering the organizational entity towards its own telos, shaping itself to its own natural order. Every organization has its own individual "voice," entirely and radically different from the voices of the people associated with the organization — just as the organization persists even as individuals come and go, so too does its voice. The subtle sound of the organizational voice is always there, struggling to tell us its needs and pursue its own purpose in the world, but it is usually hidden by a cacophony of human ego. It can be heard sometimes when individuals come together in a transpersonal space — a space beyond ego, beyond fear, beyond hope, and beyond desire — to sense and facilitate the emergence of whatever needs to emerge now. Holacracy requires that this transpersonal space arise often and easily for organizational steering, and the many aspects of holacracy all aim to facilitate this level of human dynamics.

[1] Holacracy is a trademark of Ternary Software, Inc. Readers interested in aspects other than organizational governance in the holacracy approach can visit www.holacracy.org.

DEFINING "HOLON" AND "HOLARCHY"

A "holon" is a whole that is also a part of a larger whole. The term was coined by Arthur Koestler [13] from the Greek "holos" meaning whole and "on" meaning entity and further expanded upon by modern philosopher Ken Wilber [16, 18]. Examples of holons are literally everywhere. For instance, atoms are wholes in their own right, and they are also parts of molecules, which are parts of cells, which are parts of organisms, and so on. Similarly, letters are parts of words, which are parts of sentences, which are parts of paragraphs. In a company, specific project teams are parts of a broader department, and departments are parts of the broader company. Each of these series is an example of a holarchy, or a nested hierarchy of holons of increasing wholeness, where each higher-level holon transcends and includes its lower-level holons. That is, each higher-level holon is composed of and fully includes its lower-level holons, yet also adds something novel as a whole and thus can't be explained merely as the sum of its parts.

the other is a representative elected from within the lower-level circle.

- **Circle meetings** — each circle meets regularly to set policies and delegate accountability and control for specific functional areas and roles.
- **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 before proceeding under the then-current proposal.
- **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.
- **Integrative elections** — people are elected to key roles through an integrative election process after open discussion.

The sections that follow address each of these elements of holacracy in more detail.

STRUCTURE OF HOLACRACY

The first two concepts introduced above, circle organization and double linking, are part of the structure of holacracy. This section examines these two areas and gives instructions for building your own holarchy of doubly linked circles.

Circle Organization

A circle is a semi-autonomous self-organizing team, which exists within the context of a broader ("higher-level") circle that transcends and includes it; therefore, each circle is a holon. (See sidebar "Defining 'Holon' and 'Holarchy.'")

Like all holons, each circle maintains and expresses its own cohesive identity (it has agency), in this case by performing its own leading, doing, and measuring; maintaining its own memory and learning systems; and pursuing its own aim (which is set by its higher-level circle). The rules of this circle organization apply at all levels of scale. Some circles are focused on implementing specific projects, others on managing a department, and others on overall business operations. Whatever level of scale a circle is focused on, it makes its own policies and decisions to govern that level of scale (leading), it does or produces something (doing), and it uses feedback from the doing to guide adjustments to the leading (measuring), all in an effort to continually reach toward its aim.

An Example

Figure 1 shows part of the traditional organizational chart (org chart) for my company Ternary Software, which has pioneered much of holacracy. Note that this typical view of the org chart is still perfectly valid, although with holacracy in place, it is now incomplete.

Figure 2 adds Ternary's holarchic circle organization to Figure 1, and Figure 3 is a different and more accurate way of looking at the same holarchy. Although these aren't common org chart views, the actual structure

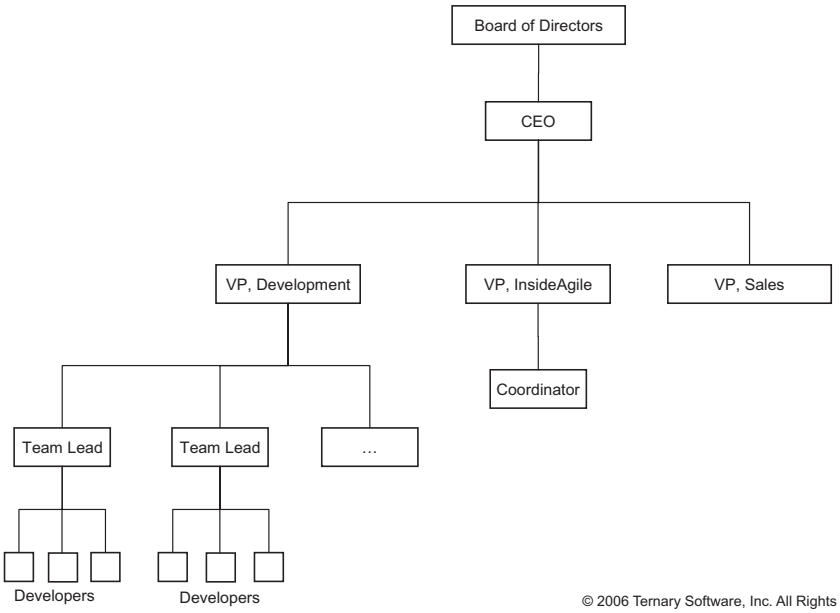

Figure 1 — Ternary Software's traditional org chart.

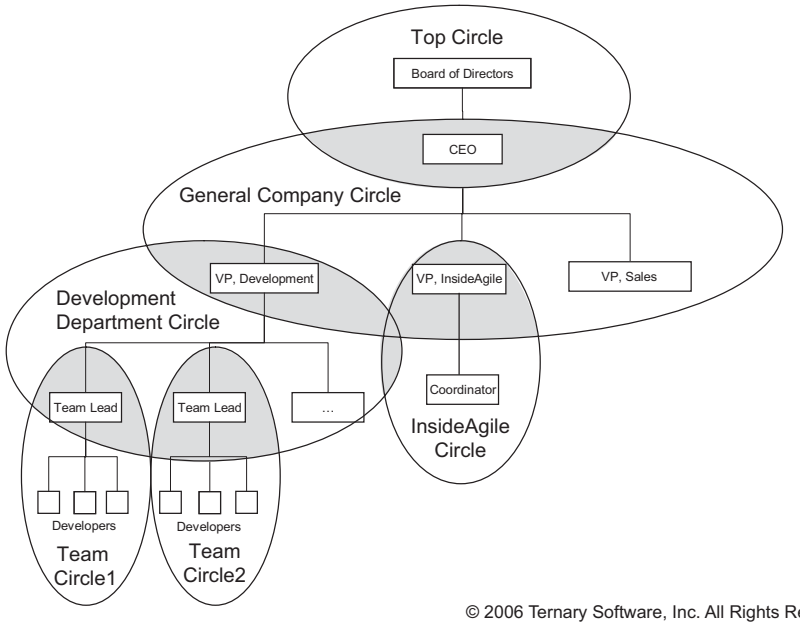

Figure 2 — Ternary Software's org chart with circle structure.

