Human Developmental Processes as Key to Creating Impactful Leadership

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Abstract

In contrast to the extant literature -- which assumes that self management and self governance is solely a matter of organisation design -- in this paper we consider the notion of shared leadership from the perspective of adult development between 25 and 100 years of age. In such a perspective two shared leadership circles using the same organisational design differ in effectiveness since they are composed of individuals of different stages of maturity in terms of how they internally construct the "real world".

Levels of adult development, both emotional and cognitive, inform behavior based on individuals' "Frame of Reference" (FoR, i.e., the way the world is constructed by individuals). They holistically determine how effective a particular circle can be, both in terms of personal bonding (personal process) and complexity handling (task process). The developmental aspect helpfully differentiates the notion of "shared" leadership, making it at once more realistic and strategic. It also opens up issues of required transformation far beyond organisation design, and transcends the fixation on the Task House where circles' goals and competences reside.

The adult-developmental approaches brought into synthesis by Otto Laske help articulate our experience that circle members' developmental FoR determines their use of competences, rather than the other way around. We work from the notion that FoR can be precisely assessed empirically by way of tools used in adult-developmental research (see References). We see and practice these tools as a requisite part of the tool kit by which to foster shared leadership.

*Our approach introduces the opportunity to begin to value developmental conflicts as natural tensions that accompany growing into maturity which entails unceasingly giving up a less developed self concept for a more mature one. The approach entails that **work** must be viewed more broadly than just comprising tasks, as equally encompassing making sense of the organisational surround of work (Organisation House) and paying attention to one's own self development on which work delivery is ultimately based (Self House).*

For simplicity we use the term "Shared Leadership (Organisation)" to refer to a wide range of next-generation, second-tier etc. organisations (Laloux 2014), especially self-managing and self-governing organisations. Equally, we use Holacracy to refer to a specific case-study implementation of Holacracy, and generically to all related methodologies.

The paper is in two parts: a theoretical section amplified by tables differentiating deliberatively developmental processes, and a discussion of two case studies illustrating them. It shows in detail that organizations are both social-emotionally and cognitive stratified, and that they need to be viewed in terms of "requisite organisation" defined by a match of circle members' developmental "Size of Person" (SoP) and their organizational "Size of Role" (SoR).

Part One

1. Introduction

In a conventional management hierarchy, one needs relatively few people to have a fully developed capacity for leadership, namely just enough to fill the more senior leadership positions. The organisation has the basis for effectiveness, provided only those staff members

who have reached a self-authoring stage of meaning making, and an advanced phase of cognitive development commensurate with their level of accountability, are filling such leadership roles.

This is quite different in a shared-leadership environment where circle membership may be without any differentiation. The implicit assumption behind this is that all circle members are developmentally equal, undifferentiated in the nature of their capacity for collaboration, execution of tasks, and handling complexity etc. This leads to the misapprehension that removing harmful ego-hierarchies equates to no hierarchy whatsoever. Ego-hierarchies are distinct from the hierarchy in meaning-making and decision complexity that naturally emerges in typical organisations.

While the assumptions named are sometimes fulfilled, in most cases circles are (for roles and for role-fillers) adult-developmentally *stratified* and thus *mixed* (hybrid), meaning that – when circles are developmentally listened to and assessed in terms of their Frame of Reference (FoR) – their members show considerable differences both in terms of their emotional and cognitive stage of maturity. When taken seriously, therefore, the notion of "shared leadership" sometimes seen in the literature partially runs counter to empirical evidence about adult development. It entails requirements far surpassing a typical circle's behavioral resources, so that the notion of shared leadership is at risk of becoming unachievable.

A recent book, "An Everyone Culture", (Kegan and Lahey, 2016) presents this viewpoint in a way accessible to business leaders, and makes the case for all businesses to become deliberately developmental, i.e, to deliberately develop individuals to their full potential as part of work delivery. This is an even bigger imperative in a shared leadership organisation, because everyone in a circle needs to be endowed with a Size of Person (SoP) appropriate for all roles in the circle (Size of Role; SoR) Otherwise, for example, the governance process may break down, with certain circle members failing to grasp the true nature of a tension being processed.

2. Adult-Developmental Perspective

The most fundamental distinction we propose to adopt for discussions of shared leadership is the one between "learning" and "development" (Laske 1999), shown in Fig. 1.

Learning
From less to more
(**horizontal**)
Levels of mastering
Competences, Skills
Ability

Development
From low to high (**vertical**)
Orders of consciousness
Capability
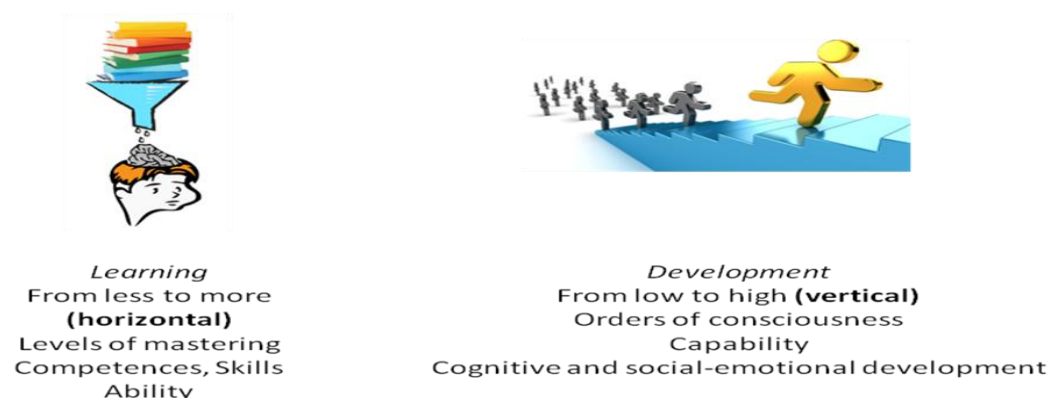Cognitive and social-emotional development

Fig. 1 Horizontal learning vs. vertical adult development

This distinction between competences on the left and maturity stage on the right is best expressed as the question: "at what stage of maturity do circle members put their competences to work?" The implication is that one and the same competence, however defined, can be realized at many different stages of emotional and cognitive maturity, and that what ultimately matters is not the competence in isolation, but the stage at which the competence is realized. That stage determines what results are realised, and it is these results that are relevant for the business. Thus it is clear that the results delivered by someone in an energising shared-leadership role are a consequence of the maturity stage, not just the competences and the organisation design, put in practice.

When delving deeper into the intersection, in work and life, of learning and development, we find that circle members encounter, at any point, a developmental ceiling which actually sets limits to their learning and use of competences, as shown in Table 1, below.

Name	Suitable Role	Stage	Developmental Ceiling
Self-Aware	Leader	S5	<8%
Self-authoring	Manager	S4	25%
Socialised Mind	Group Contributor	S3	55%
Instrumental	Individualist	S2	10%[+]

Table 1 Percentage of attainment of emotional maturity stages in western societies (Cook-Greuter 1999) (Note that there are 4 transition stages between each stable stage that can be empirically assessed.)

