Five Leadership Lenses for Agile Success

Rowan Bunning CST - October 2018 - London
Rowan Bunning

- Background in object oriented & web development with vendors, enterprise product development, start-ups & consultancies
- Introduced to eXtreme Programming in 2001
- Introduced Scrum organisation-wide in 2003-5
- Agile Coach / ScrumMaster at a leading agile consultancy in the U.K.
- Have trained about 5,000 people in Scrum & Agile
  - Certified ScrumMaster®
  - Certified Scrum Product Owner®
  - Advanced Certified ScrumMaster
- One of first Agile Coaches in Australia from late 2008
- Organiser of Regional Scrum Gatherings® in Australia
Leaders must create the conditions in which Agile can thrive

“Trying to be Agile in a hostile organisational culture is likely dropping a seed onto concrete and expecting it to grow.”
- Michael Sahota
Objectives of this session

• Increase awareness of 5 key learnings areas necessary for leaders to create the conditions for Agile success

• Pique your interest to learn more
The lenses

1. **Sense Making lens** - what is the problem contexts and appropriate management approach?

2. **Systems Thinking lens** - what should our organisation be optimised for and what are the dynamics?

3. **Lean Thinking lens** - how is our org. design relative to a customer value focus?

4. **Cultural Analysis lens** - what are our implicit beliefs shaping behaviour?

5. **Self-Leadership lens** - how do I show up as a leader to deal with complexity?
Lens 1: Sense making

what is the problem contexts and appropriate management approach?
Sense Making - What and When?

**What is it?**
Sensemaking is the ability or attempt to make sense of an ambiguous situation. More exactly, sensemaking is the process of creating situational awareness and understanding in situations of high complexity or uncertainty in order to make decisions. It is “a motivated, continuous effort to understand connections (which can be among people, places, and events) in order to anticipate their trajectories and act effectively.

**Particularly useful when:**
- Dealing with ambiguity
- Approaching a new or changed context
- Deciding what framework/method to adopt
- Deciding what style of leadership to use
- Deciding how to decide

Source: [http://cognitive-edge.com/blog/what-is-sense-making/](http://cognitive-edge.com/blog/what-is-sense-making/)
The Cynefin sense making framework

Un-ordered
Unpredictable

Complex
Unordered
Unpredictable

Unknowables
No perceivable C & E
lack of constraints
Novel practices
Stability-focused intervention
Act, Sense, Respond

Sweetspot for Scrum
Liminal space
Complex—> Complication transition

Ordered
Predictable
Consistent outcomes

Complicated

Known Unknowns
C & E separated over time and space but discoverable
governing constraints
Expert mindset
Sense, Analyse, Respond

Known Knows
Tightly constrained, no degrees of freedom
Standard Operating Procedures

Complex—> Complication transition

Known Unknowns
C & E only coherent in retrospect and do not repeat


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New insights from Inspecting *changes the context*

**Context**

- **Vision**, **Outcomes**, **Goals**

**Empirical**

- **inspect-adapt points**

**Better fit than could be identified at the outset**

**Apply Scrum to the Problem, not just “delivery”**

“Now that I see it, I realise that this is not quite what we need!”
“You should manage in the complicated and complex spaces and only move a small amount of material down into the Obvious because that’s actually highly vulnerable to rapid or accelerated change.”

– David Snowden
Managing in a Complex context

• Manage starting conditions
• Probe, sense, respond
• Set boundaries
• Create safe-fail environments and experiments that allow patterns to emerge
• Open up discussion
• Increase levels of interaction and communication
• Use methods that can help generate ideas
• Use distributed cognition
• Stimulate attractors
• Encourage dissent and diversity
• Monitor for emergence

Emergent rather than imposed order

“Leaders who try to impose order in a complex context will fail, but those who set the stage, step back a bit, allow patterns to emerge, and determine which ones are desirable will succeed.”

Example implication questions

Is it reasonable to:

• demand an accurate and precise prediction of something that is unpredictable?

