



GOSEI

Actionable Fearless Leadership

- from Tayloristic to Agile Organization

Ari Tikka, Ran Nyman

Global Scrum Gathering Munich Oct 2016

Gosei



Ran Nyman



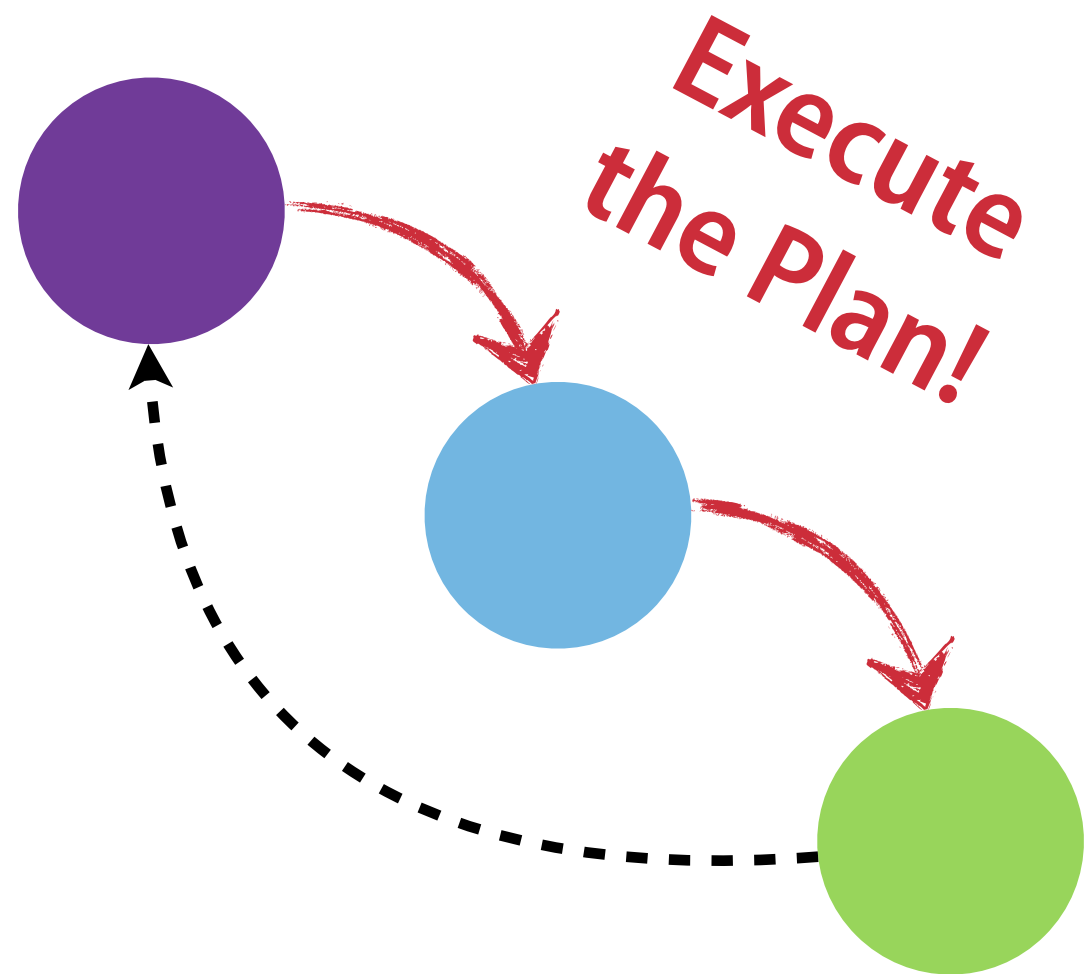
Ari Tikka

- 20 + years in software business
- Agile Adoptions
- Management coaching
- Customers in Telecom, Medical, Game, Heavy metal, Financial, Sales&Marketing, Public sectors
- LeSS coaching company
- www.gosei.fi

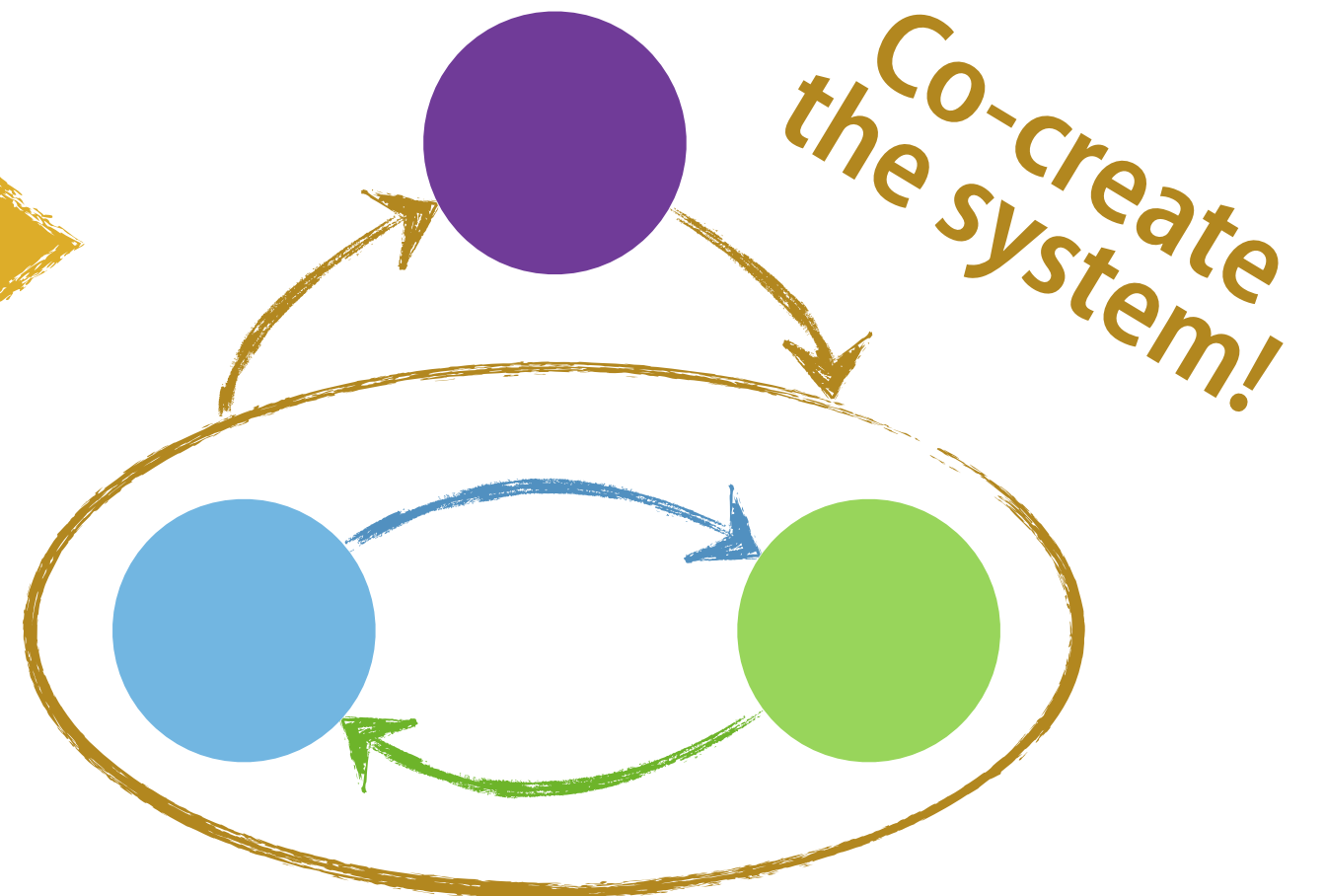


What Gosei does

Tayloristic Coordinated organization

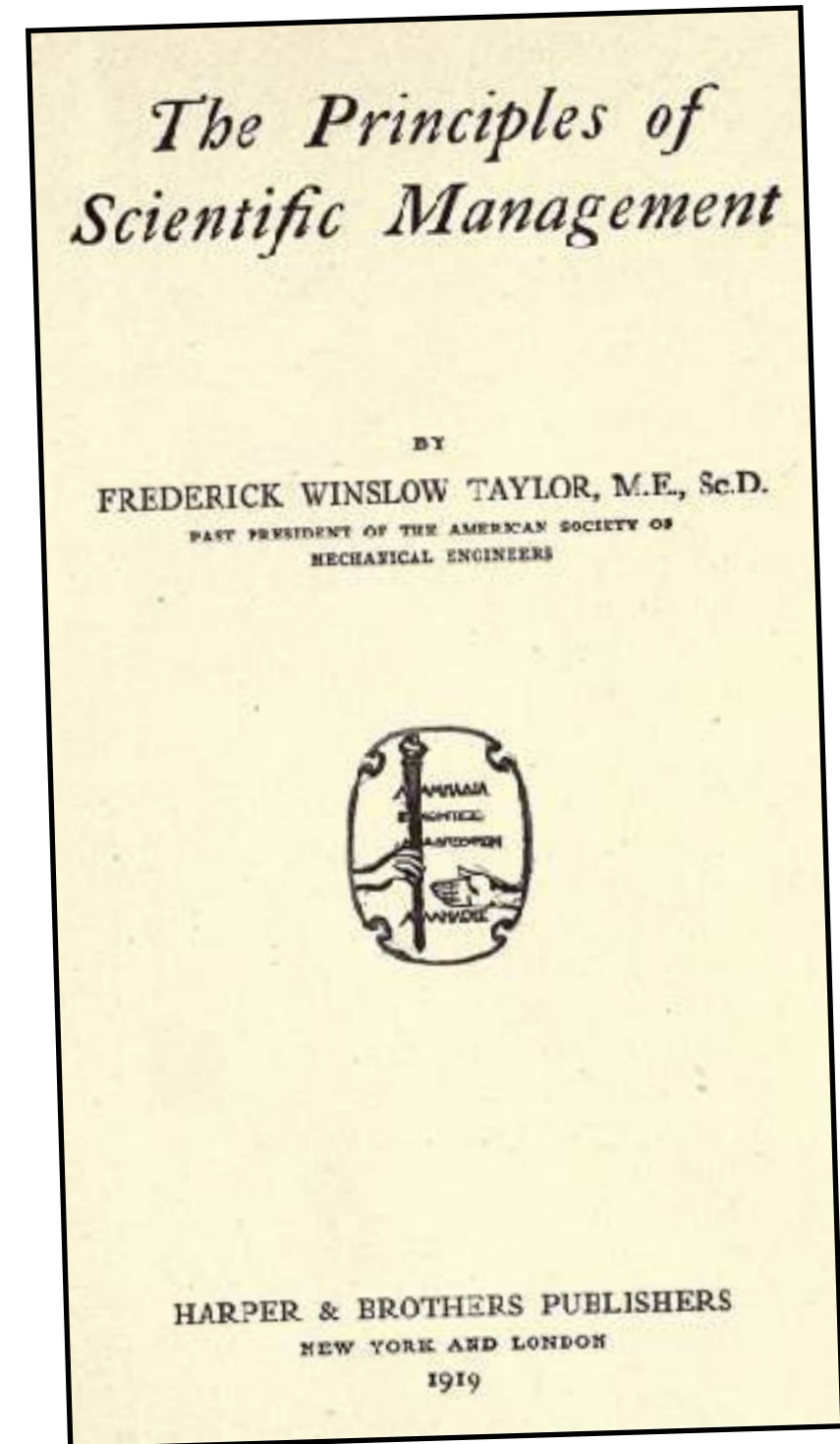
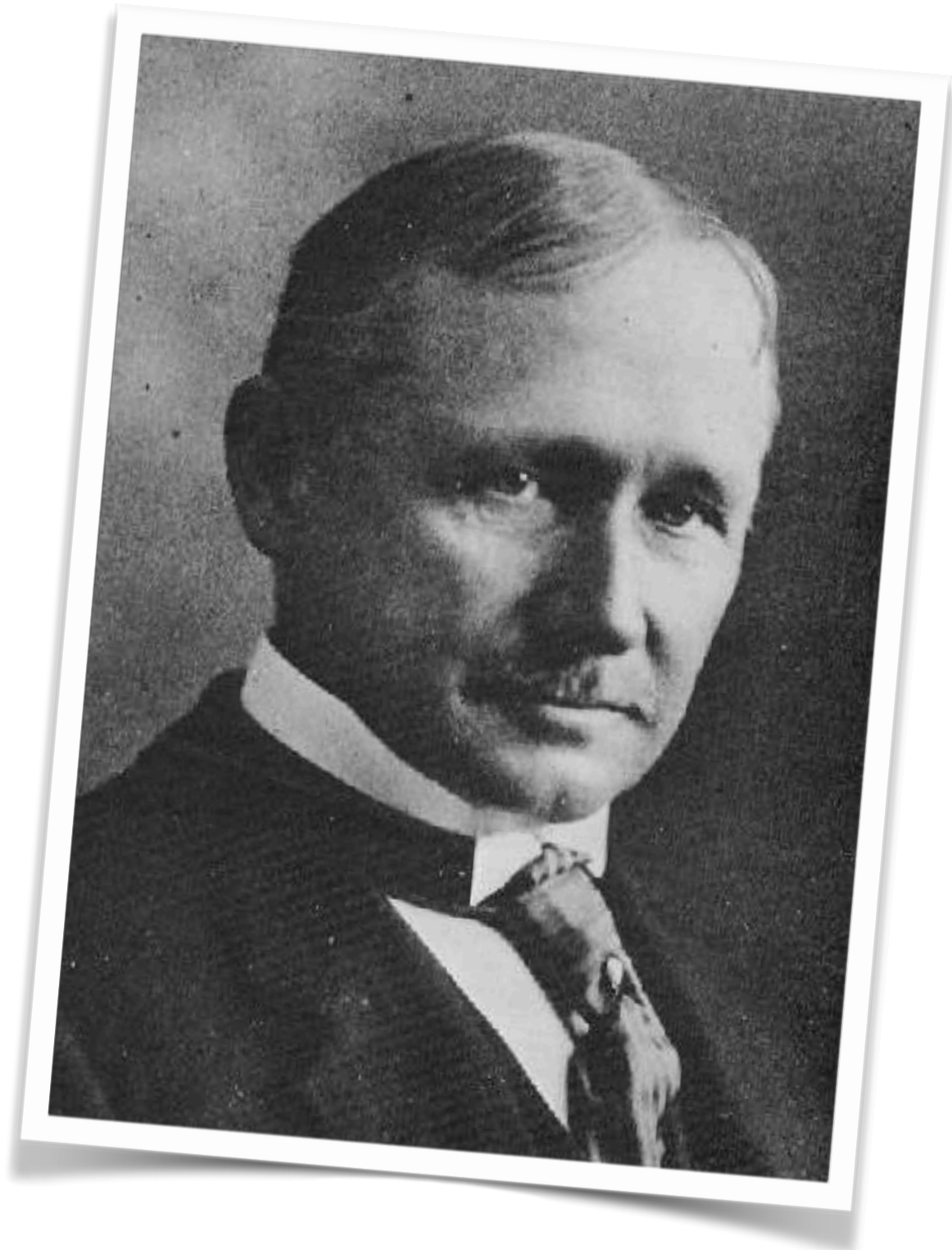