Table 1 indicates how the social-emotional maturity of circle members, and hence the overall circle, differentiates otherwise identical circles. With a developmental range from below S3 (other-dependence) through S4 (self-authoring) and up to S5 (self-aware), the key differences lie in both work capability and ways of collaborating with others. This is described in more detail in the section on developmental stages, phases, and zones, below.

Following Kegan (1982), Cook-Greuter (1999), and Laske (2005), we find that 55% of individuals never reach the self authoring stage required for a managerial role / professional work. They remain "other-dependent" in the sense that they define themselves by expectations of others (S3.) A few will still function between maturity S2-S3. At the other end, the number of circle members functioning above maturity stage S4 is relatively small. This starkly contradicts the assumption of developmental equality presently upheld by some theories and practices of shared leadership, with predictable failure modes. In particular, note the scarcity of stage 4 upwards; as described below, this is the stage capable of the unsupported self-leadership needed to implement Holacracy as a stand-alone change.

A transformation to shared leadership requires the question: "what stage of maturity is showing up in this circle, what stage is required by the circle's purpose, what stage is required by each role's accountabilities?"

Developmentally distinct from (but statistically correlated with) the socio-emotional stage of personal maturity is an individual's level of cognitive development from which derives the set

of tools for handling the complexity of their roles. Empirical results regarding individuals' complexity handling ability are best elucidated in terms of four phases of development beyond mere logical systems thinking, shown in Fig. 2:
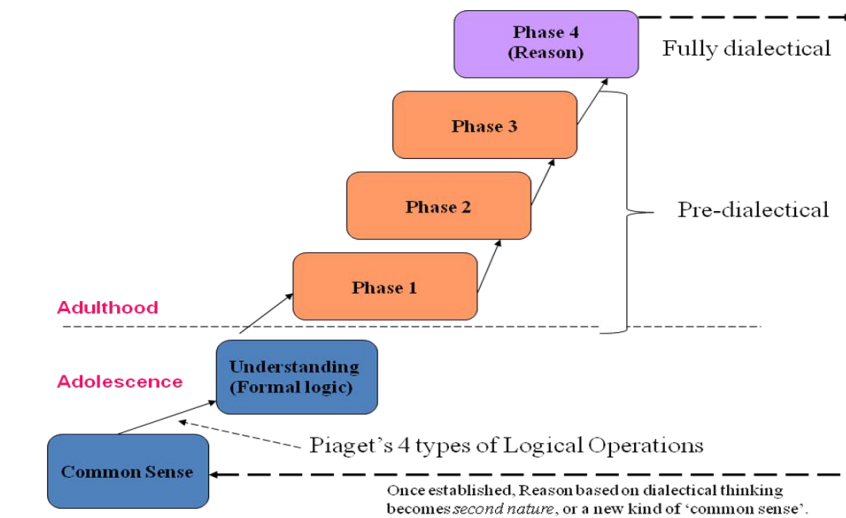
Fig. 2. Steps from logical to fluid holistic thinking (Laske 2008)

- Phase 1: logical thinking focused on the real world as a static configuration, emphasizing expectable and probable outcomes (55-65% of the adult population, depending on the prevailing system of education).
- Phase 2: beginning inclusion of notions of conflict, absence (what is not yet there), unceasing change, potential of reversal (25%)
- Phase 3: beginning inclusion of notions of intrinsic relationship, and critical awareness of reductive thinking as practiced in logical systems thinking (10%)
- Phase 4: inclusion of notions of transformation, disequilibrium, fragility of complex systems, and developmental conflict, as a result of synthesizing the outcomes of the previous three phases (5%) in the form of "deep" thinking.

As shown, most adults think about the social and physical world in terms of Phase 1 of complex thinking in which their "world" appears as a static configuration far removed from the actual vicissitudes brought about by unceasing change (Phase 2), holistic causality [natural necessity] (Phase 3) and transformational disequilibrium (Phase 4) of the reality they and their thinking are embedded in (Bhaskar 1993; Laske 1999, 2008, 2015).

As a consequence, when we size up circle members' actual developmental profile as determined by both their socio-emotional *stage* and their cognitive maturity *phase*, we often encounter a large spread, -- peaks and valleys rather than flatland.

In any shared leadership organisation a circle is quite likely to be *developmentally spread*. *Developmentally spread* means that circle members' developmental Frames of Reference (FoRs) dramatically differ, with immediate consequences for how they are able to work together. (This is in addition to the many other differences, such as culture, personality, native language, etc.). For instance, a circle member retaining elements of S2 meaning making might interpret Holacracy as a subtle, covert attempt at manipulation.

Other stage-specific issues can show up, for example, if a more developed individual acting as change agent driving Holacracy is unable to go beyond his/her identification with their values underlying their concept of what Holacracy means. (Typical for someone having just achieved stage S4 and being an immature thinker.)

Early organisations adopting shared leadership were relatively small and homogeneous, both developmentally and in values. **The central question is: given that a typical company, larger and developmentally heterogenous, will have circles that are developmentally spread, what are the practical implications of this spread for a shared leadership circle?**

3. The Three Houses of Work Delivery

We illustrate implications of this central question by presenting Fig. 3 (Laske 1999), below. In contrast to most organisations' fixation on what we call the *Task House*, Fig. 3 shows three dimensions of work and work delivery, which we name the Self, Task, and Organisation House. In short, we include organisational domains beyond that of goals to pursue and deadlines to meet.

Fig. 3 thus illustrates the need to adopt a broader view of "organization" that includes not only the organizational surround of the work a circle member is doing, but also acknowledges that there is a dimension of an individual's values and developmental potential that needs to be included in research on shared leadership. This is true regardless of the specificity of an organisation design. It does, however, become acute for any shared leadership organisation.
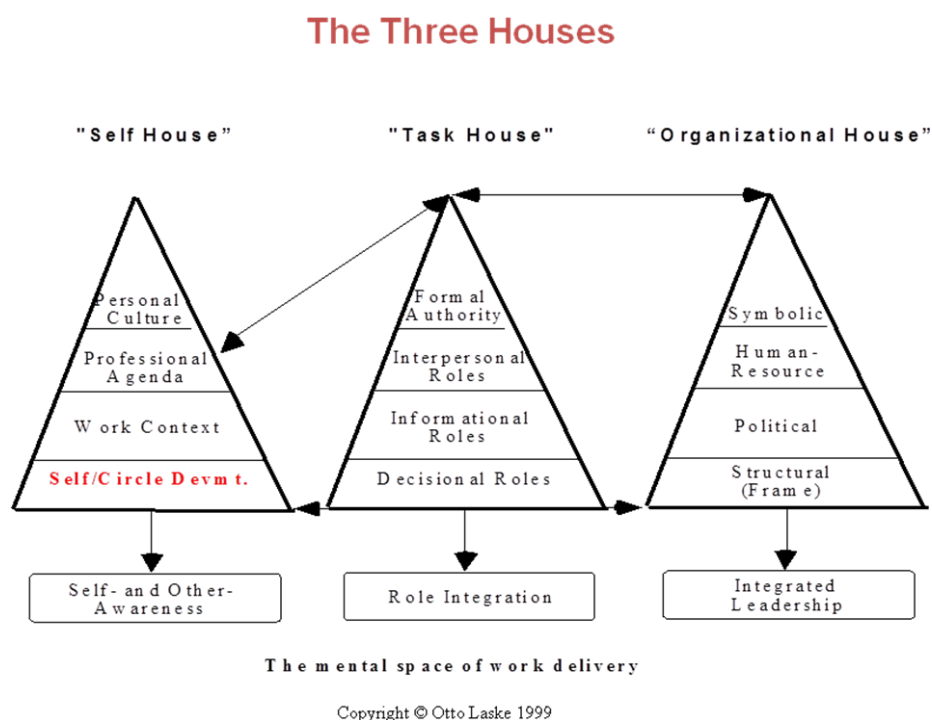