• blame developers for variability intrinsic to the domain that they find themselves in?
Tool: identification of uncertainty and variability

Sources of uncertainty and variability

Internal

External
Tool: “…and the butterfly stamped” sense making method

Answers from survey results

Complex
- Countering a belief in magic
- Ambitious (political) time-line

Complicated
- Finding who to talk to

Un-ordered
- Task Estimation
- Project volume too big
- Retrospectives without consequence

Ordered
- Changing requirements
- Knowing when a task is done
- Featuritis

Chaotic
- Fixing the build
- Finding who to talk to
- Knowing when a task is done

Obvious
- Monitoring the actual time spent
- Fixing the build
- Changing requirements

Source: Joseph Perline.

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Sense Making take-aways

Bottom line:
If you don’t know what problem domain you are dealing with, you are not equipped to select the right method or leadership approach for the job.

Consequence:
Bad surprises, conflict, friction, poor results.

Image credits: cncrouterstore.ca/questions-ask-proper-tool-selection/ iStockPhoto.com
Sense Making resources

For an executive overview of Cynefin:

https://hbr.org/2007/11/a-leaders-framework-for-decision-making

To run a sense-making workshop:

“…and the butterfly stamped” sense making method: http://cognitive-edge.com/basic-methods/and-the-butterfly-stamped/

Cognitive Edge website: http://cognitive-edge.com
Lens 2: Systems Thinking

what should our organisation be optimised for and what are the dynamics?
Systems Thinking - What and When?

What is it? Systems Thinking is a way of helping a person to view systems from a broad perspective that includes seeing overall structures, patterns and cycles in systems, rather than seeing only specific events in the system.

Particularly useful when:
- The issue is important.
- The problem is chronic, not a one-time event.
- The problem is familiar and has a known history.
- People have unsuccessfully tried to solve the problem before.

Avoid: Goalless Scrum

“We use Scrum but... only because [insert latest fad].”

Is your Scrum implementation goalless?

- Why are you using Scrum?
- What are your pain points?
- What can the business expect to get out of this?
<table>
<thead>
<tr>
<th>Rank</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>More stuff faster!</td>
</tr>
<tr>
<td>6</td>
<td>To create a better product</td>
</tr>
<tr>
<td>4</td>
<td>Speed</td>
</tr>
<tr>
<td>4</td>
<td>Efficiency</td>
</tr>
<tr>
<td>4</td>
<td>Adapting to change</td>
</tr>
<tr>
<td>4</td>
<td>Continuous delivery</td>
</tr>
<tr>
<td>4</td>
<td>Trend</td>
</tr>
<tr>
<td>3</td>
<td>Improve time2market</td>
</tr>
<tr>
<td>3</td>
<td>Rapid change</td>
</tr>
</tbody>
</table>
Agile is not the Goal

Going Agile is NOT the Goal
Published on November 30, 2016

Mike Hall  Follow
Principal Enterprise Agile Coach at Improving Enterprises

“Going Agile” should never be the goal of any enterprise transformation. There, I said it.

Agile is not the GOAL!!
Published on October 17, 2015

Tushar Paunikar  Follow
Agile Coach at Persistent Systems

When I started with one of my recent engagements as an Agile Coach, I inquired the team about the reason they decided to move to agile from the traditional way of working. The team being part of the vendor team in a client-vendor environment, I had expected a specific answer. And the answer was as specific as I expected: “The client has asked us to move to agile”. I could have stopped at that point in asking further questions, but couldn’t help prodding further. Somehow, I was not able to get a satisfactory (at least to me) answer. When I discussed this with the Client Stakeholder (CS), the below conversation ensued.
"If you aim at nothing, you will hit it every time"
What happens when the goal is to "adopt Agile"

• “people confuse rituals with intent”
• People cherry pick what is easy and/or fashionable to adopt rather than what is impactful (toward undefined aspiration)
• People interpret it as whatever suits their local interests
• Plausible deniability
• Combined with deadline pressure and resource efficiency, starved of time to learn
• Results in change theatre without impactful change
• Feet are on the accelerators and brakes simultaneous… without people realising it
• Adoption stalls prematurely
• Is fragile and likely to be undone by influential people not aligned to the non-existent goal
agility is not the same as “faster delivery”

