AN EVERYONE CULTURE

BECOMING A DELIBERATELY DEVELOPMENTAL ORGANIZATION

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SUMMARY

BECOMING A DELIBERATELY
DEVELOPMENTAL ORGANIZATION

WHAT IS A DDO?

- A **deliberately developmental organization (DDO)** believes, “the continuing growth of the business comes through the continuing growth of its people” (Kegan & Lahey, 2016, p. 94)
- Need “both passions—business excellence and an interest in developing people—in order to make a DDO work (p. 112)
- DDO Northstar: a fundamental beliefs in the power of individual growth (p. 59)
- Of the DDOs studied in the book, all include their own version of the following elements: radical transparency; continuous feedback; open forum meetings; bringing big-picture thinking to day-to-day roles and responsibilities; mentorship or similar support network systems; challenging, stretching, and empowering employees to take on new roles and more ownership

WHAT IS A DDO?

- **Organizations who believe their people are their greatest asset and align their organizational structure to bring this value into the day-to-day operations of the organization.** "The series of axioms is one visible expression of Decurion's principles: that work is meaningful; that people are not only means but also ends in themselves; that individuals and communities naturally develop; and that pursuing human development and pursuing profitability are one thing" (p. 94)
- **DDOs build their values into the day-to-day practices of the company.** They're not just slogans on wall. "But without a pervasive ecology– structures, practices, tools and shared language that allow the organization to embody and orient to these values– they become slogans rather than drivers of culture" (p. 93)

THEMES

- **How to** create an environment where your organization can **become a Deliberately Developmental Organization** by introducing you to three organizations that have implemented best practices: **NextJump**, **Decurion**, and **Bridgewater**.

- The organizations explored in the book are in different industries but share the **common thread of putting humanistic organization development practices at the core of their cultures** and operations.

- The authors argue that in our rapidly changing, increasingly complex world, organizations ought to be deliberately developmental not only to create the most **appealing culture** to associates, but because it is a **winning business strategy** in the long term.

KEY TAKEAWAYS

BECOMING A DELIBERATELY DEVELOPMENTAL ORGANIZATION

BEING DELIBERATELY DEVELOPMENTAL

- Operate from the premise that hiding weaknesses is the biggest loss of resources for an organization

- A value for human development is built into every aspect of the organization. People overcoming their limitations is part of contributing to the profitability of the business.

- Structured for development based on three pillars
    - Developmental communities → home
    - Developmental practices → groove
    - Developmental aspirations → edge

- Employees overcome weakness through:
    - Feedback
    - Culture of Practice
    - Seek Input on Growing Edge
    - Uncovering Blind Spots: Immunity to Change Map
    - Building Support Systems

(Kegan & Lahey, 2016, p. 133)

FEEDBACK

Feedback *motivates* and *directs.* It is a starting point for further exploration rather than an ending point (Anderson, 2019, p. 189).

"There is a need to think with others in a reflective way to see change happen… This involves open and honest communication in a space where no one is wrong and there is a commitment to finding that common ground… members of the organization have a voice that is listened to and valued" (Cawsey et al., 2016, p. 267)

- **Next Jump**
  - Feedback helps employees grow into roles they may not be ready for yet
  - Feedback is an opportunity to learn- shows that you care about others development
  - Feedback identifies areas for growth and builds leadership effectiveness
- **Decurion**
  - Requires its members to give feedback to each other regardless of position or tenure in an effort to build effective business communities
- **Bridgewater**
  - Mechanizes supportive processes to destigmatize and celebrate mistakes; treats these as "valuable data for learning rather than unproductive blame" (Kegan & Lahey, 2016, p. 57)
  - Enables employees to learn from mistakes– a job requirement at Bridgewater
  - Forces employees to answer the question; "Do you worry more about how good you are or about how fast you are learning?" (Kegan & Lahey, 2016, p. 133)

CULTURE OF PRACTICE

Shifting organizational mindset from culture of *performance* to a culture of *practice*

- **5 Qualities of Practicing in a DDO**
  - Helps externalize struggles that are interior
  - Connect the work of the business to working on ourselves
  - Shift focus from outcomes to processes that generate outcomes
  - Language as practice- creates new tools for a new paradigm
  - Systemic stretch involves everyone, every day, across the organization

- A culture of practice in DDO's "form a system of routines and tools for exposing, exploring, and transcending people's limiting assumptions and mind-sets" (Kegan & Lahey, 2016, p.75).

