COURAGEOUS
ROOTS
DEVELOPMENT

ADVANCING DIVERSITY, INCLUSION & ORGANIZATIONAL AGILITY

through VERTICAL DEVELOPMENT

WRITTEN BY NIKKI SHULTZ

I)   PREFACE

The intent of this paper is to:

✔ Increase understanding of how vertical development is necessary to build cultures of diversity, inclusion and organizational agility;

✔ Increase understanding of vertical development; and

✔ Curate the latest data-driven development approaches that you can apply to yourself and your organization right now.

> **Vertical development** involves expanding perspectives and unhooking from subconscious patterns and habits to engage with complexity in new, more productive ways. Vertically developed leaders think more systemically, thrive in ambiguity, see long-term possibilities, embrace challenges from diverse perspectives, and lead as healthy collaborators.

II)   CASE FOR VERTICAL DEVELOPMENT

REASON 1: EXTERNAL FACTORS

As leaders face rapidly-evolving work environments, the acronym "VUCA" (which stands for Volatile, Uncertain, Complex, and Ambiguous) is commonly used to describe the context they are navigating and the magnitude of change and challenges they face. In a *complicated* context, there are problems to be solved with a right answer. But in a *complex* context, the environment is comprised of layers of living systems that can often be influenced, but not controlled.

Looking to the past shows us just how enormous the change has been and how different work environments look today. And, while we cannot predict the future, we can be certain that the future is unknown, uncontrollable and dynamic.

THEN…	AND NOW…
The majority of commerce and work was conducted in-person and during set business hours.	Customers and talent are mobile across the globe, doing work and commerce virtually and not on a schedule.
Social justice and political issues were compartmentalized outside of work.	These issues take center stage and organizations are expected to have a public point of view and actions that match.
Industry boundaries were well-defined and stable with barriers to entry.	Mergers and acquisitions are constant as companies grab market share and rethink value chains. Start-ups are disrupting previously untouchable industries.
Messages and communication were controlled and contained with minimal channels.	Transparency is expected and free speech is possible with access to social platforms.
Customer needs were defined by the industry.	The customer is redefining their own needs and elevating their expectations.
Functional hierarchy and product silos worked to deliver value.	Value is delivered through global, matrixed organizations.

REASON 2: INTERNAL FOCUS

More than ever, companies are prioritizing diversity, equity and inclusion (DEI) efforts in meaningful ways. Leaders are increasingly seeing that cultivating diverse and inclusive cultures is not just the right thing to do but results in better business outcomes.

More diversity → More perspectives → See more of reality → Have more choices → Better business results

However, by definition, increasing diversity also increases complexity. As complexity increases, so do chances for conflict. Without a culture that can welcome and meaningfully include diverse perspectives, DEI initiatives have the potential to fail. Company culture is not simply a collection of articulated company values; it is a common way individuals see the world and behave, known as stage of development.

Check in for your own company culture. What stage sounds the most like yours?
(Petrie and Sanders-Edwards 2020)

1	People behave in a way that protects themselves and their own individual interests. Feedback, if given at all, is about performance and generally negative and threatening. The culture might be described as "toxic."
2	People behave in a way that doesn't rock the boat. The sense of belonging and peace in the group is of utmost importance. People hire those who look and sound like the existing group. Rules and direction from leaders are expected to be followed without question. Feedback, if given or received, feels threatening if it is not positive. Sense of security is outside-in: "I'm ok if others think I belong in the group."
3	People get a sense of security and satisfaction by being an expert in their area. There is a "right" way to do things and the world is relatively black and white. New perspectives feel threatening and other functional areas, customers, or people can be frustrating to work with if they have a different perspective or objective. Sense of security is outside-in: "I'm ok if I'm seen as competent by the group."
4	People get a sense of security and satisfaction by delivering results as part of a team. Individuals on the team value each other's contributions and drive hard for mutually successful outcomes. Feedback is welcomed as it relates to delivering results but can still feel threatening if constructive. There is a sense of personal agency and responsibility as part of contributing to the group. More driving for results and advocating own position, than listening to divergent perspectives. Organizational strategy comes from an existing playbook that has worked in the past or for others.
5	People get a sense of security and satisfaction from the inside-out, focusing attention and resources on purpose and creating meaning. People actively seek out constructive behavioral feedback to see their shadow in addition to their light. Diverse perspectives and conflict are sought out as part of personal and organizational growth. The status quo is questioned and people are supported to take risks, even/especially in discomfort. People listen to learn. Attention is focused on what can be controlled and influenced and people know the difference. Organizational strategy is often innovative and may appear risky to the outside world.
6	People get a sense of security completely from the inside-out. External validation or rewards are not important. There is a sense of personal empowerment and freedom that comes from knowing that no matter what happens, everything is connected and unfolding as it should. The focus of attention is extremely long-term and connected to shaping systems well beyond the company or even its industry. Wisdom is observable throughout the organization.

