

Four Value Cultures

The following brief snapshots are excerpted and adapted from Michele Madore and Michael Spayd's book: "*Agile Transformation: Using the Integral Agile Transformation Framework to Think and Lead Differently*", Pearson Publishing, 2020, and also derived from Frederic LaLoux, *Reinventing Organizations: A Guide to Creating organizations Inspired by the Next State of Human Consciousness*. Nelson Parker Publishers, 2014.

Conformist-Amber Altitude

Conformist-Amber organizations are very process-focused, believing there is one right way to do things. They seek order, control and predictability and do not like competition. They tend to be arranged in a fixed hierarchy with formal job titles; planning happens at the top, execution at the bottom. The underlying worldview is that workers need direction, being unable to make decisions for themselves. People become strongly identified with their role and tend to distance themselves from their genuine feelings, and even from their uniqueness, valuing *social belonging* above *self-expression*, and strongly internalizing group norms (what Kegan calls *Socialized Mind*, as we will see below). Identification with the group and its values is the beginning of strong ethnocentrism, the belief that one's cultural group is superior to others. It also begins the donning of the *social mask*, where we internalize behaviors associated with people of our rank, and in our role. The benefit is a strong sense of **being part of the group (communion)**, while the downside is being **alienated from our own feelings** and individual perspective.

Graves (2005) had previously found that people with this orientation want clear lines of authority and role expectations. When studying work groups of people centered in the Conformist-Amber stage, he found they naturally organized themselves into two or more hierarchies or pyramids, with people at lower levels in one of the hierarchies only talking to people at the same level in the other hierarchy, never to higher levels.

In Laloux' organizational research, Conformist-Amber manifests as strong siloes based on business function, where workers follow the rules, where innovation and critical thinking are generally not wanted. Managers rely on command and control and following the rules. Relationships between functional silos are often filled with distrust, blame and suspicion (e.g., Graves found the most extreme conflict was between hierarchies in Conformist-Amber).

As opposed to the previous level of Impulsive-Red, where power is in the hands of a specific **person**, power in Conformist-Amber is vested in a given **role**, like that of a general in an army. Even if a given incumbent is weak in their role, the overall hierarchy holds things together. The rules and the hierarchy define right and wrong for everyone in the organization; taken to the extreme, this can become a bit like the Borg on *Star Trek: The Next Generation*.

Whether a given organization operates largely from Conformist-Amber or not, the traces of this belief system are deeply buried within our collective memory, and often assert themselves unpredictably. Lest we are tempted to dismiss the Amber stage as outdated, we need to realize what a dramatic progression it was over the previous stage (Impulsive-Red) and the monumental achievements it enabled (the building of the pyramids, for instance). Finally, healthy Conformist-Amber is still appropriate and effective for simpler work environments and in those where order is essential (e.g., the military). Further, there is a deep vein of honor, duty, and service in the Amber altitude that ennobles the human spirit, and is the very foundation of civilized society. Without structures like regulating bodies, and rules and laws, social discourse and commerce become impossible. Having some amount of Conformist-Amber structures (and thinking) in your organization -- particularly in areas like finance and regulatory issues -- is essential to staying in business, and even to having a civilized society. That's why businesses look for this level of thinking internationally before investing in a less developed country.

Achievement-Orange Altitude

Contrasting Achievement-Orange with Amber, Laloux says we see the world “no longer as a fixed universe governed by immutable laws, but as a complex clockwork, whose inner workings and natural laws can be investigated and understood,” (p. 23-24). This description points to the fact that Achievement-Orange organizations are based on a leap in cognitive development (to what Piaget called *formal operations*, which enables more complex logic operations in the brain), superseding the notion that the universe is based on fixed, unchanging laws, and leads individuals to the ability to question authority and the status quo. The *scientific method* and discovering what is **most effective** replaces a focus on **morals** and **doing things right**. It also leads to viewing the organization as a **machine**, and seeing management from an **engineering perspective**. In the process, it identifies only with solidly materialistic things that can be seen and touched (privileging the right-hand quadrants), and rejects any form of spirituality and transcendence (marginalizing the left-hand ones).

Achievement-Orange is very appropriate (and adaptive) in a *complicated* world, where analysis and discovery can lead to remarkable achievements. Orange loves *innovation* (having invented R&D and product management departments), *accountability* and *meritocracy*. The premium on rationality can make people in Achievement-Orange organizations “hide emotions, doubts, and dreams” behind a *professional mask*, lest they be vulnerable. (Note the use of **professional**, rather than **social**, mask at this level). Our identity is no longer fused with our rank and title (as in Amber), but rather with our need to be seen as competent and successful, ready for advancement.