“We considered a bunch of names, and agreed eventually on “agile” as we felt that captured the adaptiveness and response to change which we felt was so important to our approach.” - Martin Fowler (Manifesto co-author)

“Agility is the ability to both create and respond to change in order to profit in a turbulent business environment.” - Jim Highsmith (Manifesto co-author)

“Agile does not mean delivering faster. Agile does not mean fewer defects or higher quality. Agile does not mean higher productivity. Agile means agile - the ability to move with quick easy grace, to be nimble and adaptable. To embrace change and become masters of change - to compete through adaptability by being able to change faster and cheaper than your competition can.” - Craig Larman
Which has agility?

Source: YouTube

or

Source: invorma.com/16-super-jumping-animals
Where the term “Agile” came from

Agility is dynamic, context-specific, aggressively change-embracing, and growth-oriented. It is not about improving efficiency, cutting costs, or battening down the business hatches to ride out fearsome competitive “storms.” It is about succeeding and about winning:
Systems

A given system has finite performance characteristics
Your organisation is optimised to produce the results it currently produces
To produce different results, you need to change the system
What we call a Car/“Agile” can have vastly different performance characteristics

Hennessey Venom F5
Which is the current optimising goal at your organisation?

Current: ________

Instruction: Write “Current:” then one of the following on a sticky/card.

- adaptability / agility
- highest customer value
- lead time
- management prestige
- internal stakeholder satisfaction
- employee engagement
- resource utilisation
- predictability
- innovation
- technical excellence
- profit
- shareholder returns
- learning
Which optimising goal would be **most effective** for your organisation?

**Most effective:**

- highest customer value
- lead time
- adaptability / agility
- employee engagement
- internal stakeholder satisfaction
- management prestige
- resource utilisation
- predictability
- innovation
- technical excellence
- learning
- profit
- shareholder returns
Shorter Lead Time is only an enabler

- Discovery and delivery of highest value to customer
- Agility / adaptiveness
- Lower cost of change

Assumption: this is not achievable solely through up-front analysis

The goal of too many “Agile” adoptions stops here
The “faster delivery” trap

• Increased pressure on “delivery” group
• Starved of time in the learning zone
• High utilisation, further slowing throughput (vicious cycle)
• Accumulation of technical debt, poor design, defects etc.
Obliquity

“The environment – social, commercial, natural – in which we operate changes over time and as we interact with it. Our knowledge of that complex environment is necessarily piecemeal and imperfect. And so objectives are generally best accomplished obliquely rather than directly.”

11 Laws of Systems Thinking

1. Today’s problems come from yesterday’s solutions
2. The harder you push, the harder the system pushes back
3. Behavior grows better before it grows worse
4. The easy way out usually leads back in
5. The cure can be worse than the disease
6. Faster is slower.
7. Cause & effect are not closely related in time & space.
8. Small changes can produce big results, but areas of the highest leverage are often least obvious.
9. You can have your cake & eat it too but not all at once. Not either/or. Allow time for solutions to work.
10. Dividing an elephant in half does not product two small elephants
11. There is no blame

The Systems Thinking Iceberg

THE ICEBERG MODEL

EVENTS
What is happening?

PATTERNS OF BEHAVIOR
What trends are there over time?

SYSTEMS STRUCTURE
How are the parts related? What influences the patterns?

MENTAL MODELS
What values, assumptions, and beliefs shape the system?

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“Weinberg-Brooks’ Law: More software projects have gone awry from management’s taking action based on incorrect system models than for all other causes combined.”

