

## CHAPTER 3: AGREEMENTS—CHOOSING YOUR EXPERIENCE?

So far we have looked at the experiences of scarcity and abundance in your life, and it has been clear that you know the difference between these two experiences and that you prefer the one that is more abundant. We have also touched briefly on the role that agreements play in determining your experience. Now we want to focus our attention more fully on those agreements—how to see them clearly and how to see the choices you can make to influence them.

Perhaps you have noticed that in your more vibrant relationships, you experienced greater freedom to be yourself and to create the quality of relationship you want to have with others. This freedom to relate to yourself and others as fully and as vibrantly as you want—not as you assume you must—is a key part of the human experience of abundance. This is what learning to work with agreements is all about: gaining the freedom to choose your experiences so that more of your life is spent in abundance rather than scarcity.

### WHAT IS AN AGREEMENT?

If you experience some part of your day in scarcity, then you have agreed to play the game that is designed to give you that experience. Underlying all your experiences you will find what we might think of as “rules of the game”—guidelines that tell you and others how to act in various situations. I call these rules “agreements” for two reasons:

- First, all rules *are* agreements that some people, somewhere, at some time, and for some reason have made about how to interact with each other in a particular situation. In playing by these rules, you have agreed to them, whether or not you are aware of it.
- Second, I have found that naming these guidelines “agreements” is empowering. As long as you view the guidelines as “rules,” you rarely think about changing them, but once you see that they are agreements, you begin to see the possibility of choice. You can choose what you agree with and what rules you are willing to play by, and in many cases you can play a role in shifting agreements to produce greater vibrancy and abundance.

The word agreement comes from the old French *agrément*, which means pleasing. It is defined as an arrangement between two or more persons as to a course of action; a mutual understanding; a covenant; concord; harmony. In other words, it is a social arrangement that people enter into willingly because they have had a hand in shaping it and it pleases them. The rules of the game do not seem like an agreement when we feel we have not had a say in creating them and, even more so, when we believe we have no choice but to follow them. The first step to empowerment is to see the choice in the agreement. You cannot see the choice if you cannot see the agreement in which the choice resides.

## RECOGNIZING AGREEMENTS—EXPERIENCE AND STRUCTURE

To see the agreements in your life, start with your experience. In Chapters 1 and 2 we explored the quality of your experiences in five fundamental relationships. As social arrangements, agreements are an integral part of these relationships. You know you are dealing with agreements when you experience yourself in one of these relationships. The quality of your experience—the feeling of scarcity or abundance it evokes—is an indication of how well or poorly the agreement is working for you.

Next, to see your options for choice in the agreement, look for the structure that supports it. Like the infrastructure in a building, this structure determines what substances (e.g., water, electricity, air, fuel, waste) flow in what direction for specific purposes (e.g., for washing, lighting, cooling, heating, cleaning). Unlike the built infrastructure, the structure supporting human agreements can be more readily changed. This structure of agreements has two parts: content and process. The content of an agreement consists of the rules that govern how you and others behave in the relationship, and the process is how those rules are established. In the house infrastructure example, the content is that clean water flows into the house and wastewater flows out. The process is the design and construction of the infrastructure, deciding what goes where. Sometimes the process by which the agreement is made is obvious, but often it is not, so we often participate in agreements without being aware of it.

Starting with an easy example, let us decide where we want to eat lunch today. We happen to be sitting in the middle of Madrid. There are options everywhere, and we both like to eat many different kinds of food. We can agree to go somewhere to eat seafood or Moroccan or tapas or Italian or Chinese or fast food. We find that we both like tapas and I know a café with great outdoor seating, which appeals to you. We are good to go! It is easy to see the agreement in this example because the relationship is direct—just you and me. The content is also obvious: (1) we want to eat (2) something interesting like tapas (3) in a nice, sunny place (4) together, (5) soon. The process for deciding is transparent, and we can both easily influence the decision. We both saw the five elements of content, we both suggested options, and we found an option that satisfied both of us. All of these things make it easy to recognize this as an agreement and add up to a positive experience of our relationship.

