

Governance by Equals: An Introduction to Sociocracy



Governance by Equals: An Introduction to Sociocracy by Jerry Koch-Gonzalez, Greg Rouillard and John Buck is licensed under a [Creative Commons Attribution-ShareAlike 3.0 Unported License](https://creativecommons.org/licenses/by-sa/3.0/). Version August 6, 2011
Contact: Jerry Koch-Gonzalez j.kochgonzalez@gmail.com 413-549-1747

1. Sociocracy Intro

- a. Definition: Sociocracy is a system of governance, using consent-based decision making among equivalent individuals.
- b. Origins:
 - i. The word sociocracy is derived from the Latin and Greek words *socius* (companion) and *kratein* (to govern). Sociocracy means the rule by the "socios," people who have a social relationship with each other - as opposed to democracy: rule by the "demos," the general mass of people.
 - ii. Kees Boeke, a Dutch Quaker, educator, and peace activist, implemented the first sociocratic organizational structure in a school in the Netherlands. Boeke saw sociocracy as a form of governance or management that presumes equality of individuals and is based on consent. This equality is not expressed with the 'one man, one vote' law of democracy but rather by a group of individuals (the circle) reasoning together until a decision is reached that is satisfactory to each one of them. To make sociocratic ideals operational, Boeke used a system of circles to organize decision-making within a large organization. Members of each circle were responsible for decisions within their domain. Rather than using ever larger circles to make decisions affecting more than one domain, each circle elected representatives to a "higher" circle. Use of representatives maintained the efficiency of a hierarchy while maintaining basic equivalence of the members of the organization.
 - iii. In the 1970s, Gerard Endenburg, a former student of Boeke, further developed and applied Boeke's principles in the electrical engineering company he took over from his parents. This resulted in a formal organizational method, named the "Sociocratische Kringorganisatie Methode" (Sociocratic Circular Organizing Method).
 - iv. Sociocratic governance principles apply to policy decisions within an organization. The circle determines how the day-to-day operational decisions will be made. The operational leader is then responsible for applying these policies in managing the functioning of the department or group.
- c. Principles of Sociocracy. Endenburg's policy decision-making method is composed of four key design principles. These four principles are requirements for an organization to function sociocratically, because they are interdependent, each one supporting the successful application of the others.
 - i. **Decision Making on Policy Issues by Consent.** Decisions are made when there are no remaining "paramount objections", that is, when there is informed consent from all participants. Objections must be reasoned and argued and based on the ability of the objector to work productively toward the goals of the organization.
 - ii. **Organizing in Circles.** The sociocratic organization is composed of a hierarchy of semiautonomous circles. This hierarchy, however, does not



Ea circle needs
good facilitation and
shared
accountability

part of what creates
shared responsibility
as roles are chosen &
given

face to face open
respty and giving
authority & trust-
version of
knowing/
recognizing
abilities/gifts

constitute a power-over structure as autocratic hierarchies do. A circular hierarchy provides for the flow of power both “up” and “down.” Each circle has the responsibility to execute, measure, and control its own processes in achieving its goals. It governs a specific domain of responsibility within the policies of the larger organization. Circles are also responsible for their own development and for each member's development. Often called "integral education," the circle and its members are expected to determine what they need to know to remain competitive in their field and to reach the goals of their circle.

- iii. **Double-Linking.** Circles are connected to the next higher circle by a double link composed of the operational leader and a circle representative. These two linkages function as full members in the decision-making of both their circle and the next higher circle. The operational leader (downward link) of a circle is selected by the next higher circle and represents the larger organization in the circle's decision-making. A representative (upward link) is selected by the circle to represent the circle interests in the next higher circle.
- iv. **Selections by Consent.** Individuals are elected to roles and responsibilities in open discussion using the same consent criteria used for other policy decisions. Members of the circle nominate themselves or other members of the circle and present reasons for their choice. After discussion, people can (and often do) change their nominations, and the discussion leader will suggest the election of the person for whom there are the strongest arguments. Circle members may object and there is further discussion. For a role that many people might fill, this discussion may continue for a few rounds. For others, this process is short when fewer people are qualified for the task.