– Gerald Weinberg (R.I.P.)
Causal Loop Diagram notation

population \rightarrow \text{demand for resources} \rightarrow \text{variables}

causal link

opposite effect

constraint

delayed effect

quick-fix reaction

reinforcing feedback loops

R1

R2 with even number of opposite effects
CLD: Time pressure dynamic

Belief: we get predictability and best performance by having people make scope & date commitments

perceived time pressure

command & control behaviour

time in learning zone

capability improvement

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CLD: Product knowledge loss dynamic

Constraint: pre-committed work over many months

C

pressure to accommodate unplanned initiatives within existing teams

O

overall workload

enhancement and maintenance costs

R1

hiring of temporary contractors

O

product design knowledge retained
Systems Thinking take-aways

Bottom line:
If you don’t have an optimising goal, no-one can objectively judge whether a practice is “good” or “bad”.

“It works” is insufficient.

Consequences: superficial mimicry, adoption shaped by comfort zone of a few

Leadership behaviours:
• Build alignment around “Why?” change and “What?” outcome from the change
• Create alignment as to the optimising goal for the organisational system.
• Eliminate misalignments with the optimising goal.

Image credit: bigstockphoto.com/image-110113352

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What, Why

**What?**
This is about the result: what we want want to achieve.
The outcome we are looking for as an organisation

**Why?**
The motivation for this undertaking.
You may also see here leading indicators of success.

See: [http://agilitrix.com/2014/06/agile-is-not-the-goal-workshop/](http://agilitrix.com/2014/06/agile-is-not-the-goal-workshop/)
Systems Thinking resources

- Systems Thinking on the LeSS website: https://less.works/less/principles/systems-thinking.html
Lens 3: Lean Thinking

how is our org design relative to a customer value focus?
Lean Thinking - What and When?

**What is it?**

Lean Thinking is a philosophy and business method that aims to provide a new way to think about how to organise human activities to deliver more benefits to society and value to individuals while eliminating waste.

**Particularly useful when**

- Doing organisation design for an Agile org.
- When optimising for highest customer value
Choose the right sort of Lean

Product innovation

Manufacturing, operations

Second Generation Lean Product Development

Toyota Production System

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Ingredients in Scrum

- Lean
- Iterative, Incremental Development Time-boxes
- Smalltalk Development Tools
- Scrum

The New, New Product Development Game

Source: Ken Schwaber.
Lean Thinking House

How many of these principles is your current organisation design and culture based on?

<table>
<thead>
<tr>
<th>Respect for People</th>
<th>Product Development</th>
<th>Continuous Improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>- don’t trouble your ‘customer’</td>
<td>- long-term great engineers</td>
<td>- Go See</td>
</tr>
<tr>
<td>- “develop people, then build products”</td>
<td>- mentoring from manager-engineer-teacher</td>
<td>- kaizen</td>
</tr>
<tr>
<td>- no wasteful work</td>
<td>- cadence</td>
<td>- spread knowledge</td>
</tr>
<tr>
<td>- teams &amp; individuals evolve their own practices and improvements</td>
<td>- cross-functional</td>
<td>- small, relentless</td>
</tr>
<tr>
<td>- build partners with stable relationships, trust, and coaching in lean thinking</td>
<td>- team room + visual mgmt</td>
<td>- retrospectives</td>
</tr>
<tr>
<td>- develop teams</td>
<td>- entrepreneurial chief engineer/product mgr</td>
<td>- 5 Whys</td>
</tr>
<tr>
<td></td>
<td>- set-based concurrent dev</td>
<td>- eyes for waste</td>
</tr>
<tr>
<td></td>
<td>- create more knowledge</td>
<td>* variability, overburden, NVA ... (handoff, WIP, info scatter, delay, multi-tasking, defects, wishful thinking..)</td>
</tr>
</tbody>
</table>

**14 Principles**

- long-term, flow, pull, less variability & overburden,
- Stop & Fix, master norms,
- simple visual mgmt, good tech, leader-teachers from within,
- develop exceptional people, help partners be lean,
- Go See, consensus, reflection & kaizen
- perfection challenge
- work toward flow (lower batch size, Q size, cycle time)

Management applies and teaches lean thinking, and bases decisions on this long-term philosophy.
“Delivery speed” can be achieved by reducing batch size
Value Stream Sketch

