



PowerShift® Intelligence

AN OPEN LETTER TO THE SELF-MANAGEMENT MOVEMENT

You've Been Training for This

Why Holacracy, Sociocracy, and the wider self-management movement are unusually prepared to lead the Algorithmic Organization.

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If you have spent years practicing Holacracy, Sociocracy, or almost any serious form of organizational self-management, I have good news: you are standing at the edge of a future that makes your work a prerequisite.

You have been training for it.

Not because self-management anticipated every capability now arriving through artificial intelligence. It did not. And not because adding a few agents to a circle structure magically produces the organization of the future. It will not.

You are unusually prepared because you have already had to unlearn several assumptions that most organizations still treat as natural law: that authority must live in a person; that a job and the human holding it are the same thing; that coordination requires a manager; that disagreement is friction; that planning is steering; and that organizational structure is something drawn once, announced, and gradually ignored.

Those assumptions were already expensive. In the Age of Intelligence, they become architectural liabilities.

When intelligence can do more than answer questions—when it can hold memory, draft and revise artifacts, invoke tools, coordinate across systems, participate in governance, and increasingly take consequential action—the central organizational question changes. Intelligence becomes a forcing function for change—and maybe it always has.

It is no longer merely: **What can the AI do?**

It becomes: **Under what authority does it act?**

That is a governance question. And it is one the self-management movement has been preparing to answer for decades.

My own path into this question began in 2007, when I co-founded HolacracyOne. We were not trying to prepare organizations for artificial Minds. We were trying to answer a more immediate question: how can rules and purpose, rather than a person, hold final authority—and how can the structure of work evolve from the tensions sensed by anyone doing it?

That line continued through encode.org and the For-Purpose Enterprise, where we worked to differentiate capital, labor, operations, and legitimate governance, and continues now with PowerShift® Intelligence. In retrospect, these look less like separate experiments than successive attempts to make authority explicit enough to travel across time, scale, and substrate. The [lineage from Holacracy to the Algorithmic Organization](#) is not a pivot away from self-management. It is the next scale of the same inquiry.

The future arrives through a question of authority

I define an **Algorithmic Organization** as an organization whose roles, rules, policies, and learning loops are explicit enough to be run by human and artificial agents alike.

That is not the same as a company using AI agents. Every conventional company will soon use agents, just as every company eventually used email. Tool adoption does not produce a new organizational form.

An Algorithmic Organization is different at the level of its operating logic. It can coordinate effort, allocate resources, and align incentives across a field of human and artificial intelligence because authority is carried by explicit structure rather than inferred from status, proximity, or personality. It is intelligence at the coordination layer.

This distinction matters because intelligence is not inherently aligned. I define intelligence as **the rate at which a system metabolizes the tension it encounters into purposeful change**. A bacterium can do this. A human can do this. A team, an AI agent, and—uncomfortably—a cancer cell can do this.

The cancer cell is load-bearing to the definition. It is highly capable at pursuing a local purpose that the larger whole cannot legitimately endorse.

So intelligence is not enough. The design target is **governed intelligence: intelligence in service of a purpose legitimate at its own scale**.

The word *governed* does real work. It means we do not merely hope an intelligent system remains aligned. We locate its purpose, authority, constraints, escalation paths, and correction loops in a structure the whole can inspect and change.

Culture is not an access-control system. A vibe is not an authority model, however excellent the offsite.

This is where self-management practitioners have an extraordinary head start.

Conventional organizations carry semantic debt

Most conventional organizations are difficult enough for humans to interpret. Job titles mix identity, status, skill, authority, and social position into a single object. Decision rights often depend less on written policy than on proximity to power. Exceptions live in private memory. The org chart says one thing; the actual network of permission says another.

Humans survive this through years of tacit learning. We read tone, infer hidden boundaries, remember who must be consulted, and discover which rules are aspirational. Much of what we call “organizational experience” is skilled navigation of institutional ambiguity.

Artificial agents do not remove that ambiguity. They accelerate whatever is already there.

Place an agent inside an unclear organization and it will become either a very powerful intern—waiting for permission at every consequential threshold—or an invisible executive, exercising authority no one remembers granting. Neither condition is an intelligence strategy. Both are governance failures with excellent throughput.

