

Comparison of Sociocracy and Holacracy

by Sheella Mierson, Ph.D.* and Anna McGrath**



Similarities

Notes:

- *Some dimensions show up in both similarities and differences. A process or method could be similar in general between sociocracy and Holacracy, and be different as to when it is used or in some of the details.*
- *This table is not intended as a complete reference or introduction to either sociocracy or Holacracy.*

Dimension	
Equivalence	<p>In sociocracy language: Circle members function as peers in deciding how to accomplish the aim(s) of their circle and of the overall organization.</p> <p>In Holacracy language: Circle members function as peers to deliver on the purpose of the circle as well as the purpose of the overall organization.</p>
Transparency	<p>Direct access to all policy documents and records relating to one's work. No secrets! This supports equivalence, effectiveness, and responsibilities of co-leadership.</p>
Consent	<p>In sociocracy language: Consent is the basis for a policy decision. Consent exists when there are no remaining objections to a proposed policy. Objections are based on the aim(s) of the circle.</p> <p>In Holacracy language: A proposal is adopted in a governance meeting when there are no remaining objections. "No remaining objections" is what sociocracy calls consent, but Holacracy does not use the word. Objections are based on the purpose of the circle.</p>
Double-linked circles	<p>A double link between one circle and another is formed by two people who are full members of both circles.</p> <p>Double-linking ensures that information moves in both directions between circles and increases the integrity of</p>

	information transfer. Through double links, feedback travels throughout the structure of an organization.
Distributed leadership	Each circle has responsibility and authority for decision-making in its own domain of work. The domains are defined when the circles are set up, and can be modified as needed. The result is to distribute leadership throughout the organization.
Use of rounds	Each person has an opportunity to express themselves in turn without interruption by others, and with no cross-talk. A common format in circle meetings.
Integration of perspectives	Consent decision-making in sociocracy, or Integrative Decision-Making in Holacracy, serves to integrate multiple perspectives in coming to policy decisions. There is a clear process for this, and the steps are the same in sociocracy and Holacracy.
Selection for roles by consent	Circles elect people to roles by consent and with transparency. The steps in the process are clear and are nearly identical between sociocracy and Holacracy.

Differences

Dimension	Sociocracy	Holacracy
History and Operating System		
	<i>This description refers to the Sociocratic Circle-organization Method (SCM). What's described here is the default.</i>	<i>These are the default settings established by the Holacracy Constitution version 5.0. Note that all words with a definition in that Constitution are capitalized.</i>
	<p><i>Notes:</i></p> <ul style="list-style-type: none"> <i>Some of these dimensions are very similar in the SCM and in Holacracy. In this part of the table we are focusing on the differences within those dimensions.</i> <i>For some dimensions, a sociocratic organization can adopt practices that serve as the default for a Holacratic organization and vice versa, so that in practice the two may end up looking more similar to each other than the two defaults are.</i> 	
Origin	<ul style="list-style-type: none"> The term dates back to 1851. Gerard Endenburg developed it in its current form, the SCM, in the early 1970's. He was CEO of 	<ul style="list-style-type: none"> Brian Roberson developed it, from a handful of sources including the SCM, Agile methodology, and Integral Theory. He was founder and CEO of Ternary Software, a

	<p>Endenburg Elektrotechniek, an electrical engineering company in Rotterdam, the Netherlands.</p> <ul style="list-style-type: none"> • The word sociocracy is in the dictionary, and is not owned by any person or legal entity. 	<p>software company in Philadelphia, PA, USA. He coined the name in 2006.</p> <ul style="list-style-type: none"> • The term Holacracy is a registered trademark of HolacracyOne LLC. The Holacracy Constitution defines the method.
Selecting the governance system	<ul style="list-style-type: none"> • How an organization makes a decision to adopt sociocracy depends on the organization's culture and decision processes. • Once an organization has an operating agreement that says it will run sociocratically, a decision to stop using sociocracy is by consent of the circle that has the operating agreement in its domain – usually the top circle. 	<ul style="list-style-type: none"> • The Ratifier(s) (existing power holder(s)) adopts the Holacracy Constitution. • The decision to stop using Holacracy is by the Ratifier(s).
Who Makes Decisions and How		
Operational leader / Lead Link	<ul style="list-style-type: none"> • Selected by next broader circle by consent • Can hold any other roles in the circle except that of elected link from a subcircle. 	<ul style="list-style-type: none"> • Assigned by Lead Link of next broader Circle • May hold any other roles in the Circle except Rep Link or Facilitator
Strategy and measurements	<ul style="list-style-type: none"> • Set by the circle by consent • Sociocracy is designed to emphasize integrating perspectives for high-quality decisions for strategies and measurements. • Metrics, with time periods, are built into policies as they are created by a circle. 	<ul style="list-style-type: none"> • Defined by the Lead Link of each Circle. • Holacracy is designed with a bias for action. Roles are designed where possible to have the greatest level of autonomy, while being responsible to the circle. • Metrics are used to measure the work of each Circle and are defined by the Lead Link of each Circle.
Implementation		
Aspects of implementation	<ul style="list-style-type: none"> • The values, principles, structure, and processes are the starting point in implementing the SCM. The organization sets specific policies and details to suit their context and needs. There is flexibility from the beginning in the implementation, which may roll out differently for 	<ul style="list-style-type: none"> • The Holacracy Constitution defines the default settings used when implementing Holacracy. This is designed to speed initial implementation/adoption and to reduce the number of initial decisions that need to be made. Subsequently people are able to make informed decisions to make amendments in alignment with

