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Management, Innovation, Transformation

"The more successful organizations I have had the pleasure to work with realize that it takes real Agile leadership — not just Agile development — to achieve the agility that will allow the entire organization to succeed."

— Don MacIntyre,
Guest Editor

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Cutter Business Technology JOURNAL

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by Don MacIntyre, Guest Editor

Opening Statement

Agile in the Workplace

Based on the demand for Agile skills in the workplace, it is quite clear that leaders across the globe are coming to rely more and more on Agile principles and practices to achieve their goals.

What makes some of these leaders successful with their Agile adoptions while other leaders seem to struggle? What is going on in these organizations?

What we see in the field, and what has been called out in leading industry surveys, is that the lack of “Agile leadership” is one of the primary reasons why many Agile projects fail. We can no longer blame failed attempts at Agile solely on the teams. It is crystal clear that leadership bears some responsibility.

Agile Leadership vs. Traditional Leadership

Let’s begin by answering the question, “What is Agile leadership and how does it differ from traditional leadership?”

The traditional leadership model that has been practiced by many generations of managers around the globe was a byproduct of “scientific management,” which was developed by Frederick Taylor (1856-1915). Scientific management was a great success and helped to revolutionize industry over the last hundred years. Scientific management focused on synthesizing the flow of work and maximizing the productivity of labor. The goal was to break down the manufacturing process into small steps that were simple enough to be understood and performed by the unskilled labor force that was migrating from the fields into the factories. Scientific management asserted that these new manufacturing workers needed to be told exactly what to do and when to do it and to be managed very closely. Workers were considered interchangeable resources. If one employee left, another employee could replace them quickly and

easily, allowing production to continue. Management’s job was purely command and control.

Fast-forward a hundred years and, for some companies, not much has changed. However, the rest of the world has changed dramatically. The pace of change today is faster than at any time in history. Technology continues to advance rapidly. What is state of the art today may be outdated technology in a matter of months.

Manufacturing is now often done by robots. The workforce has changed. Unskilled labor no longer accounts for the majority of the workforce in many modern corporations. Knowledge workers, who are paid to think and not just do what they’re told, now make up a significant part of our workforce. Many of these individuals know more about whatever it is they are working on than their managers do. Managing knowledge workers in the same manner we managed unskilled labor a hundred years ago has been problematic for many companies. Today, workers expect to be acknowledged as people and not simply regarded as interchangeable parts.

The people who now make up much of our workforce thrive on autonomy, mastery, and purpose. They want to be empowered. They want to collaborate with their peers. They do not want to be simply told what to do and how long it will take. They want to take ownership of their work — and when we allow them to do so, they deliver.

The Agile Influence

Most technology organizations recognize that Agile principles and practices have worked well within their development organizations. An Internet search for the name of your competitors and “Scrum” will likely demonstrate what I mean. I started using this approach years ago with skeptics who had not been paying attention to what was happening in the industry, and it hasn’t failed me yet.

Indeed, the more successful organizations I have had the pleasure to work with realize that it takes real Agile leadership — not just Agile development — to achieve the agility that will allow the entire organization to succeed.

Beyond IT

It is important to understand that Agile leadership does not pertain to just IT leadership. While “Agile” does have its roots in software development, many companies are finding that these principles and practices apply in most places. What my colleagues and I typically experience is that a well-run Agile transformation creates demand for Agile from all over the company. When people see and hear that a group is having fun and accomplishing great things, they want in. It is not at all unusual for us to be asked to help business units, HR, sales, manufacturing, operations, facilities management — essentially any area of the organization — to work in an Agile way as well.

Leaders Who Cling to Command and Control Are Losing Their Grip

The fact of the matter is that leaders who are attempting to hold on to a traditional command-and-control management style are simply losing their grip — which often translates into losing market share. In contrast, Agile leadership focused on empowering the workforce is leading to increased productivity and innovation — which often leads to increasing market share.



Upcoming Topics

Insurtech: Reinventing the Insurance Industry

Steve Andriole

Big Data Trends: Predictive Analytics, Machine Learning, and the Cloud

Bhuvan Unhelkar

Change Management

Sheila Cox

What Do Agile Leaders Do?

As we look ahead into the next century, leaders will be those who empower others.

— Bill Gates

First and foremost, Agile leaders empower their workforce. Agile leaders enable teams to take ownership of their work and trust them to get their job done. What we typically find when teams are empowered to figure out how they will accomplish their goals is that they not only deliver, but they collaborate more and enjoy their work more. As a result, productivity rises. Agile leaders establish the vision, build awesome teams, support them, and get out of the way.

Agile leaders are also responsible for enabling innovation. If your teams are habitually late, unpredictable, and in constant fire-fighting mode, it is doubtful they have much time for innovation. Innovation requires experimentation. Experimentation involves risk. If your culture is completely risk-averse, it is unlikely there is much time for innovation. Innovation drives new product ideas, which create new opportunities that will ultimately drive revenue.

Agile leaders provide a stable environment, helping teams focus on the highest priorities and preventing them from having to multi-task on three different projects at the same time. Agile leaders also encourage their teams to continuously improve. This may take the form of allowing teams time to work on improvements or providing them with the training they need in order to be successful. Getting better takes time, and leaders need to support this objective.

Agile leaders foster a high-trust environment. Trust needs to exist both within the team and across the organization. I often tell leaders that they are responsible for creating the environment that will allow teams to become predictable. Once teams become predictable, trust is usually established across the organization. This requires leadership to remove the systematic impediments that prevent teams from becoming predictable.

Agile leaders need to understand that an Agile transformation is not something just for the developers and testers. To achieve true organizational agility, the entire organization must be in alignment and understand the new approach and how it will affect their role, regardless of whether they are in development, product management, sales, finance, HR, or wherever.

In This Issue

We are pleased to have six authors share their Agile leadership insights in this issue. We begin with an article by Bill Joiner that focuses on “Leadership Agility.” Joiner has done extensive research on leadership and created a leadership development model that works exceptionally well in companies undergoing an Agile transformation. The cognitive and emotional capacities that Joiner helps leaders identify and develop fit perfectly with the principles and values of Agile development. I have used Joiner’s model while helping various companies with their leadership development and have found it a great tool for creating a productive dialogue and building Agile leaders within the leadership team.

Next, Jesse Fewell discusses the debate between proponents of a “culture-first” approach to Agile transformation and those who favor a “structure-first” strategy. Fewell describes the pitfalls of each and makes the case that Agile adoption succeeds best when leaders “encourage a conversation that incorporates both perspectives.” He offers three tips for bridging the divide, then introduces the Agile Leadership Canvas, a tool that leaders can use “to elicit and compare ideas for evolving the organization.”

In our third article, Bob Galen tells of IT leaders who turn to him in frustration as their Agile adoption efforts sputter. Why won’t their teams take the initiative? Why do team members wait to be told what to do? Galen has some uncomfortable news for these clients — it may not be the team but the leader who is at fault. He suggests that the key to creating successful Agile teams is “giving teams enough *space* — space to grow, space to become autonomous, space to become self-directed.” Galen outlines nine “elements of self-directed space” — ranging from metrics and language to team organization and trust building — that will allow teams to “grow in their Agile maturity.”

One of the hallmarks of a mature Agile team is continuous learning. “But,” asks author Jeff Dalton, “do Agile leaders know how and what to teach?” Dalton argues that after decades of “vo-tech” style learning, it’s time for a return to “the collaborative, interpersonal, and analytical skills that ... are so important for successful Agile adoption.” He introduces the Agile Performance Hierarchy, a “basic framework and curriculum for teaching Agile leaders” that consists of six performance circles: leading, providing, crafting, envisioning, affirming, and teaming. Working to master

the performance circles will “help guide aspiring Agile leaders in their transformation from low-trust task managers to high-trust teachers, coaches, and stewards of Agile values.”

In our final article, Jan-Paul Fillié and Hans Boer talk about the “hills” an organization must surmount to implement Agile at scale. Based on their experience with numerous transformations, Fillié and Boer offer helpful advice on resolving such challenges as changing the organizational culture, coping with teams that deliver at different speeds, coordinating dependencies, and distributing Agile practices. For the last of these concerns, they offer two potential remedies: introducing distribution practices into an Agile team or, conversely, introducing Agile practices into a distributed team. Either path “will allow for access to talent and resources wherever they are located, potential cost reduction, and opportunities for improved innovation.”

We hope you find that these articles offer useful guidance for becoming a better Agile leader. After all, to paraphrase one of Joiner’s observations: the agility level of your organization will not exceed the agility of your leadership.

Don MacIntyre is a Senior Consultant with Cutter Consortium’s Agile Product Management & Software Engineering Excellence practice. He focuses on Agile transformations, providing Agile consulting, coaching, and training from the C-level to the team level. Mr. MacIntyre draws upon his many years of experience as a software executive, Agile transformation lead, and software engineering leader to help organizations benefit from Agile principles and practices. Thousands of people worldwide have participated in his team-based Agile workshops.

Mr. MacIntyre has extensive experience in both the commercial and government sectors. As Director of Agile Development at Lockheed Martin, he led the initial large-scale Agile transformation efforts and has provided Agile consulting and training to programs at NASA, DHS, SSA, IRS, DoD, and numerous other agencies. Mr. MacIntyre recently guided an Agile transition for a company at the intersection of mobile, cloud, and the Internet of Things.

Mr. MacIntyre is a Leadership Agility 360 Coach and has worked extensively with executives from the Fortune 100, late-stage startups, and government agencies, preparing them to be truly effective Agile leaders. With his extensive leadership background, leadership coaching experience, and Certified Enterprise Coach (CEC) status, Mr. MacIntyre is one of the few individuals certified by the Scrum Alliance as a Certified Agile Leadership Educator (CALE). Mr. MacIntyre also holds CSC, CSP, CSPO, CSM, and SPC certifications.

Mr. MacIntyre is a frequent speaker at the leading Agile conferences, a guest lecturer at the University of Delaware, and a cofounder of Agile Delaware. He can be reached at dmacintyre@cutter.com.



Bringing “Leadership Agility” to Agile

by Bill Joiner

In pursuit of true organizational agility, many companies that use Agile, and the consulting firms who work with them, are feeling an urgent need to place greater emphasis on Agile leadership. But are current conceptions of Agile leadership all they need to be? In this article, I present an enhanced vision of Agile leadership called “Leadership Agility.” This body of work stresses the importance of helping managers develop the cognitive and emotional capacities (not just mindset) needed to *be* agile. I use two scenarios to illustrate the stages by which Agile leadership capacities can be deliberately developed and the contribution this can make to Agile and to business performance. One scenario is a Scrum adoption; the other is an Agile transformation.

Activated at the senior and middle tiers of management, this body of work affects how managers work with others above, below, and across their level of the organization, as well as with external stakeholders. It applies to the leadership of any kind of change effort, to leading management teams, and to “pivotal” conversations — discussions where parties don’t see eye-to-eye and the resolution of differences is essential to achieving desired business results.

Stages in Developing Agile Capacities

Adopting an Agile mindset is an essential foundation for Agile leadership. However, in an in-depth, multi-year research project, my coauthor (Stephen Josephs) and I found that *being* agile crucially requires the development of certain cognitive and emotional capacities.¹ These capacities evolve through well-documented stages of personal development.² Here’s a snapshot of the three most relevant stages:

1. **Expert** (~55%). At this stage, managers strongly identify with their technical or functional expertise and implicitly assume that leadership is exercised through authority and expertise. Experts have a passion for problem solving but tend to focus on one problem or person at a time without paying much attention to stakeholders or the larger context.
2. **Achiever** (~35%). Managers at this stage see authority and expertise as important resources but feel that leadership is primarily about challenging and inspiring others to achieve outcomes valued by the larger organization. These managers have developed an initial level of systems thinking that leads them to take a strategic approach to organizational change and to focus on the improvement of organizational and business systems. This perspective also leads Achievers to value teamwork and to see problems in a larger context.
3. **Catalyst** (~10%). At this stage, managers add an awareness and appreciation of the power of the “human system” (e.g., culture) that underlies the organizational and business systems where Achievers focus their attention. Catalysts set out to develop agile organizations and, in service of this aim, place special emphasis on creating a culture of participation, empowerment, collaboration, and constructive candor.

These stages unfold sequentially. New cognitive and emotional capacities emerge at each stage and take some time to develop, though this growth process can be accelerated with the right kind of support. As managers grow into new stages, they retain their ability to utilize previously developed capacities.

Middle Managers As an Impediment to Realizing the Potential of Scrum

How does the development of agile capacities contribute to the success of Agile adoptions? The following story is an amalgam of several real-life examples. Alpha is a software company that has started to implement Scrum in its engineering organization. The initial proponent of Scrum was Beth, the VP of engineering, who got her management team on board and hired an experienced Agile consultant named Alex.