Keeping to the theme of eating, let's look at some agreements that are a little less obvious. Something we all do frequently is buy food. In doing so we agree to a certain price. In many cultures, the process for reaching this agreement is obvious: you shop in an open-air market and negotiate directly with the seller to determine a price for the fruit you want. Perhaps you convince her to give it to you for a little bit less because it is slightly overripe. Or you agree to buy a larger quantity and get a lower price per piece. Or you are willing to pay what she asks because you judge that her fruit is better than what the others are offering.

In contrast, there are many cultures in which you only buy food at a grocery store or supermarket. The price of the fruit is fixed, and the process of agreement is obscure. You do not know who sets the price, and there is no negotiation. You can reject this agreement. For example, you may decide not to buy fruit because it is too expensive, or you may go to another supermarket where the price might be lower. You might even organize or join a

food co-op that allows buyers to have greater influence on the prices they pay by eliminating the supermarket as middleman. But if you buy the fruit in the supermarket, you implicitly accept the agreement.

In both these examples, the content of the agreement is the same: the desire for the fruit; the existence of fruit in conditions I will accept; and the price at which the exchange of money for fruit is made. Beyond that, there are significant differences in the relationships involved and in the process part of the agreement's structure. In the open-air market, the buyer and seller interact directly as individuals, whereas in the supermarket the buyer is an individual dealing with an anonymous group, the collective entity that owns and manages the supermarket. In the open-air market, the process for establishing the price is fairly close to what we followed in deciding on a restaurant for lunch: both parties can influence the content and, by definition, accept it because it pleases them. In the supermarket, the process is one-sided and not transparent. The choice presented to the buyer is simply "take it or leave it."

These differences affect how easy or hard it is to recognize that we are participating in an agreement. They also affect how we experience the agreements. For example, you may find the one-to-one relationship of bargaining for your fruit in an open-air market exhilarating and a source of satisfying connection to another human being. And you may feel empowered by having a say in setting the price. Someone else might be quite uncomfortable and intimidated by that kind of interaction and prefer to pay exactly what the vendor asks or avoid the market altogether. Some people feel oppressed by the anonymity of large supermarket chains and their power to set prices for necessities, you may not. The point is, when you experience scarcity, seeing the agreements you are in is the first step toward seeing your choices for shifting that experience.

### **Some agreements are easier to see, some are harder to see**

In general, I find that the agreements that have a structure similar to the supermarket exchange are the ones that are the most difficult to see as agreements. They are also the ones that tend to produce experiences of scarcity. We often find these circumstances when dealing with larger groups of people, like a company, a town or city, a national government, or even global society. In most companies, I am hired to do a job, with nobody asking me whether I want the company to do something else or to do it another way. No agreement there, just compliance if I want a paycheck. In the town I live in, the government has established rules and laws for what I have to do, like pay local taxes, pay for recycling and check books out of the library. When I drive around town or across the country, I drive under specified speed limits. When I travel, no matter what country I am in, I am not allowed to take more than three ounces of liquid in a bottle through airport security.

While I might agree with the rules at all of these different levels, I was not part of setting them and the people who did set them are unknown to me. No one asked me if I agreed to the rules or what would need to shift so that I could agree. In short, they do not obviously seem like agreements, and they do not contribute to the vibrancy in my life.

Other circumstances, in which it seems easier to see agreements, are those in which the relationships are personal and direct. The process of agreement tends to be transparent, and our opportunities for influencing the content of the agreement are greater. These are the situations when we are making agreements with ourselves, with other individuals or with small groups of people. For example, I might agree with myself that I want to eat a certain kind of diet, exercise daily and treat my friends more nicely. My proposed course of action is the content of this agreement, and the structure is as transparent and as open to my influence as possible.

Similarly, in small groups such as a family or a small unit at work, it can be relatively easy to have a process of agreement that is direct and transparent. In these settings, there are endless situations requiring agreements: about what we will do and how we will interact over time to do it; and about how we talk to each other and how we will treat each other. Some families and teams will even agree about how to agree: will we ask one person to develop the content for us? Will we try to reach consensus? How long will we spend on the decision? In the best cases, agreements in these small group settings adhere closely to their definition as mutual arrangements as to a course of action, and that mutuality makes them a source of experiences of vibrancy and abundance. The capacity to make agreements in this way is an attribute of healthy families and high-functioning teams.

