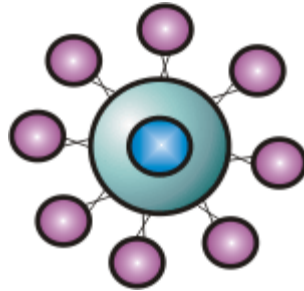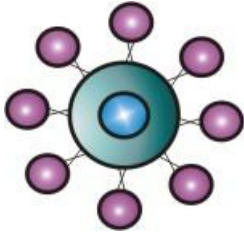# SOCIOCRACY

A New Structure
For Ethical Governance

Created by members of the network

SociocracyinAction.ca
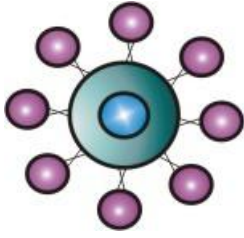
Presentation Format

- **Part 1 – Introduction to Sociocracy**
- **Part 2 – Applicability and Benefits**
- **Part 3 – Practices & Processes**
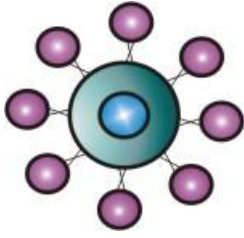- **Part 4 – Implementation**
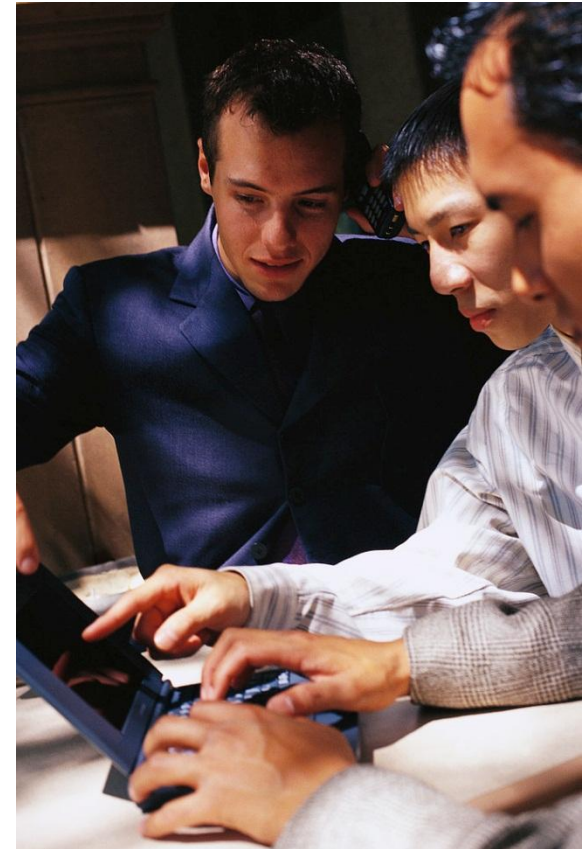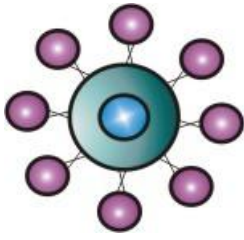
Introduction to Sociocracy

- Based on both governing principles & practical methods

- Produces the kind of organizations that social theorists advocate

Introduction to Sociocracy (cont)

- **Fully utilizes the talent, commitment, and resources of all people**

- **Creates a new structure for corporate financing**

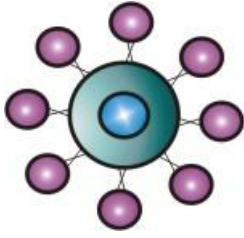- **Is simultaneously conservative and revolutionary**

History

- **Sociocracy dates from 19th century France with philosopher Auguste Comte**

- **American sociologist Lester Frank Ward brought the concepts to North America**
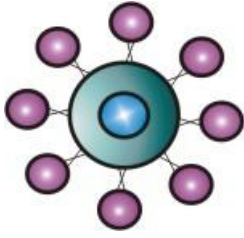
History (cont)

- **Kees Boeke defined the first principles and put them into practice in his school in Holland in the 1930's**
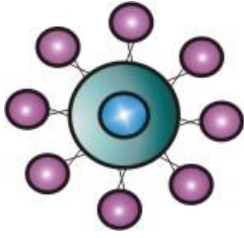
History (cont)

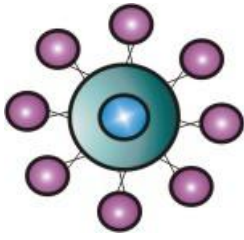- **Gerard Endenburg refined and expanded Sociocracy.**

- **He formed an electronics firm as a laboratory, that is still a thriving enterprise after 50 years**
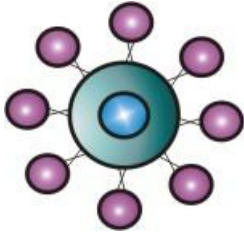
The Need

- **Consensus alone does not offer organizational structure or governance**
- **Groups using consensus are often disorganized and have communication difficulties in spite of being inclusive.**

The Need (cont)

