

LIVING BETTER WITH DYNAMIC GOVERNANCE

by Ted Millich

A proven, practical, and egalitarian organizing method with superior outcomes that any group—including competitive businesses—can use.

THE SEARCH BEGINS

Paul Kervick didn't know what to do. Kervick, president of the non-profit Awakening Sanctuary, was eager to start a cutting-edge community in the heart of Burlington, Vt., where a private Catholic college had closed its doors. He envisioned an eco-village of sorts, complete with holistic medicine, housing for the homeless, innovative programs in elder care, and community gardens. Awakening Sanctuary was part of a coalition of over a dozen organizations that came together to create a proposal on how the community should be. But early on, when the question came up as to who would make decisions and how, Kervick didn't know what methods to use.



Paul Kervick

He believed that the envisioned community needed different organizing principles than those commonly used around the world today because traditional systems such as “command-and-control” and the “top-down” method of governance allow power to become too centralized. Along with others from the coalition, Kervick began to look for an alternative governing method. When one of the non-profit’s board members mentioned a consultant in Washington, D.C. named John Buck, who was teaching a highly effective organizational method called “dynamic governance,” Kervick jumped at the chance to contact him.

Buck, fresh out of college in the mid-1960s, had gotten a technical job at a large aircraft manufacturer.

It was working at this company that sparked his interest in more egalitarian organizational styles—he was tired of feeling like “a servant” to his superiors. “It affected me at a really deep level,” Buck says. “I started researching, looking for companies that honor democratic values.”

Frustratingly, his research didn’t reveal any systems that Buck found particularly illuminating. But then, while on business in the Netherlands in the early 1980s, Buck happened to meet Gerard Endenburg. For the previous twenty years, Endenburg had been pioneering a method he referred to as “sociocracy” for the governance of his electronics company. Endenburg explained his method to Buck. Almost immediately, Buck knew that Endenburg “was onto something.”

THE BIRTH OF SOCIOCRACY

Gerard Endenburg went to a unique high school where he learned how to solve problems in novel ways and discovered that he could be proactive and influence his world. After training as an electronics engineer, Endenburg decided that he wanted to become a businessman—not simply to make money, but to change the business world. He recognized that it was an area in need of improvement, and he wanted to create a better way to manage businesses.

Endenburg took over a failing electronics company in the 1950s and made it profitable within a year. But this alone wasn’t enough for him. In the 1960s, when he had 165 employees, Endenburg began to apply newly-developed scientific knowledge from the areas of cybernetics, chaos theory, systems theory,

electronics, and other disciplines to human organizations. He recognized that many leaders around the world were highly skilled at steering mechanical systems, but had yet to master steering social systems.

He began to adapt his technical knowledge to social life. Using trial and error, Endenburg spent years developing a system that is fully functioning, adaptable to any kind of group of any size, has great outcomes, and has the byproduct of encouraging people to grow and change. He named it the “Sociocratic Circle Organization Method,” or “Sociocracy.” In the U.S. we also call it “dynamic governance,” or simply “DG.” Endenburg started the Dutch Sociocracy Center in the Netherlands in 1978, which today trains consultants in standardized practices.



Gerard Endenburg as a young mechanic

After hearing about Endenburg’s novel approach to organization, Buck was hooked. He learned to read Dutch and earned a master’s degree comparing enterprises in the Netherlands that were using DG and those that were not. Later, he became a certified consultant. Then Kervick found him.

LIVING WELL IN VERMONT

Kervick, like Buck, was immediately smitten with the idea of dynamic governance. “I went to a Quaker high school. I’ve been a deacon in church. I’ve run a manufacturing business for many years. I was in the Navy. I’ve experienced a lot of different ways to make decisions and organize. DG is the most advanced decision-making organizing method I’ve ever found,” Kervick explains. “Since different methods create different outcomes, *I think it’s important for the leadership in an organization to really understand and commit to the governing method they’re going to use.*”

Unfortunately, Kervick’s dream to create a holistic community did not materialize. But then, one week after the coalition’s proposal to buy the property was rejected, Dee DeLuca, a friend of Kervick’s with 30 years of business experience, discovered Bristol House—a Level III eldercare facility in danger of dissolving. Within 10 days, DeLuca had found enough investors to buy the home from its weary former owner. Kervick and Awakening Sanctuary became involved in the project as well.



