

Holacracy Sociocracy

InfoQ

Adding Purpose to Scrum with Holacracy

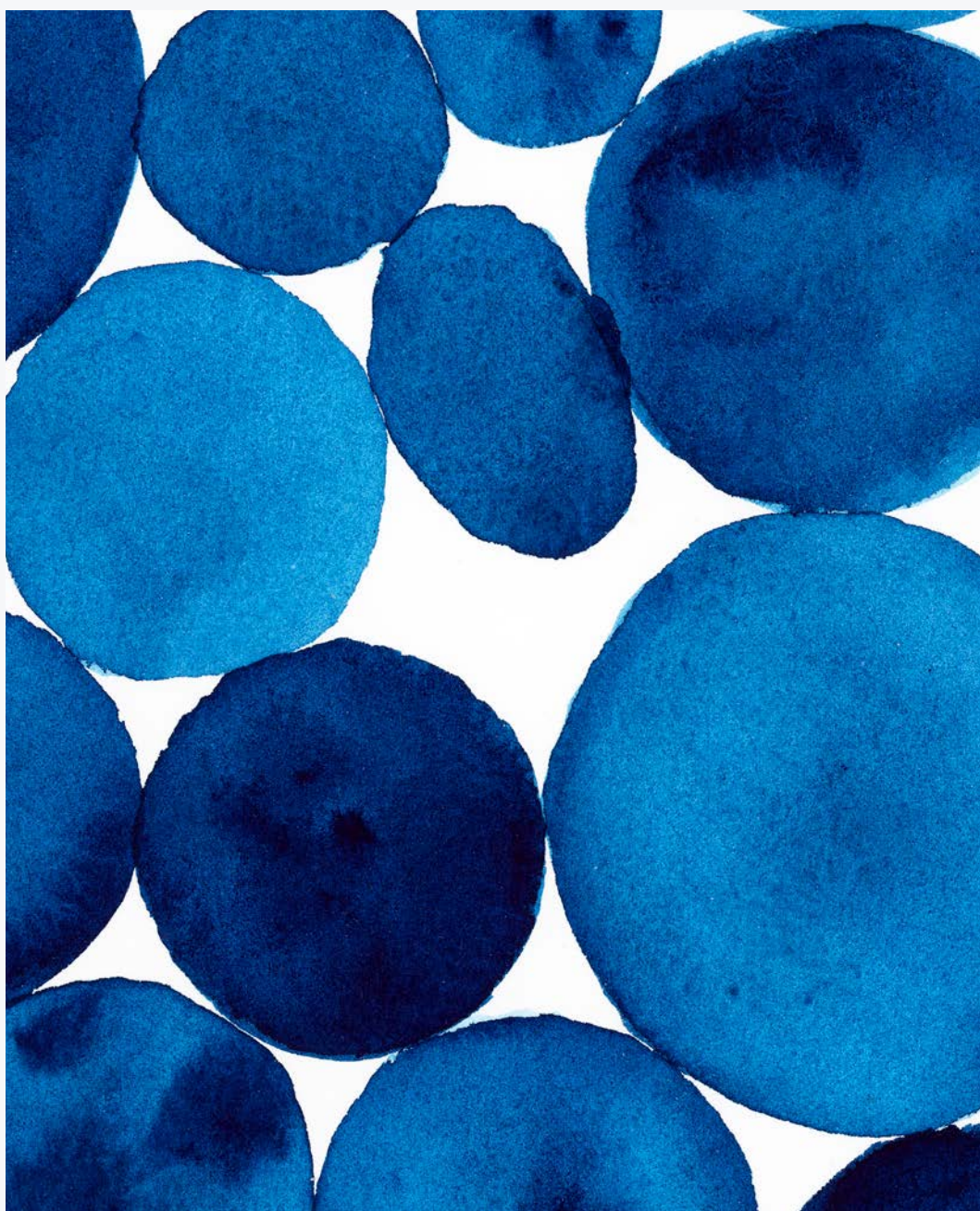
Organizations passionately working with Scrum are still missing a key ingredient: their organizational governance got stuck in the last century. Holacracy can be a complete replacement for the traditional management hierarchy and can significantly increase motivation and productivity.

Holacracy for Humans

Snapper, a transport ticketing service provider, introduced Holacracy which enables people to act more like entrepreneurs and self-direct their work instead of waiting to be told what to do.

Managing in organizations without managers

Self-Management is the organizational philosophy represented by individuals freely and autonomously performing the traditional functions of management without mechanistic hierarchy or arbitrary, unilateral command authority over others.



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A LETTER FROM THE EDITOR



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Organizations around the world are rethinking their management structures and the very fundamentals of how to organize people, how to undertake work, and how to make decisions. New management models are designed to move decision making to the edge, to the people closest to the customer and empowering those people to do what they feel is the best for the customer and the organization.

The new wave of management approaches is designed around empowered, trusted, cross-functional teams operating within constraints and united by a shared vision of success.

In this eMag, we explore the real-world stories of organizations that have adopted some of these new ways of working. These articles include examples of sociocracy, Holacracy, teal organizations, self-selection, self-management, and with no managers.

Some of the vexing questions that often pop up when these topics are discussed are how do

they work, how are they organized, what happens when people disagree, how do they achieve alignment, what happens when things go wrong, what about career progression? At InfoQ, we've followed these new ways of working since we published our first article on the topic in 2006. In this eMag, we bring together a number of pieces that explore these and other questions around the what, why, and how of sociocracy and Holacracy from people who have "been there and done that".

We start with an article by Mohammed Ali Vakil in which he presents seven ways for leaders to future-proof their businesses by drawing on Holacracy.

Sandy Mamoli tells the story of a real-world Holacracy adoption at Snapper, a transportation technology company from Wellington, New Zealand. She pulls no punches about how hard it is to change to new ways of working and explains the benefits that Snapper have attained from making the change.

Ben Linders interviewed Martin van Dijken and Jeff Kok about their experiences using Holacracy to provide clarity purpose for Scrum implementations.

Linders also interviewed Erwin Van Waeleghem, police commissioner and criminologist with Belgian police and international steward for the Teal for Teal community, on the what and why of teal organizations and his experiences adopting the teal paradigm in Belgian police forces.

Linders explored Ard Leferink's talk about Buurtzorg, a Dutch nationwide nursing organization, which operates entirely using self-managing practices.

Doug Kirkpatrick writes that self-management is the organizational philosophy represented by individuals freely and autonomously performing the traditional functions of management without mechanistic hierarchy or arbitrary, unilateral command authority over others. He explains how self-management has been adopted at Morning Star and how the simple principles result in

powerful outcomes that benefit the whole organization.

In the final piece, Linders interviews Ted Rau and Jerry Koch-Gonzalez, authors of the book *Many Voices, One Song: Shared Power with Sociocracy*, which provides a collection of sociocratic tools and principles and stories about applying sociocracy.

This article was initially posted on Medium and has been updated by the author.



Insights from Holacracy: Seven Ways to Future- Proof a Business

by **Mohammed Ali Vakil**, co-founder of Calm Achiever

“Great leaders
don’t innovate
the product,
they innovate
the factory.”

— Dane Atkinson,
CEO of SumAll

Being the boss is tough, isn't it?

The buck stops with you. Because you're the leader, you can't even complain. Not only do you have your problems to solve, but you have everyone else's problems to solve too.

I know the feeling. I'm part of the management team in a few organizations. And I've been looking for a way to manage more effectively, without the stress.

My search has led me to believe that most problems in running an organization are not because of people, but because of the underlying systems. And I've found that by changing the systems, the problems dissolve.

In my search for better systems, I came across Holacracy — a system of self-management for organizations that replaces the traditional management hierarchy.

Instead of “managers” and “bosses” having power to tell people what to do, in Holacracy the power is in the set of rules that distribute authority so that people can be leaders in their roles.

More than a thousand organizations have adopted Holacracy, including Zappos and the David Allen Company.

What excites me most is that Holacracy's way of approaching an organization's structure is inspired from nature.

In nature, the systems are stable. And when there are changes to the environment, they adapt. Similarly, Holacracy is a self-organizing approach. It constantly adapts to meet the demands of the environment.

With a surge of excitement, I began implementing Holacracy in my organizations. It was no small change!

But as we began to see positive effects, we were hooked. To deepen our understanding, me and my brother attended the Holacracy Practitioner workshop in Amsterdam.

Here are my seven top insights from implementing Holacracy and attending the workshop — and how they can help you run business more effectively.

1. Your organization runs a social operating system — and it's outdated

Most organizations still use an organizational system called the management hierarchy. The management hierarchy represents a rigid power structure. It puts people in boxes with job descriptions, which tell them what they're supposed to do and who to go to when they have a problem.

It's not a bad system. It was a useful model for almost a century. However, times have changed.

We now live in a dynamic world where things are changing rapidly. And the majority of the workforce today is millennials who don't care much about hierarchies. For them meaningful work and job satisfaction are more important than money or title.

Think of Holacracy as a new operating system for your organization, a new way of structuring your organization to meet the demands of a rapidly changing world. It's not a model that sits on top of the management hierarchy. It replaces it.

If you adopt Holacracy, you're getting an upgrade!

2. If you're not adapting, you're dying

Do you know how many Fortune 500 companies from 50 years ago still remain on the current list? Only 60. That's 12%.

What happened to the other 88%? They either went bankrupt, merged, were acquired, or fell off the list.

The world is changing so fast that if organizations do not adapt, they'll die. Management hierarchy's rigid structure makes change difficult.

Organizations powered by Holacracy have a responsive structure. When anyone anywhere in the organization senses an issue, there are reliable pathways through which they can process it.

As a result, the organization is constantly undergoing small adaptations to changes in the environment. Read below on governance meetings to see how that happens.