Where Amber was process-driven, Orange becomes process **and** project driven, focusing ultimately on **outcomes**. It retains Amber’s hierarchy as its organizational structure, but then “drills holes into it” with project and other cross-functional structures (since customer tend to buy the outputs of projects). *Command and control* (Amber) becomes *predict and control* in order to achieve. Management exercises its control by setting goals, then having these goals cascaded down (*management by objectives*). Management relinquishes some control over **how** things are done (so long as goals are achieved), in an attempt to tap into the intelligence of people across the organization (though typically falling short of the full empowerment found in Pluralistic-Green). Strategic planning, yearly budgeting, key performance indicators, performance appraisals, bonuses and stock options, are all signs of Achievement-Orange thinking. For most people, this is just what they call “reality,” which proves how Achievement-Orange thinking is the water we swim in as a culture, it is the lens we look through, it is for most of us the **subject** we look through, not the **object** we look at (see Chapter 4 on subject-object relationship).

Graves (2005, p. 116-117) found that work groups whose members were all centered in Achievement-Orange had aggressive fights for leadership; and when one person got control of the group, they worked hard to stay in control, tending to micromanage members’ actions. In fact, reading Graves, one is struck that Conformist-Amber tends to exercise control via the hierarchy and an impersonal sense of role, whereas in Achievement-Orange, control is exercised more personally by the one able to wrest that control from others, a bit like the law of the jungle, but not with physical power but rather with political and performance-oriented power.

Laloux notes how Achievement-Orange believes that decisions should be pushed down to foster innovation and motivation, but “in practice, leaders’ fear [of giving] up control trumps their ability to trust, and they keep making decisions high up that would be better left in the hands of people lower in the hierarchy,” (Laloux, p. 27). In this way, we start to see where an inherently Pluralistic-Green meme (like *team empowerment*) or even an Evolutionary-Teal one (such as *self-organized teams*) may be of **interest** to people operating out of a lower level (i.e., Achievement-Orange), because it taps into some of Orange’s values: being more efficient and effective, making greater profits, succeeding, etc. However, other portions of the Achievement-Orange paradigm (controlling others once one is in power, protecting one’s position, etc.) get in the way of fully implementing the idea. The thinking that created the idea is at a higher altitude of complexity than the leaders and organization implementing that same idea. This is fundamentally relevant to the Transformation Leader in an Agile transition; this conflict between Agile values, and the underlying organizational culture, can be a source of deep frustration and misalignment.

Achievement-Orange values **freedom**, for individuals to pursue their goals in life, and **meritocracy**, an environment where the best can make it to the top. In its healthy expression, this can lead to a culture that

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inspires innovation and achievement in a constructively competitive but fair environment. People still embrace their social role, leading to social climbing (especially in less developed individuals). The darker expression of Achievement-Orange, on the other hand, may come out as pervasive greed, scheming to fabricate “needs” that do not really exist (through clever marketing), and pursuing growth for growth’s sake.

The United States was founded by a very cutting-edge (at that time) group of Achievement-Orange thinkers. Achievement-Orange is the dominant worldview of business and political leaders today, though evolution in all the quadrants has started to pass this thinking by, limiting its effectiveness. Realistically, the modern world is a complex meme stack of Amber, Orange and Green ideas, with a center of gravity in Achievement-Orange.

In a theme that we will return to, considering what an “Agile enterprise” would look like in an Achievement-Orange oriented organization, we would do well to focus on igniting **innovation**, removing obstacles to **accountability**, and creating structures that lead to a genuine **meritocracy**. These are the three core innovations Laloux identifies from the Achievement-Orange thinking organization, and are resonant with the values held by such an organization; this creates the kind of alignment that leads to successful implementations. In other words, we will be going with the flow if we work within such Achievement-Orange themes.

Pluralistic-Green Altitude

Achievement-Orange can only take us so far in our complex, interconnected, diverse postmodern world. It tends to drive toward a materialistic view of the world, where success matters more than people, where getting ahead trumps relationships with colleagues, and where reason is often judged superior to feeling, instead of complementary. As Laloux states it, “Pluralistic-Green is highly sensitive to people’s feelings. It insists that all perspectives deserve equal respect,” regardless of their source. Pluralistic-Green searches for belonging and inclusion over success *per se*. It is people-oriented, relationship-driven rather than goal-driven. Those of us strongly drawn to Agile will start to find many ideas we resonate with contained in Pluralistic-Green (and beyond).