Dee DeLuca

DeLuca would only have gotten on board if the project was committed to using DG. Earlier, when she first attended DG training sessions with Kervick, she “could see immediately that this was the piece that was missing from all of the different organizational models that I was aware of.” Kervick also knew without a doubt that he wanted DG to be the Bristol House’s new form of governance.

Bristol House was renamed “Living Well.” In the beginning, Kervick found operating under the principles of DG quite challenging. The home’s staff members were used to working under a definitive

“boss,” and some quit because they were uncomfortable not having someone “tell them what to do,” as Kervick puts it. With DG, “everyone has a voice in setting policy, a voice that cannot be ignored,” Kervick says. This “is hugely different from any other kind of system I have ever seen or experienced. ... It’s scary for some people.”

Over time, with support and education, Living Well’s staff learned to rise to the challenge of operating under DG. Now staff members are flourishing in the “circle environment” that DG provides. Kervick says they are making policy decisions that are good for the organization that he, as a manager, would not have come up with on his own.

The transformation of a team from passive rule-followers to proactive rule-makers is the biggest concern of the Dutch Sociocracy Center. Pieter van de Meche, a consultant at the Center, believes that the transition cannot be rushed or forced. Some people show resistance to DG at first, he explains, because its egalitarian values are different from those of Western culture. It can take time and courage for a person to truly grasp what it means to be equivalent to others, van de Meche says. But once they get used to DG, “it encourages them to grow—to grow as a person, as a human being.”

HOW DOES IT WORK?

There are four main elements of dynamic governance:

