TOWARDS THE SOCIOCRATIC ORGANIZATION MODEL

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Introduction

Significant changes have been observed in the approach to organization management over the last twenty years. What happens is a systematic departure from hierarchical structures, increased flexibility of operations, delegation of authority, development of employees' initiative, importance attached to values. These solutions involve different management concepts which are being created in business practice. The most important of them include: agile manufacturing, process management, teal organization, knowledge management, lean management. A common feature of the aforementioned concepts is the key role of human resources and operational flexibility. Most contemporary management concepts that refer to these assumptions utilise various elements of self-organization. The change happening in this respect points to a transformation of contemporary organizations towards a new model, which is often defined as sociocratic. The main thesis of the article is the statement: the contemporary organization's management model evolves towards sociocracy. The aim of the article is to present the development of the discussed approach in the last twenty years against the background of other, related management concepts. The analysis has been based on bibliometric research. The article also presents the genesis and essence of the sociocratic organization. Opportunities and threats related to the dissemination of this model have also been discussed in it.

Genesis and essence of sociocracy

The term „sociocracy" literally means the „rule of companions". The term was created as a result of merging the words „socius" (from Latin), meaning „companion, friend", and „krátos" (from Greek), meaning „strength, violence" (*Słownik Wyrazów Obcych*, 2002).

The genesis of the idea of sociocracy is quite old. This term was used for the first time in 1851 by the French philosopher August Comte, the creator of positivism and sociology. He referred this term to his concept of ruling, whereby the power would be entrusted to experts (whom he called „sociologists"), who would be using scientific methods. In his opinion, such a governance model would contribute to better satisfaction of people's needs than in the case of majority governments (Buck, Endenburg, 2012, p. 4). A successor of August Comte's idea was the American sociologist Lester Frank Ward, who defined sociocracy as a higher form of governance as compared to democracy. This results from replacing the emotional and partisan nature of democratic governments with a more effective, unemotional, and scientific discussion over problems (Chriss, 2006, p. 15).

However, the popularisation of the sociocracy idea in management is attributed to Gerard Edenburg, a Dutch entrepreneur, who, in the 1970s developed and implemented the method of sociocratic organizational circles in his company (*The Sociocratic Circle Organization Method – SCM*) (Romme, 1995, p. 213).

A direct inspiration for Endenburg was experience of the Dutch pedagogue – reformer, Cornelis (Kees) Boeke. In 1926 he established a school with a dormitory, where he applied a sociocracy-based management model. The employees and school students were treated as equal partners in the school management process. All the decisions were made on the principle of consent. This allowed school students' creativity and commitment to be developed, as a result increasing the effectiveness of the education process (Buck, Villines, 2007, p. 191). It is also worth noting that Gerard Endenburg was this school's student.

Developed in the 1970s by Gerard Endenburg, the sociocratic circles method (SCM), which he implemented in his company Edenburg Elektrotechniek, was integrating Boeke's sociocracy with engineering and cybernetics. This concept contributed to increased satisfaction of the employees, their higher identification with the company and resulted in a higher quality of the services provided (Romme, Reijmer, 1996). However, the idea of sociocratic organization was broadly popularised no sooner than in 2000, thanks to a book by Sharon Villines and John Buck „We the People" (Buck, Villines, 2007). This book, originally published in English, has also been translated into other languages, contributing to the sociocratic organization idea being disseminated in many countries.

Presently, the popularisation of the sociocracy concept in management can be attributed, to a significant extent, to three consultants: James Priest, Bernhard Bockelbrink and Liliana David, who, in March 2015, opened a website called Sociocracy 3.0., containing a collection of educational resources, explaining the principles of implementing sociocratic management. These resources are made available under a Creative Commons Free Culture license (Bockelbrink et al., 2020).

The assumptions of sociocracy have also been used in the holacracy concept developed by B. Robertson, the owner of an IT company Ternary Software from Pennsylvania. It may be assumed that holacracy constitutes its elaboration and formalisation. Presently, B. Robertson is the owner of a consulting company HolacracyOne, dealing with holacracy implementation in business (Krasulja et al., 2016, p. 191; Robertson, 2015).