> *If an organization has a culture that is between stages 1-4, vertical development is essential to cultivating a culture that can productively add diversity and complexity while thriving in a volatile, uncertain, complex and ambiguous environment long-erm.*

REALITY

While developing vertically appears to be necessary to survive long-term, our own human conditioning gets in the way of choosing to move forward.

The socialized mind is both our greatest survival tool and our greatest hurdle to growth.

Humans have survived by our ability to work together. Working well in groups requires there to be socialized beliefs and norms that keep the group safe. Challenging internal belief systems that were subconsciously shaped by the group inherently puts a person's perceived standing in the group at risk.

Humans are wired to conserve resources and energy.
These show up as mind traps. (Garvey Berger 2013)

POLARITY BLINDNESS

As human beings, we often simplify things into "this" or "that" thinking. We label our options (A or B), categorize one option as better and the other as bad, and then we seek information to rationalize our preferences. This pattern prevents us from seeing the total system and recognizing the polarities that must be balanced. An example of a functional polarity is Product Development (creating) and Operations (executing).

IDENTITY PROTECTION

We behave in a way that reinforces a particular sense of self; a way we have learned to be that keeps us safe and allows us to be "seen as" by others and ourselves in a positive light. The motivation to be seen a particular way, whether by others or even just within ourselves, creates a sense of control.

SIMPLE STORIES

We are impatient, pattern-making machines, so we compile bits of information about peopleor situations, to create simple stories and solutions. In these stories, we subconsciously cast ourselves and others into characters of villain, victim and hero roles.

CONTROL

The more ambiguity there is in the system, the more we try to control outcomes and people. The more we try to control parts of complexity, instead of influence, the more the system resists and retaliates.

RIGHTNESS

The feeling of being wrong is so painful that people use words such as embarrassed and shameful to describe moments when they learned they were wrong. Rightness kills curiosity and change. This is manifested many times in polarity blindness, simple stories, and an unwillingness to change course.

BELONGING

We have survived as a human species by our ability to work together and be safe in groups. The need to belong is so engrained into our DNA, we will follow unsaid group norms, rules and objectives to our own peril.

III) WHAT IS VERTICAL DEVELOPMENT?

Vertical development involves expanding and growing our perspectives and meaning making systems. It is changing the way we see ourselves in relation to the world. As an individual develops vertically, there are predictable stages with predictable mindsets and behaviors we can expect to see emerge and they impact the trajectory of a company.

Traditional learning and development, also known as "horizontal development," focuses on building knowledge, skills and competencies. While these are important, they are no longer enough for leaders who operate and make decisions in a highly matrixed, cross-functional environment with an ever-changing external landscape. Horizontal development and vertical development are inter-connected and leaders need both to be successful. Companies who invest in horizontal development without vertical development significantly diminish the ROI of their training investment because horizontal development alone does very little to materially challenge mindsets or elevate the capacity for new perspectives.

HORIZONTAL DEVELOPMENT
Transferring information to the leader

- ✓ Adding knowledge and skills (similar to apps on a phone but the iOS stays the same)
- ✓ Transmitted from experts
- ✓ Classic development
- ✓ It's about WHAT you think and do

An expert fills your cup (your mind) with concepts, techniques, approaches and skills.