3. To improve culture, distribute power

“Culture eats strategy for breakfast.” — Peter Drucker

“Structure eats culture for lunch.” — Brian Robertson

Business leaders have realized that to optimize performance in an organization you must have a great culture. In spite of having great strategy and processes, a team with a lousy culture will produce lousy results.

The best way to improve the culture is to work on the power structure of your organization.

By distributing power instead of focusing it at the top, a great culture will emerge.

Holacracy distributes authority and power, giving each role holder the autonomy to do the work to fulfill the purpose of their role.

In short, it treats people like responsible adults. Instead of bringing problems to you, people own their problems and take decisions to overcome them.

4. You are not your job title: Separate soul from role

Most organizations have an authority structure built around the people. The higher you are, the more authority you have. Each person has a job title and description.

But hardly anyone actually refers to their job description after they're hired.

People don't refer to them because they don't reflect reality. When the work around them changes, the job description remains the same. And when accountabilities are not clear, it creates confusion on who should handle what.

In Holacracy, the work is structured around roles that have a defined purpose and accountabilities. They change dynamically to fulfill the purpose of the organization.

People with the right talents and skills energize those roles and have full autonomy to do what is required of their roles.

As a result, team members bring their full potential to the organization. They can work in any part of the organization where there's a match between their talents and the role.

Unlike at places where job descriptions are often outdated and irrelevant to day to-day work, people in a Holacracy can fill multiple roles with clear and regularly updated accountabilities so that everyone knows what is expected from which role.

5. Stop asking permission and start making decisions

Before making a decision, do you seek permission from the people around you, asking, "Are you okay with that?"

This is something I'm guilty of. And I realized it even more after adopting Holacracy.

Anytime I need to make a decision, I would ask all the stakeholders if they approve or not. And if they didn't, I would modify it so that they would be happy with it.

By seeking consensus with everyone, I ended up wasting many hours. And the decisions didn't end up satisfying anyone.

The beauty of Holacracy is that it gives people autonomy to take decisions to fulfill the purpose of their roles.

6. Encourage tensions to drive change

Your business is never going to be perfect. There's no such thing. There's always a gap between where you are and where you need to be.

In Holacracy, that's called a tension.

In most organizations, a person with a tension goes to their manager with the problem. If the manager cannot solve it, they take it to the person next up in the hierarchy.

That works adequately if there are only a few tensions to address. But when everyone does that, the decision making at the top gets constipated.

As a result, to get the appropriate attention to your tension, you need to be loud enough or have the right political connections to get your point addressed.

But the best ideas don't necessarily come from people who are the loudest. Sometimes the person working at ground level may have the brightest idea.

Holacracy encourages you to bring tensions. They are the driving force for change.

In fact, meetings are called with the purpose to invite tensions and find pathways to process them.

7. Differentiate between having meetings to work “in” and “on” your organization

A Holacracy meeting is one of my favorite things. Holacracy meetings rock. They are insanely efficient.

In my organization and in most other organizations powered by Holacracy, people look forward to meetings because meetings are structured and facilitated to remove obstacles in the way of your work. They are nothing like typical meetings.

There are two types of Holacracy meeting: tactical and governance.

Tactical meetings deal with operational issues. The steps of the meeting involve looking at metrics, reviewing checklists, and tracking projects.

In a tactical meeting, the facilitator asks anyone who brings up a tension for what they need. This gives them pathways to resolve their tension. There are no heroes who everyone looks to for solutions. Each person is expected to use the process to address their tension.

In tactical meetings, you work *in* your roles but in governance meetings, you work *on* your roles.

In the management hierarchy, someone at the top designs the organizational chart based on their good ideas. When there's friction, there are no good ways to address it. People end up resorting to politics to navigate around the problem.

Holacracy has governance meetings. Everyone gets a chance to share a proposal to change the design of the organization to address their tension.

This allows anyone to create new roles, accountabilities, or policies to address their tension, thereby changing the design of the organization to remove obstacles.

A new proposal is probably not going to be perfect but it's a way forward, and I've found it's better than how things were before.

An organization under the management hierarchy may change the structure once every few years. In Holacracy, these changes happen usually once a month in small increments.

Small changes are easier to make and result in less resistance.

Will Holacracy work in my culture/country?

Coming from India, I wondered that, too.

I was hesitant to adopt Holacracy in my traditional family-run real-estate business. But I was surprised at how well people adapted.

That's not to say I haven't faced challenges. But they're the good kinds of challenges that force us to ask the important questions we often avoid:

“What's our purpose?”

“What metrics do we need to see to measure if we're on purpose?”

“How can we structure our work to fulfill the purpose?”

“Which role has the accountability for this task?”

“Who's the best person to take up this role?”

Begin your Holacracy journey

Are you a leader in your organization?

Are you looking for a way for your organization to be ready for a rapidly changing world? And run it without all the stress?

I encourage you to explore Holacracy to see if it's right for you.

Tony Hsieh, CEO of Zappos, said the only thing he would do differently with Holacracy would be to adopt it sooner.

That's my experience too: the sooner the better.

To learn more about Holacracy visit Holacracy.org

Holacracy for Humans

by **Sandy Mamoli**, Agile Coach

Snapper, a New Zealand-based transport-ticketing service provider, wanted to be more like a city, and less like a bureaucratic corporation. In a city, people and businesses self-organize.

That's why in 2016 they introduced Holacracy, which enables people to act more like entrepreneurs and self-direct their work instead of waiting to be told what to do. Today, Snapper, a 60-person company, uses Holacracy across all areas of the business and this way of working applies to everyone.

Why change?

In 2016, things were going well in Snapper. There was a culture of collaboration and respect, and a true passion for transport. People were respected and in control of how they worked. But the company had an eye on the future and knew there were challenges ahead.

Snapper foresaw success and growth — and was well aware of the pitfalls involved in scaling up. They wanted a foundation that would let them add people without adding pain.

“Every time the size of a city doubles, innovation and productivity per resident increase by 15%. But when companies get bigger, innovation and productivity per employee generally go down.”

— Tony Hsieh, CEO, Zappos.



They were drawn to Holacracy by its promise of better collaboration. Radical transparency, decision making at the right level, and dynamic organization all seemed right.

What is Holacracy?

Holacracy is a method of decentralised management and organizational governance in which authority and decision making are distributed throughout autonomous, self-organizing teams. In Holacracy, teams are called circles.

As we don't want autonomous circles to pull in different directions, we need to make sure they are aligned towards a shared purpose. Alignment is achieved through a hierarchy of nested circles. In this hierarchy, each higher circle defines the purpose for its sub-circle(s). For example, the circle whose purpose is to "Service customers on the go" could have a sub-circle with the purpose "Create a great customer experience on the iPhone".

Autonomy is achieved by letting each circle decide how to fulfil its purpose. As long as they do, no one from outside the circle has the right to interfere with their ways of working. Some circles could use Scrum, others kanban, and others again their own magic creation.

Holacracy was developed by Brian Robertson, an American entrepreneur, who codified it in

an [open-sourced constitution](#). It is based heavily on the Dutch system of sociocracy, which has been implemented in companies since the 1960s. Holacracy and sociocracy have been adopted by many organizations in several countries. The most famous is Zappos in the US.

Beginning the experiment

I knew Snapper well already as I had helped introduce agile to the company in 2010, and I was excited when I got the opportunity to return to implement Holacracy.

In 2016, neither Snapper nor I had had any experience with Holacracy. Stories of Zappos were contradictory and not always positive. The system seemed to be overly rigid and based on a plethora of rules. However, the underlying philos-

ophy of self-management and collaboration was attractive.

Snapper's leadership team grasped the potential and decided to make this a company-wide experiment. We all went into it with open minds, the [Holacracy constitution](#), and a copy of Brian Robertson's book [Holacracy](#). My instructions literally were "we want to try Holacracy and we want you to make it happen."

Redesigning the organization

Circles and roles are two central concepts in Holacracy. Circles are teams that have a purpose and accountabilities and consist of roles that support the circle's purpose:

- A purpose tells us why the circle exists and what it aims to achieve.

Figure 1 / click to enlarge

- A domain is an area the circle owns and has full control over.
- An accountability is an ongoing activity that the circle is expected to perform.

The most important circle is the general circle. That's the circle that defines the company's purpose and encompasses every circle, role and person.

As Snapper has always had a clear purpose, defining the circle was actually pretty easy. Figure 1 is Snapper's general circle.

We adapted the concept of a domain: obviously we don't own the experience of moving people all over the world. Domains are not mandatory in Holacracy so we thought it'd be okay to use them

more like an area of concern. It worked well for us.

Then we designed the sub-circles. All sub-circles support the general circle's purpose, so you get a hierarchy of purpose. We planned the circles we wanted and made an adoption plan. To begin with, we recreated the existing organizational structure with a technology team, a marketing team, a finance team, etc. Each of these teams would run under Holacracy principles and practices.

Our starting point was the technology team because they had driven the agile adoption eight years ago and were already used to working in small cross-functional teams.

Figure 2 shows our technology circle/ team of about 40 people. It has additional sub-circles that are small agile development teams.

The structure of circles and sub-circles with their hierarchies of purpose worked really well for us. It wasn't particularly hard to implement: phrasing the purpose of the company circle was straight forward as we all knew Snapper's *raison d'être*. It only took one session with the leadership team to find the right words.

Defining the purpose and accountabilities of sub-circles took a bit more time but was usually resolved within one or two sessions with prospective circle members. Having a direct line of sight of the outer circle's purpose helped us agree on how the sub-circle could support it.

People found the clarity and transparency of nested circles helpful. They said that the autonomy to pursue a circle's purpose gave them focus and helped them to prioritize.

