AN EVERYONE CULTURE

Becoming a Deliberately Developmental Organization

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T A B L E O F C O N T E N T S

INTRODUCTION

Culture as Hope: Orienting You to the Experience of this Book

How can organizations and their people better help each other to reach their full potentials?

If this question interests you, we can promise you this book is going to knock your socks off. If you work somewhere—or plan to; if you lead a team or a whole workplace—or plan to; if you help leaders lead or workplaces thrive—or plan to, we wrote this book for you.

It is not a book-long lamentation, merely contemplating the merits of the question. ("Why do so many employees, at all levels, feel dissatisfied with, and unfulfilled by, their workplaces?" "Why do so many leaders and managers feel their employees lack the necessary capabilities?")   It is, instead, a single, unapologetic, page-after-page, what-can-we-do-about-it, book-long *answer* to that question, built on a generation of university-based research on adult development (led by the authors) and several years of field investigations in real companies (conducted by the authors and their research team).

The idea that an organization can only go as far as its people will take it, may by now have more adherents than it deserves. "Yes," you might say, "I get the basic idea, and I buy it. But in order for me to *do* anything with it, I need more than the *idea.* In the past fifty years we have seen extraordinary transformations in the way we handle and share information, for example. As a result of the new technologies, that dimension of work life has undergone a fundamental reorganization. *Is their nothing comparable in the realm of people-development?*" you might ask. "Have we made *no* similar dramatic gains in all this time--in our basic knowledge of human beings; or in practice, putting that knowledge 'to work,' literally? Are we to expect that more mere tweaks within the existing paradigm should be enough to dramatically unleash unrealized potential?"

Whatever you will think of the pages ahead, we are certain you will not accuse us—nor the organizations you are going to meet—of believing that mere "more of the same" can lead to something other than more of the same. These organizations— all highly successful in conventional business terms, engaged in very different industries, knowing nothing of each other before we introduced them—present a single, common, strikingly *affirmative* answer to the question, "Have we made no similar, rock-your-world, discoveries on the 'soft side'?" The cultures in these organizations are not tweaking anything; they are not just a little different than what we have become accustomed to. They are inspired by a fundamentally different vision of what work life can be. They represent—for workers, for managers, for leaders--the same qualitative leap forward in the arena of culture and people-development that the internet and computer represent for information-processing and transfer.

They begin with a shared insight: In the ordinary organization—in businesses large and small; in government agencies, schools, and hospitals; in for-profits and non-profits in any country in the world—**most people are doing a second job no one is paying them for**: They are spending time and energy covering their weaknesses, managing other people's favorable impression of them, showing themselves to their best advantage, playing politics, hiding their inadequacies, uncertainties, and limitations. This is the single biggest loss of precious resources organizations face, and it is no less catastrophic for being so common.

You may say, "Well, this is just human nature; there's nothing you can do about it." But we will remind you in these opening pages that probably every genuinely disruptive idea will at first seem to fly in the face of taken-for-granted assumptions. That is essentially what makes disruptive ideas disruptive. They do not just disrupt how we behave; they disrupt how we *think*. (Sometimes our first reaction to having our socks knocked off is cold feet.)

Leaving aside for a moment whether anything can be done about our near-universal propensity to "manage our personal brand," have you ever given serious thought to the *costs* of such behavior? Have you given thought to the costs organizations and their people *both* pay for colluding in such behavior?

Imagine trying to run a business where every full-time employee—every employee to whom you are paying a full-time wage—is only working part-time, *every day.* Imagine, as a leader or manager, so constituting your company's, or your team's, way of working, that there is only the most constricted possibility your people can ever overcome their current limitations, so you must continue to pay the cost of these limitations, every day. Imagine, as someone working in such an enterprise, just taking it for granted that you must live a "double life" at work, knowing the person you are and the person you present yourself to be are not identical, every day. Consider for one minute that the research shows the single biggest cause of burnout at work is not "work overload," but being too long in a work-setting without experiencing your own further unfolding—and then imagine working in a setting where you have to hide your weaknesses rather than having a regular opportunity to overcome them.

We believe these costs are more than just staggering. Simply put, we believe their continuous payment, day after day, is *the central cause* of what prevents organizations and their people from realizing their fuller potential. After you consider the companies you are going to meet in this book, today's typical organization and its people are going to look to you like a fine sports car being driven around the track every day with the emergency brake in the full-on position. In our work we regularly hear from leaders about their disappointment with the level of their peoples' capabilities. And we regularly hear from employees that they do not find their work a deeply meaningful experience. This is how it feels to drive a race car with the emergency brake on. But the solution does not rest with the organization or its members alone; it does not belong to the leaders or the followers alone. It is not about trying to "fix" one or the other. The solution can be found in a single place, the culture they each co-create and sustain. Culture, you will learn in this book, can itself be the place where human potential and organizational potential meet.

Would you like to have a look at a culture in which everyone is working together to release the emergency brake?

We think this is a very hopeful book, but not in the idealistic, sentimental sense. This is a hope with scratches and bruises. We see hope as a wrestling match between Limits and Possibilities. Were there nothing in the ring but Limits there would be no reason to hope; were there only Possibilities, there would be no need to.

The whole subject of "potential" is hopeful in just this way. "An organization will only go as far as its people will take it" speaks to *human* potential. It suggests that we are faced all the time, as individuals, with our limitations—and the possibility of our overcoming them. But perhaps the mantra needs a companion: "And its people can only take it as far as the organization will allow their capabilities to develop." This speaks to something we will call "organizational potential," the limits and possibilities an organization is faced with all the time as it constrains or enables the growth of its people.

Fifty years ago, during the romantic period we call "the nineteen-sixties," the "human potential movement" was born. It was a liberating reaction to psychological paradigms that were overly focused on human deficits and disorders. Psychologies of "self-actualization," "ego strength," and "resilience" emerged, promising to help us attend as carefully to psychological strength and health as we had already learned to attend to psychological weakness and illness.

By any fair assessment, the "human potential movement" of the nineteen-sixties—like many other bold aspirations of that period—has fallen considerably short of expectations. Its current manifestations, "positive psychology" and "strength-based approaches to assessment," have an appealing optimism but they have hardly proven an impressive engine for dramatic step-changes in the realization of human potential.

In our view the reason for this is that the human potential movement of the nineteen-sixties, and its current heirs, have never had a sufficiently rigorous theoretical base or scientific method. The study of human potential requires a genuinely *developmental* theory, one that can illuminate the gradual *evolution* of capabilities, one that recognizes how today's "strength" can become a "limit" that tomorrow may need to be transcended, rather than seeing strengths and limits as absolute dichotomies.

But such a theory does exist. It was born around the same time as the human potential movement, nurtured in university research labs, originally focused on the study of child development, and eventually has become a powerful means for understanding the growth of consciousness and self-understanding in adulthood.

We (your lead authors) have spent a professional lifetime contributing to the development of this theory, and in the pages ahead you are not just going to meet three unusual organizations; you are going to meet a 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 organization's practices to the way they help people surface, engage, and ultimately transcend the limiting assumptions and defensive routines that prevent us from becoming bigger versions of ourselves.

In this way, should you have an interest yourself 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.

Would you like to see what a rigorous theory of adult development can do when it is literally "put to work" on a daily basis, animating practices that can genuinely transform human potential?

We consider this book 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 a wide variety of approaches, but they actually share enough common features to now be seen as a single, twentieth-century answer to how we might best develop human capabilities.

What are those features? First, these are all 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 just too thin.

Second, they constitute “something extra,” beyond and outside the normal flow of work, which at once raises the vexing problems of “transfer” and cost. “Even if we support powerful learnings in a context outside of work, how do we insure that those learnings can be transferred to the stubbornly durable context of work?” “How do we sustain the ‘double costs’ of external inputs and employees’ time away from the job?”

Third, they are provided only for a few, generally for the 5-10% of employees who get designated as “high potentials” (to say nothing of the way such a label indirectly writes off the potential of 90-95% of one’s people).

Finally, and above all, notice that the twentieth century answer to developing potential, in all cases, makes “the individual” alone, not the organization, the point of dynamic entry. If the organization wants to significantly impact the capabilities of its people, 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 is not changing. 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 the capabilities of your people that you design a culture *which itself* immersively sweeps every member of the organization into an on-going developmental journey in the very course of doing one’s work every day.

Imagine making the organization itself--not only its separate, extra benefits--the incubator of capability. Imagine so hard-wiring the development of your people into your bottom-line, that along with asking if your culture is fostering the other elements of business success (profitability, or the consistent quality of your offering, e.g.) you are asking—demanding—that your culture, as a whole, visibly, in the regular, daily operations of the company, be a continuous force on behalf of people overcoming their limitations and blindsides, and becoming better versions of themselves.

Imagine finding yourself in so trustworthy an environment that you can tolerate—even *prefer*—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 would then be imagining an organization, through its culture, being an incubator or accelerator of people's growth. You would, in short, be imagining a "deliberately developmental organization," a DDO.

This is not a choice between focusing on individuals or the organization as a whole. Coaching, leadership programs, and the like, do not disappear in a DDO; they become figures on the ground of a more comprehensively developmental culture. "Development" is not just an additive. Both the fuel *and the engine* are developmentally enriched.

Or, to switch from a mechanical metaphor to an organic, living one: The caterpillar and the butterfly are different forms of the same thing, but there is no mistaking one for the other. The 20th century answer may come to be seen as a kind of caterpillar; the 21st century answer is a kind of butterfly. You can still see what was once the caterpillar when you look at a butterfly, but a butterfly is not just "a caterpillar on steroids." When the organization becomes a butterfly it can spread its wings and fly. It has become something completely different. The DDO, the "everyone culture," is something completely different.

By now you may be thinking you are going to meet, in the pages ahead, a bunch of companies whose leaders have gone off the deep end when it comes to developing their people; a group of amateur teachers, priests or psychotherapists, you may think, disguising themselves as business-people; folks more interested in *learning* than *earning.* You would be mistaken. If this were the case we would not really be looking at the intersection of human potential and organizational potential. We would be subordinating the fuller realization of business potential to the mission of more fully realizing human potential.

But 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. They do not see two goals or two missions, but one. As night and day bring each other into being, the relationship between realizing human potential and organizational potential in these companies is a dialectic, not a trade-off.

We thus intend for this book to present you with more than a new picture of how the twenty-first century organization can better develop its people. We believe the companies in the pages ahead have something very provocative to teach about a new route to business success.

You are not just going to see here how the DDO helps its people exceed themselves. You are going to see how these organizations' cultures enable them to come up with novel and effective means to meet a host of familiar and vexing business challenges—how to dramatically increase profitability, retention, speed to promotability, frankness in communication, effective delegation, and accountability; how to dramatically reduce cost structures, political maneuvering, turf battles, downtime and disengagement; how to convert the familiar "team of leaders" into the more valuable, but elusive, "leadership team;" how to anticipate crises no one in the company has experienced previously, and manage successfully through them; how to invent future possibilities no one has experienced previously, and realize them.

In short, you are going to get a good look at culture as itself a business strategy.

Let us quickly say a word about the chapters ahead, and what you may want to consider as you choose the best sequence through them for you. The first chapter is intended to drop you immediately into a ground-level experience of the DDO. Touring you in and around the three organizations, we are trying to let you swivel your head in all directions to take in as many impressions as possible. The goal is not to be comprehensive or systematic. It is to let the novelty jump out at you. "Todo, we aren't in Kansas, anymore."

The next two chapters give you an aerial view of the Deliberately Developmental Organization, their conceptual underpinnings and common features. Chapter Two is a drill-down into what we mean by "developmental" when we speak of a "deliberately developmental" organization. And Chapter Three takes you through twelve common features of a DDO, grouped according to their Guiding Ideas, Practices, and Communities.

Those of you who are "part to whole" learners, and want the particular look and feel of a phenomenon before you consider it more generally and conceptually, will probably most appreciate the inductive sequence through the first three chapters as we have laid it out. Those of you who prefer The Big Picture before you begin to look at living instances ("whole to part" learners) may prefer a more deductive sequence, beginning with Chapters Two and Three, and then moving to Chapter One.

Our intention in Chapter Four is to give you a direct experience of your own growing edge, so that you might consider first-hand the kind of personal learning a DDO would collectively provoke and support for you. Guiding you through the immunity-to-change™ practice we recommend as the most powerful way for everyone in an "everyone culture" to quickly anchor their personal-learning curriculum, we will help you to uncover your current blindsides and consider how they may be overcome.