Agile Learning organisation



Taylorism

Winfred Taylor



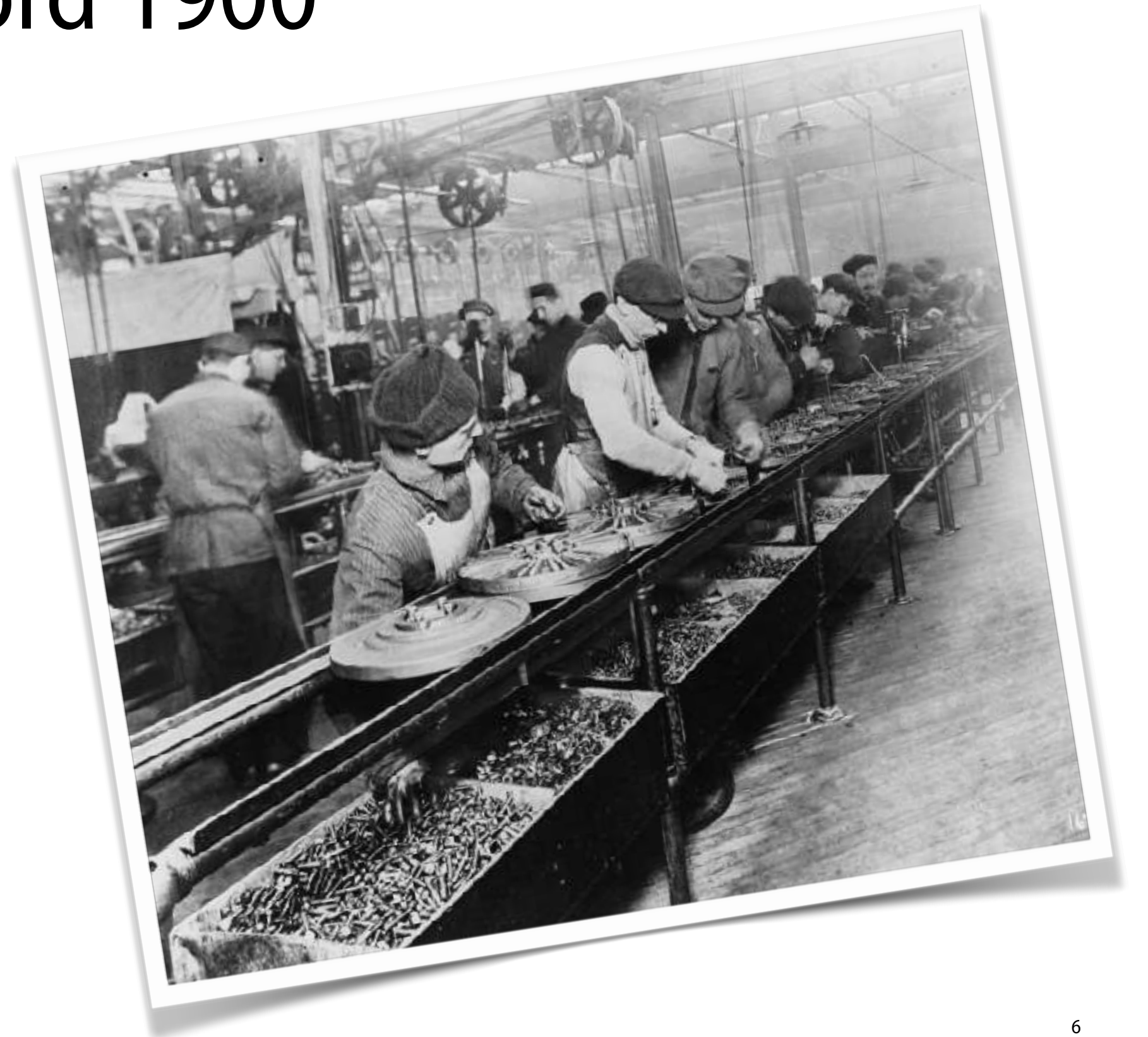
Ford 1900

Context

- Huge market and demand
- Winning product
- Lack of skilled workforce

Solution

- Automation
- Detailed standardization
- Proper wages



Modern Tayloristic Leadership

Split responsibilities

- Others promise, others deliver
- Others plan, others execute
- Others decide, others follow
- Others know, others decide
- Others implement, others test

Task / role specialization

- Project/program managers
- Resource manager
- Quality manager

- HR manager
- Line manager
- Specifier
- Architect
- UI designer
- Quality manager
- Fault manager
- Feature owner
- Feature Owner Team
- Release Manager
- Systems Engineer

- System Team
- Portfolio manager
- Customer Experience Manager
- Process development manager
- Integration manager
- Release train engineer
- Enterprise architect
- Chief xyz specialist
- Security manager

Modern Project Leadership

Split responsibilities

- Others promise, others deliver
- Others plan, others execute
- Others decide, others follow
- Others know, others decide
- Others implement, others test

Task / role specialization

- Project/program managers
- Resource manager
- Quality manager

- System Team
- Portfolio manager
- Customer Experience Manager
- Process development manager
- Integration manager
- Release train engineer
- Enterprise architect
- Analytics specialist
- Security manager

Everyday experience



“Pressure. Must. Should.”

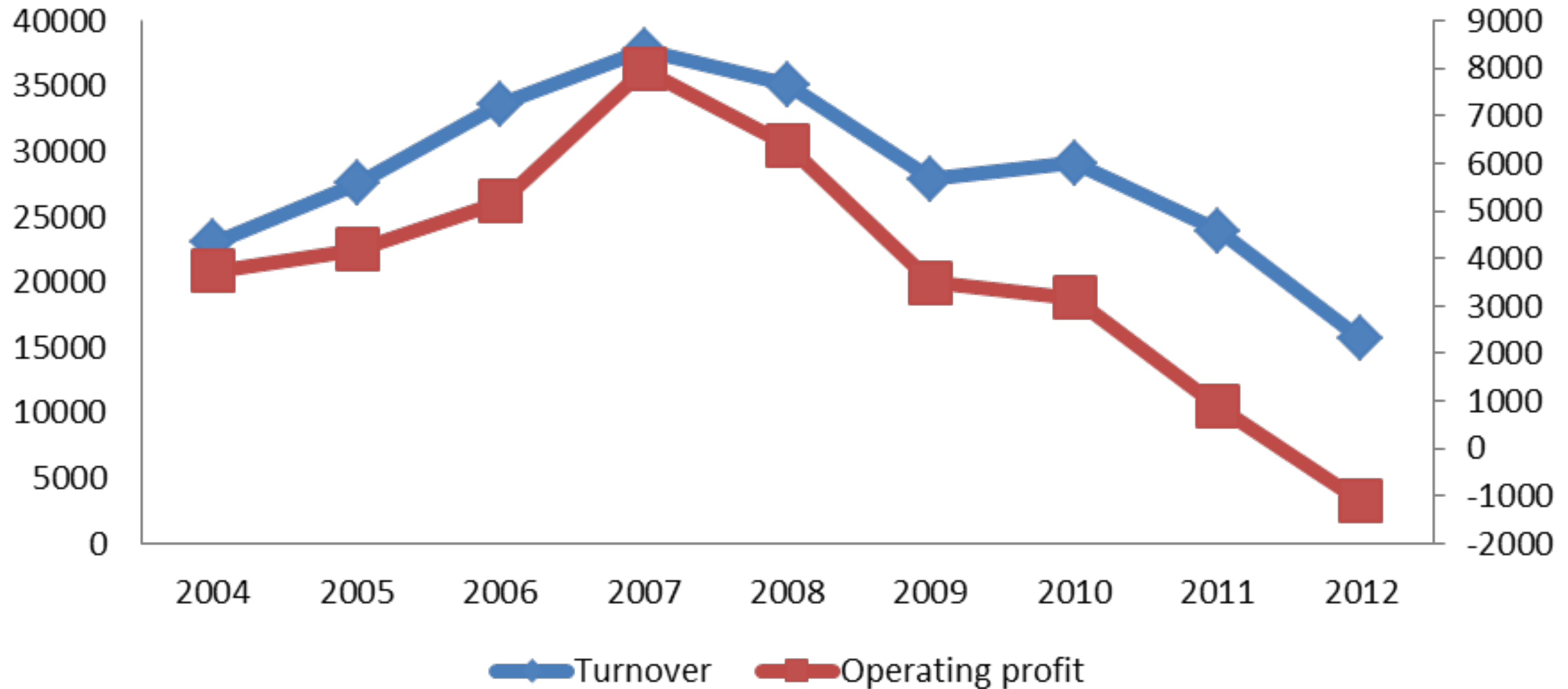
“No time for real change.”

“Power and wisdom are always elsewhere.”

GOSEI

NOKIA Mobile Phones

NOKIA mobile phone business 2004-2012 (million euros)



NOKIA

Nokia Mobile Phones



Nokia Networks



NOKIA opportunity 1990

Aggressively grab the opportunities

- Great success in the beginning

“Just make it work” - engineers

- Trust and autonomy
- Success during the growth phase
- Ever increasing complexity

Business opportunities

- Crumbling Telecom monopolies
- Detailed GSM standard
- Talented workforce in Finland
- Ambitious leader Jorma Ollila

Organizational background

- 100 years of heavy industry
- Lack of experience in leading SW product development
- Technology over design



NOKIA Mobile Phones

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Situation 2007-2011

- New competitors, new game
- Technology constrains design
- Coordination chaos

NOKIA Mobile Phones

Aggressively grab the opportunities

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“Just make it happen” - management

- Fear disconnected the organization
- Superficial decision making
- Failed to respond to competition

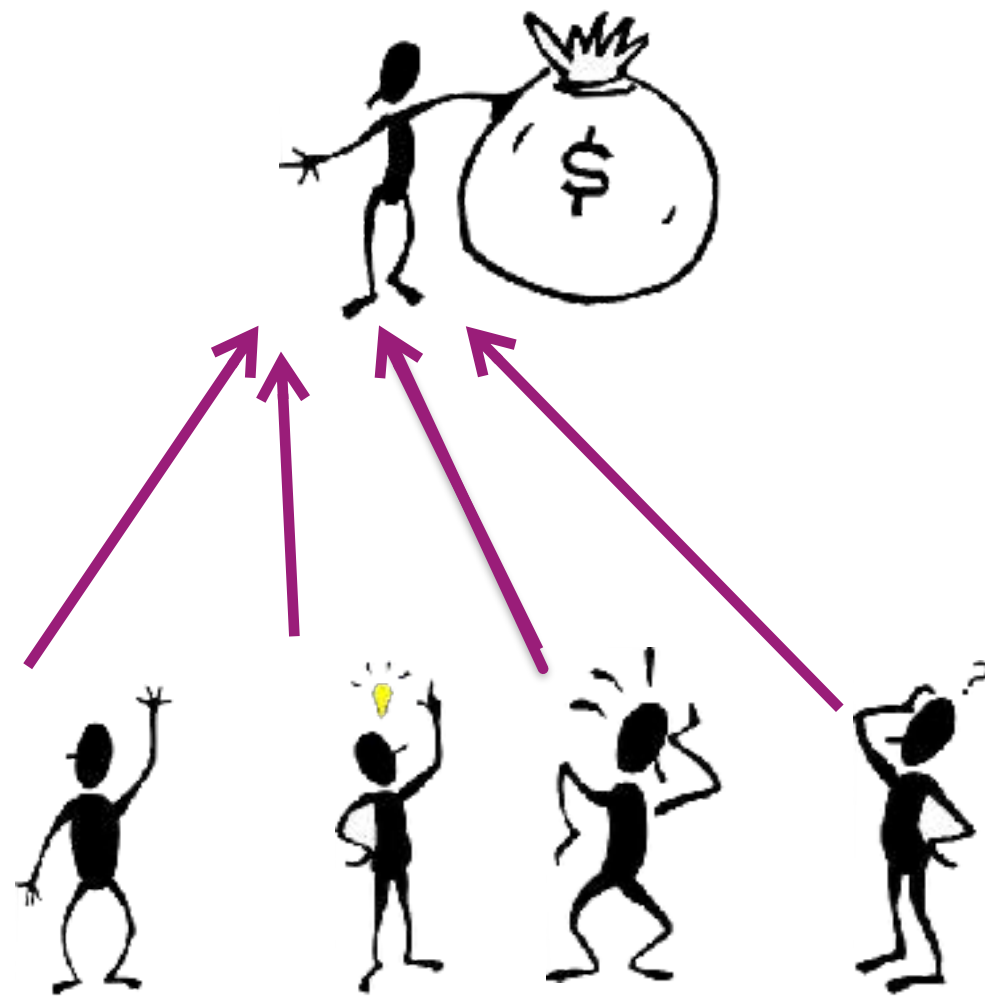
Situation 2007-2011

- New competitors, new game
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- Coordination chaos