Communication across teams improved as the defined responsibilities and accountabilities for each circle made it easier to know what to expect from another circle. People said they felt they could rely on things getting done and knew whose responsibility a thing was. It felt lighter not having to know the details of other circles' domains.



One major breakthrough was realizing that there was no reason to recreate the existing organizational structure. One of the most powerful things in Holacracy is the self-organization and ultimate responsibility to achieve a purpose. We realized a few months into our adoption that it would make more sense to structure our circles around a clear external focus. This meant that we, for example, abolished finance, customer care, and marketing teams and made those roles part of customer-centric circles.

We transitioned gradually over nine months. Looking back, I believe that the staggered transition approach helped create a space

for some people to find their feet and learn without the risk of technology, the most aware and confident part of the business, taking over. It also let us develop enough perspective to realize that we could (and should) completely change the structure of the entire organization.

Creating roles

Roles are parts of circles and are in themselves like tiny circles: they have a purpose, a domain, and accountabilities. They are held by one person only, and because they are so small and granular, one person usually fills many roles.

Here are some examples:

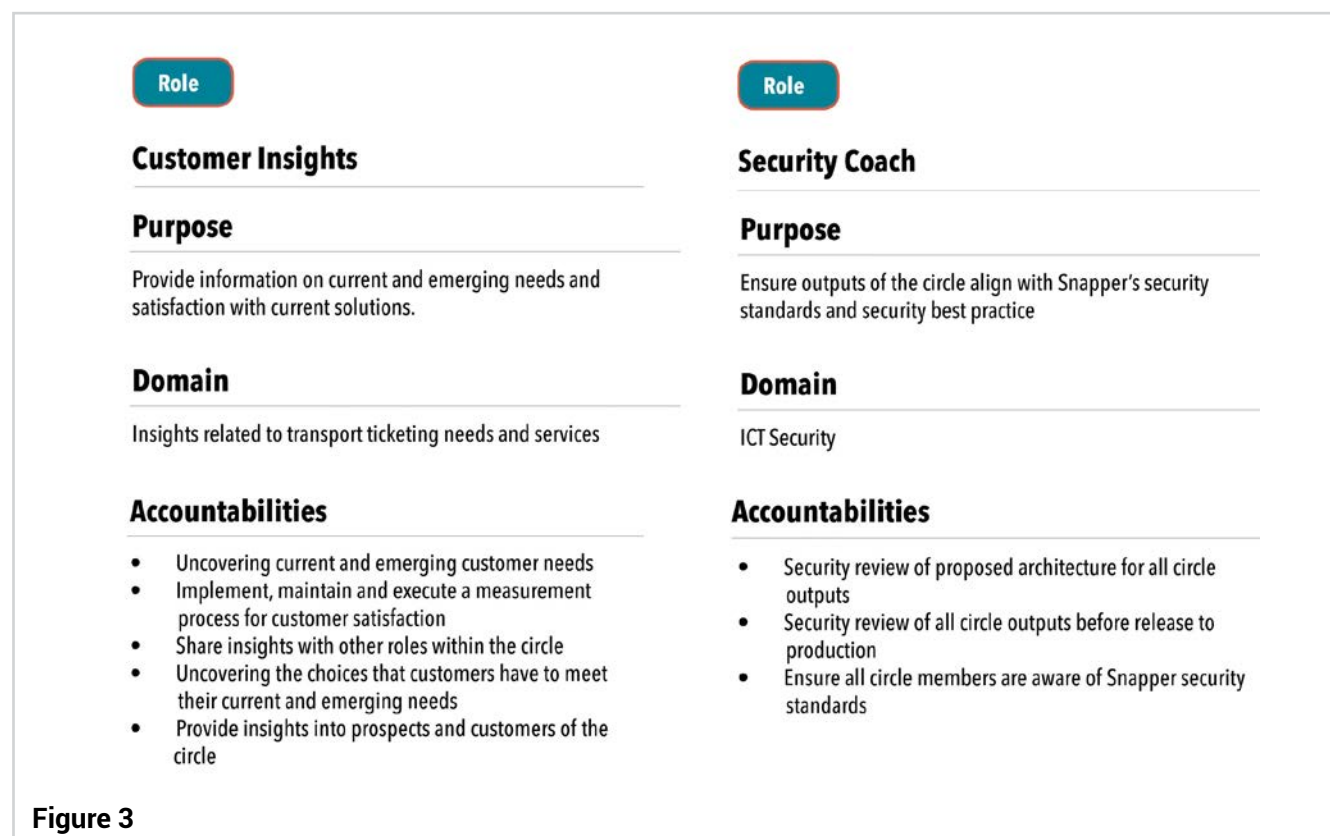


Figure 3

We started our role definitions by looking at what people were currently doing on a daily basis and abstracting roles from their tasks. We then collectively assessed and agreed on all roles for a circle. At the time, this process felt tedious and time consuming. We defined and discussed roles with all circle members present, and having to go through the details of the daily tasks of six to 12 people in a group setting was excruciatingly boring. Our meetings could best be described as extremely painful.

But the effort paid off. The process forced us to think about what we were actually doing versus what we should be doing. We realized that many of us were spending a lot of time on detail and lower-value aspects of our jobs. Some of the coaches, for example, were spending up to 70% of their time doing hands-on work rather than coaching others.

Defining roles created clarity and helped us focus on the important parts of our work. It made it possible to split what had been one job held by one person into several smaller roles that could be offered to different and appropriate people.

For example, one of our solutions architects realized that he really loved designing technical solutions with existing transport clients but disliked drawing up ideas that were not certain to

come to fruition. Holacracy gave him the opportunity to split those areas into different roles. A colleague who likes technical sales has taken over that latter role and the architect now focuses on solution design and his new additional role of a development coach.

My initial reaction to the detailed definition of roles in Holacracy had been a feeling of restriction. I thought roles would stifle creativity and would be dehumanizing but I was surprised by how well they worked for us.

Clear boundaries between roles have made collaboration and conversations about who is doing what easier. “Me or you” conversations have become less personal and things no longer fall through the cracks. Someone said, “We’re now talking about stuff we otherwise wouldn’t have talked about.”

Some people feel protected from being overloaded through having clarity and transparency of their roles. “It’s like having a blanky: you don’t have to use it but it’s good to know that my role definitions can serve as a boundary”, one sales person said.

People also said that the greater autonomy made it easier to get things done and to make decisions. One said, “The clear boundaries and accountabilities make it easier to know what I can decide and that I only have to ask

permission from the people who are affected.”

Since we have gone through the work of defining roles, we don’t look at them all the time. They have become part of people’s daily lives and they rarely have to look up their roles’ purposes or accountabilities. We only change them when it becomes necessary and every three months we do a greater check-up to see whether our roles are still current.

Getting stuff done Improving through sensing tensions

Tensions are the elements that make sure we’re getting things done. A tension in Holacracy is defined as “the gap between what is and what could be”. By definition, that’s a positive thing.

Examples of tensions are:

- If I had this marketing tool I could have a much better dialogue with prospective customers.
- If I had access to the customer service system and someone showed me how to do it, I could save so much time just doing this daily update myself.
- If we could close down unused AWS instances, we could save a lot of money.

People are asked to bring up tensions during the circle’s Holacra-

cy meetings or at any other time. Everyone is encouraged to keep an eye out for improvement projects to help with and to suggest their own when they sense a tension in their role or circle. The only caveat is that you can only raise tensions that directly affect you or your work. If you just tell someone what you think they should do better without being directly affected, it's not a tension.

In the beginning, we found it was important to keep the definition of a tension in mind – a gap between what is and what could be – and to remember that tensions are opportunities, not negatives. In newer circles, there often was some uncertainty and reluctance to bring up tensions in the beginning.

We also needed to remind ourselves that Holacracy should not slow us down: if something should be done, there's no reason to wait for a meeting.

Sensing a tension and proposing an improvement is what helps circles move forward and ensures that we constantly keep improving. The increased visibility of other people's areas uncovered things that could be done differently and has helped people come up with ideas for improvement.

One of our major successes was the ability of our systems architect to save a considerable

amount of money every month by consolidating and shutting down AWS instances. Holacracy had allowed him to sense the tension, propose a new policy, and know who was affected. The decision-making process by consent (see later) made this a quick and pain-free process.

Processing tensions at Holacracy meetings

Tensions are processed at special Holacracy meetings. Each circle runs their own meetings.

Some meetings deal with operational stuff, such as "This is the status of the VPN project. Could someone please help me collect information about who needs access?" Those types of meeting are called tactical meetings.

In tactical meetings, people deal with ongoing operations, update each other on their work, decide what needs to be done, and ask for help. They deal with concrete, tactical tensions.

Here are some examples of what we typically discuss in a tactical meeting:

- Should we have code reviews for all code? If so, how do we do that?
- How do we avoid product owners being bottlenecks?
- Can I take you through my HubSpot marketing project? I could also use the wisdom of the group.

- The customer-service Slack channel has created an avenue for passing on customer issues rather than resolving them as they arise. What do we do about that?

Other meetings deal more with how the work works. This is the time when people, for example, decide that the circle needs a security coaching role and create it. Those meetings are called governance meetings because they deal with the structures and policies of the circle. People deal with structural tensions in governance meetings.

Here are some examples of what we discuss in governance meetings:

- The pre-sales role is too big. I think we should split it up into roles for technical pre-sales and outgoing sales.
- I propose that attendance at all our meetings be optional.
- Nobody is getting back to clients after we solve an issue. Should we add this as an accountability to the customer-service-rep role?
- The website is not updated and this seems to fall through the cracks. Do we need a role for website updater?

There is an official format for how to facilitate these meetings and in the beginning we really struggled. The meetings were tedious and unengaging, and

the prescribed format, which was strictly enforced by the recommended tools holaSpirit and GlassFrog, felt stifling and contrived.