Principles of sociocratic organization

The sociocratic organization concept is based on four main elements:
- collective decision making on the basis of „consent",
- organizational structure in the form of autonomous circles,
- double linked circles,
- variability of employees' roles (Eckstein, 2016, p. 1).

In the sociocratic organization model, decisions are made collectively, on the principle of consent. Both current affairs and directions of strategic activities are subject to team discussion. All the participants in such discussion can report proposed solutions. The solution being implemented is the one against which the meeting participants do not report any constructive objections, namely are not able to present a better proposal. Such a solution is deemed approved by all. This approach is better than the compromise-based one. Achieving a compromise normally requires resignation from some of the expectations by each of the parties. The solution obtained in this way is not optimal from the point of view of the organization. It solely serves satisfaction of the needs of specific groups (Romme, 1996, p. 70).

Decisions made on the principle of consent are often mistaken with consensus. However, consensus requires acceptance of a specific solution by all. In the conditions of the organization, such a situation is very difficult and often almost impossible to achieve.

The second element of sociocracy is replacement of the hierarchical structure with autonomous groups, referred to as „circles". The smallest circles are formed by employees with different competences, who have assigned roles. These circles are elements of larger wholes – superior circles (circles of departments, divisions, or the circle of the entire

organization). Circles are created as necessary. Some circles are permanent, on the other hand, some exist only until the goal assumed when they were created has been achieved. Circles in sociocracy are autonomous with regard to the objectives and tasks assigned to them. All decisions within the circle are made collectively during meetings held on a regular basis. Any operations of the circles are performed in three stages: leading, implementation, measurement. The circles are „double linked". Two persons from the lower circle are at the same time members of the lower circle. These are: the person responsible for controlling the performance of the lower circle and a representative of the lower circle. The person supervising the performance of the lower circle is appointed by the higher circle, on the other hand, the second member is appointed by the lower circle. This solution ensures the lower circle's possibility to influence decisions of the higher circle as well as control performance of the lower circle (Romme, 1998, p. 160) (Figure 1).

Within the circle the employees perform specific roles, which are assigned to them by the team (circle participants), depending on their individual competences. There is no boss. An employee can perform several roles at the same time (Eckstein, Buck, 2018, p. 35–38).

The presented solutions allow for the achievement of seven primary principles of the sociocratic organization:
- effectiveness – devoting time only to what brings the organization closer to achieving the assumed goals;
- consent – taking actions against which there is no constructive objection. No such objection is treated as acceptance for the action;
- empiricism – verifying assumptions in action;
- continuous improvement – continuous improvement on the basis of conclusions from practice;
- equivalence – ensuring each employee's real influence on the organization, regardless of the role served;
- transparency – information openness. Informing the employees about all the actions and decisions concerning the organization. Limitations in this regard are only concerned with confidential matters;
- accountability – responsibility of all the employees for their activities and for the whole organization and its development. Expecting that the employees will respond in any disturbing situation, not only in matters that relate to them directly (Bockelbrink et al., 2020).
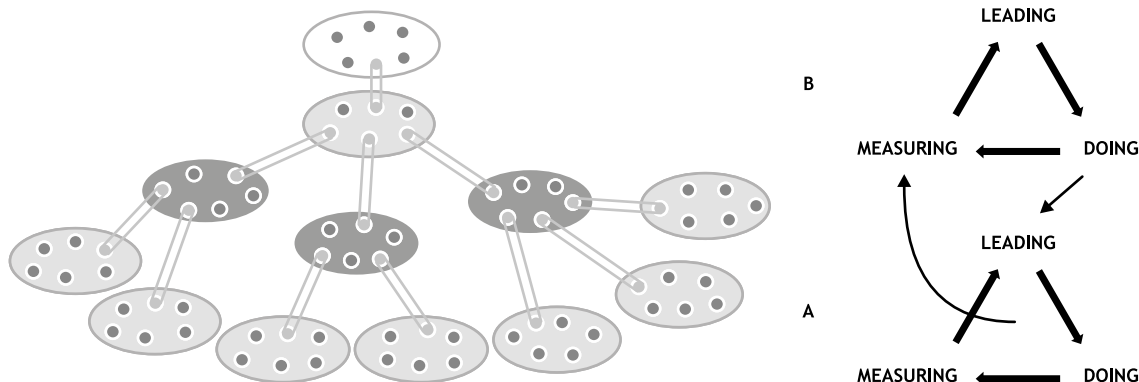