- "It's that saturation of practices that produces a uniquely rich culture for developing people" (p. 75)

SEEK INPUT FOR GROWING EDGE

People's limitations are seen as their growing edge – a company resource, an asset - that should be continuously and publicly engaged

Embrace the Growing Edge as Opportunity:

- "A DDO enables people to uncover and value their growing edge, and experience themselves as still valuable even as they are screwing up — and they can potentially be even more valuable if they can overcome the limitations they are exposing" (p. 92)
- Embrace challenges as part of the development process that benefits everyone. "Jeanie Daniel Duck argues that an organization will not change if the individuals within that organization do not develop themselves" (Cawsey et al., 2016, p. 266).

Continuous Growth is Continuous Improvement:

- A DDO culture says it's okay to make mistakes but unacceptable to not identify, analyze, and learn from them" (Kegan & Lahey, 2016, p. 48).
- Don't focus on how good you are, focus on how fast you are learning

ATTRIBUTES FOR SUCCESS

- **Being a DDO Requires an Organization to Be All In**
  - All in is a “pervasive” approach; invading “structures, practices, tools, and shared language that allow the organization to embody and orient to these values”, otherwise, they become slogans rather than drivers of the culture” (p. 58)

- **Formula for Success**
  - Next Jump Formula: Better Me + Better You = Better Us (p. 20)
  - Bridgewater Formula: Pain + Reflection = Progress (p. 52)

- **Tools to support culture of practice**

Level	Bridgewater	Next Jump	Decurion
Micro (personal)	Daily Updates Getting in sync	Talking Partners	Touchpoints
Meso (team)	Issues log Dot collector	Situational workshops	Pulse-check huddles
Macro (organization)	Daily cases	10X	DBLs

UNCOVERING YOUR BLINDSPOT

- **DDO's focus on developing your weakness**

- One way to do this, is the **Immunity to Change Exercise (Figure 6-1)** recommended by Kegan and Lahey

- Start with your "one big thing", a personal growth area that is of utmost importance to you

- Then answer a series of questions to identify unconscious habits preventing you from attaining your goals and becoming your best self (Kegan & Lahey, 2016).

FIGURE 6-1

The immunity to change map template

1. Commitment (improvement goal)	2. Doing/not doing instead	3. Hidden/competing commitment	4. Big assumptions
I am committed to getting better at . . .			

BUILD SUPPORT SYSTEMS

- DDO's have **structures** in place **to empower employees** to take on more ownership and responsibility, as well as grow new skills by challenging them to do things in new roles, multiple roles, and/or with mentorship.

- "To give people a qualitatively more complex curriculum, you must qualitatively alter the nature of the teaching support you provide them so that they might master it" (Kegan & Lahey, 2016, p. 167)

- Next Jump utilizes "captains" as a means of giving people more than just opportunities to lead. "Captains" provide a mechanism to provide ongoing coaching, mentoring, increasing the chances that captains will be successful long-term (p. 170).

ANALYSIS

BECOMING A DELIBERATELY DEVELOPMENTAL ORGANIZATION

DELIBERATELY DEVELOPMENTAL ORGANIZATIONS

Invest time in developing people “to create the conditions for even greater success in the future”

(Kegan & Lahey, 2016, p. 105)

Through conversation and open dialogue, intentional reflection helps organizations manage change more effectively
(Cawsey et al., 2016, p. 267)

Dialogic OD focuses on emergent and participative understandings to drive sustainable change
(Anderson, 2019, p. 120)

Diagnostic and dialogic OD focus on humanistic values, democratic values, and greater system awareness
(Anderson, 2019, p. 121)

When someone is highly attuned or self-aware, “he/she will experience the change process as more of a set of smooth transitions”
(Boyatzis, 2006, p. 609)

DIAGNOSIS AND FEEDBACK

- **Help the Organization Understand the Current Situation**
  - "The purpose of diagnosis is to help an organization understand its behavior and its present situation– what's going on, how it's going on– so that something can be done about it". Diagnosis is not only an informational activity, it is aimed at generating action. (Anderson, 2019, p. 177)

- **Create Opportunities for Continuous Learning**
  - "One of the most important sets of criteria… is to generate choices that enhance system competence… the intervention not only solves the immediate problem, but it also provides organizational members with the opportunity to examine how the problem-solving process occurs so that the activity enhances their ability to solve problems like this in the future" (Anderson, 2019, p. 219)

INTERVENTIONS

Relentlessly Prioritize Human Centered Development

- DDO focus on identifying and intentionally working to improve personal areas of weakness