- **Democracy, which is based on majority rule is not working effectively**

- **Today's workers do not have a high level of commitment to their organizations**
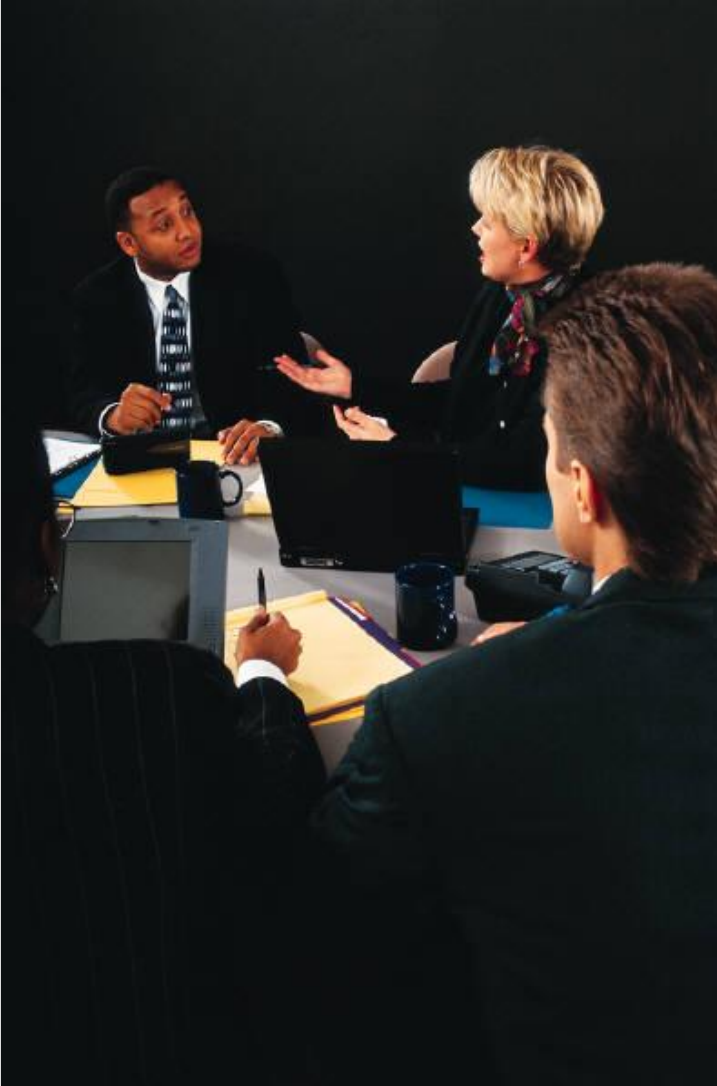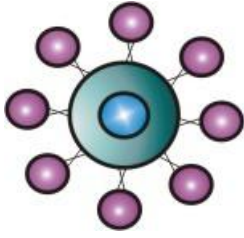
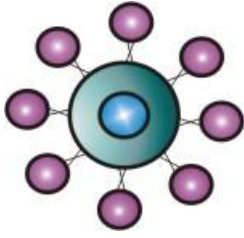# The Benefits

Sociocracy produces:

- Knowledge transfer throughout all levels of the organization.

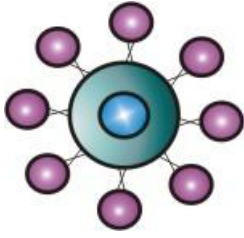- Happy, fulfilled and empowered people are the result.

Benefits (cont)

- **Creative thinking by everyone in the organization flourishes when they realize they are being heard**

- **Organizations become more effective, flatter, responsive, transparent and productive**
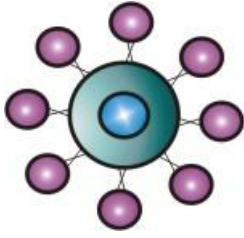
Values

- **Valid objections are welcome and considering better solutions is encouraged at the same time that forward movement is sought.**
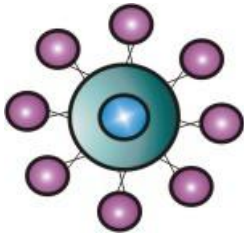
Values (cont)

- **Incorporates a development program for all members of an organization**
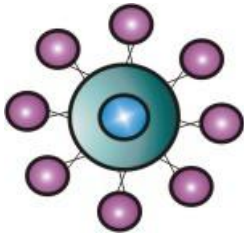
Four Governing Principles

1. Circle organization structure
2. Consent governs policy decision-making
3. Double Linking is inherent in the structure
4. Selection of People in open discussion to roles & responsibilities
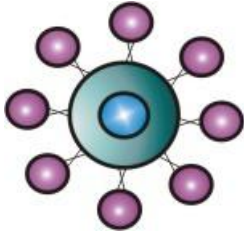
1. Circles

- **A working circle is semi-autonomous; making policy decisions within its own domain.**

Circles (cont)

- Circles have their own aims and designate functions to their members.

- The hierarchy in Sociocracy reflects different levels and circles of work...not control
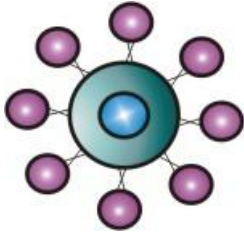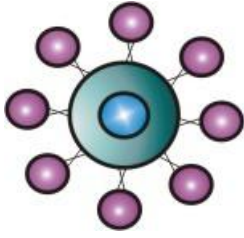
2. Consent

- Consent means there are no argued and paramount objections to a proposed policy decision
- If the objection can't be resolved the proposal doesn't go forward
- Not every decision requires consent
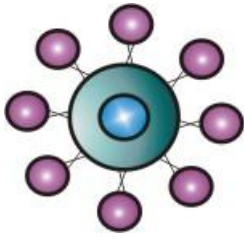
3. Double Linking /Representation

- **Makes a connection between two circles**
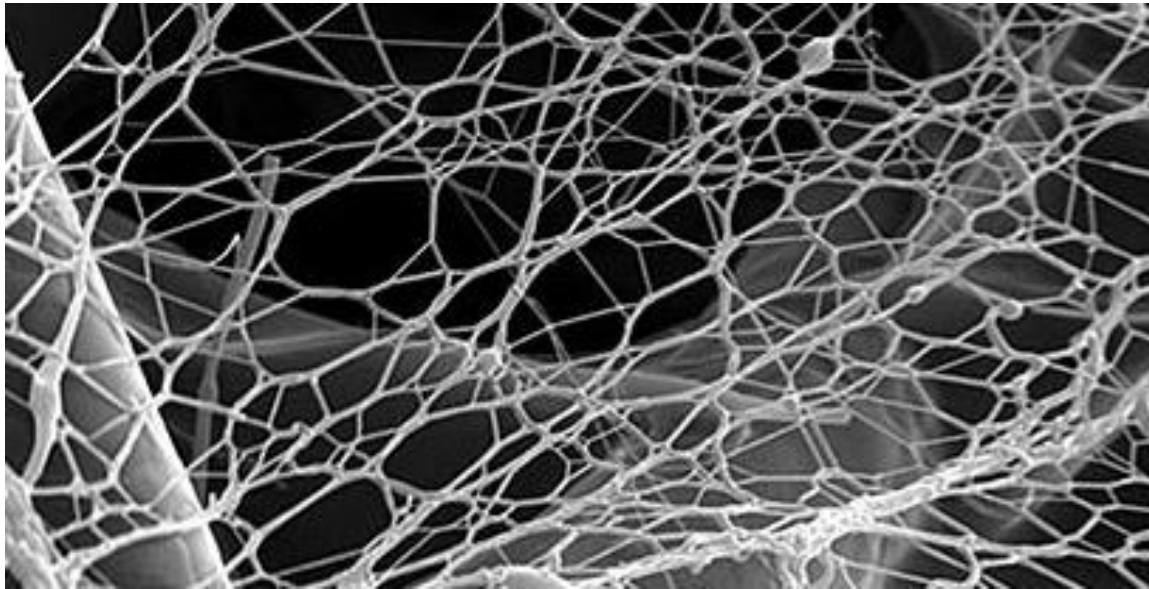- **Is a dynamic process by design**