To be sure, there are often power differences between partners, between parents and children, and within work groups, and power can be exercised in ways that push the agreement process towards rule setting. Relationships can collapse when some members of the group break the agreement. I can get frustrated and angry with myself if I break my agreements on healthy habits. There are many possible scenarios for dysfunction to arise. Nevertheless, compared to dealing with large, anonymous groups, it is far easier in these relatively intimate situations to recognize that we are dealing with agreements: easier to experience the relationship; easier to see the structure of the agreement; and easier to influence or change it.

Another common type of agreement is one that we deal with regularly yet often fail to recognize as an agreement: custom. Custom is an understanding, often unspoken, about how we will act in a certain situation. Some customs have emerged organically from shared experience, for example, in some cultures, waiting in lines for access to goods or services on a “first come-first served” basis. Others were perhaps established by agreement long ago, but the process of agreement is long forgotten while the content remains as “just the way things are done around here.” This is the situation in many organizational cultures, for example, regarding how work gets done or how people communicate with each other.

Working with this kind of agreement can be confusing. For example, when someone cuts in front of me in a line, there are no clear-cut guidelines for how I should respond. If the way things are done around here is making it difficult for me to do my work or communicate effectively in my organization, there may be no apparent way for me to change things. Yet, in these situations, recognizing that in following a custom we are adhering to an agreement, is perhaps the only way to initiate a new agreement process to evaluate and possibly change those parts of the custom that are not working for us.

## CUES FOR SEEING AGREEMENTS MORE CLEARLY

As someone who has studied agreements extensively and, like everyone else, participated in agreements my whole life, I have come to realize that agreements are hard to see:

- When we are unaware that we are in an agreement
- When we do not see the judgments about values and facts that inform the structure of the agreement
- When we do not see how the different perspectives of the people participating in the agreement influence each other

My understanding of these three dimensions of seeing agreements draws on three fields of study—social psychology, decision science, and systems theory. Each of these, in its own way, offers essential insight into the problem of how to recognize the nature of our agreements and to determine our choices within them. These insights have enabled me to appreciate the role of agreements in human relationships and to understand how to work with them more effectively.

### **Social psychology**

In the field of social psychology, the research of Ellen Langer showed me that the greatest obstacle to seeing the agreements we are enmeshed in is the mindlessness with which we go about living our lives most of the time.<sup>51</sup> In contrast, when we are mindful, we are paying attention and open to new information and to new ways of seeing things. We are no longer on autopilot and, most important, we can begin to see possibilities for changing our behavior and the qualities of our experience.

Many people assume mindfulness can only be the fruit of deep meditation and years of practice. Yet Langer and the researchers in her lab have shown through hundreds of experiments how easy it is to increase people's mindfulness with simple instructions, such as asking them to notice different perspectives or take in new information. I have applied Langer's approach to mindfulness in my own life and my work with others, as I will describe in later sections of this book. I have found it to be a simple yet reliable process for bringing the power of attention to the experiences we are having and thereby unlocking awareness of the agreements that are shaping that experience.

### **Decision sciences**

My work with the decision sciences is what enabled me to appreciate the challenges we face in fully grasping the content of the agreements we are party to. An interdisciplinary field, the decision sciences emerged in the middle of the 20<sup>th</sup> century.<sup>52</sup> It brings a great deal of accumulated wisdom to bear on the question of how people make decisions, with the aim of helping them make better decisions. The decision sciences do this by integrating the knowledge base and research techniques of diverse fields.

For example, psychologists and sociologists look at how people actually make decisions, either individually or in groups. To do this, sociologists may study the cultures of groups and the decision-making processes that evolve within them, while psychologists devise experiments to discover what decision rules individual people use and the biases that influence their thinking. Economists, on the other hand, study how people *should* make decisions; developing rational rules and mathematical models that optimize the outcomes for a given set of values. Engineers in this field also develop highly analytic processes for determining the best way to make decisions, for example, by creating decision trees that incorporate different decision options under different risk assumptions. A great deal of understanding has emerged from such efforts to pursue common questions and learn from each other's findings.