Chapter Five is a deep dive into a host of practices the various companies have created to support their deliberately developmental culture. You will understand these practices better for reading the chapter on developmental theory (Chapter Two) and experiencing a practice firsthand (Chapter Four), but if you are most interested in an on-the-ground account of life in the DDO, you may want to go directly from Chapter One to Chapter Five, and then to Chapter Six .

Chapter Six addresses the "strictly business" value of a DDO. "Yes, I see how such an organization may be a fantastic experience for the employee," you might say, "But is this really any way to run a business?" This chapter addresses whether these businesses succeed *despite* the attention they give to personal development or *because* of it.

If the preceding chapters have created in you an interest in moving your workplace—your team, department, or whole enterprise—more in the direction of becoming a DDO, Chapter Seven, our last chapter, gives you multiple pictures of the ways we have seen organizations we are working with choose to get started.

Over the many months we have been preparing this book we have had several opportunities to share with others glimpses of the ideas and stories you are going to find in the pages ahead. We have seen the way this material strikes something very deep in people. Some are frankly alarmed, frightened or put off by the level of "realness" and honesty they see in this way of being at work. For many others it is apparent in their eyes and in their words that the material offers proof of a kind of meaningfulness at work they long for. They, like we, wonder how there might be more DDOs in the world.

We wrote this book to bring more Possibility where there is too much Limit; we wrote it to create a spark of Hope—and to see what might happen if we together blow that spark into a flame.

##

CHAPTER ONE

Meet the DDOs.

"You know how there are people, when they realize that vulnerability is important, they kind of walk right toward it? Well, first--that's not me; and, second--I don't even hang out with people like that….Vulnerability is at the core of shame and fear and our struggle for worthiness, but it appears it is also the birthplace of joy, of creativity, of belonging, of love."
Brene Brown

In this chapter, we take you inside three deliberately developmental organizations (DDOs). We will accompany you on a quick tour of snippets of life in these companies, and we will introduce you to some of the people who call these organizations home -- leaders, new recruits, and experienced employees. Some of the people you will meet in this chapter you will see again in later chapters. We aren't trying here to give you a comprehensive, top-down introduction to the particular companies or the general idea of the DDO. We want first to give you the closest thing, in book form, to a quick immersion. What might you see if you were plunked down in the middle of these companies?

We also know well, from our experience sharing the stories of life inside the offices, conference rooms, and even movie theaters that make up these companies, that there are risks –for you and for us—in our just jumping in and telling you these stories. These risks have to do with the automatic reactivity of the human mind which, appropriately enough, is something DDOs are aware of, and make allowances for. In the same spirit of a DDO trying to prepare potential new hires for the experience of coming to work in a very different culture, we are going to beg your indulgence for a minute, before we start the story-telling.

If you are the kind of person Brene Brown describes as valuing the experience of your own vulnerability, and running right toward it, then the only risks in the pages ahead for you are being too sure you understand fully what you are seeing, or too quick to suspend your critical faculties and automatically endorse what you think these people are trying to do.

If, however, you are, like most people, more wary of feeling vulnerable, ashamed, and unworthy—especially at work!—you run the risk of becoming alarmed. If you happen also to be a *leader* in the organization, and some part of you feels you don't have the *luxury* to be vulnerable ("I have people counting on me, people who need me to have it together”), you may be even more likely to be alarmed. In any case, you aren’t going to choose to be alarmed; you aren’t going to “think it all over” and then decide to become alarmed. You are automatically going to become alarmed. Once alarmed, as the neuropsychologists have taught us, you are, just as automatically, going to begin to protect yourself.

You might protect yourself by “fleeing.” This could happen by just putting down the book and finding anything else to do, but, more commonly, you will flee *while continuing to read!*. You will start distancing yourself from what you are reading. E.g., your mind might begin looking for reasons to conclude there is actually nothing very novel to be seen here. “This sounds a lot like what we are already doing,” or “I’ve heard all this before.” Or you might find yourself thinking, “This is the most exotic of rare flowers, hard to find in the first place, impossible to grow in any other soil, and thus not really worth thinking any more about, since it would be impossible for most people or organizations.”

You might protect yourself by “fighting,” and find yourself on the attack without ever contemplating a declaration of war. Somehow, before you knew it, your mind is doing whatever it can to take apart what you see being built up in front of you. “These people are crazy,” your mind might say. Or: “This is too extreme.” Or: “This is too X.” Or: “This violates my belief that Y, or my value for Z.”

All these reactions are fine; and they better be, because there is nothing we can do to stop them from appearing. Many of your thoughts that will come up in this chapter deserve careful consideration, and we will be making space in future chapters to do just that. But the important thing to see is that when these thoughts arise automatically you are *not* considering them. You are not even “having” them; they are having you. They are taking over. All we ask is that you keep track of these automatic reactions, know that we will begin to explore them in future chapters, and not let them be your whole experience as you try to stay present in the places we are about to invite you to explore.

In a sense, it will be wonderful if you do find yourself having these reactions because you will begin to experience the first kind of work everyone has to do in a DDO, namely, begin to take more responsibility for the workings of our minds, so that we can stay present, so that we can stay at work.

It is also important to say that these companies are, in some ways, very different places from one another. Each company does business in a completely different industry -- entertainment and real estate, e-commerce, and hedge-fund investing. While each of these DDOs took a different path to its current culture, and evolved their principles and practices independent from each other,, it's striking to us how much they have in common considering how *alone* they each felt along the way, experimenting with, rapidly discarding, and sometimes adopting new ways of organizing work life. All of these DDOs have faced doubters both within and outside of their industries ("too process-oriented," "how do they make *money*?", "weird") and weathered their share of criticism over time, from sources inside and outside the company.

We don't think there's a single right way to be a DDO. There's no simple recipe card of programs, policies, incentives, and perks. But there are some deeper assumptions that, as we will see, run through all the DDOs: about the value of growing in adulthood, ways of structuring people's growth *directly* into their work, ways of helping people get the most out of giving and receiving feedback and coaching, and making the most painful parts of growth less so.

So in this chapter, we begin to acquaint you impressionistically with these engines for human development -- companies that support people in overcoming their limitations as part of contributing to the profitability of the business; companies that seek profitability so they can stay in business to help people overcome their limitations and grow But it is possible, perhaps inevitable, that at the very same time we are going to begin acquainting you with some aspects of *yourself.* This, too, is exactly in keeping with the spirit of a DDO. As Bryan Ungard, the COO of Decurion says, "There is no way, really, to be a spectator. You become a *participant* the second you enter. And Welcome!"

Next Jump: Better You + Better Me = Better Us

"There is no way to 'get better' other than to first do it, however poorly you do. So get started; go out and fail! We have become good at getting better because we are so good at failing."

Charlie Kim, Next Jump

It is early on a Saturday morning in New York City, and the Next Jump conference room is packed with twenty-somethings. Most are graduating college seniors, completing their engineering or business degrees from prestigious universities like MIT, Carnegie Mellon, and Georgia Tech. They are chatting nervously with those around them. They have been flown in the night before and are dressed up for a full day in which they will be interviewed over and over, as well as asked to make presentations, demonstrate their thinking, participate in a team challenges, and be observed.

This is Super Saturday at Next Jump, one of two days per year devoted to interviewing, testing, and making choices about whom to offer positions at this tech company. Greg Kunkel, Senior Vice President and Co-Founder at Next Jump, squeezes to the front of the room to welcome the applicants. Greg lets everyone know that of 1,000 candidates who were screened on campus, 44 have made the cut and accepted the chance to come for interviews. These 44 are about to experience a unique approach to hiring, one which will give them a small taste of the Next Jump culture.

"You will learn about yourself today, as well as about Next Jump," Greg promises them. "Think of today as a nine-hour blind date, one that is long enough for the truth to come out." Candidates smile nervously and exchange glances. Greg continues: "It will be a long day, and you will be tired by the end. But remember, it takes twice as much energy to fake and hide who you really are than it does to just be honest, to just be your real self."

Greg then introduces an employee of Next Jump – Nayan Busa – to share a little of what his own work experience at Next Jump has been like. Calmly and quietly, Nayan begins to tell the applicants about himself.

"I have been here since 2010," he tells the packed room. "When I first started, I lacked confidence. I was insecure. I was scared about how I was portrayed by my peers. This has not been easy to overcome. I had to practice a lot. I realized I lacked confidence in all parts of my life, even when it came to choosing furniture in my home, or going to a restaurant." Nayan then explains how he has been working on becoming more confident through his job. "I practiced by speaking in front of the company about my growth. I am practicing right now in front of you. When you start improving, it impacts revenue and business. And I still have a long way to go."

The room is hushed as Nayan speaks, and already, the tone and content of this presentation illustrate how Next Jump operates very differently from the other companies where candidates are interviewing. Nayan neither fits their impression of smooth or masterful; though , for some, he is already disrupting their notion of effectiveness. (By the end of the day, many candidates made a point to express their empathy and admiration for Nayan, along with their curiosity and wonder at how the company could allow him to "practice" at such an important event.)

Nayan's tone shifts as he connects his own growth and learning to the goals of Next Jump. "All this growth is for a reason," he explains. "Our goal is to build a top-10 global technology company. And we want to change the world by changing workplace culture. We have seen transformational growth personally. We hope to bring this to other companies as well."

Next Jump is a $2 billion e-commerce company serving over 100,000 corporations by connecting them to merchants. Partnering with 30,000 suppliers, Next Jump provides 70,000,000 employees who participate in their programs (including 700 of the Fortune 1,000)with special savings for all types of products and experiences. Nayan leads the Corporate Perks program, a position with a great deal of responsibility, something he knows is unusual for someone so young and relatively inexperienced.

"I graduated from Cornell in 2009 doing my masters," he tells us. "And a lot of my friends went into Amazon, Google, Bloomberg, etc. And they're still doing the same that they did five years ago. They still do the same code. Yes, their projects might have expanded. Maybe now a couple of them are leading one or two people. But none of them is in some way running a company. Charlie [Next Jump's CEO and co-founder] relies on us to come up with strategies for the company. And even when we attended the board meeting, I was like 'Shit! Which company allows such a young engineer to be sitting in front of the board talking about strategy?'"

Like the two other DDOs, Next Jump deliberately challenges employees by moving them into roles for which they are not yet prepared to succeed, and then provides them with steady streams of feedback designed to help them grow into those roles. In all three companies if you are completely able to perform a role you are in, you are no longer in the right role; there is no "stretch" left in it. At a retreat for Next Jump's 21-person, peer-chosen leadership team called "MV21," Nayan told a long and rambling story to the other leaders and then first heard the feedback that he needed to improve his storytelling and presentation skills. Since then, he has looked for any chance he could find to develop this skill, pushing himself to present regularly in front of the company, asking for and learning from the feedback he receives.

This occasion is no different. At the end of the orienting remarks, the candidates file out to prepare for their first interviews, and Nayan receives lengthy and detailed feedback from Tom and Charlie, the CEO. "I could feel your angst," Charlie tells him. "You were too focused on yourself. Focus more on them." Tom reminds him of material he left out of his presentation and should have included.

Nayan remains calm, nodding, agreeing, and finally thanking them for their help. His is actually a common response to receiving tough feedback at Next Jump. Nayan sees these opportunities to practice and receive feedback as opportunities to learn. "It's basically an 'investment in loss,'" he says. The phrase is a touchstone at Next Jump, borrowed from thinker Josh Waitzkin. When we take risks and experience "loss" or failure, says Waitzkin, we create the conditions for learning and enhance our flexibility. Winning, in this sense, is less valuable than losing in the pursuit of excellence.

But Nayan didn't always feel this way. In fact, when he first started working at Next Jump, he thought that all the talk of self-improvement and helping each other by giving feedback was *only* talk. The turning point came when he began to see that the feedback he was getting was a way people were showing him they cared for him. Then Nayan began "accepting that I can do more and that I have weaknesses. The day I accepted that -- that was a turning point for me at Next Jump. Because since then I started pushing myself to work on my weaknesses. Pushing myself to be better, which I am doing. It was the turning point."

The Hiring Process at Next Jump: Super Saturday

Helping new employees understand Next Jump's culture begins here at Super Saturday. The company's founders describe earlier days when they took an approach to hiring that didn't yield the kind of recruits the company needed. In fact, they struggled for years to identify the missing factor that best predicted success in the culture they were shaping. In 2006, Next Jump began recruiting at colleges, alongside so many other start-up technology companies. "We recruited like others do -- for who was the smartest, the most driven," explains Charlie. "We ended up hiring what we call 'brilliant jerks.' We looked for the most competitive and driven people."

