Agile Transformation: What to do with Managers?

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- Different SW developer and manager roles since 1990
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Reaktor Innovations

- A Finnish IT consultancy offering expert services and project delivery
  Founded 2000
- Specialized in top notch technical excellence
- A people-oriented, true expert organization
- Over 140 employees
- 2010 estimated turnover 18,4 MEUR, net profit 3,5 MEUR
Terminology

- Manager
- Agile Transformation
Why does this matter?
The Lifecycle of Typical Change Initiatives

Potential (Unrealized)

Time
Before Agile

- Total Quality Management (TQM)
  - Transformations since 1980s
  - Results not satisfactory

- Lean
  - Transformations since 1990s
  - Majority of attempts to implement end in disappointing outcomes
What do Agile, TQM and Lean implementations have in common?
Reasons for Lean & TQM failures

- “Various researchers have alleged that organizational culture affects the performance of total quality management (TQM) and further suggest that failure in the implementation of TQM is caused by a mismatch with organizational culture.”
- “The primary reason most companies fail in their Lean implementation is because they fail to successfully change the culture.”
Factors affecting the implementation and success of TQM

Percentage of companies which reported that the characteristic affected the implementation of TQM

Primary quality critical organizational characteristics (QCOCs)

Robin Mann Burton’s Biscuits Ltd, Edinburgh, UK and Dennis Kehoe Liverpool University, UK
Obstacles to Lean Implementation 2007

Source: Lean Enterprise Institute, 2007 Survey
State of Agile Survey 2010...Barriers of Further Agile Adaption

- 51% Ability to change organizational culture
- 40% General resistance to change
- 40% Availability of personnel with necessary skills
- 34% Management support
- 31% Project complexity or size
- 29% Customer collaboration
- 25% Confidence in ability to scale agile
- 16% Perceived time to transition
- 13% Budget constraints
- 12% None
- 6% Other

http://versionone.com/state_of_agile_development_survey/10
“Although everyone must be prepared for changes in behaviors and even in values, managers establish conditions that enable such change. If managers are not authentic in their convictions and sincere in their behavior there will be little trust and little safety for the reflection that leads to authentic change.”

Peter Senge: The Dance of Change
Smells of Manager Behavior in an Agile Organization

- Command-and-control style continues
- Teams lacking authority
- Scrum is “used”, but is not followed
- Managers exclude themselves from Scrum roles
- Invisibility and passivity
- Inability to tolerate failure
- Not “Walking the talk”
- Compliance without commitment
Lessons Learned

- The managers make the strategies become a part of everyday life
- Gap between rhetoric and reality will eat out the credibility of the change initiative
- It is difficult to make a sustainable change if the managers are not committed to it
- The change of the culture will not happen without managers
DENONTE, SECRETE
CONTRO CHI OCCULTERA'
GRATIE ET OFFICII,
O COLLUVDERA PER
NASCONDER LA VERA
RENDITA D'ESSI.
Why managers might resist the Agile transformation?
Reason 1: Fear of Losing Their Job
Reason 1: Fear of Losing Their Job

- “Managers are not needed anymore!”
- “There are too many managers!”
Lewin’s Model of Human Change

- Disconfirming information
- Survival anxiety
- Change
- Learning anxiety
- Psychological safety
Reason 2: The new role hasn’t been clearly defined
Reason 2: The new role hasn’t been clearly defined

- Meaningful
- Responsibility
- Knowledge of Results
- Appealing
- Challenging
- Rewarding
What can managers do in an Agile organization

- Create and sustain conditions for the work of the teams
- Represent the customers and business
- Communicate the vision
- Enforce values and principles
- Coach & teacher
What can managers do in an Agile organization

- Boundary Manager
- Leader
- Results Catalyst
- Facilitator
- Barrier Buster
- Business Analyzer
- Coach
- Living Example
Reason 3: Loss of Status & Power
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- Work is less manager centric
- E.g. Scrum master role with “no formal authority” creates fears and questions:
  - “What am I actually supposed to do?”
  - “With no power, how am I going to do anything?”
  - “I am responsible of what exactly?”
Reason 4: The way the managers are led hasn’t changed
Reason 4: The way the managers are led hasn’t changed

- Double standards
- Values and beliefs of the more senior managers haven’t changed
- Heroism appreciated
- “Getting things done”
- Individual target setting and performance review
- True values surface in high-stress situations
Reason 5: Fear of not being capable of working in the new way
Reason 5: Fear of not being capable of working in the new way

Leading Agile is different:

- Self-organizing teams
- From control to support
- Beliefs about people may have to change
- Work on the system, not in the system

- Am I able to learn all that?
Reason 6: No Time
Reason 6: No Time

- Managers are often overloaded
- Change needs time and focus
- The effort needed for a real change is often underestimated

- Can also be an excuse
Learning away from old habits is hard!
Why managers resist change?

1. Fear of losing their jobs
2. The new role hasn’t been clearly defined
3. Loss of status and power
4. They way managers are led hasn’t changed
5. Fear of not being capable of working in a new way
6. Lack of time
Create and Sustain conditions for success

- Provide resources and information for the teams
- Define boundaries of the teams and team’s authority
- Remove impediments
- Enhance cross-organization collaboration
Represent the Customers and Business
Communicate the Vision
Enforce Values and Principles

- Lead by values
- Build trust
- Be a living example
Coach & Teach

- Develop teams and individuals
- Provide feedback on performance
- Be a Facilitator
Work on the System

- See the whole
- Remove waste
- Manage change
- Facilitate continuous improvement
How to Reduce Manager Resistance?
Things to Consider

- Don’t take the managers commitment for granted
- People cannot be expected to change just like that
- Change needed for managers is not easy

- Involvement increases commitment
- Support needed for all management levels
The Barriers to Overcome

- Understanding
- Acceptance
- Action
Suggestion 1: Organize Training Oriented to Managers

- Create solid foundation of:
  - Scrum, Agile, Lean concepts, values, principles and practices
- Build capability for new manager roles:
  - Leading self-organizing teams
  - New leadership skills
  - Systems thinking
  - Facilitation skills
Suggestion 2: Let Managers Participate in Defining Their New Role

- Organize workshops for defining
  - What Agile means in our organization
  - The new role of Managers in the Agile organization
  - Ways of Working and working agreements for manager teams
- Create acceptance by making managers active actors of the change
Suggestion 3: Arrange Coaching for Managers

- Supports the learning in practice

- Arrange coaching for
  - Manager teams
  - Individual managers
  - For all manager levels
Suggestion 4: Apply Principles of Self-organizing Teams to Managers

- Create an expanded role
- Develop self-organized management teams
- Shared responsibility of unit’s results
- Align incentives with this goal
- Decision making and problem solving as a team
- Lead with the same vision and principles
- Learn together
Suggestion 5: Support Peer Learning Networks for Managers

- Organize and facilitate managers’ Communities of Practice for
  - Learning and training new skills
  - Sharing experiences
  - Creating shared understanding
  - Building internal networks
- Create a framework for ongoing organizational learning and continuous improvement
- Build organization’s capability to solve its own problems
Suggestions

1. Organize training oriented to managers
2. Let managers participate in defining their new Role
3. Arrange coaching for managers
4. Apply principles of self-organizing teams to managers
5. Organize peer learning groups
Summary

- Manager resistance can be a major restraining force and it risks the success of the transformation
- Understanding the reasons for resistance helps you deal with it
- Taking the needs of managers into account and supporting them will increase the probability of success of the change
Thank You!

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