Where Achievement-Orange makes decisions top-down and because they pragmatically work, Pluralistic-Green prefers bottoms-up processes, getting input from everyone and striving to come to *consensus*, along the way validating different ways of thinking from different types of people and fostering feelings of inclusion. Pluralistic-Green prioritizes relationships over short-term outcomes, which can make it less efficient but more personal and humane. In Graves’ study of student work groups, he found these folks had difficulty getting started with a project due to their strong need to hear from everyone and get everyone in agreement before proceeding; further, no one wanted to exercise leadership for fear of offending or being presumptuous. The result was often a fragmentation of the group into smaller interest groups and inefficiency in completing tasks.

Where Achievement-Orange values leaders who take charge and make decisions, Pluralistic-Green believes leaders should *serve* those they lead (hence the resonance with *servant leadership*). In Orange, strategy and execution is paramount, whereas Pluralistic-Green focuses on company *culture*. Pluralistic-Green also expands the notion of stakeholders far beyond shareholders, to include employees, customers, suppliers, society, and the environment. Pluralistic-Green thinking originated the idea of *corporate social responsibility*. Where the Achievement-Orange metaphor for the organization is a **machine**, the Pluralistic-Green metaphor is of a **family**.

In general, Pluralistic-Green is uncomfortable with power and hierarchy, sometimes leading to extreme egalitarianism, and the possibility of becoming deadlocked during execution. On the other hand, Pluralistic-Green thinking birthed the ideal of worker *empowerment*, pushing decisions down to frontline workers, who are believed able to make better decisions than experts could from far away. This requires managers to give up control, which is against the grain of our Achievement-Orange centered corporate society. Laloux establishes how ingrained this control-oriented leadership is, noting how Pluralistic-Green organizations spend a disproportionate percentage of their training budgets in helping new leaders adopt the mindset and skills of a servant leader (p. 32).

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A second innovation of Pluralistic-Green is the *values-driven culture*. Laloux points out that while such a culture can drive a truly vibrant organization in a Pluralistic-Green environment, in the hands of Achievement-Orange organizations, such “values statements” can often fall flat and be seen as ingenuine. There is research that suggests values-driven cultures outperform their peers (e.g., Kotter and Heskett, *Corporate Culture and Performance*, 1992).

A third innovation identified by Laloux from the Pluralistic-Green paradigm is the *multiple stakeholder perspective*, where shareholders are not the only (nor even the most important) of stakeholders, but also includes employees, customers, suppliers, local communities, and the environment. In non-profit organizations, this has become known as the *triple bottom line* (people, planet, profits) way of managing.

Other ideas from Green thinking include 360-feedback, inspiring vision statements, the manager pool, leaders as teachers supporting workers, etc. Of note in our Agile work are two points. First, the connection to Lean thinking – and in particular the work of W. Edwards Deming[1] – seems quite clear; much of Agile thinking begins to take shape (and to truly make sense) when we are able to think in a Pluralistic-Green way. Secondly, when ideas such as empowerment and vision statements are picked up and implemented by Achievement-Orange (ever practical and looking to gain an edge), the results often fall flat, or are non-existent. This reveals the lack of the appropriate underlying mindset (e.g., the I quadrant ability to genuinely value others’ perspective and feedback), which leads to mere **mimicry** rather than a genuine embrace. Clearly, this happens in quite a few Agile transformations and is the source of frustration amongst Enterprise Agile coaches.

Pluralistic-Green is particularly prevalent in **non-profit** organizations, but is not widespread in the for-profit world (with notable exceptions like Southwest Airlines, Ben & Jerry’s, and The Container Store). Below, we will examine Clare Graves’ finding that people centered in the Pluralistic-Green level had a hard time getting started with their projects, waiting for everyone to be heard and agree. As Laloux notes, “Green is powerful as a paradigm for breaking down old structures, but often less effective at formulating practical alternatives,” (p. 31).

Evolutionary-Teal Altitude

Those who had a psychology course in school will perhaps remember Abraham Maslow and his famous hierarchy of needs. The fifth and final need Maslow identified was that of *self-actualization*. Self-actualization can only happen when more basic needs for safety, security, esteem and belonging have been met. When they have, human beings naturally evolve into the place of becoming their unique selves, of moving from Socialized Mind to Self-Authoring mind (which we’ll cover below). This is the place of finding one’s **calling** in life, one’s unique purpose in the world.