Figure 1. Double-linked organizational structure
Source: based on: Romme, 1995; Buck, Villines, 2007

The implementation of the presented principles requires an organization to be significantly formalised. Usually, it is achieved by creating detailed internal regulations, often defined as the organization's constitution. They describe the method of making decisions, allocating the roles as well as the way of conduct in untypical situations. Over time, when the management model is consolidated in the organization, such regulations cease to play a critical role.

Sociocracy as compared to other management concepts

The assumptions of sociocracy are consistent with multiple contemporary, recently developed management concepts. The most important of them include: agile project management and teal organization. Under these concepts, many detailed methodical solutions have been created, such as: scrum, podularity model, parallel teams or web of individual contracting which also utilise the assumptions of sociocracy. To a significant extent, the sociocracy idea corresponds to Jidoka, which is the tool of Lean Management.

Agile project management consists in a departure from the traditional scheme of cascade action and its substitution by an incremental performance, based on the current interaction with the customer. In the agile approach there is no action plan. What is only known is the overall goal, the achievement of which is the aim of the team or teams involved in performing the project. Decomposition of the goal into partial ones as well as task division and work organization are subject to team members' decisions. Leadership in the team is changing and depends on the task that is being performed. The team members independently set each other tasks to be performed, and mutually settle their work. A very important element in teamwork is direct, daily communication, in the form of a meeting summing up the achievements and determining further goals. The main assumptions for action under these conditions are: people and interactions over processes and tools, operating software over comprehensive documentation, cooperation with the customer over formal determinations, responding to changes over action according to the plan (*Manifesto for Agile Software Development*, 2017).

The assumptions of sociocracy have also been used in the teal organization concept. Its authorship is attributed to the Belgian politician – F. Laloux, the author of the book: *Reinventing Organizations*, in which he presented the assumptions of the discussed concept (Laloux, 2015). Laloux presents the teal organization idea as a contemporary phase in the development of organizational systems. He describes these phases using colours. teal organization is the contemporary, most advanced organizational solution, based on self-organization, where, thanks to common values, trust, cooperation, partnership and creating self-realisation opportunities, it is possible to achieve effects which could not have been achieved with the traditional, hierarchical management model (Blikle, 2017, p. 20).

Autonomous teams and collectivism in making decisions are also the main assumptions of Jidoka in Lean Management. This concept consists in delegation of the accountability for processes and their development to their direct performers. However, the teams responsible for particular processes have a high level of autonomy. They decide both about the current process performance as well as changes and improvement. All the decisions are made collectively. The employees are expected to demonstrate a high level of accountability not only for the area which applies to them directly, but also for the whole organization (Ćwiklicki, Walczak, 2009, p. 54).

The presented concepts demonstrate many common features with sociocracy. In particular, they include: autonomous teams, collectivism in making decisions, variable employee roles, open communication, self-management. The sociocracy model, popularised by James Priest, Bernhard Bockelbrink and Liliana David, defined as Sociocracy 3.0, at the same time utilises some elements of „later" concepts, such as: agile management, or Lean Management (Bockelbrink et al., 2020). These concepts should therefore be considered as two-way related, confirming their high mutual dependence.

The literature indicates the following as the main advantages of the sociocratic organization model: promotion of creativity and problem solving in the organization, increased adaptation capability, involving all members of the organization, higher awareness of costs, employee identification with the company and a sense of community, smaller likelihood of professional burnout, development of employees' leadership competences, self-discipline. On the other hand, the limitations of the discussed concept are: necessary careful implementation, fuzzy responsibility, a sense of chaos, formalisation at the initial stage of functioning, intense emotions (Buck, Endenburg, 2012, p. 21).