Flow

Who

What

Queues

Value adding time

Wait time
Lead time vs Cycle time

Item added to Product Backlog

Start of Development on Item

Potentially Releasable Product Increment

Released and available for use

Lead time

Cycle time
Water-Scrum-Fall anti-pattern

- Big Batch Project Scope
- Big Batch Specification
- Business case
- Product Backlog
- Current Product
- User Reps
- Operations
- SIT
- UAT
- Deployment
- Released
- Benefits Realisation begins
- $
Fully cross-functional, not just partially

“Development Teams are cross-functional, with all the skills as a team necessary to create a product Increment”

End-to-end Cross-functional Teams

Benefits Realisation begins

$-

Flow of Value

Released

Vision & Business Goals

Product Backlog

PO

Business Analysts

Architect

Feature Team that is fully cross-functional

2 weeks each iteration

System Testers

Operations

The Scrum Development Team has the skills and authority to create Potentially Releasable Product Increments from new ideas each Sprint without any other party

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Lean Thinking House

Variability *  
Overburden  
Handoff  
WIP  
Information scatter  
Delay  
Multi-tasking  
Defects  
Wishful thinking
Handoff scenarios

Sprint N
- Designer
- Programmer

Sprint N+1
- Designer
- Programmer
- Tester

Analysis
Design
Coding
Testing
Fixing

Unverified system
System with defects
Working product

💻
🐛
Analysis
💻
?
Unverified system
System with defects
Working product

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Limit Work in Progress to improve throughput

Eliminate Overburden through Pull scheduling

Rather than seeking people to fit the work...

...construct pipelines of value to be pulled into stable teams based on current capacity.

“In product development, our problem is virtually never motionless engineers. It is almost always motionless work products.”

– Don Reinertsen
Maximising utilisation slows things down

See: https://less.works/less/principles/queueing_theory.html
Sequencing using Cost of Delay

<table>
<thead>
<tr>
<th>Duration</th>
<th>Cost of Delay</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>5</td>
<td>1</td>
</tr>
</tbody>
</table>

CoD = Cost of Delay
Can you see the queues?

<table>
<thead>
<tr>
<th>Product Backlog Items</th>
<th>To Do</th>
<th>In Progress</th>
<th>Completed</th>
<th>Done</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PBI A</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Design Task B1</td>
<td></td>
<td></td>
<td>Code Task B2</td>
<td></td>
</tr>
<tr>
<td>Test Task B3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PBI B</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Test Task B5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frontend Task B1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Backend Task B3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PBI C</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Test Task C1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frontend Task C2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Backend Task C3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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Calculating Cost of Delay

Step 1
Create baseline model

Step 2
Model expense overrun
Model value shortfall
Model schedule delay
Model risk change

Step 3
Calculate total profit impact of each

Step 4
Calculate sensitivity factors e.g. for 10% variation

See https://www.youtube.com/watch?v=L6v6W7jkwoK
Example Lifecycle Profit Impact

- 10% expense overrun: €100,000
- 10% value shortfall: €200,000
- 1 month delay: €500,000
- 10% increase in risk: €100,000

See https://www.youtube.com/watch?v=L6v6W7jkwok
Manager as teacher

**Product Vision & Direction**
- Provide vision and direction
- Prioritize features
- Understand users and markets
- Support organizational strategic direction

**Product Owner**

**Teams**
- Create product
- Deliver product increment
- Coordinate and integrate
- Improve product creation
- Clarify features
- Understand user and domain, work with them

**Scrum Master**
- Coach organization
- Support continuous improvement

**Managers**
- Improve capability of development system
- Decide structure and policies

Source: less.works

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Go See at Gemba

Gemba (Japanese) “The Real Place”

“Go see requires observing the teams and asking lots of open minded questions with a sincere interest in their work and problems. In software products, this is likely to involve watching and discussing code.”

Bottom line:

Scrum won’t thrive if the management principles that the surrounding organisational system is based on continue to be misaligned.

Scrum is based on Lean principles, therefore managers in a Scrum environment should understand and operate by Lean principles.