The most important thing that decision theory taught me about agreements is the critical role of values in shaping their content. Two leading decision scientists, Herbert Simon and Ralph Keeney, showed that all decisions, including those that create agreements, contain judgments about values and about facts. These are the two fundamental elements of the content of an agreement. People's values reside in the desired future they envision as the outcome of the agreement. The facts of the agreement are simply how it will work.<sup>53</sup> Most people fail to separate these two elements and to look for the underlying values. Instead, they focus on what is said and on trying to determine if statements are true or false. As a result, people tend to make incorrect judgments about the values in an agreement, both their own values and those of others. The decision theorist knows that everyone has these incorrect judgments and that it is important to draw them out so that a more accurate reading of values can emerge and groups can begin to see where they can be in alignment. What to the untrained eye might look like conflicting opinions about what to do, to the decision theorist are simply different perspectives on what is important. From this viewpoint, an agreement can be much more achievable.<sup>54</sup>

## **Systems theory**

From systems theory, I learned how difficult it is for most people to see the interrelated dynamics of agreements and their consequences for future agreements. Systems theory was developed in the middle of the 20th century, bringing together insights into systems that were emerging in fields as diverse as biology, cybernetics, electrical engineering, information systems, and psychology. One of the founders of systems theory, Ludwig von Bertalanffy noticed that the observations of systems in these different fields of inquiry were, separately, pointing to common characteristics of systems: the relationships among a set of individual elements, which define the set; the dynamics in that set of relationships; and the feedback systems these relationship dynamics created. Once he pointed this out and named the emerging insights "Systems Theory," the new field coalesced and developed rapidly.

As the field advanced, researchers such as John Sterman at MIT showed that even people trained to think in complex forms struggle with understanding the dynamics of systems. We should not be surprised, therefore, that we find it difficult to see the systemic aspects of our agreements. For example, one reason people find it difficult to identify how to influence a system of agreements towards their desired ends is that the behavior of social systems is often counterintuitive.<sup>55</sup> Sterman's mentor, Jay Forrester, showed that this is due to the

recursive nature of agreements—what I decide today often influences my ability or inclination to make that same decision in the future. These system dynamics form networks of interrelated feedback loops of agreements, which rapidly become far too complex for human beings to process accurately. To counter this difficulty, Forrester and colleagues designed "systems thinking" tools that make it easier to see the patterns in this complexity.

As many of the stories in this book will illustrate, when I work with groups, I often use systems thinking tools to help them see their agreements more clearly. Basically, systems thinking involves paying attention to the whole of something. It does this by focusing more on the relationships among the parts than on the parts themselves. This focus is especially useful in helping people to see how the problems they are facing are often the unintended consequences of past decisions and actions. These decisions were rational responses to conditions at the time, yet did not take into account the cause-and-effect aspect of relationships within the system. This perspective often provides the key to seeing the choices available to shift agreements that are not working.

## SEEING THE CHOICE TO BE MADE

In both the agreements that are easier to see and those that are harder to see, awareness that they are all agreements helps us see the choice in the content and process of the agreement. There is always a choice. Once you see that, then you can choose how you agree to the content and process in the agreement. You can choose to accept the agreement as it is or to initiate a shift in the agreement. I suggest that you *experience* a shift in either case.

When you choose to remain in an agreement as it already is, you are entering it consciously, much more aware of the limitations and opportunities available within the agreement. This is a very different experience from staying with an existing agreement unconscious of the possibilities within it. Alternatively, when you choose to work towards a new agreement, you experience both that shift in awareness and a shift in what is possible in the new agreements. In both cases, you enter differently, and what is possible is different. A few examples of shifted agreements will make it easier to see these two cases and how to make the shift.

### **A personal shift**

Various times a day, every day, people in my home eat. In eating they dirty dishes, which need to be cleaned. Few volunteers seem to show up for the task of cleaning the dirty dishes. Since it bothered me least of the regular tasks at hand in the home, I usually took it up, though often begrudgingly. This was my experience of dishwashing, and it was primarily a negative one until the day I realized it was part of an agreement. Then I experienced choices—a choice in how I viewed the content of the agreement and also in how I could enter the agreement (the process).

Focused unconsciously on the things-matter level of reality—the stack of dirty dishes that needed to go away—I had mindlessly suffered through the low vibrancy of work done unwillingly. My family had also suffered, experiencing my negativity. Not only was I often

grumpy about doing the dishes, I got annoyed at the kids for not doing the dishes, or for saying they would do them and then putting it off so the dishes were not done when I wanted them done, or even for eating and making the dishes dirty in the first place! My judgment about my family's values was that they were not valuing my doing the work of washing the dishes or the clean kitchen I had produced.