Tactical meetings in particular became tense as we worked through a list of projects in round-robin fashion, giving each other status updates that no one wanted. The meetings seemed to hinder rather than help our collaboration.

After three months, we felt ready to make some changes. The first change was to stop using a Holacracy tool to drive meetings. It drove us crazy that the tool was policing our collaboration. We couldn't just agree on something and then update holaSpirit for documentation purposes; the tool forced us to follow the entire process again. It was stifling and we felt instant relief when we stopped using it to run meetings.

We also loosened up the process. Our tactical meetings are now free format and we always remember the purpose: collaboration and discussing ideas people want to share for input. How we do this differs from meeting to meeting, which keeps it purposeful and interesting. All our meetings are optional.

Decisions by consent

We heavily use Holacracy's process to make decisions by consent. Consent is my favorite aspect of Holacracy and it has

helped us make decisions quickly and well.

Consent is different from consensus. When deciding by consent, we don't need everyone to agree. We just need no one to have valid objections. A valid objection is an objection that means the decision would stop us from achieving our purpose, slow us down, or be unsafe to try.

This is, for example, how we decided to make attendance to all circle meetings optional. Someone proposed the idea, no one had an objection, and we deemed it safe to try. After all, we could always change the decision later through the same process.

The same thing happened with one of our marketing people who, after months of being stuck, managed to buy a direct-marketing tool by simply proposing it to the circle.

Consent is what usually keeps meetings short and productive. We don't have to unanimously agree, we just have to make sure there are no objections to go ahead with a proposed idea.

What we learned

Snapper is now running Holacracy across the entire organization and is on track to achieve what they set out to do. People have stepped up to the accountabilitys of their roles and are beginning to own their domains. Circles are self-managing and perform well.

Some circles have achieved a level of maturity at which they are guided by principles rather than rules and mechanics. Others are still learning. Everyone I talked to would like to keep Holacracy and believes the learning curve was worth it.

Things were definitely difficult in the beginning. People found Holacracy confusing and didn't like the legal language. The rigid rules felt at odds with the organizational culture.

However, we didn't give up. We tried everything for ourselves and things have worked out well.

Here are a few things we learned along the way:

Start out following all the rules

We always need to consider local flavors and special circumstances. However, it is important not to move too fast and not to make changes to recommended practices that we don't properly understand.

We intended to try everything as it was designed to be and then, if needed, make changes from a position of knowledge and experience rather than because we found a practice too hard to implement.

We have benefited from this approach in that we now all understand why each practice is in place and we are aware of the

consequences of changing or removing any.

Follow the principles, not the rules

We employed Holacracy to support principles and values we agree with, such as distributed leadership, accountability, continuous improvement, and transparency.

But it's easy to lose sight of the principles and become obsessed with the system itself when there are so many rules in the constitution. In agile terms, it's like the difference between being agile and doing agile. When we face this problem in the agile world, we resort to the Agile Manifesto and its associated 12 principles for guidance.

At some point, we decided to do the same thing here and focus on the principles. It gave us something we could evaluate decisions against and allowed us to communicate the essence of Holacracy to each other in a clear and concise manner. We see this as being Holocratic as opposed to doing Holacracy.

Live with the strange language

We all felt weird about the le-galese language of Holacracy at first. But then we remembered we'd had similar issues back in 2010 when we introduced agile. People found agile terms strange in the beginning – wondering, for example, why we couldn't just

call a product owner a “project manager” if the roles were so similar?

We realized that new concepts need new words and that using existing terms would hinder our grasp of new ideas. So, we decided to stick with the Holacracy language and get used to the new terms like circle, tension, and linking. Over time, we lost our awkwardness with the new terminology and now we use many Holacracy terms naturally. We've also started explaining the concepts and ideas behind Holacracy in more relatable language, while still using the correct terminology overall.

Focus on improvements

A major breakthrough was the power of baked-in continuous improvement. In Holacracy, each circle is responsible for its own development. We now have improvement projects for roles and circles and everyone can just make them happen.

As the CTO pointed out, if you have 50 people and each one makes one small change per quarter, it adds up to 600 small improvements a year – and all through a cultural process driven by the people, rather than a top-down mandate. We consider that a win!

What I think about Holacracy now

Starting Holacracy, I wasn't sure whether it was good or evil. I have concluded that it is neither.

It is a powerful system running on and amplifying a culture that's already in place.

In a collaborative culture, I have experienced just how powerful Holacracy can be to drive continuous improvement and provide clarity and visibility across the organization. It can get decisions made quickly with the right people involved. It amplifies and improves collaboration.

Holacracy today feels a bit like the early days of agile and Scrum 1.0. The frameworks will change and the guidelines will be updated as we learn and gain experience. But it's exciting to be part of something emergent and I believe Holacracy, mixed with agile and a good dose of common sense, will make a huge difference to organizations.

What next?

If you want to read more, I suggest:

- [Holacracy: The New Management System That Redefines Management](#), by Brian J. Robertson
- [We the People: Consenting to a Deeper Democracy](#), by John Buck and Sharon Villines
- [Company-Wide Agility with Beyond Budgeting, Open Space & Sociocracy](#), by Jutta Eckstein and John Buck. [Ben Linders](#) has interviewed them about their book in the InfoQ article [“What Does Company-Wide Agility Imply?”](#).

The Interviewees



Martin van Dijken

has worked as a software developer and team lead since 1997 and was always working "agile". Van Dijken mostly worked as a ScrumMaster at that point, but always with a development role as well. In 2014, he decided to stop developing software and take up the role of agile coach. As a coach, he is always pioneering new methods to help organizations even further. He loves to work with playful methods such as Lego Serious Play and complete approaches such as Holacracy.



Jeff Kok

started his working career as a physics teacher then made a career switch into ICT, his other love. Jeff started as a Visual Basic programmer and shortly after that, started to teach it. He has 20+ years of experience in ICT with the last six years with agile and Scrum as a specialization. As an agile coach and trainer, he can help organizations to deliver software faster and better. "Organized flexibility" has been his credo ever since.



Adding Purpose to Scrum with Holacracy [🔗](#)

by **Ben Linders**, Trainer / Coach / Speaker

Organizations passionately working with Scrum are still missing a key ingredient: their organizational governance got stuck in the last century, argued Martin van Dijken and Jeff Kok in their "Experience How to Evolve Your Team from Purpose and Feedback" workshop at XP Days Benelux 2016.

Van Dijken, agile coach and facilitator, and Kok, senior project manager and agile coach, think

that Holacracy can completely replace the traditional management hierarchy and can significantly increase motivation and productivity.

Scrum is a great tool to help teams improve themselves and get to real success. Scrum however offers solutions for the work done in teams; there are no solutions offered for the management and government of the entire organization. A Scrum

team therefore can only ever be as good as the combination of all managers above them can understand and handle.

Holacracy offers a completely new paradigm for the government of organizations. It allows an organization to completely govern itself based on the purpose that they desire to fulfil. There is no longer any need for middle or higher management. These two approaches can be combined to great effect: Scrum for doing the work, Holacracy for governing the organization.

The workshop at XP Days Benelux consisted of a simulation game of four rounds played in teams. Each round modelled a Scrum sprint starting with a planning, then doing the work, followed by a product review and a retrospective.

In the first round, the teams received the goal to craft a zoo. The more visitors the zoo attracts, the better the team will score. Van Dijken suggested that teams organize their feedback loop in the first round. He and Kok made themselves available to teams for feedback during and after the exercise.

After the first round, the teams shared their experiences. You need feedback to know how are doing, but it can be hard to get feedback and you need to organize it. There was a lot of initial uncertainty on what teams could

do to attract more visitors, as they didn't know up front how many visitors a certain animal in the zoo would attract. The facilitators explained that this is how it works in real life: you only find out how much of a draw an animal is by putting it in the zoo and counting the number of people who come to see it. That is why getting feedback on the visitors is important. One team said that they felt chaos as they didn't know how to work together.

In round two, the teams got a purpose: "Protect and preserve endangered animals, have many people experience nature, and inspire visitors and influence their behavior." Teams reacted by displaying species that are rare in nature or which they expected to be the only zoo in the area to have. Feedback revealed that some rare species did draw more visitors but others did not. The feedback that teams received helped them to know what to do, even though it didn't answer all of their questions (which often happens in real life).

After the second round, teams mentioned that they had self-organized their way of working. Some teams had found better ways to work together based on the retrospective that they did after the first round. Having the purpose supported collaboration as team members had a better understanding of what to deliver. Working according to the purpose did not always attract more

visitors, as some teams found out. The purpose, explained Van Dijken, is the reason why the organization exists and gives direction on what to deliver but that doesn't guarantee that it will bring more value or earn higher profits.

For the third round, teams got a set of roles. Teams had to decide who would play which roles. Multiple people could play the same role or a team member could play multiple roles. People mentioned after playing this round that the roles supported collaboration in teams: it helped them to work together. Some team members mentioned that the role gave them more focus and made it easier to do their work.

In the final round, the teams received a strategy. People mentioned that having the strategy further increased collaboration and the focus of people in the teams. One team decided to switch roles as they expected it would allow them to better serve their purpose.

During the game, the teams learned that adding purpose, strategy, and roles from Holacracy complements Scrum, increased their team's performance, and improved the results.

InfoQ spoke with van Dijken and Kok after the workshop about the teal way of thinking and how Holacracy can be applied to help organizations to become teal,

how Holacracy and Scrum can be combined, and the challenges of becoming teal.

InfoQ: What do you mean by “the teal way of thinking”?

Martin van Dijken: The teal way of thinking is a reference to the book [Reinventing Organizations](#), by Frederic Laloux. Laloux models how we humans have organized ourselves in the past and present. He uses several colours, going from red to amber, orange, green, and finally teal. Red is historically our first organizational form: an organization driven completely on fear and personal control. Most organizations have evolved far beyond that and are now in a green state: hierarchical management with empowerment of intelligent workers. Agile and lean typically fit very well with this style of organizing work.