represented is probably not all that surprising. At the highest level, the directors plus the CEO form a Top Circle, which is comparable in scope and function to a typical board of directors. Below that, the executive team forms the General Company Circle, with scope over all operational functions and domains except those delegated to lower-level circles. In practice, the General Company Circle delegates much of its accountability and control down to department-level or project-level circles and retains key crosscutting functions and accountabilities itself.

Ternary Software has two primary business lines: outsourced software development and agile training and consulting. At present, the General Company Circle has retained control of the outsourced software development business for itself and delegated control of the agile business line to a subcircle (the InsideAgile Circle). Both business lines draw upon the expertise and resources in the Development Department Circle, where the company's software teams and agile leaders reside (this department is further divided into teams, per the diagram). There are other circles beneath the General Company Circle as well (for example, an Operations Circle); they have been omitted from these diagrams for space reasons.

Double Linking

Decisions and operations of one circle are not fully independent of others, since each circle is also part of a larger circle and shares an environment with others at its level of scale. So a circle cannot be fully autonomous; the needs of its higher-level circle and lower-level circles must be taken into account in its self-organizing

process (its leading, doing, and measuring). To achieve this, a lower-level (more focused) circle and a higher-level (broader) circle are always linked together by at least two people who belong to and take part in the decision making of both the higher-level circle and the lower-level circle.

One of these two links is appointed from the higher-level circle and is the person to whom the higher-level circle will look to carry its needs downward and to be accountable for the lower-level circle's results (this is called a "lead link" role). The other half of the double link is filled by a representative elected from within the lower-level circle (called a "representative link," or "rep link") and will represent the context of the lower-level circle within the broader circle's decision making and self-organizing processes. This linking continues throughout the holarchy of the organization and perhaps even beyond, through double links between the board of directors and broader organizations, such as industry groups or regional governance groups.

Continuing the example from above, the arrows to the dashed-line boxes in Figure 4 show the addition of Ternary's representative links on the org chart. The lead links are simply the managers already in place in the traditional hierarchy (i.e., the CEO, the VPs, and the team leads).

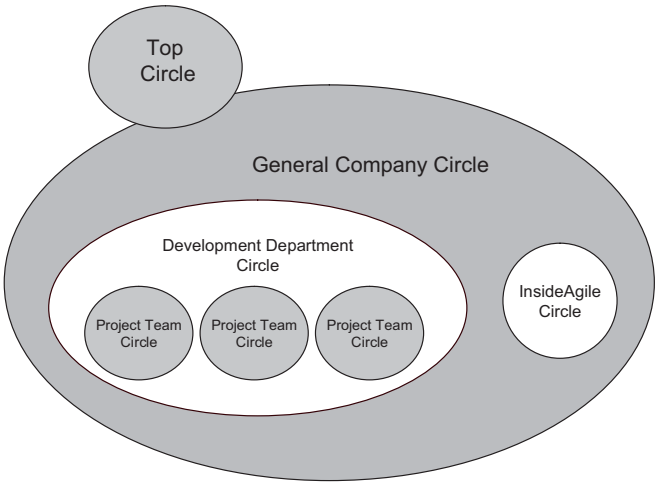

Figure 3 — Another view of Ternary Software's holarchy.

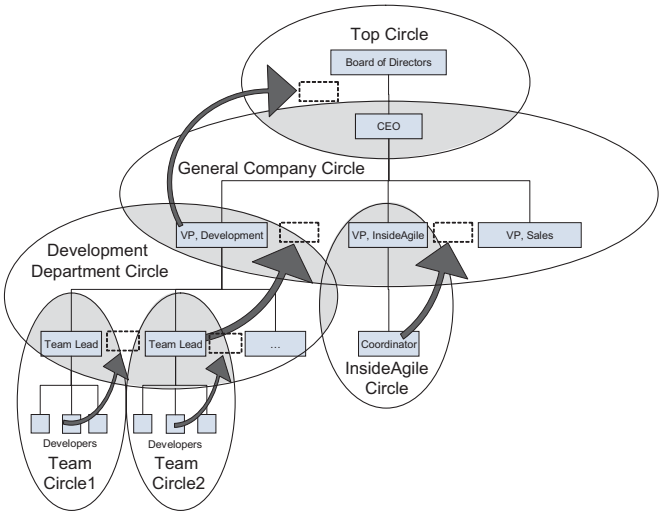

Figure 4 — Representatives are elected to the next higher circle.

The Challenge of Whole System Self-Organization

The agile movement has long recognized the value of self-organizing teams and for good reason: self-organization is perhaps the most effective paradigm available for thriving amidst high levels of complexity and uncertainty. Indeed, it is nature's way of dealing with chaos. We need to look no further than the natural world around us or even within us to see literally thousands of examples of self-organizing

entities at work, at many levels of scale simultaneously, all beautifully nested within each other in natural holarchies.

Of course, the elegance of nature isn't so easily captured in our organizations. The big challenge of self-organizing teams — the "dark side" of self-organization — is that too much autonomy at one level of scale destroys the ability to self-organize at a higher level of scale. Self-organization requires the entity in question to have significant control over the organization of its own work and processes; indeed, that's part of the definition of *self*-organization. When an agile software team has full autonomy in the name of self-organization, that can actually hinder the ability of the broader business-level or department-level holon to self-organize at its level of scale — the team is a part of it, and it needs to be able to exert some control on its parts to achieve its own self-organization. This is frequently the fear seen around self-organizing teams — higher levels in the organization also have a reasonable need for control of their parts. The need for control is only half the story, however. The benefits of self-organization are also lost if a higher-level holon dominates its parts and interferes with their own self-organization. That effectively destroys the lower-level holon's wholeness and puts all of its complexity on the higher-level holon's doorstep. That's exactly what happens in most organizations, and without the benefits of self-organization throughout a system, predict-and-control management is the only tool available for trying to cope with the complexity (and it is a poor tool at that).