Fig. 3 Three domains ("Houses") of making sense of work and work delivery

When we consider the extant shared-leadership literature in terms of Fig. 3, what stands out is the dominant focus on the middle domain we call the Task House. A circle's responsibility, task, procedural options, decisions and governance lie in that house. However, this is a restricted view of the circle's functioning and is developmentally lopsided.

As shown, circle members' FoR extends beyond the Task House into the outer left and right Houses (Bolman and Deal 1999). The left-most Self House contains the individual's and circle's own development and relationship with other circles. The right-most Organisational House contains the four different perspectives that need to be taken of the circle's organizational surround.

    A. The *Organisation House* can be made sense of by four different but related perspectives. Each circle member's FoR will determine how many of, and in what relationship, these four different perspectives impact their actions.
- a. A view of their environment in terms of division of labor, whether in terms of accountability stage or vertical divisions of the environment.
- b. A focus on political divisions in their environment having to do with the existence of political groups vying for power.
- c. Different perspectives as to the relationship of different echelons in their environment.
- d. Different ways of understanding the daily rituals that hold their circle's and organization's culture together.

Most often, differences in understanding the circle's Organizational House stem from differences in circle members' stage of socio-emotional development and ability to handle complexity (between cognitive phases 1 and 4.)

    B. The *Self House* helps making distinctions emerging from a circle's adult-developmental stage in: (a) the circle's professional agenda; (b) the culture of the circle; (c) the network of circles in which a particular circle is embedded; and (d) the adult development of the circle over its life span. Each individual's FoR will determine how many of these topics team members are aware of, open and able to discuss to improve their work together. One could speak of *circle FoR*:
- a. Circle members follow a professional agenda that differs from member to member in terms of their maturity and cognitive acuity.
- b. Circle members have different notions of what is the unified or conflicted culture of their circle.
- c. Circle members have different perceptions of how they are embedded in surrounding, higher or lower level, circles.
- d. Circle members view differently their past and future development of maturity as a precondition or outcome of their work in the circle.

These differences indicate circle members' developmental profile, both emotional and cognitive.

Discussions of shared leadership (or any other organisation design paradigm) which pay no attention to the Organizational House and the Self House neglect crucial aspects of work complexity. Hence the question to be addressed is less "Does shared leadership work / does a specific shared leadership methodology work," but rather "*How* does shared leadership work, in which House, with which developmental (social-emotional and cognitive), competence, psychological etc. profiles in the roles and members?"

If shared leadership embraces all three Houses, and brings in scaffolding to support each circle member's distinct developmental stage and journey, the probability is higher that a transformation to, say, Holacracy will actually succeed.

We first consider the socio-emotional developmental aspect of this question.

4. Of Different Minds: Stages and Zones
We begin by expanding on the developmental stages referred to in Table 1, above.

Stage 2: the Instrumentalist Mind
It is indeed rare in business to have anyone with their centre of gravity still at S2, but common that some individuals have residual elements of S2 in their low range, and these tend to show up under high stress.

S2 is individualist, and sees the organisation as a tool to get their own needs met. S2 needs a safe domain they have control over, where others can be relied upon to support them in a crisis. (For example, a powerful controlling boss that they can count on.) S2 will attempt to use Holacracy as a tool to control others to get their needs met. However, in Holacracy, such control is contrary to the foundational principles. Thus Holacracy will be perceived as inherently threatening to one's identity. This is especially acute if Holacracy is still being introduced, is not yet effectively and consistently used by all, alternate sources of safety having yet to be established.

So somebody who has a strong S2 element will find Holacracy unworkable, especially under stress. Quite likely they will end up leaving a Holacratic and move to one that has a traditional hierarchical control structure.

Stage 3: the Socialised or Other-Dependent Mind

Many people in a typical organisation are at or just beyond this stage. The Socialised / Other-dependent mind sees the world as something that can be brought under control by adopting the world view of others, and then identifying with these. This mind uses logical thinking to create safety, to bring the world under control. It relies on often narrow and hard-to-change thought and meaning making structures.

The socialised mind complies with the norms and values of the group it is identified with. This stance entails the view that with the right preparation and advice from experts, volatility in the world can be minimized and coped with. Uncertainty and ambiguity can be dealt with by way of common sense and logical thinking. Complexity can be made simple and then managed by breaking it down into its component parts. Clearly, such a FoR is in flagrant contradiction with the real world.

Hence for the socialised mind, an organisation becomes a source of self-identity. The organisation must deliver shared norms and values. Norms of behaviour, of collaboration on tasks, a sense of belonging to a community behaving compliant to those norms, etc.

Holacratic organisations need to provide this to those members still at or close to the socialised mind stage. This implies that Holacracy in general, and especially the transition to Holacracy, can be fraught with identity-level stressors. In the easy case, the individual joins an established, mature Holacratic organisation with stable norms and values. Then the

perspectives of Holacracy and any role-model individuals just need to be internalised and identified with.

The hard case occurs when they are in a transition to Holacracy, when the new norms and values are still work in progress, and when some are still acting in compliance with the old norms. This is a threatening environment for the socialised mind. Logic fails to provide safety, nor is there safety in a consistent norm.

For example at S3, if you're part of an organisation where rank and hierarchy is deemed to be important, rank and hierarchy will be important to your sense of self identity, security and belonging. In a Holacratic organisation individuals (by design) lose that source of identity and worth.

The socialised mind is likely to react by defending the old norms. This is incorrectly judged as resistance to the transition to Holacracy. There is no resistance to Holacracy. It is resistance to losing oneself; being in a self-identity vacuum, or worse, an identity paradox. The socialised mind is perfectly functional in Holacracy provided the norms are clear, followed by all, and there is good scaffolding supporting Self-House transformation to the new norms.

The socialised mind entails an unavoidable need for others to give permission to take decisions. Holacracy shifts this permission source from physical others to the Task House as a whole. Once identified with the new norm this enables the socialised mind to act as if from a self-authoring stance and hence to step towards self-authoring *when their tasks are in Zones 1 and 2*.
This entails that socialised mind individuals are poor change agents to lead a Holacracy transition. If they are change agents, they are likely to be overwhelmed and stressed by the demand to role-model behaviours contradicting their self-identity. Exacerbating this is no or limited ability to self-author, which entails the same gap limited ability to self-lead and hence truly share leadership.