Alex and others in his firm were quite experienced both in Scrum and in helping companies transform by establishing Agile management practices in other functions, eliminating many of the impediments that

Scrum inevitably encounters in any traditionally managed organization. Beth understood the ultimate value of this approach, but Alpha's CEO insisted on waiting to see the results they got from Scrum.

Alex began by taking the senior engineering team through a solid training about Scrum and their role in supporting it. ScrumMasters, product owners, and developers were all trained. Each training covered Agile principles and values, emphasizing that an Agile mindset is essential for realizing Scrum's benefits.

They began by standing up a small number of teams. At the beginning, some developers resisted Scrum, and all three teams struggled. Yet with Alex's coaching, the ScrumMasters coaxed the teams to keep going, one sprint at a time, until they got the hang of it. Before long, team performance was better than before, and most developers were pretty enthusiastic.

Over time, they stood up a number of teams. It wasn't easy, but on the whole these teams also began to perform better and express genuine enthusiasm for Scrum. As Alex had anticipated, though, they experienced real friction with other parts of the organization, especially middle management. The teams' performance improvement seemed to hit an invisible ceiling. Not only were middle managers not that engaged in removing impediments, in many ways they seemed to *be* the impediment.

Initially, one of the biggest problems was interference in decisions that Scrum says should be made by the product owner alone; for example, demanding that a team take on work not in the current sprint. Alex dealt with this interference by coaching middle managers, reminding them of the need to shift from command and control to a more enabling style of leadership. A few took steps to change their leadership style, but many engaged in various forms of active or passive resistance.

Alex was not shocked. He told himself that Agile inevitably led to a diminished role for middle managers, so of course they felt threatened. Over time, he mused, new role definitions and career paths could be put in place. Ultimately, the solution would be to adopt Agile management practices in all the company's functions. He brought this up with Beth multiple times, but Alpha wasn't ready to go there yet.

One day, Alex and Beth had a conversation that took them down a new path. They asked themselves whether they could help managers throughout engineering

become leaders who would not only be more supportive of Scrum, but also help the engineering organization as a whole become more agile. At Beth's request, Alex did a search for an approach to Agile leadership that would best fit their needs. He landed on the Leadership Agility framework.

Not only were middle managers not that engaged in removing impediments, in many ways they seemed to be the impediment.

Four Types of Leadership Agility

As Alex learned more about this framework, he discovered that each developmental stage — Expert, Achiever, and Catalyst — is a configuration of eight cognitive and emotional capacities that evolve together as managers grow into a new level of leadership agility. When embodied in a leader's actions, these capacities work together in pairs to form four types of agility that are key to succeeding with any leadership initiative, whether the scale of that initiative is about organizational change, team development, or pivotal conversations:³

1. **Context-setting agility** — framing the need for change and the desired outcomes
2. **Stakeholder agility** — understanding stakeholders and creating alignment
3. **Creative agility** — engaging in analytic and creative thinking for planning and problem solving
4. **Self-leadership agility** — engaging in self-reflection and experimenting with new behavior

The Development of Agile Capacities: From Expert to Achiever

In his quest to better understand and address middle management resistance to Scrum, Alex learned that most middle managers operate at the Expert level of agility and therefore have not yet developed Achiever capacities. Table 1 provides an overview of how a manager's cognitive and emotional capacities develop as they grow from Expert to Achiever.

Type of Agility	Expert	Achiever
Context-setting	An Expert is aware of goals, but these fade to the background amid a focus on problem solving.	The primary focus is on achieving outcomes. Problem solving is a means to this end.
Stakeholder	Limited ability to put oneself in others' shoes leads to limited stakeholder engagement and avoidance of cross-functional collaboration.	The ability to put oneself in others' shoes leads to customer orientation, desire for stakeholder buy-in, and openness to cross-functional collaboration.
Creative	An Expert has a tendency to focus on one problem at a time and to be opinionated about best solutions.	An Achiever has the ability to see problems in a larger context and is open to changing opinions based on new data.
Self-leadership	An Expert has moderate self-reflective capacity. The tendency to take feedback personally leads to low openness to feedback.	An Achiever has robust after-the-fact self-reflective capacity. Openness to feedback helps achieve desired outcomes.

Table 1 – Capacity development from the Expert to the Achiever stage.

Expanding the Frame on Middle Manager Resistance

As Alex took in these findings, he began to see middle management's resistance to Agile in a new light. Previously, his interpretation was shaped by an "outside-in" perspective, which assumed that middle manager behavior is determined mainly by structural factors (e.g., role definitions, authority relationships, career paths). He now realized that behavior is also determined by internal factors. Nevertheless, he'd assumed that this was adequately addressed by encouraging managers to adopt an Agile mindset.

Alex felt his previous perspective was still valid, as far as it went. However, his new understanding of agile capacities and their stage-wise development gave him significant new insight. He saw that Expert capacities aren't really sufficient for the kind of leadership Agile requires of middle managers. Achiever capacities, with their emphasis on customer outcomes, robust reflection, and testing opinions with data, are much more compatible with Agile. Helping middle managers develop Achiever capacities and the leadership behaviors that go with them seemed highly relevant to moving beyond the engineering organization's current institutional ceiling on Scrum team performance.

Alex also saw that Catalyst leadership (explained later) goes even further to embody the true spirit of Agile. While most of Alpha's middle managers would have their hands full developing to the Achiever level, he thought it would be fantastic if Beth's team could embrace Catalyst leadership. It seemed that these two agility-level shifts together would create a very strong Agile culture within engineering as a whole.

Bringing Leadership Agility to Alpha's Engineering Organization

Accompanied by Alex, Beth's senior team vetted the Leadership Agility approach by participating in a one-day workshop. The Leadership Agility facilitator guided the team through experiential exercises and group discussions that resulted in a clear picture and distinct feel for the Expert, Achiever, and Catalyst levels. The team then assessed their current level of agility as a team (Achiever) and compared that with their assessment of the pace of change and degree of interdependence in their work environment. The environment they identified was one that, according to the research, optimally requires Catalyst leadership.⁴

Next the team engaged in a facilitated discussion about what, if anything, they wanted to do about this discrepancy. They developed a consensus aspiration

Type of Agility	Achiever	Catalyst
Context-setting	The primary focus is on achieving outcomes. Problem solving is a means to that end.	The primary focus is to develop sustainable human systems. Achieving strategic outcomes is a means to this larger purpose.
Stakeholder	The ability to put oneself in others' shoes leads to customer orientation, desire for stakeholder buy-in, and openness to cross-functional collaboration.	A Catalyst has an interest in imagining what it's like to <i>be the other person</i> in their shoes and the ability to do this. A greater balance of assertion and receptivity leads to more effective collaboration.
Creative	An Achiever has the ability to see problems in a larger context and is open to changing opinions based on new data.	Increased awareness of contextual assumptions behind problem definitions and solution ideas increases creative problem-solving capacity.
Self-leadership	An Achiever has robust after-the-fact self-reflective capacity. Openness to feedback helps achieve desired outcomes.	A Catalyst has an emerging ability to reflect in the moment; curiosity about previously unnoticed feelings, assumptions, and behaviors; plus broader and more proactive interest in feedback.

Table 2 – Capacity development from the Achiever to the Catalyst stage.

to operate at the Catalyst level, at least for certain types of decisions where this would offer the most benefit. Finally, they created an action plan with specific accountabilities to make desired changes in team functioning.

Based on this positive experience, Beth's team, with Alex's support, decided to engage the engineering organization's middle and senior managers in a two-day Leadership Agility workshop on leading organizational change. Each participant was instructed to bring a change project for which they had major responsibility. The workshop was an interactive, action learning experience, in which each manager worked on their chosen project. The facilitators guided them through a series of exercises where they improved their projects while also increasing all four types of leadership agility. Each participant emerged with a change leadership toolkit and an action plan for specific changes in leadership behavior and mindset.

Alex felt one of the workshop's greatest benefits was that it showed middle managers they have a clear and vital role in an Agile organization that went far beyond "letting go of control" and "not being a traditional

manager." As the ongoing Leadership Agility work progressed through this and other activities, Beth and Alex felt engineering was on its way to creating an Achiever leadership culture at the middle levels, a Catalyst leadership culture at the top level, and becoming a much more agile department overall.⁵

The Development of Agile Capacities: From Achiever to Catalyst

Development of the capacities and behaviors needed for Catalyst leadership enables a senior team to embrace the full spirit of Agile and put it congruently into action. Table 2 provides an overview of how a leader's capacities develop through the Achiever to Catalyst transition.

Bringing Leadership Agility Straight to the Top

The previous story was about a Scrum adoption, but how is Leadership Agility relevant to Agile transformations? To illustrate the role that shifts to Achiever and Catalyst leadership can play in an Agile transformation,

what follows is a subsequent “chapter” in the Alpha story, based again on an amalgam of real-life examples. Flashing forward in time, Scrum has now become an integral part of delivery work in the engineering organization, and the Leadership Agility work has made it a more collaborative, empowering organization. Business benefits include increased customer satisfaction, faster time to market, and a happier workforce.

But Beth and Alex felt that even greater benefits could be realized through an Agile transformation of the company as a whole. They began a dialogue with Alpha’s CEO, Zack, and other key members of his top executive team, stressing the following points:

- The benefits realized in engineering through Scrum and the Leadership Agility work were substantial, but they were not as great as they could be because interdependent company functions like HR and accounting were still using traditional management practices. In HR, for example, traditional hiring criteria, job descriptions, and incentives were holding back Scrum team performance.
- Seeing what the Leadership Agility work had done for engineering, Beth and Alex felt it could be used to create an increasingly Agile leadership culture throughout Alpha.
- Research has shown that when enterprises become more agile, their business performance increases.⁶ And Alex’s firm had the experience and expertise to guide Alpha through a transformation that would bring Agile values, principles, and methods to all of Alpha’s management and delivery functions.

Senior Management Gets to Work

When Zack and his executive team viewed these points in light of their thinking about Alpha’s future, they eventually concluded that the benefits of a company-wide Agile transformation probably outweighed the investment that would be needed. They started by doing two workshops, one on Agile transformation led by Alex, the other on Leadership Agility, much like the one that engineering’s senior team had done. As with that team, Zack’s team diagnosed itself as operating at the Achiever level in a work environment where Catalyst leadership would be optimal. They also developed an action plan for using Catalyst practices for some of their most important decisions.

Zack got behind the idea that Catalyst leaders work to develop a culture of empowerment, participation,

candor, and collaboration. As other Catalyst leaders have done, he set out to create this culture within the executive team so they could model and lead this culture change together.

Toward this end, Zack’s team engaged in a 360-degree feedback exercise using a tool based on the Leadership Agility framework. Each executive was assisted in putting together an action plan based on their feedback, followed by a leadership coaching engagement. A group debriefing helped them identify two areas they most needed to improve: context-setting and stakeholder agility. Positive changes came immediately and began to build. As trust and openness within the team increased, they got better and better at resolving difficult strategic and organizational issues.

Predictable middle manager resistance to the Agile transformation was addressed in three ways:

1. These managers learned how to apply Agile mindsets and methods to improve how they managed their own functions.
2. By engaging in the Leadership Agility work, they developed the capacities and leadership practices needed to shift from Expert to Achiever.
3. This shift was facilitated by more enlightened leadership and coaching from Alpha’s senior executives.

Because Zack’s team modeled the changes they wanted the company to make and asked for feedback on how they were doing, managers at other levels followed their lead. Alpha’s transformation to Agile management was a huge undertaking with many challenges. Yet having a cohesive top team developing a genuine executive-level Catalyst leadership culture greatly enhanced the company’s ability to ride the waves of change.

Later, after the transformational vision had moved much closer to reality, Zack reflected on what Alpha had accomplished:

We’re now distinctly more agile as a company, and this is paying off with increased profitability. We’ve moved to a stage where collaboration has become a part of the culture. Communication and trust have increased dramatically within my team and the company as a whole. Morale has also improved significantly. Bottom line, we’ve achieved a level of success that simply would not have been possible without the transformation work we’ve done.

Key Takeaways

The holistic approach to Agile adoption and Agile transformation presented in this article integrates several perspectives on organizational change. It's true that Agile methods can strongly influence change in individual behavior, especially if an Agile mindset is also activated.⁷ However, a manager's behavioral repertoire is also strongly influenced by his or her cognitive and emotional capacities. Working simultaneously from the outside-in and from the inside-out is likely to have substantially more success than using either approach alone.

Similarly, establishing Agile structures (roles, processes, tools) helps create an Agile organizational culture, but culture is not determined by structure alone. The other essential lever for culture change is leadership. Here, it's important to make a distinction between Agile management (Agile portfolio management, Agile HR, Agile budgeting and cost accounting, Agile marketing, etc.) and Agile leadership.⁸ Agile methods constitute a true revolution in management.⁹ By themselves, though, they do not provide the too-often missing ingredient of Agile leadership.