The challenge then of achieving whole system self-organization is to provide the autonomy each holon requires to self-organize as well as the control and responsiveness to the broader holon of which it is a part. This is precisely the challenge solved by double linking the circles in the organizational holarchy. Each circle performs its own leading, doing, and measuring — a complete feedback loop for self-steering. Yet to keep the overall system whole, these need to connect to the steering processes in the circles above it and below it (or equally accurate, in the broader circle around it and those circles within it). More specifically, when what one circle decides to do (e.g., "build this application") is going to be performed by a lower-level circle (for instance, a development team), then the higher-level circle's doing links to the leading process for the lower-level circle, to carry the needs and relevant information downward. Likewise, the lower-level circle's doing and measuring needs to feed back into the higher-level circle's measuring process, so it can adapt based on an understanding of the reality and needs of its lower-level circle. As we see in Figure 5, these connections are the roles of the two links; the lead link carries the doing of the higher

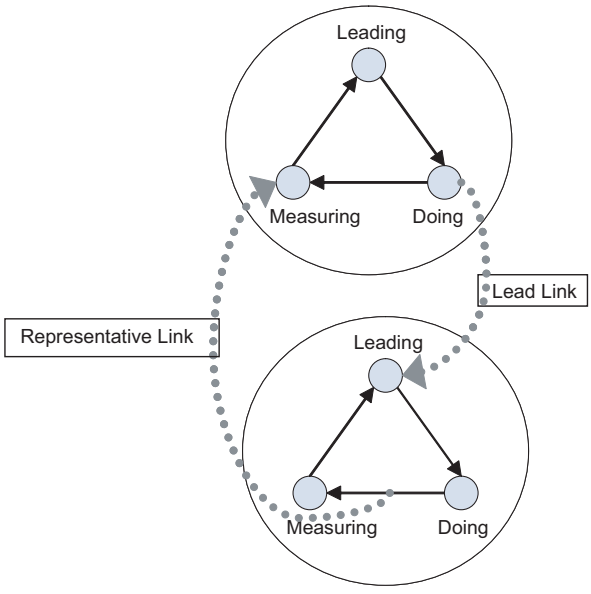

Figure 5 — Leading, doing, and measuring across circle levels.

level to the leading of the lower level, and the rep link carries the doing and measuring of the lower level to the measuring of the higher level.

With these links operating as conduits between levels of scale, this structure ensures that every circle in the organization can act fully as a holon — as both a whole in its own right and as a part of a broader whole. The result is a beautiful fractal pattern that provides healthy autonomy and ensures healthy communion at every level of scale, with information flowing constantly up and down through feedback loops both within and across circle boundaries. Just like nature.

Building Your Own Holarchy

Most companies are already organized in a hierarchal fashion, and getting from there to an initial holarchic organization is trivially simple, at least structurally. You simply take the existing hierarchy, the existing org chart, and draw circles around each level, just as is shown in the diagrams above. That is, you draw a circle around every manager and those he or she leads, and you end up with a series of overlapping circles, which is your starting holacratic hierarchy (whether it's the right hierarchy is another matter, and that topic is discussed later in this report, though it's a concern with or without holacracy). From there you run elections to complete your double linking, starting from the bottom and working upward, so that each elected individual then has a chance to take part in the higher-level election. You've then got a full holacratic structure from which to start. Alternatively, larger organizations are often advised to start small, with just a subset of the organization or even a single team, and use that subset as a trial ground for the new process.

So the real conversion challenge lies not in a dramatic change to the fundamental organizational structure but in adding the holacratic processes, and that's good news. It means you can add holacracy incrementally and learn as you go, while building upon what you already have.

PRACTICES OF HOLACRACY

This section looks at the remaining practices introduced earlier: circle meetings, decisions by integrative emergence, dynamic steering, and integrative elections.

Circle Meetings

The members of each circle meet regularly to set policies and delegate accountability and control for specific functional areas and roles. (See sidebar "Circle Meeting Agenda.") The circle's membership includes the circle's lead link (appointed from the higher-level circle), any "home" members of the circle (those who work on this team), any lead links appointed down to lead lower-level circles, and any representatives elected to this circle from lower-level circles.

The primary role of circle meetings is to set policies and create structure not to conduct specific business or make decisions about specific instances. For example, when a member of a circle faces a specific challenge on a specific project, the role of the circle is not to resolve the specific challenge. Rather, it is to set up and refine policies and roles that, at best, move the team to a new level where this kind of challenge won't come up in the first place or, at the very least, setup roles and processes for handling the specific challenge in question outside of circle meetings (perhaps in another more operationally focused meeting or perhaps just via individual action, as appropriate). The circle does this in part by crafting and refining policies for how specific business will be conducted (e.g., what software testing process will be used or how we decide who gets what programming task) and in part through defining who has what accountability and control — the two must always go together. Limits must also be set (e.g., Bob has accountability and control for setting up and managing our source control system, and he must schedule system downtime one day in advance and around any planned releases).

To use a metaphor, circle meetings don't deal with instances of objects, they define and refine the class structure and interfaces of the organization based on data from "running the program" (i.e.,

watching how the specific structure plays out in reality). Circles act as programmers for the organization itself and are capable of adjusting structure and roles as well as interfaces in real time, even while the program runs.

Decisions by Integrative Emergence

Communication is a core value of XP. It points out that the best decision comes from being maximally informed. XP recognizes that all stakeholders have important data and important truths to contribute and that bringing together and integrating these insights from multiple perspectives builds a more encompassing understanding of our present reality. This allows for more effective actions, which take into account more needs and more constraints of the systems and projects around us. In an organizational management setting, the traditional feudal structure allows autocratic control based on a single perspective, which runs the risk of missing important perspectives and information (often accidentally), effectively killing agility. Just as neither a customer nor the developers can alone dominate decision making and expect the benefits of a truly agile approach, so too must an agile organization integrate multiple perspectives in its key policies and decisions.