The sociocratic organization concept in the light of bibliometric studies

Research method

The assessment of development of the sociocracy concept was conducted on the basis of bibliometric studies. The bibliometric study was focused around the term sociocracy and related ones, referring to the related management concepts and methods. They included: holacracy, self-organization as well as: nested teams, parallel teams, web of individual contracting, teal organization, podularity, agile, scrum.

The data for the analysis was collected between 12 and 31 October 2020. Ebsco databases were used as the source of data (access through the Main Library of the University of Economics) and Google Scholar. The study covered the years 2000–2019 (for 2020 there was a visible decrease in the number of publications for all the analysed terms, resulting from the year being unfinished and the fact that not all the works have been already published as well as delays in posting certain publications in the databases). The study was conducted in English.

Two major problems were identified within the analysis of the term self-organization. The first one are two spelling variants of this term in English: self-organization (American English) and self-organisation (British English). The term

„self-organization" was used in the study, as one that is present definitely more often. Similar procedure was applied for the term „teal organization". The second problem is related to the application of the term self-organization in various areas of scientific research, such as e.g.: biology, chemistry, material science etc. In association with the need to sort out only the publications concerning management sciences, it was decided to search only those that have, in their content or bibliographic description, both phrases: „self-organization" and „management" (syntax for Google Scholar search engine: „self-organization" AND management). For any other terms, such problems did not occur.

The study was conducted for the following three sets of terms:
- self-organization (syntax: „self-organization" AND management),
- sociocracy and holacracy (syntax: sociocracy OR holacracy),
- nested teams, parallel teams, web of individual contracting, teal organization, podularity, agile, scrum, sociocracy and holacracy (syntax: „nested teams" OR „parallel teams" OR „web of individual contracting" OR „teal organization" OR podularity OR agile OR scrum OR sociocracy OR holacracy).