Stage 4: The Self-Authoring Mind

In contrast, the self-authoring mind is based on its own self-constructed value system. A value system and norms that are experienced as different from that of others, not only in terms of what is thought, but also in terms of how to think.

This mind tends to see the world in terms of patterns that thinking can influence but not control. Such a mind makes itself independent of others' opinions and is comfortable with not knowing. It is therefore readily able to deal with complexity and unforeseen circumstances. This mind is aware of the great complexity of the world and the fact that it is in constant change. In order to transcend ambiguity and volatility, this mind tests hypotheses and derives guidance from thought forms able to deal with change, uncertainty, relatedness, transformation, breakdown, and reversal.

Acting from a self-authoring position entails, being able to accept and work with others who's values and world views are completely contradictory to one's own, feeling neither a need to change oneself nor the other.

For the self-authoring mind the organisation thus becomes a tool to multiply one's own values and norms, a tool to use to make a bigger difference to the world. The fully self-authoring individual is easily able to adjust to shared leadership even with limited scaffolding provided. The self-authoring mind has already developed the internal scaffolding needed to self-construct their identity, and hence to self-manage, self-govern and share leadership fluidly. Many of the people who have historically lead the adoption of shared leadership such as Holacracy have already reached, or even progressed beyond, this stage.

Holacracy and other shared leadership organisation designs systematise the Task House work collaboration typical of small self-authoring teams. They enable individuals to act as if they were all self-authoring, and hence encourage development to this stage. This implies that the change agents driving a shared leadership transformation ought to all be sufficiently self-authoring, even in high-stress situations, and aligned in the values and norms of the new organisation.

However, if they do not all share identical values and principles, there will be issues in the introduction phase. This will exacerbate difficulties for those of an S3 nature, let alone those of an S2 nature (see above). In this case, systemic developmental scaffolding is essential to enable the change agents first to deal with their own Self-House.

While a self-authoring mind comes close to understanding the world as it truly is, the hindrance remains that such a mind finds it difficult to see the limitations of its own value system. This entails that they can cause stress for others due to their difficulty of seeing the limitations of their concept of integrity. They may identify so strongly with their concept of shared leadership that they are unable to recognise its limitations. They may expect that everyone else is self-authoring, or at least that Holacratic structures alone are sufficient to magically enable all to act like them.

Stages 5 and beyond: The self-aware mind

The limitation of being exclusively identified with the self-authored self-identity is removed only in S5, associated with a self-aware FoR. Circle members at this stage know and accept the limitations of their identity; they know they need the assistance of equally, or more highly developed, others for advancing in their own mental growth.

Stage 5 circle members add significant value in leading the change to a fully self-governing, fully deliberately developmental organisation. They are best able to recognise what the organisation and other circle members need in the Self, Task and Organisation Houses to succeed.

5. Understanding and respecting degrees of developmental readiness of circle members

When an existing company is changing from a traditional hierarchical design to any shared leadership design, individuals at each maturity level will have their self-identity challenged.

Each level will experience a different challenge and will react in different ways, driven by members' level-specific FoR, further differentiated below in terms of Zones of proximal development.

For this reason, a persistent issue in attempting to realize new organisation designs is the question of what systemic organisational and educational supports are available to bring human resources along. When this issue is viewed from an adult-developmental perspective, it becomes important to link circle members' inner motivational and FoR resources with the levels of adult development they are presently acting from.

Changing the nature of work by implementing new organisation designs puts at risk organisation members' self concept. In this regard, it is useful to distinguish what Kegan and Lahey (2016) refer to as *Job 1 and Job 2* as part of a *deliberately developmental organisation* (DDO).

Job 1 comprises a circle member's execution of role(s), while Job 2 consists of the "work" each individual invests in maintaining, or defending, his/her self-identity. The effort made diminishes the strength of Job 1, reducing both productivity and well-being. In transitional circumstances, each member uses the organisation as a tool to help them do Job 2 in a stage-specific way (thus inducing regression to social-emotional Stage 2 where ego-centrism is central).

A deliberately developmental organisation is thus one that supports all aspects of development, including allocating roles (SoR) in full awareness of members' Size of Person (SoP), i.e., different adult developmental maturity stages and degrees of complexity handling capability. Since it comprises systemic processes that enable Job 2 to be performed with minimum losses to Job 1, such an organization can successfully implement new organisation designs such as Holacracy. Since Holacracy is a methodology designed exclusively for Job 1 (neglecting Job 2), it upends its own purpose if it cannot embrace the support processes that stabilize members' SoP, thus becoming a deliberately developmental organisation (DDO).

Two developmentally different kinds of maturity level need to be considered: social-emotional *stages* (ED for short) and *phases* of development of cognitive flexibility (or complexity handling ability; CD for short).

Accordingly, two very different kinds of support are required:
- ED: Social-emotional resources are "time-limited", in the sense that they are being extended only when the right time (which could be years) has come (for the individual). Therefore, solely supports provided based on empirical evidence about the present level(s) of circle members' meaning making will be experienced as *supports* (rather than constraints or threats) by them.
- CD: Cognitive resources are "extendable", in the sense that they can be influenced by *learning* (which ED cannot). Therefore, supports that challenge circle members' present ways of constructing the world conceptually, either individually, through

coaching, or communally, by "thought games" among members, will be experienced as authentic supports. (Cognitive supports comprise attention to the structure of thinking, or *meta-thinking*, not its content.)
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Consequently, there exist two very different sets of *deliberately developmental* processes (Kegan and Lahey 2016; Laske 2005, 2008) that can provide scaffolding for the development of human resources (in the behavioral sense of the term 'development'). These two sets are discussed below by commenting on two consecutive tables (2a/2b). The tables link degrees of circle members' internal change potential -- expressed by "Zone" -- to their respective social-emotional stage and phase of developing flexibility of thinking.

The meaning of the Zones relative to tasks (i.e., competences) is as follows:

- Tasks are in Zone 1 when they require a stage of maturity firmly within the Centre of Gravity of the individual's range or, respectively, a phase of complexity handling that is sufficient for the majority of an individual's work assignments. Thus, for an individual to perform at an optimal level, a large percentage of tasks should be in Zone 1.
- Tasks are in Zone 2 when they require a stage of maturity just above the individual's stable Centre of Gravity or, respectively, when they constructively challenge an individual's present of thinking. In either case, the individual can self-support. A good guideline for optimal productivity is to have over 80% of tasks in Zones 1 and 2.
- Tasks are in Zone 3 when an individual needs appropriate scaffolding (personal and/or organizational) to stretch their maturity and ability of complexity handling to the upper limit of their current range or phase. In a self-managing organisation, this scaffolding is best conceived both as a standard organisational process as well as direct support from more resourceful individuals. At most 20% of an individual's tasks can be in their Zone 3 before the individual's stress levels and cognitive disorientation risk to make them dysfunctional (forcing them into Kegan's "second job" of self defense).
- Tasks in Zone 4 are those where the individual is dysfunctional regardless of support. Of course, the individual will still execute the best they can. However, they will be highly challenged because s(he) cannot grasp what the task really requires of them. Also, the output will not be what the business requires. Thus, no tasks ought to lie in Zone 4.