A core understanding behind holacracy is that all perspectives have some value to contribute to organizational steering and that the best decision will emerge when the value in each perspective available is integrated and harnessed. Thus, policies and decisions are crafted by systematically integrating the core truth or value in each perspective put forth. The word used to capture this integrated state is called "consent," and the measurement of when you have achieved consent is that no one involved in the decision-making process knows of a reasoned and paramount objection to proceeding with the proposed decision. All reasoned and paramount objections must be addressed in the decision-making process, giving everyone involved in the process a voice in their own governance. That means the decision will be within the limits of tolerance of all aspects of the system, at least for the time being. (See sidebars "Integrative Decision-Making Process: Short Format" and

CIRCLE MEETING AGENDA

The following is a template agenda for a typical circle meeting, taken from the holacracy Web site [11]:

- **Check in** — the check in is a brief go around, where each person gives a short account of his or her current mindset and emotional state to provide emotional context for others in the meeting and to help the speaker let go of any held tensions. No discussion is allowed. An example is: "I'm a little stressed out by my project today, but otherwise, I am doing fine."
- **Administrative concerns** — the facilitator checks for objections to the last meeting's minutes and explicitly highlights the time available for this meeting.
- **Announcements and updates** — circle members share any key information relevant to this circle meeting. Questions are allowed, and additional relevant information can be shared by others. Avoid discussion; instead, add specific items to the agenda as necessary. An example is: "Last meeting we agreed to check in on the results of Proposal X; here are the results."
- **Agenda setup** — the facilitator lists preestablished agenda items on the board and solicits additional agenda items for the meeting, then orders the agenda items and quickly establishes consent for the order.
- **Specific items** — the group proceeds through each agenda item using the appropriate decision-making process (see sidebars "Integrative Decision-Making Process: Short Format" and "Integrative Decision-Making Process: Long Format"), and the secretary captures all decisions in the meeting minutes.
- **Closing** — the closing is a brief go around, where each person reflects and comments on the effectiveness of the meeting, providing measurement feedback for the facilitator of the meeting process itself. No discussion is allowed. An example is: "We broke process a few times, though we did a good job of getting quickly back on track!"

INTEGRATIVE DECISION-MAKING PROCESS: SHORT FORMAT

The following is the short-format integrative decision-making process (taken from [11]), used when a circle member has both a tension to resolve and a specific proposal to offer as a possible solution:

- **Presentation** — the proposer states the tension to be resolved and a possible proposal for addressing it. Clarifying questions are allowed only to understand the proposal as stated; discussion and reactions are cutoff immediately by the facilitator, even those veiled in question form.
- **Reaction round** — the facilitator asks each person in turn to provide a quick gut reaction to the proposal (e.g., "Love it"; "It needs to account for X"; "No specific reactions"). Discussion or responses of any sort are ruthlessly cutoff by the facilitator.
- **Amend and clarify** — the proposer has a chance to clarify any aspects of the proposal he or she feels may need clarifying after listening to the reactions or to amend the proposal in minor ways based on the reactions (even if there were clear shortcomings pointed out, no amendments are needed at this stage and no major amendments should be attempted). Discussion is cut off by the facilitator.
- **Consent round** — the facilitator asks each person in turn if he or she knows of any objections that must be integrated into the proposal before the decision is made. An "objection" is a reason why the proposed policy or decision is outside a paramount limit of tolerance of any aspect of the system. Objections are stated without discussion or questions; the facilitator lists all objections on the board and ruthlessly crushes discussion of any kind at this stage. After the round is complete, the decision is considered made if no objections surfaced.
- **Integration** — if objections do surface, the facilitator starts a group discussion about the objection, with the goal of swiftly finding a way to integrate the core truth in the objection into an amended proposal that addresses both the objection and the original tension. As soon as is practical, the facilitator (or another circle member) states an amended version of the proposal, and the process goes back to the consent round.

INTEGRATIVE DECISION-MAKING PROCESS: LONG FORMAT

The following is the long-format integrative decision-making process (taken from [11]), used when a circle member has a tension or tensions, but no specific proposal to offer:

- **Form a picture** — the facilitator and/or proposer clarify the core topic to be addressed.
- **Explore views** — the facilitator asks for tensions and information from each circle member about the topic and charts them (a mind map works well for this). The facilitator then quickly seeks consent that the group has a clear picture of the tensions to address.
- **Generate proposals** — the facilitator starts a process to generate a proposal or a set of proposals that addresses one or more of the tensions on the mind map. The facilitator may do this via any means appropriate; common techniques include dialog and brainstorming or asking each person in turn, without discussion, what he or she would propose and listing everything stated on the board. Once there are one or more concrete proposals, the facilitator uses the short format addressed above.

"Integrative Decision-Making Process: Long Format.")

Note that this is not at all the same thing as consensus. With most consensus-based processes, everyone must be "for" the decision, and someone can "block" it, whereas consent requires that all perspectives be integrated into the decision-making process until no one knows of an important reason to continue discussion now. No one can "block" a decision; an individual can just add information to integrate into the decision-making process. This is a critical

distinction: consensus tends to focus on the individuals and their personal wants, whereas consent is about the decision or argument itself and what's best for the whole, while recognizing that the best way to get the best decision is to listen to and integrate the information and perspectives brought by the individuals involved. With consent, the people involved don't make the decision per se; rather, they are the vehicle for attempting to surface the decision that wants to emerge anyway.

Consent as Threshold

As a rule in holacracy, all decisions must be made by consent unless consent is first given to use another decision-making method. Thus, consent wraps and integrates other decision-making styles; groups may consent to someone having autocratic decision-making power within agreed-upon limits, to use democratic vote, or even to allow chance to decide — though consent is still the threshold. Any decisions to use another style can be revisited via consent as new information presents itself or the environment changes.