What they built was a workforce with too many solo players, with raw smarts and plenty of arrogance. Loyalty was thin among new employees hired in those days. The shortage of engineering talent in the industry was (and still is) severe. At Next Jump, turnover skyrocketed, as engineers exited through a revolving door, easily trading up for better compensation elsewhere. For those who stayed, Next Jump was pouring money into doubling and tripling their salaries year-over-year to retain them.

The company faced a choice. Would they continue to hire the brilliant jerks, whom they would probably lose to poaching anyway as soon as a better offer came from a flattering recruiter? Or would they make a bigger bet on a different kind of workplace culture -- and on selecting a different kind of employee?

"One day," Charlie recalls, "we fired literally half of our engineering staff." The company's founders had made a brazen choice. They recognized that they were no longer looking for "rock stars." Instead, they would double down on recruiting and growing people who most wanted to learn. They homed in on one quality above others that would help them pick from among the sea of new college recruits who all looked great on paper. *Humility* was the single ingredient that was more important to hire for than anything else. How open-minded is the candidate? they asked. How much evidence is there that he or she can learn from others? Without enough humility, as Next Jump sees this quality of openness, a new employee wouldn't be able to use the opportunities the company provides for growth.

Throughout the day on Super Saturday, 75 Next Jumpers are walking around with a custom app on their mobile devices for gathering impressions and ratings about all of the applicants. The members of the team try to be as inconspicuous as possible as they record green lights and red flags, thumbs up and thumbs down ratings, all throughout the day. Even in informal settings, the Next Jumpers are gathering data about how well applicants listen to others, or act in ways that are blatantly rude or self-absorbed. The evaluators are continuously sending comments as well as quick candidate ratings.

As the day goes on, a composite picture of each candidate is coming into focus. In the Super Saturday War Room set aside for synthesizing the incoming data, the recruiting team is getting a clear sense of how the applicants stack up on the qualities that matter most:

- Everyone at Super Saturday looks technically strong based on the earlier rounds of recruitment screening. But do they have the hard skills in real-life settings?
- Are they humble? That is, are they willing to learn from others in order to grow?
- Do they have grit -- the persistence to see themselves through challenging times and setbacks rather than giving up?
- Are they a "taker"? Are they in it only for themselves, or do they have the ability to be a giver (helping others grow)?

Next Jump says it is looking to understand each applicant's "character." Like all companies, they are certainly looking for the right fit between the applicant and their culture and purpose as a company. But like other DDOs, they are also looking for something more: the kind of person who will actually grow in the environment of constant practice, failing, and feedback the company provides. When they have made their selection, based on analyzing and debating the results collected at Super Saturday, the recruiting team will offer jobs to XX of these 44 candidates. As these new Next Jumpers come on board, they will be given their interview profile data from Super Saturday. On their first day of work, they are provided with concrete feedback about areas in which they can begin improving right away.

Congratulations! Welcome to Boot Camp

The onboarding process gives new employees a very intense introduction to Next Jump's culture. Because that culture differs so markedly from that of other organizations, Next Jump has found that helping people adapt as soon as they enter the organization is the easiest time to accelerate their growth.

For their first three weeks, all new employees -- including those who come with years of experience and success, and who are moving into senior leadership positions -- attend what Next Jump calls "Personal Leadership Boot Camp," or PLBC for short. The program starts with participants learning to identify their character weaknesses – what Next Jump calls their "backhands." The metaphor comes from tennis. Everyone has strengths (our forehand), but in order to be a great tennis player, you cannot rely solely on your forehand. You must also work on your backhand -- the areas where you feel less comfortable, less natural, less skillful.

After trying to use long lists of psychological and character traits, the company found that most people's deeper limitations circled back to struggling with being overly confident (which, for shorthand, they refer to without deprecation, as "arrogant") or overly humble ("insecure"). At Next Jump, overcoming an "imbalance of character" in either direction is something *everyone* is assumed to be working on, from the co-founders down to the newest engineer. Everyone knows everyone else's backhand, or if they don't, it is as commonplace to inquire as one might ask "do you eat meat?"Working on your backhand might mean, for someone who is on the arrogant side, trying to wait until the 45-minute mark to make a first comment in an hour-long meeting. In turn, someone on the insecure side, in that same meeting, might be working on offering a contribution in the first 15 minutes of the meeting. Either intentional move represents working deliberately on one's backhand -- practicing in order to overcome a deep-seated mindset. (A popular joke at Next Jump has to do with how easy it is to determine your backhand. "You can ask any group, 'How many of you lean insecure?' and immediately lots of hands go up. Everybody else is thinking, 'Well, I'm not so sure about my backhand; in some situations I might be arrogant, and in others, more insecure.' Or they are thinking, 'Hmm, I don't know if I even buy this concept.' Odds are pretty good regarding these peoples' backhand: They're arrogant!")

In the boot camp, participants spend the three weeks in Customer Service. This is the bread-and-butter work of maintaining relationships with individual customers. Inquiries are managed by the Customer Service team and can include everything from security and login issues to ordering to just about any question a customer might have for any e-commerce company. Next Jumpers in the boot camp are given daily targets to reach for customer engagement and are expected to take risks, to reflect on what they are learning, and to practice their backhands. As part of the boot camp, they are expected to engage in a "+1" project. That is, they must identify a way to contribute to improving the customer service *processes*; this personal project becomes a key "practice ground" for exercising leadership in a team setting. They receive regular feedback from others (peers and managers) to help them identify weaknesses and build their leadership effectiveness.

At the end of the three-week boot camp, each employee shares his or her learning and experience in front of colleagues and a senior leadership committee, describing the powerful, if often painful, learning of the past weeks. The committee, based on the feedback from peers, coaches, and leaders, decides whether you will graduate from boot camp. If you are voted a graduate, you will receive a custom Next Jump team jacket with your name embroidered on it. Your journey in the company takes its next steps. If you don't graduate, it is likely because the evidence from your stint in boot camp suggests you weren't engaging fully and authentically. Most often, those who don't graduate are judged to be faking it or not demonstrating that they are striving to learn about themselves. They fail to hit on their "face-the-truth" moment, as Greg Kunkel explains. If the consensus is that you have just been going through the motions in boot camp, you can accept the offer of $5,000 to leave the company right then, or go back into boot camp until you graduate.

For more senior recruits, entering the Next Jump culture can be especially tough at first. Take David, a senior hire in marketing and advertising. He had run a 1,000-person advertising agency before coming to Next Jump. David is charming and warm, with creative flair and a track record of business success. Like other senior hires, David arrived with a sense of his own expertise, earned through a career of achievement. He thought he understood the culture he was joining, and he thought he would thrive in it. He attended boot camp after being hired and graduated. But after a number of months, the senior leaders of the company concluded that David was just not getting the idea that he needed to be working on improving himself. He talked much more than he listened, and people on his team and throughout the company were getting increasingly frustrated. The senior leaders sent David back to boot camp, alongside other Next Jumpers who needed to dig more deeply into how and why they were getting in the way of their own success in the company. David left his primary duties behind, transferring all of his formal marketing responsibilities to others on his team for the duration of his time in boot camp.

After another stint in boot camp, this time for six weeks, David stood in front of the team of senior leaders, fellow boot camp attendees, and other Next Jumpers acting as coaches to those in boot camp. Smiling but chastened, he presented the work he had done on his +1 project, which involved rethinking the way customer tickets were sorted and acted upon. He also talked openly about what he had been learning about himself through the timeout from his role:

> So these past three weeks for me, I've had a heightened self-awareness. I'm embarrassed.
>
> Greg, the direct feedback you provided, literally left me speechless. I needed to go for a run. The impact was not just words, but you gathered this based on so *many* people. I remember looking at Albert and trying to escape.
>
> Then the blow really hit when Charlie said, "You start out like what seems to be a great TV show, but then it goes horribly wrong. It follows you around." I knew the *"it follows you around"* part was true. I began to wonder if the other parts were true.
>
> I am a selfish listener. It felt horrible and like a true failure. Where would this take me? Disciplined listening is an opportunity to strengthen my backhand, versus alienating people. Thankfully, Ian was open to helping me. My objective was to be helpful this time and use that time.
>
> When I reflect on the last project, it was all burning arrogance. I can't see ever wanting to be the way I was. I continue to practice this, and I have simple rituals to help me.
>
> The new stories I am collecting give me strength in a newfound way. I see the results and early results in the eyes of the people.
>
> Thank you. And more importantly, I appreciate your feedback.

David graduated from boot camp, and like others, returned after an emotional ceremony to his "official" job as the head of marketing. After facing his inadequacies and experimenting with new ways of working, through his +1 project, he returned to his job with a "practice plan" for active listening in meetings. Everyone leaving boot camp develops such a plan, highlighting targeted situations to actively practice and with peer mentors who coach them, hold them accountable, and help them stick to that practice plan. And if they fail, after all of this support, to keep working on their backhand? They can look forward to a new round of boot camp.

Helping Each Other to Grow

Next Jump sums up the belief system behind its culture with an equation:

Better Me + Better You = Better Us

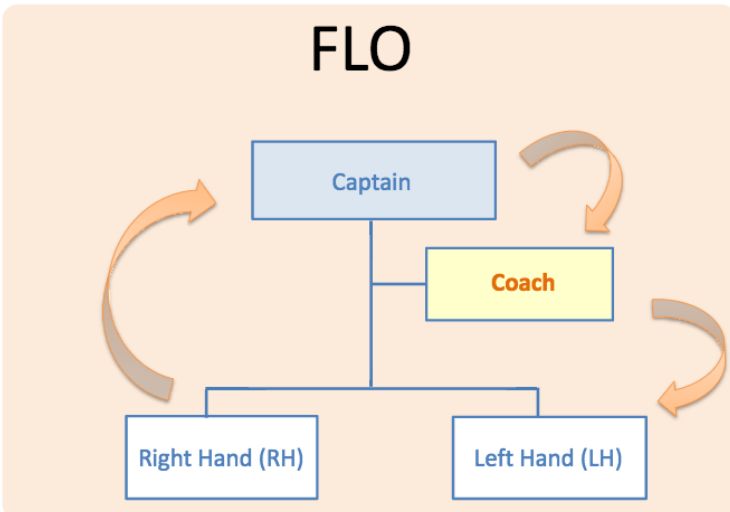
Better Me signals the importance of constant improvement of oneself. We have seen this in action already. From Personal Leadership Boot Camp to the many other practices we will see in later chapterswhere people are "working on their backhands," Next Jump expects its employees to be facing their limitations directly and practicing their way to overcoming them. When you visit the company's headquarters, it's clear that the consistent work on self-improvement extends to supporting healthy lifestyles, in addition to transcending the mindset you bring to the office. With nutritious free snacks and meals, and on-premises gym and trainers, employees are expected to make a habit of a healthier me, too.

Better You is about the meaning people derive from work through helping others. Next Jump's leaders are quick to point out that research demonstrates that when jobs are not meaningful, employees are more likely to volunteer outside of work in order to derive that sense of purpose. The Next Jump response? Build that service to others and the resulting meaningfulness people derive *into the job*. "Bake it into the culture," says Charlie Kim. As part of their work, Next Jumpers lead and participate in dozens of Giving Back initiatives. For example, they can "give their expertise" through a range of programs. Engineers can "code for a cause," offering up to two weeks a year of their time helping nonprofits in need. But cultural initiatives that lead to a *Better You* also serve the company's own employees, and as we will see in a moment, provide everyone at Next Jump with opportunities for practicing one's leadership in settings that give them more room to fail and learn with less risk to the profitability of the company.

Better Us is the payoff for a company built around both Better Me and Better You; it's the outcome for everyone in the company of being more fulfilled and better off in a deeper sense. At Next Jump, there is an organizing belief behind all of these programs that when we are feeling our own growth and engaging in activities that also help others (including helping our colleagues at work to grow), we can experience “true wealth” in the form of long-term, sustained happiness. This is not a form of wealth that could be obtained from one’s paycheck. To be sure, Next Jump pays its employees well but the outcome of sustained happiness, Next Jump executives insist, is something that can only come from a culture that makes work meaningful. The salary review process weighs contributions to “revenue” at 50%, and contributions to “culture” at an equal 50%.The company’s leaders point to the now 1-2% annual turnover rate -- down from 40% only several years ago before their bigger investment in a developmental culture -- as evidence that Next Jumpers are getting something more than their competitive salaries out of their experiences in the company.