Figure 2. Number of found publications with the phrases: self-organization and management, sociocracy and holacracy and nested teams, parallel teams, web of individual contracting, teal organization, podularity, agile, scrum, sociocracy and holacracy in Ebsco database
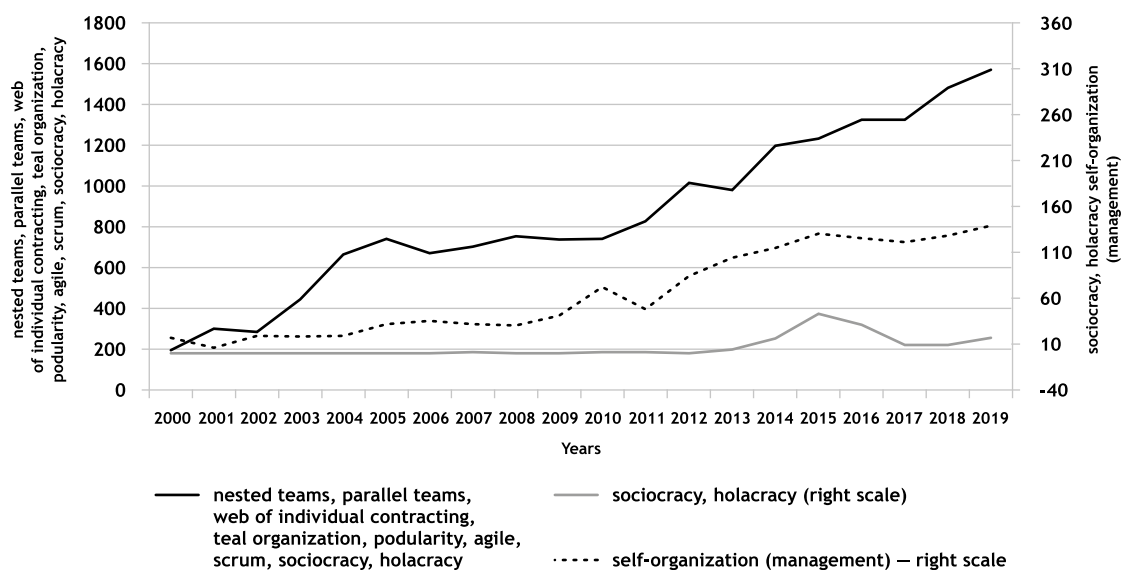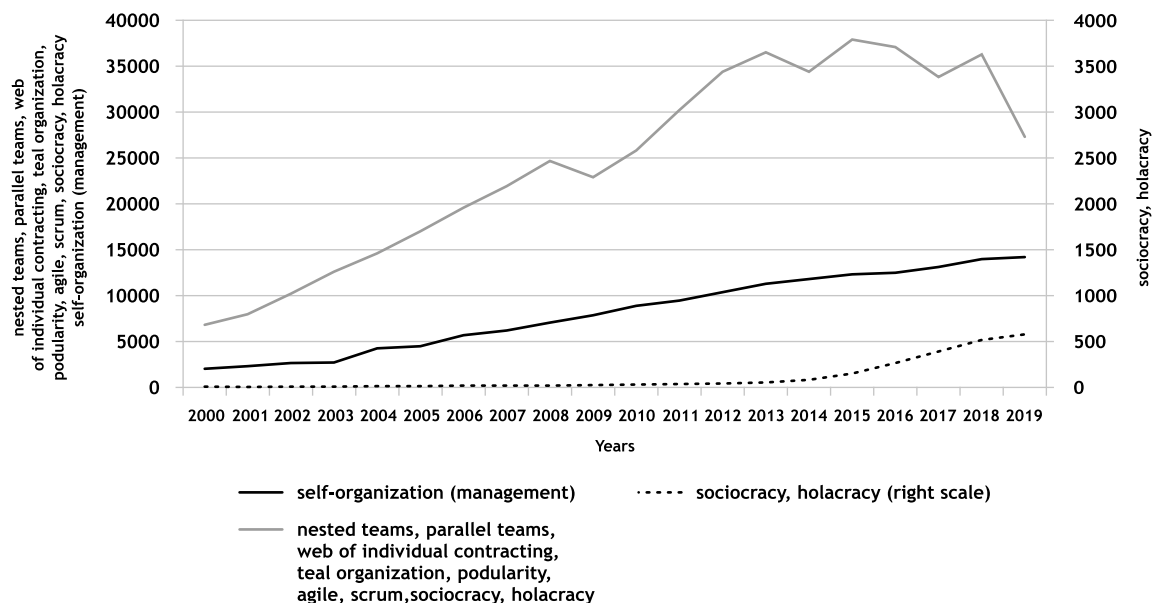Source: own elaboration

Figure 3. Number of found publications with the phrases: self-organization and management, sociocracy and holacracy and nested teams, parallel teams, web of individual contracting, teal organization, podularity, agile, scrum, sociocracy and holacracy (Google Scholar search engine)
Source: own elaboration

Results

The numbers for particular terms in Ebsco database have been presented in Figure 2.

The presented results of the study indicate a constant growth in the number of scientific publications in the analyzed problem area over the last 20 years. A clear growth in the number of publications for „sociocracy" and „holacracy" could be visible in 2014. The interest in the problem area decreased in 2017. The number of publications which contained both terms „self-organization" and „management" was growing in a linear-like manner until 2014, and then stabilized at the level of approximately 120 a year. The interest in related concepts such as: nested teams, parallel teams, web of individual contracting, teal organization, podularity, agile, scrum was strongly growing in the years 2002–2005, and then, after a period of stabilization, again in the period 2011–2019. The share of the terms „sociocracy" and „holacracy" in these growths should be regarded as mar-

ginal (in the analysis, consideration must be given to two scales introduced on the chart in order to increase its readability).

For comparison, the study was repeated with the application of Google Scholar search engine, which should be regarded as more „open" as compared to Ebsco databases. The result has been presented in Figure 3.