The teal organization is the next step in evolution from green. This organization is characterised by organizing around purpose and by the lack of bosses. It is an organizational form where individuals get a purpose that contributes to the company's purpose and get the complete authority needed to fulfil that purpose. Because of the authority being distributed, the boundaries continually need to change and the organization itself becomes fluid. It starts to feel like a living organism. There are companies doing this, such as Morning Star and Buurtzorg, but the best practices

are still developing very rapidly. Holacracy and Sociocracy 3.0 are methods that fit in this space and are rapidly gaining interest.

I have personally been frustrated and seen employees get frustrated in agile organizations. Often this comes down to increasing responsibilities, but lack of authority. Imagine you have a great idea. It will help you get your job done. Someone above you in the hierarchy, however, decides that it is not yet the time or maybe even that you should be doing this according to their style. Demotivation and frustration are the results of these hierarchical decisions, even though the decisions themselves might be well intentioned. Wouldn't it be great if everyone could make the most of their given purpose?

Jeff Kok: Teal organizations are characterized by self-organization and self-management. Agile teams, and thus Scrum teams, are self-organized by definition. Experienced agile teams mastered the art of self-organizing. Holacracy provides a framework to self-organize a composition of teams, formed around a purpose.

We often see organizations moving towards agile and struggling with the current management structures. The traditional management structures fight with the self-organizing desire of agile teams and instead of meeting in the middle, it could be better to restructure your management —

for example, with Holacracy. The teal way of thinking puts Scrum and agile teams in a bigger perspective, yet organized around the purpose of the organism, the organization.

InfoQ: How do Holacracy and Scrum go together?

Kok: Holacracy gives you a strict framework on which you can organize yourself around your purpose. “Purpose” is the answer to why you exist. So, organizing yourself around purpose starts with the intrinsic desire to fulfill that purpose. Like successful implementation of agile, it starts with a top-management decision: this is how we are going to do it. It also forces your employees to re-evaluate their (intrinsic) motivation. How soft or holistic this may sound, there are numerous researches performed about what motivates people: having a meaningful job where you can make a difference as an individual. Holacracy gives form to those desires, but in a bigger context.

Van Dijken: Scrum is typically implemented in hierarchical organizations and often only applies to organizing the work at the level of one or more teams. Above and around the Scrum teams, everyone still works in a hierarchical style and the team is therefore limited in authority and autonomy. As agile coaches we implement Scrum and give teams a great tool to organize their work only to find that they are still lim-

ited by the hierarchical systems around them.

Holacracy helps us govern our organizations and completely replaces the hierarchical systems. It helps us coming up with clear purposes and lets us evolve our organization around that. Holacracy also has tools for getting work done, but in my experience, Scrum is more suited for day-to-day cooperation within teams. Scrum offers concrete tools for visualisation, communication, setting goals, prioritising work, etc. Scrum on its end is very flexible in what happens within the team: who does what? This is a space that can be filled with Holacracy.

To summarise, even though there is some overlap between Holacracy and Scrum, they complement very well. We can use Scrum to work *in* our organization and use Holacracy to work *on* our organization.

InfoQ: How can Holacracy help an organization to become teal?

Van Dijken: With Holacracy, the whole system is created to make your organization teal. As a first step to implement Holacracy, the CEO is required to transfer his authority into the Holacracy system. Authority is therefore by definition distributed to the people that will actually do the work.

Next to that, Holacracy's key concepts are roles and circles.

The organization itself is a circle which has other circles and/or roles within it. Each of these is defined by having a purpose and accountabilities. Purpose-thinking is therefore strongly embedded into Holacracy.

Lastly, Holacracy is a system which helps individuals create roles and put authority into those roles. The roles are then shaped and moulded based on the problems, or tensions, that the person working in the role encounters. There is a clearly defined process which facilitates this evolution of roles and therefore the evolution of the organization.

The three key concepts of a teal organization are therefore implemented by implementing Holacracy: distribution of authority, focus on purpose, and evolution based on need.

Kok: I would say they complement each other. What agile lacks is given by Holacracy (purpose) and what Holacracy lacks is given by agile: organize the feedback loop and learn from it. Implementing agile with Scrum gives you a head start, because part of the roles, strategies, and team meetings are predefined. Another consequence of Holacracy might be that it will tailor your Scrum, due to the evolving aspects of it. But because you learn from the feedback loop, that is for the best. In my experience, it works best to Implement Scrum and then add

Holacracy. It is okay to treat a Scrum team as a circle. The agile principles do not conflict with the Holacracy rules, it just has a specific dynamic: Scrum teams deliver working software and every sprint they want more. Probably a Scrum team in a Holacratic environment is just more agile.

InfoQ: What are the challenges to an organization that wants to become teal? How do they deal with them?

Kok: I would say all challenges you face when changing your organization plus at least 20 more. Going over them one by one would be too much, but in general: find help, a good teacher, and learn, learn, learn. Don't be afraid of growing pains. Not everyone will be able to keep up with the changes, some will even leave because they feel they don't fit in anymore, but you can also expect that some of the employees of whom you'd least expect it will blossom!

Van Dijken: When implementing Holacracy in our practice, we faced a lot of confusion and frustration at the start. We tried implementing Holacracy ourselves, believing that as experienced agile coaches and facilitators we could easily do this. It took us over half a year to get in control. To get there, we asked an external coach to help us out because of the complete mindset shift that is needed. Also, several of our team went to the Holacra-

cy training and are now certified Holacracy practitioners. The key here: it is hard! But ultimately fulfilling.

The frustration we felt at first was mostly with the strict formats of the Holacracy sessions. We had no real experience in running them and all we knew was to follow the rules strictly. We have now learned that you can follow those strictly and still be kind to each other and still have fun in the sessions. We had to get more experienced on why these rules exist and what we can use them for.

Another challenge we faced was that work was being done completely next to the Holacracy system. The system simply did not reflect what we were actually doing. This lack of transparency led to confused meetings, where the real meat of what we were doing wasn't actually present. Those sessions felt long and useless. These days, they are short and fulfilling.

A final thing we hear and see a lot is that Holacracy requires employees to work like adults. If you get responsibility and authority, take those and make a difference. In some organizations, people hide behind their roles and don't actually do anything. To get through that requires a strong team with good challenging leaders in them.

InfoQ: Where can people learn more about teal organizations and Holacracy?

Van Dijken: Let's start with teal. As I mentioned, it comes from the book *Reinventing Organizations* by Frederic Laloux. Holacracy is mostly run by [HolacracyOne](#) and its creator, Brian Robertson. They give great trainings and tester workshops on Holacracy. There is also a community starting around Holacracy. There is a meetup on Holacracy in Amsterdam, which has valuable sessions where you can exchange info. Also, there are several organizations opening their doors for interested parties. As agile partners we sometimes welcome visitors; we ourselves have been around to Springest in Amsterdam and Voys in Groningen to see what it felt like there. Get in touch with any of us if you're interested!



Applying the Teal Paradigm

by **Ben Linders**, Trainer / Coach / Speaker

Applying the teal paradigm helps organizations increase team members' engagement and allows teams to grow. Teal-oriented organizations think of themselves as living organisms; they are human centric and liberating for their employees, and look for the resourcefulness in humans rather than looking at them as resources, argues Erwin Van Waeleghem, police commissioner and criminologist with Belgian police and international steward for the Teal for Teal community.

Van Waeleghem spoke about human-centric work collaborations and applying the teal paradigm at the [Agile Consortium Belgium 2017 conference](#).

The conference theme was "From agile IT to enterprise agility" and featured talks about agile in a broader organizational and business context.

"What we see today in the market is that the bottom-up approach of IT agile practices is changing to cultural transformations where agile values and principles are key – focusing on enterprise/business agility for which we need new organizational structures and a switch from machine-like organizations to continuously changing and improving organisms."

The Interviewee



Erwin Van Waeleghem

Erwin holds the role of police commissioner/criminologist within the local police force of Leuven (Belgium). He is also an international speaker, inspirational steward and instigator of several initiatives, he aims -as global seedplanter/tealspirator- to inspire as many people and organizations possible, to make them at least think about possibly reinventing their work-collaborations in a more human-centric way.

InfoQ interviewed Erwin Van Waeleghem about the characteristics of teal organizations, and asked him how he applied the teal paradigm to his police force and which benefits this brought.

InfoQ: Which values does the teal paradigm consider important? Why these values?

Erwin Van Waeleghem: Basically, we are talking about essential human values that can connect people. They start out of a constructive co-creative mindset instead of a dividing, egocentric, polarizing, and very competitive attitude (which we seem to be conditioned to in our current society). These basic values are based on a rising moral consciousness and have the goal to reach a higher mutual purpose. Just to name a few of these values behind teal: trust, respect, equivalence, win-win thinking, authenticity, integrity, openness, honesty, benevolence, servitude, giving and sharing before receiving, will to give mutual extra value.... This also means people are constantly looking for a great balance between heart and mind.

InfoQ: What are the characteristics of teal organizations?

Van Waeleghem: Well, most of these organizations have moved away from a machinal view on things, which has been the basic idea in most of our organizations since the industrial revolution and the rise of Frederick

Taylor's scientific management (also thanks to Henry Ford). The teal-oriented organizations think of themselves much more as living organisms, as you constantly find in nature. They are much more human centric and liberating towards their employees, and look for the resourcefulness in humans rather than looking at humans as resources. A different, much more natural leadership style is used, which can actually be used without ranks, titles, ego, and other degrading ideas.

