Agile Lean Leadership grows organizations, that generate sustainable value for all stakeholders, are resilient, fast, reliable and innovative.
The story of the USS Santa Fe and Captain David Marquet
Leader–Followers or Leader–Leaders

1.5.1 What does a Project Manager do?
In order to achieve control over anything, there must be a plan. It is the Project Manager who plans the sequence of activities to build the house, works out how many bricklayers will be required and so on.

It may be possible to build the house yourself— but being a manager implies that you will delegate some or all of the work to others. The ability to delegate is important in any form of management but particularly so (because of the cross-functionality and risks) in project management.

With the delegated work under way, the aim is that it should ‘go according to plan’, but we cannot rely on this always being the case. It is the Project Manager’s responsibility to monitor how well the work in progress matches the plan.

Of course, if work does not go according to plan, the Project Manager has to do something about it, i.e. exert control. Even if the work is going well, the Project Manager may spot an opportunity to speed it up or reduce costs. Whether it is by taking corrective action or implementing measures to improve performance, the aim of PRINCE2 is to make the right information available at the right time for the right people to make the right decisions.

Leadership can be defined .. as directing the thoughts, plans, and actions of others .. so as to obtain and command their obedience, their confidence, their respect, and their loyal cooperation.

Separation of thinking and doing
Agile Lean Leadership - The Difference

The Hierarchy

Commands
Control
Resources

Reports
Deliverables

Compliance – Predictability

A Network of Teams/Circles

Escalation

Resolution
Delegation
Allocated
investments

Requests

Deliverables

Serving the Customer – Optimizing
We want to show that it is plausible that...

The outcome of complex work can be improved:

● The creation of value can be increased dramatically
● The ability to find new solutions and to learn can likewise take a quantum leap
● The adaptability, sustainability and resilience of the organization can be improved
● The satisfaction of customers, employees and stakeholders can grow

This can happen with robust integration of vision, strategy and tactics while enabling people’s engagement.

Strategy without tactics is the slowest route to victory. Tactics without strategy is the noise before defeat.

(Sun Tzu)

Sun Tzu lived from 544 BC to 496 BC according to tradition
The challenges for organizations

● Everything is changing with an accelerating pace
  ■ Technological development stress current revenue streams
  ■ Global awareness and competition stress current business models
  ■ Consolidation apply pressure to smaller players in markets
  ■ There is a much higher content of knowledge work in organizations

● The changes put higher demands on employees
  ■ Being able to change and learn all the time
  ■ Being able to work in teams and re-team for transient teams
  ■ One specialty skill is often not enough any more

● The changes put higher demands on leadership
  ■ It is much harder to plan ahead
  ■ It is necessary to be able to handle leadership in complex situations
  ■ It is necessary to be able to lead knowledge workers

● People demand more of the workplace socially
  ■ They want to see purpose for what they are doing
  ■ They want to have certain autonomy over their own work
  ■ They want to grow and master their skills
  ■ Intrinsic motivation beats extrinsic (Anders Dysvik, BI Oslo)
The Problem of Lack of Insight in Reality

“It ain't what you don't know that gets you into trouble. It's what you know for sure that just ain't so.” — Mark Twain

“The greatest obstacle to discovery is not ignorance - it is the illusion of knowledge.” — Daniel J. Boorstin

“Our comforting conviction that the world makes sense rests on a secure foundation: our almost unlimited ability to ignore our ignorance” — Daniel Kahneman
The story of the USS Santa Fe and Captain David Marquet

The story of general Stanley McChrystal in Iraq

Read our article here...
Team of Teams

- **Stanley McChrystal, former US general**
  - Was assigned to Iraq in 2003
  - He found that although he commanded the largest and most well planned military force, he could not keep up with Al-Qaeda
  - Before the coalition could plan and decide on action the situation had already changed and the AQI opponents – fluid in their nature – had morphed into another shape and form

- **In order to catch up, some new things came about**
  - McChrystal introduces one of our favorite terms: resilience, the ability to reconfigure, recover and repurpose under attack from the unknown, whether that be AQI in Iraq, new competitors or changing technology
  - The challenge for McChrystal was to scale the benefits of the individual Team to cover those situations where cross-team collaboration and decision making was called for – frankly, that was most of the time.
  - The solution was very radical and somewhat unheard of in the military with its pronounced dispersion of information “on a need to know basis”. It is probably not applicable to most organizations. After all most of us do not deal with dispensing life and death and fighting suicide bombers, but the pattern is good to be inspired by

- **Read our article** [here...](#)
A timeline of Management and Leadership

Power, plan and numbers

Value, people and innovation
W. Edwards Deming’s PDSA Circle

● The Deming or PDSA Cycle
  ■ **Plan.** Make the best plan you can. Carefully define interpretation of results
  ■ **Do.** Execute the best you can, using your skills
  ■ **Study.** Carefully try to understand and make sense of results
  ■ **Act.** Then decide what to do next, improvement or experiment