The type of thinking that emerges in this state, Laloux terms Evolutionary-Teal, the first so-called second-tier altitude. It is referred to as second tier (a distinction first made by Clare Graves) because people or organizations thinking in this way, begin to recognize the **validity of all altitudes** and the perspectives they represent, from Amber up to Teal[2].

The shift to Evolutionary-Teal happens as we begin to dis-identify with our own ego, as we “make room to listen to the wisdom of other, deeper part of ourselves,” (p. 44). The locus of judging whether our actions are right or not shifts to an *internal measure*; we ask whether we have an *inner sense of rightness* about a given action, whether we are *being true to ourselves*, acting out of our *calling*, and whether we are *servicing the world*. (This is what the Greek philosopher Socrates called the voice of his inner daemon). This turns Achievement-Orange success motivation on its head, judging the world by a very different standard.

Note that this is quite different than trying to be **successful** *per se*. “Success” is generally defined in a social or professional context, in alignment with the social and professional mask referenced in Conformist-Amber and Achievement-Orange. We could call this **outer success**. In Evolutionary-Teal, we move to **inner success**: fulfillment as defined by the deepest, most unique part of us, the place where our “calling” comes from, where we can literally “be true to ourselves.” The catch is, until we find this place within, and until we have achieved a level of outer success, met our basic needs (per Maslow), we won’t be ready to grow into Evolutionary-Teal, since we will be ruled by our ego’s needs.

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Laloux: “With fewer ego-fears, we are able to make decisions that might seem risky, where we haven’t weighed all possible outcomes, but that resonate with deep inner convictions. We develop a sensitivity for situations that don’t feel quite right, situations that demand that we speak up and take action, even in the face of opposition or with seemingly low odds of success, out of a sense of integrity and authenticity,” p. 44. Laloux calls this innovation at the Evolutionary-Teal level, *inner rightness as compass*. In Teal thinking, making decisions based on this inner compass is a perfectly valid approach, whereas in an Achievement-Orange world it would be seen as fuzzy-headed.

As we will see below, operating from this altitude requires individual development into what Kegan terms **self-authoring** mind, where we literally “author” our own experience, rather than being dependent on the opinions and values of others to determine how we judge ourselves[3]. Laloux characterizes this fundamental mind shift: “instead of setting goals for our life, dictating what direction it should take, we learn to let go and listen to the life that **wants to be lived through us**,” (p. 45, emphasis mine). To the prevailing Achievement-Orange mindset, this will sound at best like some type of mysticism, or at worst like airy-fairy hogwash. On the other hand, Pluralistic-Green might well find this attitude inspiring, though people acting from Green will likely be limited by worrying about whether others will agree with their actions, whereas acting from boldness and courage is often a requirement to fulfill one’s calling.

A related (and second) innovation of Evolutionary-Teal is the idea of *wisdom beyond rationality*. In Achievement-Orange, rationality is king. However, any source of insight beyond concrete facts and logical reasoning is considered to be “irrational” and is typically discounted. Wisdom beyond rationality moves past this limitation to consider **all** data sources. Laloux points to another limitation of Achievement-Orange: even when taking a hard data approach, sometimes that data is incongruous with our worldview, or with a future state (like a goal) to which our ego has grown attached; in Achievement-Orange, we can be blind to the reality that we don’t wish to see. In that sense, it is actually **not fully rational**, not truly “inspecting and adapting.”

But, when we have grown to the point where our ego’s needs don’t have such a strong grip on us, we are less subject to missing data that is actually there. Further, we are not only open to analytical approaches, but also to emotional reactions that inform us on a different level, and to intuitive insights. All three approaches – utilizing the “brain” in the head, the heart, and the gut – can be developed and honed through practice and feedback. This is what we mean by wisdom that includes – but transcends – rationality.

The two previous Evolutionary-Teal innovations set the stage for the third, *striving for wholeness*. Laloux points out how the term “work-life balance” suggests there is not that much “life” left in our work. In order to truly act from my inner purpose (in concert with the organization’s purpose), and to trust the wisdom beyond rationality, requires that I tap into the **entirety of my being**, including my experience, my intuition, my emotions, my analytical brain, even my soul or inner voice. This means creating a culture at work where all those elements of our being can be expressed; its not that work becomes like an encounter group or psychotherapy, but that we don’t hide our fundamental humanness when we go to work, we bring it with us and engage its gifts. We are whole human beings, even (especially) at work; we no longer need to ‘check our soul at the door’ when we come to work.