Coordination chaos

In the beginning



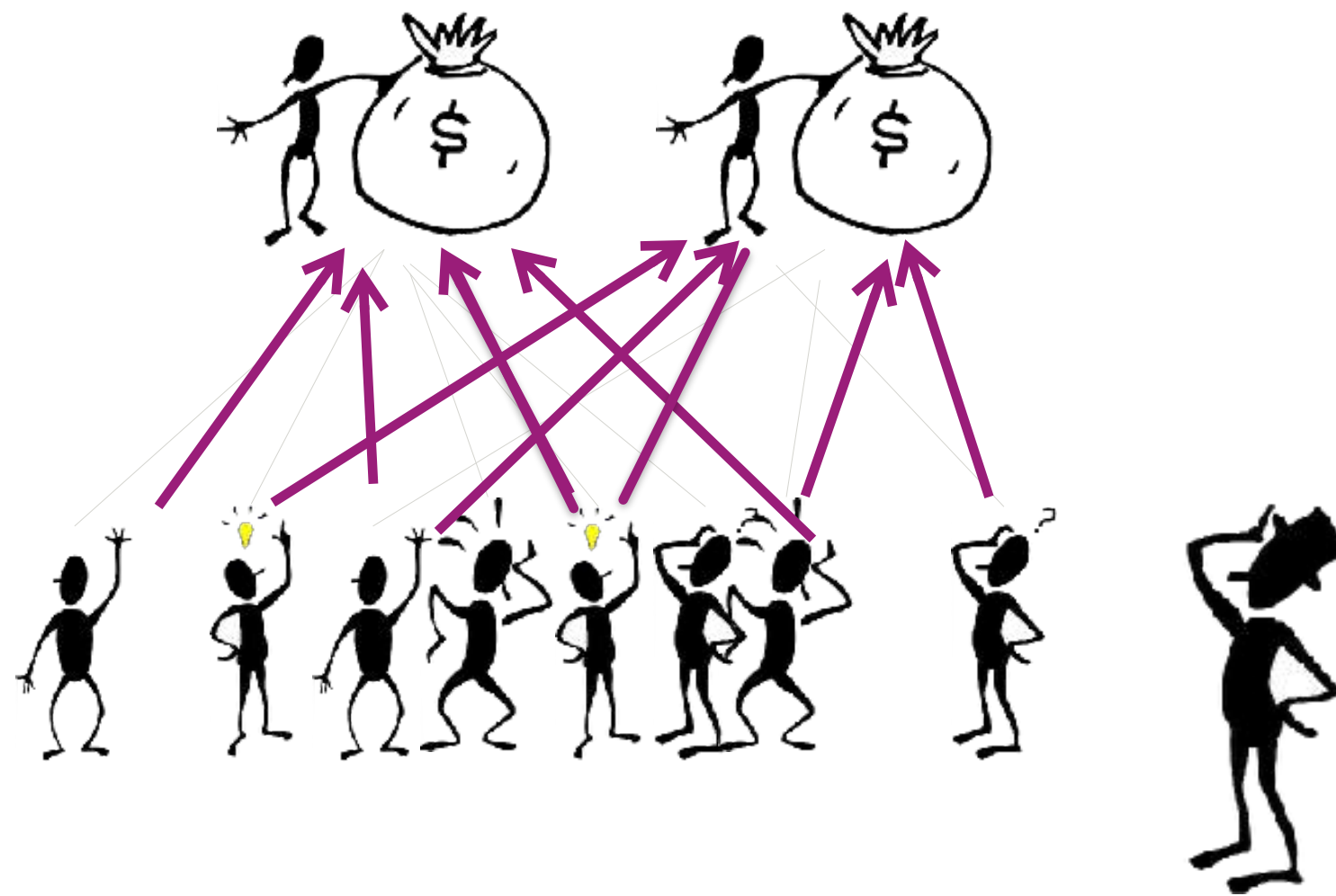
“Hey, We have business! And it is growing!”

“People just find their roles.”

“Specialists are irreplaceable. We need to optimize their individual performance.”



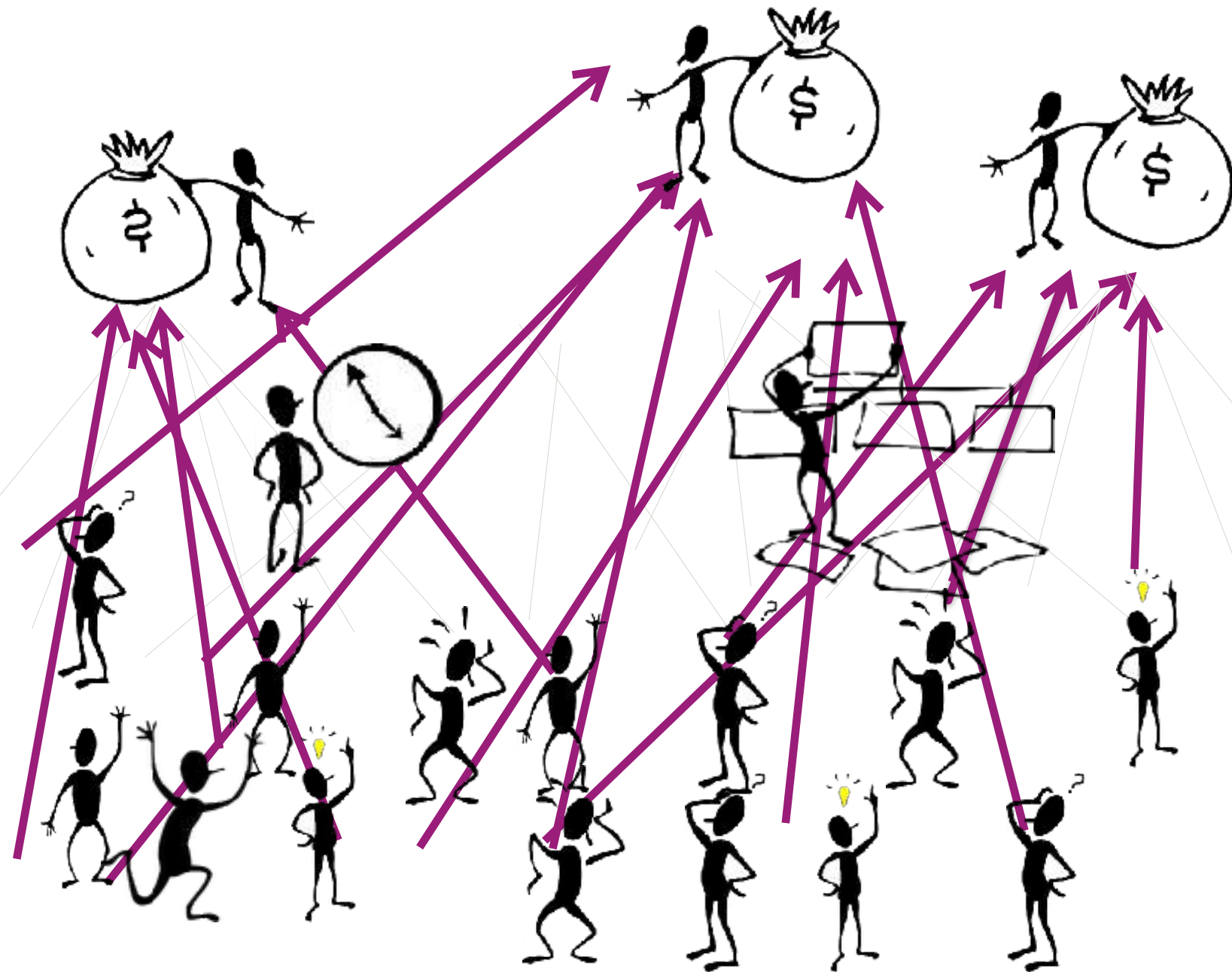
Growing using common sense



“It starts to get messy. We need someone to look after things.”

“Lets hire a coordination specialist - the project manager.”

Growth continues - we make it work

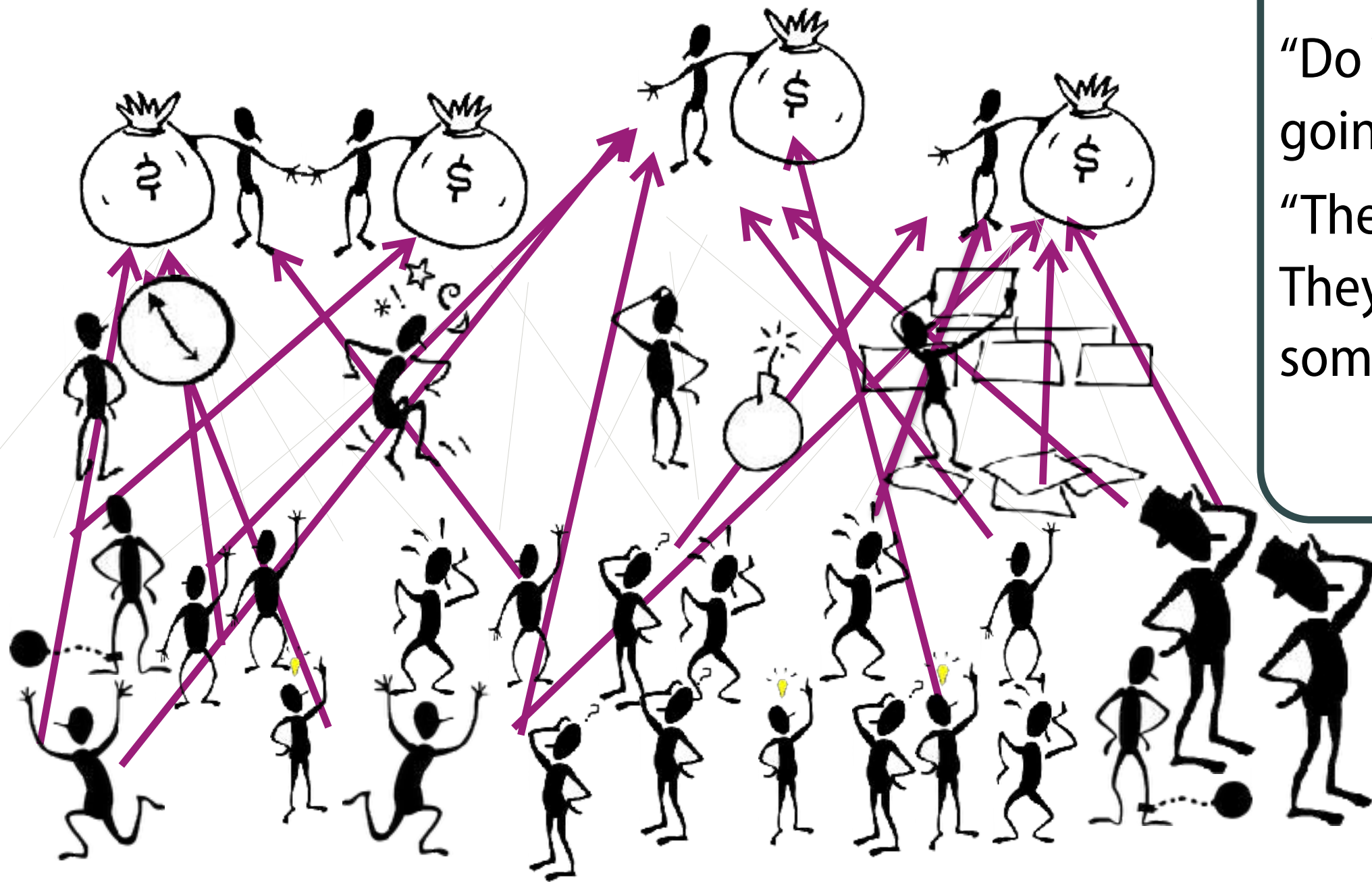


"The project managers really do their job."

"Obviously it is best to give responsibilities to the specialized people."