The Leadership Agility body of work provides a roadmap of agility levels and methodologies that help managers develop agile capacities and corresponding leadership behaviors. When combined with existing Agile principles, values, and methods, Leadership Agility provides a unique contribution to an Agile transformation program.

Acknowledgments

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Endnotes

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⁴Joiner and Josephs (see 1).

⁵As used here, "leadership culture" means that part of the corporate culture that sets norms and expectations for effective leadership. Like individual managers, leadership cultures operate at different levels of agility, with an Expert culture frequently predominating in the middle tiers and an Achiever culture at the top. Two survey research studies using this construct both reached an identical conclusion: the leadership cultures of companies that skewed more toward Achiever or Achiever/Catalyst had more agile organizations and better business performance than companies whose leadership culture skewed more toward Expert or Expert/Achiever. See Joiner, Bill. "Leadership Agility: A Global Imperative." *Dialogue Review*, 5 November 2015 (<http://dialoguereview.com/leadership-agility-global-imperative/>).

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⁷"Outside-in" causality seems to be especially powerful at the lower tiers of an organization, but less so at the top, where behavior is less determined by structural constraints.

⁸The distinction between leadership and management, originally made by Warren Bennis and Burt Nanus in *Leaders: Strategies for Taking Charge* (Harper & Row, 1985), was further popularized by John P. Kotter in *A Force for Change: How Leadership Differs from Management* (Free Press, 1990). In Kotter's version, management focuses on planning and budgeting, organizing and staffing, and controlling and problem solving, while leadership focuses on setting direction, aligning people, and motivating and inspiring. Kotter believes that the best leaders are also managers, and the best managers are also leaders.

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Two Sides of the Same Coin: Using Culture and Structure to Build Agile Organizations

by Jesse Fewell

Today's leaders are racing to reconfigure their organizations to be more adaptive and competitive. However, when looking for guidance on how to do that, they will discover two competing schools of thought in the Agile community: "First fix the culture" and "First fix the org structure." In reality, this debate between a culture-first or structure-first strategy is misguided. Leaders need to encourage a conversation that incorporates both perspectives. Through this two-sided conversation, they can guide an organizational transition that is both meaningful and sustainable.

In this article, I discuss the pitfalls that have ensnared too many rising Agile executives and explore ways to avoid them. In closing, I introduce the Agile Leadership Canvas, a rubric for guiding the Agile transformation conversation.

The most successful transitions to organizational agility feature a simultaneous blending of both cultural shifts and structural changes.

The Debate

Despite nearly two decades of success with Agile methods, the debate still rages. What is the best way to get some quick wins? What is the best way to scale those wins across the organization? What is the best way to sustain those gains over the long haul?

Since the beginning of the movement, the debate has fallen into two predictable camps (see Figure 1).

The first group will justifiably say that Agile is a mindset. Any change we make in our organizational behaviors will only stick if we change the belief systems

underlying those behaviors. We must change our culture first.

Meanwhile, others will recommend changing the structure first. These experts say that culture is amorphous and nebulous. They argue it is more achievable to start with adjustments to policy, organizational structure, role definitions, and other such tangible items. Culture, in this view, comes last.

In truth, this is the classic trap of a false choice. The most successful transitions to organizational agility feature a simultaneous blending of both cultural shifts and structural changes. Unfortunately, too many senior leaders side with one of these camps. Let's take a look at the pitfalls aspiring Agile leaders fall into.

Culture Comes First (or Does It?)

Here's a typical story I've heard from several organizational leaders. A CEO attends an Agile conference, where she learns "Agile is a mindset." This makes sense, considering the movement itself was formalized in 2001 by a manifesto of values and principles¹ describing a culture.

She decides this is what she wants her company to be about and returns to the office and declares, "As of today, we are an Agile organization." She appears on an intranet video and announces, "Our transformation into an Agile organization is a journey. In that spirit, I will go on a journey of my own, a listening tour, featuring town hall meetings in every one of our 20 offices across the globe."

Some departments take the guidance to heart and begin experimenting with some incremental improvements. However, some product groups go overboard, doubling their capital expenditures in the name of innovation. Meanwhile, most projects simply ignore the transformation edict altogether and continue operating

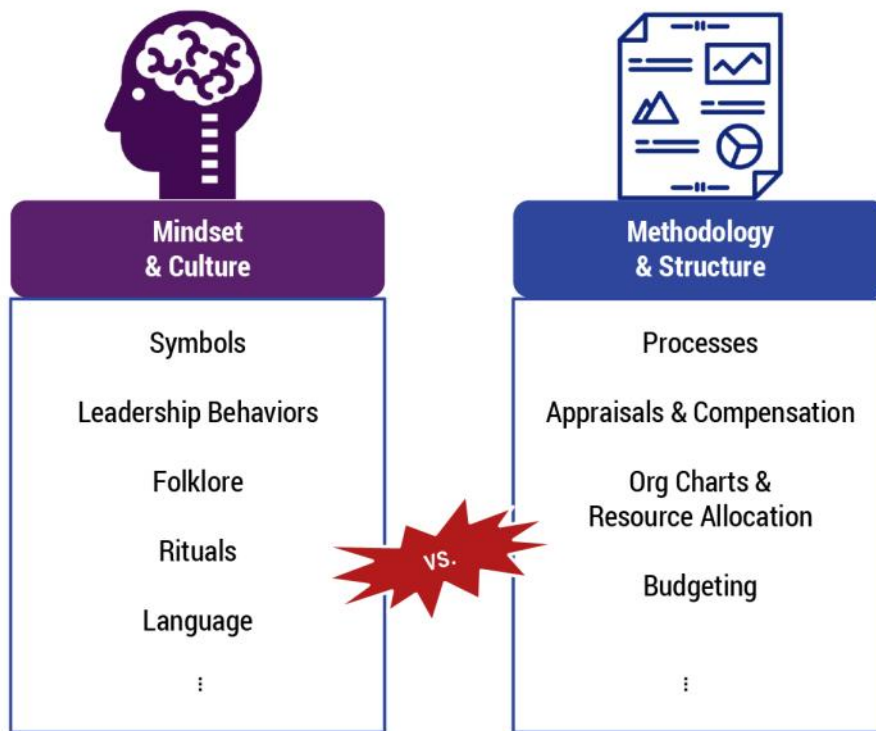


Figure 1 – The misguided Agile leadership debate.

the same as always. Six months later, the leadership team faces a mishmash of organizations in disarray. Many of them look very different, a surprising number of them reflect no changes at all, and all are at each other's throats.

Many of the unicorn companies we admire today feel fundamentally different from our own. They use funny jargon. Every day is casual Friday. Managers are nowhere to be found, and custom art is hanging in the halls. Because they feel different, they attract and retain better talent, and they are more comfortable taking innovative risks.

Simply put, successful organizations have vastly different cultures than average organizations. It's a truism we take for granted, which is why the culture-first approach resonates so deeply in the Agile movement. "Culture comes from the top," as the saying goes. However, when you start there and then stay there, you run into two very painful realities.

Pitfall 1: All Sizzle, No Steak

Most experts will agree the Agile movement is primarily a mindset. Leaders and teams are challenged to let

go of their decades of training and experience in favor of a new way of working. It's much more important to emphasize "being Agile" rather than merely "doing Agile."

Yet as my literature professor once explained to me, "You can't speak to the general without the specific. You can't talk about grief until you tell the story of a recent widower unconsciously walking the streets ... to his wife's favorite coffeehouse ... at midnight ... in the rain."

Likewise, noble virtues such as "honesty," "respect," and "value" sound great. But until you hang something tangible on those values, they aren't visible. Until the invisible is made visible, change simply will not happen. People will ask, "What do I do differently? What does that look like? Is my job at risk? Where do I start?"

Even more unsettling is that you run the risk of losing credibility in your role. One organization I'm working with right now had to shift a senior leader to a new role: "He's a great person, but he only talks a great game and never does anything. He's all sizzle, no steak. All hat, no cattle."

Pitfall 2: Your Agile Is Not My Agile

When leaders live in abstraction, followers are left to interpretation. Simply issuing the order “Go forth and collaborate” will result in very different kinds of collaboration across the organization. Instead, strong leaders must define and communicate clear expectations around new ways of working, while also allowing for flexibility within those expectations.

Move too fast, and you might leave behind the people you wanted to follow you in the first place.

Just as the old parenting adage goes, there is freedom in boundaries. People thrive knowing what is safe harbor and what is out of bounds. Without something explicit in the way of universal guidelines, your teams will argue over what Agile means. Tragically, in the absence of guidance, they’ll all be justified in their positions and drift even further apart, leading to more conflict, more delays, and more execution issues.

Zappos CEO Tony Hsieh has famously been pushing the edge of self-organization at the online retailer. Recently, he installed the Agile-friendly management technique of Holacracy,² which advocates high levels of self-organization and discretion. Unfortunately, this experiment with employee empowerment has yielded a Wild West dynamic, which most other organizations simply would not want to deal with.³

Structure Comes First (or Does It?)

Now that we know a culture-first approach isn’t ideal, it’s easy to see the appeal of making big structural changes. Here’s how that scenario generally goes.

A VP attends a workshop on a particular Agile framework. He becomes convinced it is the ideal strategy for the organization to transition to a faster, better, cheaper version of itself. He hires one of the Big 5 consulting firms to help make it happen. The Agile consultants descend upon the organization, wielding their templates, org charts, and flowcharts. People are allocated to new “innovation pods” and informed that their new

roles will be totally different. New, unfamiliar work management tools are installed, and “Agile coaches” hover over people, instructing them in the new way to do their new jobs.

Because these changes are made so swiftly, staff feel confused and begin to slow down out of fear of making mistakes. Meanwhile, middle managers feel isolated and begin actively resisting the initiative or tendering resignations. Within a year, the VP becomes frustrated with the pain-to-reward ratio, fires the consultancy, and dials the initiative back. The new processes are diluted into something that looks more familiar but has limited impact. Finally, the most progressive-minded champions declare, “That’s not Agile!” and leave the firm to become consultants themselves.

At first glance, this structure-first approach is not as bad as the culture-first scenario. At least we can actually see something different — there are material changes on the ground. However, without a direct effort to incorporate cultural elements, two recurring pitfalls emerge.

Pitfall 1: Too Fast, Too Furious

Several Agile advocates believe very strongly in this approach. One of my colleagues refuses to help any organization unwilling to start with a staff restructure. Indeed, a cofounder of the Agile movement has formalized his all-or-nothing approach as “shock therapy.”⁴

However, the barrier to entry is formidable. This approach requires seriously high pain tolerance on the part of senior leadership. Often it demands a willingness (even an eagerness) to incur conflict within your leadership team, turnover of your most tenured people, mistakes made in the new model, and even the risk of litigation from those who feel betrayed. Granted, change of any kind is unsettling to some. And, by definition, those leaders who advance change have a higher change tolerance than the mean of people inside the organization.

But while you may be willing to disrupt your own department, how will those changes impact your customers, vendors, and partners? You may want to be Agile, but is everyone else on board? Most of your stakeholders will share your frustration with known problems but be unwilling to help fix them.

Move too fast, and you might leave behind the people you wanted to follow you in the first place.

Pitfall 2: Action Without Intent Is Noise

Even if you take a measured pace, your staff and stakeholders will still be asking you, “Why?” There is a reason why the most compelling organizations have mission statements: they create clarity and focus. By articulating a vision of what you are trying to achieve, and why you even want to achieve it, people are able to place action within a context.

In a 2012 *Harvard Business Review* article, Boris Groysberg and Michael Slind summarize this dynamic, describing leadership as a conversation. Gone are the days when universal, one-size-fits-all edicts could pass muster. From technology to globalization to upcoming generations, several business trends are “forcing the shift from corporate communication to organizational conversation.”⁵

Even more common, impatient leaders will often jump to a structural fix before a proper root-cause analysis determines the underlying problem at hand. The quick fix yields little result, so another new surefire method is implemented, and so on, and so on. Facilitating real conversation enables true reflection. Without that, you run the risk of several successive knee-jerk mandates,

each of which inspires change fatigue and lowers morale.

A Holistic Strategy

As you can see, a one-sided perspective on leading Agile organizations can spell trouble. However, each perspective brings necessary merits to the table (see Table 1).

Instead of falling into this classic trap, the most effective leaders capture the best of both worlds in a blended approach. Here are three tips that reveal how to do just that (see Figure 2).

Tip 1: Operationalize the Culture

In order to ground a culture-oriented thought process, we want to reshape it with some structural elements. To do that, simply ask one question: “How do we operationalize this?”