- Strength based approaches to development may be insufficient because, “such approaches develop the core identity component of the ideal self as a driver of change, but fail to capture the energy inherent in dreams of the future and new possibilities as well as the emotional driver of hope” (Boyatzis 2006, p. 614)

- Being deliberately developmental is a continuous process; “change agents seek opportunities to continuously improve both themselves and their organizations…Over time, this process of development becomes part of one's professional identity. The journey never ends” (Cawsey et al., 2016, p. 266)

SHARED NORMS AND AGREEMENTS

To become a DDO, requires “the creation of shared norms, agreements, or rules of the road oriented to the work of development” (Kegan & Lahey, 2016, p. 155)

Shared norms and agreements “enable us, at once, to work ongoingly on our own development (a Better Me), and to support the ongoing development of our colleagues (a Better You)” (Kegan & Lahey, 2016, p. 155)

Conflict facilitation is an important skill for change agents to have, including, “the development of new agreements through dialogue and negotiation” (Cawsey et al., 2016, p. 262)

The five-stages of team development begin with “forming”, a stage when “expectations, group rules, and structure” are defined (Anderson, 2019, p. 259)

TRANSFORMATIONAL CHANGE

To become a DDO, an organization must inject systemic change

The process of becoming a DDO is not an out-of-the-box decision or solution; it is an evolution

An organization seeking to become a DDO must "uncover, explore, and transcend the limiting assumptions of individuals and businesses" (Kegan & Lahey, 2016, p.94)

DDOs: "invest time in learning and growing now for everyone in order to create the conditions for even greater success in the future" (p. 105)

DDOs: "recognize that leadership's tendency to use its power to design and sustain structures that protect itself from challenge sets a limit on the organization's ability to exceed itself" (p. 110)

DDOs: "seem to have an especially intense focus on the shared design of work processes. If something isn't working optimally, it's not someone else's problem; it's everyone's problem" (p. 115)

TRANSFORMATIONAL CHANGE

Change Path Model (Cawsey et al., 2016, p.258)	(1) Awaken: identify vision for change and disseminate need (2) Mobilize: sense making through formal systems and structures	(3) Acceleration: engage and empower others in support, planning and implementation of the change (4) Institutionalization: track, gauge progress, modify, develop and deploy new structures/systems
Intentional Change Theory (Boyatzis, 2006)	(1) the ideal self and vision (2) the real self versus the ideal self resulting in an assessment of one's strengths and weaknesses (3) a learning agenda and plan	(4) practice new behavior, thoughts, feelings, or perceptions; and (5) trusting relationships that enable a person to experience and process each discovery in the process. (p. 613)

TRANSFORMATIONAL CHANGE

Complexity Theory
(Boyatzis, 2006)

Concepts that help to explain sustainable change at all levels of human and social organization
(p. 607)

Tipping Point Concept:
Up to a certain point, the relationship between a person's abilities and their performance may not appear to exist
(p. 609)

The Butterfly Effect:
Once a specific point is reached, a discontinuity occurs and incremental increases in the behavior produces a dramatic increase in effectiveness
(p. 609)

The Sleeper Effect:
sustainable change in a person's behavior, thoughts patterns or emotional reactions does not appear until 6-12 months following completion of the change effort
(p. 611)

"It is through these at times elusive but enlightening concepts that we can guide and reignite individual and collective will to make the world a better place" (p. 619)

TRANSFORMATIONAL CHANGE

"Intentional change theory (ICT) is a complex system. At the individual level, ICT describes the essential components and process of desirable, sustainable change in one's behavior, thoughts, feelings, and perceptions"
(Boyatzis, 2006, p. 608)

Real change requires people to adjust their behavior and commitment to an underlying vision
(Cawsey et al., 2016, p. 260)

Long term benefits of change initiatives must, "embrace the hearts as well as heads of organizational members in ways that generate internal and external environmental congruence"
(Cawsey et al., 2016, p. 260)

The most influential factors in transformational change have the greatest influence on performance: "external environment, mission and strategy, leadership, and organization culture
(Anderson, 2019, p. 84)

INFLUENCING SYSTEMIC CHANGE

Creating shared norms, agreements, and rules doesn't eliminate counterproductive behavior

- A DDO is prepared for the continuous violation of these norms and deploys practices "to **convert those violations into the organization's curriculum**. Then violations become opportunities for everyone, in an everyone culture, to learn" (Kegan & Lahey, 2016, p. 155)