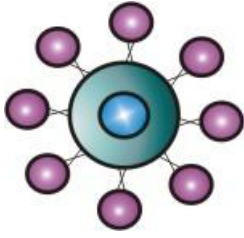# Double Linking (cont)

- **Organizations must be able to adapt appropriately to changes**

Double Linking (cont)

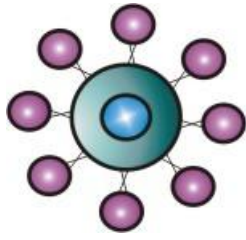- **Double linking allows heterarchies that increase communication throughout the organization.**

4. Open Selections

- **Circles select people for roles and responsibilities in open discussion by consent**
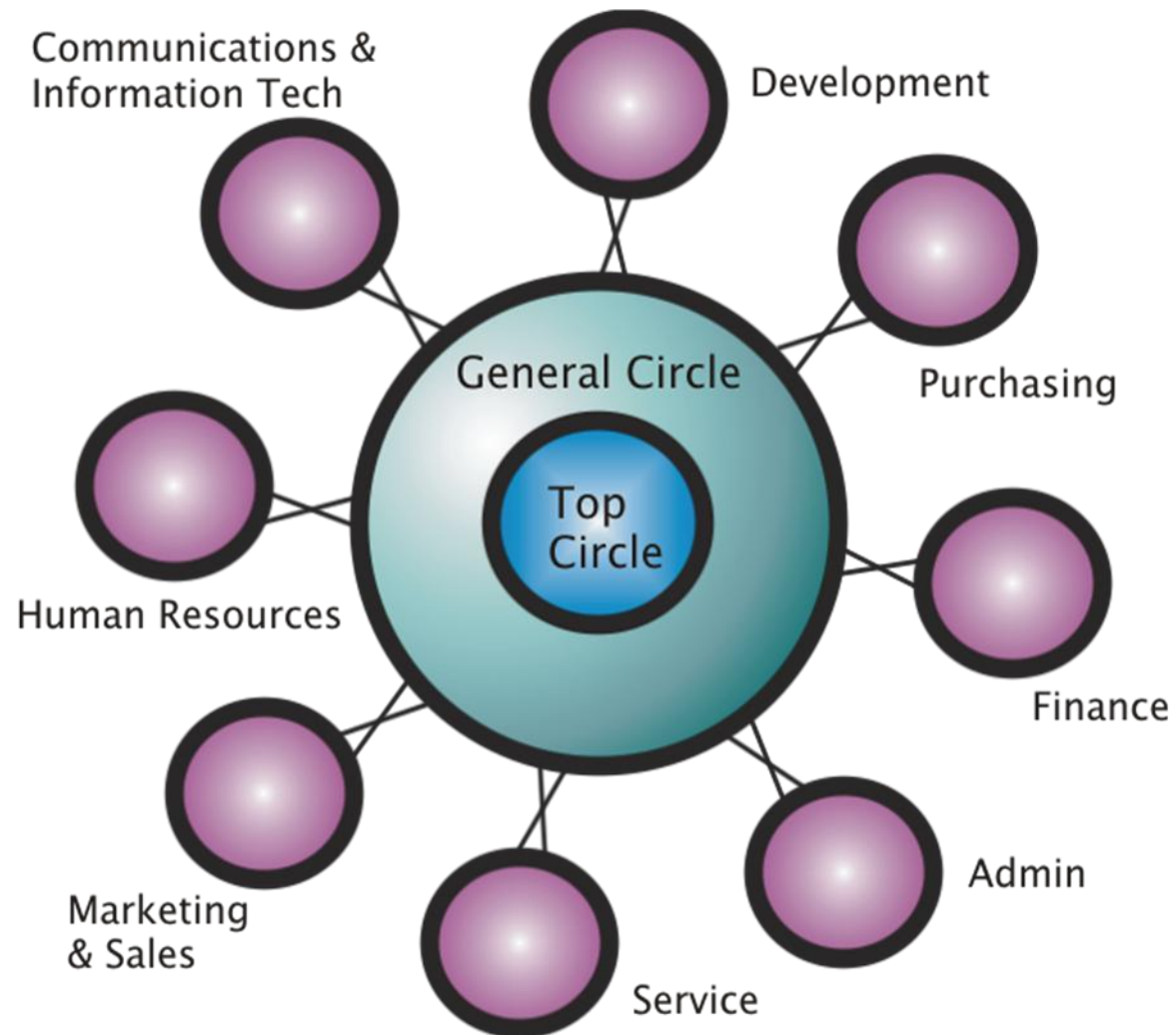
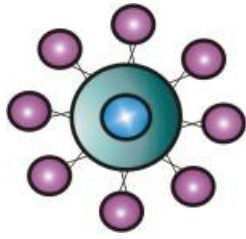- **The process is highly affirming**

Open Selections (cont)

- **Eliminates leadership by someone who is not trusted**
- **No winners or losers**