VERTICAL DEVELOPMENT
Transformation of the leader

- ✓ Expanding new perspectives, mindsets and paradigms (similar to changing the phone's operating system)
- ✓ Developed through exposure to "heat filled" life experiences, intentional awareness and reflection
- ✓ It's about HOW you think, growing into more sophisticated and expansive ways

Growing the size of your cup (your mind) so there is more capacity to integrate horizontal skills by broadening abilities to

VERTICAL DEVELOPMENT AS A FIELD

Vertical development comes out of research from multiple developmental theorists, but most notably, Robert Kegan, Bill Torbert, Susanne Cook-Greuter and Ken Wilbur. While adult development research has been happening for decades, it has recently gained momentum through Harvard, Oxford, Jennifer Garvey Berger, Nick Petrie and the Center for Creative Leadership, and countless other established and trusted thought-leadership organizations. It has become one of the top leadership development trends and yet, it is still evolving in its own right.

These academics and practitioners have shown through research that adults develop through predictable stages of development and at each new stage, they develop new capacities for thinking, acting and leading. At each stage, there is a "subject-object" move: a shift from "I am" (subject) to "I have" (object). For example, "I am successful" to "I have success."

We see these capacities expanded and expressed in leaders in the following ways as they develop (Garvey Berger 2013):

TIME ORIENTATION
Capacity to see, plan and operate with a longer-term horizon.

TASK REQUIREMENTS
Capacity to juggle, prioritize, and manage multiple tasks..

SELF-DIRECTION
Capacity to self-motivate irrespective of external incentives or perception of others.

DEAL WITH PARADOX
Capacity to see many shades of gray instead of polarities.

MANAGE CONFLICTS & MULTIPLE STAKEHOLDERS
Capacity to listen and understand multiple and divergent perspectives. Capacity to be more aware and take responsibility for emotions and responses.

GENERATE & MODIFY SYSTEMS
Capacity to have new ideas and improve things without a roadmap or direction. Capacity to rewrite definitions for themselves.

DEAL WITH ABSTRACTION
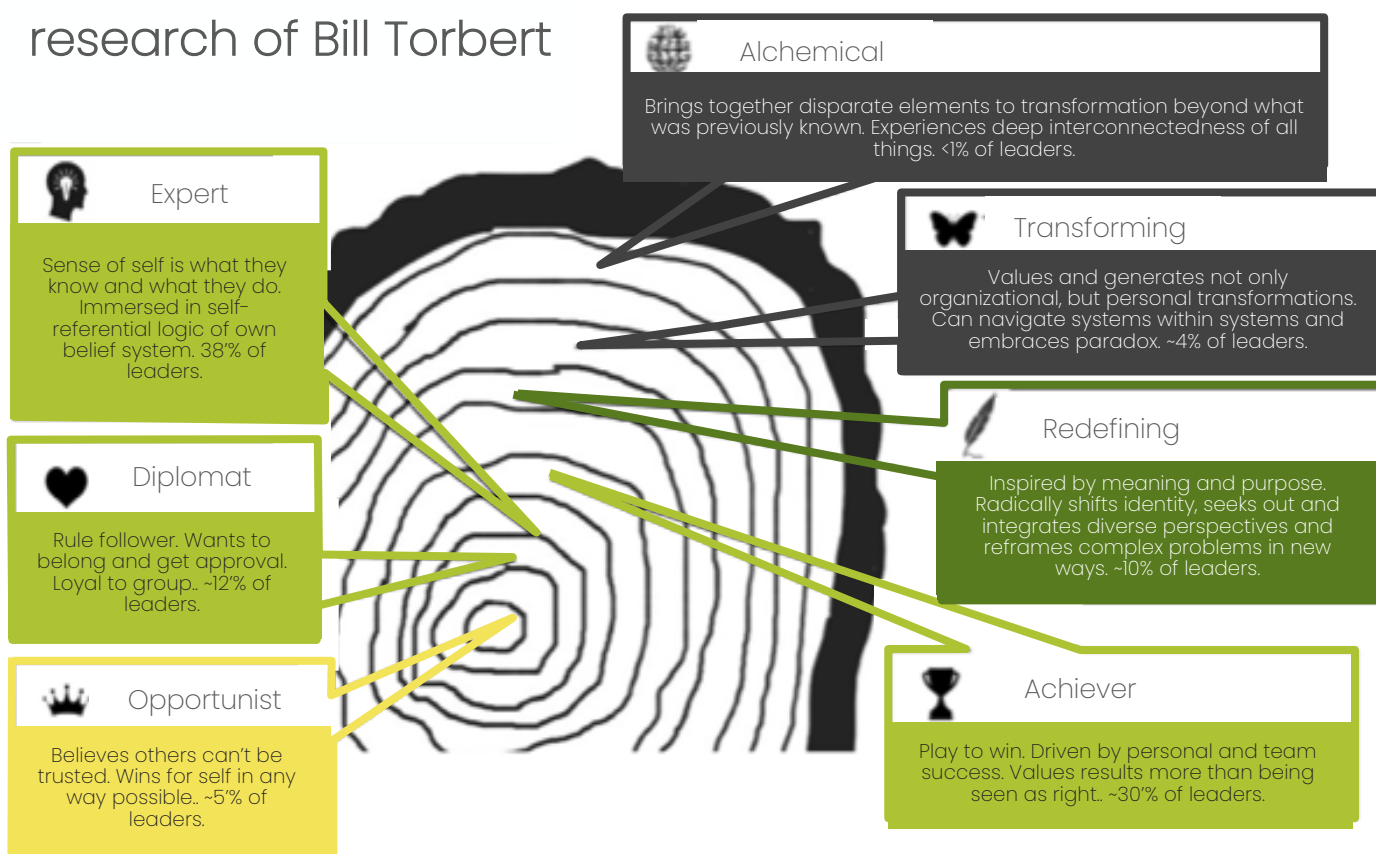Capacity to make connections that are not obvious across the system.