Leadership behaviours

- Study second generation Lean Product Development and explore its implications with other change leaders
- Establish an economic model for your product development
- Promote distributed decision making using the economic model
- “Go See” at Gemba
- Work toward becoming a mentor and teacher
Lean Thinking resources

- Six Myths of Product Development: https://hbr.org/2012/05/six-myths-of-product-development

- Lean Thinking on the LeSS website: https://less.works/less/principles/lean-thinking.html
Lens 4: Cultural analysis
what are our implicit beliefs shaping behaviour?
Cultural Analysis - What and When?

What is it? Cultural Analysis is using qualitative research methods of the arts, humanities, social sciences, in particular ethnography and anthropology, to collect data on cultural phenomena and to interpret cultural representations and practices; in an effort to gain new knowledge or understanding through analysis of that data and cultural processes.

Particularly useful when:

• Recognising the similarities and differences from Agile related cultural archetypes
• Understanding and mapping trends, influences, effects, and affects within cultures.
Leading Causes of Failed Agile Projects

Company culture continues to dominate the top causes of failed agile projects with company philosophy or culture at odds with core agile values at 46%, and lack of management support for cultural transition at 38%.

- Company philosophy or culture at odds with core agile values: 46%
- Lack of experience with agile methods: 41%
- Lack of management support: 38%
- Lack of support for cultural transition: 38%
- Inconsistent agile practices and process: 38%
- External pressure to follow traditional waterfall processes: 36%
- Ineffective management collaboration: 34%
- A broader organizational or communications problem: 30%
- Unwillingness of team to follow agile: 30%
- Inability to continuously prioritize work: 28%
- Insufficient training: 27%
- Ineffective collaboration: 25%
- Don’t know: 5%

*Respondents were able to make multiple selections.

Barriers to Further Agile Adoption

As in previous years, respondents continued to increasingly cite organizational culture and a general resistance to change as their biggest barriers to further agile adoption. Concerns about organizational culture increased from 44% in 2014 to 55% in 2015, and concerns about a general resistance to change increased from 34% in 2014 to 42% in 2015.

<table>
<thead>
<tr>
<th>Barrier</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ability to change organizational culture</td>
<td>55%</td>
</tr>
<tr>
<td>General organizational resistance to change</td>
<td>42%</td>
</tr>
<tr>
<td>Pre-existing rigid/waterfall framework</td>
<td>40%</td>
</tr>
<tr>
<td>Not enough personnel with the necessary agile experience</td>
<td>39%</td>
</tr>
<tr>
<td>Management support</td>
<td>38%</td>
</tr>
<tr>
<td>Business/user/customer availability</td>
<td>28%</td>
</tr>
<tr>
<td>Concerns about a loss of management control</td>
<td>27%</td>
</tr>
<tr>
<td>Management concerns about lack of upfront planning</td>
<td>25%</td>
</tr>
<tr>
<td>Confidence in ability to scale agile methodologies</td>
<td>18%</td>
</tr>
<tr>
<td>Concerns about the ability to scale agile</td>
<td>18%</td>
</tr>
<tr>
<td>No barriers</td>
<td>17%</td>
</tr>
<tr>
<td>Perceived time and cost to make the transition</td>
<td>15%</td>
</tr>
<tr>
<td>Development team support</td>
<td>14%</td>
</tr>
<tr>
<td>Regulatory compliance</td>
<td>13%</td>
</tr>
</tbody>
</table>

*Respondents were able to make multiple selections.*

Now, it might be appropriate to explore a new language of leadership: the leader as visionary, architect, coach, and catalyst. For organizations seen as living organisms, the appropriate metaphor might be for the leader to be a gardener—a creative guide and steward who has a nurturing role and a variety of relations with different parts of a garden.

For instance, as a gardener, the agile leader might pay attention to creating the fertile soil and environment that will enable growth and creativity to flourish.
Schein culture model

- Artefacts
  - what you see and hear
  - "culture theatre"

- Espoused values
  - Actual essence of culture
  - Generates
  - + situational forces

- Shared, tacit assumptions

- Edgar H. Schein via Jason Yip

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Competing Values model

Clan
- Internal maintenance with flexibility, concern for people, and sensitivity to customers.