2. Generating Proposals –Long-Form Consent Decision Process (See Chart)

- a. Picture Forming – “Unraveling the Ball of Yarn”
 - i. Present the Issue or Question: State the question or topic as it's been brought to the circle (the “ball of yarn”).
 - ii. Identify the issues (round): Starting with a round, identify the specific dimensions or issues of the main topic that need to be addressed by the decision. Consider opening discussion once everyone's had an opportunity to contribute, or continue with another round (identify the individual “strands of yarn”).
 - iii. Consent to completeness of the list: Once the creativeness slows or ceases, check to see if the list is “good enough for now.” You can always come back later and add another item.



- b. Proposal Forming – “weaving the yarn”
 - i. Generate proposal elements & ideas in rounds - strategies that address the list of issues generated during Picture Forming. Once again, consider using either repeated rounds or open discussion once everyone’s had a chance to contribute. At this point all proposal ideas are equally valid, whether or not there might seem to be contradictory ideas.
 - ii. Organize proposal ideas and form proposal: Bridge proposal ideas and “tune up” the proposal. This might be done by a smaller group (a helping circle) during a break or between circle meetings.
 - iii. Confirm the proposal addresses all issues: Check that all issues generated during Picture Forming are addressed.
- c. Make Decision – ‘putting on the sweater’
 - i. Present / Review Proposal: Prepare the exact wording of the proposal, if not already done, and check that everyone understands it as presented.
 - ii. Consent Round: Check for objections to the proposal.
 - iii. Celebrate Decision

3. Short Format Consent Decision Process (See Chart)

- a. Present Proposal: The facilitator reads the proposal, or if it is a long and detailed one, reviews the main points. NOTE: it is very helpful to distribute proposals before the circle meeting, and for all circle members to prepare by reading and understanding the proposals.
- b. Clarification Round: In a round, each circle member has the opportunity to ask questions about the proposal. The purpose of this round is to **gain clarity and shared understanding** about the proposal as it is written, not to propose changes or offer an opinion. The recorder notes any changes to the proposal required for clarity.
- c. (Quick) Reaction Round: In a round, each circle member has the opportunity to **express an opinion** about the proposal and suggest or request changes. The recorder notes any changes to the proposal resulting from this step.
- d. Consent Round: After the recorder reads the proposal as amended (or reviews any changes resulting from the first two steps), the facilitator checks for consent to the decision by asking each circle member in turn “**do you have an objection?**” If there are no objections, then the proposal passes and is recorded as a decision. If there are one or more objections raised, they are noted and the round continues until everyone has been heard. At this point, any objections may be resolved by a variety of methods. Once the proposal is amended, a final consent round is conducted.
- e. Celebrate Decision!



4. Vision, Mission, Aim, and Domain

- a. Each circle has its own Vision, Mission, Aim, and Domain.
- b. Vision: an image or value statement of the world the circle is working toward. (“every man, woman and child in the United States should have a decent, safe and affordable place to live”)
- c. Mission: how the circle intends to contribute to the realization of the vision; needs the circle is seeking to meet. (“To end homelessness.”)
- d. Aim: a recognizable product or service that is the strategy for realizing the mission (“To build houses in the US with the participation of those who need them”). Each circle’s aims are distinct from the aims of other circles. Other groups may share a similar mission of wanting to end homelessness but have different aims. For example, one group’s aim may be to lobby the US Government for programs and funding. Another group’s aim may be to publish educational materials written and produced by the homeless.
- e. Domain: the circle’s area of responsibility for decision making. For example, the electricians make their own decision about how to wire a house within the parameters of the policies set by the homeowners and the organization that establishes building code. Each circle’s domain is distinct from the domains of other circles.