● The Japanese/Lean connection
  ■ 改善 – **Kaizen,** constant improvement.
  ■ 改革 – **Kaikaku,** radical change. Larger organizational or process changes

“We must preserve the power of intrinsic motivation, dignity, cooperation, curiosity, joy in learning, that people are born with.”
— Dr. W. Edwards Deming
Much work today is in the Complex domain
- Modern product and system development have a high content of Complex items to find solutions to
- We only have fragmented knowledge
- Cause and effect can only be seen in hindsight
- We have to learn while doing
- Therefore, big upfront plans and linear processes are not helpful
- There will be a high content of parallel experiments to build up knowledge

Traditional Management
- Can be fine in the Obvious and Complicated domains

Agile Lean Leadership is designed to cover the border area
- Between Complex and Complicated

**Theory X**
- People dislike work, find it boring, and will avoid it if they can
- People must be forced or bribed to make the right effort
- People would rather be directed than accept responsibility, (which they avoid)
- People are motivated mainly by money and fears about their job security
- Most people have little creativity - except when it comes to getting round rules

**Theory Y**
- People need to work and want to take an interest in it. Under right conditions, they can enjoy it
- People will direct themselves towards a target that they accept
- People will seek and accept responsibility, under the right conditions
- Under the right conditions, people are motivated by the desire to realize their own potential
- Creativity and ingenuity are widely distributed and grossly underused

Everyone immediately knows: "I am a Theory Y sort of person!" When asked about other people, however, the answer is usually not as clear cut. Theory X, is nothing more than a prejudice that we have about other people.

Niels Pfläging
Douglas McGregor
- **Theory X.** People are lazy and will try to avoid work and responsibility. Leaders need to motivate and control the employees
- **Theory Y.** People want to do good work and can even enjoy it. People do have an inner motivation

Matthew Stewart added
- **Theory U** (Utopian)
- **Theory T** (Tragic)
- Explaining the origin of conflict

The biggest conflict is on the diagonal
- “Stalin” versus “Flower Power”

We need Theory “Y”
- But some constraints to keep checks and balances
- We must be prepared to handle conflict
- A constitution for the organization must exist

### The Human Relations Theory Matrix
Viewing McGregor’s Theories X and Y in combination with Theories U and T provides a richer view of executive options for effecting change.

- **Controllers**, aka Hobbesists, in honor of the English philosopher Thomas Hobbes. Human beings are both self-centered and unintelligent. Left to their own devices they will steal what they do not destroy. Total control is the only way to get anything done.
- **Constitutionalists**, aka Madisonians, in honor of James Madison and his fellow framers of the U.S. Constitution. Human beings thrive in freedom. Under the wrong system, they will actualize themselves by seeking absolute power. The answer is a system of checks and balances and due processes.
- **Programmers**, aka Taylorists, in honor of Frederick Winslow Taylor, the father of scientific management. Human beings are like machines. They generally don’t know what they want or how to coordinate their activities. Given a scientifically established scheme of rewards and punishments, they can be prodded into perfect alignment.
- **Freedom Lovers**, aka Petersians, in honor of management guru Tom Peters (though many other gurus would do). Human beings are inherently self-starting and self-organizing. They will achieve miracles if only their bosses would stop telling them what to do. So just let freedom reign.

Source: Matthew Stewart
“Economists and workplace consultants regard it as almost unquestioned dogma that people are motivated by rewards, so they don’t feel the need to test this. It has the status more of religious truth than scientific hypothesis.”

“The facts are absolutely clear. There is no question that in virtually all circumstances in which people are doing things in order to get rewards, extrinsic tangible rewards undermine intrinsic motivation”

Is extrinsic motivation good or bad, or doesn’t it matter?

Presented at the Annual Meeting of the Academy of Management, Philadelphia PA October 2014 by Kuvaas, B., Buch, R., Dysvik, A.

Data from over 11242 respondents from more than 100 organizations.

Conclusion. The more inner motivation the: better job performance, higher organizational commitment, less turnover intention, more additional role behavior and less job stress and sick leave
Scrum - Enabling Constraints in the Complex Domain

- Sprints
- Iterations
- Events, Activities, Ceremony, Meetings
- Artifacts, Visualizations
- The Scrum Playing Field
- Roles, Teams
- Quality, Definition of Done
- Enabling Constraints
The Circle - The fundamental concept when scaling

- **Circle Name**
  - Descriptive label

- **Artifacts**
  - **Circle Manifest**: Who are we, what do we do, how to interact
  - **Main Backlog** (Product Backlog in Scrum): An ordered list of Circle deliverables
  - **Tactical Backlog** (Sprint Backlog) if Scrum, Kanban or both
  - **Improvement Backlog**: An ordered list of potential improvements

- **Roles**
  - Commanding Officer: CO, a generalized Product Owner from Scrum, looking **out** for customers and value, prioritizing deliverables
  - Executive Officer: XO, a generalized Scrum Master from Scrum, looking **in** for improvements/impediments governing the process
  - Team: Cross functional, self organizing. All the primary skills to deliver items from the Main Backlog
Circles and relations - the Map
Understand and map the customers, taxonomy

Create Circles to maximize the value stream to customers

Describe how a class of customer use the services of the Circles

Define the initial need for resolution of dependencies

Define how this operates, response times etc.