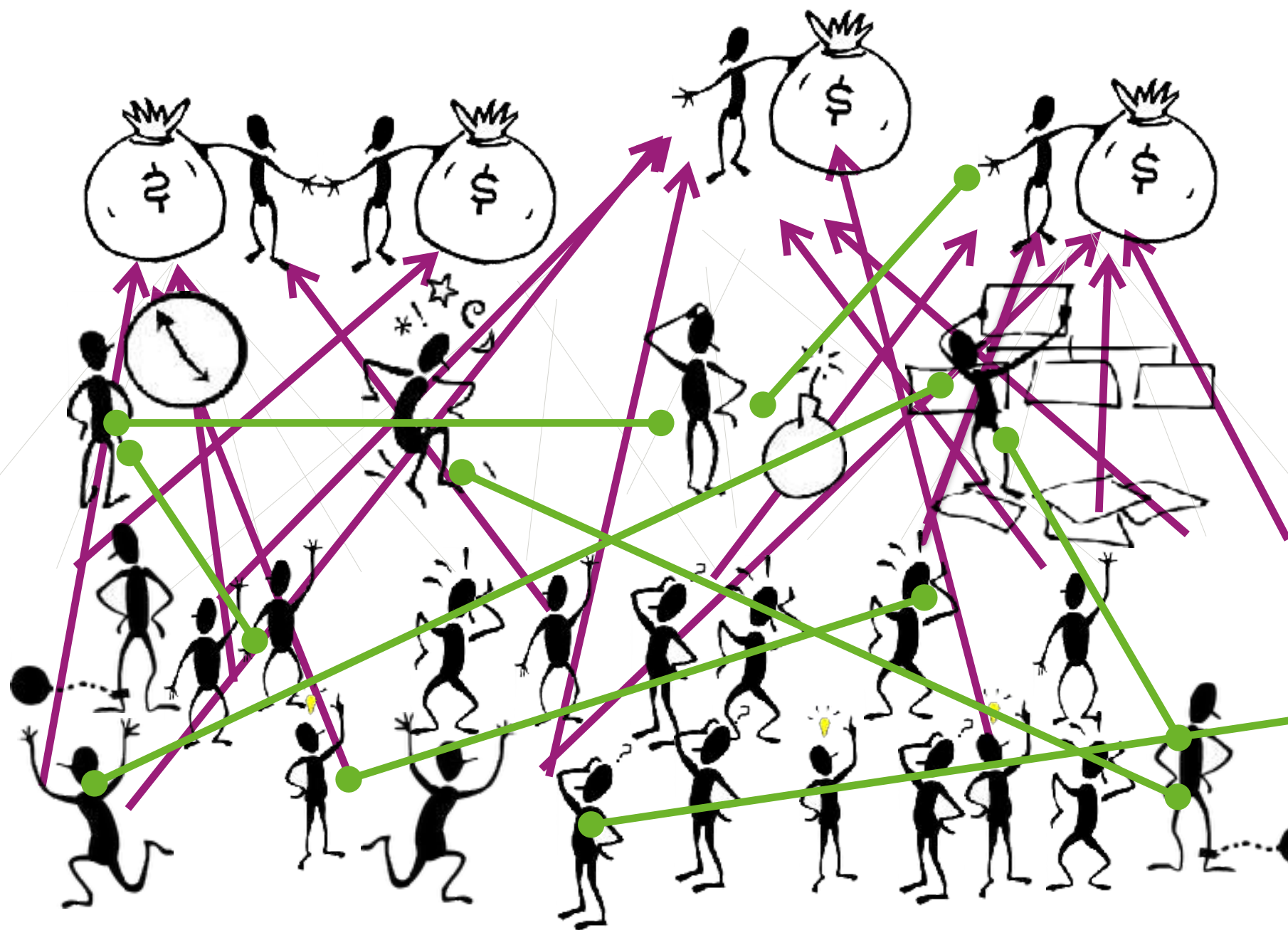
The coordinators become the heroes



“Do You understand what is really going on?”
“The project managers are the heroes! They are the only ones, who get something out of this mess.”

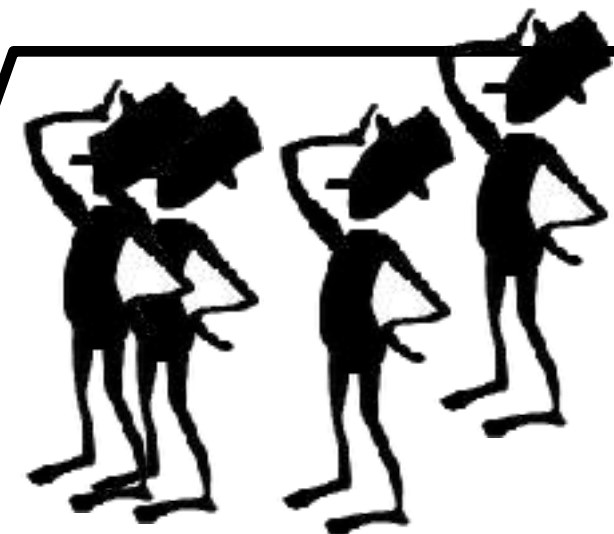


Hidden enabler becomes too expensive

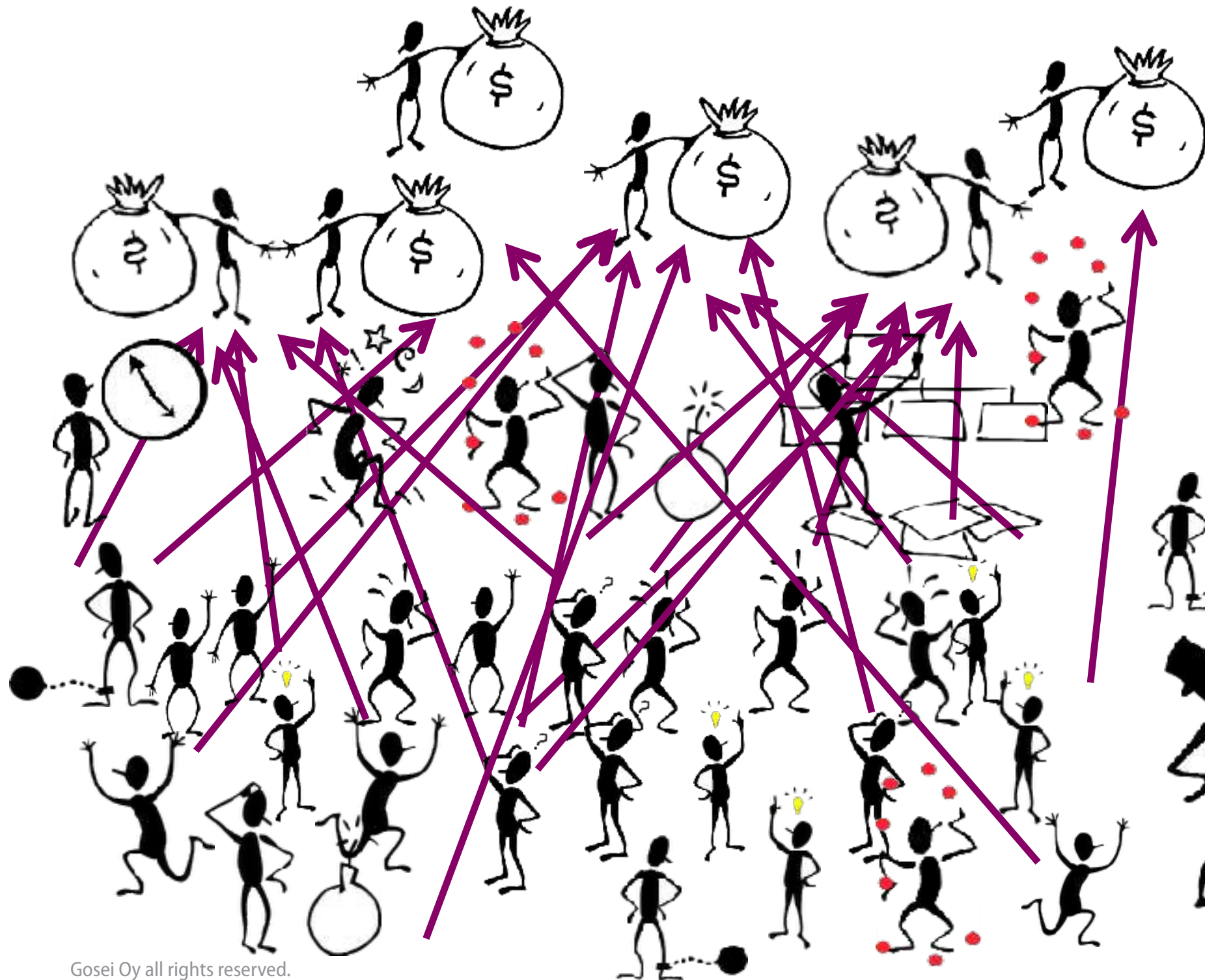


The knowledge is based on **informal network**, grown with the organization. But now it just takes too much slack.

Lets measure individual utilisation and reorganise to optimise resource coordination.



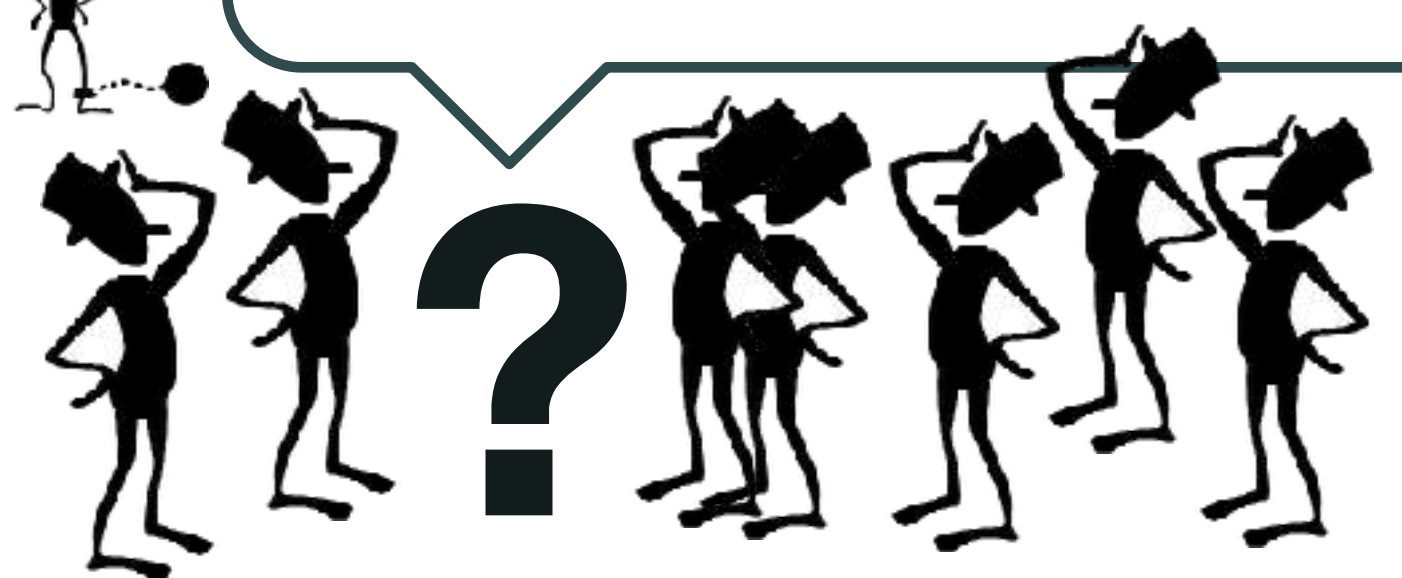
But... too much to be coordinated



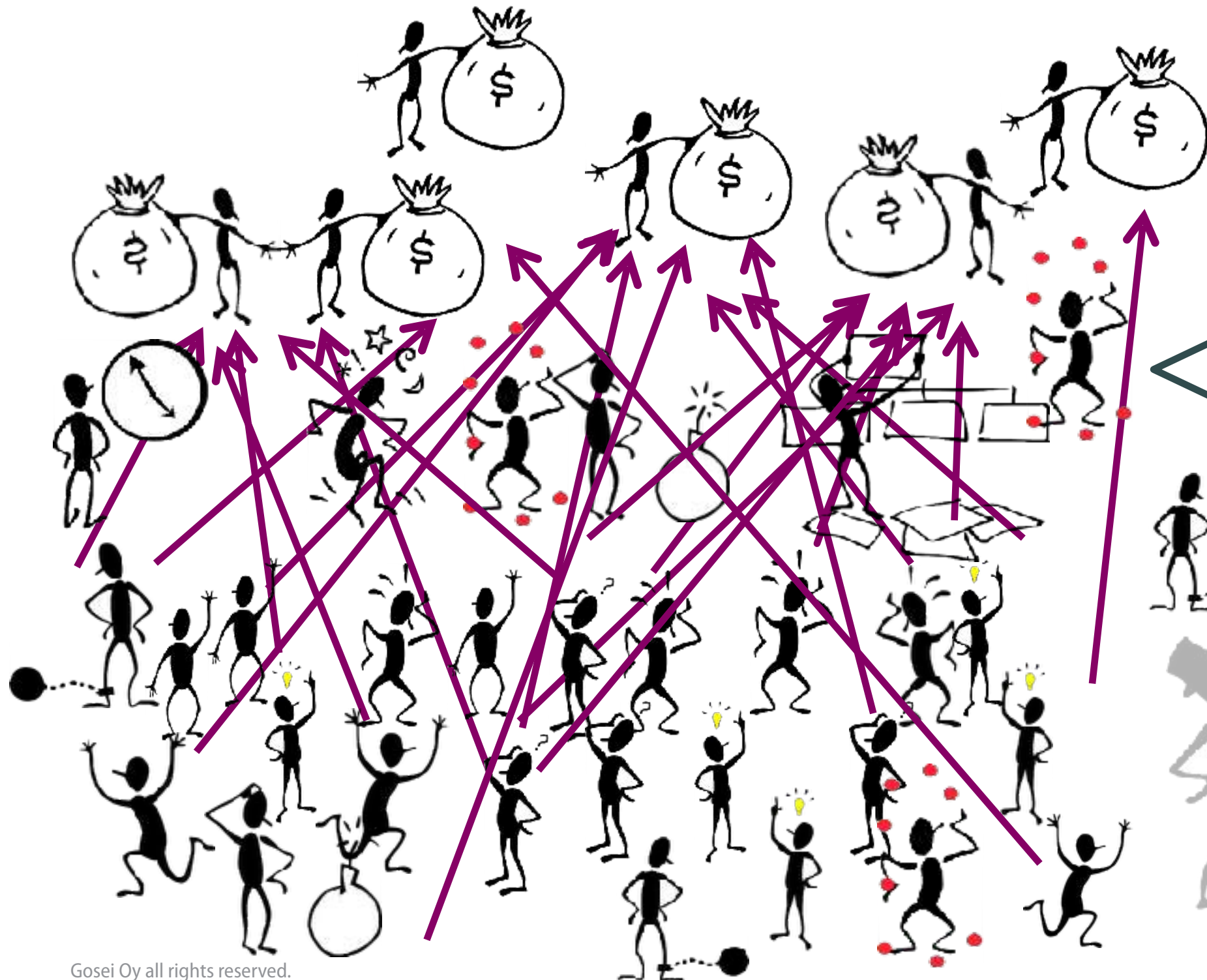
"We are slow and expensive. Why are projects no more productive?"