If you’re locked in a conversation about the pain of today versus the promise of tomorrow, you can bring that conversation back to earth with this simple prompt. Rather than wandering along in a fog of vague values, explore a tangible, visible, physical change that can move the status quo.

Culture First	Structure First
“Agile is a mindset. Until you change hearts and minds, your transformation will only be skin deep.”	“Agile is about results. Your transformation won’t make headway until you make serious changes.”
<p><u>PROS:</u></p> <ul style="list-style-type: none">• Addresses the underlying psychology that drives behavior• Sets an aspirational vision of where the organization is going	<p><u>PROS:</u></p> <ul style="list-style-type: none">• Simplifies organizational change into actionable tasks• Sets firm boundaries and expectations for new behaviors
<p><u>CONS:</u></p> <ul style="list-style-type: none">• Makes the organizational change vague and open to interpretation• Most are left wondering, “What do I do differently, exactly?”	<p><u>CONS:</u></p> <ul style="list-style-type: none">• Moves toward one-size-fits-all methodologies• Many are left wondering, “Why are we even changing in the first place?”

Table 1 — The pros and cons of the culture-first and structure-first approaches.

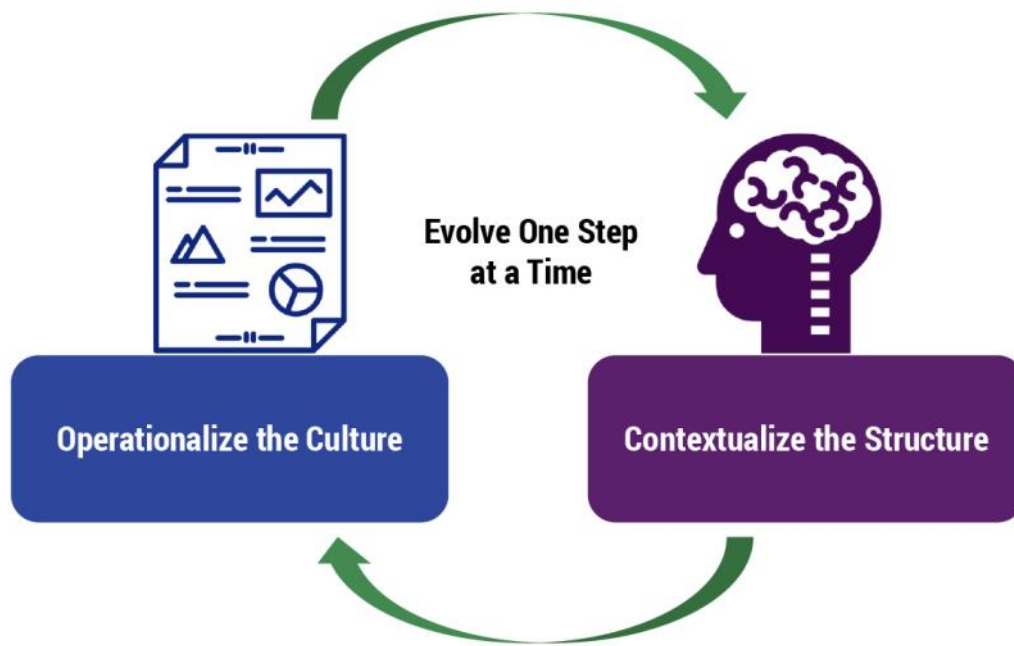


Figure 2 – Three tips for building Agile organizations.

Tip 2: Contextualize the Structure

Meanwhile, the more analytical leaders on your senior team will want to go straight to mechanics. That's good. To inform those changes as more than just management mandate, however, ask the opposing question: "How do we contextualize this?"

The Agile leader's dilemma: Be impatient with the status quo, but patient with the people in it.

For every new process or policy, challenge yourself with "Why?" — "Why do we need to change at all? What's the real problem here?" Then be prepared to broadcast the answers, over and over and over again.

In his best-selling book *Power of Habit*, Charles Duhigg explains the neurology of change.⁶ The basal ganglia is where we process routine, standard operating procedure. Meanwhile, the prefrontal cortex is where we force ourselves to try something different. There is literally a different part of the brain involved in day-to-day activities versus new behaviors.

That means we need a lot of encouragement and repetition to replace old habits with new ones. Leaders can help that by repeating the context.

Tip 3: Evolve One Step at a Time









Transformation is all the rage. Every new executive wants to be the turnaround leader who made a mark and left a legacy in record time. But beware, Icarus. If you go too fast in your relentless pursuit of the sun, you will be burned.


In his book *Adapt*, Tim Harford observes that the modern toaster is so complex, no one person is able to build one independently.⁷ Consider integrating a heating element, a voltage transformer, a heat-resistance shelf, a spring-action ejector, and a rotary timer. That assembly of parts did not happen overnight; it is the culmination of decades of gradual adjustments and enhancements, introduced by one manufacturer and then another.

Turning a ship requires both a great deal of energy and a great deal of time. This means we face a fundamental dilemma: sustainable change requires that we be impatient with the status quo, but patient with the people in it.

Agile Leadership Canvas

Team:
Date:

	Culture Symbols, rituals, folklore, language, leadership behaviors	Structure Processes, policies, people allocation, budgets, appraisals, reporting
Empowering We value individuals and interactions over processes and tools	 <p>"The unicorn trophy goes to this month's person with the craziest idea that actually worked"</p>	 <p>Staff have several ideas for the new facility. Let's increase our investment to make some of them happen"</p>
Delivering We value working product over comprehensive documentation	 <p>"Let's get a prototype into limited release this quarter. we'll declare victory, and use the results to plan a second phase"</p>	 <p>"Our most strategic projects have 100% allocated staff. We don't want anything else distracting them.</p>
Partnering We value customer collaboration over contract negotiation	 <p>"Remember that time we walked away from a \$1M deal, because our teaming partner was getting shut out..."</p>	 <p>"Let's add a clause in the agreement that preserves your executive discretion to make changes within certain parameters"</p>
Adapting We value responding to change over following a plan	 <p>"YES! We can totally rework that deliverable. It's annoying, but now we know a better way."</p>	 <p>"Every month let's hold a public stakeholder feedback review. Any new ideas or changes will be formally prioritized against existing goals."</p>


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Figure 3 – The Agile Leadership Canvas™.

To add insult to injury, the larger the organization, the more likely change is needed, and also the more step-wise your Agile journey should be.

The Agile Leadership Canvas

It can be challenging to achieve the right blend of institutional and inspirational change. As a result, executives will be tempted to hire consultants to install a proprietary commercial methodology detached from your context. On further examination, though, striking the right balance turns out to be a rather simple proposition. All it requires is conversation.

To help guide that conversation, several executives have used the Agile Leadership Canvas™ (see Figure 3). Here's how it works.

Canvas Design

The Agile Manifesto is the foundational document that chartered the Agile movement. It advocates four complementary values to achieve better business outcomes:⁸

1. Individuals and interactions over processes and tools (Empowering)
2. Working software over comprehensive documentation (Delivering)
3. Customer collaboration over contract negotiation (Partnering)
4. Responding to change over following a plan (Adapting)

The collective goal is to create an organization that emulates these values and generates those outcomes again and again, year after year. By superimposing these values on the two-sided conversation of Agile culture and Agile structure, we can create a simple grid that can be used to elicit and compare ideas for evolving the organization .

A Canvas Example

A departmental executive calls her team together at a table with blank copies of the canvas and asks, “Which of these values resonates with you? Which of these will move the needle?”









The team members begin brainstorming on Empowering:


“I do think we could benefit from a more empowered workforce. That will help us attract and retain talent, which we seem to be having a hard time with.”

A thesis is put forward: “Hmm ... what would that look like operationally? I heard that Amazon is among the most remote-friendly workplaces.⁹ Perhaps we could announce a new work-from-home experiment.”

“That’s a good idea. Meanwhile, I’m thinking that we as leaders can encourage a shift in our cultural narrative around empowerment. I heard Tata Group has an annual ‘Failure Award’ to encourage daring innovation.”¹⁰

These first ideas are recorded onto the canvas, as shown in Figure 4.

Agile Leadership Canvas		Team:	Date:
	Culture Symbols, rituals, folklore, language, leadership behaviors	Structure Processes, policies, people allocation, budgets, appraisals, reporting	
Empowering We value individuals and interactions over processes and tools	 WORK-FROM-HOME "FAILURE AWARD"		
Delivering We value working product over comprehensive documentation			
Partnering We value customer collaboration over contract negotiation			
Adapting We value responding to change over following a plan			

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Figure 4 – Idea capture on the canvas.

Later in the conversation, the operations director makes a counterargument: “I’m frustrated with failed projects, so Delivering is the core value that resonates with me the most. I say we need to mandate collaboration, where nobody works from home, and create more accountability around any mistakes. There’s just not enough discipline here.”

“But that goes directly against the other ideas we had,” another team member responds. “Perhaps we could have both an Empowering and a Delivering organization. What if our work-from-home policy is reserved for our rock stars? We set the precedent that it’s an earned privilege and an incentive for high-value candidates.”

“OK, I see where you’re going. From our audit last year, we found that quality issues were the top cause of

project problems. I’ve been wanting to encourage ownership of those gaps and address them with a \$2,000 professional development budget per employee. But what if we let staff take personal ownership of how to use that money? It could be spent on any work-related training they choose. Maybe we literally empower people to get better at their jobs.”

Now, the canvas is updated to reflect these revisions (see Figure 5).

Eventually, the executive’s deputy interjects, “Team, this was a good conversation, but honestly, I think trying these ideas will be plenty for now. If we do more than this, our people will freak out. Let’s try this for a couple months and see if we generate movement.”

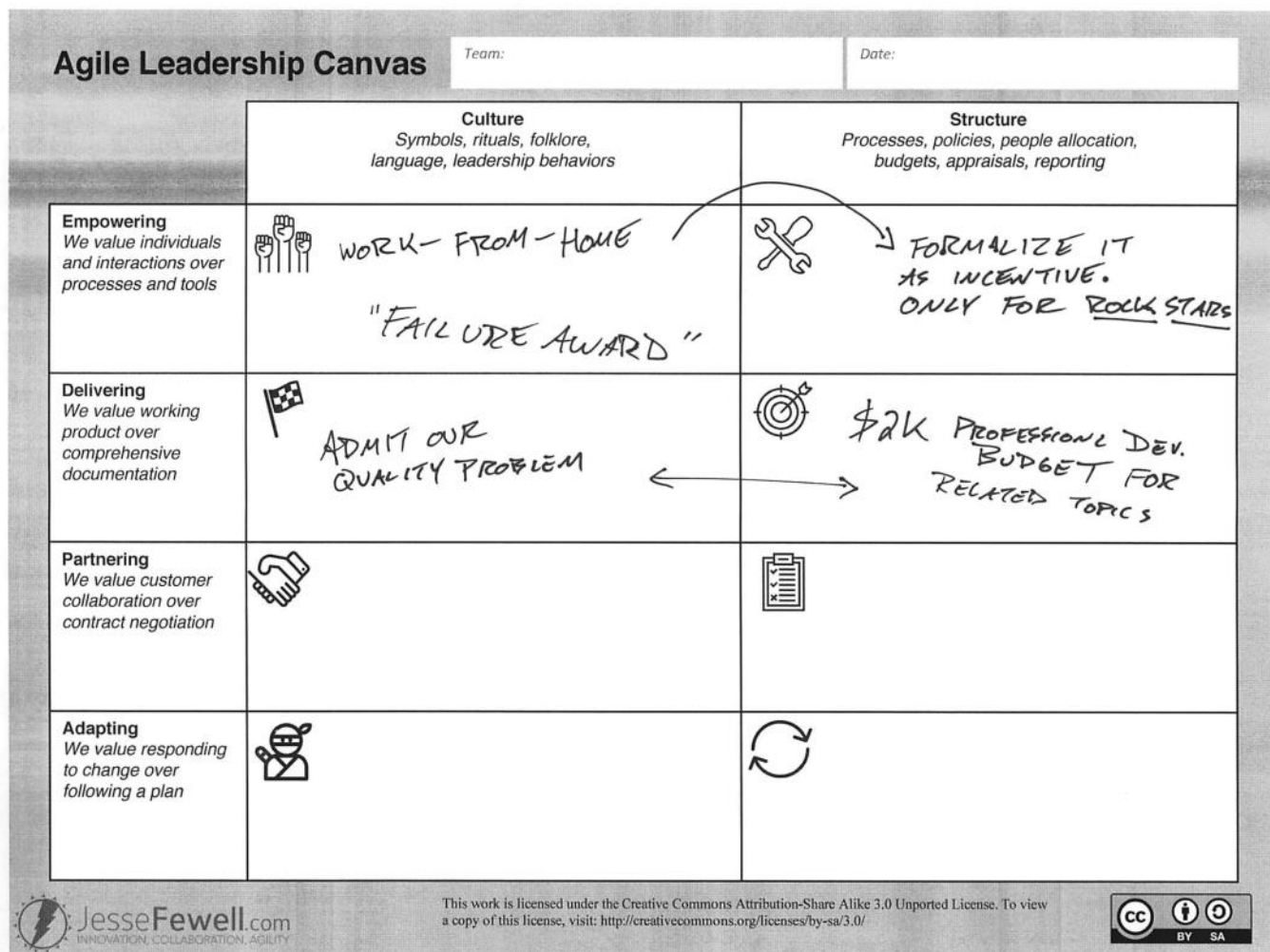


Figure 5 – Ideas revised on the canvas.