5. Assessing Aims

- a. Importance of aims: Everything we do is in service of the group’s aims. So for every decision, the key question is “Will this proposed policy/action serve the aim of our group?” In Nonviolent Communication, we say the clearer the need the more likely it is that our request will be effective at meeting the need. Similarly in sociocracy, the clearer the aim, the more likely it is that our requests, i.e. proposals and decisions, will be effective at serving the aim.
- b. Many challenges in decision-making are rooted in unclear aims or multiple aims that are not in alignment. For example, Jerry lives in a cohousing community and he interprets many of the community’s challenges as the tension between the aim of some members to live in a nice neighborhood and the aim of some other members to create and sustain an inspirational model community. Those two approaches call for very different levels of community participation and level of organization. Neither aim is right or wrong. The challenge is in the lack of alignment, and that has an impact on many community decisions. Unclear aims need clarification; multiple aims that don’t align are sometimes best served by separation into two or more groups.
- c. Criteria for defining aims:
 - i. Clearly states what the product or service is, who the audience is, how the product will be delivered, and what the exchange will be (often product or

One “horn” of CoHo’s current dilemma is this tension between neighborhood & intentional cty

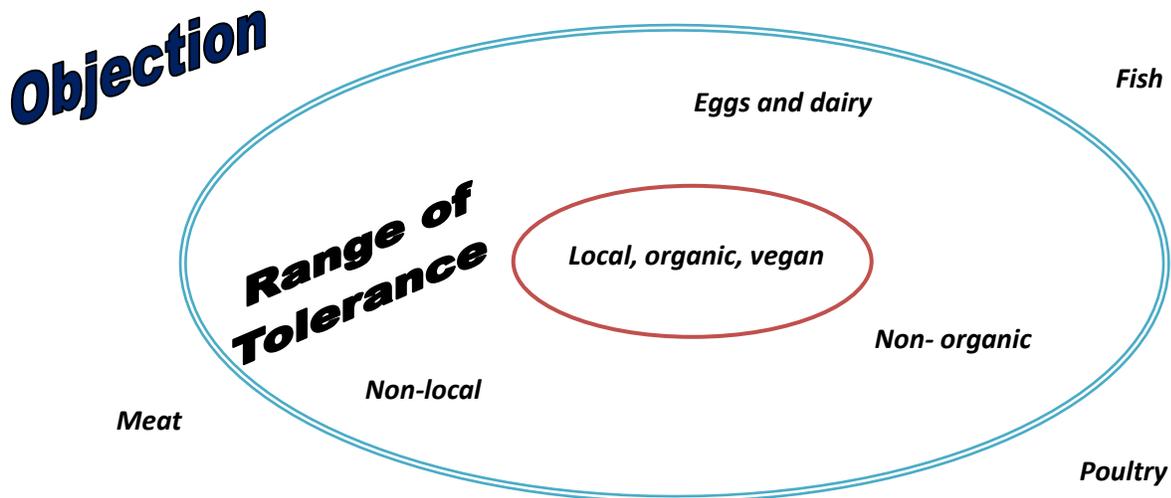


service in exchange for money) in a way that is understandable (observable) to the public or to the specific consumers.