Increasing these capacities are necessary components to creating a diverse culture of inclusion and organizational agility.

THE STAGES OF VERTICAL DEVELOPMENT

Understanding what the stages are, how they manifest themselves, and where they limit and propel development forward is an essential cornerstone of this work. Understanding this map, and where you stand on it, is crucial. Simple awareness of the map creates a shift in perspective and possibilities for growth.

The 7 Ways of Leading based on the research of Bill Torbert

The stages of adult development, no matter what construct is used, are like growing rings of a tree. We keep the inner rings as part of us as we grow into bigger and more complex versions of ourselves. Most people are in transition between two stages. Everyone has a center of gravity (stage) and some range.

Alchemical
Brings together disparate elements to transformation beyond what was previously known. Experiences deep interconnectedness of all things. <1% of leaders.

Expert
Sense of self is what they know and what they do. Immersed in self-referential logic of own belief system. 38% of leaders.

Transforming
Values and generates not only organizational, but personal transformations. Can navigate systems within systems and embraces paradox. ~4% of leaders.

Diplomat
Rule follower. Wants to belong and get approval. Loyal to group.. ~12% of leaders.

Redefining
Inspired by meaning and purpose. Radically shifts identity, seeks out and integrates diverse perspectives and reframes complex problems in new ways. ~10% of leaders.

Opportunist
Believes others can't be trusted. Wins for self in any way possible.. ~5% of leaders.

Achiever
Play to win. Driven by personal and team success. Values results more than being seen as right.. ~30% of leaders.

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People operate from a center of gravity. When we grow to a later stage of development, we can and should include previous stage thinking while transcending its limitations, but we are not capable of including later stage thinking.

The question is whether or not a person's stage of development is **fit for purpose** in the context of their environment. For example, 'Expert' might be an ideal stage of development for a senior individual contributor in a technical field, but not ideal for a leader needing to influence cross-functionally or lead through difficult change.

What is most important is **vertical range**. An effective leader has developed the most advanced capacities to be effective in their role and has the ability to adjust their way of thinking to match the complexity of their environment and adjust their style to meet the form of thinking of their audience.

STAGE OF DEVELOPMENT: "CULTURE"

Organizations have a collective stage of development, many times referred to as "culture." When people feel or express a general frustration about the "culture" of the organization, they could be feeling a mismatch of their own stage of development and the stage of development of the organization as a whole. This may result from an employee outgrowing their organization or the organization outgrowing the employee.