When I looked at this experience more mindfully, however, I saw that there was a larger, on-going process that the whole family joined in: preparing food, eating it, and cleaning up for the next time. This was an agreement we made, an agreement I had entered unconsciously and with a scarcity-based view of the dirty dishes. When I became mindful of the content of the agreement, I realized that I enjoyed the food preparation and nourishment parts, especially when we entered them with joy and creativity. My awareness allowed me to see the larger experience and the parts of it that I valued more than dishwashing. I could see that my children also enjoyed our meals and my wife, in particular, wanted to create something beautiful as well as healthy when she cooked. I also noticed that it was easier to enter this process with joy and creativity when we started with a clean workplace, including work surfaces, cooking tools and dishes.

In short, I began to have a sense of the system and the values at play within it. Seeing this I then saw a potential shift in my approach. From seeing myself as washing dirty dishes, I experienced a shift to seeing my role as something similar to preparing the canvas for the next creative work of art. This shift made it a joy for me to wash the dishes, as I was clearing the creative space of the kitchen for the next great cooking and eating experience. I began to anticipate this desirable experience while cleaning. These were my choices. I could choose to continue the experience of begrudgingly washing the dishes and feeling resentful of others, or of excitedly preparing a clean canvas. I could choose to see the content of the activity as dirty dishes or as not-yet prepared canvas.

The process of this shift was easy to make—no one in my family opposed my cleaning the dishes or having a clean kitchen to work in. On the contrary, as often happens, those closest to me enabled me to see my experience clearly and identify possibilities within it. Their reactions and mine helped me experience the scarcity in the earlier agreements, and they helped me choose a new agreement. As a result, I was able to shift from the things-matter level of the dirty dishes, to a development-motion-level focus on creating the conditions for a future process of food preparation, and a possibility-light-level focus on maximizing the potential in the next meal. While a relatively simple agreement, one I made primarily with myself, it is one that influenced many hours of my week and my mood during those hours.

In this example, I experienced the inner circle (of the 3-circle diagram in Figure 7) of scarcity in the five relationships. I applied mindfulness to this experience and was able to see the structure of the system and the underlying values in the agreement (the content) and how to shift it (the process). And while I engaged in the agreement with others, I had the autonomy to make the shift, while those who benefitted readily agreed. The next three examples of shifts in agreements add the complexity of a group of people working together—in a government agency, a large company, and a small company. With these examples, I address a question I often get, “Does Ecosynomics only apply to me as an individual? Does shifting agreements also work for a group, an organization, a community, or a nation?” The short

answer is, yes: so far it seems that these principles apply at all levels. The stories in this and later chapters will show how.

### **A team shift**

Some years ago, I was asked to work with a high-level group within a large agency of the government of the United States. The senior executive who hired me asked me to help her group see how to reach the high standard of performance it had set for itself. The group had formed just 18 months earlier with a mission to establish a new service area to support other government departments working in the field. The need for this support was urgent, so there was intense pressure on the group to get up and running quickly without sacrificing the quality of the service they provided. From the moment of start-up, they had raced to fulfill a demanding workload with an ethos of “do your best, fast!” For the first 15 months, they had met the challenge. The group had grown quickly to over 150 people and, in terms of meeting the needs of its customers, had exceeded the high expectations set for it. Over the past three months, however, it had started to miss milestones, drop balls, and lose key personnel.

The team I worked with included a dozen of the senior leaders of this group. They were feeling stuck in the experience that something was no longer working. No matter how hard they had pushed, the experience had worsened. They were clear that this was not the experience they wanted.

To increase awareness of the agreements and to begin a discussion of the underlying values, we started by talking to each of the team members individually about the purpose of the group and his or her role in it. We were not surprised to find twelve different versions of why the group’s work was valuable and what value each individual was contributing. Our feedback to the team showed this diversity of perspectives. It was not difficult for them to see that, at the highest level, they were in alignment on the group’s purpose—to serve their country by helping others more effectively fulfill critical assignments in the field. When they got back to this sense of agreement on the underlying value, they could also get back to the specifics of the content of their agreement, namely, their original understanding of what was essential for each member of the leadership team and each sub-unit of the larger group to contribute.