As Next Jump also understands, you don’t have to be a charitable organization or a nonprofit to provide opportunities for meaningful work. The culture initiatives inside the company create opportunities for helping others and recognizing those who help others. Programs range from a team that serves breakfast for one’s colleagues, to creating internal engineer skill-development newsletters, to hosting a Vendor Appreciation Day. In addition to giving meaning to work, cultural initiatives provide a place to practice one’s self-improvement and leadership of a program and even to fail big in circumstances where failure is less risky than it would be on the revenue-generating side of the Corporate Perks business. In other words, if a Next Jumper is taking a leadership role in an initiative like developing a new internal mentoring program, she can practice working on her backhand -- say, getting better at delegating even when the need to “get it perfect” feels strong. Importantly, she can practice overcoming this limitation in a context in which her inevitable mistakes, uncertainties, and do-overs in the process are unlikely to endanger the core of the revenue-generating activities.

Next Jump has clearly defined roles across the leadership teams for cultural initiatives so that these opportunities can accelerate people’s growth. They call this model the “Follower-Leader Organization,” or FLO for short. FLO involves four key roles: captain, coach, right hand, and left hand. The model gives employees the chance to develop as leaders by heading up a culture initiative, serving as its “captain”. At the heart of FLO’s design for developing people is the role of the “coach.” The coach is the Next Jumper who most recently captained the same initiative. His or her job, above all else, is to help improve the leadership of the captain and provide feedback that will help the captain work on developing his or her backhand. The "right hand" is the team member who will work closely with the captain, knowing that he or she will someday soon be taking over as the *next* captain as roles rotate again. Finally, the "left hand" is another team member who can contribute to the success of the initiative.



Follower-Leader Organization Model of Development at Next Jump.

Meghan Messenger, a co-founder of the company, says what is unique about the FLO model is the coach role. "You're sacrificing your number one player and moving them from the *doing* to *coaching*," she explains. After all, the person moving to the coach role has only just learned how to lead the initiative. Wouldn't things go better if you let captains keep running a program, to get the benefit of all that practicing just when they are getting *good* at their role? This seeming sacrifice of expertise makes sense when you recognize that the purpose of FLO is not *actually* to help people learn the ins-and-outs of leading a specific initiative or program.

Instead, each project is a practice ground for working on your blindspots as a leader. Each captaincy across many different initiatives over time is about working on oneself, not getting better at leading any one initiative. Those initiatives come and go, in a constant process of the company experimenting with new ways to strengthen the culture that, by their very design, allow employees to keep practicing their leadership. Rather than growing more "captains of Super Saturday," for example, who will go on to do better and better at leading Super Saturday, FLO is about developing everyone at Next Jump to be more capable of *captaining* and *coaching* generally. "The work goes more slowly at first" when there's a new captain of an initiative, Meghan acknowledges. But that tradeoff is another "investment in loss." Coaches, before rotating off an initiative entirely, develop another captain into a coach and must leave the program itself better off than when they started. Meghan has seen the results of this FLO process operate consistently over time. "In the long run, we have a stronger organization with deeper bench strength."

Jackie's Journey

Jackie knows now what she is working on about herself through her job at Next Jump. But that wasn't always the case.

A ten-year veteran of the company, she had risen to be leader of the marketing group. Competitive and focused, Jackie excelled in situations where she could contribute individually, like landing a big sale. She was especially successful working with merchant partners for the company's Corporate Perks program and had built a solid track record of accomplishment in sales.

Several months before we first met her, Jackie had been shocked to learn that she had been voted off the company's leadership group, MV21. The group's members are not selected by executives but rather are elected by peers, and people are voted off when they either fail to get enough votes or are actively nominated for removal from the group by their peers. Sitting at the MV21 table is an honor that reflects the perception across the company that a Next Jumper can be counted on to help others succeed. The company's senior leaders talk about valuing "linebackers over quarterbacks" -- rewarding those who help others win rather than the star players identified as formal leaders. Jackie may have been a star negotiator of deals, but she was increasingly seen as someone who didn't support others.

Hearing that she was voted off MV21 was "a crushing blow," according to Jackie. But for a long time, she admits, she had focused on revenue initiatives to the exclusion of culture initiatives: "I have to be honest. When cultural contributions were first introduced to the company, I pretty much dismissed them. Why am I going to do them? Then, they got integrated into performance evaluations. And I thought, maybe people just won't notice!"

People did notice, however. The feedback from others about Jackie's patterns of work started to accumulate. She was seen by her peers as working entirely for herself. She wasn't someone you could count on to reach out to help. She would answer questions or respond, but she didn't make time to give to others.

At first, Jackie tried to make sense of her rejection by her peers in ways that kept the focus off herself. She had been a straight-A student in college, driven to succeed in everything she set out to do. In the wake of the MV21 vote, she was confronted with the fact was that she was not as successful as she thought. At first, she resisted any introspection, deflecting the impact of the vote by thinking, "oh, those newbies on MV21? They'll fail. I'll probably be back on 3, 6, 10 months, tops." But she saw that the new MV21 group was actually thriving without her.

It took a lot of reflection, coaching by company executives and peers, and the practice ground provided by working on several culture initiatives to help her start to see the limitations of her own deep-seated mindset. Jackie had heard others tell her what her backhand was -- not helping others -- but they "were others' words, not mine." One source of support was David, her boss and the experienced leader we followed through his own rounds of boot camp. The two of them opened up to each other about their weaknesses, giving her another context at Next Jump to question her patterns of behavior. Jackie began to describe her backhand in her own words rather than others' terms.

> What is the thing that is more meaningful, that is actually painful to say, that is embarrassing to say? I think that's when you really get to your true backhand.
> And for me, it was that I put my own success before anyone else's. I tend not to want to help others. I want to see myself move forward, and I am not so generous always with sharing things that may help other people. And for me, that was saying a lot. It was saying, "You may not be able to trust me. You may not be able to get all the information from me. I may know more than I am letting on. I may not share the success with you when we figure it out."

At "10X," an all-staff event for presenting and getting live feedback on one's contributions to the company (which we will learn more about in Chapter 5), Jackie shared with all of Next Jump her realization about what she was focusing on in her work of self-improvement:

> I realized I needed to face the truth. I am selfish, and I put my success above everyone else's. In fact, I spent the last ten years trying to get to the top. When I looked at the reality, I saw I left hundreds of Next Jumpers behind in my quest to get to the top.
>
> Now that I'm becoming more self-aware, I'm doing deliberate practice -- practice to become a steward leader. There is a driving force for me. There is a fear instilled in me. It's about my two children. [her voices breaks here, and she takes a moment to compose herself] My biggest fear in life is that they are going to develop the same backhand that I have -- that they are going to help themselves before they help other people.
>
> I need to help develop others because I know it is integral to my own growth. The Old Jackie would have just said, 'Get back on MV21 as soon as possible.'

After making this presentation to the company, Jackie started putting herself deliberately into more situations where she could practice helping others be successful. She started small at first, coaching others once a month. "Even that was painful for me at first," she admits. Pretty soon, she was doing it weekly for offices and people outside her immediate group, like the London office -- peers should wouldn't have made time for at all before.

> I realized it wasn't so bad. And people were thanking me, and people are grateful for my time. And I never realized people would thank me for this type of thing. I started to do it twice a month, and then I did it once every single week. And then, I made my Mondays completely coaching days, where I would only meet with people internally and try to help them and push my entire agenda aside. And each time I ratcheted it up a little bit, I would be uncomfortable. I would dread Mondays. 'Ugh. I have to listen to everyone's problems today. I can't close this deal. I can't close this contract.'

> But as time went on, it became more and more natural. And I think that as that happened, something naturally happened here. People saw where I was spending my time. And still getting my job done, which I didn't think was *possible*. I really thought that if I spent too much time with other people, I wouldn't be successful.

After a while, Jackie's peers started to see her taking risks and extending herself regularly for her colleagues and for the good of the company. Less than a year later, they voted her back onto MV21, something she was starting to think could never happen. She is confident it is because there is a qualitatively different kind of success she is starting to demonstrate now. Not only is she spending time developing others, but she and other Next Jumpers can see the benefits to people across the company that are flowing from her new way of working.

Jackie's story is one of many similar ones at Next Jump. Behind each of those stories is a common thread. People are working on themselves at work as part of improving the company. Jackie sums up the reasons she is growing because of the company and believes that others are as well:

> Some days are better than others, but I think that's what is so great. And this may sound cliché, too, but Next Jump really does give you this platform to constantly practice. And if I have bad days, then next day can be a good day. I don't really have to have that fear of failure.

Decurion: Creating Places for People to Flourish

"Feast on your imperfections, or starve on your ego."
Bryan Ungard, Decurion

It is early in the morning on the top floor of the Arclight Hollywood luxury cinema multiplex. Colleagues are milling around the main conference room, laughing, talking about the 101 Freeway traffic, and pouring coffee and grabbing a muffin before the meeting gets underway. Nora Dashwood, Chief Brand Officer, is bringing together key leaders from the home office of the Arclight and Pacific Theaters groups with the general managers of each of the locations for a regular meeting known as the Theater Workgroup.

If you watch television coverage of the entertainment industry, you may have seen Arclight Hollywood as the backdrop for a star-studded event. The flagship location of the Arclight circuit of movie theaters anchors an upscale shopping complex on the corner of Sunset Blvd. and Vine Street, right in the heart of historic Hollywood and owned by the real estate arm of its parent company, the Decurion Corporation. The multiplex, with its soaring glass lobby, has an entrance plaza large enough to unfurl red carpets for a film premiere or welcome lines of sneak-peek fans for major preview screenings. This is an "industry town," and Arclight is known as Hollywood's favorite place to enjoy a movie.

Joining the Community: The Theater Workgroup

There is no meeting table this morning for the 20 or so attendees of the Theater Workgroup. Instead, the chairs form a large circle, so that every person will be able to see the face of every other person in the conversation. As we will see, creating the conditions for people to feel joined together in a community as they do their work is a foundation for every meeting at Decurion. Around the room are simple posters that remind employees of the beliefs and values of the company. Decurion calls these its "axioms" -- statements of the company's "fundamental beliefs about people and work":

1. We believe that **work is meaningful**, that work gives meaning to people's lives. For us, meaning comes from three things: developing oneself, creating something excellent and enduring, and contributing to other people.

2. We believe that **people are not only means but also ends in themselves.** Most businesses view people (employees, customers, suppliers, and others) as a means to some end, such as completing a transaction or meeting a goal. We feel that reducing people to a role in a process dehumanizes them. While honoring the roles they play, we approach people as fellow human beings, as ends in themselves.

3. We believe that **individuals and communities naturally develop**. Much of the literature on development ends with the teenage years. But we know that adults continue to develop. Our structures and practices create conditions that pull people into greater levels of complexity and wholeness.

4. And while we did not begin with this belief, our experience has shown us that **pursuing profitability and human growth emerges as one thing**. They are part of a single whole, not two things to be traded off or two elements of a "double bottom line." We capture this axiom by saying that nothing extra is required.

These axioms offer a common language for the company -- a touchstone for the company's bedrock principles. Decurion is clear that no member of the company (and "member" is the preferred term for an employee here) is required to *believe* these axioms are true. But each employee, and especially each manager in the company, is expected to *act* in accordance with the axioms as part of their job responsibilities.

In the discussion that is about to take place, these beliefs will be put into service. Nora knows that the Theater Workgroup must join in a challenging conversation this morning. As she prepares to guide the group into the work they must do, she thinks about the ways they will need to be grounded in a sense of community in order for the dialogue to be productive. As people take their seats, the room grows quieter. Around the circle, people look comfortable sitting quietly. No one is peeking at mobile devices or laptops. Some of the members of the group are visibly relaxed, settling into a moment of silent reflection, and making a transition from the bubbly chat over coffee a moment before.

Nora brings everyone together by inviting them to check in. At Decurion, most meetings begin with a practice of checking in that can take up to an hour with a much larger group.