"People Resources are either idling or overloaded."

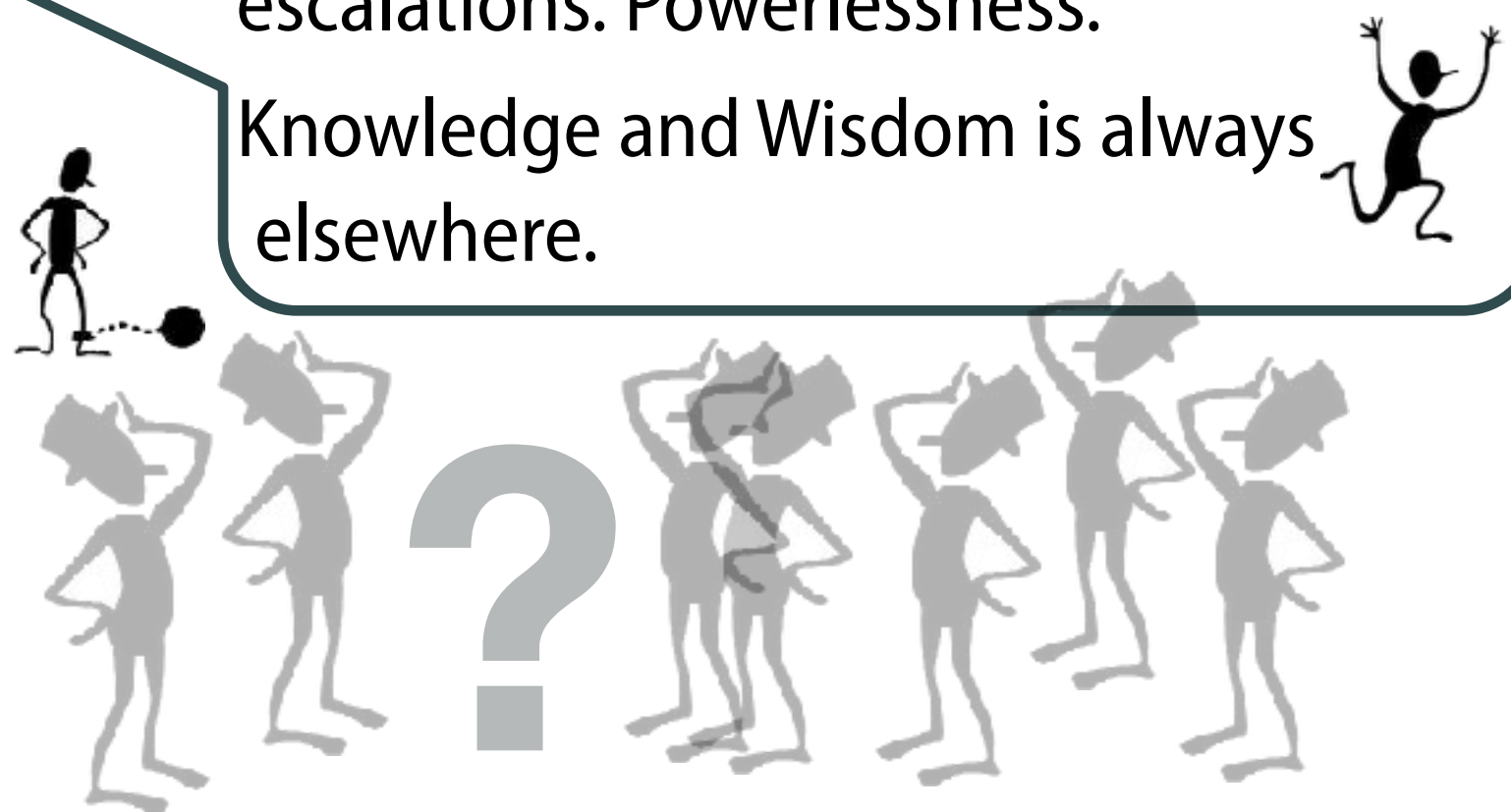
"The portfolio does not obey. Dependencies and maintenance dominate."



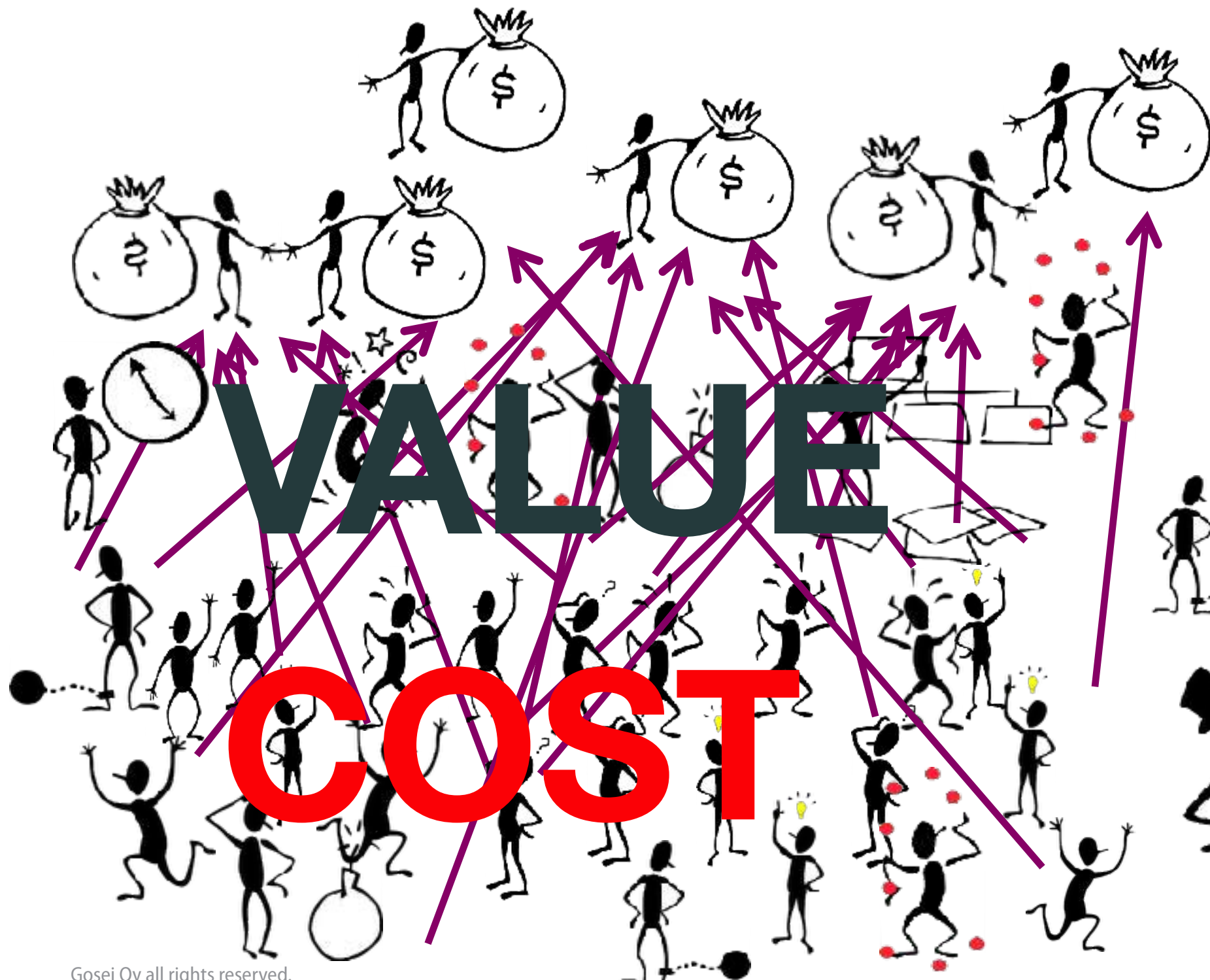
Not fun!



Fragmentation. Wait for decisions, budget, plan, knowledge, service, ... Quick fixes and bad quality. WIP, batches and queues. Little learning. Busy with your queue. Problem escalations. Powerlessness. Knowledge and Wisdom is always elsewhere.



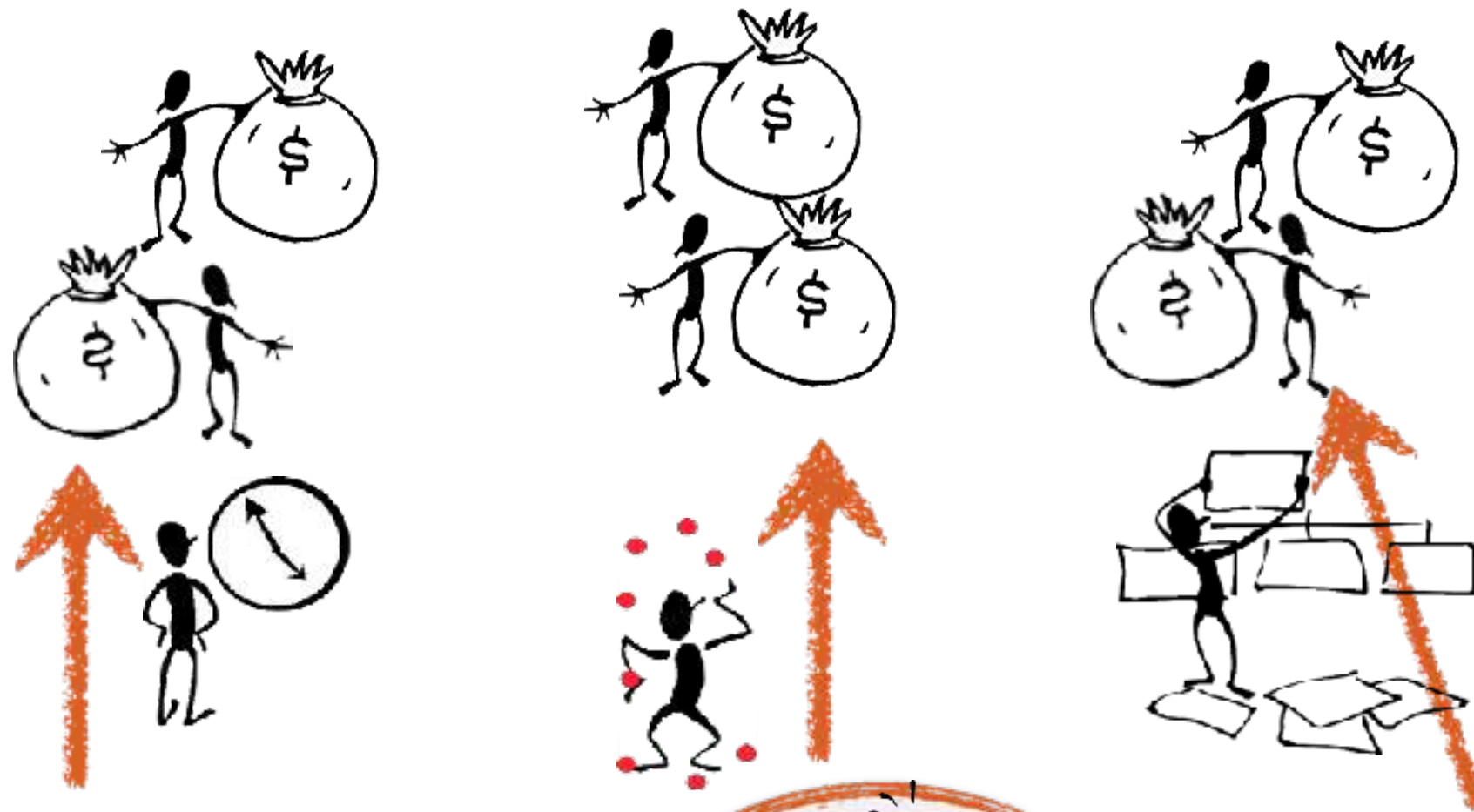
Outsourcing the leadership problem



“We still have the customers. And the middle layer coordinates the whole.”
“The development is too expensive and is difficult to manage.”
“But we can outsource the difficulty to an affordable provider, which we then can control through the agreement.”