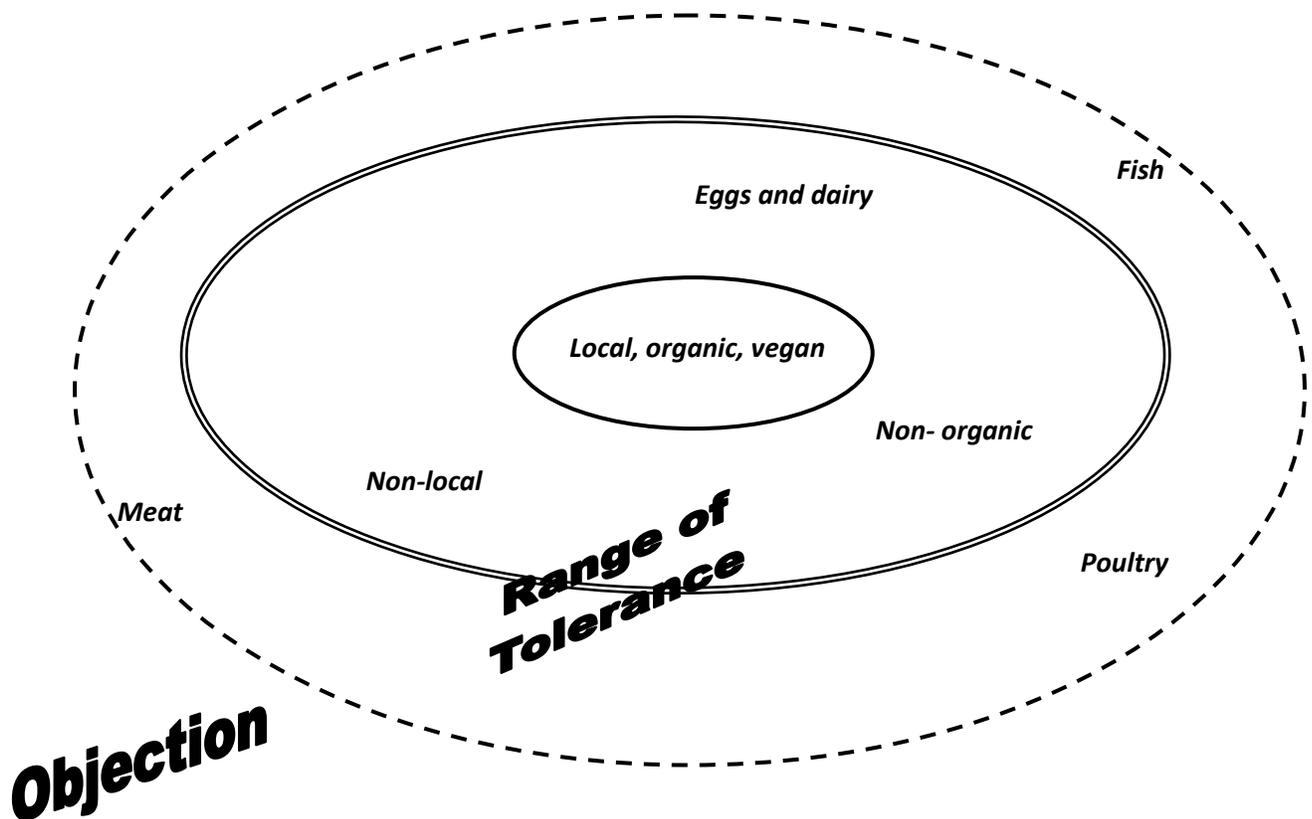
- ii. Is differentiated from the aims of other circles and other organizations.
- iii. Is consistent with and more specific than aims of higher order circles of the same organization. For example, the aim of a regional circle may be to present Nonviolent Communication workshops in Australia and the aim of a linked local circle may be to present Nonviolent Communication workshops in Sydney (city in Australia).

6. Objections

- a. **Range of Tolerance:** This concept is central to understanding what we mean by a “paramount objection.” It is also very important to differentiate a personal range of tolerance from an organizational range of tolerance.
 - i. **Personal:** Every individual has a particular preference or “sweet spot” in a given situation. The diagram below illustrates this concept. Using food as an example, I prefer to eat a local, organic, vegan diet if possible (inside the red oval). I am also willing to eat non-local, non-organic food, including eggs and dairy – these items are outside my preference and still within my range of tolerance (inside the double blue oval). I am NOT willing to eat meat of any kind – this is outside my personal range of tolerance (everything outside the double blue oval).