Conclusion

Too much of the conversation around organizational agility is limited to all-or-nothing approaches. Either a project is Agile or traditional. Either we use this methodology or that one. Either a transformation is culture-driven or structure-driven.

The best leaders are those who can move beyond these false choices and spark a simple conversation around both sides of the equation.

Endnotes

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Creating Self-Directed Teams: It's a Question of Space

by Bob Galen

Over the past few months, I've been coaching clients who are in the early stages of adopting Agile approaches for software. Most of them are adopting Scrum, but a few are adopting Kanban.

Universally, they complain that their teams aren't stepping up to the:

- Empowerment
- Responsibility
- Accountability
- Passion
- Energy
- Creativity

that are implied as part of the culture of self-directed, Agile teams.

Often the teams appear to be frozen. They're not able or willing to take accountability for their projects. Their energy levels are low. They seem to want to walk through the delivery of their systems. Overall, their posture is one of continually needing to be told what to do.

To say that the clients are disappointed is an understatement. And these comments are coming from all levels of the leadership teams.

It May Not Be the Teams' Fault ...

But I have a shock for these folks. It may not be the teams that are the problem. It may be the leaders that are standing in the way of the teams' self-organization.

How, you might ask?

Well, lately I've been referring to the problem as not giving teams enough *space* — space to grow, space to become autonomous, space to become self-directed.

You see, self-direction doesn't just happen because you adopt Scrum, Kanban, or another Agile variant. Or because you say "Agile" 20 times to your teams. It needs a fertile space to grow. It needs to be watered and fertilized. It needs an honest and open environment.

In far too many cases, this is simply not happening.

So, what are the elements of self-directed space? Let's explore a few that come to mind.

It may be the leaders that are standing in the way of the teams' self-organization.

Managers: Stop "Managing"

The first element is for your managers to stop, well, managing. In other words, stop trying to tell people what to do, estimating their work for them, or solving their problems for them.

I usually share the notion of *push* versus *pull* with managers who are making the transition to Agile. You want, at all costs, to resist pushing yourself into the teams — the less frequently you intervene, the better. However, if the teams ask you for help, or otherwise pull you in, then do assist your teams. Push reduces their autonomy, while pull supports and respects it.

I was coaching a leader (manager) just the other day on this notion. Her team was struggling a bit in solving a product design problem for a customer. She had direct experience with this sort of design and wanted to simply direct the team toward the solution. I asked her to wait, to allow the team some time to struggle with the solution.

You could literally see her discomfort with this idea. She was nearly breaking out into a cold sweat, as every ounce of her being wanted to help (i.e., solve the problem for) her team.

In the end, the team came up with a novel and successful approach. On their own.

Be Careful What You Measure

Measures often drive behavior. For example, if you measure code-complete milestones within sprints, then you're emphasizing development-done rather than a whole team-done focus. So, don't be shocked if your team doesn't jell into a mature Agile team. It might be because of the way you're measuring or incenting them.

I've found that any time a team member is declared a lead, they'll have a requisite number of followers.

I remember once delivering a virtual Agile class for a Ukrainian team. I spent a couple of hours emphasizing the mindset of agility, including the collaborative aspects. Near the end, one young man raised his hand and said:

But Bob, we are not incented to work together. Our compensation model and bonus structure are solely focused on individual performance. I don't care about my team members' performance or helping them; I only care about myself.

At that point, I respectfully ended the class.

Solid Agile metrics need to focus on outcomes rather than activity. Another thing about metrics is that they are primarily for the team, so involve your teams in the creation of your metrics.

It follows that the metrics should be team-based rather than individually focused. For example, if you are measuring throughput or velocity for a team, don't look at individual productivity metrics and compare team members. (Don't compare team-to-team productivity either.) Keep your lens on the team, on their trending and learning, their results and outcomes, and ultimately focus on their improvement.

Team Leads

I've run into quite a few organizations of late that have the notion of *team leads* within their Agile teams. Quite often these people are also serving as ScrumMasters. In general, I've found that any time a team member is declared a *lead*, they'll have a requisite number of *followers*.

That is, the self-directed nature of the team succumbs to the leader. Not always, but often.

You can see the impact in backlog refinement sessions, where team members look to understand and size work items. The teams nearly always acquiesce to the views of the leader. If the other team members or the testers consider a story to be 10 points in size, but the leader thinks it's two points, then the team always seems to normalize to two points. Imagine that.

If I can, I try not to create unnecessary hierarchies in Agile teams. I want the leadership within the team to emerge from each team member as situations dictate. You see, in a self-directed team, anyone and everyone can and should lead as appropriate.

Obviously, the people with more experience will lead more often. But your more junior team members will often get the chance to lead, learn, and grow as well.

Language

I know this might sound odd, but I believe that the language you use impacts the space you provide for your teams.

For example, do you refer to developers as "Development" and "Devs"? Do you refer to testers as "QA" and "Test"? If you do, then you're reinforcing your organizational structure and silos in your everyday language. Silos imply handoffs and a lack of the more natural teamwork and accountability you're looking for in agility.

I try to change my language to deemphasize organizational silos and instead leverage team language whenever possible, and I encourage all leaders to do the same. And when I say *language* in this context, that

includes all forms of it (verbal, tone, and body) as you communicate each day with your teams.

To show you how seriously I take it, I once worked in an organization as a VP of technology. I started to charge myself \$5 for every time I referenced a silo (Dev, Test, BA, Ops, etc.) over the *team* in all of my interactions. As you can imagine, I failed to always use team-based language. However, the practice of keeping tuned in and accountable to that language made a difference in my teams.

My failures also provided a fairly substantial amount of funding for team-based fun.

Team Organization

One of the craziest ways to build an Agile team is to connect a disparate group of remote folks from around the world and then call them a team. They've never worked together or even met, but they're a *team* now because the organization chart has labeled them as such.

Are they really a team? Of course not.

Instead, try to build your teams as closely as possible. Colocate as many as you can. If they have to be distributed, then have as few time zones between them as possible. Also invest heavily in collaborative tooling to support their teamwork.

I often get told that remote Agile teams simply don't work. Yet I've seen remote or distributed Agile teams work quite well when the organization spends the time (and money) to get the team together periodically, especially when the team is being formed. This time can be well spent in chartering the team and establishing ground rules.

Don't get caught up in that old excuse that previous budgetary decisions have cast your remote organization for you, that it's unchangeable. You can always change your strategies over time and reorganize to improve the teaming orientation of your organization. Point being: you have choices and should move to colocated teams as soon and as much as possible.

ScrumMasters

I don't know what it is about today's organizations, but I encounter so many that aren't willing to fund and hire ScrumMasters in their Scrum adoption efforts. Or they overload their ScrumMaster with far too many teams to support. Or they multi-task the role on top of other organizational roles.

Why?

One of the craziest ways to build an Agile team is to connect a disparate group of remote folks from around the world and then call them a team.

Are they really a team? Of course not.

Often it's because they don't understand the role. They trivialize it and minimize the need for it. However, Scrum clearly states that solid teams include a focused and dedicated ScrumMaster. It's an important part of a Scrum team, and it's not really optional. It's a full-time role or job within each team.

I also believe it's a crucial one. Sure, the simpler parts of the role — say, impediment removal — don't necessarily demand a ScrumMaster. But the parts that involve coaching the team and guiding them toward continuous improvement, effective collaboration, and high-quality product delivery take an experienced and knowing hand.

Give your teams space by providing them with focused and capable ScrumMasters. Then support the ScrumMasters with ongoing training, coaching, and mentoring.

If you don't see the value proposition for a ScrumMaster, run an experiment. Simply hire one, a good one, and assign them to a team. Next, give them some leeway and measure the difference they make in team morale, focus, efficiency, and results.

If you run an honest experiment, you'll be as convinced as I am of the value of the ScrumMaster role.

Failure and Discovery

I often talk to leaders making the transition to Agile about enabling or empowering their teams to try new approaches and to possibly ... fail.

The room usually goes quiet, and everyone gives me a look like I'm trying to sell them a bridge in Brooklyn. The almost universal reaction is: "Bob, we don't fail around here, so please don't mention the 'F' word."

The reality is that failure is a part of learning and a part of success. It lies at the core of innovation and creativity. Whether we like it or not, creating great products through software development is an emergent exercise.

What counts is how you react to your teams when they do fail.

As leaders, we need to create or encourage an environment of risk taking, learning, and exploration within our teams. That is, we do if we want them to grow and learn and become outstanding teams.

The most important test for your ability to foster and support failure (aka learning) is not simply saying it. Saying you support failure is easy. What counts is how you react to your teams when they *do* fail. It's this behavior that will communicate to your teams your true feelings.

Are you just saying it, or do you truly support your teams' learning and discovery?

Trust

I've come to understand that trust is one of the most fundamental ways that leaders can give their teams space within an Agile transformation effort.

Do you allow your teams the freedom, the trust, to become truly independent, self-directed, and accountable? Or do you have a "trust but verify" mindset, where you ostensibly trust your team but rarely give them the space to truly *feel* trusted?

I've found that trusting when the going is easy is, well, easy. You'll know your trust-ometer is where it needs to be if you still maintain your trust when:

- **Your teams' estimates are not in line with external expectations.** In fact, they're three times as long as you need them to be. However, instead of second-guessing your teams, you trust their estimates and begin to manage the expectations.
- **Your teams have encountered a problem that is slowing them down.** Or they're trying to decide which design is the best. Or there's conflict on the ultimate direction and they need arbitration, but you trust them to sort it out on their own.
- **Your teams are taking a direction that you're unsure of** — in other words, taking an approach that is different from what you would do. Every fiber of your being is saying, "This won't work," yet you take a step back and trust their instincts for the solution.
- **Your team is falling behind schedule.** And you're beginning to doubt their decision making and work ethic. Historically, you would have given them a quick kick in the pants to motivate them. Now you trust that they're doing everything within their power, and you support them in any way you can.

It's in these and similar situations where you demonstrate trust for your teams and their motivations and support their go-forward efforts. This is also where they start to *feel* trusted and really grow and learn as true Agile teams.

Celebration and Fun

I don't know about you, but I'm a fairly hard-driving leader. I push myself and my teams to always be looking to deliver more and to deliver more efficiently. This leadership style really aligns well with the Agile objective of continuous improvement.

There is also a fundamental flaw in this approach.

That is, I often fail to stop, look behind me, and celebrate the accomplishments we've achieved. Or to spend time learning from and appreciating the journey, for that matter.

One of the most important aspects of solid Agile leadership is creating the space for retrospection or reflection within teams. Tightly coupled with that is the need to create space for celebrating your journey's accomplishments.

This is one of those areas where you can lead by example for your teams. Take time yourself to recharge your batteries and to have some fun. And fund the teams for a celebration of their choosing.

Wrapping Up

I want to make one final recommendation.

The best way to influence your teams and give them space is not by your words. It's by your behavior — by walking your talk. The more you can model the above behaviors, the more space you will give your teams, and the more they will grow in their Agile maturity. Words matter, but your behavior and actions matter so much more.

For you *Star Trek* fans, outer space was always "The Final Frontier." I beg to differ. I now think that *team space* is the final frontier. And it may be just as hard (or harder) to achieve than leaving earth's orbit on another adventure.

Why?

Because traditional management techniques and approaches are a strong part of our DNA and incredibly hard to shift away from — especially when we are challenged or under stress. But if your goal is to foster sustainable, empowered, trusted, and engaged self-directed Agile teams, then shift you must.

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The Pedagogy Principle: Teaching Agile Leaders How to Teach

by Jeff Dalton

You are not a leader until you have produced another leader who can produce another leader.

— Simon Banks

Agile is all about learning. But do Agile leaders know how and what to teach?

Inadequate teaching skills leave the leadership chain open to the most treacherous of all Agile anti-patterns — an *organizational type mismatch* where teams are embracing agility but multiple levels of management lack basic knowledge of Agile values, ceremonies, and techniques, creating an impediment to enterprise Agile transformation.

Of all the reasons for technology leaders to embrace agility, the power of continuous learning should be at the top of the list.