Hierarchy
- Internal maintenance with a need for stability and control
- Stability and Control

Adhocracy
- External positioning with a high degree of flexibility and individuality.
- External Focus and Differentiation

Market
- External positioning with an emphasis on competition and fast decision making.
### Competing Values culture descriptors

<table>
<thead>
<tr>
<th></th>
<th>Clan culture</th>
<th>Adhocracy culture</th>
<th>Market culture</th>
<th>Hierarchy culture</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dominant</strong></td>
<td>Personal, like a family</td>
<td>Entrepreneurial, risk taking</td>
<td>Competitive, achievement oriented</td>
<td>Controlled and structured</td>
</tr>
<tr>
<td><strong>organisational</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>characteristics</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Leadership</strong></td>
<td>Mentoring, facilitating,</td>
<td>Entrepreneurial, innovative, risk</td>
<td>No-nonsense, aggressive, results</td>
<td>Coordinating, organizing, efficiency</td>
</tr>
<tr>
<td><strong>style</strong></td>
<td>nurturing</td>
<td>taking</td>
<td>oriented</td>
<td>oriented</td>
</tr>
<tr>
<td><strong>Management</strong></td>
<td>Teamwork, consensus, and</td>
<td>Individual risk taking, innovation</td>
<td>Competitiveness and achievement</td>
<td>Security, conformity, predictability</td>
</tr>
<tr>
<td><strong>of employees</strong></td>
<td>participation</td>
<td>and uniqueness</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Organisational</strong></td>
<td>Loyalty and mutual trust</td>
<td>Commitment to innovation,</td>
<td>Emphasis on achievement and goal</td>
<td>Formal rules and policies</td>
</tr>
<tr>
<td><strong>glue</strong></td>
<td></td>
<td>development</td>
<td>accomplishment</td>
<td></td>
</tr>
<tr>
<td><strong>Strategic</strong></td>
<td>Human development, high trust</td>
<td>Acquisition of resources,</td>
<td>Competitive actions and winning</td>
<td>Permanence and stability</td>
</tr>
<tr>
<td><strong>emphasis</strong></td>
<td>openness</td>
<td>creating new challenges</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Criteria for</strong></td>
<td>Development of human resources</td>
<td>Unique and new products and</td>
<td>Winning in the marketplace, outpacing</td>
<td>Dependable, efficient, low cost</td>
</tr>
<tr>
<td><strong>success</strong></td>
<td>teamwork, concern for people</td>
<td>services</td>
<td>the competition</td>
<td></td>
</tr>
</tbody>
</table>

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Which culture type is dominant at your organisation?

Clan culture - Teamwork, consensus, and participation: 20%
Adhocracy culture - Individual risk taking, innovation, freedom, and uniqueness: 4%
Market culture - Competitiveness and achievement: 18%
Hierarchy culture - Security, conformity, predictability: 57%

When poll is active, respond at PollEv.com/scrum. Text SCRUM to 22333 once to join.
Example culture assessment

Clan

Internal maintenance with flexibility, concern for people, and sensitivity to customers.

Adhocracy

External positioning with a high degree of flexibility and individuality.

Stability and Control

Internal maintenance with a need for stability and control.

External Focus and Differentiation

External positioning with an emphasis on competition and fast decision making.

Hierachy

Internal Focus and Integration

Flexibility and Discretion

Market

Current culture

Preferred culture
Yin and Yang

Do we start with consciousness or structure?
The Structure first case

Excerpt from Larman’s Laws of Organisational Behaviour…

5. Culture follows structure.
Or, Culture/behavior/mindset follows system & organisational design… this is an observation in large-scale; in small start ups, it's the reverse: structure follows culture (org design follows mindset).
…systems such as Scrum (that have a strong focus on structural change at the start) tend to more quickly impact culture — if the structural change implications of Scrum are actually realized.