- ii. Group (organizational): In the context of the group or organization, my range of tolerance may be broader. For example, if I belong to an organization that is planning a formal dinner, I am perfectly willing for meat to be on the menu, provided there is also a vegetarian option. I would not be willing for there to be only meat served – both because of my personal range of tolerance and my value of inclusion for the group. Without a vegetarian option, we might exclude members of the group (including me) from participating in the dinner. In other words, my personal range of tolerance **informs and does not define** my organizational range of tolerance. The diagram below illustrates this concept, with the group range of tolerance shown by the dashed green oval.



- iii. Decisions are affected by the range of tolerance acceptable to the context. For example, in our first session we elected reporters. The context of a 1 minute report of a 10 minute conversation means that, quite likely, anyone in the group could have done a “good-enough” job. Our range of tolerance for the skill level of the reporter is pretty wide. But change the context to selecting who from our community organization will make the presentation to

the XYZ Foundation asking for a \$1 million grant, and our range of tolerance will narrow considerably!

- b. Objections: When we make a consent decision, we ask for objections rather than for agreement. This is because an objection contains valuable information about the proposal - information that, if ignored, could prevent the group from realizing its aim or result in damage to the group. *In Sociocratic organizations, consent is based on the absence of argued and paramount objections*
- i. Definition of Objection: “An argument against a proposed decision stated clearly enough to be resolved.” (We The People, p. 246)
 - ii. Argued (Reasoned): An objection is **argued** when it points out characteristics of the proposal that can be evaluated using reason – in other words, it contains an observation *in relation to needs/aims of the group*.
 - iii. Paramount (*of greatest importance*): An objection is **paramount** when it points out an aspect of the proposal that takes the group or an individual out of a **range of tolerance**. In terms of the group, this means that the ability of the group to accomplish its aim would be compromised if the decision was approved.
 - iv. Example: Consider the example of a person driving a car down the road. The driver performs the leading function, so is “the boss.” If the driver decides to operate the car **autocratically**, he or she can ignore feedback from the car such as a red light on the dashboard. If the feedback is ignored long enough (let’s say it’s the low oil light), the engine may seize, causing damage to the car (the system) that is either irreparable or very costly to repair.
 - v. Let’s look at another situation, in which the car is operated by majority vote. If there is a flat tire, the driver could “take a vote” and determine that 75% of the tires are willing and able to continue, and thus decide to keep going. Again, this would likely result in major damage to the car (the system).
 - vi. Finally, consider a car operated using consent. Using the low oil light as an example, we can see that one of the equivalent members of the system (in this case, the lubrication system) has raised an **argued and paramount objection**. The objection is **paramount** because if it’s ignored, the car will suffer damage and become unable to continue its aim of producing reliable transportation. The objection is **argued** because there is an observable characteristic – the oil pressure in the system is below a predefined limit. So the lubrication system’s objection (if it could talk) might sound like “I am raising an objection – the oil pressure in my system is 45 psi, and without maintaining at least 60 psi the engine will not be adequately lubricated, and we will not be able to continue driving safely.”



- c. Resolving an Objection: A consent decision is made when there are no **paramount** and **argued** objections to the proposal. If one of the circle members does raise an objection, the entire circle assumes responsibility for resolving it. The phrase “objections are our friends” illustrates a useful mindset for considering objections.

An objection represents characteristics of the proposal that might **not be workable** or might **prevent the circle from accomplishing its aim**. Thus, resolution of the objection is aimed at amending the proposal to remove the characteristics prompting the objection.

As Marshall Rosenberg says, a “no” without explanation is a tragic expression of a yes. Why would anyone ever say no to a proposal (i.e. request?) Because they don’t perceive that their needs would be met by saying yes. When all the needs are on the table and explored, we may realize we can more effectively meet needs by amending the proposal. Or we may discover that needs may be better served by separation. One or more members may withdraw from the group in order to pursue different aims.

