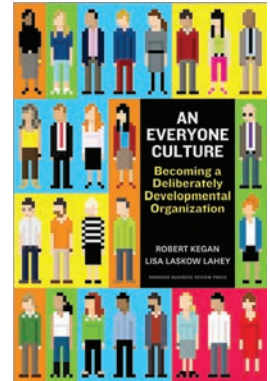


An Everyone Culture: Becoming a Deliberately Developmental Organization



A book excerpt by Mobius Senior Experts Robert Kegan and Lisa Laskow Lahey (with Matthew L. Miller; Andy Fleming and Deborah Helsing)

Culture as Strategy

In an ordinary organization, most people are doing a second job no one is paying them for. In businesses large and small; in government agencies, schools, and hospitals; in for-profits and nonprofits, and in any country in the world, most people are spending time and energy covering up their weaknesses, managing other people's impressions of them, showing themselves to their best advantage, playing politics, hiding their inadequacies, hiding their uncertainties, hiding their limitations. Hiding.

We regard this as the single biggest loss of resources that organizations suffer every day. Is anything more valuable to a company than the way its people spend their energies? The total cost of this waste is simple to state and staggering to contemplate: it prevents organizations, and the people who work in them, from reaching their full potential.

The organizations we researched, taken together, point the way to a qualitatively new model for *people development* – the single most powerful way we know of, as developmental psychologists, for an organization to unleash the potential of its people.

And with what result? These exemplar organizations, taken as a whole, show us a picture of the following benefits:

- Increases in profitability, improved employee retention, greater speed to promotability, greater frankness in communication, better error detection

in operational and strategic design, more effective delegation, and enhanced accountability

- Reductions in cost structures, political maneuvering, interdepartmental strife, employee downtime, and disengagement
- Solutions to seemingly intractable problems, such as: how to convert the familiar team of leaders (each looking out for his own franchise) into the more valuable, but elusive, leadership team; how to anticipate crises no one in the company has experienced previously and to successfully manage through them; how to invent and realize future possibilities no one has experienced previously

In short, this book is as much about realizing organizational potential as it is about realizing human potential. Most of all, this book describes a new model for the way each can contribute to the other – how organizations and their people can become dramatically greater resources to support each other's flourishing.

Now let's return to the ordinary organization where everyone works a second job of hiding imperfections. Consider it from the employer's point of view. Imagine you're paying a full-time wage for part-time work to every employee, every day. Even worse, consider that when people are hiding their weaknesses they have less chance to overcome them, so you must continue to pay the cost of these limitations as well – every day.

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Consider the second job from the employee's point of view. What does it cost you to live a double life at work, every day, knowing you're not the person you present yourself to be? As human beings we're set up to protect ourselves – but it is just as true that we're set up to grow psychologically, to evolve, to develop. In fact, research shows that the single biggest cause of work burnout is not work overload, but working too long without experiencing your own personal development. Now consider the drag or cap on personal development we create by hiding our weaknesses rather than having a regular opportunity to overcome them.

In an increasingly volatile, uncertain, complex, and ambiguous world (the so-called VUCA world) – a world of new challenges and opportunities – organizations naturally need to expect *more*, and not less, of themselves and the people who work for them. But our familiar organizational design fails to match that need.

How did we come to this observation about everyone in the ordinary organization doing a second job? Was it by staring hard at the ordinary organization? No. When you're staring very hard at the normal organization, it's hard to see anything but normal.

Normal began to look strange to us only after we stared hard at organizations where no one is doing the second job. Different as the companies in this book are in their look and feel, they share a striking

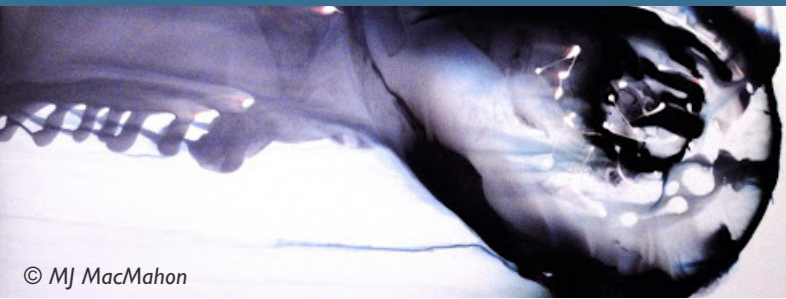
commonality: they are the most powerful settings in the world we have found for developing people's capabilities, precisely because they have created a safe enough and demanding enough culture that everyone comes out of hiding. This is what we call the deliberately developmental organization: the DDO.

An Everyone Culture

We have devoted our professional lives to the study and advancement of adult-developmental theory, which illuminates the gradual evolution of people's meaning-making systems and psychological capabilities. Developmental practitioners have known for years how to provide expert support to individuals on a one-to-one basis. However, little attention has been given to applying these principles and methods to an entire organization.

From the start of our research team's investigation of the three DDOs at the heart of this book, we were struck by three things. First, all of them are doing what the science of human development recommends, and they are doing so in ingenious and effective ways (even though only one of the organizations explicitly studied the science). They seemed to have an intuitive, practical grasp of how to accelerate people's development.

Second, these organizations are taking these concepts to scale so that everyone in the organization – workers, managers, and leaders alike – has the



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opportunity to develop. In the pages ahead, not only will you meet three unusual organizations, but you will also learn an explicit theory of human development that will help you better understand how these organizations' cultures impact their members. The theory will help you see under the organizations' practices to the way they help people uncover, engage, and ultimately transcend the limiting assumptions and defensive routines that prevent us from developing our capabilities beyond our own expectations.