For example, you wouldn't want your office manager calling a meeting every time he or she wanted to buy more pencils, so instead you might create a policy (by consent) that grants this individual autocratic authority (and responsibility) to make decisions related to keeping the office up and running operationally, within certain purchasing limits. Likewise, programmers can be granted authority to make autocratic decisions on how to implement features in code, within the limit that they need consent of their team before bypassing any agreed-upon process (such as writing unit tests). Should this authority ever prove too broad or the limits too restrictive, the policy would then be revisited via consent, and the team (the circle) would adapt appropriately.

On Sabotage and Stonewalling

One of the most common questions about consent is what happens if someone tries to sabotage or stonewall decision making, and for good reason. These are issues that require significant concern within the governance systems we know. In contrast, companies using holacracy tend to find sabotage and stonewalling just doesn't happen in any significant way. It's not that holacracy directly solves problems of politics, it just helps an organization "outgrow" the need for such things in the first place and helps individuals move beyond fear-based reactions. Sabotage and politics become obsolete and no longer useful.

Aside from that overarching answer, if or when these kinds of behaviors do occur, the consent process not only prevents them from doing harm, but also actually helps figure out where they're coming from and why, so the root issue can be addressed.

On Votes

Another common question is about the "possible votes" in integrative decision making. At first it can sound like there are two possible votes on a proposed decision — "consent" or "object" — though that's missing a key point. Consent isn't about "votes" at all; the idea of a vote doesn't make sense in the context of consent. There are no votes, and people do not vote. People do say whether they know of a reason why the proposed decision is outside the limits of tolerance of any aspect of the system, and then decision making continues to integrate that new information. This isn't the same as most consensus-based processes — either in theory or in practice — although it does sound similar at first, especially before an actual meeting that seeks consent is witnessed. For example, in a boiler-based heating system, the boiler has a natural limit of tolerance; if the water actually boils, the unit will cease to function and may explode. That is a reasonable argument against allowing the water to boil. This valid argument must be incorporated into the decision making, because it's about something that won't work well, not about the boiler "wanting" to keep the water below boiling (if it had desires, it may indeed want that but what's

useful for decision making is *why* it doesn't want the water boiling!).

On Personal Support

Another key concept is that consent and the integrative decision-making process aren't about personal support at all, one way or the other — they are totally orthogonal to that. An "objection" isn't a statement that someone won't support a decision, nor is "no objection" (i.e., "consent") a statement that someone will. It is just a statement about whether or not someone sees something that is outside the limits of tolerance of any aspect of the system. Most folks use personal emotions and feelings of support (or lack thereof) as clues to why a proposed decision may really be outside a key limit of tolerance for the system, and you'll see others in the decision-making process helping them try to understand their emotions. The emotions become information — valuable to the whole group as clues to broader issues not yet articulated — but not as decision-making criteria in and of themselves.

Ironically, personal support is typically an output of the consent decision-making process, even though (or maybe precisely because) it is orthogonal to the decision-making process itself.

On Trust

The consent-based integrative decision-making process relies upon trust less than any of the more common decision-making processes available. Again, trust is an output of the process, not a required input. In fact, a consent-based process has occasionally been brought into extremely dysfunctional companies specifically to reestablish and build trust, and several companies in Holland using sociocracy have seen impressive results in this regard.

Support and trust are both very personal, and integrative decision making has an impersonal quality to it. It's about reaching decisions that do not fall outside the limits of tolerance of the many aspects of a complex system. It is quite amazing how much personal trust and support such an impersonal process builds, largely by shifting the focus from the personal to the more practical, while still honoring emotions and treating them as important information to be understood and not hidden.

One of the most noticeable differences between seeking consent versus consensus is in the actual culture or "air" of a decision-making meeting. The process helps people move beyond fear and ego to meet in a higher emotional and cultural space, so a group engaged in seeking consent has a palpably different feel to it. It's sometimes reported as feeling like the group is tapping into a larger collective understanding, which is more than the sum of the participants' individual understandings (and not the least common denominator of the individuals' understandings, a feeling often reported when seeking consensus). The process often doesn't feel like arguing or convincing others, although it may look that way from the outside; instead, it typically feels like the group is exploring a larger collective understanding together, until the right decision just emerges.

On Speed

When done well, reaching consent through integrative decision making is usually faster than decision making via any other means, including autocratic decision making. There are three main reasons for this. First, there is an explicit decision-making process; when facilitated well, it helps a group stay focused, avoid unnecessary discussion, and move swiftly through both exploration of an issue and actual decision making. Second, healthy autocratic decision making often requires some degree of consensus building to ensure buy-in, whereas consent nicely dodges that need — everyone can trust the process itself to result in any buy-in needed. Finally, and most importantly, it facilitates a change in the nature of decision making and process control — the steering of an organization or team — from the predict-and-control model in heavy use today to an experiment-and-adapt model aligned with

agile principles. That changes everything.

Dynamic Steering

Most modern decision making and management structures are based upon 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). It's kind of like riding a bicycle by pointing at your destination off in the distance, holding the handlebars rigid, and then pedaling your heart out to get there. Odds are, you won't reach your destination, even if you do manage to keep the bicycle upright for the entire trip.

In contrast, if you watch someone actually riding a bicycle, you'll see a slight but constant weaving. Riders are constantly getting feedback by taking in new information about their present state and environment and constantly making minor corrections in many dimensions (heading, speed, balance, and so on). This weaving is the result of the rider maintaining a dynamic equilibrium while moving toward his or her aim — using rapid feedback to stay within the limits of tolerance of the many aspects of his or her system. Instead of wasting a lot of time and energy predicting the exact "right" path up front, riders instead hold their purpose in mind, stay present in the moment, and find the most natural path to their aim as they go. This example and way of thinking are nothing new to the agile crowd; virtually every agile methodology includes some analogy or discussion along these lines.

For organizations, replacing most up-front predictions (of the "right" policies, decisions, and so forth) with incremental adaptation in light of real feedback provides many benefits, including significant efficiency gains; higher quality; more agility; increased ability to capitalize on ideas and changing market conditions; and perhaps most ironically, far more control. And holacracy achieves all of this while meeting human and social needs in a way most workers would never dare dream.