Consent Decision-Making

Double Linking

Circle Process

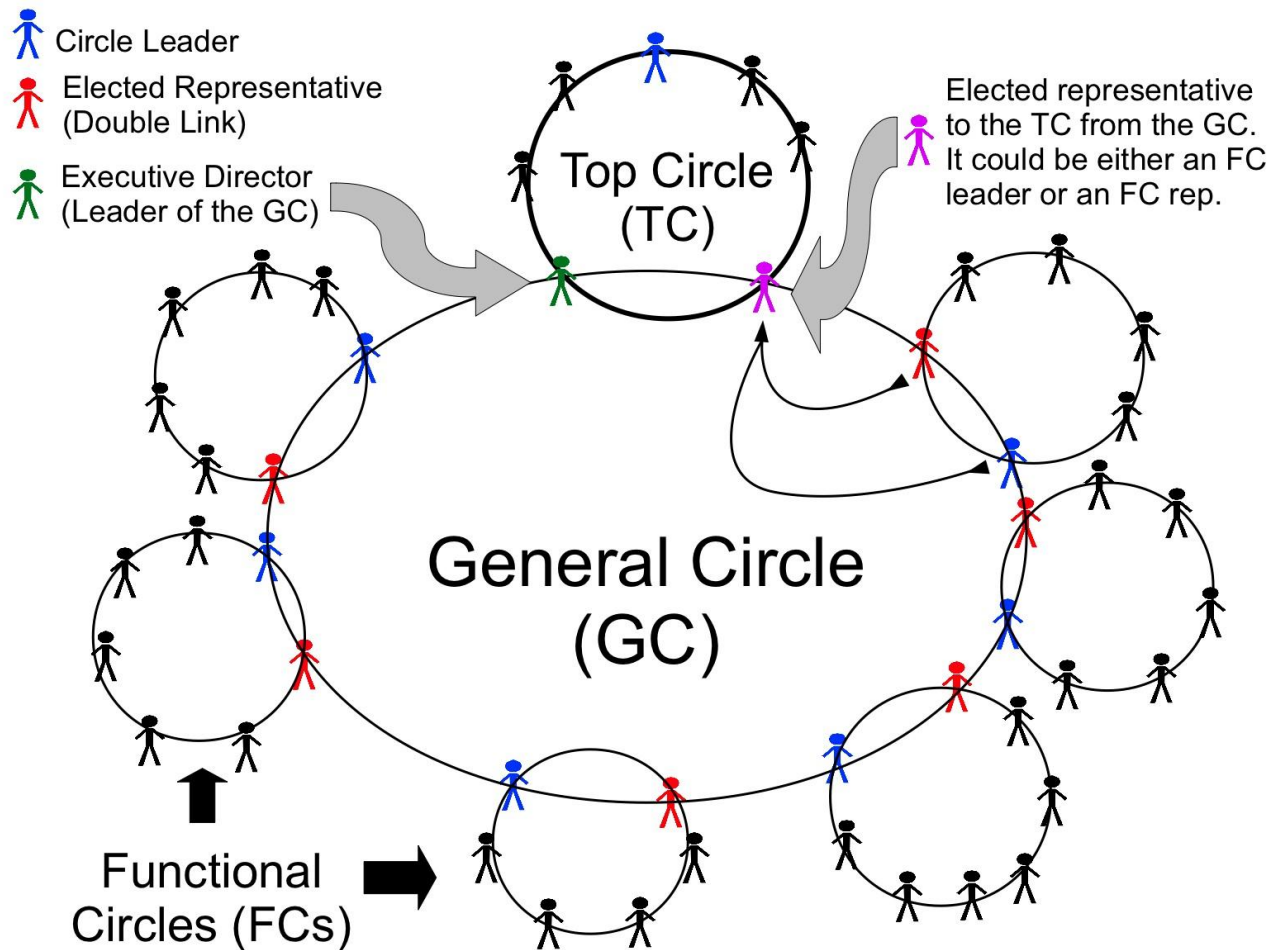
Elections by Consent

Consent Decision-Making is for policymaking and not necessarily for operational, day-to-day decisions. If a person has no “paramount objection” to a proposed new policy, he or she may “consent.” If the proposal doesn't work for that person, he or she may “object.” To object, one must say how the policy is not a good idea and will negatively affect the goals of the group. These objections are used to amend the proposal until there are no further objections. Everyone present takes turns speaking in “rounds,” which gives each person multiple opportunities to voice his or her opinions without discussion or comment.

Double Linking is perhaps Gerard's most extraordinary innovation. In DG, organizations are made up of “circles.” Departments, or “functional circles,” are at the bottom. The “general circle,” made up of the CEO and the department heads and representatives elected from each department, is the circle responsible for running the enterprise and is in the middle. The “top circle,” a group that functions like a board of directors, and that includes the executive director, a representative from the general circle, and members from outside the enterprise—e.g. business consultants, retired executives from the same industry, and a DG consultant—is at the top. See diagram below. There may additional layers of hierarchy depending on the size and complexity of the organization.

In traditional enterprises, power and information usually only flow downward. In DG, the leader and elected representative from each functional circle are actually part of the general circle. The executive director, who is the head of the general circle, and a representative from the general circle are part of the top circle. Each can voice their opinions and choose not to consent to a decision being made by that circle, making them and those in lower circles as powerful as those in higher circles.

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Dynamic circle structure with just three layers of hierarchy. A sociocratic enterprise can have any number of levels, depending on the size and complexity of the organization.

The **Circle Process**, the work process of each circle, is utilized by every circle within a DG organization, and is guided by the terms “Decide,” “Do,” and “Measure.” Measurement, intrinsic to the work process, is an important aspect of DG as it requires a group to assess the results of its decisions. Every time a group “decides” on and implements a policy change, the members set a date to evaluate information on how it has affected their circle or the organization. At that time, the members will examine the information and discuss whether they are satisfied with the results of their decision. They keep logbooks to record policy changes.

Every DG enterprise regularly updates its written “vision,” “mission,” and “aim” statements. These provide criteria for evaluating proposals and objections.