In this way, should you have an interest in fostering, or working in, a deliberately developmental organization, you will have something more to guide you than a set of exemplary practices you may think to copy. You will have a crack-the-code understanding that may enable you to create practices that do not yet even exist.

Finally, all three companies intentionally and continuously nourish a culture that puts business and individual development – and the way each one supports the other – front and center for everyone, every day. Delivered via their homegrown, robust, daily practices, their cultures constitute breakthroughs in the design of people development and business strategy.

A Twenty-First-Century Design for Development

One way to look at this book is to see it as a twenty-first-century answer to the question, “What is the most powerful way to develop the capabilities of people at work?” Executive coaching, high-potential programs, mentoring, corporate universities, off-sites, retreats, and leadership development programs may sound like widely varying approaches, but they actually share enough common (and problematic) features to be seen as a single, twentieth-century answer to the way we might best develop human capabilities.

What are the features common to these approaches? First, they give people punctuated inputs, delivered from time to time rather than continuously. By themselves they may not occur often or intensely enough. Given

how daunting the project is to help people grow in fundamental ways, the application of the intervention may be too thin.

Second, they constitute “something extra” – something beyond and outside the normal flow of work, an approach that raises the vexing problems of transfer and cost. Even if these activities support powerful learning in a context outside work, how do you ensure that employees transfer their new knowledge to the stubbornly durable context of business as usual? And how do you sustain the double costs of external inputs and employees' time away from the job?

Third, these types of programs are provided only for a few, generally for the 5 to 10 percent of employees who are designated “high potentials” (to say nothing of the way such a label indirectly writes off the potential of 90 to 95 percent of your workers).

Finally, and above all, notice that the twentieth-century answer to developing potential, in all cases, makes the individual and not the organization the point of dynamic entry. If the organization wants to significantly impact people's capabilities, it should apparently find something new, outside the organization itself, some additive: give them a coach, a program, a course, a mentor. The organization itself does not change. We might soup up the fuel through these additives, but the engine remains what it has always been.

What is the alternative? Imagine so valuing the importance of developing people's capabilities that you design a culture that itself immersively sweeps every member of the organization into an ongoing developmental journey in the course of working every day.

Imagine making the organization itself – and not separate, extra benefits – the incubator of capability. Imagine hardwiring development into your bottom line so that, along with asking whether your culture is fostering the other elements of business success (such as profitability or the consistent quality of your offering), you ask – demand – that your culture as a whole, visibly and in the regular, daily operations of the company, be a continuous force on behalf of people overcoming their limitations and blind spots and improving their mastery of increasingly challenging work.

Imagine finding yourself in a trustworthy environment, one that tolerates – even prefers – making your weaknesses public so that your colleagues can support

you in the process of overcoming them. Imagine recapturing the full-time energies of your employees now joined to the mission of the enterprise.

You're imagining an organization that, through its culture, is an incubator or accelerator of people's growth. In short, you're imagining a deliberately developmental organization.

Being a DDO does not present a choice between focusing on individuals or focusing on the organization as a whole. In a DDO, coaching, leadership programs, and the like do not disappear; instead, they become figures on the ground of a more comprehensively developmental culture. Development is not an additive. Instead, both the fuel and the engine are developmentally enriched. In this book, we show you the twenty-first-century way to create a robust incubator for people's development.

A Strategic Approach to Culture

The intention of every DDO leader in the pages ahead is crystal clear: he or she is working hard on the culture every day as much to enhance the business as its employees. These leaders do not see two goals or two missions, but one. The relationship between realizing human potential and organizational potential in these companies is a dialectic, not a trade-off. We believe these companies have something provocative to teach about a new route to business success.

You will see not only how a DDO helps its people develop but also how the DDO culture enables it to come up with original and effective means to meet its most vexing challenges – and capitalize on its most promising opportunities. One of these companies, for example, is in an industry with an annual turnover of 40 percent, but this organization figured out a way, year after year, to get that figure into the single digits. Another entered a whole new industry in record time. A third may be the only company to have anticipated the economic crisis of 2008 – and manage through it successfully.

The distinctive quality of business challenges in a VUCA world is that they are as often adaptive as technical. Technical challenges are not necessarily easy, but they can be met by improvements to existing mind-sets and organizational designs. Adaptive challenges can only be met by people and organizations exceeding themselves. We believe the DDO may be the single best means for meeting adaptive challenges. ■



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Bob's work with CEOs, recently featured in *The New York Times* Sunday Business Section, is tightly tied to very specific, high-value personal-improvement goals; the uncovering of blindspots; and the overturning of longstanding, less-than-optimal behavioral patterns. Based in his ground-breaking research and the immunity-to-change practice he co-developed with Harvard colleague, Lisa Lahey (*Immunity to Change*, Harvard Business School Press, 2009), Bob helps his clients make significant and sustainable improvements in their leadership by linking changes in the CEO's behavior to changes in his or her underlying mindset.



LISA LASKOW LAHEY, ED.D., is a Mobius Senior Expert who specializes in leadership and the intersection between individual and organizational development. She is Associate Director of the Change Leadership Group at Harvard

University, on the Faculty at the Graduate School of Education at Harvard University and Co-Director at Minds At Work, a consulting firm serving businesses and institutions around the world.

An expert in adult development and an experienced practicing psychologist, educator and leadership curriculum developer, she works with senior executives and leadership teams in a wide range of organizations. Lisa and her colleague Robert Kegan are credited with a breakthrough discovery of a hidden dynamic, the "immunity to change," which impedes personal and organizational transformation. Lisa and Robert Kegan recently received from Boston University the Gislason Award for exceptional contributions to organizational leadership, joining past recipients Warren Bennis, Peter Senge, and Edgar Schein.