This entails two important guidelines:

1. If there is neither developmental awareness nor a developmental support system (such as coaching or mentoring), individuals will have a number of tasks and accountabilities in their respective zones 3 if not Zone 4. Whenever there is a high stress business context, such as when changing to a Holacratic operating system, individuals will spend much of their time dysfunctional in Zones 3 or 4, thus focusing on resistance and self defense.

2. However, if there is a developmental process providing scaffolding, then the developmental Zone 3 tasks will still fall within the individual's grasp. If there is solid

developmental awareness in allocating roles and accountabilities on the part of change agents, no individual will choose, or be allocated tasks in, zone 4.

There is a subtle difference between social-emotional and cognitive resources also from the point of view of circle members' *personal experience* that is of strategic importance for changing the nature of organisational work. Social-emotional resources exist out of the individual's awareness, while cognitive resources, although of the same nature, can be more easily pinpointed and boosted by available cognitive tools, for instance, the use of dialectical thought forms provided by Laske's Dialectical Thought Form Framework (DTF; Laske 2008, 2015). Thus, while learning is not involved in social-emotional development, it can become an instrument of cognitive development (Fig. 1).

Discussion of Table 2a

Zones and Social-Emotional Stages (in terms of reaching common goals via social bonding)*

Level of Maturity	Increasingly diminished inner resources relative to tasks, organizational surround, and professional agenda ==========================➔			
Stage	Zone 1 (firm center of gravity)	Zone 2 (can self-support under favorable circumstances)	Zone 3 (needs developmental support, e.g., social-emotional coaching, mentoring)	Zone 4 (beyond help from others; organizationally dysfunctional)
S2 (my needs and desires come first)	*Lacks a grasp of organizational issues*	*Lacks own resources to self-motivate*	*Needs massive personal incentives*	*Does not realize support is needed; is beyond help*
DDP	Do not employ	Constant encouragement and supervision	Model and instill sense of collaborative loyalty	Let go (of)
S3 (good citizen of community)	*Is defined by expectations of others; needs hand-holding from physical others*	*Can self-motivate with support from others*	*Can be coached to find own inner resources*	*Overtaxed if unsupported by more developed others*
DDP	Create personal bonding of group/circle by defining common goals and expectations	Appeal to common ground with others and thrill of shared success	Individual coaching based on coachee's professional social-emotional assessment	Let go (of)
S4 (self-authored integrity)	*Acts as a leader; sometimes a model*	*Will rise to occasion*	*Needs peer group to correct own value system*	*Aware of own limitations; in search for common ground with others*
DDP	Connect to peers, form peer group	Inform of big picture of what is at stake and create exchange of ideas	Peer mentoring	Create a culture of utter frankness and self-critical thinking
S5 (self aware humility)	*Has self-reliance informed by regard for, and listening*	*Gives as much as receives from others*	*Appreciates critique; practices humility*	*Overtaxed regardless of own strengths but open*

	to, others			*to others' midwifery*
DDP	Place into a position of modeling for others (not power)	Place into a position of constant learning without pressure of delivering results	Place into a position of mentoring S4 beyond their present capability	Place into a public position as cultural attaché assigned to other companies and institutions

* Stages point to a person's present unselfconscious way of making meaning of self and others, thus, positioning toward the social world. Zones further differentiate stages by specifying the degree of risk and need for support required, and also comprise strategic recommendations.

Table 2a: Guidelines for social-emotional and cognitive developmental interventions
for the sake of circle members' optimal functioning
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Table 2a is formulated from the point of view of a developmental expert's objective evaluation of a circle's *personal process* (in contrast to its *task process*; Schein, 1999). The table links four out-of-awareness stages of meaning making ("stages") with four degrees of need for organisational support ("zones"). On the row labeled "DDP" (deliberately developmental processes), one finds an indication of the shape a concrete intervention might take, different for each maturity level.

Once we further differentiate each ED stage by Zones (Vygotsky 1978, 1986), required interventions become much more graspable and transparent. Naturally, the judgment about the Zone into which a task, or set of tasks, is falling requires expert evaluation of circle members' stage of social-emotional development, and of the spread of developmental levels within a single circle which will predict the quality of its collaborative intelligence.

How much social-emotional support and in what form is needed depends on the Zone circle members are presently in. Tasks falling into Zones 1 and 4 entail no support requirement, in the first case because the individual is fully prepared to pursue the task, in the second case because even with support the individual would be unable to pursue the task successfully.

Naturally, then, emphasis in the table falls on Zones 2 and 3, for all maturity levels, especially the latter. Individuals in Zone 2, while able under favorable circumstances to self-support, will nevertheless benefit from a culture boosting their personal bonding with others (in contrast to their task process, which is cognitive and concerns goal pursuit). Clearly, most support called for regards individuals/tasks in Zone 3 where circle members will fail if not recognized as at risk of failure, and dealt with accordingly.

The table shows two things: *first*, that organizational support is mandatory in Zone 3, for all levels concerned; and *second*, that management can benefit from empirical evidence of circle members' present meaning making level, drawn from expert assessment rather than mere unschooled observation. Where assessment evidence is lacking, interventions, especially on behalf of single individuals, are likely to fail since they are not precisely enough directed to the level of meaning making that needs fostering (e.g., "the blind leading the blind").

Implicitly, the table shows the analytical complexity underlying the work of circles. It embodies the unconventional suggestion that without evidence-based human resources management using assessment there is little guarantee that cogent interventions are being pursued.

Looking briefly into the social-emotional interventions listed for Zone 3, four options appear as most promising:

1. model/instill collaborative loyalty (Stage 2)
2. individual coaching based on coachee's professional social-emotional assessment (Stage 3)
3. Peer mentoring (Stage 4)
4. Place collaborator into position of mentoring S4 (beyond their present capability).