- d. There are many possible strategies to resolve objections, including these:
 - i. Facilitator amends the proposal: Based on her or his understanding of the objection, the facilitator might offer an amendment.
 - ii. Round to collect resolution ideas: Asking the circle members “how would you resolve this?” engages the wisdom of the group in finding a resolution.
 - iii. Small Dialogue (fishbowl): Two or three people, usually including the person who brought the objection, might work to resolve it.
 - iv. Free-form Dialogue: Similar to the round, using chaos to elicit a resolution.
 - v. Refer to Helping Circle: If the objection is seemingly intractable, or time constraints prevent using one of the other strategies listed here, the proposal can be referred to a Helping Circle for amendment. They would then bring the amended proposal back to the circle during a subsequent meeting.

Sociocratic Organization

- 1. Organizational Structures: Organizational structures exist in order to get things done, or in other words to produce outcomes or realize a common aim. When there is no shared purpose, common aim, or desired outcome, there is no need for the organization.



2. **Linear Hierarchy.** One very common structure for producing outcomes is the linear hierarchy. This structure is widely used in business, the military, and many other organizations. The Diagram below provides an example of a linear hierarchy.

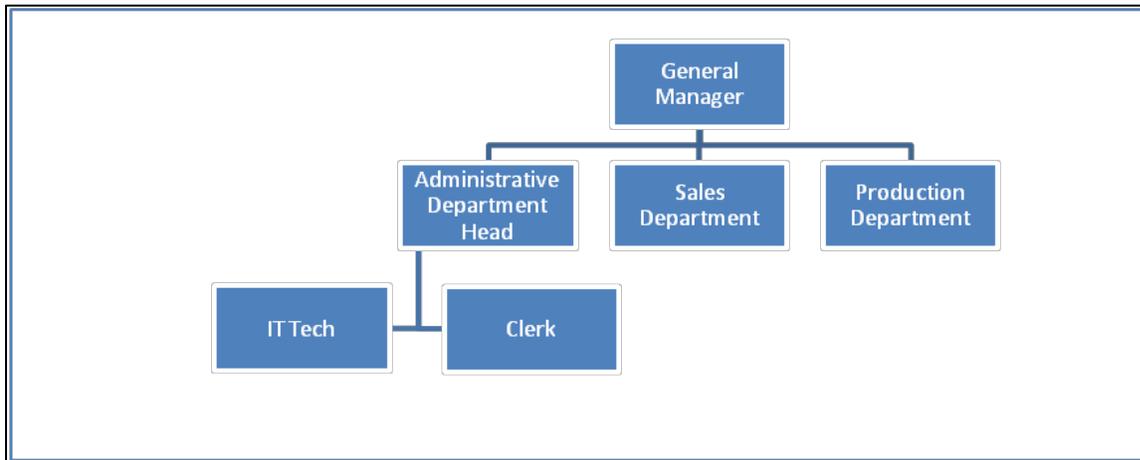


Diagram: Linear Hierarchy

The structure of a linear hierarchy is a pyramidal shape with multiple levels, traditionally with the workers on the lower levels and managers on the upper levels. A linear hierarchy is an effective tool for producing outcomes mainly because people at each level in the hierarchy work at different levels of abstraction, and operational leadership streamlines task accomplishment.

Here is an example of this concept:

- a. A person working as a clerk in the Administrative Department has a very detailed knowledge of word processing and other specific skills relating to his job, and doesn't need to know anything about keeping the company intranet working. The Administrative Department Head (our fictitious clerk's supervisor on the next "higher" level of the organization) would need a broad understanding of the duties and responsibilities of all the people in her department, without the expertise any of them possesses. She knows who to assign to tasks such as creating a professional-looking document or bringing the network back on line after an outage.
- b. The General Manager of the company has the highest level of abstraction and thus the broadest view. This broad and relatively shallow understanding of the work done by each department contributes to the manager's ability to make effective day-to-day operational decisions. The manager knows enough about what goes on at each level of the organization to effectively guide how they work together as a whole.