This is why adding AI to management is not the same as building an Algorithmic Organization. Automating ambiguity simply produces ambiguity at machine speed. A prompt is not a constitution. Permission is not authority. A capable model is not, by capability alone, a legitimate organizational actor.

Self-management practitioners begin closer to the real problem because we have already spent years making the invisible structure of work visible.

What self-management practitioners already know

Holacracy and Sociocracy are not interchangeable. Their histories, methods, and emphases differ, and those differences should not be ignored for the convenience of a tidy AI thesis. Yet they share several deep instincts: work can be separated from the worker; authority can be made explicit and distributed; semi-autonomous parts can remain coherent through purpose and boundaries; and feedback from reality should continuously update the system.

That is the opposite of predict-and-control management. It is sense-and-respond. And it gives practitioners a set of learned reflexes that map remarkably well to mixed human–AI organizations.

1. The work can be separated from the worker

One of the most consequential moves in Holacracy is also one of the easiest to underestimate: it separates the person from the roles they fill.

A role is not a compressed personal work history. It is a functional element, a piece of organizational work with a purpose, domains of authority, and accountabilities. One person may fill several roles. A role may move to another person. The organization can evolve the role without editing the soul of the role-filler.

Sociocracy makes a related move through explicit roles, circle aims, and domains. The grammar differs, but the practical insight holds: the work is something the organization can describe and delegate; it is not identical to the person currently carrying it.

That makes a role a portable seat in the organization. A human can fill it. An artificial agent—or a formed intelligence with memory, tools, and governed standing, what I call a **Mind**—can fill part of it. A human and a Mind can hold complementary authority around it. The substrate may change while the purpose, bounds, and accountabilities remain legible.

Self-management learned to organize the work rather than organize the people. The Age of Intelligence turns that distinction into infrastructure.

2. Authority can live in structure rather than personality

The decisive move in serious self-management is not that leaders become more inclusive. It is that authority actually moves.

In Holacracy, a constitution, circle structure, roles, domains, and governance records make that transfer explicit. In Sociocracy, circles receive authority over defined domains and use consent-based governance to evolve policy. Across the wider field, the recurring aspiration is the same: replace personal permission with a transparent system of legitimate autonomy.

Artificial agents need exactly this. They cannot process vague encouragement to “take more ownership.” They need a structurally grounded answer to what they may do, for what purpose, within which bounds, using which resources, and when a human judgment gate is required.

This is the difference between autonomy and drift.

3. Tensions, objections, and drivers are information

Holacracy practitioners learn to treat a tension—the sensed gap between what is and what could be—as fuel for evolution. Sociocracy practitioners learn to treat an objection not as resistance or veto, but as information that a proposal may impair the circle’s aim. Sociocracy 3.0 similarly works with organizational drivers, requirements, objections, and empirical feedback.

Different language, related discipline: the system learns by metabolizing discrepancy.

My current definition of intelligence makes this connection explicit:

Intelligence is the rate at which a system metabolizes the tension it encounters into purposeful change.

But intelligence alone is neutral. A cancer cell is highly intelligent by this definition; it adapts and persists brilliantly while optimizing against the organism that makes its existence possible. The organizational parallel is not difficult to find.

So a second definition is necessary:

Governed intelligence is intelligence in service of a purpose legitimate at its own scale.

The word *governed* carries the weight. It binds local intelligence to a purpose the larger whole can legitimately hold. Self-management practitioners have been working at this boundary for years: how to release distributed agency without losing coherence.

That is no longer a niche governance concern. It is the alignment problem inside the organization.

4. Governance and operations are different kinds of work

Self-managing systems distinguish doing the work from changing how the work is organized. That distinction can feel procedural until an artificial agent enters the picture. Then it becomes a safety boundary.

An agent may have broad authority to operate within a role while having no authority to expand that role, rewrite its own constraints, grant itself a larger budget, or change the policy that governs its actions. Operational agency can be fast; governance should remain explicit, reviewable, and legitimate.