<u>Discussion of Table 2b</u>

Zones and Phases of Cognitive Development (in terms of level of self reflection and "deep thinking")*

Level of Maturity	Increasingly diminished cognitive resources for grasping real-world complexity ==➔			
Phase	**Zone 1 (fully cognizant of world's com-plexity)**	**Zone 2 (realizes that to grasp the real world's complexity takes a large, personal effort)**	**Zone 3 (needs external cognitive mentoring by meta-thinking experts)**	**Zone 4 (understands that complexity extends beyond own and others' resources, due to embedding of the social in the natural world)**
1 (Context thinking dominant)	*The real world is a static configura-tion analytically reducible to its elements*	*Wherever logic alone does not work, surely systems thinking will*	*There is a need for for thinking independently and viewing all models critically*	*The real world is hopelessly complex*
DDP	Form circles whose task is to createthe "biggest possible picture" [not restricted to "data"]	Deepen conventional systems thinking by critical reflection on its assumptions	External mentoring of circle by "meta-thinkers" (understanding the thought form structure of thinking)	Create a self-critical culture of holistic thinking
2 (Process thinking becomes possible)	*Complex and flexible models help cope with existing complexity*	*My own cognitive fluidity is less developed than I realized; I am in need of deeper self reflection*	*When acquiring the "biggest possible picture in motion" of a situation, solutions will be forth-coming*	*Solutions require high flexibility of thinking not restricted to a single individual*
DDP	Create self-motivated "thinking circles" that promote seeing the past and future in the present	Offer [elementary] cognitive coaching to individual circle members (using DTF**)	Create collaborative intelligence in circles by way of peer mentoring, through guided "thought games"	Make critical thinking a social practice in the company
3 (Relationship becomes possible,	*There is a need to focus on processes*	*Unceasing process and intrinsic*	*If only I had a grasp of the totality*	*Solutions require massive*

joined by Process thinking	*and intrinsic relationships for grasping complexity*	*relationships make using simple "logic" inadvisable*	*here in question (not just more data)*	*collaborative intelligence*
DDP	Create mentor-led circles eager to understand the thought-form structure of their own thinking	Offer [intermediate] cognitive coaching to individual circle members (using DTF**)	Create collaborative intelligence in circles by way of peer mentoring through guided [advanced} "thought games"	Create relation-ships with com-peting companies in order to foster insight into global market develop-ment and sustainability
4 (Transformation-al thinking enabled and growing)	*The real world is characterized by unceasing motion, holistic causality, sub-totalities in transformation, and need for holistic agency*	*There is a need for transformational models of every-thing since everything is unceasingly in motion and highly interrelated*	*There is a need for deeper thinking that can be made into a social practice*	*There is a massive need for deep thinking and teaching it to others within the limits of one's own capability*
DDP	Form "Dialectic Cafés" that compete for prominence in the organization and have advisory power	Offer [advanced] cognitive coaching to individual circle members (using DTF**)	Assemble the most developed thinkers into "think tanks" devoted to the critical review of human resources policy, work design, competition and innovation	Take a political role independent of commercial interest, for the sake of the common good

* Phases represent four different (habitual) vantage points from which an individual presently constructs the real world conceptually. Zones differentiate phases further, specifying the degree of risk and need for cognitive support a circle or circle member is in need of. They also comprise strategic recommendations. ** DTF = Laske's *Dialectical Thought Form Framework*.

Table 2b: Guidelines for cognitive developmental interventions
for achieving circle members' optimal functioning
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Table 2b is formulated from the vantage point of how circle members "view the world cognitively". The table presupposes the distinction between four different vantage points -- called *moments of dialectic* -- from which the real world can be viewed. Each of them is seen as characterized by the increasing integration of the four moments of dialectic, in a way that gradually moves circle members toward systemic and holistic thinking.

Following Laske (2008; 2015), the four moments of dialectic entail that the world can be seen in four different ways, and that it can be seen *realistically* only when all four moments are involved in an integrated form:
- as static (C; Context; phase 1)
- as in unceasing motion (P; Process; phase 2)
- as composed of massively interrelated components (R; Relationship; phase 3)
- as in constant transformation due to intrinsic the linkage between C, P, and R (T; Transformation; phase 4).

All four phases are assessed by an expert meta-thinker who focuses not on the content, but on the structure, of circle members' thinking. Such structure becomes graspable in the form of "thought forms" that, alone and in combination, define the degree of complexity of thinking an individual or circle can engage in. The cognitive interventions under DDP are all built upon the use of, and play with, dialectical thought forms thought to boost complexity handling.

The collaborative intelligence of a circle is measured in terms of the phase circle members' cognitive development is presently in. When cognitive development is spread over more than a single phase, or when it is stuck in phase 1, collaborative intelligence will be hard or impossible to achieve, with direct consequences for the shape a circle's task process is taking (Schein, 1999).

Much of what was said about Table 2a, above, applies to Table 2b. The decisive difference between what the tables entail lies in the fact that in the cognitive case, *learning* can be engaged (which, as said, is not the case in the social-emotional domain). This is of high importance since cognitive support strategies, at least hypothetically, have a beneficial effect on boosting circle members' social-emotional development as well.

Looking briefly into the cognitive interventions listed for Zone 3, four options appear as most promising:
5. external mentoring (Phase 1)
6. peer mentoring through "thought games" (Phase 2)
7. peer mentoring through expertly guided "thought games" (Phase 3)
8. formation of organisation-internal "think-tanks" (Phase 4).

6. The Need for deliberately developmental organisational cultures

As the reader may have noticed, the developmental processes proposed do not primarily regard work in the Task House but more importantly in the Organisation House and Self House.

Three constraints are useful for developomental processes to be effective:
- Insight into the frame of reference (a.k.a. theory of self, big assumptions) behind any action, which can be unambiguously and safely shared with colleagues.
- There is a clean distinction in dialogue between objective facts, the interpretation each individual makes of those facts, and the social-emotional and cognitive structure of the interpretation (which is worthy of inquiry).
- There is a clean distinction between different individuals as carrying out distinct internal meaning-making and sense-making processes, and an acknowledgement that while hidden, these can be expertly assessed and safely communicated.

Clearly, these constraints define a deliberately developmental culture. Having available such processes accelerates progress through the developmental stages and phases. Work, and work tensions (including developmental conflicts), become drivers for both organisational transformation and individual adult development, observable in the way individuals internally construct all three Houses in relationship to each other.

The weaker this culture, the greater the likelihood that common stressors shift an organisation's entire Task House into Zone 3 or, under worst conditions, into Zone 4. This shift can be triggered by:

- The lack of a cohesive holacratic environment beyond an individual organisation
- A speed of adoption of Holacracy faster than the individual's self-identity (rather than only behaviour) can change.
- Task are self-selected or allocated without realisation (or assessment evidence) that the individual is developmentally dysfunctional for that task given how s(he) internally constructs the organisation in the Three Houses.
- Insufficient scaffolding of circle activities.

Importantly, holacratic etc. methodologies, by design, presently exclude addressing these issues. In order both to recognise which tasks lie in each person's developmental Zone 3 or 4, and provide developmental scaffolding (enabling individuals to remain functional in their Zone 3 tasks), developmental methodologies additional to Holacracy are required. These developmental methodologies ought to address the following issues: socio-emotional issues of internal meaning-making; cognitive issues of internal sense-making; requisite organisation principles for matching people to tasks; behavioural support "in the moment".

<p align="center">***</p>

Part Two, Two Case Studies

The two case studies below stem from organisations that implemented Holacracy as a shared leadership model. For illustration we employ specific names to represent all the relevant actors. Each case study is structured in three sections: context, results, and interpretation.

Case 1

Context

Two of the critical issues encountered early in the transition from a decade-old conventional organisation design to a Holacratic one were:

- A small number of individuals (call them Jane) asked repeatedly "yes, but what do *you* really want from me?" in response to making full use of shared leadership Holacratic methods. What emerged was a belief in Jane that the CEO was still the boss, that Holacracy was a way of making employees compliant with a hidden agenda.
- A second small group (call them Terry) asked repeatedly "Is it safe for me to do this? Will I still be a member of the group if I do this?"