- "The change process actually involves **a sequence of discontinuities**, called discoveries, which function as an **iterative cycle** in producing the sustainable change at the individual level" (Boyatzis, 2006, p. 613)

- Systems theory helps change agents, "note where **systems may encourage certain behavior patterns**, usually subtly and without conscious decision" (Anderson, 2019, p. 77)

HUMAN CENTERED DEVELOPMENT

In reference to OD values, it is suggested that “practitioners continue to be focused on business effectiveness, but not to the detriment of humanistic values”

(Anderson, 2019, p. 59)

Real change “requires people to adjust their behavior and that behavior is often beyond the direct control of top management…long-term benefits can prove to be illusory if the initiative fails to sustainably embrace the hearts as well as the heads of the organizational members in ways that generate internal and external environmental congruence”

(Cawsey, 2016, pp. 259-260)

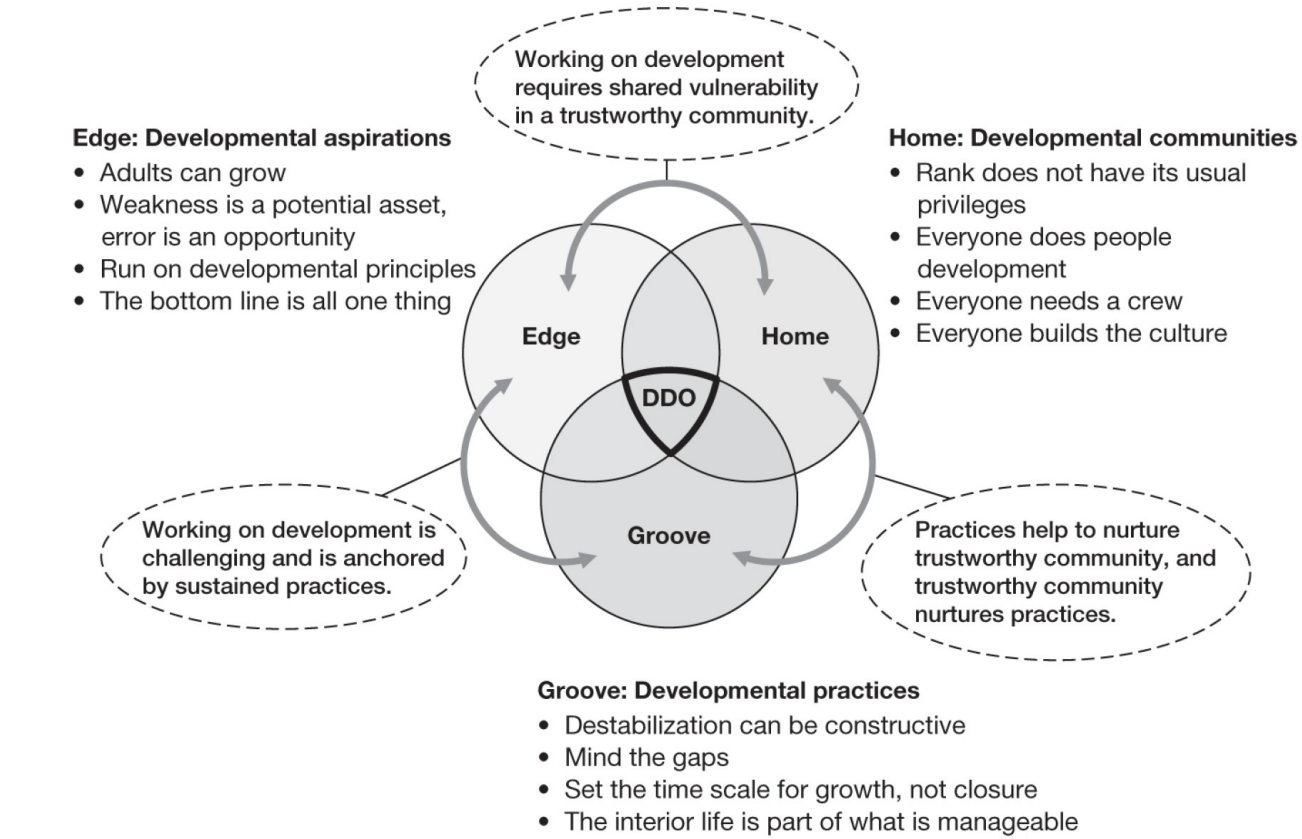
HUMAN CENTERED DEVELOPMENT

"Personal evolution, human flourishing, becoming a better person—these are at the center of the culture of each organization"