Example of Circle Organizational Chart

Communications & Information Tech

Development

General Circle

Purchasing

Top Circle

Human Resources

Finance

Marketing & Sales

Admin

Service
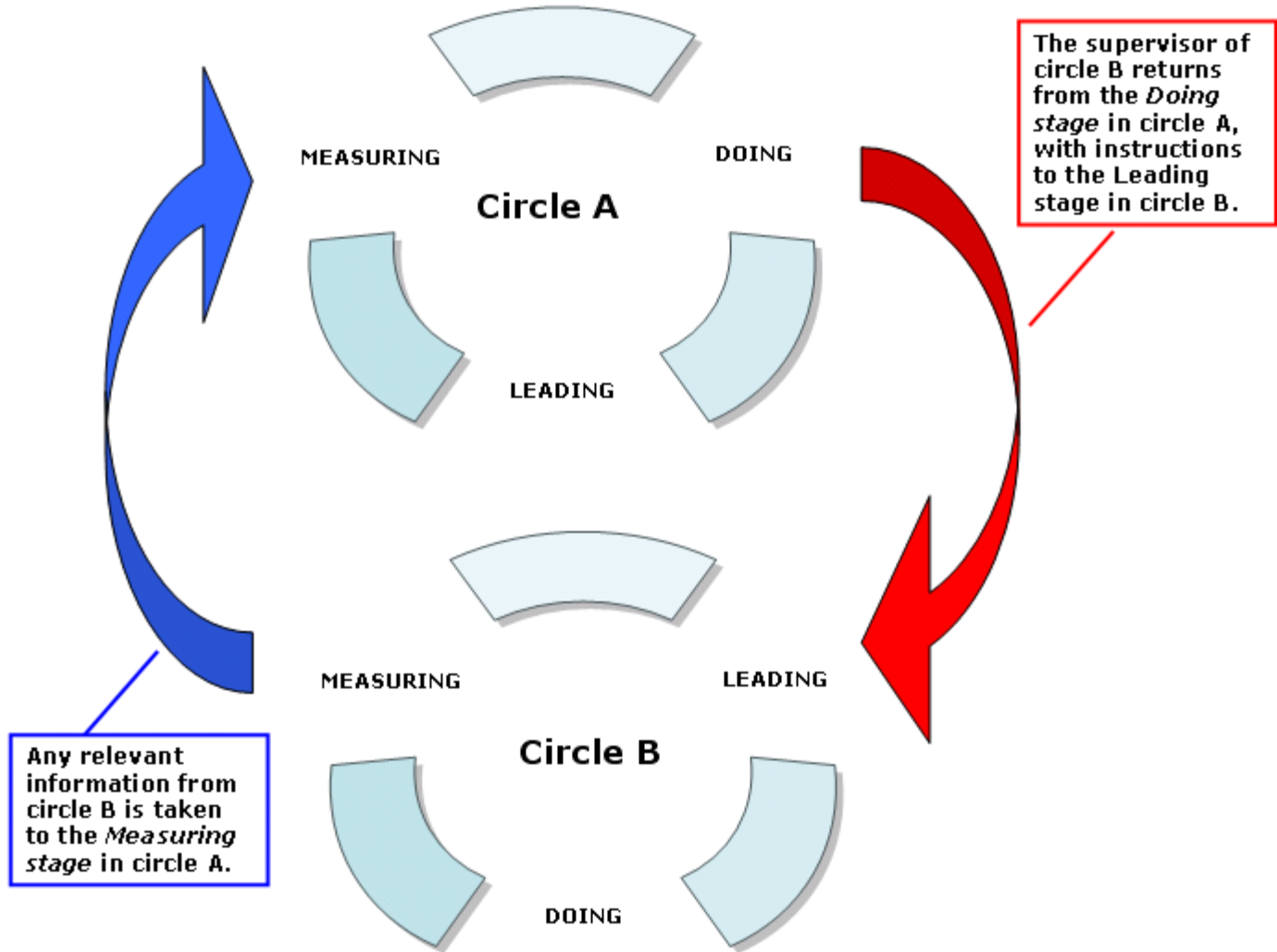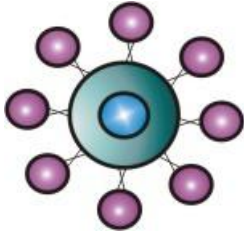
The crossed lines between circles represent double linking. Each circle has both a manager appointed from the circle above and a representative selected from within the circle as well who speaks to policy at the next higher circle. These roles are never played by the same person.

Double Linking

MEASURING

DOING

Circle A

LEADING

MEASURING

LEADING

Circle B

DOING

The supervisor of circle B returns from the *Doing stage* in circle A, with instructions to the Leading stage in circle B.

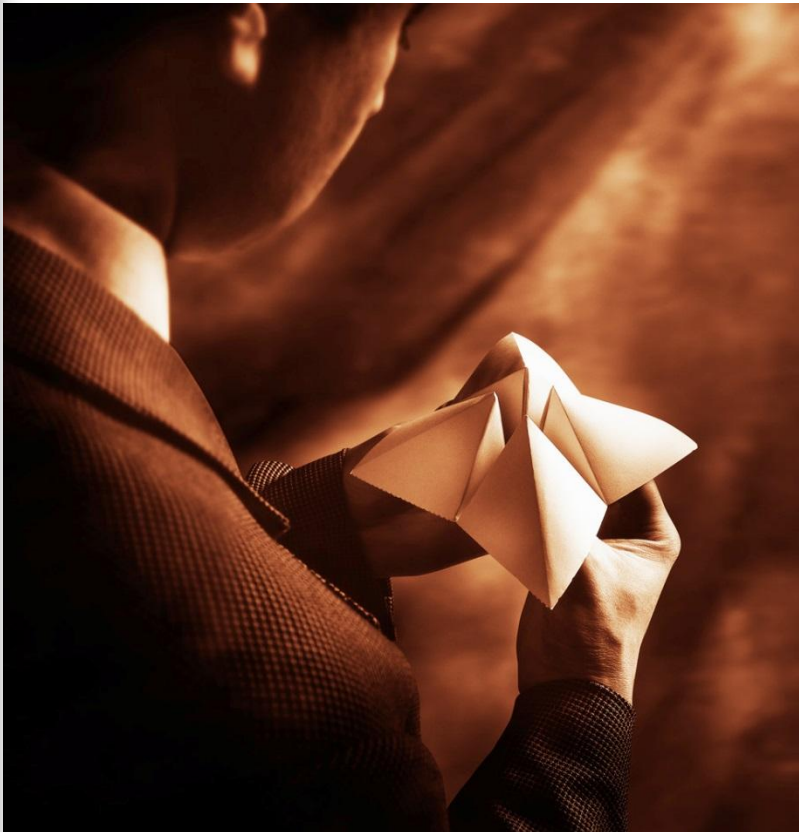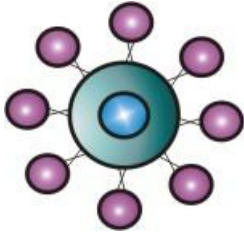Any relevant information from circle B is taken to the *Measuring stage* in circle A.
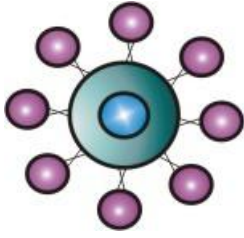
Agreements to Maintain Equivalence

- Everyone has a right to be part of a decision that affects them
- Every decision may be reexamined at any time
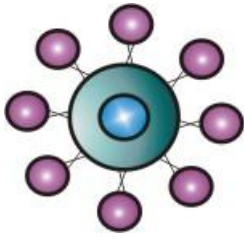
Agreements to Maintain Equivalence

- No secrets may be kept
- Everything is open to discussion

Part Two

- How would Sociocracy apply to your situation?