In addition to Holacracy a number of developmental processes were used. These included those described in (Kegan and Lahey, 2001) as well as Requisite Organisation role allocation (Jacques', 1989, 1994). This enabled one of us, as CEO, to recognise that the Terrys were beginning to let go of their socialised stage and move towards self-authoring. They needed clearer developmental support on their journey towards becoming developmentally able to lead themselves. This support needed to come both from a person as well as from the peer to peer developmental processes of the Self House. By contrast, Jane was still too far from self-authoring, and too much in Zone 4, even with systemic developmental support, to lead from a shared leadership model.

To that end, we stepped back from pure Holacracy for a few months. We provided some direct line manager support "giving permission" to use Holacracy. As circle members re-shaped their S3 selves, identifying with the new norms and values, we steadily decreased acting as line managers, moving to visibly pure Holacracy.

Results
Terry, after a while, accepted that the new norm was to take all actions she deemed appropriate for her role; she understood that she should act without first seeking permission, consensus, or waiting for direct orders. In 5 months, she transformed from someone overwhelmed by sharing leadership into a fully capable leader in the anchor circle. She developed socio-emotionally, taking a big step towards self-authoring.

Jane, however, proved unable to step beyond her FoR. She continued seeking both a real boss and real subordinates to meet her needs. There was little improvement in her performance, remaining well below what she had been delivering in the traditional hierarchy.

Interpretation

At the beginning of our implementation of Holacracy plus developmental scaffolding some individuals were well below their former productivity. They were in Zones 3 & 4. For example, Terry was constantly asking for reassurance that it was acceptable behaviour according to the new norms for her to take her own decisions - because it had been unacceptable in the old norms. Initially we needed to deliver that message in person. This is expected for someone primarily at the S3 stage of meaning making.

Once the developmental processes began working well, and hence both they and Holacracy became accepted as the new norm for interactivity and relationships in the circle, most equaled or exceeded their former productivity. They had tasks now mainly in Zones 1 & 2, a little in Zone 3, with trusted developmental scaffolding in place.

However, Jane began too far from self-authoring to achieve this. She was unable to get to sufficient productivity in the time available in the developmental processes for a Holacracy model to be used. After some time she decided to follow a related but different path.

This outcome supports the thesis that, if a circle is developmentally spread across a broad range, from above S4 to below S3, S4 individuals will need to lead in a more traditional way until the norms of shared leadership are firmly established as group norms. There can only be superficial shared leadership rather than true shared leadership in the early stages.

Case 2

Context
When we introduced Holacracy, we had tasks where one of Jane's roles acted in support of one of Sam's roles. In other roles the relationship was reversed. Previously Sam had been reporting to Jane, who had closely managed the activities of Sam. Jane continued seeking ways to act as Sam's boss. She acted in a subtle "helping you learn", way, whilst giving the semblance of allowing Sam to lead her in situations where Sam's role was formally a leading one.

Results
This led to mixed messages as to what the norm was. Jane was saying to Sam that the norm is to still seek approval from an authority *person* (her) before taking action. In effect, that the accountability of Sam's roles was only an abstract paper exercise; real accountability remained in the person of Jane.

As a result, neither was able to deliver on their accountabilities. Both were under high stress, with days off work, and long support discussions with other team members. Jane and Sam spent a couple of months saying the right things, but the results were few and far between. Neither were able to take the independent action necessary to truly lead from their roles.

Until we were able to work out what was happening, and use developmental processes to remediate, it appeared that the only options were voluntary or involuntary separation of one or both of circle members. It was only after our developmental processes enabled Sam to see clearly her own FoR, to see how it was biasing her perception of what was happening, that she was able to internalise her accountabilities. At that point she began a transformation of her self-identity, gaining distance from Jane. She developed towards a firmly self-authoring stance, and delivered outstanding results from then on.

Interpretation
The relativity of roles, i.e., the switching in social relationship with colleagues from following to leading and back again based on an abstract role / task context, requires a sufficiently mature person. Even with developmental scaffolding, each must have an element of self-authoring (S4) in their high-range. They must have begun developing the capacity to move beyond identifying with the role(s) they fill (S3), and thus also with the people on which they thought they depended.

Actions of individuals at a pre-S3 stage hold back progress to a shared leadership operation if they are transitioned too fast into Holacracy. Jane's FoR made it impossible for her to share leading.

This case illustrates the issue of having to work with people who still have elements of S2 in their developmental profile, especially before a fully mature shared leadership organisation, with shared norms and values, has stabilized in the behaviour of all. This is highly relevant if before beginning the change to Holacracy, there are no already well developed developmental processes to provide scaffolding.

<u>Consequences for Initiators of Shared Leadership</u>
Shared leadership is often initiated by individuals close to, or at, the self authoring level (S4). However, any fervor of committing to implement pure shared leadership from the start only in order to avoid hierarchical leadership is unrealistic and likely to misfire. The best way to avoid harm to the organisation and its members is therefore to phase in holacratic organisation design processes after adult-developmental processes have been put in place first. However, this strategy presupposes, on the side of the initiators of holacracy, a knowledge of the adult-developmental landscape in which they are operating, as is, for instance, made possible by the CDF -- *Constructive Developmental Framework* -- methodology, taught at the *Interdevelopmental Institute* (www.interdevelopmentals.org) since 2000.

Commentary on the case studies

Like any other organisation design, Holacracy embodies an implicit (and incomplete) model of social interaction and relationship. It aims to provide a scaffolding supporting a certain type of social bonding and interactivity, emphasizing a clean separation of role from person. By neglecting to inquire into the requisite relationship between individuals' Size of Person (SoP) to Size of Role (S0R), Holacracy forces the central question for each individual to become: **"what is happening to me, and what will this change mean for my own standing in the company?"** The answer, and consequent response, lies in circle members' present world view, that is, their emotional as well as cognitive FoR.

It is thus at the origin of Holacracy that the requirement of becoming a "deliberately developmental organisation" lies if more than a fashionable organisation design is intended. The nature of social bonding, and the role it plays in developing and maintaining the self-concept at the socialised mind stage (S3), requires a *physical* Other (not separate yet from an individual's *internalized* Others) as the source of legitimacy and self-assurance. Only at S4 does legitimacy "move inside".

Since except for S2 and S5 individuals, most circle members' remain un-knowingly identified with their role, Holacracy, which splits person off from role, comes as a shock to most,

despite what they may think or say. Holacracy represents the demand of society to act from one's own value system, and this is impossible for the 65% of people (or more) at S3. To handle the split between person and role maturely presupposes a step toward and even beyond S4 (which maximally 25% of adults actually take).

But even paying attention to social-emotional development will not suffice: without a simultaneous focus on the cognitive development of circle members not much will be achieved (Laske 2015).