It's important to note that transcending the predict-and-control model is not at all the same as just "not predicting" (no more than riding a bicycle is a process of just "not steering"). It is instead about attuning to an appropriate telos and being fully present in the here and now and aligning actions with the natural creative impulse that then surfaces. Doing this across an organization requires an enabling structure and a disciplined process of continually taking in feedback and adapting, even across multiple people and multiple semi-autonomous teams. The doubly linked circle organization plus the integrative decision-making process used in holacracy provide such a structure and process and, when paired with a focus on staying present and adapting continuously in a state of flow, true dynamic steering can surface.

Dynamic Steering in Practice

Critical to both holacracy as a whole and dynamic steering in particular is the rule that *any decision can be revisited at any time*. To truly reach consent during integrative decision making without getting bogged down in fear, there needs to be a value placed on making decisions based on the aim of the circle and the facts at hand, without too much speculation and anticipation of what "might" happen and then adapting when new information and understanding present themselves. This leads to a lot less agonizing over the "perfect" decision (predicting) and a lot more just trying something and letting reality tell you what the right decision actually is.

The rule that any decision can be revisited at any time also removes much of the fear of decision making. Predicting the future is scary, especially if you're stuck with the results of your prediction. In contrast, holding an aim in mind while living fully and continually in the present is not as scary. It is much easier to move beyond a fear when you know it is safe to just try it and then revisit it as soon as your fear actually begins to materialize or when new information presents itself. This changes the nature of decisions, and that has the power to enable much more fulfilling and useful

emotional reactions toward both the process and results of decision making.

The other practices of holacracy come into play here as well. The circle organization is critical to effective dynamic steering, as each circle owns and controls its own decisions and policies, performs its own work, and then adapts its decisions and policies based on real feedback. Double linking, with representatives elected via consent, enables adaptation beyond the level of a single circle and in a manner integrated with other circles. And circle meetings provide a regular forum guaranteed to honor the consent threshold and allow individuals to air and address their tensions.

An important corollary for achieving dynamic steering is that the goal of the integrative decision-making process is not to find the best decision but just to find a workable one — the best decision isn't the one we predict in advance, it's the one that reality points to over time. Dynamic steering starts quickly with something workable, then reaches great decisions by listening to reality and adapting constantly as new information and understanding arise.

Avoiding the trap of trying to find the "best" decision up front frees the circle to swiftly move from planning a decision to testing it in reality and integrating the resulting feedback.

Finally, note that there are times when some measure of predictive steering makes sense. Integrating future possibilities into present decision making makes sense if both the probability of a costly possibility arising is uncomfortably high and if we can't safely adapt later once we have more information to work with. These cases are often best addressed by finding ways to ensure we can adapt later, rather than reverting to predictive planning. When the situation absolutely calls for it, however, sometimes the agile, adaptive thing to do is to use a predict-and-control model; in this sense, dynamic steering transcends (adds to) and yet also fully includes predictive steering methods. It is a broader, more encompassing paradigm, which still includes all of the value in the previous approach. (See sidebar "Agile's Focus on Dynamic Steering.")

Integrative Elections

There are several key roles that must be filled in a holacratic

AGILE'S FOCUS ON DYNAMIC STEERING

Like holacracy, the various agile methodologies all put a strong focus on dynamic steering. The Agile Manifesto [1] lists a core agile value as responding to change over following a plan — a value about adapting as reality ebbs and flows and new information and new contexts emerge. The Agile Project Leadership Network [2] refers to it as continuously aligning to changing situations and maintaining control through feedback, not prescriptive plans. Extreme Programming (XP) also recognizes a core value on feedback [4]: feedback allows our plans to be imperfect at the start of a journey and quite good by the end; it gives us the data we need to adjust our planned route based on the actual territory encountered, rather than trudging forward blindly with nothing but a map of what we thought the territory might look like.

The XP principles of failure, opportunity, reflection, and continual improvement also relate to dynamic steering. We improve by continually reflecting on our actual experience and progress, and XP recognizes failure as just new information and an opportunity to learn and succeed in a bigger picture. As Thomas Edison famously said of his early experiments, he didn't fail, he just learned a thousand ways not to make a light bulb. Likewise, when a software developer compiles code, he or she often expects failure and uses the resulting compiler errors to quickly identify typos and other problems. Rather than spending time and energy ensuring every attempt to compile is successful, the programmer simply puts an emphasis on coding fast, failing fast, and learning quickly from the failure. Failing fast at that level of scale allows the programmer to more swiftly succeed in the bigger picture to get that new feature working faster and more efficiently.

Dynamic steering is a core theme in each of the agile methodologies and in most writing on agile software development. Holacracy's similar embrace of dynamic steering beautifully meshes with and supports a core aspect of agile development and helps make agile development an extremely well-suited complement to a holacratic organization.

INTEGRATIVE ELECTION PROCESS

The following is a template for the integrative election process (taken from [11]):

- **Define the role** — the facilitator describes the role the election is for and the term of the role (although, as with all decisions, the election can always be revisited before the term expires as new information becomes available).
- **Fill out ballots** — each member fills out a ballot with his or her nomination, without discussion or comment. The ballot uses the form of "(nominator's name) nominates (nominee's name)." The facilitator collects all of the ballots.
- **Public gossip** — the facilitator reads aloud each ballot and asks each nominator in turn to state why he or she nominated the person shown on his or her ballot. Each person gives a brief statement as to why the person he or she nominated could be the best fit for the role.
- **Nomination changes** — the facilitator asks each person in turn if he or she would like to change his or her nomination, based on new insights that surfaced during the public gossip round. Changed nominations are noted, and a total count is made.
- **Discussion** — if the facilitator senses a likely choice — usually the person with the most nominations — then he or she skips this step and moves directly to a consent round for that nominee. Otherwise, the facilitator asks for discussion to establish a likely candidate for the role then proposes someone and moves on as soon as is practical.
- **Consent round** — the facilitator proposes a specific nominee for the role and asks each person in turn if he or she consents to the proposed nominee filling the role, with the nominee in question asked last. If one or more objections surface, the facilitator either facilitates a group discussion about the objection to integrate it or simply moves on and proposes another nominee for the role. Once no objections surface, the election is complete.

circle: a secretary to record policies and decisions; a facilitator to run circle meetings and stick to the holacratic process; and a representative link to the next higher circle. In holacracy, individuals are elected to these roles exclusively through holacracy's integrative election process (this is not a democratic majority-vote election; see sidebar "Integrative Election Process" for more information).