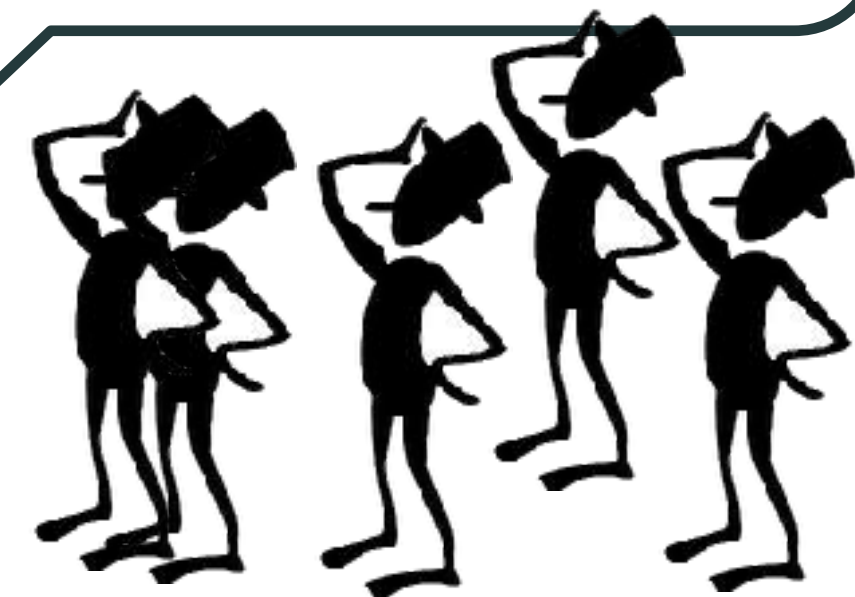
Or fundamental change in thinking



“Let people work in customer-oriented teams. First learn intimately what the customer needs, and then learn how to deliver. There will be discovery and innovation.

The end-to-end throughput will improve.

The coordination cost becomes investment in learning.”



The slow poison of component teams

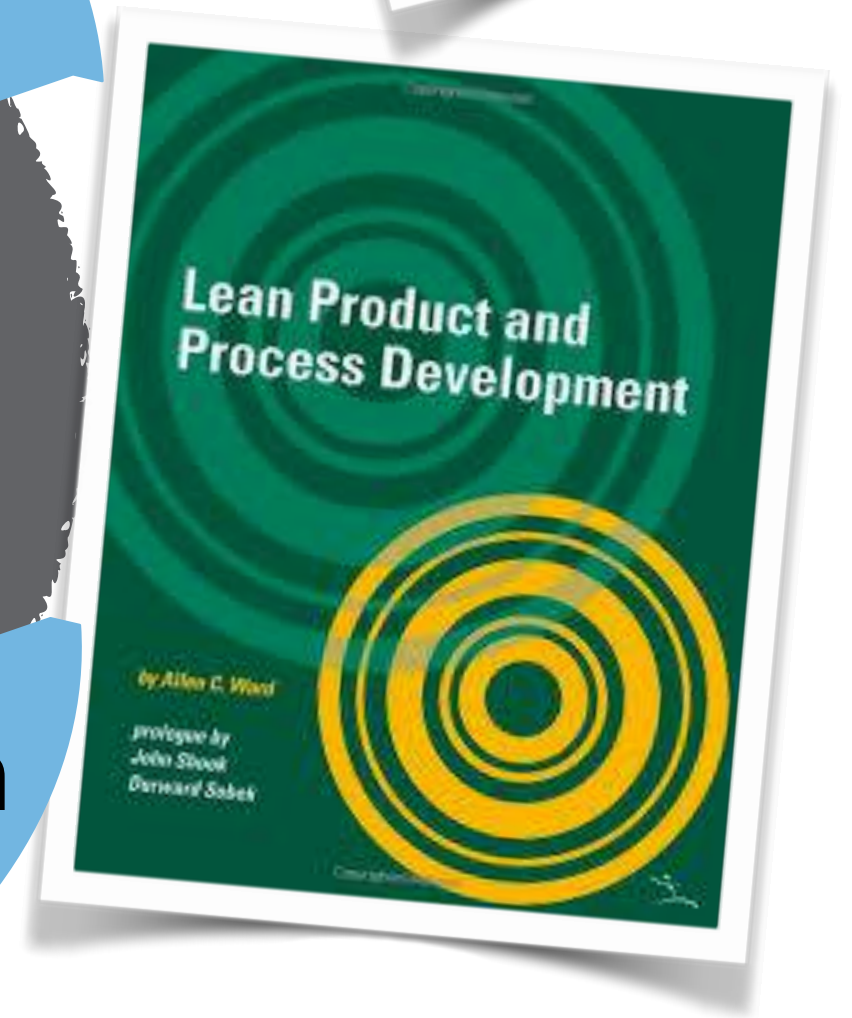
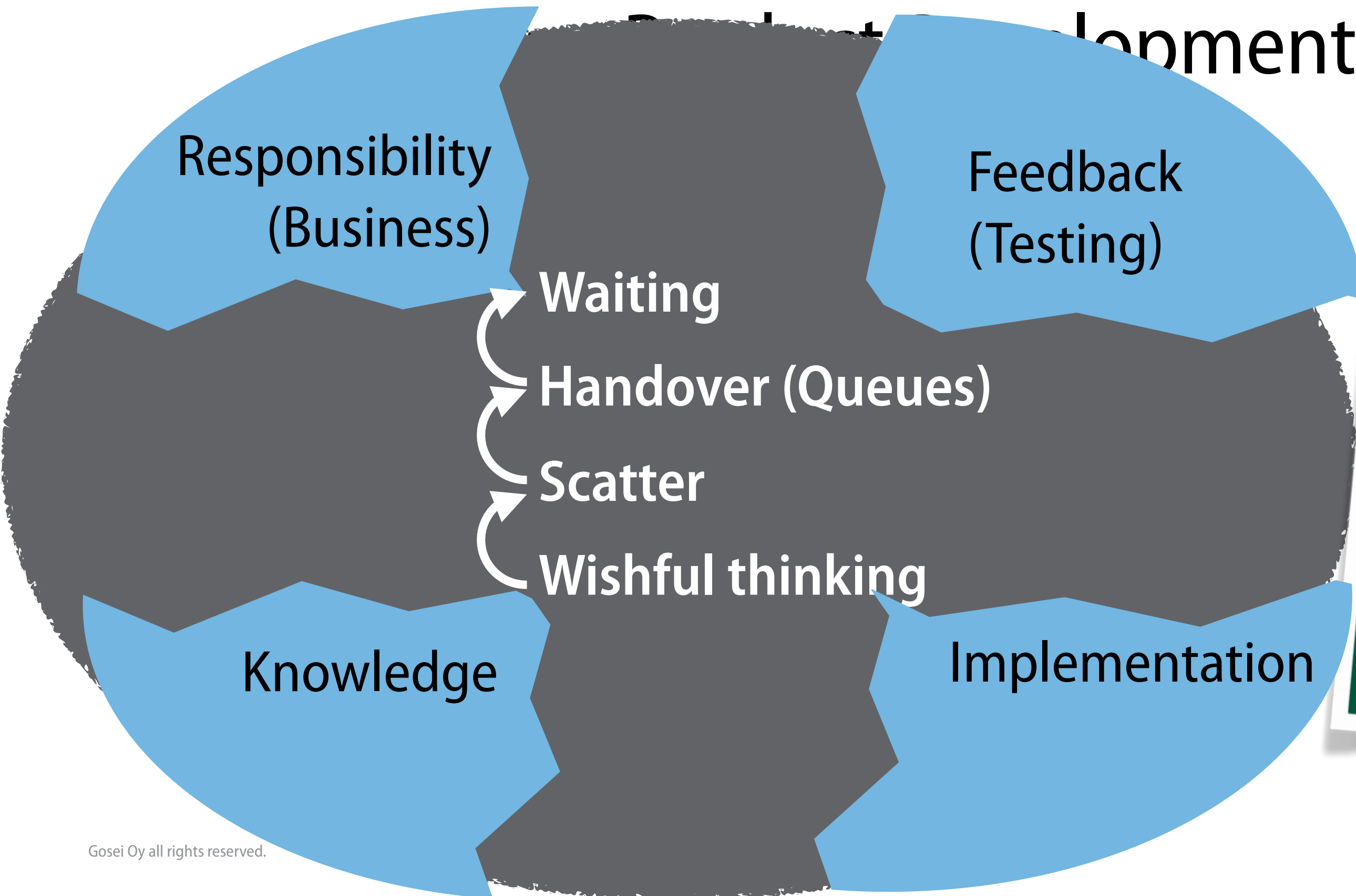
Dividing work to component teams leads to:

- pre-planning teams
- integration teams
- resource bottlenecks
- queues because of asynchronous dependencies
- long planning horizon
- ever growing organisation and middle management
- Coordination Chaos

It is called Waterfall. It works in the beginning.



Second opinion from Product Development



Organization's DNA False management assumptions



Wishful thinking
Wishful thinking
Wishful thinking

Knowledge

Implementation

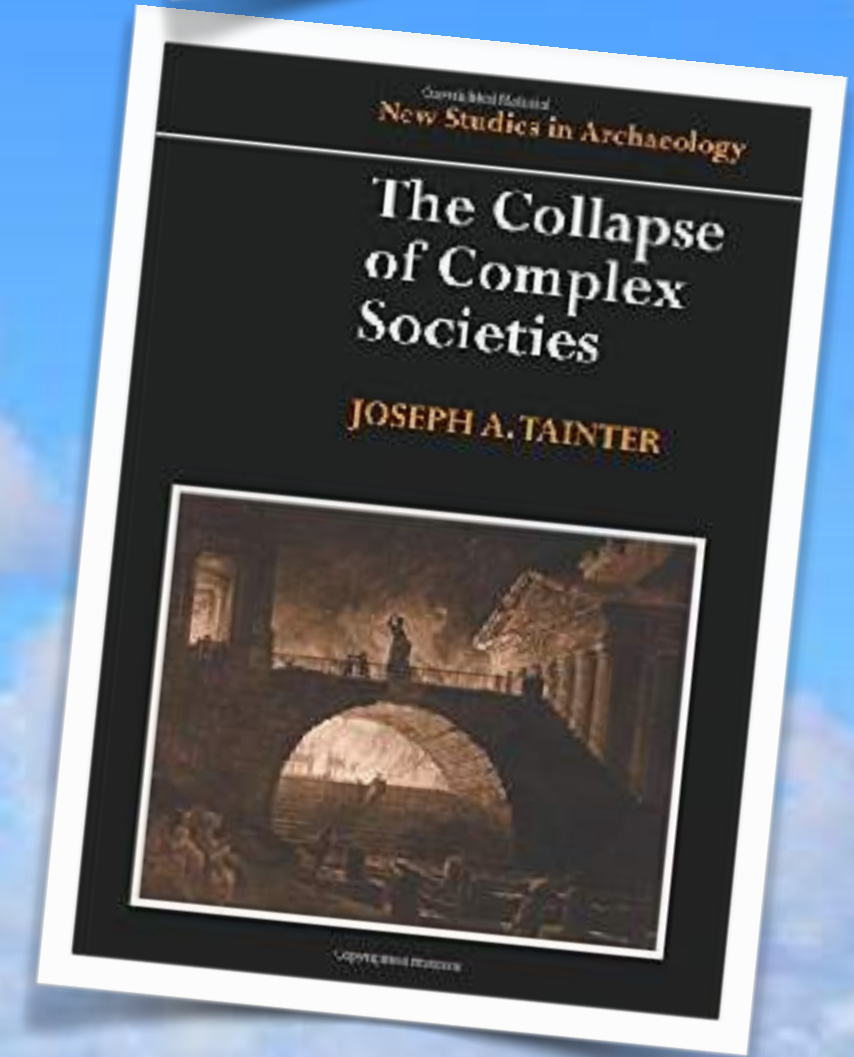


Collapse of Complex Societies

Joseph A. Tainter

Collapse of Complex societies:

- Mayas
- Chacoan
- West Roman Empire
- Western Chou
- Mesopotamia
- Egypt
- ...



Tainter's story in brief

Innovation
increases local efficiency
and complexity.

Abundant resources
and innovation enable the
growth of the Society.

- Complexity grows
- Elite creates wasteful rituals to maintain their status
 - Rent instead of value creation

The complex society can no
more adapt and collapses.
The population drops dramatically.

The root cause of the collapse

is

the complexity

not

the depletion of resources.

Management by Fear

Case NOKIA Mobile Phones

Study

- Quy N. Huy at INSEAD and Timo Vuori at Aalto University
- Three rounds of interviews with 76 former senior managers

Sources:

<http://www.enterprise Garage.io/2015/12/case-study-how-nokia-lost-the-smartphone-battle>

<http://knowledge.insead.edu/strategy/who-killed-nokia-nokia-did-4268>



From top to bottom in 5 years

1. Top Management feared of competition and threatened the Middle Management
2. Middle Management misled Top Management because of internal fear
3. Top Management was over-confident and uninformed
4. Top Management was not technically competent to assess the situation
5. Wasted development effort, not acted on by top management

Management by Fear
is
a property of the system
not
because of the person.