- c. Identifying one leader for each department (and one for the organization) produces clarity about who is responsible and accountable for the department / organization producing the desired outcomes.
- d. When there is one clearly defined leader with the authority to make operational decisions, the desired outcome is likely to be achieved efficiently and effectively. In contrast, when there is a lack of clarity about who makes operational decisions, or if everyone makes them, it can be very difficult to operate with effectiveness and efficiency.
- e. An organization based on a linear hierarchy, however, is organized such that power only flows one way (down). There is no built in feedback mechanism, so information from below can be ignored by the leaders.

3. **Circular Hierarchy:** An organizational model that provides a built-in two-way flow of power is the circular hierarchy. This structure can be laid directly on top of a linear hierarchy, so that it preserves the effective characteristics of that form, while providing the feedback mechanism necessary to the sustenance of organizational life. The diagram below provides an example of how a circular structure relates to a linear hierarchy.

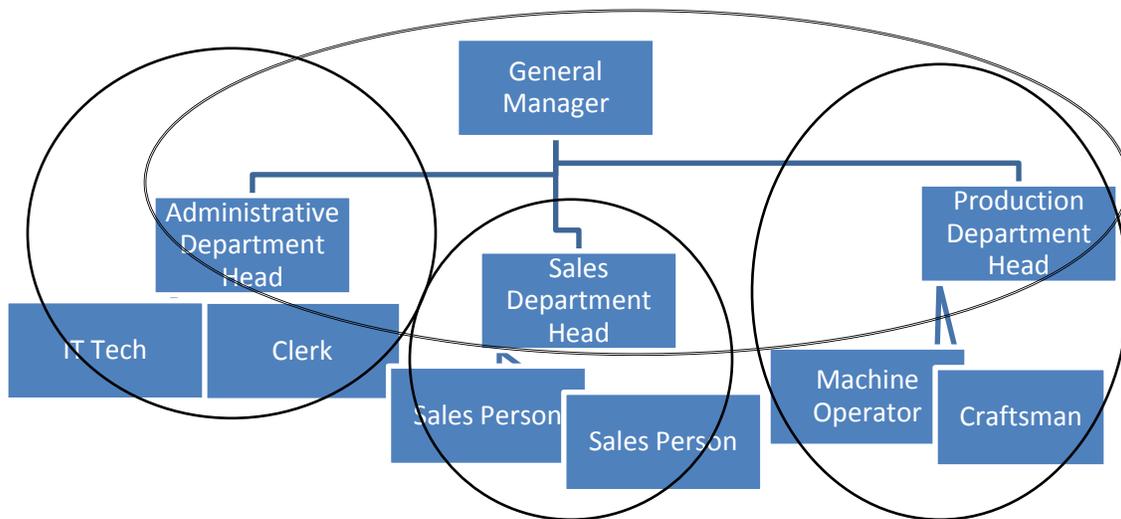
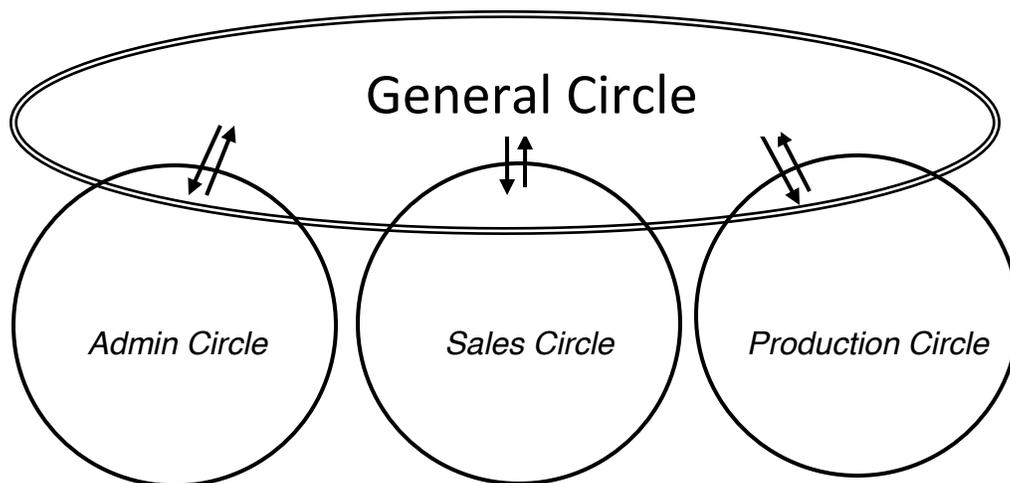