The deep self-trust that comes from growing into self-authoring mind leads to an ability to let go of our many judgments about others. In earlier stages, when we disagree with people, we simply judge that they are wrong, while we are right. We then prepare to convince, teach, fix, or utterly dismiss them (all as we pretend to listen to them). When we have evolved to the place where we can trust and rely on ourselves fully, we don’t feel the need to convince others in order to justify our own stance. Rather than needing to dismiss others, we are motivated to “create a shared space safe from judgment, where our deep listening helps others to find their voice and their truth, just as they help us find ours...Now we have a chance to recreate community on new grounding, where we **listen each other** into selfhood and wholeness,” (p. 49, emphasis ours). The “whole” we now include involves all aspects of ourselves, the community of people with whom we work, the community in which we live and offer our services, even out to nature and the planet.

When Graves (2005) studied student work groups consisting of Evolutionary-Teal members, he found what we would call emergent leadership – not based on place in the hierarchy or previous success in goal achievement *per se*, but rather there was a strong debate of ideas (not personalities), and the idea that struck the group as most appropriate, prevailed. Organization was around ideas, rather than personalities, and tended to revolve from individual to individual based on task (p. 137).

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The Evolutionary-Teal altitude of development is not merely nice in some esoteric respect, but has significant business ramifications. There is substantial research evidence that leaders who grow into the higher altitudes are more effective (Graves 2005, Rooke & Torbert 2005, Laloux 2014, Anderson 2016), both from an Achievement-Orange perspective (meeting goals, achieving success), as well as from a Pluralistic-Green one (including all stakeholders, treating people as people). Further, there is evidence that the developmental stage of the CEO determines the success of large-scale organizational transformation programs (Rooke & Torbert 2005). In fact, Laloux says he has seen no instance where an organization has evolved to Evolutionary-Teal without the CEO, and the Board of Directors, personally operating from that level.

Citing Graves, Laloux (p. 50) describes a corresponding effect: “Clare Graves came to a similar conclusion with a different approach. He put together groups of people based on the paradigm they most often operated from [altitude] and gave them complex tasks to perform. [Laloux quoting from Graves, 2005 p. 371]:

“I took a group of people who thought the same way, and I put them in situations...where they were required to solve problems with multiple answers...and lo and behold, when the results started to come in I found this most peculiar phenomenon: the [Teals] find unbelievably more solutions than the [Red] plus the [Amber] plus the [Orange] plus the [Green]. I found that the quality of their solutions to problems were amazingly better...I found that the average time it took the [Teal] group to arrive at a solution was amazingly shorter than it took any of the other groups.”

The theme of finding one’s calling, one’s deep purpose, extends out (or up) from the individual holon to the organizational holon level. Rather than a machine metaphor (Orange) or a family one (Green), the Evolutionary-Teal notion is that the organization is a **living organism**. In fact, the organization itself can be said to have a purpose of its own. It is as if the Teal organization calls individuals to itself, ones that resonate with its purpose, and help to mutually fulfill their overlapped purposes. Its purpose is not – as in Achievement-Orange – merely to continue to grow sales and profits forever (to be essentially **immortal**). Instead, it has a purpose that could be fulfilled at some point, and then the organization would naturally dissolve (i.e., “die”). This type of thinking is completely foreign to lower altitudes.

Teal organizations have learned to *self-manage*, largely based on peer relationships without the need for either hierarchies or consensus. There is a sense that the living system of the organization has a life and *sense of direction* of its own, and that we can serve and collaborate with that purpose. Laloux speculates that more and more, people will affiliate themselves only with organizations that have a clear and noble purpose that aligns with their own purpose, and that profitability, growth and market share will recede in importance.

The practices of Teal, as researched and documented by Laloux, were from organizations not implementing Agile methods; nevertheless, the list reads like one most Agilists would find very appealing! Example Teal practices include self-managed teams who have **coaches with no management authority**, projects **without project managers** that are **self-staffed**, people with **no job titles**, a focus on **team performance** and peer appraisals (rather than management-led ones), and interviews by fellow team members who make their own decisions on hiring (Laloux 2014). Let’s reiterate: **this research was not done on organizations implementing Agile!** The research is striking because it corroborates how Agile thinking largely sits on the cutting edge of human consciousness. That’s the encouraging news. The more challenging news is that your organization has likely not evolved to this altitude. At least not yet.