In essence, the leadership team began to see that the group had fallen into an uncooperative mode of working, even though everyone knew that cooperation was essential for success. Everyone in the group had been selected because they were both highly skilled and high achievers. This was appropriate to an important project with challenging goals and a tight schedule. Yet, with all the pressure to produce results quickly, the group had unconsciously adopted a perspective on these capacities that was stuck at the things-matter level. They focused exclusively on utilizing the capacities at hand to deal with the demands on hand. The leadership team saw that this focus had led to an ethos of hand-offs: I will do the best with my hands, and then hand it off to you to do with yours. This was the usual way of working, and they had reverted to it without thinking or talking about it. It had worked for a while, but eventually the group was unable to meet the increasing demands placed on it.

When the group leaders saw how they had implicitly entered the agreement to operate in the traditional way, without considering the potential negative consequences, they realized that they had choices. They could choose to proceed with greater mindfulness, to be more aware of the values guiding individuals and groups within the system, and to pay attention to how group interactions were evolving as their work proceeded. This realization enabled them to enter a new agreement. This involved explicitly deciding to bring more of a development-motion perspective into their approach to managing the group's collective capacities. They agreed that the way each individual and sub-unit understood its particular role in the initiative would expand to include accountability for the success of the whole and not just its own part. They also agreed to treat each problem that arose—in a relationship or in a handoff that was not working—as a systemic issue, to be shared with and addressed by the whole group, because everyone was ultimately responsible for success.

This shift was fairly easy for the leadership team to make, partly because it was still relatively new and still in the mentality of start-up mode. They were motivated to change because they were living through the negative consequences of the scarcity-based, things-matter level agreements they had accepted. It was not difficult to engage the group as a whole in the shift because everyone wanted to perform at a higher level, and their customers wanted the better service they were trying to provide. Months later they told me that whenever they experienced a potential blockage in their agreements, inevitably someone would ask, "What would the agreement guy do?" They said this reminder helped them be more mindful of the systemic structure of their agreements, connect to the underlying values, and identify the choices available to them.

This story shows that a small group within a large agency can apply the same process as I did in seeing the agreements in washing dishes. In this case, the leader hired me to help her group see the content and process of the old agreements and choose new agreements. I used a common consultant's approach of interviewing people individually, then providing feedback to the group as a whole so they could see the system and values more clearly. Whether you use an objective outsider or engage the questions yourself, the same process applies:

- Apply mindfulness to an experience of scarcity
- Determine the structure of the system—this is the content of the agreement
- Determine the values that inform the content of the agreement
- See where different choices are available to shift the agreement

### **A large company shift**

Often after hearing the personal story or the team story, someone will say, "Sure it works for an individual and a small group, but not for a large company." Here is an example of the same process in a large company. In the late 1990's, I worked with the engine-assembly team in a large capital equipment manufacturing company.<sup>56</sup> They were in a bind. For many years, their industry had been in decline, with fewer and fewer requests for their engines. Then within just a few months everything seemed to turn around and they experienced a massive growth in orders. While increased demand was a good thing—after all it represented growth of the business and more income—they had found they were not able to produce engines fast enough to meet it. This was a very bad thing, because there were

significant penalties for failing to deliver the promised engines on time. The company's customers were unhappy, and the increased sales were not producing an increase in profits. Corporate executives did not like this experience of scarcity.

The company asked me to help answer the question of why this global industry leader was in the embarrassing position of not being able to meet the increase in orders for a key product. My team and I set out to understand the systemic relationships that determined how things got done in the company, as well as the values underlying key agreements. Because it was a big, old company, this involved talking to quite a few people and taking a long-term view. Yet, as it turned out, the dynamics of the system creating the company's problem were relatively simple. As we talked to people in different parts of the organization, the story emerged pretty clearly.

Since its founding in the late 19<sup>th</sup> century, the company's intense focus on efficiency had led it to push for greater and greater specialization, to the point that the organization was now divided into multiple stand-alone businesses. This meant that Sales and Assembly were each separately responsible for producing a profit, i.e. for creating revenue that exceeded costs. In lean times, like the previous decade, this had helped the company squeak out every possible efficiency. But when the economy improved and orders increased, it had had the unintended consequence of creating a systemic barrier to growth—lack of cooperation between Sales and Assembly. Since Assembly had been able to keep up with the orders Sales generated, neither unit had seen the need to take on the cost of an investment in the human resources and information systems needed to maintain an interface between them. They were both operating according to the same values: keep costs to a minimum to maximize efficiency and grow the bottom line, but as a result, the sales business was selling engines under delivery conditions that the assembly business could not meet.