What goes on during a check-in? First, when people choose to speak (and all speaking is voluntary), they often begin by saying their name ("Hi, I am Carlos"), even though it would be a rare day that anyone in the group would not know the name of another team member. So why do they do this? To remind themselves, and their teammates, that they seek to stand fully in whatever they are about to say, that it comes from their person, and not their role. They will then say whatever they need to, to bring themselves fully, as a whole person, into the workspace. They may share an internal state, such as what they are feeling excited or nervous about, or they may report where they are on some interior goal -- for example, how they see this very meeting as a chance to engage their efforts to listen better to others' competing ideas. They might instead let the group in on something that is happening at home that is inevitably part of how they are "showing up at work" that day -- an upcoming celebration of a daughter's First Communion or that visiting family members are wearing out their welcome. As Bryan Ungard, COO of Decurion explains the practice of checking in: "It's about what the individual needs to do -- it can't be scripted. As soon as you script it, you drive the meaning out. Our full humanity is required, and to have that, you need authentic engagement."

Check-ins are part of honoring Decurion's axioms. If people are to be treated as more than "a means to an end," and are worthy of our unconditional regard as developing adults, then the check-in process allows a constantly threaded opportunity to bring that humanity -- and each member's *interior* life -- to the foreground. The culture as a whole places inner experience "in bounds" rather than "out of bounds" in the life of the workplace. The company surfaces and overturns the assumption that "work is public, the personal is private, and so the personal should not be part of work." In the same way, Decurion rejects the idea of "work-life balance" as a simple goal or mantra. After all, if your life is everything worthwhile *outside* of the workplace, then that leaves behind a pretty bleak notion of what work is -- something that we are forced to trade off against joyful living.

Everyone who has ever worked anywhere knows that work *is* intensely personal, with daily opportunities to experience pain, exhilaration, self-doubt, and meaning. We all bring our whole selves to work every day. "Wherever you go, there you are." In most organizations, we regard this as an inconvenient truth we would rather ignore, and we essentially try to manage around the inevitable manifestations of the personal. In a DDO like Decurion, practices like check-ins openly encourage, and seek to make regular room for, the personal and the interior. They explicitly welcome the whole person into work every day.

And at the end of any meeting, there is a check-out, as well. Checking out is routinely briefer but an important ritual at the end of meetings. As they check out – again speaking as they are moved to speak – each member shares a personal reflection or feeling that allows them to end well. Whether an expression of excitement about the work ahead, a sense of having broken through on something challenging in the business, or even a need for greater support from others, the check-out process brings closure through another moment of focusing on people's individual presence and humanity. By building in checking in and checking out into every meeting like this, focusing on individual mindsets and growth becomes a habit, and more than that, that habit is part of creating and maintaining a sense of strong community.

The check-in for the morning's meeting will be much briefer today due to time constraints -- a "popcorn check-in," as the Theater Workgroup members call the abbreviated version of the process. As the conversation moves forward, with people more connected to one another, Nora continues to create the conditions for authentic and productive dialogue. Decurion members call this "setting the field," borrowing a term from Jaworksi, Gozdz, and Senge that has deeply influenced the company. This practice, which is also an intentional part of most meetings, involves taking the time that is needed to help people see the connection between the present business challenge with both their *individual* sense of meaning about the work and with the collective power of the group to do that work as a *community*.

Nora speaks with authority but in a spirit of invitation. Her engagement is total, and she calls people to lean in together for the work ahead this hour:

> This morning we are going to be practicing with one another. We've got a real-life work situation, and we need to work through it as a community. And I think we can use this to keep developing the level of competency we need as a business to meet our top-line goals for the coming year.
>
> This really ties to what we've been talking about at the most recent DBL [Decurion Business Leadership meeting, a company-wide retreat]. These are the requirements that we have as a company -- that the business is flourishing, that we are getting superior results, that we are doing the adaptive things we need to do, that our guests in the theaters are having their lives changed for the better through the quality of the experience they have. We are developing an offering with a distinctive impact in the market -- and if it disappeared, you just couldn't get it anywhere else.

> But this is the "nothing extra" part of it. As we do this, we are working to be more autonomous, experiencing our own well-being, advancing personally and professionally, and moving toward what we each want out of our own lives.
>
> So, we've got an important business initiative, our customer loyalty program. It's key to unlocking $3 million in additional revenue we need moving into the next year. But we don't seem to be having a singular conversation at the leadership level and as a community about how that work is going.

Nora's work of setting the field for this conversation is intentionally creating a space for several things to emerge. There is no doubt on the part of the Theater Workgroup members that their chief brand officer is calling them together to work as a community. But how is that experienced at Decurion differently than merely having a clear agenda, or reaffirming the goals of a meeting?

In this case, there are a series of disconnects happening among members of the IT, marketing, and theater-operations leaders in the division as they work to retire the existing membership loyalty program and develop a new loyalty product offering, including revitalizing all aspects of the customer loyalty experience. There is a rupture in communication in the organization. Nora senses it, others are feeling it develop, and it's got to be addressed collectively. But at Decurion, this is not a problem to simply be classified and solved as expediently as possible. It won't be enough to knock heads a little or tell all parties to pull up their socks and get coordinated. Status updates from all sides, a dressing down -- these wouldn't help deliver on the kinds of developmental goals for people and the business that Nora has just invited everyone in the room to hold onto together.

Instead, Nora is doing something common at Decurion. Rather than jumping to solving the problem, the group will try to let the problem solve them, surfacing issues and patterns of thinking that go much deeper than the immediate circumstances. Nora invites Bob, a senior leader on the operations side to serve as a facilitator for what they call a "fishbowl" conversation, and she asks several individuals to step forward to participate. (She has buttonholed each of them before the workgroup meeting, so while each might admit to being slightly nervous going into any such dialogue, they are not at all taken by surprise at Nora's invitation.) The four people most directly implicated in the pattern of conflict and misunderstanding in the workgroup circle pull their chairs into a small, tight circle-within-a-circle at the center of the room. This small group includes the head of the loyalty program from the marketing side, the technology lead, and one of the general managers from theater operations, and Bob.

Their colleagues remain seated in the outer circle, bearing witness and participating by their active listening and presence and joining in the inner-circle dialogue more spontaneously if required. The hope is that this fishbowl discussion will not only help the people in the inner-circle conversation better understand their group dynamic and their individual contributions to interpersonal "snags," but that the entire community of the Theater Workgroup will learn something together. Whether sitting on the inside or the outside of the fishbowl, everyone is expected to get better at spotting and fully stepping into opportunities for overcoming limiting behaviors and the underlying mindsets that generate them.

Bob begins the fishbowl by reminding everyone of the shared norms for having these conversations. They are a learning community, and he spotlights several ground rules to create healthy dialogue, including speaking from your own experience and not leaping to inferences about what others believe. He frames this dialogue as a discussion of whether people are aligned: "I'm concerned. I can't tell whether this initiative is on track or not. There are conflicting reports depending on who I talk to." Bob focuses everyone on surfacing "data" – not quantitative metrics, but the kind of evidence from multiple perspectives that will help the group sort out what is going on and why: "How can we know whether we are on track through looking at the data? A place we can start is to ask what we think is working well and what's not working well, both in and outside of the circle. Let's start by surfacing what's true for each of us."

As the conversation develops, Bob leans in close, and the four stay focused, as best they can, on each others' eyes. Those sitting in the outer circle can feel the steadiness and intensity of those in the fishbowl. And they can also sense the vulnerability, people sharing their inner experiences in a context where everyone is committed to making that conversation "real" and safe to have. This is not a shark tank, but a respectful and brave space. There is nowhere else in the world right now but here for everyone in the room.

The fishbowl brings to the surface and into the open a range of complicated feelings and candid insights. The marketing manager shares that the loyalty program design and development process has left her feeling isolated. “For months,” she says, “I felt like I was being tested, pointed at, like I was sent off to a desert island, and I didn’t feel like I had any support of a community in this. When I tried to raise issues, I feel like I didn’t make a lot of headway.” But she also comes to acknowledge her own part in the dynamic -- that she herself didn’t do an effective job of communicating clearly what was going on for her. “I should have stood my ground,” she says.

The theater general manager admits that his interactions with the technology lead feel “off.” He feels that their phone conversations for managing the implementation of the project are rushed, and they are not getting to the point where he is able to provide his ground-level, operational input to enhance the “guest’s journey” through the loyalty program. He, too, recognizes his own role and needs in the situation. Because working directly with major vendors, he admits, is new for him, he feels like he needs to ask questions, and he needs his questions to be heard. He also needs to feel joined in a common effort, and he realizes how frustrated he becomes when he is not experiencing that kind of alignment.

The technology lead, for his part, shares his sense of pressing urgency to get the technical work done on the project. He is trying to navigate a real tension between meeting his responsibilities and keeping the theater manager closely involved. In talking about the quality of their phone conversations, the technology lead has his own take: “You were asking me about all the individual parts. But we didn’t connect you to the whole stream. So, I am stuck. Do we push ‘reset’ on the project to bring you in, or do we help you come up alongside us where we already are?” He concedes that he has more to do to develop trust, and that he needs to be more fully engaged in his work with the theater manager. He wants to better understand whether he’s not structuring their check-in calls appropriately or if it’s just that he’s not *listening* to others well, despite having the right work structure and routine.

Nora has been a silent listener as the dialogue unfolds, taking her place among the other Theater Workgroup members in the outer circle. Near the end of the fishbowl, she stands and pushes her chair into the heart of the circle. “I felt the need to join," she says. "I've been trying not to be a bull in a china shop here," laughing as she acknowledges how hard it was to listen to the fishbowl without intervening. As we will see shortly, as we become better acquainted with Nora's inner work, this is a piece of her personal "curriculum" as a leader -- when to exert authority and when to release control and responsibility to others. She is coming to a conclusion. "I'm hearing that we have not structured ourselves effectively to make the best loyalty program. Was anyone pulling the alarm bell here and saying, 'We've got a problem?'" She continues, before the conversation closes, to ensure everyone is agreed that additional customer testing of the online experience needs to happen immediately.

In most organizations, a conversation like that taking place in the fishbowl is not one to have in the open, in front of colleagues. It's one that might take place, rather, behind closed doors, most often in dyads. But most organizations do not assert that they are leveraging the power of a learning community in the midst of team conflict. As the fishbowl discussion comes to an end for the Theater Workgroup, others in the outer circle share their experiences of the meeting. "I started to picture myself in a fishbowl with another person here next week," laughs one accounting manager, signaling he sees a similar pattern of disconnection in his own collaborative work, one that is likely to bite him soon if he doesn't take steps to address it actively. Another marketing manager calls on her colleagues to look more deeply at what has been going on in this fishbowl: "We sometimes think we should keep our heads down and think we are working with intention, but that can be disruptive for the business. This discussion felt like it was doing the right thing for the business. The loyalty program is a huge developmental opportunity for me and for the whole group. But there is something for us to take away about involving the right parties in the right way *from the start*." Another theater manager closes the conversation with a similar reflection, "I felt leadership here. We were dealing with a difficult issue, but we need to do that in order to take the next step that the business needs."

Decurion's Approach to Business

Decurion has only come to operate in this way more fully in the last decade, under the leadership of its current CEO, Chris Forman. The company is a relative rarity in the business world: a family-owned business that has made a very successful transition to the third generation of leadership and growth. Based on

Los Angeles, the Decurion Corporation employs about 1,100 members and is the parent company to a set of subsidiary businesses that span several industries: movie exhibition, real estate, and more recently, a senior living facility. The movie exhibition businesses provided the seedcorn of the company, and Pacific Theaters, founded in 1946 and for decades the name of the company, was a major regional exhibitor on the West Coast and in Hawaii, even recognized with a technical Academy Award for its pioneering practices. The company was a leading owner-developer of drive-in movie theaters as well as cineplexes. As the business for drive-in movies declined, and the company invested in growing its traditional theaters, it held onto enviable real-estate assets: large former drive-in parcels in the heart of California's metropolitan landscape, the Pacific Northwest, and in Hawaii. These properties would allow Decurion's Robertson Properties Group to grow. In 2011, *Retail Traffic* magazine named it one of the 100 largest shopping center owners in the United States.

Arclight Cinemas was launched in 2003 as a new subsidiary, completely rethinking the quality and experience of going to the movies. The guest's experience from start to finish would be central in every way -- from the quality of personal engagement in guest service, to reserved seating for every show, to the concessions, bar, and restaurant offerings. Arclight's success was not immediate, but Forman and his senior team (including Nora) stuck by the concept to see it take off. Revenues grew by 72% to $81 million in the four years from 2009 to 2013. Today, Pacific and Arclight combined have the highest gross per screen in North America, and in 2012 *Forbes* magazine named the Arclight Hollywood location one of the ten best movie theaters in the country.