Diagram: Circular Hierarchy

- a. **Circle Structure:** Each operational unit of a linear hierarchy can also be organized as a circle. The circle can be thought of as “an arena where things happen” – in this case, what happens is that decisions are made. The members of the circle gather periodically to decide together on the policies that govern the work they do together, which is part of the “leading” function. Once these decisions are made, with equivalence of every member, the operational leader

carries out the day to day “doing” in much the same way as described before. The difference in this structure is that everyone involved has consented to the policies governing the shared work toward achieving the aim.

- b. Operational Circles are shown with single red ovals in the diagram above. They make policies for particular departments or units of the organization. There may be a number of levels of operational circles (not pictured above).
 - c. The General Circle is shown with a double blue line in the diagram above. The General Circle (GC) consists of the General Manager (the CEO), the Operational Leader of each highest level Operational Circle (the Department Heads), and one or more elected representatives of each of those circles. The General Circle oversees policies for the day to day management of the organization.
 - d. The Top Circle (not shown) consists of the General Manager, the delegate from the General Circle, and outside representatives with expertise in law, government, finance (including investors), community, and the organization's mission. This is the Sociocratic equivalent of the Board of Directors. The Top Circle is responsible for long-term strategic planning.
4. Double Link: The structural element that provides the built-in two-way flow of power is known as the **double link**.
- a. Each Circle selects operational leaders for the next lower order circles. The operational leader functions as the “downward link,” providing the downward flow of power and information. The operational leader participates as a full member of both circles.
 - b. Each circle selects one or more delegates to the next higher order circle. The delegate functions as the “upward link,” ensuring the upward flow of power and information. The delegate therefore also participates as a full member of both circles.
 - c. The diagram below shows the double links in the circle structure with arrows.



Context of this Document

1. My Vision, Mission and Aim
 - a. Vision: A world in which people organize themselves effectively to meet needs
 - b. Mission: To support the idea that every person's needs matter...
 - c. Aim: ...by teaching the Sociocratic-Organization Circle Method (SCM) of running meetings and making decisions.

2. Aim of this document
 - a. To be a useful resource and reference for those learning sociocracy.

3. Qualities/Elements of Sociocratic Decision-Making
 - a. Rounds promote equivalence
 - b. Going with good enough, not struggling for best, improvement over time
 - c. Clarity of roles, terms
 - d. Everyone's opinions, needs, matter
 - e. Transparent – decision making process is visible
 - f. Accountable – the measure of success is clear
 - g. Responsible – for own nomination, stating reason (not secret ballot)
 - h. Builds knowledge base and maximizes shared information
 - i. Feedback: shared information creates context for determining individual and organizational development and learning plans
 - j. Creative – hearing from everyone opens up possibilities that traditional decision making may not have thought of
 - k. Decisions based on the knowledge and reasoning of those present
 - l. Decision is joint rather than top down. Power with.
 - m. Decision is joint rather than pushed or manipulated by personalities.
 - n. Gerard Endenburg: 'Behavior is determined by the prevailing kind of decision-making.'

4. Further Reading
 - i. *The Creative Forces Of Self-Organization* By John A. Buck and Gerard Endenburg
 - ii. *We the People: Consenting to a Deeper Democracy*, by John Buck and Sharon Villines. (Purchase through <http://www.sociocracy.info> or amazon.com)

5. For Further Study or Support for Implementation of Sociocracy
 - a. Jerry Koch-Gonzalez is available for training programs in Sociocracy and for implementation of Sociocracy in organizations and businesses. Contact information below.