The circle may choose to use the integrative election process for other key roles as well (and for other decisions entirely; at Ternary Software, it is quite common to see groups using an abbreviated version of the process for deciding where to go to lunch).

REQUISITE ORGANIZATION

Once an organization adopting holacracy has all the basics in place, a new series of questions about holacracy's structure often arises. How do you know what specific circles an organization should have, and how many levels these should be organized into? Does it matter? The answer is a strong "yes," it definitely does. This is an issue in any organization, with or without holacracy, but with holacracy in place there is dramatically increased ability to both find and harness an effective structure.

Requisite Structure

Building on the work of Elliot Jaques [12], holacracy suggests that, at any given point in time, an organization has naturally ideal or "requisite" structures that "want" to emerge. The closer the explicit tangible structures are to these natural structures, the more effective and trust-inducing the organization will be. The most obvious structure (and among the most critical) is the actual organizational hierarchy, though there are others as well. In addition to requisite structures, there also seem to be requisite processes and policies. Getting any single structure, process, or policy "requisite" often requires adjusting multiple others, each in the context of the others. It can be quite a puzzle!

Said another way, the organization consists of natural holarchies that have emerged over time and evolve with time. It is extremely

valuable to discover these natural holarchies, and align the organization's explicit structures and systems with them as closely as possible. This is not an arbitrary choice; for any given organization at any given point in time, there seems to be one right answer and only one right answer. Finding it is not creative work, it is detective work; the answer already exists, it just needs to be uncovered. This process feels a lot less like explicit design than it does attuning to what reality is already trying to tell you. The closer a company gets to finding its unique requisite structure, the more the organization tends to feel "natural" and the easier self-organization becomes. Circles will feel more cohesive. They will have healthier autonomy and a clearer identity, and the natural functions within a circle's identity will be more easily handled by it without creating conflict with other circles' identities or autonomies. Each circle will be able to more easily do its own leading, doing, and measuring, with its higher-level circle able to more comfortably focus on the circle's aim and specific inputs and outputs rather than the details of the processes going on within. Power and accountabilities (i.e., rights and responsibilities) will be very clear and explicit, both for each circle and each individual within each circle. Aligning with requisite structure and process dramatically eases and enhances everything for which holacracy already aims.

In the case of Ternary Software, the structure depicted in earlier figures represents the staff's best understanding of the organization's requisite structure as of the writing of this report. Note that Ternary's staff didn't "invent" this structure; no one logically concluded what it should be. Rather, they merely "listened" to what naturally wanted to emerge — what was already true but not yet recognized — and simply aligned with that. Again, it was detective work, not creative work, and the requisite structure detected has evolved over time in true holacratic spirit.

Patterns in Requisite Structure

The specific requisite holarchy will vary heavily in different organizations and will evolve over time; circles come and circles go (there's still one requisite holarchy for any given organization at any given point, it just changes over time). But while the natural holarchy will vary, there are underlying patterns to requisite structure that apply in almost all situations. These general patterns seem to relate to natural "laws" of holons and holarchies that don't change with time or situation, even though the specific holons and holarchies do.

One key pattern in requisite structure is that the levels in the holarchy will correspond to natural levels or stages of development of the individuals working at each level. In other words, a lead link (manager) will have reached a broader stage of development than the people in the circle he or she leads in one or more key areas of development (primarily cognitive development or the ability to hold and use perspectives of varying complexities, though other areas of development are sometimes relevant as well, such as morals, self-identity, or technical skill). Furthermore, this developmental difference between the lead link and those he or she leads will cross one major stage transition along the relevant lines of development. Keep in mind that this is referring to an average level of development along only a few lines of development. Development is a messy affair; there are many areas of development that can be at many different levels simultaneously and, even with a difference in the average, any given individual will still be more developed than his or her lead link in at least some areas (perhaps mathematically, musically, aesthetically, and so forth).

That's a lot to digest, and this is just scratching the surface. The short version is that each rung on the corporate ladder will contain people capable of cognitively holding and using a broader perspective than those below — not just incrementally broader, but a good, full rung higher. Those who have had the misfortune of having a boss who wasn't capable of holding and using the same level and complexity of perspective as

themselves know firsthand how frustrating a non-requisite structure can be! The developmental difference makes the corporate hierarchy meaningful and natural, as opposed to the more common case of largely inconsistent or arbitrary hierarchies, which often result in dysfunctional politics and domination. Hierarchies where each tier is separated by one developmental level seem to be ideal. Those separated by more than one level seem better than same-level leadership but not ideal.

This rule was empirically discovered, not logically concluded, though we can hypothesize many possible explanations for it. It is critical that a lead link be able to connect the context in the lower-level circle to the broader context in the higher-level circle, and that requires the ability to take a broader perspective. It is also easiest to be coached day-to-day from someone one tier above your own level of cognitive development; these individuals still remember the stage you're at quite well, and you can more easily find value in the broader perspective they bring.

From the leader's point of view, helping someone just one rung lower in cognitive development in a day-to-day capacity is likely to be more challenging and more enjoyable than helping someone several levels lower. Finally, this one-tier difference of cognitive development at each hierarchal level creates a *major* gravitational force for personal development throughout the organization — it pulls people upward.

Related to that, in a requisite organization the person watching out for your broader development — watching to see when you're ready to take on a role in a higher level circle with all of the added complexity that entails — won't be your immediate manager but rather your manager's manager (your "manager once removed"). When accountability for guiding someone's overall development rests with his or her manager once removed, there is a lot less dysfunction and a lot more trust in the culture, and it helps accelerate individual development to boot. It's hard for managers to know when someone they lead day-to-day is ready to be their peer. Even more relevant, it's easy to recognize a level of development significantly lower than your own, but once someone gets near or above your own level of development, it becomes increasingly difficult to accurately and fairly identify when that person is ready to take on a higher-level role.

There are other requisite patterns in addition to these as well, though they are beyond the scope of this report. Interested readers are invited to review the materials given in the References and For Further Reading sections at the end of this report for more information.