Forman describes those early days of creating Arclight as similar to Saturn Motors' origins, protected from the culture of General Motors. He was attempting to create a place to practice a new way of doing business, distant from the gravitational drag of the Pacific Theaters group. The way of doing business in the family company in 1989, when he took an increased role in its leadership, was without the compass it needed:

> I returned to the company from business school with shiny new tools, things like budgeting, which the company had never done. Strategic planning, statistical analysis -- with a lot of enthusiasm, I deployed them, and

> then with equal disappointment, I found them summarily rejected. The people at the company just didn't see the point. And there were really two aspects to that. They didn't see that they would necessarily help us be more profitable. But they were also pointing to a lack of context. *Why* should we do these things? What's the bigger picture that these fit into? The second question was really the more important one.
>
> Over time, I came to formulate my purpose as providing contexts for people to flourish. … And it is the animating purpose of Decurion. I love stories like *Bartleby the Scrivener*, movies like *Brazil* and the *Hudsucker Proxy*, because they capture the dehumanizing potential of business. Decurion is a place of wholeness, of connection, of excellence, and of meaning … but that didn't happen overnight. [In those days], the values were present at the company, but the ways we were expressing them wasn't acceptable to me. So, caring about people showed up as paternalism. I saw a lot of loyalty to my family and to people, rather than loyalty to principles. And so, I thought, I'm not comfortable with that. It has to change.

Bryan Ungard, chief operating officer of Decurion, echoes Forman in describing the change that took place. Caring for people would no longer be about "loyalty" between company and employees, about protecting people. Decurion's purpose, its reason for existence and its deepest "why?", is to create places for people to *flourish*. But flourishing isn't about having fun or keeping people sheltered from threat, challenge, or risk to the self.

> People entering Decurion have an idea about what it is like, but everyone thinks three or four months later, 'it's not what I thought it would be.'
>
> When people hear 'flourishing,' they think of flowers and good feelings. But growth and development does not always equal 'feeling good.' Our culture is not about

> maximizing the minutes you feel good at work. We don't define flourishing by sitting-around-the-campfire moments. We ask people to do seemingly impossible things.
> We've learned, also, when we are onboarding people to our culture, we have to manage their expectations. We say, 'it will be hard, but it will be rewarding. You won't get it right away. And you won't be given any time to sit on the sidelines and just observe. You will be part of our practice from the start, asked to jump in right away, even when you are thinking, "but I don't know anything yet!"' No one is an observer. You must include yourself. Building community means inclusion -- new entrants are welcomed, affirmed.

Working life at Decurion is organized around this idea of "community." The company is clear that decisions are still made hierarchically; this is a profit-making, privately held business, not a cooperative. There must be accountability in individual roles for decisions that affect the business. So what's different at Decurion? Members of the company participate in communal governance structures like the Theater Workgroup because they provide a setting for deeper personal learning and better business decisions for the company. They are both a necessary support for individual growth, but also a form of collective understanding that transcends any of the individuals. They share responsibility for the success of the business, even if individual business leaders hold accountability. Communities have a say -- they are expected to help seize opportunities and spot problems at their source.

The collective understanding in a community, Decurion says, also grows and develops over time. While people still report to one another at Decurion, people are let go, and people get overruled on decisions, the structure of a learning community like the Theater Workgroup pushes every member to "hold the whole of the business" and to be "businesspeople first" looking at the wider success of the company, rather than being trapped myopically in a particular role or function.

Ungard underscores the power of community at Decurion, and he cautions that outsiders may be tempted to reduce this idea to the familiar concepts of "team" or "committee." That would be missing something:

> The whole notion is that when community forms in groups, learning happens. Learning community is such a different animal than the "committee." It's greater than the sum of its parts. Something magical and important happens in learning community. And we use that foundational element everywhere in the company. And it has a method. There is a way of building it. It has particular phases it goes through. And there are ways of practicing it -- principles, practices, guidelines of a learning community. … We are simultaneously communal and hierarchical.

This emphasis on learning communities makes another feature of Decurion's culture possible. Because people are joined together in common responsibility for running the business, it's possible for people to be more detached from specific titles and roles. When you attend meetings at Decurion, you generally won't hear references to titles. It's not that there are not such things as roles and titles, but there is a strong ethos that pulls against attachment to one's expert role, particularly in the context of learning communities, where everyone who is a member is expected to act on behalf of the company's success -- as businesspeople first.

A saying at Decurion is that you should always be "giving your job away." Rather than standing on the authority of one's expertise or title, everyone should be trying to share his or her hard-earned wisdom. It's an alternative to the view that an individual's "knowledge is power" and that one should take advantage of information asymmetries to take the one-up position as often as possible in a corporate jungle. That framing, however apt a description for many contexts in business, is anathema in the eyes of Decurion's leaders -- even a description of organizational failure to live up to the beliefs that undergird the company. It's not collective naiveté about power and status that motivates this, though. The company wants to help every member break with the instinct to hoard information, seek advantage by protecting one's base of authority and power, and to squander time managing others' favorable impressions. Jobs here are not designed to be "person-dependent," Decurion says.

Nora, for her part, sees the power for business results in weaving together peer-to-peer communities with hierarchical leadership, as everyone sheds the safety of being the indispensable expert:

> It gets at a lot of the energy and the waste that's spent in people not being fully engaged in the work, and feeling like they are healthy in what they're doing. It's about the effect on the business, the customer, and the working environment. But it has the effect of people making better decisions. It's a healthier environment. I've never experienced that in my career before Decurion. That's a whole different way of being with having managers, senior managers, directors, VPs, all really being in a place to trust each other, and to require a level of not being tied to their roles or identities or fiefdoms, to protecting themselves.

Nora's Challenge

During the Theater Workgroup meeting that we joined, Nora was very conscious of the individual growth she is seeking as a leader. To her credit, she has a "growing edge" even after nearly four decades in the exhibition industry. It is a consistent mark of all the DDOs that the senior-most people are as deeply engaged in the "personal growth" journey as the newest hires. Working at Decurion has helped her explore the mindset driving her day-to-day actions as leader, and in settings where there is a learning community to help her, she is frequently practicing new ways of being and seeing. In some ways, the very things she is working on about herself today with the greatest clarity are the shadow side of the confidence that led her to Decurion.

Hired in 2000 to launch Arclight Cinemas and lead Pacific Theaters, Nora came to Decurion from another major national theater chain where she had worked for 23 years, from her first job in concessions to the senior operations executive. She was known as the best theater operations executive in the country, and that's exactly the kind of person Forman wanted to launch Arclight.

Within a couple of years of joining Decurion, when Arclight was really the proving ground for creating a new kind of culture in the company, Nora was getting feedback about her limitations.

> I started bumping up against some walls. I started hearing feedback from Chris, and from others around me, that the way I was leading was actually holding people back. And at 42 years-old, and it is humbling for me to say this, I had never gotten feedback that anything I was doing in business wasn't just beyond reproach. So, I've got to tell you, I was kicking and screaming, and I would have fired myself five times in terms of how I resisted the feedback and the coaching. I mean, I listened to it all, but I literally couldn't *see* it. I didn't know what to do with it.

She chokes up a little as she recalls one exchange, in a community setting much like the Theater Workgroup, that marked a turning point for her in a moment of insight that she returns to even now.

> I was in a meeting, and an assistant manager in one of the theaterssaid to me that he felt that when things weren't going the way I wanted them to go … that he could feel the air in the room turn cold.
> And he never would have been able to say that if it hadn't been for Decurion, and what they allowed and required for us to be together as a community. And I call that assistant manager my "canary in the coal mine." Something made me realize that there was another way -- and I didn't know if I could do it -- but that I needed to *be* with the people that I was with, and if people were to be able to flourish, they would need to do it in their own way, and not do it in the way that I thought was the way. … And what Decurion allowed to happen was that it helped me be aware of my assumptions and beliefs about what it means to lead and what it means to mentor and

> what it means to be with a community, and to count on other people.
> I can see, and I can listen better. And I'm aware. I have a community that supports and challenges me in that. And it was the hardest thing I've ever done. And it has been the most meaningful thing I've ever had happen in my life. [...]
> I grew up learning a powerful lesson. That you need to take care of yourself. No one else will take care of you. I became very good at that. But you can only go so far with that mindset. What I have learned here is that I can be a part of something that produces results much bigger than I can produce on my own.

As she creates the fishbowl space for the Theater Workgroup community, Nora continues her own work on leading others without "withdrawing her goodwill" when they don't see the world her way. In other words, how can she keep holding high standards for excellence in the business while at the same time allowing others to step forward with their own ideas and solutions, even if they are at odds with her instincts and preferred pathway for getting the work done ("the way Nora would do it")?

Nora has been testing these assumptions -- that others won't get it right unless they do it her way and that she can only rely on herself -- in other situations, too. One setting to explore these beliefs arose from her growing frustration with the design of a company website. Her first instinct was to gather everyone together and get into the thick of designing a better site, and then get everyone working fast on implementing it. Instead, she took it as an opportunity to try to delegate and empower a group to produce the new design. What did she discover about herself in the process? She had a conversation with them where she and they discussed what her expectations were, what standards she was expecting would be met, but without doing the work for them. Empowering the team, she realized, didn't mean that she is not going to give feedback on their evolving work. In fact, they came back with a great product, which she admits surprised her, given her habitual pattern of thinking she couldn't trust others to get to a good solution. This test of her limiting assumptions showed her that she could let others take up the work with accountability, rather than feeling like the only viable option, when something important is facing the business, is to take charge of doing it herself.

The fishbowl, then, is another “practice field,” in Decurion’s term, for everyone involved, including Nora. It’s both a way to move the business ahead -- removing roadblocks to collaboration -- and to work on growing the people involved. For her own growth, Nora is using it to explore navigating the balance between having a clear vision as a leader and being accountable for the business and, alongside those demands, allowing the members of the Theater Workgroup to step into individual and collective responsibility for an excellent loyalty product. She is creating a context for them to grow through tackling the live problems of the business, and as a learning community. They, in turn, are providing her with a setting to keeppushing beyond her own limits as a leader.

This is what the company means by taking a “nothing extra” approach. People work on overcoming their limitations as an integrated part of working through active business dilemmas -- the work sitting right in front of them -- and as part of the pursuit of business excellence. This is the rhythm of daily life at Decurion. And this is what trying to create places for people to flourish looks like.

Bridgewater: Getting to Root Causes

Do you worry more about how good you are -- or about how fast you are learning?

- *Ray Dalio, Bridgewater*

Sitting in a meeting room at the Bridgewater headquarters in Westport, Connecticut, it is apparent that you are in an environment designed for transparency. Floor-to-ceiling windows let in plentiful sunlight and offer treetop views of the Saugatuck River, which flows through the middle of the campus. Meeting rooms have the same open windows onto the hallway. Anyone can see who’s meeting, and there’s no such thing as a private meeting. People at this company, the world’s best-performing hedge fund, use sunlight as a metaphor for the kind of culture they value, one that prizes the “disinfectant of truth.” As we meet some of the people of Bridgewater, we will hear the ways that an unrelenting search for truth -- including the often painful truths about one’s own limitations -- is at the heart of every meeting, indeed every exchange of ideas. The company’s leaders will tell you this culture of radical truth and radical transparency is not just an important aspect of the culture; it *defines* the culture and is credited as the reason for the company's unparalleled success.

David and the Failed Meeting

It's 9:00am on a bright Friday morning in winter. The training team is holding its daily meeting. This group of about a dozen creates case-study materials for everyone in the company, part of the stream of daily learning experiences people participate in here to strengthen the culture and reinforce its values. The group reports to the founder of Bridgewater, Ray Dalio. The interactive video cases and self-assessment tools the group is creating help employees of Bridgewater, from the newest recruit to the most senior management committee members, interpret the core principles of the company and apply them to real-life situations. This curriculum team of sorts is made up of people mostly in their early twenties who are recruited directly out of Ivy League universities into their first post-collegiate jobs. They are using their Friday meeting, as they do each week, to engage in a "diagnosis" of a problem encountered within the team and for which it is worth understanding *why* the problem occurred.