In the case of Google Scholar until 2013 the differences of several hundred times were observed between the number of emerging studies containing the phrase self-organization and texts with sociocracy or holacracy (on the graph the right scale relates to the results of self-organization, and the left one to sociocracy and holacracy). Since 2015, in spite of still almost linear growth in publications related to self-organization, there has been a significant growth in publications for the terms sociacracy and holacracy. In the period 2000–2013 the greatest growth in numbers can be observed for publications with the phrases nested teams, parallel teams, web of individual contracting, teal organization, podularity,
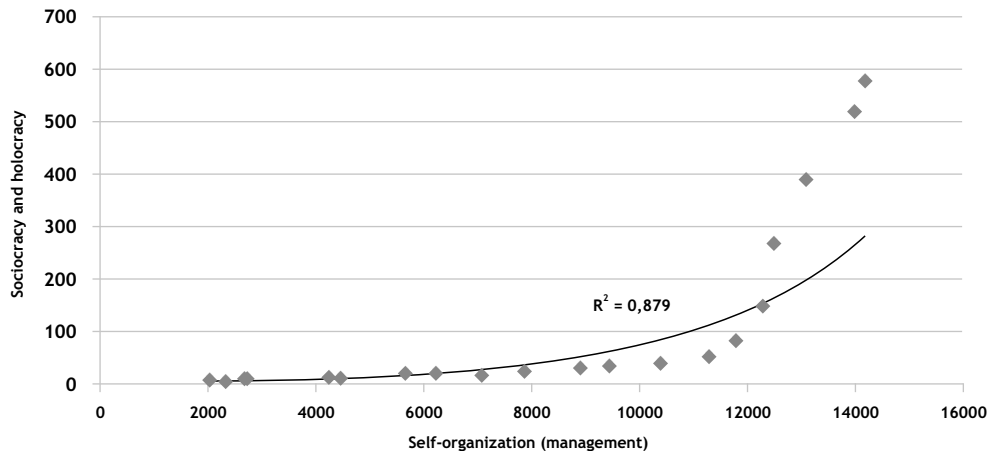

Figure 4. Dependence between the number of publications with the term self-organization and sociocracy and holacracy
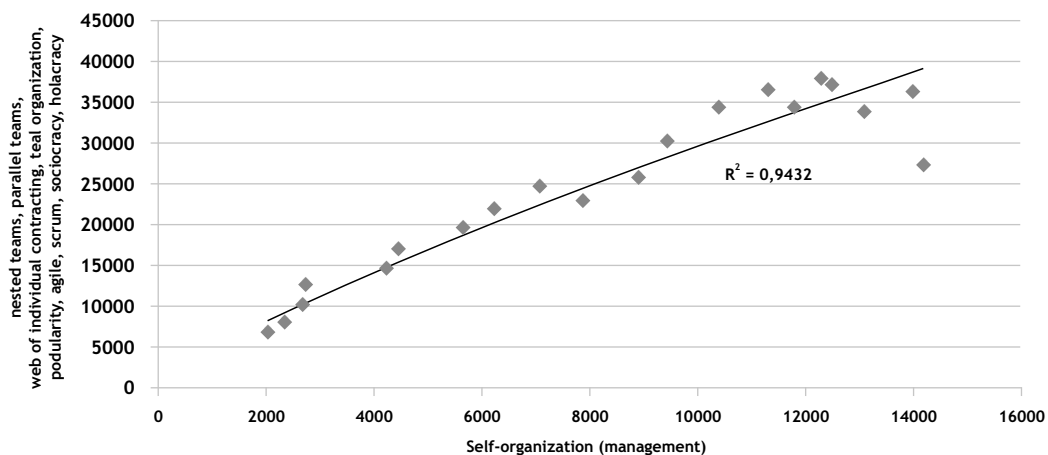Source: own elaboration

Figure 5. Dependence between the number of publications with the term self-organization and nested teams, parallel teams, web of individual contracting, teal organization, podularity, agile, scrum, sociocracy and holacracy
Source: own elaboration

Figure 6. Word cloud based on sociocracy term search headers
Source: prepared by the authors with the use of Google search engine and wordart.com application

agile, scrum, sociocracy and holacracy. Then, there was a clear stabilization with a decreasing trend in the years 2018 and 2019 (in spite of the growth in interest in the sociocracy and holacracy subject area visible then). Analyzing the chart it should be borne in mind that two scales have been applied, in order to increase readability of the presented data.