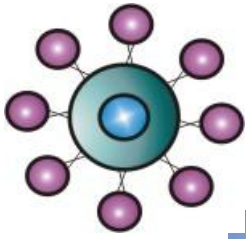- What are the advantages & disadvantages of implementing Sociocracy?

Applicability

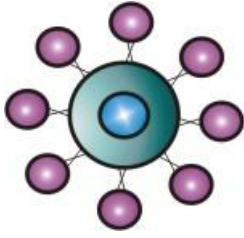Sociocracy is applicable in cases of:

- **Transformation processes where support may be needed.**

- **Changes in culture affecting all employees.**
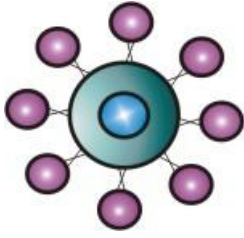
Applicability

- **Results-oriented remuneration.**
- **Conflict situations.**
- **Crisis situations.**

Applicability

- **Sociocracy helps with:**
  - **Inter-active participation**
  - **guiding teams**
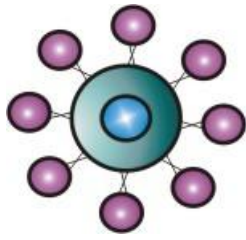 - **relatively autonomous task groups.**

Applicability

Sociocracy supports:

- **Total quality management / client-oriented organizations.**

- **Human resource management by increasing effectiveness in production and the (re)design of processes.**
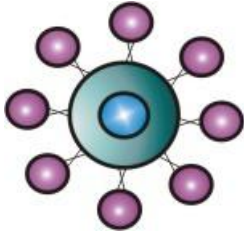
The Advantages

Sociocracy:

- **Engages and utilizes the wisdom and energy of every member of the organization.**

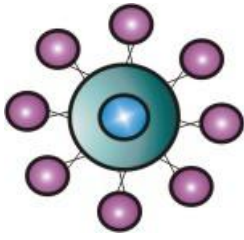- **Promotes creativity and problem solving throughout the organization**

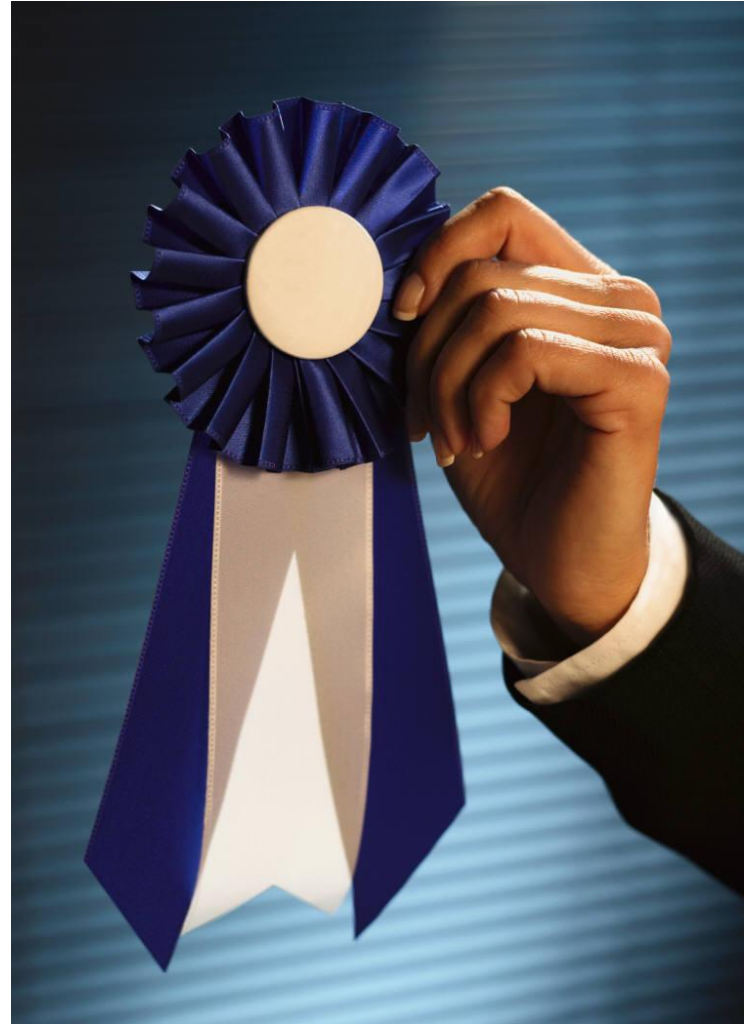# The Advantages

Sociocracy:

- **Supports the interests of investors, shareholders, management and staff**

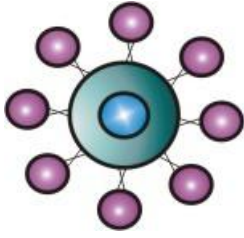- **Eases qualifying for ISO 9000 certification**

The Advantages

Sociocracy:

- **Generates high quality products and services.**
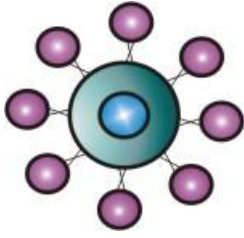
- **Speeds adaptation to change.**
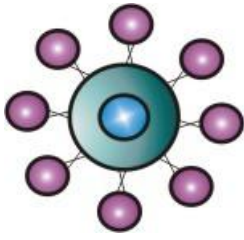
The Advantages

- **Increases staff commitment to and identification with the organization.**
- **Results in fewer more satisfying meetings.**

The Advantages

- Companies operating with Sociocracy find that:

- Sick leave is reduced

- Safety records improve

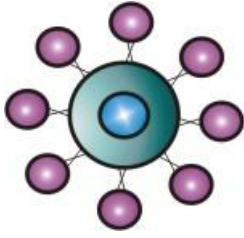# The Advantages

Sociocracy:

- **Raises awareness of costs.**
- **Improves client orientation.**
- **Decreases the odds of burnout.**
- **Builds program self-discipline.**
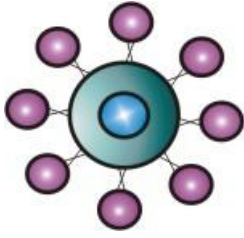- **Supports leadership among peers.**

Advantages
(for Non-Profits)

- **Gives organizational continuity when many volunteers are present.**
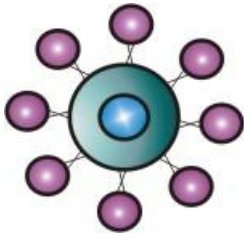
- **Supports fundraising.**

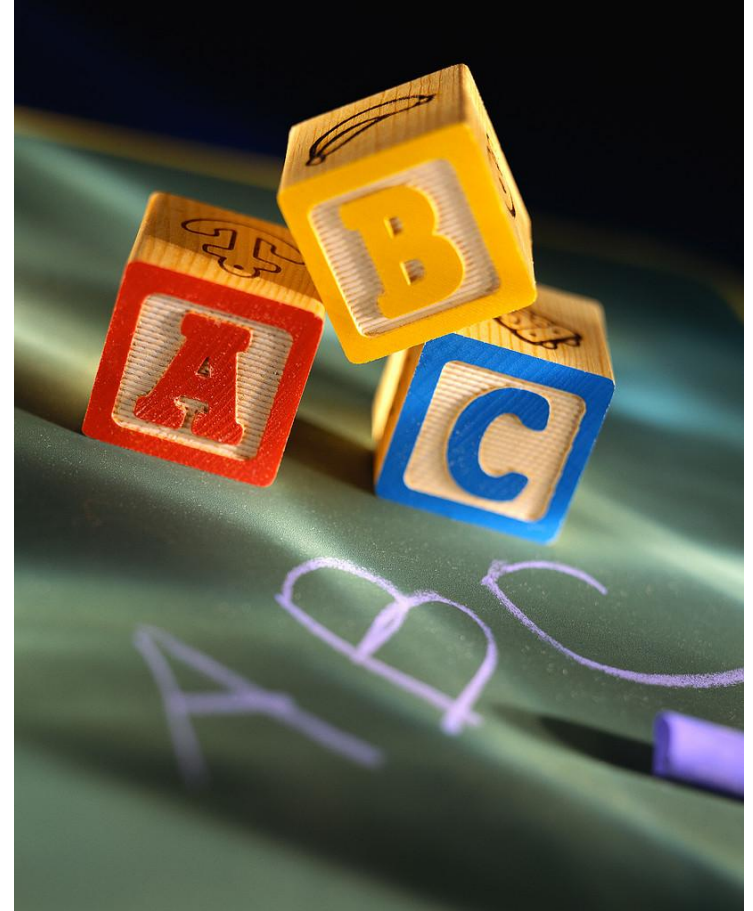# More Advantages
(for Non-Profits)

- Includes a consensus building process without the disadvantages.
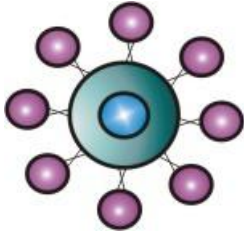
- Measuring results are not viewed with fear

The Disadvantages

Sociocracy:

- **Requires careful implementation planning.**

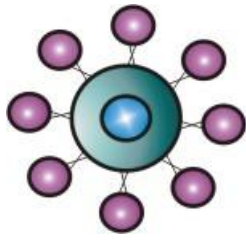- **Necessitates training in new concepts and ongoing development programs.**
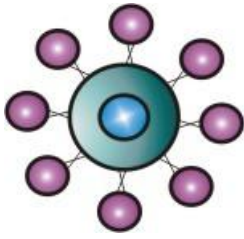
Disadvantages

- May arouse varying intense emotions during implementation (skepticism, elation, anxiety, excitement).

- May be uncomfortable at first for those not accustomed to sharing the responsibility of difficult decisions.
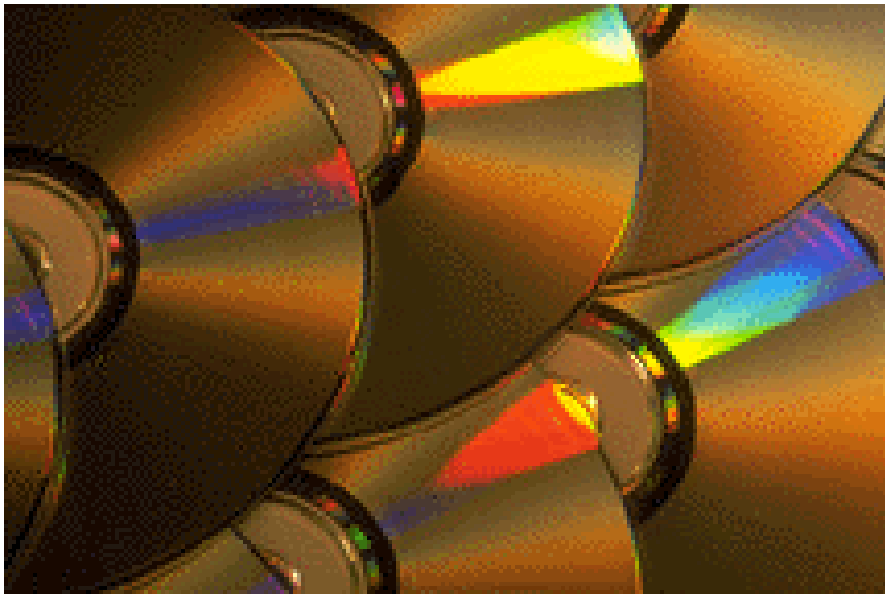
Sociocracy Today

- **Cohousing and Intentional Communities have been early adopters**
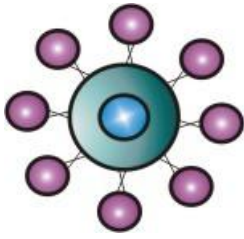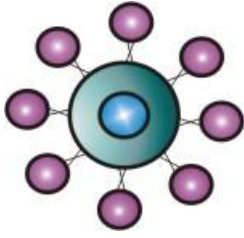
Sociocracy Today