Why aren't we teaching Agile leaders how to teach?

While Agile adoption has grown exponentially, much of this growth has been horizontal (across teams), not vertical (throughout the leadership chain). This phenomenon makes sense. Leaders spend their careers honing the traditional techniques of management — long-term planning, command-and-control leadership, and task management and tracking — only to learn that those tools are losing ground to self-organization and self-subscription business models like Scrum and Holacracy, where tasks are selected and executed by team members themselves with limited oversight. Leaders who don't recognize this and take steps to self-correct inadvertently impose a firewall to the adoption of Agile values and frameworks beyond the project team.

In this article, I present the Agile Performance Hierarchy, which provides a basic framework and

curriculum for teaching Agile leaders. It is accompanied by a set of rubrics for defining and evaluating effectiveness and content in order to help guide aspiring Agile leaders in their transformation from low-trust task managers to high-trust teachers, coaches, and stewards of Agile values.

A Pedagogy Primer

Of all the reasons for technology leaders to embrace agility, the power of continuous learning should be at the top of the list. No one knew this more than Johann Friedrich Herbart (1776-1841), the progenitor of modern pedagogy. His innovative research on the science of learning is still in use today and has enjoyed a renewal among Agile leaders.¹ Born exactly 60 days prior to the signing of the Declaration of Independence and more than 200 years prior to the signing of the Agile Manifesto, Herbart rooted his work in philosophy and psychology and recognized the connection between empirical learning and practical application and their benefits to society as a whole. Pretty Agile.

Merriam-Webster dictionary defines pedagogy as “the art, science, or profession of teaching.” Its focus is on the theory of learning and providing guidance for teachers to impart knowledge, not just information, to their students. One of the earliest known forms of pedagogy is the Socratic method, a technique in which the teacher acts as both coach and inquisitor, using a series of questions to drive out inconsistencies in order to help students self-realize what they *know* based on their own experiences.

Herbart built upon the Socratic method by focusing on the end — helping students achieve fulfillment by becoming better and more productive members of their own societies. His contributions led to the creation of the “liberal arts” education as the staple of modern educational systems.

Herbartianism provides a framework for learning that includes:

- **Preparation** — the sharing of subject-related information that is familiar from the student’s own experiences, thereby inspiring interest in learning more
- **Presentation** — the presentation of history, technical concepts, and other ancillary information that provides the student with a base of knowledge they will need to understand the subject
- **Association** — the comparison of information from the preparation and presentation phases in order to spur conversation and debate about the differences
- **Generalization** — the expansion of information into other related areas of knowledge to demonstrate its broad applicability to other disciplines
- **Application** — the use of simulations, games, hands-on exercises, and coaching and mentoring systems to demonstrate the applicability of the information in real-world situations

In the face of the explosive growth of technology and global competitiveness in the 20th century, Herbartianism began to fall behind a more utilitarian vocational education based on a new model, Bloom’s taxonomy.² This model resulted in an approach characterized by large-scale lectures, testing, and on-the-job training, features that most leaders are familiar with today. Bloom deprioritized Herbart’s liberal arts focus in favor of a more direct, technical approach to knowledge transfer. This “vo-tech” style of learning was intended to improve the prospects for direct employment, with less emphasis on the collaborative, interpersonal, and analytical skills that were a hallmark of Herbart and are so important for successful Agile adoption.

Proving that what is old is new again, Jeff Halstead challenges this shift to Bloom in his revolutionary 2011 book *Navigating the New Pedagogy*.³ Halstead theorizes that in order to reignite interest in learning, a return to experiential and inquisitive teaching is essential. He is hardly alone. By the time his book was published, Agile organizations were already turning back to Herbart.

It’s no coincidence that Halstead returns to the people over process, continuous learning, and collaboration set forth in the Agile Manifesto. Both the explosive growth of Agile adoption and the return to collaborative and experiential learning are part of a larger global transformation whereby people are seeking to cast off authority in exchange for autonomy and peer collaboration.

The Six Performance Circles of the Agile Performance Holarchy

As Halstead advises, leadership training should be experiential, iterative, and incremental, with a strong focus on hands-on learning. Evaluation of performance should be based on observation, not examination, with a bias toward the use of the Socratic method so new leaders can form their own thoughts on the *value and purpose* of the lessons. The result will demonstrate the difference between *knowledge* and *information*.

Leadership training should be experiential, iterative, and incremental, with a strong focus on hands-on learning.

In order to ease the transition back to Herbart, it’s useful to employ a learning holarchy — a nonhierarchical collection of nested circles, or holons, to represent the content and evaluation of leadership learning (see Figure 1). The term “holon” was first proposed by Arthur Koestler in his 1967 book *The Ghost in the Machine*.⁴ Koestler observed that complex systems were made up of autonomous self-reliant entities that can, like mature Agile teams, react without asking for permission or direction.

Each “performance circle” in the Agile Performance Holarchy has its own set of related holons that are essential to leading an Agile organization. Each can be taught, practiced, and observed independently as leaders move through the three stages of learning capability:

1. **Adopting.** The leader and organization demonstrate knowledge of the concepts and are observed demonstrating their application on a small scale.
2. **Transforming.** The leader teaches the concepts to other leaders, both internal and external, and observes adoption throughout the enterprise.
3. **Mastering.** The leader is a steward of Agile values and continually sponsors learning and adoption for both internal and external stakeholders.

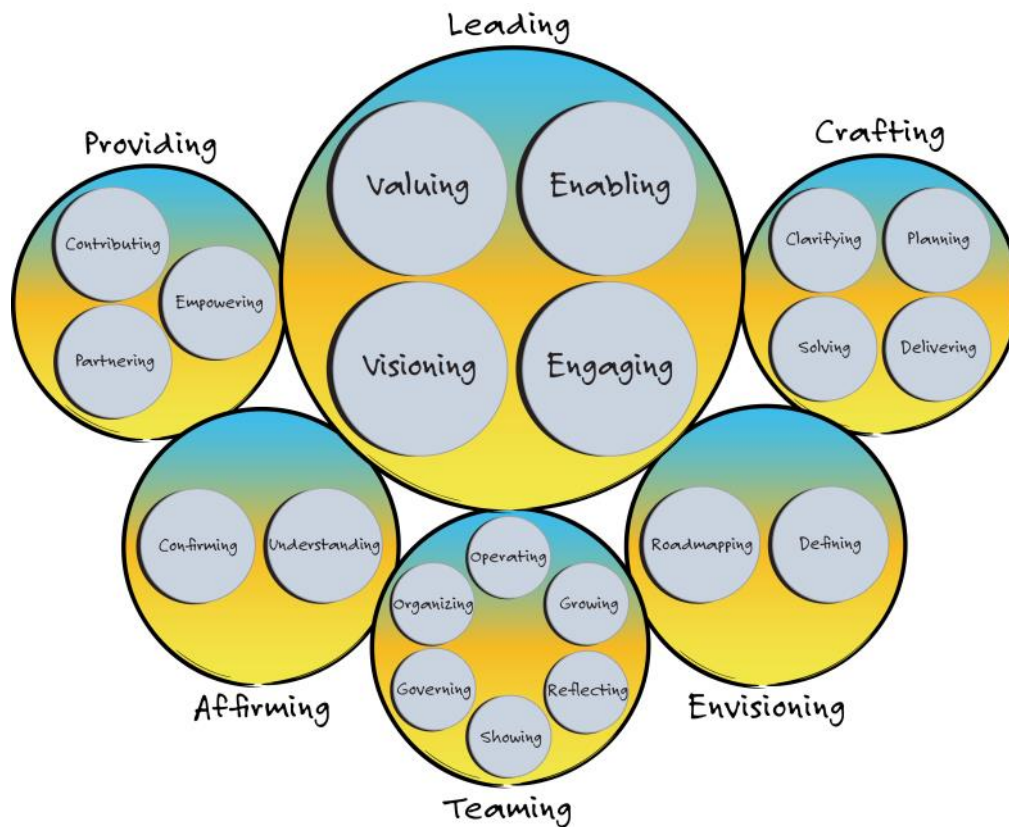


Figure 1 – The Agile Performance Hierarchy.

Leading

The Leading performance circle describes actions, roles, and outcomes that address leadership at all levels of an Agile organization.

In many companies, it is common to observe leaders who are unaware of Agile values yet encourage their product and service teams to “do Agile” by adopting the daily stand-up, sprints, and retrospectives. These ceremonies are often performed in a vacuum, only at the team level, and are completely unattached to customers, cross-functional departments, or leadership. “Customer proxies,” “Project Manager/ScrumMasters,” and “normalized points” are all too common, the result of leadership decisions made without sufficient understanding of values.

Current and future Agile leaders will benefit from learning to adopt, embrace, and deploy Agile team values⁵ and cascade them throughout the leadership chain as they prepare to transition to a self-organizing leadership model (see Table 1).

Providing

The Providing performance circle describes actions, roles, and outcomes involved in providing an Agile infrastructure.

The organic nature of Agile adoption has led some to believe that the leader has little responsibility to provide an infrastructure. However, experienced leaders have learned that providing a solid infrastructure and a resource model that “separates role from soul”⁶ is essential to scaling Agile across the enterprise (see Table 2).

Crafting and Envisioning

The Crafting performance circle describes actions, roles, and outcomes that address the capability lift and craftsmanship required to deliver high-quality products and services.

The Envisioning performance circle describes actions, roles, and outcomes that address the definition and requirements architecture required by high-quality products and services.

Action	Adopting	Transforming	Mastering
Projects Agile team values	Demonstrates an understanding of Agile team values and their projection to the organization	Teaches, observes, and coaches both vertically and horizontally	Is a steward of Agile culture; observes and rewards adoption of Agile values
Demonstrates alignment with Agile team values	Demonstrates an understanding of the connection between Agile team values, frameworks, ceremonies, and techniques	Adopts alignment within the organization under their control	Is an ambassador for alignment across organizational boundaries, including business customers and support teams
Effectively communicates	Demonstrates an understanding of organic multi-layered communication methods and the use of visual information management (VIM) using large, highly visible signs and other information radiators	Teaches, observes, and coaches line managers and teams to communicate using organic, multi-direction methods and visual information indicators	Consistently communicates Agile team values and alignment using organic methods and VIM techniques ("big sign" techniques)
Engages with teams	Demonstrates an understanding of expected team behaviors in a healthy Agile environment	Teaches, observes, and coaches line managers and teams to perform their roles in alignment with expected behaviors	Continuously engages with internal and external teams, as well as suppliers, to evaluate and help improve their adoption of Agile team values and alignment
Empowers teams	Demonstrates an understanding of the business architecture and self-organization frameworks required to enable Agile team empowerment.	Teaches, coaches, and mentors line managers and teams on the business architecture and self-organization frameworks that support successful Agile teams	Evangelizes with external partners and seeks enterprise-wide self-organization and business architectures that support successful Agile teams

Table 1 – Evaluation rubric for the Leading performance circle.

The software craftsmanship movement, ignited by Andy Hunt and Dave Thomas in their 2000 book *The Pragmatic Programmer*⁷ and Pete McBreen in his 2002 book *Software Craftsmanship*,⁸ has been enjoying a renaissance in the second decade of this century. This is a welcome development in a business that has seen unprecedented growth in the awareness of technologist *behavior* (as evidenced by the plethora of competing behavioral frameworks, including Scrum, XP, Kanban, CMMI, ITIL, and others) but not nearly enough focus on building *professional competency*.

That said, the software craftsmanship movement is focused almost entirely on software code and development. And while this is important, it isn't where most defects are injected, nor where the most elegance is achieved. Agile solutions — or any other kind, for that matter — are about more than great code. They must also include great craftsmanship in product visioning, requirements, epic and story development, and more.

Agile leaders need to teach craftsmanship to their own organization, but also to other organizations within the

Action	Adopting	Transforming	Mastering
Deploys Agile contracts and SLAs	Demonstrates an understanding of Agile methods and lifecycles that affect partners and suppliers	Teaches, observes, and evaluates procurement, purchasing, accounting, and legal staff alignment with Agile methods and lifecycles, deliverables, and contracts	Deploys SLAs and contracts to all suppliers and partners, interacting with product and service delivery teams
Colocates teams or provides virtual alternatives	Demonstrates an understanding of open workspaces and collaboration tools (including VIM tools) and transforms the leadership workspace	Teaches, observes, and mentors line managers and teams on the use of collaborative workspaces and tools; removes impediments to adoption	Deploys and maintains enterprise-wide collaborative workspaces and virtual tools; deploys these beyond Agile teams to suppliers and partners
Provides automated tools for testing and continuous integration	Demonstrates an understanding of processes and actions throughout the organization that can be optimized by an automated tool chain	Builds competency in developing and delivering communications and training tailored for each functional team; deploys pilots and limited implementation of tools; teaches line management how to evaluate effectiveness	Sponsors enterprise adoption of an automated tool chain and provides effective training for teachers, coaches, and mentors to embed the tool chain's use in the culture
Provides resources for enterprise ceremonies and techniques for continuous improvement	Demonstrates an understanding of how enterprise ceremonies can improve organizational performance	Builds competency for execution of organizational ceremonies and information processing; teaches line managers how to capture, select, and deploy improvements	Deploys enterprise ceremonies across all teams, partners, and suppliers; teaches external stakeholders how to interact and collaborate on improvements

Table 2 – Evaluation rubric for the Providing performance circle.

product or service value stream. Customers, procurement, and sales all have a role to play, and for technologists to be successful with Agile, leaders from those organization need to learn to improve craftsmanship across organizational lines (see Table 3).