Elections by Consent is a process utilized by all of the people in any given circle and is used to elect double link representatives, facilitators, note-takers and key operational assignments. Elections use an adapted consent process and are usually described as fun, with no one feeling like they “lost” in any way. Both consent elections and consent decision-making bring up information and opinions that are valuable in building the circle's expertise and trust.

CONSENT AND CONSENSUS DECISION-MAKING

Many people are familiar with consensus decision-making and may wonder how it differs from consent decision-making as it is used in DG. The two are similar in that both are alternatives to majority rule and other methods that can disregard people's opinions.

According to John Buck and Sharon Villines in their book, *We The People – Consenting to a Deeper Democracy – A Guide to Sociocratic Principles and Methods* (2007), definitions of consensus vary. Some define consensus as meaning that they will say “yes” to a proposal only if they *completely agree*, with a low tolerance for what they don't agree with. Others define it to mean that they agree to say “yes” to a proposal if they *can live with it*, with a higher tolerance for what they don't completely agree with. The second is closer to the use of consent in DG.

An additional distinction is that while consensus is a decision-making process, consent in DG is supported by a complete governance structure. Often large groups that use consensus are governed by the whole membership, creating unwieldy and long meetings. The structure in DG of having a general circle that steers the organization using representatives limits the number of people who need to meet at one time.

WHO'S USING IT?

Thousands of enterprises of all sizes around the world now use DG. The healthcare services industry was one of the first to proactively look for ideas related to healthy human functioning and mental health as a society, and thus have become early adopters of DG. The Center for Non-Violent Communication has adopted a modified form of DG and many of its supporting organizations around the world use it. The U.S. Green Building Council, a rapidly growing national network of 15,000 organizations, has been training its chapters across the country to use DG, as well.

Other organizations that thrive under this method of governance are as diverse as an electrical contracting company, a municipal police department, a chain of hairdressing shops, public and private schools and universities, numerous co-housing groups and other intentional communities, a Buddhist radio station, an agribusiness, a plastics manufacturer, a Sufi community, and a variety of health care facilities.

Piet Slieker, CEO of Endenburg Electronics, recently said, “We have been working since 1970 with sociocracy. Sociocracy will never disappear from Endenburg Electronics—never!—because it's the best system you can have.”

Business people especially value DG because dispersed empowerment has so many benefits for them: more efficient operations, lower employee turnover, more enthusiasm and commitment from team members, fewer sick days taken, better safety records, a sustainable structure for continuity, faster adaptation to a changing environment, more creativity and innovation, a clearer focus on aims and goals, fewer and shorter meetings with better decisions, a sense of being energized after meetings, and better relationships with clients. These outcomes have been reported *time and time again* by enterprises using DG.



Living Well

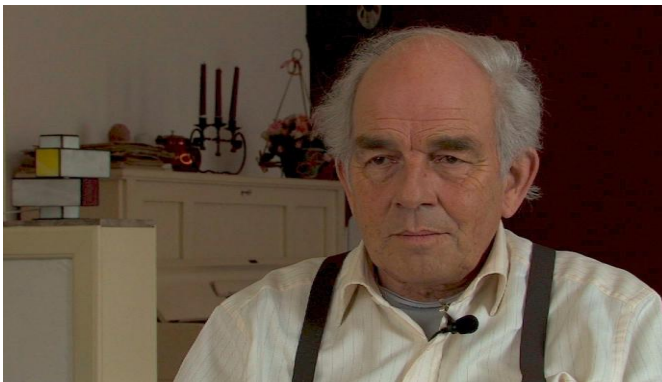
LESSONS FROM *LIVING WELL*

When asked to speak about what she sees as the “core” of dynamic governance, DeLuca says that DG allows access to human creative potential that generally “goes completely untapped.” “My experience in business is that easily 90% of what is possible for folks to be engaged in at work never even comes on the radar screen,” DeLuca explains. “It never gets an opportunity.”

“People here are involved,” she continues. “They're having a great time, and they're getting a very challenging job done. Here we are, new to the long-term care industry, and we're managing to get these outstanding results in terms of taking care of the clients—they're getting *better*, which historically has never been the case with a Level III facility.”