When my colleagues and I brought this pattern to the attention of senior leadership as a systemic issue, the response was startling. The head of Sales immediately acknowledged his contribution to the company's problem. "The way we operate among the businesses today is an agreement we made in the past. The company pays me to sell, so I do. I know that I am making life more difficult for you in the assembly business, but that is not my responsibility. I am paid to sell. That is our agreement. We could shift the agreement, so that I sell only under conditions that you can deliver, while working with you to increase what you can deliver. But it would require investments in both of our businesses. That would be a new agreement." In the process of forming a new agreement, it became clear that the previous agreement had been founded on a things-matter perspective, which had produced an overwhelming concern with scarcity of resources, expressed in the drive for efficiency, and a static view of the capacities of each group. From this perspective, it had been impossible for company executives to see how to fix their problem. The new agreement involved a shift toward opening more to the potential for greater abundance (i.e., growth) and more of a development-motion level focus on the relationships among the different business areas, this included investing in capacities to create more interaction and monitor how outcomes changed over time.

Clearly, the greater size and (often) longer history of a large company can increase the difficulty of seeing agreements and their consequences. This is especially true in the current environment, in which so many large companies are operating with the high degree of

functional specialization of the manufacturer in this example. In many cases, this is made even more extreme by the outsourcing of functions to different regions of the world. The scope of the task of mapping the system and its underlying values, showing how they are determining undesired outcomes and supporting the conversations necessary to work with this information will therefore likely require the assistance of someone who is trained to do this kind of work. Yet many teams of consultants and facilitators have the necessary skills, and the basic process I have outlined for seeing and shifting agreements remains the same even in this more complicated situation.

### **A small company shift: a special case**

The third example of a group working with agreements comes from THORLO, a sock manufacturer based in Statesville, North Carolina, USA. I will be sharing a number of stories about THORLO in this book. This company is important to me because it presents a special case of work with Ecosynomics principles, a case in which people are explicitly using the concepts and tools, and trying to operate consistently in the outer circle of harmonic vibrancy.

When I was first invited to work with THORLO, in the summer of 2004, I thought my contribution would be as a systems-thinking expert. I saw quickly that, from a business-outcomes perspective, the company was very successful—reliably profitable, with loyal consumers, happy employees, and sustainable success in their industry niche. In Ecosynomics terminology, it was clearly excellent at delivering things-matter level outcomes. Strong structures and processes for functioning at the development-motion level supported this performance, such as deep trust in relationships throughout the company, dedication to continuous improvement and mastery at all levels, cooperation across all departments, and transparency in information sharing company-wide. It seemed THORLO would be the perfect place for my strategic systems-thinking expertise.

As I met more and more people in the company, however, I realized that these folks were also operating at the possibility-light level. No matter where I went in the company, I continuously heard stories about experiences I would describe as higher levels of harmonic vibrancy. For example, creative possibility was supported at all levels and in all areas of the business, such as when a couple of consumer service representatives teamed up with research and development to respond to a consumer request for a special sock for a child who had lost most of his foot.

These kinds of experiences had attracted employees and customers to THORLO and kept them loyally attached over many years. They were definitely about much more than a job or a sock, but what exactly was the company's leadership doing to create these experiences? To THORLO's CEO, Jim Throneburg, it seemed that whatever they were doing was largely unconscious. It soon appeared that my role would be to support them in seeing and understanding their competencies more fully so they could ensure these competencies would be sustained and further developed by succeeding generations of company leaders. Nine years later, I am still participating in that developmental work. I have become part of the leadership team at THORLO, and my colleagues there have become my partners in developing Ecosynomics from the ideas and practices I brought with me in 2004 into the

specific framework and tools presented in this book. The company has been and continues to be my most valuable learning laboratory.

The example of working with agreements that I will share here is especially significant because it involves agreements around performance evaluation and compensation. This is an area that virtually every work organization struggles with. For most people, I am sure; the idea that a compensation review could be a high-vibrancy experience seems unthinkable. That was how the leadership team at THORLO viewed it until recently.