What happens in a diagnosis? First of all, it's part of a five-step process that is essential to the continuing personal evolution that Ray Dalio sees as necessary for individuals to get what they want out of life. These steps are distinct and not to be blurred together – diagnosis of a problem is not the same as designing a solution – and they begin with setting goals based on your values:

1. **Setting Goals.** You can have virtually anything you want, but you can't have everything you want. … To achieve your goals, you have to prioritize, and that includes rejecting good alternatives.
2. **Identifying and Not Tolerating Problems.** Most problems are potential improvements screaming at you. … The more painful the problem, the louder it is screaming. In order to be successful, you have to 1) perceive problems and 2) not tolerate them. … So push through the pain of facing your problems, knowing you will end up in a much better place.
3. **Diagnosing the Problems.** You must be calm and logical. … You must get at the root causes … the deep-seated reasons behind the actions that cause problems. … Recognizing and learning from one's

mistakes and the mistakes of others who affect outcomes is critical to eliminating problems. … More than anything else, what differentiates people who live up to their potential from those who don't is a willingness to look at themselves and others objectively. … The most important qualities for successfully diagnosing problems are logic, the ability to see multiple possibilities, and the willingness to touch people's nerves to overcome the ego barriers that stand in the way of truth.

4. **Designing the Plan (Determining the Solutions).** Creating a design is like writing a movie script in that you visualize who will do what through time in order to achieve the goal. … When designing solutions, the objective is to change how you do things so that problems don't recur -- or recur so often. Think about each problem individually, and as the product of root causes -- like the outcomes produced by a machine. Then think about how the machine should be changed to produce good outcomes rather than bad ones. … Designing precedes doing!
5. **Doing the Tasks.** Great planners who don't carry out their plans go nowhere. You need to "push through" to accomplish the goals. … People who are good at this stage can reliably execute a plan. … If they see that daily tasks are taking them away from executing the plan (i.e., they identify this problem), they diagnose it and design how they can deal with both the daily tasks and moving forward with the plan.

In the five-step process, diagnosing problems is the heart of the learning about the sources of one's limitations. It's not enough at Bridgewater to identify that you or someone else made a mistake, although that's start (and it means you are at least showing some sign of "not tolerating badness," as Dalio puts it). Instead of identifying the mistake and jumping to solutions -- solving the problem -- you will be pushed first to systematically unearth the limitations in your and others' thinking that lies *behind* the mistake-making. What can you learn about "the deeper whys," as people at Bridgewater say -- focusing relentlessly on the "root causes" of behavior rather than the behavior itself?

The team's diagnosis of a problem this morning centers on David. The entire group has actually just spent much of the first part of the meeting discussing David's most recent review. On any given day, everyone in the organization is getting and giving feedback from multiple sources about how they are doing their jobs. Nothing in a formal review comes as a surprise at Bridgewater. But it is also expected that individual reviews will be discussed with one's entire team and with total candor. Niko Canner, a former member of the management committee of the company, is leading the meeting.

More than a year earlier, David told Dalio that he is interested in leaving Bridgewater to go to law school. Dalio shared his gratitude for David's transparency but made sure to tell him that he could have a great career at Bridgewater, if that's what he chose to do. David was candid. He couldn't help but think, he said, that he would be disappointed in himself if he woke up at age 45 and was managing people who are managing money. In this morning's meeting, he is sharing a related struggle. He has just admitted to his colleagues that he "feels an acute need, almost at random, to please others. That could take me in a direction I don't want to go." He tells his teammates that he feels stuck, torn between a desire to please Dalio by staying at Bridgewater and the pull of going to law school and taking on a career outside of Bridgewater. He opens up about his sense of being a "people-pleaser," and he says that even as he gets evidence that people would want to "hang out with him," it's hard for him to believe such things. "The thing I worry about," he says, "is pleasing whoever is in front of me."

As the diagnosis begins, the reasons behind David's recent actions in another meeting are the topic of discussion. David was responsible for leading a meeting earlier in the week, and as part of the preparation, he delegated the task of creating the slide deck needed for the meeting to one of his fellow team members, Nathan. David's teammates who attended the meeting, which was organized around an underwhelming slide deck, were not impressed with how things went. The meeting got "derailed," with David clearly not having the materials needed to run the meeting successfully or to cope well, in the moment, with the situation. Canner asks whether David even realized that the deck he had was as bad as it was. "Did you even know what you needed?" he probes. "How much did you look at the deck as a deck?" he adds, as his colleagues jump in to point out the ways the materials didn't serve the goals of the meeting. None of this is focused on improving the quality of Nathan's work. That's not the point right now.

Canner and teammates continue to ask questions and make observations, as they try to get to the "deeper why" behind the problem. David spent his time in the earlier meeting justifying the slide deck, one that was patently not good enough, even in his own eyes once he left the meeting. "I found myself defending a document," he now sees. But what about David made him do this?

David goes on to offer up a diagnosis of what generated his actions. First, he didn't have an adequate mental map of what was required to move the work forward in the meeting. He also wasn't "in synch" (an important term at Bridgewater) with others about expectations, and he didn't get a "clear" and "granular" picture of what was required for success. "I lost sight of the goal of the meeting. There's a choice in the Principles between worrying you're looking good and achieving your goals. And I was defending the intelligence of the deck." Now David is getting to the root cause, his own need to look good and please others, one that hijacked his behavior in the meeting.

The meeting wraps up on time just as David is asking for more opportunities to practice in similar situations. He tells Canner he wants to take a next step a little further down the developmental road and check in again with him, not so that can Canner "feed him fish," he says, but so he can learn to fish. Coming full circle, Canner summarizes some takeaways, not just for David but for the team to hear, too. "These failures are fuel," he says. He praises David for focusing on the "loops" of learning -- being ready for more practice -- and for now seeing clearly what we *don't* want to do (among other things, to delegate tasks without a clear sense of what a good product looks like that meets the need and the standard of excellence).

In parting words that are typical at the end of a meeting here, capping a high-energy Socratic dialogue designed to get to truth, David acknowledges, "we're probably in agreement."

An Idea Meritocracy

Bridgewater Associates manages approximately $150 billion in global investments in two hedge funds -- Pure Alpha Strategy and All Weather Strategy. They serve institutional clients, such as foreign governments, central banks, corporate and public-pension funds, university endowments, and charitable foundations. The company began in Ray Dalio's two-bedroom apartment in 1975, and is still privately held. There are about 1,500 employees of Bridgewater.

Throughout its nearly four decades, Bridgewater has been recognized as a top-performing money manager; it has won more than 40 industry awards in the past five years alone. At the time of this publication, the Pure Alpha fund had only one losing year and had gained an average of 14% a year since its founding in 1991. The All Weather fund, which is designed to make money during good times and bad, has been up 9.5% a year since its launch, in 1996, and delivered an astonishing 34% return from 2009 through 2011, even as the hedge fund industry as a whole underperformed the S&P 500. (The fund apparently did lose money in 2013, according to the *New York Times*.) In both 2010 and 2011 Bridgewater was ranked by *Institutional Investor's Alpha* as the largest and best-performing hedge fund manager in the world. And in 2012, the *Economist* credited the firm with having made more money for its investors than any other hedge fund in history.

Greg Jensen, co-CEO of Bridgewater, explains that all of this success as a business derives from the company's approach to its principles, a source of "compounding understanding," much like compound interest, over time.

> The thing that we found … in our business, and I think for most businesses, you have to have better ideas than other people. That's basically what it comes down to. We're competing against everyone in the markets. The market price is a weighted-average view of what's going to happen in the future. The only way you can know something better is to have a better understanding of what can happen in the future. So, it's a perfect form of idea meritocracy. And for us the building blocks of that, of creating an idea meritocracy is having a shared, transparent set of principles, so that everybody understands the roles, the constitution of the place. You build the habits of principled people into the everyday work. There's no difference between doing the work and managing the work. It's all the same stuff. … We have this notion about the constitution of the company that these are the principles. So that every decision, we are

> reflecting on what principles are at play? And how do you take this decision with respect to those principles? And forcing the thought of if that decision doesn't feel right to you, go back and say, well, what principles are wrong so that the principles keep evolving. And not just that one person makes better decisions, but that the community as a whole makes better decisions. … When we change our views, we'll change it there, so that people can keep learning from that compounding understanding and 35 years of running this business. … If you disagree with the principles, you gotta fight like hell. There's no behind-the-corner talk.

The company has separately recorded in the algorithms of its proprietary systems all of its technical investment knowledge – a different set of principles to guide investing. Today, as much as 98% of Bridgewater's financial decisions are executed automatically based on that set of similarly codified market decision rules. The Principles -- the constitution which all citizens of Bridgewater uphold -- are not about the laws of finance, the market economy, or investing, however. Instead, these Principles are about the ways people should act inside the company in order to foster and preserve a culture of truth and transparency. They set a clear bar of excellence for all decision-making and are the common textual and conceptual reference for every Bridgewater employee seeking to act in a principled way.

The Principles number over 200, and they are organized in several conceptual categories, each building out a core takeaway through a collection of related ideas. We summarize these foundational beliefs here without pretending to be comprehensive.

- **Trust in Truth.** Be radically transparent, be extremely open, and don't tolerate dishonesty.
- **Create a Culture in Which It Is OK to Make Mistakes but Unacceptable Not to Identify Analyze, and Learning From Them.** Do not feel bad about your mistakes or those of others. Love them! Don't worry about looking good -- worry about achieving your goals. When you experience pain, remember to reflect.

- **Constantly Get in Synch.** Talk about "Is it true?" and "Does it make sense?" Be assertive and open-minded at the same time. Don't treat all opinions as equally valuable. Consider your own and others' "believabilities". Spend lavishly on the time and energy you devote to getting in synch because it's the best investment you can make.
- **Get the Right People.** Remember that almost everything good comes from having great people operating in a great culture. First, match the person to the design.
- **Recognize that People are Built Very Differently.** Understand what each person who works for you is like so that you know what to expect from them. Don't hide these differences. Explore them openly with the goal of figuring out how you and your people are built so you can put the right people in the right jobs and clearly assign responsibilities.
- **Hire Right, Because the Penalties of Hiring Wrong Are Huge.** Don't hire people just to fit the first job they will do at Bridgewater; hire people you want to share your life with. Hear the click: Find the right fit between the role and the person.
- **Manage as Someone Who is Designing and Operating a Machine to Achieve the Goal.** Constantly compare your outcomes to your goals. Conduct the discussion at two levels when a problem occurs: 1) the "machine" level discussion of why the machine produced that outcome and 2) the "case at hand" discussion of what to do now about the problem. Hold people accountable and appreciate them holding you accountable. Logic, reason, and common sense must trump everything else in decision-making.
- **Probe Deep and Hard to Learn What to Expect from Your "Machine".** Constantly probe the people who report to you, and encourage them to probe you. Remember that few people see themselves objectively, so it's important to welcome probing and to probe others. Don't "pick your battles." Fight them all. Make the probing transparent rather than private.
- **Evaluate People Accurately, Not "Kindly".** Understand that you and the people you manage will go through a process of personal

evolution. Help people through the pain that comes with exploring their weaknesses.

- **Train and Test People Through Experiences.** Remember that everything is a case study. Teach your people to fish rather than give them fish.
- **Sort People into Other Jobs at Bridgewater, or Remove Them from Bridgewater.** When you find that someone is not a good "click" for a job, get them out of it ASAP. Do not lower the bar.
- **Know How to Perceive Problems Effectively.** Understand that problems are the fuel for improvement. Don't tolerate badness. Don't use the anonymous "we" and "they," because that masks personal responsibility--use specific names.
- **Diagnose to Understand What the Problems Are Symptomatic Of.** Recognize that all problems are just manifestations of their root causes, so diagnose to understand what the problems are symptomatic of. Remember that a proper diagnosis requires a quality, collaborative, and honest discussion to get at the truth.
- **Put Things in Perspective.**
- **Design Your Machine to Achieve Your Goals.** Remember: You are designing a "machine" or system that will produce outcomes. Most importantly, build the organization around goals rather than tasks. Build your organization from the top down.
- **Do What You Set Out to Do.**
- **Recognize the Power of Knowing How to Deal with Not Knowing.** Remember that your goal is to find the best answer, not to give the best one you have. Constantly worry about what you are missing.
- **Make All Decisions Logically, as Expected Value Calculations.**
- **Remember the 80/20 Rule, and Know What the Key 20% Is.** Distinguish the important things from the unimportant things and deal with the important things first.
- **Synthesize.** Understand and connect the dots. Avoid the temptation to compromise on that which is uncompromisable. Don't try to please everyone.