So instead of with a power hierarchy, they are mostly organized in self-organizing systems like you find in nature. There is no longer talk of bosses and subordinates. That means that the artificial hierarchy, based on rank, job title, diploma, birthright, and power over people has made way for a much more natural hierarchy, which can change almost constantly, depending on the expertise and professional knowledge someone holds. These organizations are based on networks and interconnected power with people, and use "sense and respond" instead of "plan, command, and control".

People who have read Laloux's *Reinventing Organizations* will mostly recognize the three paradigm breakthroughs he talks about, namely wholeness, evolutionary purpose, and, self-management. In teal organizations or the ones who are evolving towards teal, you can

find these three breakthroughs in all organizational basics, which we also know in the old-school paradigms, such as decision making, structure, staff roles, project teams, conflict resolution, crisis management, information flows, performance management, compensation, dismissal, recruitment, evaluations, working hours, office spaces, strategy, marketing, competition (which actually becomes obsolete), planning and budgets, etc. All of these items are organized in totally different ways which are mostly based on insights and ideas of all stakeholders (not just the investors).

InfoQ: Can you give some examples of how you applied the teal paradigm?

Van Waeleghem: When I arrived at my new job in Leuven on September 1, 2015, knowingly having the support of my chief, I started having talks with all team members on a personal level. During the first encounter, after getting to know the people's background and needs, I talked about my ideas and also told them straight away that they would receive full trust and that I would not act as their boss in the way they knew. I would no longer consider them subordinates but colleagues with a lot of knowledge and experience in how to do their job right.

I also lived up to that trust myself, and even to me it seemed quite amazing how easy and fast most people started doing

everything in their power to make sure there would be no distrust. There were a few introductory sessions in which I tried to explain which way we were going. The team members themselves set the framework to create a safe environment, by naming and writing down the values (see first question) that connected them. That was the basic framework on which the positive and less positive behavior was decided on, and towards which they would set up their own peer follow-up in open, respectful, and polite communication. They started deciding things for themselves very easily, with a sort of advice process when issues were not getting resolved and sometimes asking for my fair decision or backup.

Examples of things they decide on themselves during a weekly or ad hoc meeting are continuity during vacation periods, recruiting new colleagues, multifunctionality, attending meetings as team reps (based on their expertise), resolution of day-to-day problems, conflict resolution, new procedures internally and externally (based on guidelines from the judicial department), etc. You could say we have three groups in the team: believers (the majority of 60%), neutrals (30%), and constructive skeptics (10%). All have their role inside this way of doing things. It is constant hard work though, and sometimes two steps forward, one or two back. Nevertheless, among all people

involved, it is quite clear that not one of them truly wants to return to the old-school hierarchical style of getting things done.

InfoQ: How does the Belgian police organization benefit from using the teal paradigm?

Van Waeleghem: As in any organization, there is a direct positive outcome on absenteeism, sick leave, burnouts.... There is a much higher engagement towards each other, their job, and the organization, which also makes the team grow. There are still small conflicts due to some outside pressure on the task side and due to a shortage of staff in general. But because of a higher sense of belonging, they resolve conflicts much easier and there is a much higher benevolence to help each other out. This of course has its influence on the general productivity and openness towards other departments.

We also have the commitment of higher management to broaden this inside the whole organization in the next few years, making this our basic culture and putting a lot of renewed energy in a leadership and general culture transformation. In general, the police forces as a whole, once they start organizing themselves more like a network, could work much more efficiently and faster with direct information sharing, less bureaucracy, and much more focus on their true societal role instead of the polarized "them

Teal-oriented organizations think of themselves as living organisms; they are human centric and liberating for their employees, and look for the resourcefulness in humans rather than looking at them as resources.

and us" situation that police organizations find themselves in all over the world.

In essence, we are a part of society to help establish and maintain a safe environment for all. In these turbulent and VUCAP times – where the added P stands for "polarized". We cannot do this on our own, so we need to reach out to and be much more trustworthy towards the citizens we are doing this for. Transforming towards the teal paradigm can surely help to re-establish the trust that is surely needed to make this happen. As an example, I can only state this: if we want to counter the ISIS terrorist global network we will never be able to do it with old-school hierarchical methods and organizations. We therefore urgently need to evolve towards network organizations based on the expertise and professionalism of our own field people.

InfoQ: What advice do you have for organizations that want to adopt the teal paradigm?

Van Waeleghem: Never use it as a trick to get quick wins and to get even more out of already-high-pressured people. Do it out of true authenticity, and out of a people-centric mindset. Look at it as a sustainable, new, basic organizational culture and start transforming slowly in this way, always keeping the essential human values in view.

As a leader/manager, show yourself vulnerable and humble, show that you are worthy of the trust that you are giving and receiving, let go of controlling and convincing based on fear. It can set a good example when people in top positions are on a road to self-development and self-consciousness themselves.

Become an authentic and natural leader who inspires people to pick up or rediscover their own leadership capacities. Facilitate, advise, coach, give leeway, let people grow, and support them fully, even when they make mistakes. Look for other peers or people who can help you out with the why, how, what... or have yourself inspired by the numerous examples out there.

Do not think simple copy/paste is possible; use the models, systems, tools where necessary but never make a goal out of these and shape it towards your own organization and teams. Let people participate fully in this, communicate constantly, communicate in true transparency, read some basic books that can give you leads. But whatever you do: once you start, no matter how much hard work it might seem, keep following the hard and difficult road, never ever give up or return to old school methods (which is far too easy). It is worth all the trouble in the long run. Inspire others and truly keep believing you can do this all together.

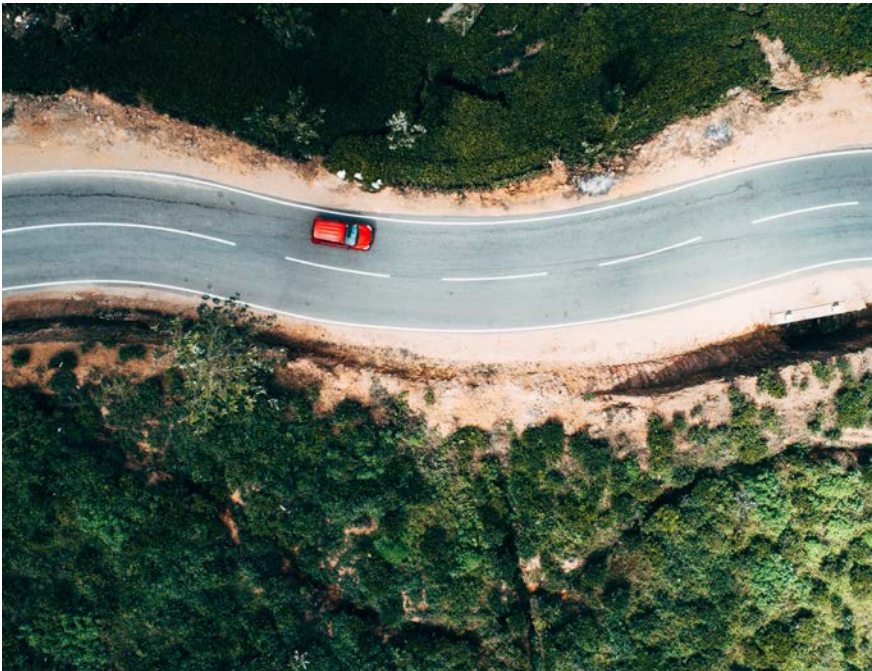
InfoQ: Where can readers go if they want to learn more about the teal paradigm and teal organizations?

Van Waeleghem: There is quite a lot of information in the cloud. You can read several books on this. To name some: [Reinventing Organizations](#) (Frederic Laloux), *Freedom Inc.* (Isaac Gets and Brian Carney), *Unboss* (Lars Kolind and Jacob Bøtter), *Maverick* and *The Seven-Day Weekend* (Ricardo Semler), *It's Your Ship* and following books (Mike Abrashoff), [Turn the Ship Around](#) (David Marquet), *Start with Why* (Simon Sinek), *More Than a Motorcycle* (Rich Teerlinck and Lee Ozley), *The End of Management and the Rise of Organizational Democracy* (Kenneth Cloke and Joan Goldsmith), and lots of other titles. You can also visit several websites (www.tealspirator.com, www.reinventingorganizations.com, www.freedomincbook.com), and lots of social-media groups and pages.

You can become a member of our [Teal for Teal international community](#) and meet likeminded people at our monthly meetings in several regional groups in 14 different countries. *Teal for Teal International* is a Belgium-based foundation that holds the mission to connect all teal dots.

Buurtzorg's Agile Journey Towards Teal

by **Ben Linders**, Trainer / Coach / Speaker



Buurtzorg, a Dutch nationwide nursing organization, operates entirely using self-managing practices. Teams are fully self-organized, and the organization has developed a culture in which these independent teams are supported by the back office. Their IT system was developed in an agile way to help teams deliver nursing care to their patients.

Ard Leferink, agile coach at Buurtzorg, spoke about the agile journey of Buurtzorg at the [Ag-](#)

[ile Consortium Belgium 2017 conference](#).

The Netherlands has a system which provides medical care at home from trained nurses. General practitioners (GPs) and hospital specialists can indicate the care a patient needs. Patients get this care through local organizations that employ nurses.

Buurtzorg was started by Jos de Blok in 2006. Working as a nurse, he felt that there were too many

rules and too often managers were telling nurses what to do and how to do it, which prevented nurses from carrying out their work in an effective way. He also felt that that this made medical care more expensive. He had a vision on how home nursing care could be done in a better way, by nurses working in self-organized teams.

Buurtzorg started with one team. There were people with different skills and roles within the team. Together, the team members would be able to give the care that their patients need. Leferink worked as a consultant for Buurtzorg to help teams start up.

Teams are fully self-organized. They plan and track the work that they do to deliver care to their patients, and they carry out the work. Teams also have their own education budget.