(Kegan & Lahey, 2016, p. 56)

FIGURE 3-1

The three dimensions of a DDO



HUMAN CENTERED DEVELOPMENT

Relentlessly Prioritize Human-Centered Development

- DDO's relentlessly focus on identifying and intentionally working to improve personal areas of weakness
- Strength based approaches to development may be insufficient because, "such approaches develop the core identity component of the ideal self as a driver of change, but fail to capture the energy inherent in dreams of the future and new possibilities as well as the emotional driver of hope" (Boyatzis, 2006, p. 614)
- Being deliberately developmental is a continuous process; "change agents seek opportunities to continuously improve both themselves and their organizations…Over time, this process of development becomes part of one's professional identity. The journey never ends" (Cawsey et al., 2016, p. 266)

CASE STUDY #1: NEXT JUMP

An e-commerce tech company that embraced the ideals of a DDO as they grew from a start-up to an established industry player

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Strengths:

The **detailed hiring practices**, **onboarding system**, mentioning setup, and **regular check-ins** at various levels of the company give NextJump a **clear scaffolding** to shepherd people on their journey. Having so **many resources available** makes it difficult for anyone to not participate, or not know what to do/**what is expected of them**.

Course Content Connection: (Core Values in OD)

1. Providing opportunities for people to function as human beings rather than as resources in the productive process
2. Providing opportunities for each organization member, as well as for the organization itself to develop to his [or her} full potential.
3. Seeking to increase the effectiveness of the organization in terms of *all* of its goals.
4. Attempting to create an environment in which it is possible to find exciting and challenging work.
5. Providing opportunities for people in organizations to influence the way in which they relate to work, the organization and the environment.
6. Treating each human as a person with a complex set of needs, all of which are important in his [or her] work and in his [or her life. (p.3)

Anderson, 2019, p. 51

CASE STUDY #1: NEXT JUMP

An e-commerce tech company that embraced the ideals of a DDO as they grew from a start-up to an established industry player

Weaknesses:

Backhands, Challenges, and Character Balance

NextJump sees that everyone has a "**backhand**" — a weak spot — and recognizes that people either tend towards **arrogance** (overconfidence in their abilities) or **insecurity** (shrinking away from challenges despite their strengths). "At NextJump, overcoming an **'imbalance of character'** in either direction is something everyone is assumed to be working on, from the cofounders to the newest engineer. Everyone knows everyone else's backhand, or, if they don't, it is commonplace to inquire" (Kegan & Lahey, 2016, p. 19).

'NextJump challenges employees by moving them into roles for which they're not yet prepared to succeed and then provides them with steady streams of feedback to help them grow into those roles. In all three companies, if you're completely able to perform your role, it's no longer the right role for you; it has no stretch left" (p. 16).

Course Content Connection:

- Avoidance of Negative Evaluation of Individuals
- Seeing Individuals as Fixed
- Resisting and fearing individual differences
- Avoidance of Risk Taking

"Moreover, participation can be a risky prospect in many organizations, where members can feel suspicious of being asked to step outside of long-held hierarchical patterns". (p. 53)

Anderson, 2019, Table 3.1 (p.52)

CASE STUDY #2: DECURION

A commercial real estate company that transformed its drive-in movie theater holdings into one of the largest movie theater chains in the west. Much of the book focuses on the division that operates The Arclight, their flagship theater in Los Angeles.

Strengths:

The company is interested in helping people reach their personal and professional goals, even if they are beyond the company. The organization structures check-ins and feedback into daily routines for every member from the CEO to a teenage ticket taker. Decurion encourages people to be open about how they're feeling and what's going on in their lives, not just what their greater professional aspirations are. "**At Decurion, I am not living a divided life**. I don't have to check some piece of my humanity at the door. I am the same person inside the company that I am outside the company" (Kegan & Lahey, 2016, p. 186).

Course Content Connection:

- Participation, involvement and empowerment
- Growth, development, and learning
- Valuing the whole person
- Authenticity, openness, and trust

"people support what they help create" (Beckhard, 1969, p. 27; Wooten & White 1999, p. 11). Schein (1990a) writes that the essence of OD is "that change in human systems will not come about without the active involvement of the members of the system who will under the change" (p.16)

Anderson, 2019, p. 53

CASE STUDY #2: DECURION

A commercial real estate company that transformed its drive-in movie theater holdings into one of the largest movie theater chains in the west. Much of the book focuses on the division that operates The Arclight, their flagship theater in Los Angeles.