If this distinction is absent, every operational exception quietly becomes a constitutional amendment. Conventional organizations often tolerate that because a human manager remains the hidden interpreter. An Algorithmic Organization cannot safely depend on hidden interpretation. The interpreter must become visible as structure, process, or an accountable human judgment.

5. Purpose and boundaries create local freedom

Both Holacracy and Sociocracy use nested circles or domains to hold semi-autonomous work. Authority is local, but not unbounded. Each part acts within a purpose and within constraints inherited from the larger whole.

That is almost a native description of governed agent architecture.

Purpose is not motivational decoration here. It is a relevance filter. It helps a role or agent determine which signals matter, which tensions deserve attention, and which trade-offs are legitimate. Boundaries do not suppress intelligence; they give it somewhere coherent to act.

Rules in service of freedom. The paradox will only trouble you until you have practiced it.

6. Clarity is an operating condition

Self-management asks organizations to make roles, policies, domains, decisions, and tensions visible enough for distributed actors to coordinate. Practitioners know the difference between “everyone should know” and something actually being viewable, trackable, and shareable.

In an Algorithmic Organization, that clarity becomes machine legibility.

An authority that exists only in someone's head cannot reliably govern an agent. A policy scattered across meeting notes cannot function as a dependable action boundary. A role without a current purpose and accountabilities cannot be safely delegated, whether the role-filler is a person or a Mind.

Clarity is no longer administrative hygiene. It is part of the compilation target.

7. Good objections improve the whole

Sociocracy's practices of consent, rounds, double-linking, and ongoing evaluation cultivate a particularly valuable capacity: listening for information that the current proposal or structure cannot yet see. Holacracy's integrative decision-making similarly trains practitioners to process tensions and test objections without turning every governance question into consensus theater.

This becomes essential in mixed human–AI systems. We will need structures in which agents can surface tensions, generate proposals, reveal inconsistencies, and challenge assumptions—without confusing computational fluency with moral standing or final authority.

Standing is a governance grant, not a metaphysical verdict.

Self-management has already been teaching us how to hear signal without making personality the organizing principle. That may become one of its most important contributions.

The inheritance is real. It is not sufficient.

There is a tempting but unhelpful conclusion available here: *We already solved this.*

We did not.

Holacracy is not an Algorithmic Organization. Sociocracy is not an Algorithmic Organization. A self-managing culture does not become agent-ready by opening an API account and assigning a chatbot to a circle. If we down-translate the new frontier into our familiar frameworks, we will lose the frontier while congratulating ourselves on recognizing it.

The inherited governance kernel must be extended.

An intelligence-bearing organization needs explicit ways to establish an agent's identity, purpose, capabilities, constraints, and governance standing. It needs memory that can be inspected and corrected; receipts for consequential handoffs; budgets for money, compute, tokens, and attention; escalation paths; versioned policies; proof standards; and hard prohibitions against unauthorized self-expansion. It needs legal bridges between constitutional governance and the entities that hold assets and liability. It needs human judgment at the points where legitimacy cannot be delegated to pattern recognition.

Most of all, it needs a more precise human role.

I call that role the **Orchestrator**: a human who convenes, stewards, and calibrates a field of intelligence in service of purpose.

The old manager pushed work through people. The Orchestrator holds purpose, senses tensions, stewards authority, allocates scarce attention and resources, calibrates Minds, and keeps the system honest. This is not “managing agents” with newer nouns. It is a different relationship to intelligence.

And here again, self-management practitioners have an advantage. You have already practiced the underlying moves:

- role, not person;
- purpose, not preference;
- tension, not failure;
- objection, not obstruction;
- authority, not charisma;
- governance, not control;

- autonomy, not absence of structure.

These are not the whole practice of orchestration. They are unusually good soil for it.

From a specialist movement to a field of institutional R&D

For years, self-management has often been treated as an organizational specialty, a niche within a niche: compelling to a subset of founders, consultants, cooperatives, intentional communities, and teams willing to tolerate unusual meeting vocabulary.

I think that frame must now expand.