Define how this operates, response times etc.

Identify cross-cutting concerns that need attention

* High internal coherence
* Low external coupling
* Define principles of prioritization in Circles
* Define escalation principles
* Reduce delivery distances
What is Agile Lean Leadership?

● A set of 4 values
  ■ Mainly inspired by Scrum and Lean

● A set of 16 principles
  ■ Primarily derived from: “Lean Thinking” from the Toyota way and the “Agile Manifesto”. Some of W. Edwards Deming’s 14 and the brothers Hoppers 24 points

● A set of constraints, patterns and methods
  ■ Constraints that are imposed in Agile Lean Leadership in order to create some order in the complex domain, at the organizational level. So that the organization can be sufficiently transparent and people can have a enough common understanding to work together
  ■ Patterns and Methods to use in order to move closer to the Values and obey the Principles. They are a fusion of elements from Scrum, Kanban, Lean Thinking, complexity science, “The Learning Organization” and some freshly invented ones
The Educational Program

● **#1 Agile Lean Leadership – Introduction**
  - An introduction to the background, the mindset, the principles and the structure of Scrum, Kanban and the general Agile and Lean principles. The course provides an understanding of constant improvement, empirical process control, self-organizing teams, sense-making and tackling complexity. Estimation and risk assessment is covered together with basic prioritization.

● **#2 Agile Lean Leadership – Foundation**
  - Learn the fundamental patterns for building an organization that is fast, reliable, resilient and innovative. We discuss the Agile Context, the requirements to the leadership, the characteristics and building blocks of the organization and making the change happen. The goal is to develop that special culture based on trust, constant improvement, pride of workmanship, intrinsic motivation and organization for complexity. How to launch initiatives to make this culture emerge.

● **#3 Agile Lean Leadership – Executive**
  - A short introduction to the background and the mindset in Agile and Lean. Learn different monitoring, estimation, risk assessment and basic prioritization techniques. Learn the fundamental patterns for building an organization that is fast, reliable, resilient and innovative. How to get in to trust, constant improvement, pride of workmanship, intrinsic motivation and organization for complexity.
The Educational Program #2

- **#4 Agile Lean Leadership – Practition**
  - How to take the ALL Foundation to the practical level. How to design an organization and scaling up across many teams, projects and initiatives. Starting from the periphery, where real customers are and working towards necessary service teams in the center. How to handle and escalate: service requests, opportunities and issues. How to tackle crisis in an agile organization. The mundane business of employment, contracts and hard constraints.

- **#5 Agile Lean Leadership – Teams**
  - The principles and practices of the Team Member, who holds the exact skills and competencies and who creates concrete solutions. How to adapt to working in a Team and in Circles. What to do at the personal level? Some people work mostly alone, in an expert role. How to participate in the constant improvement and the learning organization, accepting challenges and growing new areas of competences working for transparency and mutual respect.

- **#6 Agile Lean Leadership – Specifications**
  - When working on assignments with a high content of complexity, getting to a common understanding of "Why", "What" needs to be done "When" for "Who" is not trivial. Traditional specification methods just don't suffice, there are too many misunderstandings, leading to expensive rework or unintended side-effects. Techniques to communicate are taught, user stories, state event tables, story maps, acceptance criteria etc. Meetings and review sessions, how to lead and facilitate those.
I rest my case
Navigating the Rapids - Our upcoming book

- Giving a comprehensive background
  - Agile
  - Lean
  - Scrum
  - Complexity

- Highlighting the differences between
  - Neo-Taylorist, expert, top-down management
  - Agile Lean Leadership

- All the details of Agile Lean Leadership
  - Different kinds of circles
  - The beauty of manifests
  - Operating agreements
  - Transparency

- Templates, tools and patterns
- Different methods to provoke
  - Reflection in decision making
  - Sensemaking, orientation
  - Feedforward and feedback

- Background and reference material
- Request a beta copy if you are interested

Beta 0.91
Navigating the Rapids
Agile Lean Leadership for organizations in the complex space
Agile Lean Leadership

Thank you for your attention!

For more information about training, mentoring, tools and other resources, visit
http://www.agileleanleadership.com/all

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