- **Many organizations in the Netherlands have decades of success**
- **Many other organizations around the world are experimenting with Sociocracy**

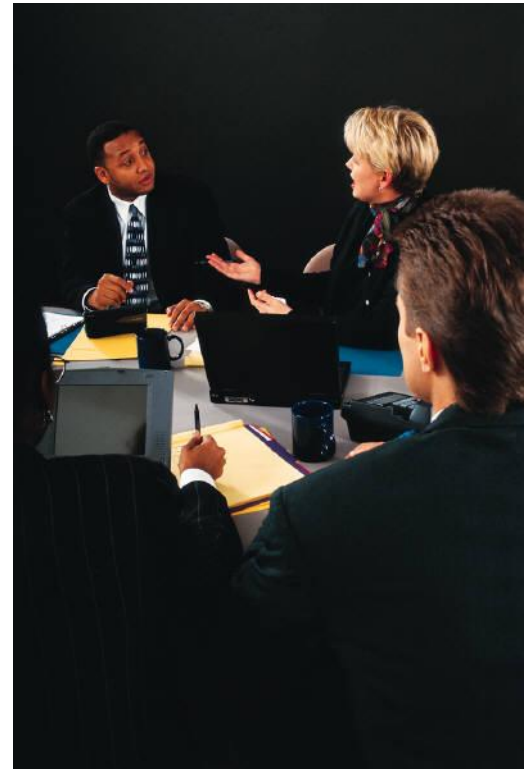# Part Three

Ready for How Sociocracy Works ?

Circle Meeting Process

4 distinct parts:

1. **Opening Round**
2. **Administrative Round**
3. **Policy/Content Rounds**
4. **Closing & Evaluation Round**
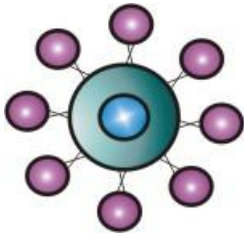
Sociocratic Selection Process

- Step 1 - Establish task to be performed
- Step 2 - Complete individual ballots
- Step 3 - Individual Comments
- Step 4 – Request for Changes to ballot

Sociocratic Selection Process
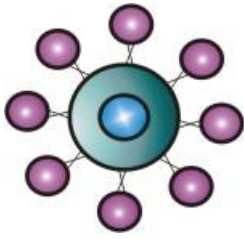
- **Step 5 – Facilitator proposes candidate**
- **Step 6 - Discussion**
- **Step 7 - Consent Round**
- **Step 8 – Go back to Step 5 if there is an objection**

Decision-Making Process
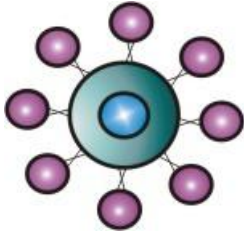
- **Consent to the issue**
  - What is the picture?
- **Generate a proposal**
  - What is our opinion or request?
- **Consent to the proposal**
  - What is our decision?

Consent to a Proposal

- Step 1 - Present Proposal
- Step 2 – Clarifying Round
- Step 3 – Quick Reaction Round
- Step 4 - Amendments
- Step 5 - Consent Round

Consent to a Proposal

- Step 6 - Consent Round
- Step 7- Go back to Step 3 if there are more objections
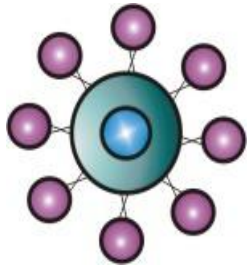
Leading, Doing, Measuring
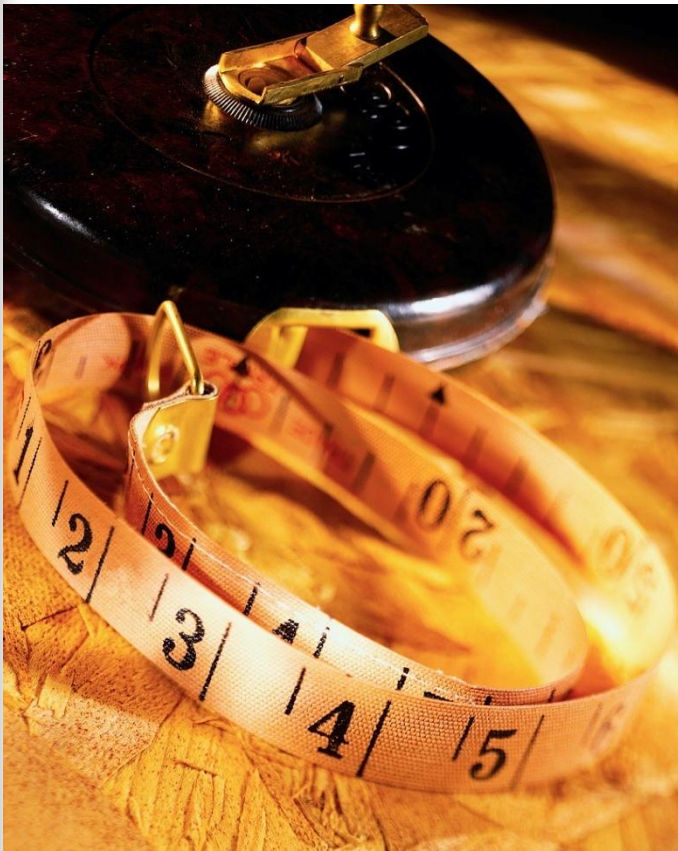
- The circle process governs these three functions.
- All Circles spend time on all three functions.
- Decisions on policy are made at the level where the work will be done.