HISTORY OF HOLACRACY

Holacracy emerged amidst real-world trial by fire at Ternary Software, an outsourced software development and agile consulting company founded in 2001. The organization's charter was partly to serve as an experimental ground for new methods in human organization — a living laboratory. The founders meticulously sought out, tested, and integrated new models and methods in human dynamics and organization and pioneered new practices where existing ones were lacking. Fueled by the founders' backgrounds in agile software development, the company steered toward models and processes that captured the agile mindset in tangible form and systematically integrated each new model and practice with the others, resulting in the overall approach now called holacracy.

Although holacracy as a whole is a relatively new model, it is largely an integration and extension of existing models, many of which have rich histories. Much of holacracy is a refinement of sociocracy [8, 10], an organizational governance system originally envisioned in the Netherlands in 1945 as a way to adapt Quaker egalitarian principals to secular organizations. Sociocracy was refined for corporate use in the 1960s by Gerard Endenburg, a Dutch electrical engineer who enhanced the model with principles from

cybernetics — the science of steering and control — and used it to successfully manage the Endenburg Electrotechniek company. The system designed by Endenburg was so successful that hundreds of companies have now adopted the process. Dutch companies using sociocracy can even get an administrative exemption to labor laws otherwise requiring companies over a certain size to use a works council (similar to a union) — the workers are already represented through the sociocratic method on a day-to-day basis.

In addition to its roots in sociocracy, holacracy incorporates numerous other models and processes as well. Much of the understanding and practices around organizational structure and management came from Jaques's work in "requisite organization" [12], and the understanding and language around holons and holarchies came from philosopher Ken Wilber's work [16, 18]. The focus on human dynamics and the importance of integrative decision making in holacracy came largely from Linda Berens's work in interaction styles, psychological type, and temperament theory [5, 6, 7]. Ternary's founders incorporated the work of these pioneers and others, along with their own innovations and advances to each, while simultaneously interweaving them all together into a whole that is more than the sum of its parts — holacracy.

CONCLUSION

Organizations are increasingly adopting agile software development practices because of their ability to harness feedback, adapt rapidly to changing realities, and navigate successfully amidst greater complexity and uncertainty. While agile software development practices forge ahead and gain industry momentum, the corporate governance structures they exist within lag behind. Until recently, there have been relatively few cohesive whole-organization systems for harnessing agility. Holacracy is a complete and practical system for achieving agility in all aspects of organizational leadership and management and includes concrete processes and practices that fully embody agile values and principles. It integrates seamlessly with existing agile software development methodologies, filling in gaps in process control and decision-making systems not directly addressed by most agile methodologies.

Holacracy also lays a foundation upon which other organizational processes and systems can be built or refined from an agile mindset. At Ternary Software, for example, there are systems for salary and compensation, strategic planning, hiring and firing, personal development, performance reviews, and much more, all elegantly aligned with an agile worldview and agile processes. Starting from the groundwork of holacracy opens possibilities for other supporting systems that don't exist with a base of predict-and-control management.

The Next Evolution

At a more theoretical level, the holacratic structure and governance system integrates the distinction between for-profit and nonprofit companies and between public organizations and private enterprise. Holacratic entities integrate both social and economic responsibilities at the board level, and the process of organizational governance happens everywhere throughout the system by everyone at the level of scale they operate at, not by a large separate "government" or by separate "management."

The holacratic structure and governance system also blurs the line between separate organizations. As more organizations adopt a similar structure, they can easily intertwine into a fractal, chaordic,[2] multi-entity organization. Once this network gets big enough, it has the potential to transcend what we currently think of as government with a new type of worldwide integrative power structure, all without a messy revolution.

This structure has the potential to profoundly advance human society, and it completely transcends many of the massive

[2]Chaordic refers to a system that is both chaotic and ordered.

geopolitical and environmental challenges we now wrestle with — many of them just dissolve, and others at least become possible to address with such a system in place. Better still, this worldwide holarchic meshwork is built on top of the governments and legal systems that already exist. That means it can emerge incrementally, in its time, until a new integrative governance web spans the world, with every holon at every level of scale honored and accorded appropriate rights and responsibilities. What this might mean for the individuals who live and work within these social holarchies is also quite profound: suffice it to say, the potential for individual transformation such a structure could help spark is truly amazing.

Why Business?

The business world is often the last place people look to spark massive social change, yet business drives the economy, government, and education and wields immense power in today's world. More than half of the 100 largest economies in the world today are corporations, a type of entity that didn't exist just a few hundred years ago. Most people spend a massive percentage of their waking time involved in a business of some sort; it is the container for much of the culture we exist within, and it has a dramatic impact on our lives and our personal development. Business is the first type of truly global social organization to emerge in the world; it crosses geopolitical and ethnic boundaries and has the real potential to unite our world in a truly global communion. None of this is meant to ignore or excuse the atrocities committed in the name of business, and there have been many. If we threw out early nations once we saw their dark side, we'd be back to living in tribes, warring with and enslaving our neighbors. What's needed is to move forward, not backward, and that means embracing the business world and helping it evolve.

In Closing

As movements like holacracy gain momentum, the pioneers at the forefront of this next sociocultural evolution will face new challenges and tough problems, ones there are no answers for yet. Fortunately, they don't need to have all the answers in advance; they just need to hold the question and be present in mind, body, and spirit. Then it's not a matter of creating the right answers, but just listening to what they already are. And it's amazing what emerges through us once we get out of our own way and truly start listening.

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Brian Robertson is the founder and CEO of Ternary Software, Inc., an award-winning provider of agile training and consulting services and project-based outsourced development. In the five years since its launch, Ternary has ranked as one of the 50 fastest-growing privately held companies in the Philadelphia region for several years and won awards for its high growth, its sustainable environmental practices, and for being among the 15 best places to work in the region.

Behind the scenes, Ternary's unique organizational design and management practices have forged new ground in human organization, and Mr. Robertson is known internationally for pioneering holacracy, a system for harnessing agility in all aspects of organizational leadership. Mr. Robertson frequently speaks at conferences, occasionally as a keynote, and his published writings have been translated into several languages.

His 20-year background in software spans many roles, and he was pioneering agile processes before "agile" was coined. Software has been a passion for most of Mr. Robertson's life; he began programming at age six and launched his first software-related business at age 12. He can be reached at brian@ternarysoftware.com.

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