Kervick couldn't agree more with DeLuca's positive feelings about what DG has done for Living Well. “I'd say at the end of 100% of the meetings we have, everyone says, 'My goodness! I feel so much more energized,'” he marvels. “People are energized because they're *empowered*.”

Living Well earned the “2008 Governor's Excellence Award, Program Champion” by the Governor's Commission on Healthy Aging, and DeLuca won an “Administrator of the Year” award for residential care homes from the state of Vermont in 2009. Then in 2010 Living Well received employer of the year for hiring the disabled and an employee award for the accomplishment of obtaining a good job from the Vermont Department of Vocational Rehabilitation. Their successes have encouraged them to become consultants in order to be a resource on dynamic governance and holistic health care for others.



Gerard Endenburg

A WORLD IN NEED

Kervick observes, “The planet's in trouble. The government's in trouble. The monetary system's in trouble. It's a sign that the organizing principles are not adequate. They are not in alignment with life. To me, it seems like sociocracy has the most alignment with humanity. *I really feel that sociocracy is an important tool that can help this transition we're going through on a planetary scale.*”

Endenburg, now a professor at the University of Maastricht, envisions governments using sociocracy. In Endenburg's opinion, sociocracy is a vital tool for dealing with the problems that humanity currently faces—and those that we have yet to face. “The power of creativity is enormous and we are ignoring creativity, not in a technical way, but in a social way,” he says. “Are we killing this earth? I don't know. Perhaps. Perhaps not. But we can bring in our creativity and we can solve all *sorts* of problems. There is not a problem we cannot solve.”

Dynamic governance is a system that brings its users an incredible array of benefits. Those working and thriving under it are more empowered—and, as a result, happier. DG is culture-changing in its ability to make people equivalent in power. It fundamentally changes power dynamics. Consider learning more about DG and how it can bring about positive change in our schools, churches, businesses, governments, and even families.

For more information about dynamic governance, see www.sociocracyconsulting.com or write to contact@sociocracyconsulting.com.

Author **Ted Millich** learned about dynamic governance from sociocracy consultant John Buck. He traveled to the Netherlands to interview members of the Dutch Sociocracy Center, plus CEOs and staff of

Dutch organizations that use sociocracy. He also interviewed sociocrats in Vermont; Washington, D.C.; and Charlottesville, Virginia, USA, where he lives. The result is a 28-minute video called “Introduction to Sociocracy,” on his website at www.beyonddemocracythefilm.com.

SUMMARY OF DYNAMIC GOVERNANCE

Dynamic governance is a proven, practical, and egalitarian organizing method with superior outcomes that any group—including competitive businesses—can use.

Thousands of enterprises of all sizes around the world now use DG. The organizations that thrive under this method of governance are diverse:

- an electrical contracting company
- a municipal police department
- a chain of hairdressing shops
- public and private schools and universities
- numerous co-housing groups and other intentional communities
- a Buddhist radio station
- an agribusiness
- a plastics manufacturer
- a Sufi organization
- and a variety of health care facilities

There are four main elements to the process:

1. A decision-making method (for creating policy) – Consent Decision-Making.
2. The work process for a department to use – the Circle Process.
3. A way to connect to other levels in the hierarchy – Double Linking.
4. A way to choose people for certain jobs – Elections by Consent.

The organizational structure is made up of circles:

- Department Circles are at the bottom.
- The General Circle, responsible for running the enterprise, is in the middle.
- The Top Circle, a group that functions like a board of directors, is at the top.
- Other layers of hierarchy may exist, depending on the size and complexity of the organization.

Enterprises using DG experience key benefits:

- more efficient operations
- lower employee turnover
- more enthusiasm and commitment
- fewer sick days taken
- better safety records
- sustainable structure for continuity
- faster adaption to a changing environment
- more creativity and innovation
- clearer focus on aims and goals
- shorter and fewer meetings with better decisions; a sense of being energized after meetings
- better relationships with clients
- happier, more empowered team members