	<p>each organization.</p> <ul style="list-style-type: none"> ● An organization creates an operating agreement (this may go by other names – bylaws, charter, constitution, etc.), which is a piece of policy like any other. This might happen from the start or after a trial period of using the SCM. Several sociocratic organizations offer sample bylaws that can be modified for any particular organization. 	<p>organizational purpose, roles, and culture.</p> <ul style="list-style-type: none"> ● Ratifying the Constitution is an early step in adopting Holacracy as the operating system. <ul style="list-style-type: none"> ○ Most aspects of Holacracy can be amended through the governance process. This makes the system extremely flexible, and effective once people understand the implications of the changes. ○ Intention: learn the what, why, and how of the system first before making immediate amendments that may be reinforcing outdated habits.
Miscellaneous		
Operational emphasis	Circles create policies to guide operational decisions.	Define roles to create the most effective level of autonomy for all.
Selected terminology	<ul style="list-style-type: none"> ● Top circle ● General circle or general management circle ● Operational leader ● Elected link or feedback link ● Policy meeting ● Operational meeting ● Consent decision-making process 	<ul style="list-style-type: none"> ● Anchor circle ● General Company Circle ● Circle Lead Link ● Circle Rep Link ● Governance meeting ● Tactical meeting ● Integrative Decision-Making Process
Agenda planning	<ul style="list-style-type: none"> ● Policy meetings: usually planned in advance, though on the fly is possible. However the agenda is planned, the circle consents to that agenda near the beginning of the meeting. ● Operational meetings: more commonly on the fly. 	<ul style="list-style-type: none"> ● Governance meetings: Tensions are populated at the beginning of the meeting and anyone can add throughout the meeting. Tensions can be submitted prior to the meeting through the GlassFrog® app or whatever system you are using to gather the agenda. ● Tactical meetings: agenda is populated at the beginning of the meeting and at any time during the meeting.
Make-up of top circle/board	<ul style="list-style-type: none"> ● Multi-stakeholder circle, includes the CEO/ED and elected link from the general circle. Could also include these: <ul style="list-style-type: none"> ○ Members that represent interests present in the organization (e.g., owners, investors) 	<ul style="list-style-type: none"> ● No set default ● If you implement Holacracy at the board level, the board is a multi-stakeholder circle that must include the General Company Circle Lead Link and Rep Link. ● Suggested other board members:

	<ul style="list-style-type: none"> ○ External members as links to the environment – for example legal, financial, SME, etc. ● If the full organization is to be sociocratic, that must include the top circle (which may be the same as the board). 	<ul style="list-style-type: none"> ○ Members that represent interests present in the organization (e.g., owners, investors) ○ External members as links to the environment ● Holacracy can be implemented at the board level or not.
Handling objections	<p>Handling objections is part of the consent decision-making process. Objections must relate to the circle's aim(s), and are different from personal preferences. Objections point out where a policy might interfere with achieving a circle's aim(s), or might lead to risks the circle or organization cannot afford to take. Objections are considered valuable feedback that may help improve a policy, and we actively solicit them. The focus is on discerning any value in the feedback, rather than on validating or invalidating the objection. What happens here is up to the facilitator and the circle as a whole. There are general guidelines, without a specific prescription. Once the objections have been collected, there are then multiple ways to attempt to resolve them, ending with a consent round for the final proposal.</p>	<p>How to handle Objections is defined in the Integrative Decision-Making process. Objections must relate to the organization/circle's purpose or a specific role's purpose or accountabilities, and are different from personal preferences. Objections are considered valuable feedback and welcomed to ensure a governance proposal does not cause harm or move the circle backwards. The Facilitator tests for validity of the objections with one or more pre-defined questions. Once the objections have been captured, circle members can propose amendments to address the original tension of the proposer and the Objection(s) of the Objector. When the proposal addresses the original tension and the Objection(s), the Facilitator leads a final Objection round. Some experience this approach as robotic, and others freeing as they can trust the clearly defined process.</p>
Performance improvement	<p>Performance review, aka role review. This is done in a circle, based on the job description of the person being reviewed. That person then writes a development plan, which goes to their circle for consent.</p>	<p>The organization chooses the development and/or review processes once clear roles have been established via the Governance meeting (Integrative Decision-Making process). Or they evaluate their current development process to see if they are effectively measuring the capacities they are looking to build.</p>
Selection for roles	<ul style="list-style-type: none"> ● Circles elect people to functions, tasks, and roles by consent and with transparency, using the sociocratic election process ● After the nomination round and then the change round, the facilitator proposes the candidate 	<ul style="list-style-type: none"> ● Circles use the election process for the Facilitator, Secretary, and Rep Link roles. The Lead Link assigns all other roles. A circle may adopt a policy to use the election process to fill other roles. ● For the election process: After the nomination round and then the change round, the Facilitator proposes the

	with the strongest arguments relative to qualifications and responsibilities as defined by the role description. That proposal then goes through a consent round.	candidate with the highest number of nominations and then facilitates an objection round.
Workflow analysis	Input-transformation-output is fundamental to the SCM.	No default specification
Operational meetings	Operational meeting format not prescribed – is at discretion of operational leader	Set format for tactical meetings

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For other comparisons between these two systems, see [Holacracy and sociocracy](#) by Ted Rau; and [Sociocracy and Holacracy through a human organization lens](#) by Emanuele Quintarelli, with the [slides](#) given separately.