Affirming

The Affirming performance circle describes guidance, actions, and roles that address the observation of team performance.

Missing from the Agile conversation has been the idea of *behavioral quality*. A strong focus on “high trust” and

“self-organization” has been interpreted by some to mean that leadership has no responsibility to ensure that team member behavior is well aligned with values.

In some ways, this is by design. Weighed down by traditional low-trust methods of process verification (often based on the CMMI’s Process and Product Quality Assurance process area), early Agile advocates went the other way, relying instead on interpersonal skills that focused on learning. This made sense given their experience with the audit-based models popular at the time.

But as Agile has become more popular, its growth has been slowed by difficulties in scaling the interpersonal

Action	Adopting	Transforming	Mastering
Deploys Agile techniques such as pair programming and test-driven development	Demonstrates an understanding of Agile techniques that promote code quality	Teaches, observes, and evaluates line management while they deploy code craftsmanship techniques to the product and service organizations	Deploys a full range of craftsmanship techniques across all products and services; trains and evaluates across organizational lines
Establishes a requirements and story architecture	Demonstrates an understanding of requirements theory and the effect requirements have on product or service quality	Charters the development of a requirements architecture that teaches the entire organization a method for reducing requirements defects	Engages with multiple levels of the customer community to teach them how to integrate a multi-level architecture for the efficient management of requirements, epics, and stories
Establishes a clear set of criteria for the acceptance of high-quality requirements, epics, and stories	Demonstrates an understanding of the effect of requirements defects and is able to recognize their impact on the product or service	Teaches, observes, and evaluates the performance of line managers as they teach teams how to identify high-quality requirements and stories	Sponsors requirements/user story architecture training and coaching for business customers who serve as product owners or members of change control boards to help identify defects prior to sprint or iteration planning
Establishes coding and design standards	Demonstrates an understanding of the importance of coding and design standards and how they affect product cost for development, maintenance, and reuse	Builds a foundation for craftsmanship through the deployment of standards that teach teams their effectiveness in reducing cost and risk and increasing reuse for future development	Sponsors an expansion of coding and design standards horizontally across the enterprise and vertically into business analysis, architecture, data management, and testing
Engages with business customers as product owners and as contributors in relevant ceremonies	Demonstrates an understanding of how Agile team values relate to customer collaboration and how collaboration affects project risk and success	Interacts with and teaches business customers outside of the delivery organization about the value of collaboration and owning the vision, ROI, and purpose of the service or product	Engages with business customers and technology team members to build a requirements and delivery value stream that crosses organizational boundaries

Table 3 – Evaluation rubric for the Crafting and Envisioning performance circles.

components that have made it so appealing. After all, how can you successfully value “people over processes and tools” when you are an insurance company with over 250 Agile teams spread across a dozen product lines and locations? That requires infrastructure and verification.

Agile leaders need to teach current and future managers techniques for useful, yet lightweight, evaluation of team behavior (see Table 4).

Teaming

The Teaming performance circle describes actions, roles, and outcomes that address Agile teaming.

Of all of the content that Agile leaders need to learn, teach, and deploy, none is more commonly written about than teaming. The vast majority of Agile books, conferences, and speeches have focused on “the team.” However, less has been written on the leader’s role in nurturing healthy Agile teams at scale.

Action	Adopting	Transforming	Mastering
Observes Agile team behavior	Demonstrates an understanding of gemba walks and other observation-based techniques and how they differ from audit-based methods	Teaches, observes, and evaluates self-subscribed volunteers from the line manager group to perform gemba walks and behavioral observations	Relies on data from an enterprise observation program to drive changes in processes or behavior
Prioritizes information gathered from observations and converts it into backlog items for improving training and processes	Demonstrates an understanding of the management of improvement data as a backlog item and how to write user stories related to improvements in team behavior	Teaches, observes, and evaluates the performance of line managers as they, in turn, teach their teams how to identify high-quality requirements and stories	Develops and deploys an improvement backlog that is posted on a task board using VIM
Improves training, mentoring, and processes based on observations	Demonstrates an understanding of managing and upgrading an organizational process set and how to effectively deploy, train, and evaluate behavioral improvements	Recruits current and future managers to serve as designers, teachers, and mentors to help deploy future versions of the improved behaviors	Deploys teachers and training to the enterprise on a periodic basis to ensure a solid and high-performing Agile culture
Manages collaboration at the integration points “around the edges” and across the organization	Demonstrates a clear understanding of the integration points for collaboration	Facilitates ceremonies that bring together stakeholders from organizations outside of the development team	Builds a culture of cross-functional collaboration and integration

Table 4 – Evaluation rubric for the Affirming performance circle.

Agile leaders have an opportunity to replicate the successes of core Agile teams throughout the organization. Common ceremonies like the daily stand-up, retrospectives, sprints, sprint demos, and backlog grooming — the staples of any Agile team — are almost completely foreign to leadership within technology, marketing, operations, finance, infrastructure, or (most seriously) purchasing functions.

Agile leaders will need to craft Agile team agreements that align with values across all leadership levels and organizations, conduct regular retrospectives beyond the development team to identify successes and improvements, deploy coaching and mentoring

enterprise-wide, and establish a ceremony-based, high-trust culture that embraces Agile values (see Table 5).

Agile Learning Makes Agile Leaders

An experiential and iterative pedagogy, first introduced by Herbart and then revived by Halstead, is perfectly suited for teaching leaders to effectively learn to lead Agile organizations. The Agile Performance Holarchy provides a basic framework and curriculum for guiding Agile leaders as they grow and expand capabilities both vertically and horizontally across related organizations.

Action	Adopting	Transforming	Mastering
Roles and accountabilities are separated from job titles	Demonstrates an understanding of role management in a self-organizing environment	Teaches, observes, and evaluates line managers and teams on self-organizing role definition	Adopts enterprise role management strategy and tools that support a diverse set of teams
Teams practice self-subscription for tasks and responsibilities	Demonstrates an understanding of the alternatives to traditional task management with an Agile team	Teaches, observes, and evaluates line manager performance to ensure consistency in role definition	Expands self-subscription model beyond product and service teams into other supporting functions
Teams continuously learn and improve	Demonstrates an understanding of the components of the Agile team agreement and how it aligns with Agile values	Adopts the use of retrospectives in their own teams; demonstrates, teaches, observes, and evaluates line managers and teams as they deploy team agreements	Deploys an organizational team agreement that demonstrates traceability to both Agile values and all Agile ceremonies, techniques, and teams
Team continuously learns and improves	Demonstrates an understanding of team and organizational retrospectives	Adopts the use of retrospectives in their own teams; demonstrates, teaches, and observes line managers and teams as they deploy retrospectives	Adopts the use of enterprise retrospectives across both thread-based cross-functional teams and across core Agile teams
Visual information management is deployed by each team	Demonstrates an understanding of VIM and a clear definition of what to display	Adopts the use of VIM in their own teams; demonstrates, teaches, and observes line managers and teams as they deploy VIM	Adopts the use of VIM across the enterprise

Table 5 – Evaluation rubric for the Teaming performance circle.

As the world barrels towards self-organization, established leaders can either embrace it or resist. Let's prepare and learn how to accomplish the former.

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Climb Every Mountain: Overcoming the Barriers to Enterprise Agility

by Jan-Paul Fillié and Hans Boer

As companies adopt Agile as their standard for software development, they encounter resistance from several directions — from other parts of IT as well as the business. It turns out that it is hard to scale up the first pilot projects to an enterprise-scale Agile software development capability. We see organizations struggle with cultural change, insufficient business involvement, and other aspects of scaling. The role of leadership is to enable and support this change because of its evident benefits, but in many cases the change required for Agile is counterintuitive for experienced IT managers. In this article, we show how leadership behavior can help — or hinder — an organization as it strives to meet the challenges of an Agile transformation. We will discuss these challenges one by one to demonstrate how various leadership traits have affected them.

Disruption Calls for Innovation: Accelerate Agile

In today's environment, CIOs and their management teams are seen as reliable business-supporting managers who help the business to be as efficient as possible. They are respected for their command and control of the current business-IT alignment in the execution of change and support. In many cases, this is the basis on which IT management functions and how the people in business and IT perceive management.

The digital age, however, is disruptive to IT in the sense that it demands a different mode of operation based on leadership that pays attention to:

- The constant introduction of technological innovations, which have consequences for the business. These innovations enable new ways of doing business and introduce new business models.
- The business's expectations regarding the speed with which the new technologies can become available as part of the application portfolio.

A pilot project introducing digital innovations can greatly benefit from adopting a new Agile development approach and working closely together with the business. Such a project will involve a group of people from both business and IT. This joined team can translate innovation into business value, plainly see the advantages of the project, and be very motivated to make it a success. The project activities are performed in a niche area, and thus the team can more easily adopt an Agile way of working because of the project's clearly perceived business benefits and limited dependencies on more traditional developments.

Leadership behavior can help — or hinder — an organization as it strives to meet the challenges of an Agile transformation.

Other businesses have adopted Agile more recently and want to scale up quickly because of outside pressure or competition. They see Agile development as a silver bullet to solve all issues regarding speed of delivery, cost-cutting, and keeping up with the competition.

With the expected success in mind, the business requires the IT function to adopt the success formula — this Agile mode of operation¹ — as the standard. This, however, calls for the involvement of a large number of people in business and IT. It also includes the extension of the “new” capabilities throughout the organization, meaning the development and introduction of a target operating model.

The implementation of a new Agile mode of operation is very disruptive. On top of ensuring predictable and reliable development and operations, the IT function is now also asked to:

- Spend time and money to investigate new innovative technologies
- Be leaders and work together with business in the introduction of these new technologies and business models
- Take risks and be flexible in making these technologies available for the business

Management must create the right environment and atmosphere to encourage this mode of operation. Today's CIOs and C-level executives have reached their positions through certain behaviors and established practices, and since these have been successful in the past, these managers have a high preference for this way of working. Yet, established processes, detailed plans, and tight control stand in the way of innovation and speed. The business, the CIO, and the IT management team must be prepared to change their own acting and thinking and to accept that creating an Agile environment will bring some challenges.

The Agile Transformation Journey: What Hills Can You Expect to Encounter?

The challenges organizations face differ depending on their starting point. As an early adopter of Agile, IBM started with a number of pilot projects and gradually discovered the consequences of using frameworks like Scrum or Extreme Programming (XP). There were difficult decisions to make: should the new

ScrumMaster replace the former project manager, or are both roles required? How should we maintain the involvement of the business — possibly by appointing product owners? Following these decisions came the question of how to expand from a few successful pilots to complete programs and enterprise-wide developments. How could we control and monitor these developments?

Organizations facing outside pressure or competition can copy the proven practices (e.g., team organization, collaborative environments, idea sharing, automation) of Agile pioneers like Spotify. Based on their specific situation, they can choose from several well-established Agile frameworks and methods. Currently, Scrum is the most used framework for software development, followed by XP. Other methods focus on the business requirements (e.g., Design Thinking), and some on the interaction with operations (e.g., DevOps), which can be of great value for working in an Agile manner. But besides having to decide which frameworks or methodologies to use, these types of enterprises must undergo an immense culture change.

IBM has categorized the most common difficulties that enterprises face when applying Agile at scale (see Figure 1). Below we discuss each of these “hills” (in Design Thinking terms) in further detail.