As a general guideline, the culture stages align to the individual stages as follows:

Culture Stage	Individual Stage (Torbert)	Individual Stage (Kegan)
Stage 1	Opportunist	Self-Sovereign
Stage 2, 3, 4	Diplomat, Expert, Achiever	Socialized
Stage 5	Redefining	Self-Authored
Stage 6	Transforming, Alchemical	Self-Transforming

Most people are in transition between stages of development and thus an individual's developmental stage in work might be different than in their personal life. The stage of development or "culture" of the environment acts like a bungee for the individual's center of gravity. Growth might be accelerated or delayed depending on how strong the socialized rules of belonging are in the environment.

This is critical to understand because if the context of the environment requires a higher stage of development for a leader to be successful, but the organization operates at a lower stage than the leader, the leader might feel both overwhelmed at what they need to do, and heightened frustration with the organizational culture to move forward. One might call this a feeling of being stuck. It turns into more than just a development and performance issue, but also a retention challenge. If many senior leaders with influence and power are in earlier stages of development, motivated by identity protection and/or lacking of broad perspective, the organization as a whole can be vulnerable to developmental delays and in some cases, create a culture of toxic fear.

HOW EACH MINDSET STAGE MIGHT REACT TO NEW DIVERSE PERSPECTIVES

Stage 1 | Opportunist | Self-Sovereign

This mindset cannot take another's perspective, even if instructed to do so. New and diverse perspectives are confusing and automatically rejected as threat.

Stage 2 | Diplomat | Socialized

This mindset values consistency, certainty and keeping things the way that they are. New diverse perspectives have the potential to create conflict in the group and are therefore perceived as threatening.

Stage 3 | Expert | Socialized

This mindset values knowing that they have an important role in the group and are perceived as competent. When a person with this mindset is introduced to a new diverse perspective, the internal story might sound like, "You're telling me that what I've been doing was wrong."

Stage 4 | Achiever | Socialized

This mindset values achieving the goal with the team and values efficiency. New perspectives that are perceived as "slowing down the process" will be rejected simply because they are not valued. The internal story might sound like, "We have things we need to deliver and don't have time for this conversation."

Stage 5 | Redefining | Self-Authored

This mindset values meaning and purpose and sees how the broader system is interconnected. As a result, this mindset will prioritize seeking out and integrating new diverse perspectives. The focus of attention will be longer-term to create something meaningful and sustaining for the benefit of the organization. Change and disruption are welcomed as part of the process.

Stage 6 | Transforming & Alchemical | Self-Transforming

This mindset values creating and contributing to something meaningful beyond themselves, their team, and their company. They welcome all new diverse perspectives and have the ability to see long-term how they might influence broader systems such as their industry and the world. Diversity is seen as absolutely essential.

IV) HOW PEOPLE GROW VERTICALLY

PERSPECTIVE A:

Nick Petrie, a thought leader in vertical development, believes there are three primary conditions that need to exist for vertical growth to happen:

	HEAT EXPERIENCES	COLLIDING, DIVERSE PERSPECTIVES	AWARENESS & REFLECTION
what it is	Leaders grow fastest when they find themselves in situations that generate "heat." Heat experiences have 5 criteria: 1. First time experience 2. Results matter 3. There is a chance of success or failure 4. People are watching 5. It is extremely uncomfortable *Heat experiences vary by stage of development*	Surround yourself with people who think very differently than you and listen to learn. Ways to do this: • Listen directly to a different perspective • Read, watch, listen to new, different perspectives • Ask for feedback • Immerse in a new cultural context and observe to learn and understand • Follow different perspectives on social media	Do your inner work. Jump on the balcony to make sense of your heat experiences and new perspectives to grow – moving beliefs from subject to object. • Investigate thoughts and beliefs • Feel through and understand intelligence behind emotions • Increase somatic awareness and connection to thoughts and emotions. Outcome: A constant evolution of values, beliefs and identity
enablers	✔ Failure cannot be punished ✔ The person in the heat experience must have enough support around them to grow ✔ Enough horizontal skill development is provided to be successful	Awareness of subconscious thinking and behavior patterns (mind traps) that block curiosity and openness Skills to listen to learn and receive feedback.	Time and support (e.g., coaching) to help an individual and teams reflect and challenge subject-object patterns Environments that encourage a person to challenge socialized beliefs

PERSPECTIVE B:

CULTIVATING WHOLENESS

Spring Cheng's work in *The Resonance Code* indicates that there is an additional and equally important enabler to growth, and that is by cultivating wholeness. Cheng's work complements the traditionally Western perspective of vertical development with a much-needed Eastern perspective. The need to cultivate wholeness rests on the belief that our development is dependent on noticing and attending to the interconnected parts of us and where we come from – our family history, our sense of place, our somatic experience, our emotions and more.