As a result, one cannot, in changing to shared leadership, be too purist during the transition. Once Holacracy has been fully implemented, and has become the social bonding norm, then Holacracy commands everyone to act *as if* they were self-authoring and cognitively mature. This partially provides the scaffolding (i.e., deliberately developmental processes), although it cannot work when supports such as coaching, mentoring and others are absent, and if circle members' tasks fall into Zone 4 (where no support will matter).

Suggestions Based on Our Experience

Using the developmental approach outlined in this paper, we have found that the strategies needed to secure the success of a holacratic organization design must instantiate an understanding the adult-developmental landscape in which an organisation functions, that is, the *developmental spread* the organisation relies on for work delivery. Needless to say, this requires, on the part of the initators of holacracy, at least a rough analytical understanding of social-emotional stratification (S2 to S5) and an appreciation of the movement through four phases of cognitive adult development as a separate strand of maturation. Such an understanding can become actionable in the way briefly hinted at below, differently for each stage and holding cognitive development constant.

Overall

1. Insure that the main change agents driving the transition to Holacracy are all at or beyond S4.
2. Insure each change agent is aware of developmental stages, is able to recognise the signs for each key stage (S2, S3 and S4), and is aware of the different scaffolding each stage needs to be functional in Zone 3 tasks.
3. Apply Requisite Organisation design thinking to match accountabilities to individuals.
4. Deploy consistent developmental processes such as coaching and mentoring, so that every task can be used for self-house socio-emotional development. Provide cognitive development trainings and processes as well. This is especially helpful for business strategies breaking into new territory. We have found Appreciative Inquiry, Immunity to Change, Non-Violent Communication, dialectic thought form training, the use of structures such as Liberating Structures (H. XXX and K. XXX) or Art of Participatory Leadership to be beneficial.
5. Get alignment among the change agents on the core norms to transition to, before beginning broader changes.

Paying Attention to S3 Individuals

Individuals at stage 3, long safely employed by conventional organisations, must be prepared for a Holacratic organisation in tasks falling into Zones 2 and 3 of functioning (where they can either help themselves or can make use of support). For this to work, change agents must expand their "managerial" capabilities in the following ways:

1. Learn to appreciate that the loss of one's present self-identity -- which is a natural ingredient of adult development -- when exacerbated by organization design, is a very real threat to individuals who are at intermediate stages between other-dependence (S3) and self authoring (S4), a journey that can take 5-7 years or more.
2. Use Holacracy so as to foster a *holding environment* kept in balance with a focus on gradually splitting off person from role, working especially beyond the Task House (Fig. 3), to address the need to feel belonging.
3. Think about ways in which lack of self authoring can be accepted and compensated for by fostering an adult-developmentally transparent culture beyond the Task House (Fig. 3).
4. Think about how circle members experience the organizational environment into which they output and which may either overtax them or set limits to their actual work capability.
5. Use adult-developmental assessment to test whether particular tasks fall into Zone 3 or 4 for some circle members, and configure tasks accordingly.
6. During the transition phase have an individual holding a role of "permission-giver."
7. Insure that every person deemed a role-model is consistently acting according to the new norms.

Paying Attention to S2 Individuals
In addition, specifically for those with a residual stage 2 profile:

1. Create a task domain with specific individuals that can be relied upon by S2 individuals to meet their safety and integrity needs.
2. Make sure that all individuals the S2 person might deem role-models are consistent in their functioning and as mentors, in order to accelerate development to stable S3.

CONCLUSIONS

Referring to practices deriving from adult-developmental research (see References), we have spelled out the nature of *deliberately developmental processes* used for the purpose of transitioning to Holacracy (or similar organisation designs which hide the, already hidden, adult-developmental dimensions of work delivery). In so doing, we have moved from flatland to a landscape of peaks and valleys that to function in requires higher level of systems thinking.

We have shown that the social nature of organisations stratifies according to different socio-emotional stages and levels of cognitive complexity handling, and that gearing developmental processes exclusively to the Task House (where goals and competences reside) is counter-productive since it excludes deliberately developmental processes. In so doing we have made it clear that the transition to Holacracy is likely to be a transition of high stress and anxiety for all individuals not at the highest developmental stage (S5). The stressors are different for each stage, and require level-appropriate remediation based on explicit developmental assessment. This is challenging especially for developmentally widely spread circles.

Four Main Insights
(1) Shared leadership / self-managed / self-governed organisations are an essential next step if they are to answer to the challenges we are currently facing on our planet.
(2) Introducing shared leadership etc. is not just a shift in organisation design. Rather, it triggers maturity-specific issues and failure modes and hence requires a fundamental

transformation across everything that constitutes an organisation, -- from transforming the individuals in an organisation, transforming the organisation itself, and transforming ecosystems or groups of organizations.

(3) This fact makes visible the common ground between society and organisations. Shared leadership cannot be achieved in one organisation, in isolation from other organisations in the community it is embedded in and from which its members are drawn. Shared leadership really gains its full power, when other organisations - suppliers, customers, members of the ecosystem - are also operating from an effective, fully fledged shared leadership approach sustaining the self-identities needed.

(4) Inadequacies attributed to such organisation designs seem to be, at least in part, unsolved adult-developmental issues. Further studies are needed to clarify to what extent shared leadership organisation designs are flawed *per se* vs. the extent to which they require complementary, deliberately developmental, processes.

Consequences:
- In order to transition to Holacracy the leadership circle needs to comprise primarily individuals anchored at S4. To the extent that there is anybody in the circle with a profile lower than S3, most of their tasks will lie in their dysfunctional Zone.
- With developmental awareness and tools an integral part of the culture, there is a high probability that the developmental struggle of circle members will be honored and recognised, and that the organisation will be able to provide developmentally appropriate scaffolding at least in Zone 3 (see Table 2a/b).
- This presupposes allocating accountabilities "requisitely," in accordance with matching individuals' person and role (SoP/SoR; Jacques' 1989, 1994). Without this, there is a high risk of burnout in individuals, and failed transformations to shared leadership, due to individuals having many (and likely mission-critical) tasks in their Zone 4.

Food for Thought:
Tools deriving from adult-developmental research, available, for instance, in the form of the *Constructive Developmental Framework* methodology (CDF; Laske 1999, 2005, 2008, 2015), form a practical tool kit aiding the introduction of, and subsequent mature operation of, organisations using Holacracy and similar methodologies.

By adding processes facilitating adult development outside of the Task House, an objective awareness of social-emotional and cognitive stratification of organisations can be grown (Basseches1984; De Visch 2011, 2015; Jacques' 1989, 1994; Kegan 1982, 1994, 2001, 2016) that is based on acceptance of all -- since nobody can act from an FoR s(he) does not possess. Implementing such processes is more effective than approaches to organisation design and leadership prevalent today that are solely rooted in a structural, behavioural, or psychological mindset.

When engaged on this path, the culture of fixating on what we have called the *Task House* (where competences and goals reside) appears as thoroughly dysfunctional. It amounts to neglecting or minimizing how circle members make meaning (socio-emotionally) as well as

sense (cognitively) of their organizational surround (Organisation House) and their opportunities for self development (Self House). If this fixation can be overcome, the attrition rate experienced during the transformation to Holacracy ought to be significantly reduced.

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