Every team has its own mobile phone. There wasn't and isn't a call center or central number at Buurtzorg. New teams visit GPs based on where their patients are and ask them to call the team if

there is anything they can help with. This is a first step in building a relationship between the team and a GP.

When teams grow to over 12 people, they are split up. This can be challenging at times, said Leferink, as people get used to working with other team members. However, in the end, teams manage to deal with this.

Currently, Buurtzorg has 9,000 employees in 900 teams. They have a back office with 50 employees and there are 20 coaches who support the teams.

It's important to have a culture of supporting independent teams in the back office. Creating such a culture is one thing; maintaining it is even more important and not always easy, said Leferink.

When Buurtzorg started out, there was no IT available that suited their needs. They decide to develop a cloud application that nurses could use to organize their work and get paid for the work that they did for their patients.

The first Buurtzorg nurses team worked together with a software engineer to create the system. The engineer worked in a way similar to Scrum, but instead of having sprints of one or two weeks they did six sprints in one week, said Leferink. The engineer listened to the team, and implemented the things they needed.

Nurses would call the engineer if they needed something that the system didn't have yet, and then the engineer would develop it and then check with the nurses if it suited their needs.

In the beginning, the business grew quickly. To facilitate growth, Buurtzorg had a double agile loop, consisting of agile IT development and agile business management. IT has to support the work of the teams. Leferink stated about the IT systems at Buurtzorg, "If Buurtzorg teams don't like it, it's not good enough."

Earlier, [InfoQ interviewed Fred-eric Laloux about Reinventing Organizations](#). He explained how Buurtzorg operates as a teal organization with an evolutionary purpose:

Buurtzorg is a spectacularly successful Dutch home-care organization that operates entirely in self-managing fashion.... It has a clear sense of purpose, but no strategic document, no three-year and one-year plans. Just like in a living system, innovations keep happening at the fringes, and if they prove to be successful, spread throughout the system.

There are no strategy meetings or other structured meeting, as there's no need for them, said Leferink. Nurses and back-office employees can see 24/7 what's happening in the organization.

From the start, Buurtzorg integrated social communication into their way of working. They established closed on-line communities where nurses could ask questions and learn from each other.

Working with other organizations as a consultant, Leferink sometimes hears people say that self-organization won't work for them as their organization does not have the right people. In this situation, he suggests to start self-organization with innovators and early adapters; his experience is that the rest will follow. In the end, there can be problems with laggards.

Sometimes, managers think that they can manage self-organization. You can't manage the new direction, said Leferink, you can only serve, guide, and cut complexity. Firing managers and expecting teams to take charge doesn't work. You have to work hard if your culture isn't social, he said. You can't schedule a culture change. Also, it can't be done without restructuring the back office, which is the most difficult part. Leferink advised starting with a minimum viable back office.

Self-organization isn't anarchy; you need a framework to make it work. The proof of the pudding is in the eating. Start doing it and see how it works for you, Leferink suggested.



MANAGING IN ORGANIZATIONS WITHOUT MANAGERS:

Self-Management in Action

by **Shane Hastie**, Director of Agile Learning Programs at ICAgile

At the 2018 [Agile People](#) conference in Stockholm, Doug Kirkpatrick presented a keynote talk and a deep-dive workshop about what it takes to adopt self-management in an organization. He defined self-management:

Self-management is the organizational philosophy represented by individuals freely and autonomously performing the traditional functions of management without mechanistic hierarchy or arbitrary, unilateral command authority over others.

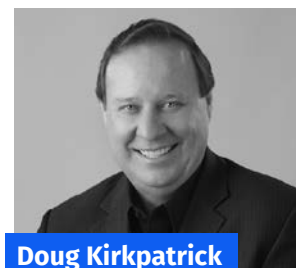
He stated that self-management is based on two simple principles: that individuals should not use force

against other people or property and that individuals should uphold the commitments they have made to others.

He says that these two principles are the foundation of all civil and criminal law, and that when people act in accordance with them, the result is a peaceful and harmonious society. When people work in organizations that apply these principles then they can become engaged, collaborative, and high-performing.

Kirkpatrick gave a brief history of where hierarchy came from, referring to American transcontinental railroad building in the 1800s. Coordination of the many thousands of people working across the continent

The Interviewee



Doug Kirkpatrick

Doug Kirkpatrick is an organizational change consultant, TEDx and keynote speaker, executive coach, author, and educator. He is a regular contributor to the Huffington Post blog on Great Work Cultures and the author of "Beyond Empowerment: The Age of the Self-Managed Organization."

required professional managers, and this became the basis for most management structures in the US for the following two centuries. In traditionally managed organizations, there is a clear demarcation between managers (who are the decision makers) and laborers, who must simply do what they are told. Job specialization is also a result of this approach.

These structures and approaches worked in organizations in the 19th and 20th century, with less and less effectiveness as the economy shifted from mechanistic work to knowledge work. The chronic [lack of engagement](#) and dissatisfaction in work is evidence that command and control management is not effective in the 21st century.

Self-management starts with a Colleague Letter of Understanding (CLOU); every person in the organization writes their own letter of understanding and agrees on it with the people they will interact with. The letter has two sections: Personal Commercial Mission and Process Accountabilities.

The Personal Commercial Mission section answers three questions:

1. Why do I want to work here?
2. What does excellence look like in my role?
3. How does what I do support the mission of the organization?

Process Accountabilities identify the specific tasks/activities the person will undertake, the decision rights associated with the activity, and the key performance indicators for that activity.

A key aspect is that this is written by the individual and agreed on with their colleagues – it is not a traditional job description written by someone else and handed down. When employing new people, the group of people who have identified the need may list the gaps that they feel need to be filled, but the person taking the role writes the CLOU.

This CLOU can change as the individual sees the need to change aspects of the work they do, and if they want to expand their responsibilities into other areas. This needs to be negotiated and agreed on with those who they work with or will work with in the new structure.

Conversations and decision making in self-managing organizations should be a flow of commitments: for a request, conditions of satisfaction are negotiated and clarified; for a promise, delivery is declared when the committer feels the work is done and the requestor declares the activity complete (or gives feedback that it is incomplete).

The network of commitments represents the ever-evolving structure of the organization. Kirkpatrick played a time-lapse video that showed how the com-

mitments formed a network that changed and evolved over time at [Morning Star](#), the self-managing organization he was first involved in.

On the vexing topic of compensation, he described how salaries are set at Morning Star, starting from identifying the industry norms for the role and paying at the top of the salary scale. They then add a percentage uplift because everyone is doing some of the activities which would otherwise be the responsibility of a manager (planning, organizing, coordinating, staffing, directing).

Kirkpatrick also explained (and in the workshop demonstrated via role play) a multistep dispute process which can be used when individuals disagree about an aspect of work or behavior. This starts with the two parties attempting to reach an agreement amongst themselves, escalating to include a single mediator, then escalating to a panel of mediators (in these two steps, the mediators can provide advice but cannot make decisions), and finally to an agreed-upon arbitrator who is given binding decision-making authority. He said that in Morning Star, the final arbitration process is only ever used a few times a year as people generally figure things out for themselves.

[Kirkpatrick's keynote talk](#) is available on YouTube along with all the other talks from the [conference](#).

Q&A ON THE BOOK

Many Voices, One Song: Shared Power with Sociocracy

by **Ben Linders**, Trainer / Coach / Speaker

The book [Many Voices, One Song: Shared Power with Sociocracy](#) by Ted Rau and Jerry Koch-Gonzalez provides a collection of sociocratic tools and principles and stories about applying sociocracy. It can be used as a reference for implementing sociocracy in organizations to establish self-governance.

InfoQ readers can download a [book sample](#).

InfoQ interviewed Rau and Koch-Gonzalez about what sociocracy is and isn't, how to teach and support the adoption of self-governance, how to structure organizations using sociocratic principles and practices, using objections in consent decision making, how feedback can drive change in organizations, what strategies can be used to implement sociocracy and how to choose between them.



The Authors



Jerry Koch-Gonzalez

is a long-time social-change activist who helps companies and organizations implement sociocracy to create adaptive and effective organizations where all members' voice matters. He is a consultant and certified trainer in both dynamic governance/sociocracy and compassionate communication (nonviolent communication), with a focus on governance, decision making, communication skills, and conflict resolution.



Ted Rau

is a linguist, videographer, singer-songwriter, parent, and cohousing resident. Rau has been teaching and supporting sociocracy in organizations for more than two years and holds leading positions in three different sociocratically run organizations.

InfoQ: What made you decide to write this book?

Ted Rau: Many of the people we trained asked for a comprehensive collection of sociocratic tools the way we teach them. We had a lot of great information in different places and it was time to gather it all in one spot.

Jerry Koch-Gonzalez: To give a boost to the spread of sociocracy. We wanted to share our excitement about what sociocracy can do to support equality and a more just society.

InfoQ: For whom is this book intended?

Koch-Gonzalez: It is intended to make it easier for people who want to implement sociocracy in their organization, as a reference book. One would not read the book in one sitting, cover to cover, but the intention is that people come back to it. It is for everybody who wants to learn, live, teach or share sociocracy.

Rau: It is for people who realize that they don't want to use the systems that we all grew up with. Those who grew up in command-and-control systems are longing for alternatives that are more connecting. In authoritarian, hierarchical systems, everything becomes about being in power. In other areas, many people are frustrated with majority vote and how it seems to invite people to be more divisive; every-

thing becomes about winning the election, not so much about content. And even consensus-run organizations often don't provide a way out. Consensus can be great, but often, it also becomes about ideological fights, wanting to be right. Divisiveness, being in power, winning, being right — those are all part of a paradigm that disconnects us, and people are tired of it.