A fragmented (schizoid) system causes fear

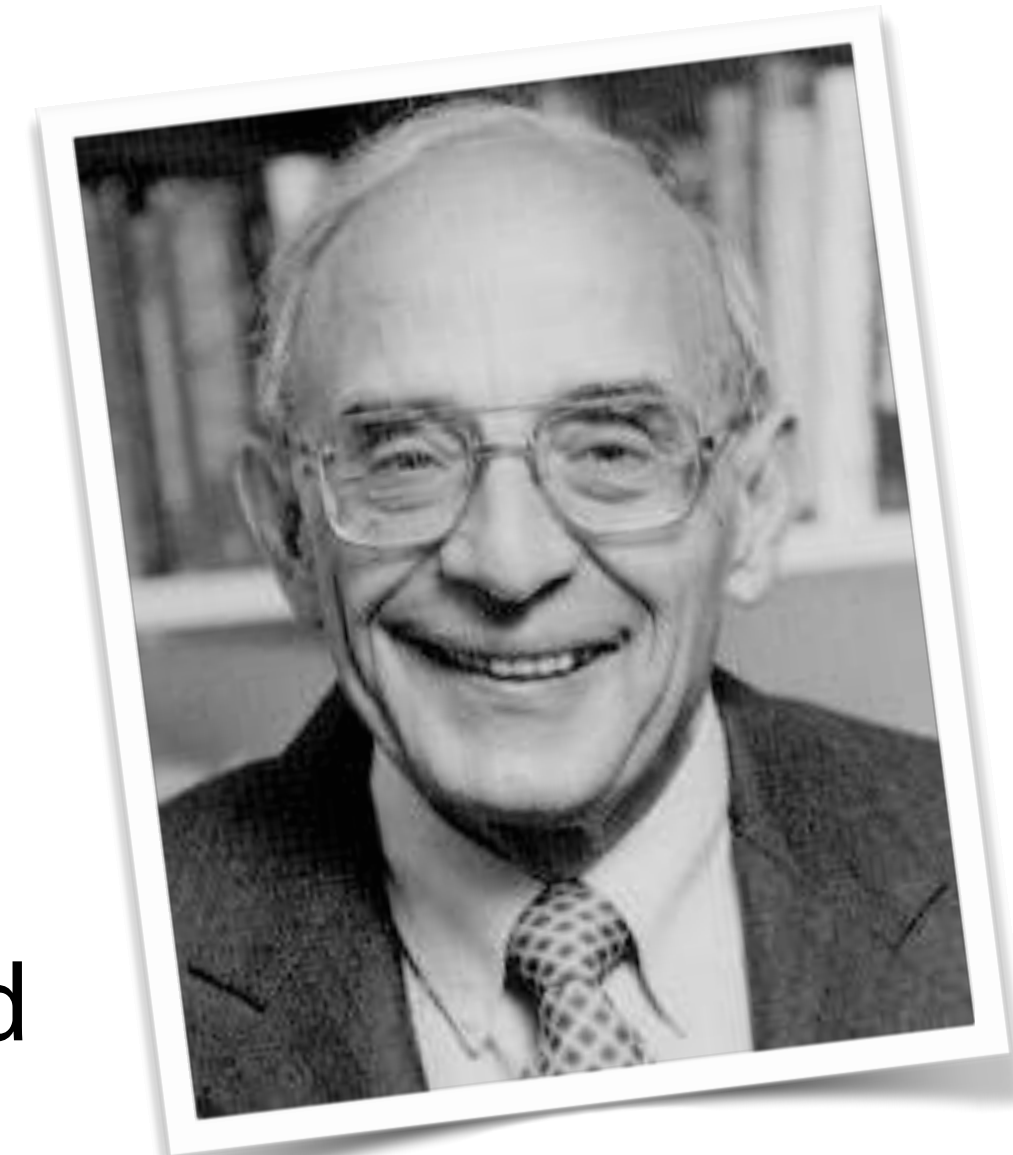
1. Paranoia. I have no clue what happens elsewhere. Opportunities are seen as threats.
2. As a (top) manager, I have no clue what is happening in my organisation. I have only one management tool: pressure.

Consequences of Fear, Shame and Guilt

Organizations are designed to produce waste and error, in order to avoid embarrassment and threat, and to cover unacceptable acts.

It is indiscussable. Indiscussability is indiscussable.
But individuals know.

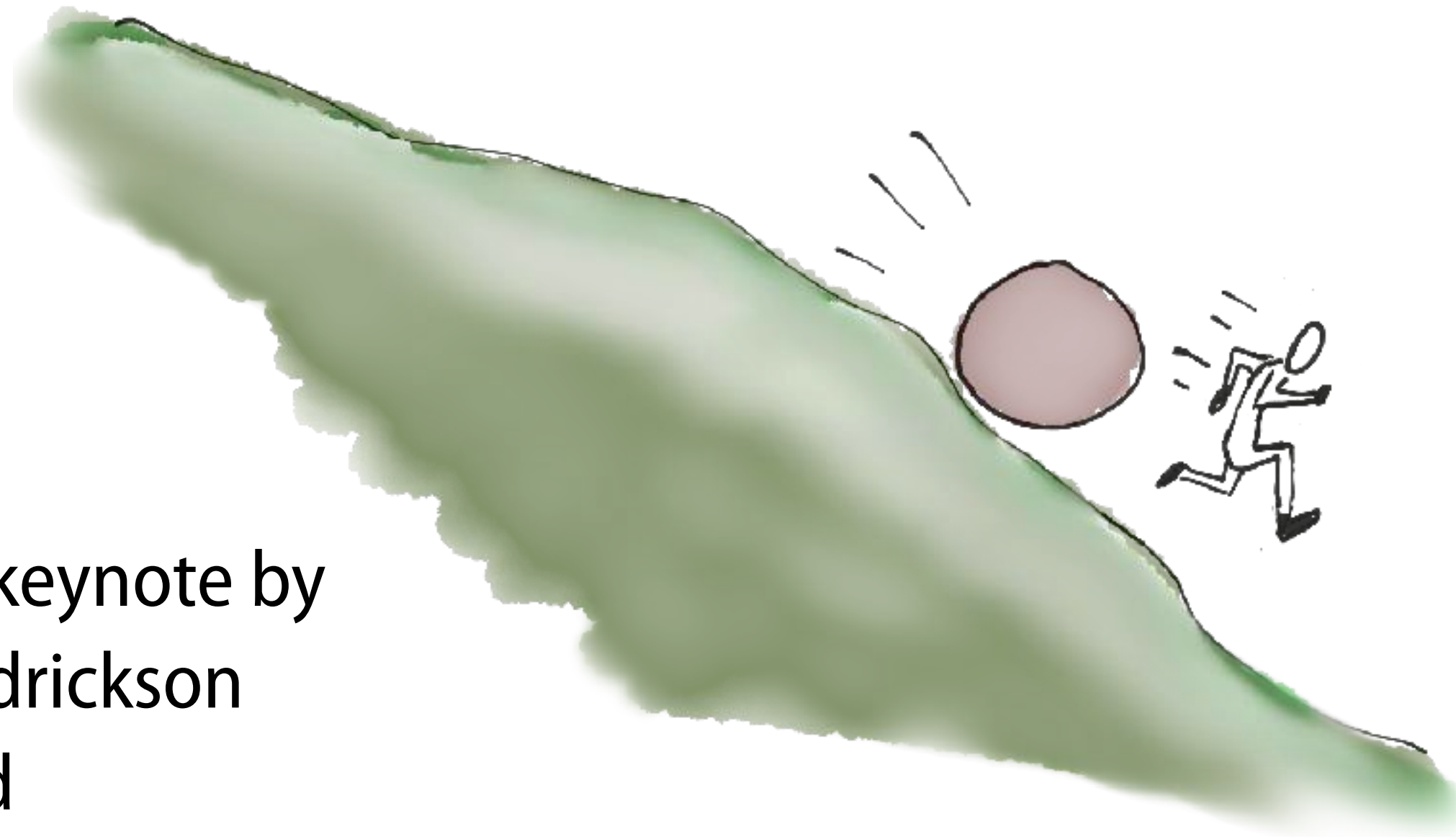
Indiscussability results in skilled incompetence and organizational depression.



Chris Argyris: Overcoming Organizational Defenses, Facilitating Organizational Learning. 1990.

Actionable Fearless Leadership

Without Intervention, Work Rolls Down Hill



From XP2016 keynote by
Elisabeth Hendrickson
@testobsessed

Fearless Leaders



Intervene



How much time, cash and owners' trust do we have?