A few years ago, I began to work with members of the human resources group. This group felt great about relationships within the company on most dimensions. Going back many decades, the people who worked at THORLO felt it was like their family, a very healthy place for them to show up every day. The experiences around compensation review did not fit this pattern, however. It was the one area of interaction where hierarchy remained strong. This was a tough nut to crack with very little helpful advice available from the human resources field outside of the company. Yet, it was a nut everyone wanted to crack, as it was out of alignment with the rest of the culture and daily experience at THORLO.

These negative experiences of the compensation review process became more intense as the company moved through a large-scale change process aimed at making generative, collaborative conversations standard practice at all levels of the organization (described in Chapter 10). The leadership team was, quite explicitly, examining the agreements in place around conversations and looking for opportunities to create different agreements that would bring greater vibrancy into their daily interactions. When members of the human resources team brought the compensation review problem into this process, everyone saw the possibility of making a shift in this area.

When they looked at it from the perspective of their ongoing work with Ecosynomics, THORLO leaders saw that the compensation review was a scarcity-based interaction that assumed that employees care only about how much they are to be paid, as if that were the only value they derived from working in the company. Similarly, in compensation conversations, the company framed its relationship to employees strictly at the things-matter level, focusing on an individual's job, the tasks involved in the job, and that individual's current capacities for doing the job. All of this was at odds with the day-to-day reality of relationships at THORLO. What the leadership team then saw was that the agreements around compensation had evolved to meet changing legal criteria that were part of best practice within the human resources field. In other words, the values underlying those agreements were purely legal and contractual, not at all reflective of the decades-old emphasis on sustainable relationships that prevailed at THORLO.

To bring in more abundance to the agreement, the leadership team determined it could change the compensation review from a strictly things-matter level, compensation-for-task, conversation toward a "role growth compensation" conversation including more of the development-motion level perspective.<sup>57</sup> This conversation with each employee focused on the growth she saw in herself, the growth she wanted to see, the value she perceived from that growth and from participation in the community, and how compensation fit into that bigger picture. The leaders reported great relief in this shift, as everyone enjoyed the role growth compensation conversation, which fit much better in the culture.

Let us see some examples of how this works. Each conversation begins with the reviewer and reviewee together restating her own values, reflecting on the reviewee's performance in her role over the past year, and describing comments from her colleagues in different departments about her role and growth. In one case, this led to an inquiry about what she most valued in her role, whether she saw another or deeper role for herself, and what she thought would create more value in her experience. At the conclusion, both agreed that she was on track, strengthening her current level of mastery, and that she would receive some specific training and a pay increase.

In another case, an engineer had been asked earlier in the year to take on a different and much more expansive leadership role. Though reluctant to take this on, he had agreed to do so for the health of the company. The role growth compensation conversation therefore focused on clarifying the new area of responsibilities he had taken on, and the outcome was that, based on this clarification, THORLO's HR group would do market research to determine a fair-market salary for his new, expanded position. Other conversations have led to reviewees identifying new opportunities for themselves, usually within THORLO, occasionally outside. Of course, not all conversations lead to advancement and higher pay. In a case in which it was clear to all that the reviewee had repeatedly not met the expectations he had set for himself with his team and team leaders, everyone agreed he was not trying to improve, and he left the company.

In every case, however, the role growth compensation conversation is fundamentally about the experience the employee is having in the process of making his or her unique contribution within the company. Is he experiencing growth in that role? Does her performance and growth meet the agreements she has made? What can be done to support further growth? Does his current role continue to be the biggest contribution he can make to the company? With these kinds of conversations ongoing, THORLO's leadership team could begin to feel it had brought its compensation review process in line with the standards it had established in other aspects of the company's culture.

## **Conclusion**

Quite simply, agreements guide human interactions at all levels. In these examples, from an individual washing dishes, a small group, a small company, to a large company, or a large agency, you can see how people experience scarcity in relationships, see the choice, and make a different choice of agreements. Sometimes it is necessary to have the help of outsiders with skills in analyzing systems and facilitating conversations. But in many cases you and your colleagues or family members can shift agreements by becoming more mindful of the quality of your experiences, exploring the system that is operating and the values underlying it, and seeing where opportunities exist to make positive changes. In the chapters to follow, we will continue to expand our view of how agreements shape our experiences on a daily basis and build the toolkit for working with them to bring more abundance and harmonic vibrancy into our lives.