Weaknesses:

Its involvement in seemingly disparate businesses, and the desire to have employees cross-function. It is challenging to meet the needs of salaried executives as well as hourly, often part-time theater workers.

Course Content Connection:

- Utilizing an individual primarily with reference to his or her job description
- Use of status for maintaining power and personal prestige

“Organizational members may not be prepared or trained to participate. For example, inviting employees to solve complex problems may not be effective if they do not have the skills to do so”

(Anderson, 2019, pp.52-53)

CASE STUDY #3: BRIDGEWATER

A long-standing hedge fund and wealth management firm

Strengths:

Transparency is a key element of Bridgewater's culture: all meetings are recorded; **all feedback is public.** They have an in-house app (**The Pain Button**) to register day-to-day problems and challenges, and each employee has a "**baseball card**" that **describes their strengths and weaknesses.** Bridgewater also emphasizes rationality and **surfacing the "why"** behind everything: why do we think that; why did this go wrong?

Thinking differently is not just an internal practice: Bridgewater's associates use the same practices in working with their clients — the payoff has been clear when they grew wealth for their clients even during the 2008 recession.

Course Content Connection:

Authenticity, openness, and trust are crucial. "Being authentic means being straightforward, genuine, honest, and truthful about one's plans, opinions and motivations."

(Anderson, 2019, p. 58)

CASE STUDY #3: BRIDGEWATER

A long-standing hedge fund and wealth management firm

Weaknesses:

Succession problems – it remains unclear if this culture can continue when CEO Ray Dalio steps down; it has taken him year to finally walk away for fear the company isn't ready

Course Content Connection:

If the culture depends only on the leader, is it a true DDO?
"Organizational leaders must not choose to involve employees solely for symbolic reasons. Instead, they must develop an environment in which authentic participation is possible and organizational members can have a legitimate impact"

(Anderson, 2019, p. 53)

QUESTIONS

BECOMING A DELIBERATELY DEVELOPMENTAL ORGANIZATION

IS THIS BOOK RIGHT FOR **YOU**?

Yes

- Those who follow a **Human-Centric Approach** - putting needs of individuals at center of development process
- **Big CEOs** who **seek out challenges (i.e., the Elon Musk's and Jeff Bezos's of the world)** - individuals who have highly competitive companies
- **Members of small to medium teams** where **trust, communication, and vulnerability** have previously been **established**

No

- Introverts, individuals with social anxiety, etc. - **cannot force everyone to be publicly vulnerable** and potentially jeopardize their job (DDO cannot function with high turnover rates)
- Members of teams with a **lack of communication and structure** - sustained practices are crucial to DDO success
- Those who find the DDO approach more **"abrasive"** - definitely not the "traditional" approach to work, c**oncept of separate work/home life**

IS THIS BOOK RIGHT FOR **US**? OUR PERSONAL TEAM PERSPECTIVE

LOVED it! I continue to examine ways I can disrupt my own thinking and beliefs and examine ideas to empower others. - Amy

Maybe - it really depends! I'm not sure if I agree with the idea of "forced vulnerability" but appreciate the care for personal growth and development in regard to work. - Rachel

Yes. Very interesting. This book has really challenged my thinking about how people grow and develop. It's encouraged me to continue to dig into the research of human performance and development. - Jeremy

I have some reservations about the applicability to larger organizations, but I love the concept for team development. - Sam

Sort of! I love the concepts and want to apply them to small team development and coaching but am less sure how this would work in a high-turnover business where you don't have the same team working together long term. - Molly

IS A DDO RIGHT FOR YOUR **ORGANIZATION**?

This book is useful for people in **positions of leadership** in **small to medium sized companies** or **running teams within a larger company**. It is **inspiring and engaging** for those **managing from the middle within larger companies** but would be **difficult to implement if not in a position of power**. For those **working in areas with high-turnover or short-term stints** (military, entertainment, retail) it is **not clear how many of these ideas could be practiced**. **"You cannot create a culture like a DDO unless you can retain people for long periods"**

(Kegan & Lahey, 2016,p. 173)

IS A DDO RIGHT FOR YOU **PERSONALLY**?

Am I open to **hearing the hard truth about myself** every day?

Am I open to **deep developmental growth**?

Am I ready to be **stretched beyond my comfort zone and capabilities**?

Am I ready to have my **insecurities exposed**?

Am I ready to **deal with conflict resolution** and my **values and positions to be challenged**?

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