Hill 1: Changing the Organizational Culture

In the past, organizations have been very good at applying command and control. This approach has proven to be very effective in managing complex

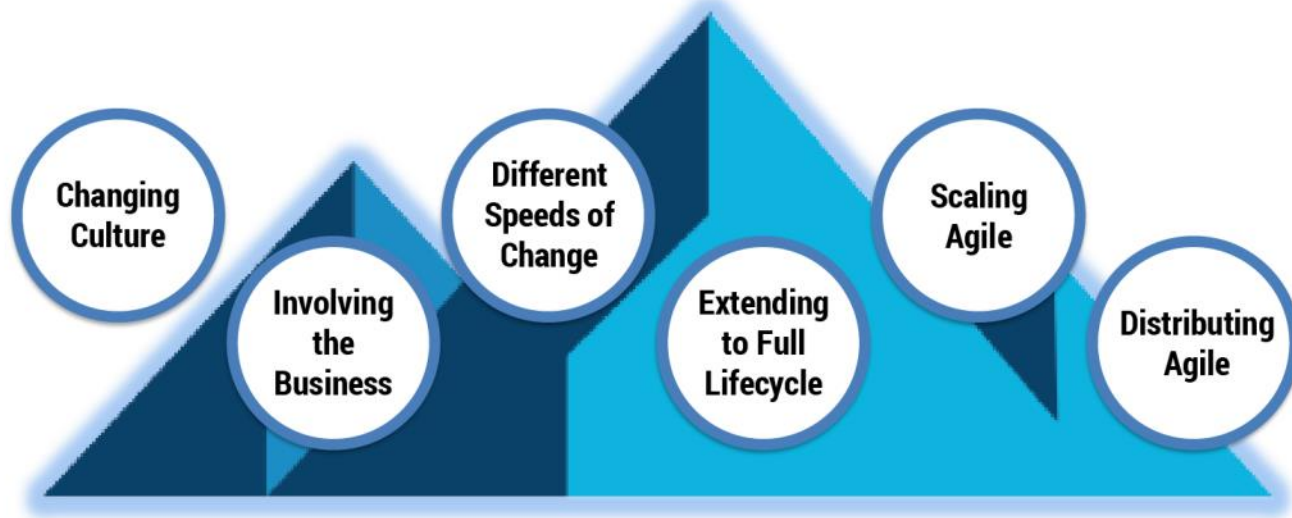


Figure 1 — The hills of the Agile transformation. (Note: Each organization may encounter these hills in a different order.)

projects, as it limits the span of control of each project manager. Their main task is to set the goals for each team lead and then frequently ask that person for status updates. Any deviations from the plan can be managed in this way.

Unfortunately, this style of management is counter-productive when it comes to Agile, as it focuses on distributing responsibilities and does not allow teams to be self-directed. An Agile transformation can only succeed if both management and developers are aware of the need to change. Even then, the change can be frustrated by middle management, as we saw in one consulting engagement. The firm in question, a global consultancy, issued an executive rule intended to enable more first-of-a-kind and Agile projects involving new technology. The rule proposed a new way of contracting based on providing fixed capacity, as opposed to the more common fixed-price agreements. However, middle management translated this as “Thou shalt not propose Agile if the client asks for fixed price,” thereby stalling the effort in its tracks.

A more fruitful Agile transformation was carried out at a global bank. It renamed each employee role a “DevOps engineer” and gave all these newly minted engineers two years to go through the available education offerings and gain experience to prove themselves worthy of the function title. In this case, management understood that developers have to be challenged and encouraged to take risks and develop in the direction the organization sees as essential. The bank was able to create a culture in which developers feel they add value to the organization and play a part in innovation.

A robust innovation culture will entail trust, high tolerance (or even encouragement) of failure, flexibility, and open communication. Therefore, a process is needed that allows for creativity but concentrates on the creation of value. This can be further supported by tools for collaboration and automation. Finally, the involvement of ecosystem partners and clients will further enhance the Agile way of working. These practices should be underpinned by an innovation strategy and supported by Design Thinking to focus on users and apply Agile innovation cycles.

Key leadership skills required: trust and confidence

Hill 2: Getting the Business Involved

One of the most critical success factors for Agile is, of course, to deliver value to internal or external clients,

the true users of a new application. Finally, they are listened to and see results! Crucial to this interaction is the product owner role. The product owner has to feel a responsibility toward the application and have the authority to make decisions regarding the inclusion and priority of new features. The product owner must gather requirements and communicate the value of requested features to the Agile teams. Without this role, there is no business driver and no validation of the outcomes by the business.

An Agile transformation can only succeed if both management and developers are aware of the need to change.

Even though the importance of the product owner role is evident, it is often hard for business people to free up time to fulfill the function. Design Thinking employs user experience as a starting point for problem solving and innovation at enterprise scale. Applying such a user-centered method can demonstrate the criticality of focusing on longer-term developments and create a common vision to guide these developments.

We saw this in action when we helped a global insurance company craft a strategy for business transformation. During workshops discussing the strategy, client participants defined fictive personas, each representing an important customer group (e.g., agent, broker). Each persona was placed in a user journey that represented the daily activities and problems encountered from that specific user perspective. This method gave the organization clear insight into the patterns and needs of their most important client groups.

Key leadership skills required: vision and business acumen

Hill 3: Coping with Different Speeds of Change

New Agile implementations usually start in customer-facing applications, where the interaction with business and end users is obvious. But what about the back-end systems?

This issue came to the fore during a consulting engagement with a cooperative bank. Development on their core CRM system was proceeding at a much slower pace than the front-end development being done by

Agile teams, and any dependencies on that system severely delayed the release of front-end functionality. A new customer channels domain manager decided to help the CRM team adopt Agile as well. Although they still deliver their changes more slowly than the front-end development teams, the releases are now occurring with predictable frequency. Furthermore, the work is prioritized according to a backlog based on the requirements of the front-end teams.

Key leadership skills required: openness and collaboration

Going from one or two to possibly hundreds of Agile teams always presents the problem of coordinating dependencies.

Hill 4: Extending Agile to the Full Lifecycle with Activities and Automation

After the bank's first successes with Agile delivery, the next bottleneck was deployment. Operations and support were still following more traditional practices, requiring waterfall-based deliverables and quality checks. To resolve the cultural difference, the IT manager forced development and operations to discuss their respective pain points. The decision was made to include at least one operations specialist in each development team. The result was a much better understanding on both sides.

What also helped was the use of common processes and tools across various applications and teams. This common development and testing platform helped to automate continuous integration and testing in the organization.

Development leaders should select solutions that match the needs of their team and implement automation like a software development project. Similar principles apply to other aspects of automation.

Key leadership skill required: commitment

Hill 5: Collaborating on an Enterprise Scale

Going from one or two to possibly hundreds of Agile teams always presents the problem of coordinating dependencies. In the command-and-control model, this was easily resolved by top-down guidance on which team needed to do what before a certain predefined date. Of course, this date typically shifted due to unforeseen issues or dependencies on other teams.

Because all Agile teams are self-guided, from an enterprise perspective there is no hard deadline or delivery date for specific features. This necessitates some form of guidance and planning on a program and portfolio level. The most basic form is joint release planning; the teams start to collaborate and plan more and more effectively. Another approach is to set up a scrum of scrums, in which representatives of each Scrum team meet and discuss their combined product backlog. This way the dependencies between the different teams can be managed in collaboration. The product owner should provide the business perspective in this regular (in most cases, biweekly) meeting.

Other factors in scaling are:

- Geographical distribution
- Outsourcing and partnerships
- Compliance requirements
- Enterprise architecture alignment

For such challenges, a scrum of scrum does not suffice. Rather, a more formal framework like the Scaled Agile Framework² is needed to provide guidance, prioritization, and planning on the portfolio and program level, starting from the business and IT strategy. To be able to operate inside such a framework, it is critical that business and IT management adopt Agile practices.

In the absence of a formal framework for scaled Agile, it is possible to address each barrier encountered individually, as shown in Table 1.³

Key leadership skill required: organizational change management

Barrier	Problem	Solutions
Scalability	Large projects are not feasible using Agile.	Nimble teams, effective scrum of scrums, DevOps tools, ownership at team level.
Regulatory compliance	Highly regulated industries cannot adopt Agile.	Hardening sprints (i.e., conducting extensive testing before release), planning in Sprint Zero and pre-sprints, stakeholder involvement.
Non-Agile teams	It is difficult to collaborate across Agile and non-Agile teams.	Early expectation setting and stakeholder involvement; tracking all tasks agreed between teams.
Business participation	Large ERP programs affect multiple lines of business, which Agile cannot handle.	Differentiated work streams, story mapping, cross-functional dashboards.
Multi-skilled teams	Agile requires multiple skill sets across teams, which employees do not have.	Hardening sprints, knowledge-transfer sessions.
Reporting and metrics	Agile success and progress are difficult to measure.	Using tracking tools to measure progress and code quality.
Colocation	Agile demands high levels of collaboration, which are not feasible with global delivery models.	Videoconferencing, collaboration boards, and messaging tools.

Table 1 – Overcoming the barriers to Agile adoption. (Source: Sahni and Bhutada.)

Hill 6: Distributing Agile

The final hill is combining Agile development with global distribution of resources and teams. This will allow for access to talent and resources wherever they are located, potential cost reduction, and opportunities for improved innovation.

We have found that there are two paths that lead toward distributed Agile:

1. **Introducing distribution practices into an Agile team** (see Figure 2). One example is a global bank

that has been successful in applying Agile for more than a decade but had been using colocated local teams. A few years ago, they started infusing new global resources into their existing teams by bringing these individuals onsite for an extended period of time. These trained resources then returned to their home office to form the extended part of the team. Use of communication and collaboration tools can create a shared environment for communication and collaboration within teams and support joined stand-up meetings with high frequency.



Figure 2 – Introducing distribution practices into an Agile team.



Figure 3 – Introducing Agile practices into a distributed team.

2. **Introducing Agile practices into a distributed team (see Figure 3).** We have seen this approach in a European financial institution that had extensive experience with outsourcing and employing Indian teams for their IT development and support functions. To introduce Agile, they created an organization-wide Agile program that included representatives of all involved suppliers. They provided local training and coaching to all offshore development centers and encouraged co-creation by their suppliers. The use of visualization tools (e.g., a digital Scrum board) is of great value in such scenarios.

Key leadership skill required: cultural awareness

The Leadership Skill Set Must Change

Management tends to agree to the changes necessary to implement a more Agile mode of operation — until they meet the pressure of the day-to-day business, which seems to require the reliability and robustness of the “good old way.” This reaction is typical for managers who have a focus on getting the job at hand done within time and budget. However, the change to an Agile mode of operation demands a manager who is able to act as a leader with an emphasis on inspiration, motivation, learning, and giving responsibility and trust.

Not all managers have enough of these skills, and not all leaders will be recognized as managers. In order to succeed as a company, it is important to have the right mix of people with strong management skills and strong leadership skills.⁴

With the introduction of an Agile mode of operation, the balance between managers and leaders shifts in the direction of the leaders. Things to keep in mind:

- Knowledge of the business the company is in is essential to discussing important changes in the business and understanding the consequences the introduction of innovative technologies can have.
- Openness to, interest in, knowledge of, and a feeling for innovative technologies are key to quickly judging whether a technology is worth investigating, can offer opportunities, or can even introduce new business models.
- Employees have to embrace and realize a new Agile mode of operation while taking the risk that not everything will work out as well as they hoped. A leader creates a safe environment for employees to explore and implement new solutions in an Agile fashion, allows them to make mistakes, and gives them the confidence they need to succeed.
- It is important for leaders to gain a level of authority for others to trust and follow, but this is based on mindset and behavior instead of position.

It is up to each manager to understand the skills needed to make a success of the Agile transformation and otherwise build a strategy for bringing these required skills into the organization.

Conclusion

Our digital age poses new challenges and offers new opportunities to CIOs and other IT leaders. The

dizzying rate of technology change and the unprecedented degree of disruption create the need for superior leadership.

Today we see IT managers struggling with formal processes and traditional demand-supply organizations, not able to respond fast enough to business demands. On the other hand, business leadership is directly hiring technology experts to help them develop innovative ideas. CIOs should concentrate more on spotting new technologies and opportunities to partner effectively with their C-level peers. They should become co-creators of business products and services that enable business model changes and improved business processes. This requires a huge change in attitude on the part of both the CIO and business leadership. Working in an Agile mode will emphasize the needs of the customer and the change in mindset across the enterprise, focusing people on principles and values.

IT managers can only inspire their team if they have a vision for the future of both their business domain and the role that technology can play in that future. They should bring together a team of technology experts and set up direct relationships with the business. Partnerships outside the boundaries of the enterprise can provide even more acceleration of technology implementations. The team should have a mandate to make their own decisions and set their own goals in true Agile fashion. The role of the IT manager is not to produce ideas, but to inspire and motivate people by

rewarding experimentation and collaboration with the business and broader ecosystem. True innovation can only be achieved with a group of people working together on challenges in the business.

Endnotes

¹Kotter, John P. *Accelerate: Building Strategic Agility for a Faster-Moving World*. Harvard Business Review Press, 2014.

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³Sahni, Akshay, and Yash V. Bhutada. "Addressing Barriers to Agile Adoption." IBM, 2016 (<https://www-03.ibm.com/support/techdocs/atsmastr.nsf/WebIndex/WP102616>).

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