Bridgewater's commitment to radical truth, as elaborated in these Principles, is anchored in a demand for excellence through constant improvement. The company sees all of its processes through the image of a *machine* -- an imperfect but always improvable system. The economy is described at Bridgewater in terms of a machine that produces outputs, and by any accounting, they have developed penetrating insight into the workings of that machine. But any human-designed process within the company is also viewed as a machine. Each such process -- from the hiring of new Bridgewater recruits, to the way the desktop technology support team manages software installation, to the approach to developing training case videos -- delivers on specific goals and has a design that is working in more or less effective ways to produce outcomes. Enhancing the functioning of the company's many processes -- its machines -- requires a constant search for the truth about how things are *actually* going and who's responsible if there's a problem.

"Probing" at Bridgewater is the act of asking someone questions about a specific process's design, a problem, or the person's actions or inaction in order to get at understanding the deeper whys -- to get to the root causes. Probing also allows people, in an inquiry-based culture, to ensure that they are aligned in looking at the same data and zeroing in on shared causal explanations for what is going on. This is the practice of figuring out what is true. It also surfaces information about what people are like ("WPALs") that can help managers at Bridgewater understand whether it's a given person causing the problem or the design of the machine -- the definition of the role and workflow -- that is causing the problem.

The company's other primary commitment -- to radical transparency -- goes much deeper than the glass office walls. At Bridgewater, every meeting is recorded, and (unless proprietary client information is discussed) every recording is available to every member of the organization. Each office and meeting room is equipped with audio recording technology. For example, if your boss and your boss's boss are discussing your performance, and you didn't happen to be invited to the meeting, the recording is available for you to review. And you don't have to scour every tape to find out if you were the subject of some closed-door conversation. If your name came up, you are likely to be given a heads-up, just so that you will review the tape. In effect, there is no such thing as a closed-door conversation; everything is part of a "historical record of what is true."

If you are like us, when you consider the idea of taping *every* meeting taking place every day across combinations of 1,500 employees, the implications are staggering. And the first question many people ask when they hear about this practice -- wondering about liability and lawsuits -- is "what did your lawyers say?" The truth, as Jensen tells it, is that "the lawyers went nuts" at first:

> People thought, 'those guys are crazy.' … And you know the reality was because we believe in truth and the consequences of mistakes, it's okay. We've been sued several times for different things, and have always just given the tapes as evidence. … And we won every case. … We won because the tapes made clear that we were operating consistently with how we say we are operating. And someday we won't. We're a big organization, and we all make mistakes. And that's okay, too. You have the consequences of your mistakes, but they'll be your actual mistakes, not a fake version of that. So, that has worked very well for us and creates a constant pressure to live by these principles because you know that if you speak behind someone's back, etc., that this place is transparent.

At any time at Bridgewater, routine business conversations can shift into an opportunity for truth-telling and collective learning. It is common to pause for a "step-back moment" in the middle of a meeting to take stock of errors, to diagnose their root causes in people's habitual actions and thinking, and to identify what individuals can do to learn from their own defensiveness. A participant whose limitations are being scrutinized might be encouraged to "design around" those ways of thinking, using reliable peers or leaders in the organization or setting up processes that "guardrail" against failure – that is, proactively compensate for one's own inadequacies rather than pretend they don't exist.

At Bridgewater, every day is a kind of "after-action review." This process goes much deeper than a typical post-mortem, though. People at Bridgewater never actually consider the after-action review "done," as they are constantly dedicating time to probing one another's thinking. And a given conversation of this sort doesn't stop until people have gotten to a place of learning something about the person involved. What does this thing that happened say about you -- about how you think? And is there a higher vantage point that you can take, sitting above your own in-the-moment, reactive, defensive self -- looking down to see the "you" that is messing up repeatedly and predictably. How are your actions, missteps, or successes, viewed by this "higher you," an expression of something deeper that's true about you? There is urgency in asking this question each time because if you (and others you work with) don't figure out the "deeper whys," then you are going to keep doing the same thing again and again with similarly disappointing results.

As you might imagine, all of this can be quite disorienting for people early in their tenure in the company -- especially for people who have had professional careers at other firms where they were shining stars to be emulated and examples of what success typically looks like at work! At Bridgewater, people talk openly and honestly about the pain that can be triggered by really looking at our own internal barriers and the root causes for why things happen at work. They refer to an equation to remind themselves and each other why they do this every day: *Pain + Reflection = Progress*.

They even have an app that is standard issue on their company-provided iPads, "the Pain Button". This tool allows employees to record and share experiences of negative emotions at work -- especially times when one's ego defenses are activated by specific interactions with others. Open sharing of these experiences then triggers follow-up conversations among the parties as they seek to explore the truth of the situation and identify what individuals might do to directly address the underlying personal causes. This practice is aimed at helping people "get to the other side" -- a Bridgewater term for working through ego defenses, neutralizing the sting of having your mindset questioned, and coming to actively manage forms of emotional self-protection that will otherwise be barriers to personal growth. Because learning from one's mistakes is a job requirement, people who are unable to get to the other side after sufficient time will either leave Bridgewater or be terminated.

John Woody's Got a Reliability Problem

John Woody (who goes by Woody) leads Bridgewater's college-campus recruiting efforts. Now in his early 30s, he started at the company in a similar position to David's, working on the team directly supporting Ray Dalio.

When we met Woody, who was also featured in a 2013 Harvard Business School case study of Bridgewater, he shared his story of growth at Bridgewater. Woody has by now "gotten to the other side," where he can discuss his limitations very directly with anyone in the company. But there was a time when Woody could not face what he was hearing about himself. After several years in the company, Ray directly addressed what he called Woody's "chronic reliability issue". Because Bridgewater records all such conversations, we can share a portion of that conversation Woody had with Dalio.

Dalio: He told you to deliver the daily updates. I told you to deliver the daily updates.

Woody: I'm in agreement about the daily updates. No question.

D: And so there are two issues. Not only aren't you getting the daily updates, but we have a chronic reliability issue. You cannot be trusted to do the things you're asked to do.

W: Um … when you take it to that level, I disagree with you. But when we're talking about --

D: That's your problem.

W: Well, can we explore that?

D: Yes, of course!

W: Because I think I take on massive amounts of responsibility and deliver on all of them. There are certain things that --

D: No, you don't. It's become a joke, about your reliability, and your reliability grades. You're given assignments, you don't do it. You are given the daily updates. You're asked to do stuff. This is your problem. You don't embrace your problem.

Woody's reaction, in this meeting, and in the weeks that followed was to reject the harsh feedback. Ray had "touched the nerve," in the phrase people at Bridgewater use. Woody in turn immediately grew defensive:

> Here, we pride ourselves on being logical and facing the
> truth, but my initial response was 'You're wrong!',
> which is me already being illogical, because I'm not even

> asking him why he thinks I'm unreliable. I'm literally closing myself off from even the notion of exploring whether what he's saying is true or not. …
> And I felt like when I first came to Bridgewater, I was someone who… always sort of said what was on my mind. I thought I was really open-minded, that I was [open to being] wrong in situations. And I came to realize very quickly that that wasn't the case. That when I was challenged, it would actually emotionally impact the way I interacted. I would get heated. I would lose my logic. I would feel like when people challenged my ideas, it was almost an affront [to] me. The word we use for that around here is sort of trying to get past your ego. How do you separate yourself from the discussion about you in a way that you can honestly engage with feedback … explore when people describe for you a weakness they're seeing in you?

But pushed by Dalio and others at Bridgewater to continue exploring his behavior, Woody began to see some patterns over time, rather than seeing his shortcomings as exceptions or situational. He started to "come to a realization that not only is it a problem for me professionally, but it's actually been a problem for me personally all the way back to the time where I'm eight years old."

> So then I have to ask myself, How is it that something that has pervasively affected me since I was 8 years old is something I can deny steadfastly when confronted on it as a 30 year old?. Has Bridgewater just brainwashed me so that I am now just imagining it was a problem since I was eight years old?, which I don't think is true, or is this an example of the impact of one's ego?.
>
> Who do I want to be? I want to be the guy you give the ball to on the two yard line. "We need to score, we've got to give it to the most dependable guy. You are the guy." That's who I want to be. I am being confronted in the moment by someone saying, "You are not the guy.I don't even know if you are going to be there when I try to hand the ball to you". And that hurts, right?

Woody credits “a pretty powerful community” for helping him to confront the fact that he was quick to anger and defensiveness, that he was chronically late to meetings and other commitments, and that he was someone people couldn’t rely on to follow through. Today, he is at a point in his journey at Bridgewater where he is trying to “become comfortable with it, and I’m trying to change certain bits about myself that are causing problems, but I’m also much more comfortable being conscious of it.”

Woody’s sees the progress he is making on his reliability problem, but he insists he still has a long way to go. It is clear, though, that he has come quite a distance already: “I prioritize more ruthlessly,” he says, “pause longer and more thoughtfully before promising things to others, visualize more granularly how I will actually get something done, check in with those who ask things of me more frequently and with more questions, and lean on those around me much more explicitly now than I ever did.”

For people like Woody, who remain in Bridgewater’s incubator for human performance, getting to the other side is not the end of a journey. But it’s a richer vista from the other side, with the hard-won ability to see and understand much more about oneself. And for most, like Woody, Pain + Reflection = Progress.

Summing Up

From our journey inside these three DDOs, one thing that should be quite quickly clear is that none of these companies is in the “human potential” business. They manage hedge funds, movie theaters, and e-commerce transactions. Their businesses and products are as diverse as they are distant from being “human services” organizations. They are not universities filled with professional educators or clinics or personal growth centers staffed with psychologists. They aren’t management consultants. None of these three companies markets services related to helping people overcome their limitations. Bankers, software engineers, and movie theater operators would probably not be your first choice of people to naturally take to the continuous levels of self-examination you are getting a glimpse of here.

And that is just the point. While these companies develop their cultures as principled investments in their own *business* success, they also refuse to separate the people who make up the business from the business. Their “big bet” on a deliberately developmental culture is rooted in the unshakable belief that business can be an *ideal context* for people's growth, evolution, and flourishing—and that such personal development may be the secret weapon for business success in the future.

In each of these DDOs -- Next Jump, Decurion, and Bridgewater -- we see a seamless integration of two unrelenting pursuits as if they were a single goal: business excellence and the organization's people growing into bigger, more capable versions of themselves *through* the work of the business. Of course, these companies have different approaches to accomplishing this, but interestingly what each emphasizes can be found in the others, as well Next Jump's culture puts helping others explicitly at the forefront, including the central importance of coaching as a way to grow oneself while serving others. Decurion builds the strength of next-generation learning communities (really, "development communities") as a way to create conditions for both individual growth and seizing business opportunities fully. Bridgewater stands for the pursuit of *what is true*, no matter how inconvenient,, both as a business necessity in the financial markets and as a path for personal evolution and unwavering cultural integrity.

But underlying the different emphases of their approaches is a shared and surprising reversal of the most fundamental agreement in ordinary organizational life: the separation of the personal and the public. The ordinary organization is like the "old Brene Brown" as she described herself at the beginning of this chapter: it doesn't "do" vulnerability, and it doesn't hang out with those who do.

The ordinary organization conspires with the side of its employees that believes the place for imperfection and vulnerability and shame and unworthiness is somewhere far away from work. If it does have to come into work from time to time, then we will make provisions for it, as we would a nursing mother: let it go on in a private room , with others who will keep whatever they see and hear to themselves, and let it be tended to as quickly as possible, and let us do the person the courtesy of pretending it never happened.

No doubt you have had a variety of reactions to what you have seen and heard in this chapter, but it is almost a certainty that, whatever those reaction are, at their very core they all come down to one thing-- the way you feel about vulnerability; the way you feel about experiencing it yourself in the company of others; the way you feel about being in the presence of others' vulnerability; and, especially, the way you feel about any of that going on at work. You can be assured that whatever your current thoughts and feelings are, every one of them has been shared—*is currently being shared*-- by people working in a DDO. In that way, the chapter is helping you "meet the DDO" in more ways than one.

Now that you have generated a variety of "first impressions," we want to use the next two chapters to create spaces that will help you hold on to them, to turn them around in your hands, to consider them in the context of the underlying "theory" of the DDO, as we understand it.

We will begin with an exploration of what it even means to talk about "development" when we refer to the "deliberately developmental organization." There exists a well-worked out theory about the trajectory of psychological development in adulthood, based on forty years of research, that we believe can help you understand the "deep structure" of a DDO. In essence, a DDO is working on ways to provide people the maximum exposure to those experiences likely to help them continue—when they are ready--the ongoing journey of adult development.