The movement has functioned as a distributed research program into post-managerial coordination. Its living laboratories have been imperfect and sometimes exhausting. Some implementations moved authority; others mostly changed the meeting format. Some produced real sovereignty; others concealed a founder hierarchy beneath more elegant language. Many of us have accumulated scar tissue along with insight.

Good. Scar tissue is data—provided the injury was survivable.

The next generation of organizations will need people fluent in authority without dominance, structure without centralization, autonomy without drift, and continuous change without perpetual reorganization. It will need practitioners who understand that sensing a tension is not insubordination, that an objection can be an act of service, and that purpose must do real decision work, not simply inspire.

That is this community.

The opportunity is not to deify or defend Holacracy, Sociocracy, or self-management as the final answer. It is to bring forward what the practices have taught us, allow those teachings to evolve, and help build the governance layer for intelligence-integrated organizations.

No victory lap is required. The future is generally unimpressed by those.

An invitation to lead

The Age of Intelligence will not reduce the importance of human sovereignty. It will make sovereignty non-delegable, non-negotiable.

As artificial intelligence gains memory, tools, continuity, and operational agency, humans will be asked to do less of the work that once made us feel indispensable. Our contribution will move upstream: holding purpose, making legitimacy judgments, designing authority, attending to consequences, and deciding what kinds of systems deserve to exist.

That is not a diminishment of the human role. It is a clarification.

Those who have practiced self-management are unusually prepared for it—not because we have escaped hierarchy, ego, ambiguity, or power, but because we have learned to see them as design material for what's next. We have learned that empowerment is systemic, that autonomy needs structure, and that purpose is only real when it can govern a choice.

The Algorithmic Organization will require new runtimes, memory systems, legal forms, agent protocols, and technical safeguards. But beneath all of them sits an older question: can intelligence be given enough freedom to act while remaining in legitimate service to the whole?

Holacracy and Sociocracy have been working on that question all along.

So has everyone who has tried, seriously and sometimes painfully, to move authority out of the person and into a transparent practice.

The Age of Intelligence did not make that work quaint. It revealed what it was for: a prerequisite for what comes next.

You've been training for this all along. It is time to step forward and model what is now possible.

If you are already practicing Holacracy or Sociocracy, you have already done the hard part: you have learned to map the organization functionally and move authority into explicit practice. Start with one Circle—with or without Sub-Circles—and pilot governed agents as role-fillers. Give them a defined purpose, accountabilities, domains, capability envelope, constraints, and escalation paths. Keep human judgment where legitimacy requires it. Keep receipts. Let tensions update the structure.

If you are working in a conventional organization, start with a bounded pilot: one team, department, or consequential workflow. Map it functionally first—purpose, roles, authority, policies, and boundaries—then introduce governed agents inside that structure. Draw on experienced Holacracy or Sociocracy practitioners if

useful, or build the map yourself. The point is not to automate the org chart. It is to make authority explicit enough for intelligence to act without drifting.

However you enter, we are here to support the journey. [Go free or go fast with PowerShift® Intelligence](#): adopt the open constitutional layer yourself, or work with us to form and accelerate an Algorithmic Organization.

Tension is fuel. Purpose sets the bounds.

Put it into practice

- [The PowerShift® Constitution v1.1](#) — the fork of the Holacracy Constitution that makes the article's central moves operational: human and artificial role-fillers, the Orchestrator, capability envelopes, hard constraints, governance standing, and human-intelligence ratification.
- [The PowerShift® Stack](#) — the full open governance operating system for intelligence-integrated organizations: constitutional, legal, agent, memory, orchestration, and assurance layers.
- [The Orchestrator's Field Guide v1.2](#) — a practical guide to convening, stewarding, and calibrating fields of human and artificial intelligence.

Follow the lineage

- [From Holacracy to Algorithmic Organization](#) — the public lineage from self-management and for-purpose enterprise to governed intelligence.
- [Holacracy Constitution v5.0](#) and [Holacracy's distributed-authority overview](#) — foundational sources for the constitutional transfer of authority.
- [Sociocracy: basic concepts and principles](#) from Sociocracy For All.
- Sociocracy 3.0 patterns for [circles](#), [roles](#), and [consent decision-making](#).