Figure 4 is an attempt to determine the dependence between the number of publications concerning self-organization and sociocracy and holacracy.

The function with the best match (highest R determination coefficient value) is the exponential function ($y=2.8839e^{0.0003x}$).

A similar study was conducted for self-organization and nested teams, parallel teams, web of individual contracting, teal organization, podularity, agile, scrum, sociocracy and holacracy. In this case the dependence between the studied numbers is best described by the power function ($y=18.241x^{0.8023}$) (Figure 5).

The last bibliographic study was intended to identify the phrases with which the term sociocracy co-exists online most frequently. To this end, Google search engine and the so-called word cloud was utilized. A sample made of approx. 200 search result headers was imported to an application generating a figure presenting the most frequently repeated words. As a result of filtering, numbers, accidental words and words with fewer than 10 repetitions were rejected. The obtained result has been presented in Figure 6.

Table 1 shows the terms present in the context of the phrase „sociocracy" that occurred most frequently in the sample (more than 50 times).

The type and the frequency of the words suggest that in online resources sociocracy is associated with numerous characteristics attributed to contemporary management concepts and methods.

Table 1. Frequency of presence of the terms associated with the term sociacracy

Term	Frequency of presence	Term	Frequency of presence
Agile	102	Patterns	57
Govern	90	Software	56
Organize	84	Personal	56
Collaborate	78	Sociocrat	55
Make	65	Scrum	54
Decision	61	Teal organization	54
Team	61	Diversity	53
Watch	61	Kanban	53
Lean	59	Growth	53
Leadership	58	Craftmanship	53

Source: own elaboration

Conclusions

The completed bibliometric studies and literature analysis confirm a great interest, over the last 20 years, in management concepts utilizing the assumptions of the sociocratic organization model. The number of publications from this area has been growing systematically in the analyzed period. This applies both to scientific works that can be found in Ebsco database as well as popular-scientific publications, dominant in Google Scholar database. The differences existing in this case to the advantage of Google Scholar database can be interpreted by the still initial phase in the development of this concept. However, it should be expected that a high interest of business

practice, expressed by a large number of „non-scientific" publications, will be reflected in the development of scientific research in this area. An intense development of the concept is also confirmed by a large number of publications devoted to related approaches. A high correlation between the growth in the number of publications concerning sociocracy and concerning other concepts is also worth recording. This can be interpreted as an expression of the present linkage and a growth in the general trend. Therefore, based on the conducted bibliometric research results it can be concluded that the popularity of the sociocratic management model is increasing, and concepts and methods are being developed in this area.

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W kierunku socjokratycznego modelu organizacji

Streszczenie

Artykuł dotyczy koncepcji socjokratycznej organizacji. Główną tezą artykułu jest stwierdzenie, że model zarządzania współczesnymi organizacjami ewoluuje w kierunku socjokracji. W artykule przedstawiona została geneza oraz istota organizacji socjokratycznej. Omówiono elementy oraz założenia organizacji socjokratycznej: kolektywne podejmowanie decyzji na podstawie „zgody", strukturę organizacyjną w formie autonomicznych kręgów, podwójne połączenie kręgów, zmienność ról pracowników. Scharakteryzowano również koncepcje pokrewne, jak: zwinne zarządzanie, turkusowa organizacja, jidoka. Dyskusji poddano także szanse oraz zagrożenia związane z upowszechnianiem się tego modelu. Weryfikację przedstawionej w artykule tezy przeprowadzono na podstawie badań bibliometrycznych dotyczących rozwoju publikacji poświęconych omawianej koncepcji. Badaniu poddano liczebność publikacji oraz korelację z publikacjami omawiającymi pokrewne koncepcje. Przeprowadzone badania potwierdziły, że popularność modelu socjokratycznego zarządzania wzrasta oraz następuje rozwój koncepcji i metod w tym obszarze.

Słowa kluczowe

socjokracja, holakracja, organizacja turkusowa, samozarządzanie