We always ask people we work with how they found us, and sometimes they just say they were frustrated and were hopeful that the internet would show them better ways of working together that would feel better and still be effective.

InfoQ: What is sociocracy and what isn't it?

Rau: It is a governance system: a set of tools that makes sure we can work together, make important decisions together. Sociocracy comes with a decision-making method, consent, that is different from traditional consensus and different from most other formal methods we use. Sociocracy gives a lot of power to small teams so that people can go make things happen fast and in an unbureaucratic way. Sociocracy provides a way to link teams that work on their own project so they can coordinate between teams. It also is a way to learn and evolve because it supports a feedback-rich environment.

Koch-Gonzalez: The essence of sociocracy is *everyone included/ no one ignored*. It is a guiding framework for equivalence in policy making, workflow design and any organization where cooperation is a guiding principle.

It is not prescriptive, not set in stone. You can tailor it to your needs, your situation, and you can change it over time. It is also not a process for comprehensive personal transformation. To work best, sociocracy also needs the communication consciousness and skill offered by programs like Nonviolent Communication and an awareness of oppression dynamics. Sociocracy works without oppression but it doesn't undo historical and internalized power dynamics; those have to be addressed with awareness and intentionality.

InfoQ: How do you teach and support the adoption of self-governance based on sociocracy?

Koch-Gonzalez: With this book! We also offer online training that shows people in an immersion context how sociocracy is done in real life. We offer articles that put the practices in context, we offer a study group curriculum for starters.

Rau: Our preferred model is to be second line support: we train and support leaders in organizations so skills and knowledge around self-governance can spread in the organization. That works best

with regular check-ins to troubleshoot as the organization moves along. Self-governance has to be simple enough to do yourself or it's not self-governance! We help with the skills and the inspiration because our society does not have many role models. A reviewer called our book 300 pages of common sense, and that's really what it is. We hope that very soon, systems like sociocracy will be the new normal and then we'll be out of business!

InfoQ: How can we structure our organization using sociocratic principles and practices?

Rau: The starting point is to look at your organization and understand what areas can operate fairly autonomously. Those areas will be the basis for circles. If you need to divide the areas into smaller areas, you can easily use a fractal structure to divide them up more.

I always say we want to create circles that have the perfect fit: the goal is that in every meeting of that circle, every agenda item is relevant to everyone in the room. If a bunch of people are sitting through a meeting that does not mean anything to them, you need to rethink your circle structure or put more authority into roles.

Once we have our circles that are empowered to do work without having to circle back to the whole organization, we make

sure that we don't end up with silos. Each circle is connected to its parent circle by what we call double-linking: two people are members of both the child circle and the parent circle. That way, both know well what each circle is up to and no circle will make a decision that will harm the other.

Having two people instead of one changes the energy a lot. You have to imagine that: when for instance the leader reports from a parent circle meeting, the other link (the delegate), who was also at the meeting, hears the report as well. That alone will change the way they report. There will be more transparency and more self-responsibility in a system like that.

Koch-Gonzalez: It is important to have clarity about what the practical aim of the organization is. Design the organization to carry out the elements of what is needed to produce the product or deliver the service.

Delegate authority to act within their domain to the most elemental units of the organization. Having double-linking — linking top-down and bottom-up — creates a circular hierarchy instead of a top-down hierarchy. Learn and practice decision-making by consent at all levels. Generate and implement feedback processes for all aspects of the organization.

InfoQ: How can we use objections in consent decision making to improve decisions?

Koch-Gonzalez: Understanding objections is a central piece to sociocracy. In general, every circle will have an aim, which is a description of their work. This could be, for instance, onboarding new members for a membership circle. In order to improve the way we go about our work, we can make proposals. For instance, I could be making a proposal to move all the onboarding process onto a specific online platform. Depending on how the circle frames its work, this might be a policy decision, so the membership circle would have to consent to the proposal, which means that the proposal is only approved if no one has an objection. Let's say someone is concerned that this policy might make it easier for a membership circle to onboard new people but it also makes it harder for some new people to find their way in the new organization. Technically, this means that the circle member is concerned that we can't do our work — onboarding — as effectively with the proposal as is. The circle's task is now to integrate that objection — what can we do to harvest the information from that objection and include it in our proposal?

The way sociocracy looks at objections is constructive. In this example, it is clear that everyone is doing their best to perform

good work. That's what is driving the proposal, and it's also what's driving the objection. There is no right or wrong, no us against them. It's just all of us wanting to do good work.

Rau: And that's where skill comes in. Knowing the mindset behind objections is important to address them with the attention and care they require so we can make sure no one is slowed down in doing good work. However, we also need solid skills to resolve objections. What options are there to resolve objections? Of course, you can adjust the proposal. But there are more options: you can go ahead and try the new system out, with a short time frame — whatever time frame seems safe enough — while making sure to pay attention to agreed-upon metrics that tell you how it is going. Objections contain very valuable information of what we want to pay attention to. We can consent to running experiments so we can revisit the decision with more information. That way, we move forward in a safe way, we move together, and we learn more. It's truly win/win/win.

InfoQ: How can feedback drive change in organizations?

Rau: Feedback is everywhere if we choose to pay attention to it. In the example we just mentioned, our metrics will give us feedback. Besides metrics, there

is interpersonal feedback that helps us be more connected.

The more we know, the better we can do our work. That is true for what we know about each other, what we know about our work, and what we know about the way we work together.

Sociocracy provides natural points for giving each other feedback. The end of a meeting, the end of a project, policy reviews, performance reviews. Again, skills are important here. Feedback is only useful if it can be heard. If it cannot be received, for whatever reason, then the feedback will go unheard and it will not contribute to improving anything. If done poorly, feedback will even do more damage than good. With solid skills, it will be easier to be honest without being hurtful.

Koch-Gonzalez: Feedback generates information about what's effective — how can we do more of it? It also generates information of what is less than optimal and opens the opportunity for improvement.

InfoQ: What tips do you have for getting and giving effective feedback in circles?

Koch-Gonzalez: Feedback is most useful if it is specific. Describe in observational rather than judgmental terms the behavior that is of concern. Ground that in the impact that it has on

you or the organization's capacity to do its work. Clarify that the feedback that you've given has been heard the way you intended by asking something like "I want to make sure that what you've heard from me is what I intended to communicate. Would you be willing to tell me what you heard?" You can follow up by asking "what comes up for you when hearing this feedback?" Continue the conversation to reach mutual understanding and then mutually generate next steps. That's about personal feedback.

Rau: For roles, it starts with having clarity about what we are wanting from someone filling a role. That gives the person a good start into doing the work, and it gives us solid criteria to evaluate and improve. In giving feedback, it is important to keep in mind that it has to be mutual — it is not one side deciding top-down what is good enough. We need to be curious about what is under someone's behavior. We assume that people always do the best they can.

If an obstacle is mutually acknowledged, we're not on opposite sides anymore. Then we can be allies in resolving whatever stands in the way.

InfoQ: What strategies can be used to implement sociocracy and how to choose between them?

Rau: We prefer when organizations are driving the change themselves and form a team that learns a lot about governance first. That team will also be able to practice together and gain skills and their own experience. We often help those implementation circles in finding good information about governance, training individuals or groups in our online learning-by-doing classes so they get a feel for what sociocracy feels like and sounds like. It's more than a set of formats, it's a culture based on shared power.

That circle will provide information for the larger organization, train others and with the feedback from the larger organization, work out a proposal of how the circle structure might look to coordinate the work being done in the organization.

Facilitation is an extra skill that is worth spreading in the organization, beyond the implementation circle. Not everyone needs to be trained on an expert level, but everyone in the organization needs to understand how things work. The more people are trained, the more meetings will flow, work will be delegated well, feedback will be given and received better – good education creates the grease that helps things run more smoothly.

Koch-Gonzalez: An implementation can go top-down from a board deciding to imple-

ment sociocracy and creating a change team that involves a cross section of members of the organization to develop an implementation and roll-out plan. Another approach is to do small-scale experiments in one department or unit of the organization. Even in an organization that is not consciously open to trying out sociocracy, an individual can initiate processes that support hearing everyone's voice, for example by suggesting to do a round during a meeting, or small interventions like asking for a review date for criteria for review for a policy that is being adopted. For any work process that seems to be effective, ask for an exploration of what makes it effective so that lessons can be learned and therefore you model continuous learning.

InfoQ: [Where can people go if they want to learn more about sociocracy and ideas for applying it?](#)

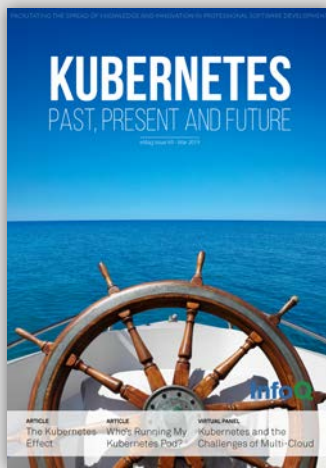
Koch-Gonzalez: All the processes are described on our website, and most comprehensively in the book, of course. We also have webinar recordings on our website, or look at upcoming events. We do telephone, online and in-person consultations; see [our website](#).

Rau: Some of our students write up case studies that usually help people, and I am active on Medium and social media.

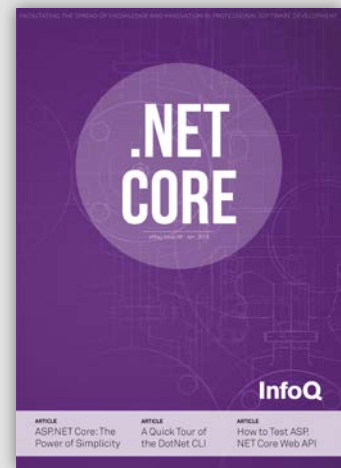
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