PERSPECTIVE C:

ENNEAGRAM PERSONALITY INNER WORK

While Jennifer Garvey Berger highlights "Identity Protection" as one of the mindtraps that holds people back from developing, it is worth emphasizing that the Identity Protection or "Ego" mindtrap might require the most energy and effort to develop. Our ego (also known as personality) was formed in the first half of life as a coping mechanism to feel safe in the world.

At earlier stages of development, such as self-sovereign (opportunist) and socialized (diplomat, expert, achiever), awareness of the personality type patterns is useful, even if a person is not ready to do the shadow work that comes from deconstructing the ego/personality.

At later stages of development, particularly self-transforming (redefining, transforming, alchemical) shadow work is an essential component and the Enneagram map of personality is one of the most useful frameworks to support that growth.

V) CONCLUSION

Including diverse perspectives is both an essential component to supporting vertical growth and it also creates complexity. It may also create resistance at earlier stages if not supported by the broader organization. While there is no shortcut or quick fix, there are multiple data driven interventions that will support an organization's movement towards increasing its developmental stage. The following recommendations is our perspective, based on research and data, that are the strongest levers to create felt and lasting change.

GUIDING PRINCIPLES:

URGENCY	MINDSET: PATIENCE	START AT THE TOP
Status quo is powerful. For people to be willing to grow, they have to be willing to go through pain and discomfort. The vision for why growth is necessary must be more compelling than the comfort of status quo.	An organization must be committed over the long-term to cultivating the conditions for growth. A helpful metaphor might be to think about a person as a living tree. A tree will grow slowly over time, stronger with the support of other tree root systems, and faster and healthier with the right conditions.	The senior leadership team's stage of development is the organization's developmental ceiling. There must be buy-in, action and commitment to personal and team development to create and sustain culture change throughout the organization.
TRANSPARENCY	INCLUDE BOTH HORIZONTAL & VERTICAL	ADDRESS THE LAYERS OF THE SYSTEM
Awareness and common understanding of complexity and the vertical development map is in and of itself a catalyst for change. The map and stages should not be a secret, nor should it ever be weaponized.	An organization's ability to increase agility, candor and collaboration is dependent on implementing interventions that are both vertical and horizontal in nature.	You can't put a changed person in an unchanged environment. For sustainable change, interventions must be applied to the individual, team and organizational levels. Development is a team sport.

SYSTEM LEVEL INTERVENTIONS

ORGANIZATIONAL LEVEL

COMPANY CULTURE	HR PRIORITIES
Overtly connect vertical development practices to existing company vision, purpose and values. Initiate process to create an articulated company culture if it does not exist.	Create and sustain a culture of coaching, feedback, mentoring and mindfulness. Integrate into talent strategy (e.g. talent mobility, DEI and leadership development strategies that increase heat experiences and colliding perspectives.

TEAM LEVEL

HORIZONTAL (workshops, reading, watching)	VERTICAL (awareness and reflection)
Understanding • Complexity v. Complicated • Vertical development • Mindtraps Skills • Constructive feedback • Listening to learn	Assessment • Vertical Mindset Indicator (VMI) Team Coaching • Live application with a team coach called workouts • Self-led troika coaching with guided questions • Action Learning with a team coach

INDIVIDUAL LEVEL

ASSESSMENTS	HEAT	COACHING
• Leadership Circle Profile (LCP) 360 • Shift+ Behavioral 360 • Vertical Mindset Indicator (VMI) • Enneagram personality assessment	Intentional on-the-job heat experiences – projects, new role, etc.	1:1 support from a developmental coach

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CONTACT

Nikki@CourageousRoots.com
+1 612-703-2696