Source: craiglarman.com
The Consciousness first case

Living a different internal consciousness will naturally lead to different structures that are energised by people.
Culture change loop

Results → Experience
Experience becomes
Beliefs
Beliefs inform
Principles
Principles influence
Values
Values affect
Actions
Actions produce
Results

Adapted from The Culture Change Pyramid by Dan Mezick, see The Culture Game: Tools for the Agile Manager
Take-aways

Bottom line:
We need both change of consciousness within people and structural change to bring about cultural change.

At small scale, start with consciousness/mindset.
At large scale, start with structure.

Leadership behaviour

• Assess perception of current and culture for future success

• Create alignment with other leaders to lead culture change
Cultural Analysis resources


Lens 5: Self-Leadership

how do I show up as a leader to deal with complexity?
Self-leadership - What and When?

**What is it?**  
Self-leadership is having a developed sense of who you are, what you can do, where you are going coupled with the ability to influence your communication, emotions and behaviours on the way to getting there.

**Particularly useful when:**  
- Complexity is high - create other leaders  
- Employee engagement and empowerment is important  
- Faster decision making is important  
- More collaboration and innovation are important  
- Collaborative team efforts are important
“Exceptional leaders distinguish themselves because of superior self-leadership.”

– Daniel Goldman in Emotional Intelligence
Leadership Agility - Stages of Leadership Development

Explorer

Enthusiast

Operator

Conformer

Expert

Achiever

Catalyst

Co-creator

Synergist

Childhood stages

Heroic

Post-heroic

**Expert**

**Assumption**

*Tactical, problem-solving orientation.*

Leaders respected and followed because of authority and expertise

**Org change**

Tactical focus on incremental improvement within one’s unit, minimal stakeholder engagement

**Team leadership**

Focuses on one-on-one supervision rather than as a system

**Pivotal conversations**

Low tolerance for conflict: either highly assertive or accommodative - advocates or inquires
Achiever

**Assumption**

*Strategic, outcome orientation.*

Motivate other by making it challenging and satisfying to contribute to larger objectives

**Org change**

Strategic outcome focus, making episodic changes to address environmental changes while seeking stakeholder buy-in

**Team leadership**

Treats direct reports as a system that needs to be orchestrated as a team

**Pivotal conversations**

Moderate tolerance of conflict: primarily assertive or accommodative with some ability to compensate using the other style

Image credit: menshealth.com
## Catalyst

<table>
<thead>
<tr>
<th>Assumption</th>
<th>Visionary, facilitative orientation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Articulate an inspiring vision and empower &amp; develop others to make it a reality</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Org change</th>
<th>Aim through the target: develop organisational capacity to meet any strategic objective</th>
</tr>
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<table>
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<tr>
<th>Team leadership</th>
<th>Creates a highly participative, empowered team that leads change together</th>
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<table>
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<tr>
<th>Pivotal conversations</th>
<th>Greater tolerance for conflict: combines advocacy and inquiry and needed in the specific situation</th>
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</table>
Proportion of Leaders per development level

Current ceiling in most orgs

Catalyst and beyond

Agile ready

Pre-Expert

Expert

Achiever

Lacking Agile readiness

10%

35%

45%
S.C.A.R.F. Impediments

- **Status**: Our relative importance to others
- **Certainty**: Our being able to predict the future
- **Autonomy**: Our sense of control over events
- **Relatedness**: Our sense of safety with others
- **Fairness**: Our perception of fair exchanges between people

Take-aways

Bottom line:
As a leader, you can’t expect others to change if you haven’t first changed yourself.
Leaders go first.
Are you prepared to do that?

Leadership behaviours:
- Embrace essential ambiguity and uncertainty
- Model in-depth listening at all levels
- Model asking revealing questions e.g. “which aspects of an Agile organisation are weakest?”
- Model making mistakes and learning from them
- Be a contradiction eliminator!
Self-Leadership resources

- Certified Agile Leadership (CAL) program: https://www.scrumalliance.org/get-certified/practitioners/cal-certification


What priority will you give to these lenses?

- Sense Making: 1st
- Systems Thinking: 2nd
- Lean Thinking
- Cultural Analysis
- Self-Leadership

Respond at PollEv.com/scrum
Thank You!

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