9 Block Chart

	Input	Transformation	Output
Lead			
Do			
Measure			
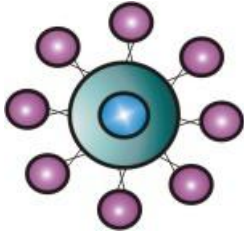
Part Four

Ready to Implement Sociocracy?
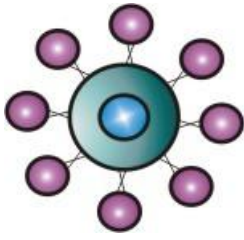
Implementation: The Steps

- **Step 1– Get commitment of Senior Management Owners and the Board**
- **Step 2 – An Implementation Circle is formed**
- **Step 3 –Sociocratic Methods are installed in the Organization**
- **Step 4 – A Board or TOP Circle is established**
- **Step 5 – Performance is Evaluated**

Step 1 – Commitment of Top Management

- Establish or reaffirm corporate vision and values.
- Identify Benefits of Integrating Sociocratic Method
- Make Commitment to Implement
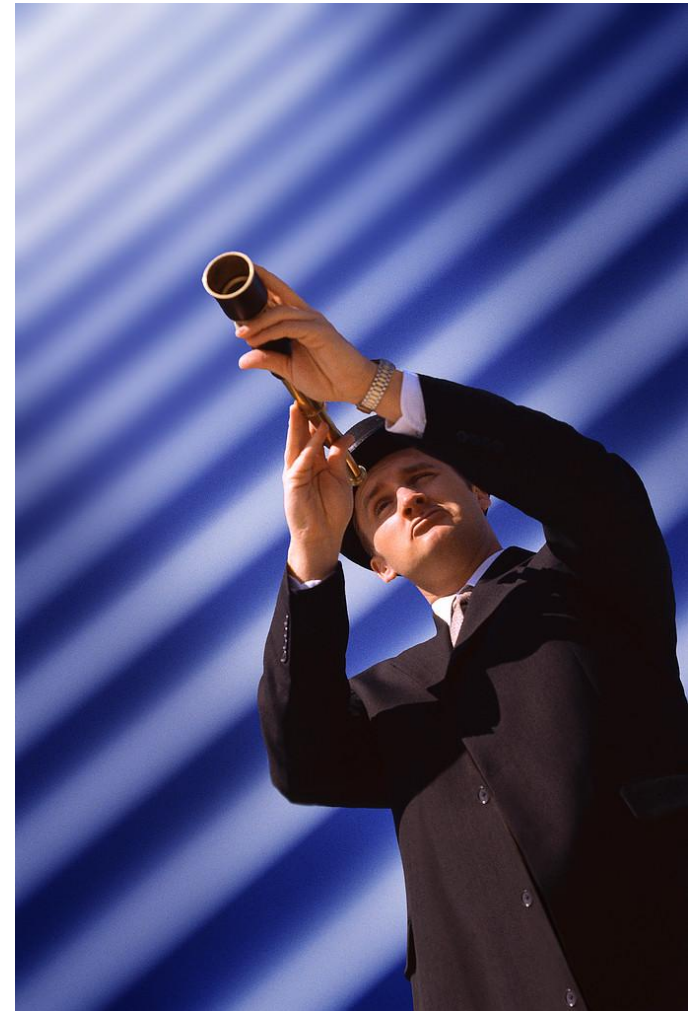
Step 2 – Form the Implementation Circle

- This circle consists of the CEO, selected top managers and others.
- The purpose is to develop an implementation plan.
- People take training in Sociocracy
- Operations then begin to conduct operations Sociocratically.

Step 3 – Install Sociocratic Methods in Organization
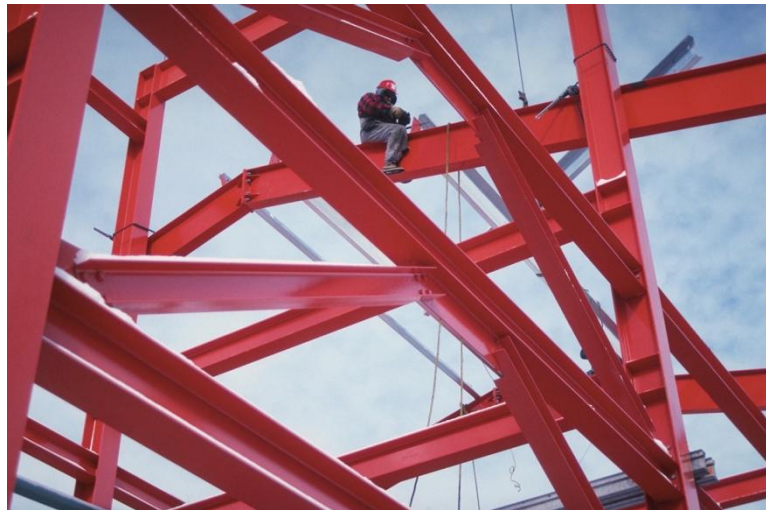
- **Organize all work processes**
- **Create a structure throughout the organization.**
- **Train newly selected circle meeting facilitators**
- **Train staff**
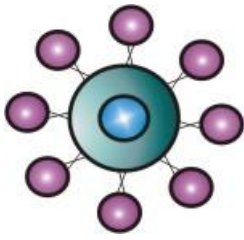
Step 4 - Establish Board Circle

- **Establish that money is "an earned measurements" criteria of work**
- **Develop remuneration formulas based on contribution**
- **Develop an explicit financial feedback system**
- **Revise corporation and by-law structure (optional if necessary)**

Step 5
Evaluate Performance

- **Monitor the performance of individual circles and the organization.**

- **Obtain feedback from representatives and supervisors in each group (or circle)**
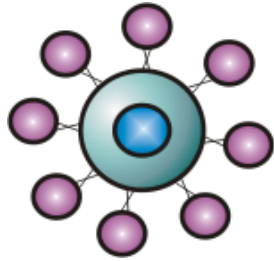
Sociocracy In Action

Is a network of individuals and organizations dedicated to the practice and expansion of Sociocracy in North America. We are supported financially by FGM Alternatives and based in Calgary, Alberta. The sale of this presentation supports our aims.
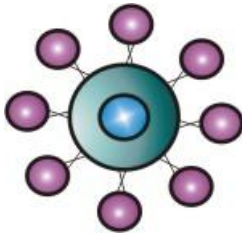
Links

- www.sociocracy.biz the global website of the Sociocratic Centers in Holland

- www.sociocracy.info A US based site with the basics and information and book "We The People"

- www.Governancealive.com

- http://www.champlainvalleycohousing.org/index.cgi A Cohousing Project basing their governance on Sociocracy

- http://ecovil.com/Pages/governance.html EcoVillage of Loudoun County, Virginia.

- www.socionet.us For training sessions and practice groups

- http://tech.groups.yahoo.com/group/sociocracy A message board group that is the best place to ask questions and get support when learning or implementing Sociocracy