Fear

Individual

- Exclusion from the tribe
- Personal conflict

Collective

- Death of the tribe
- Loss of cohesion
- External conflict

Avoid conflict



**From
Conflict Avoidance
To
Greed to Learn**

**From
Conflict Avoidance
To
Radical Curiosity**

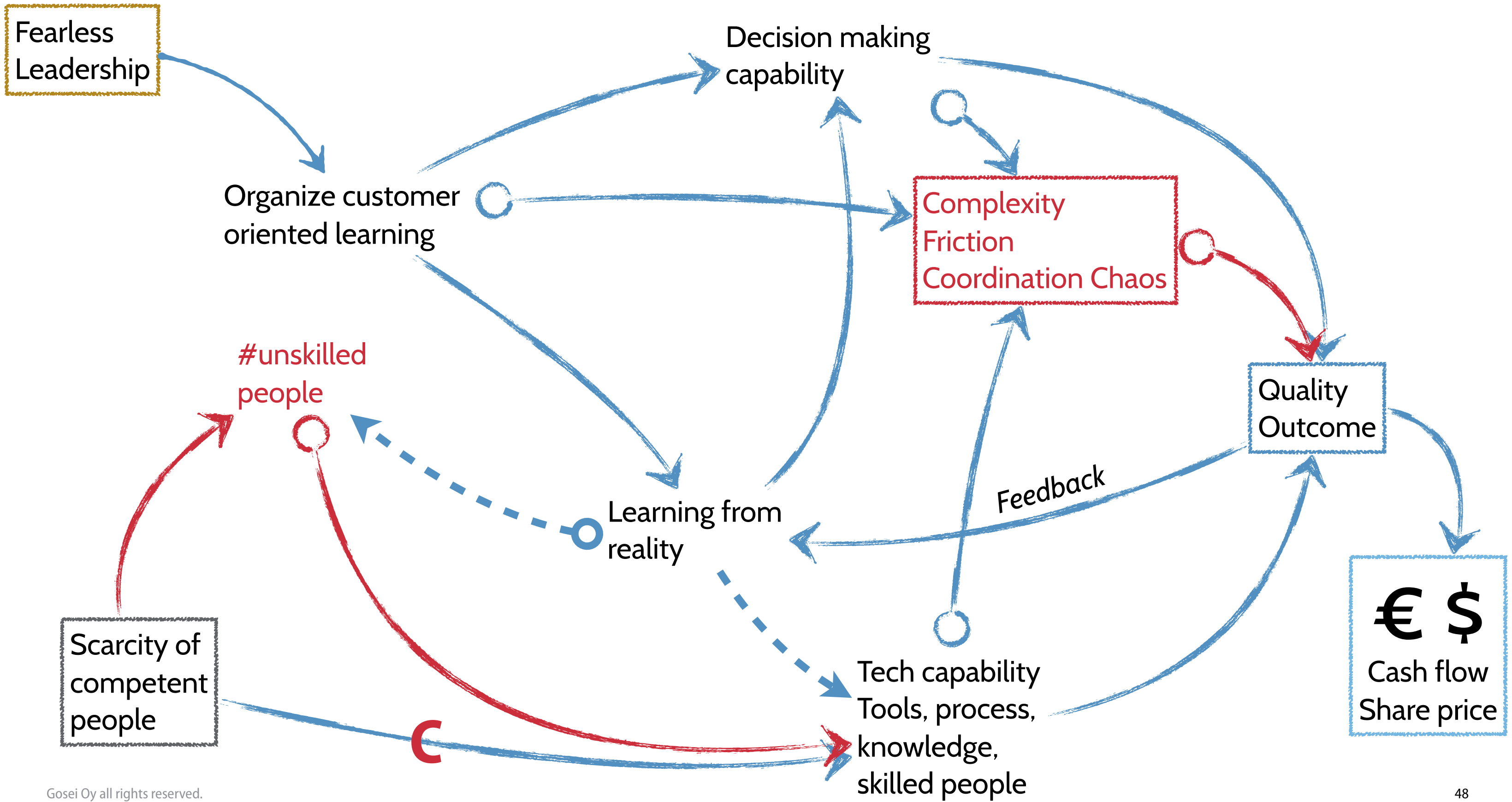
Fearless Leaders

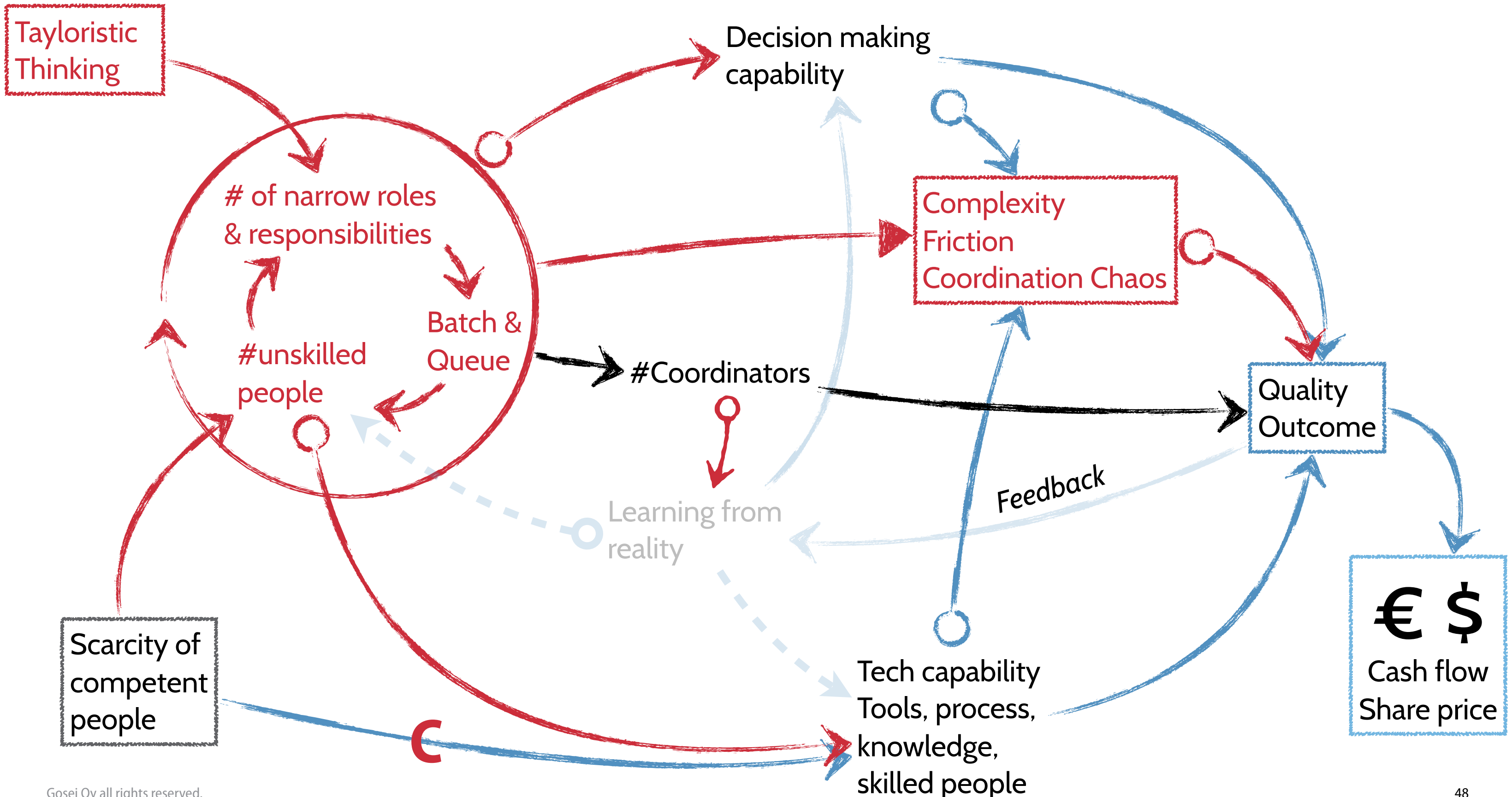
Connect
conflicting realities -
letting curiosity
overcome fear

Intervene

Trust in
Learning

How much time, cash and
owners' trust do we have?





Fearless Leaders

Connect
conflicting realities -
letting curiosity
overcome fear

Intervene

Trust in
Learning

Understand the system

- Coordination Chaos
- Tayloristic leadership
- Feature Teams
- Factory floor reality...

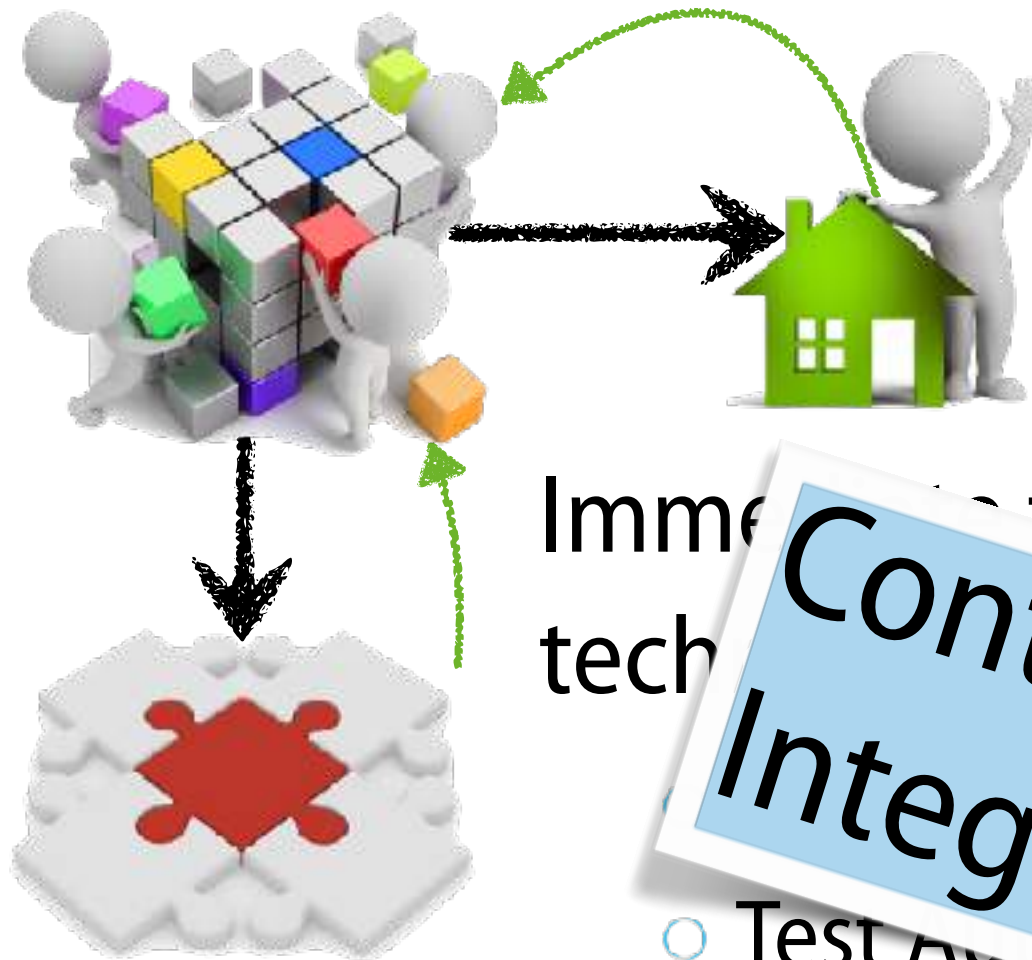
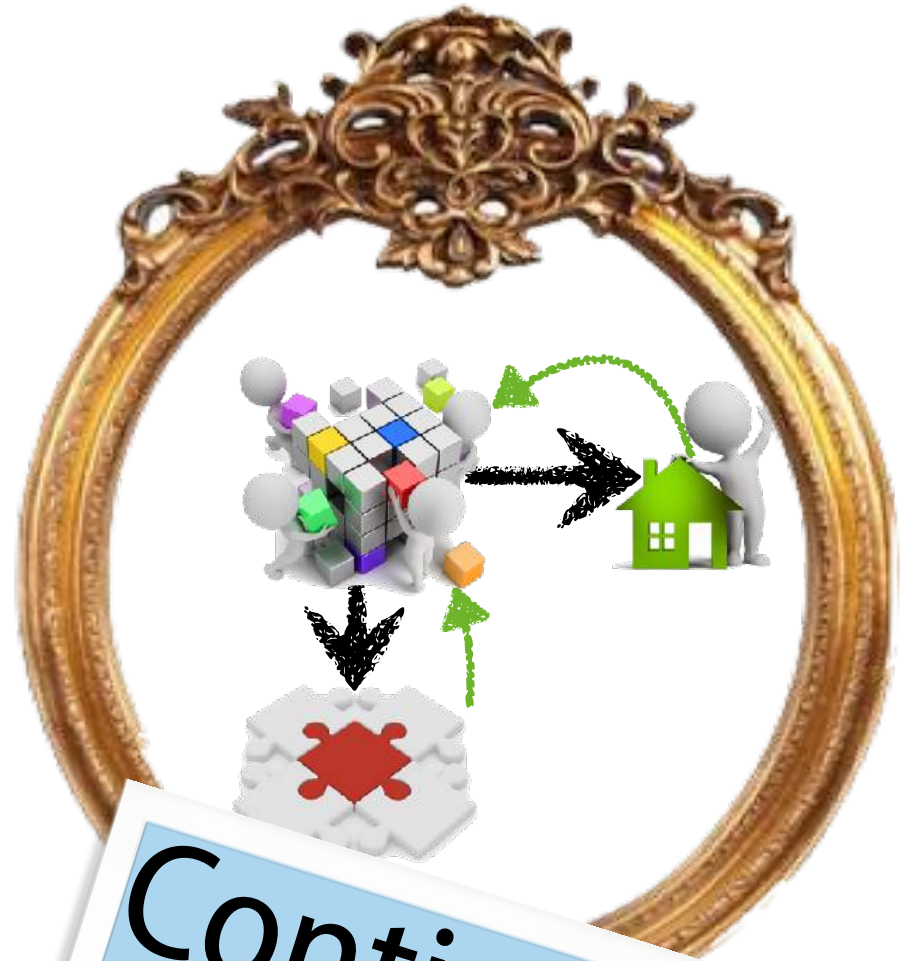
How much time, cash and
owners' trust do we have?

Build the system of feedback from realities

Organise for customer oriented

- Find your Product
- Cross-functional team
- Full product focus

Feature Teams
Working with
Full Product



Immediate feedback from
tech

Continuous
Improvement

Continuous
Integration

- Real-time
- Systems Thinking

- Test Automation



Nooooooo!
It will break!

Fearless Leaders

Connect conflicting realities - letting curiosity overcome fear

Intervene

Build feedback mechanism from Work, Customer and System

Trust in Learning

- Understand the system
- Coordination Chaos
 - Tayloristic leadership
 - Feature Teams
 - Factory floor reality...

How much time, cash and owners' trust do we have?

Psychological Safety



Employees who feel psychologically safe:

- Stay with the company
- Embrace new ideas from their colleagues
- Generate more revenue
- Rated as 'effective' twice as often by their managers.

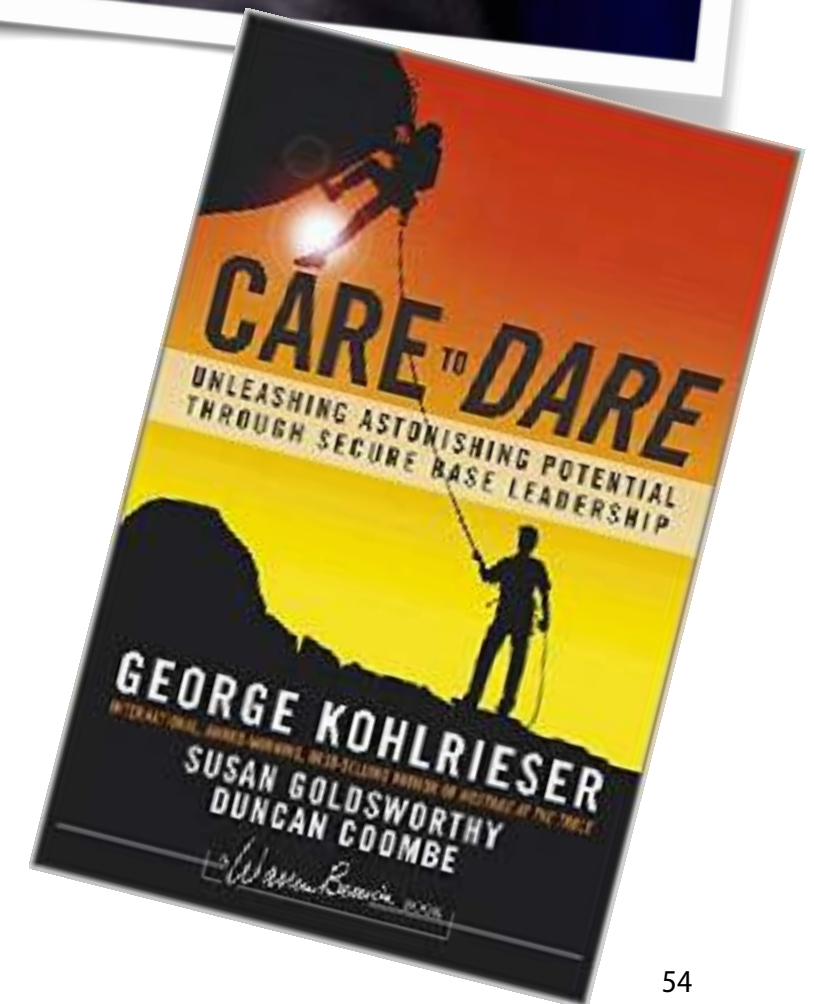
Secure Base

Two fundamental Secure Bases

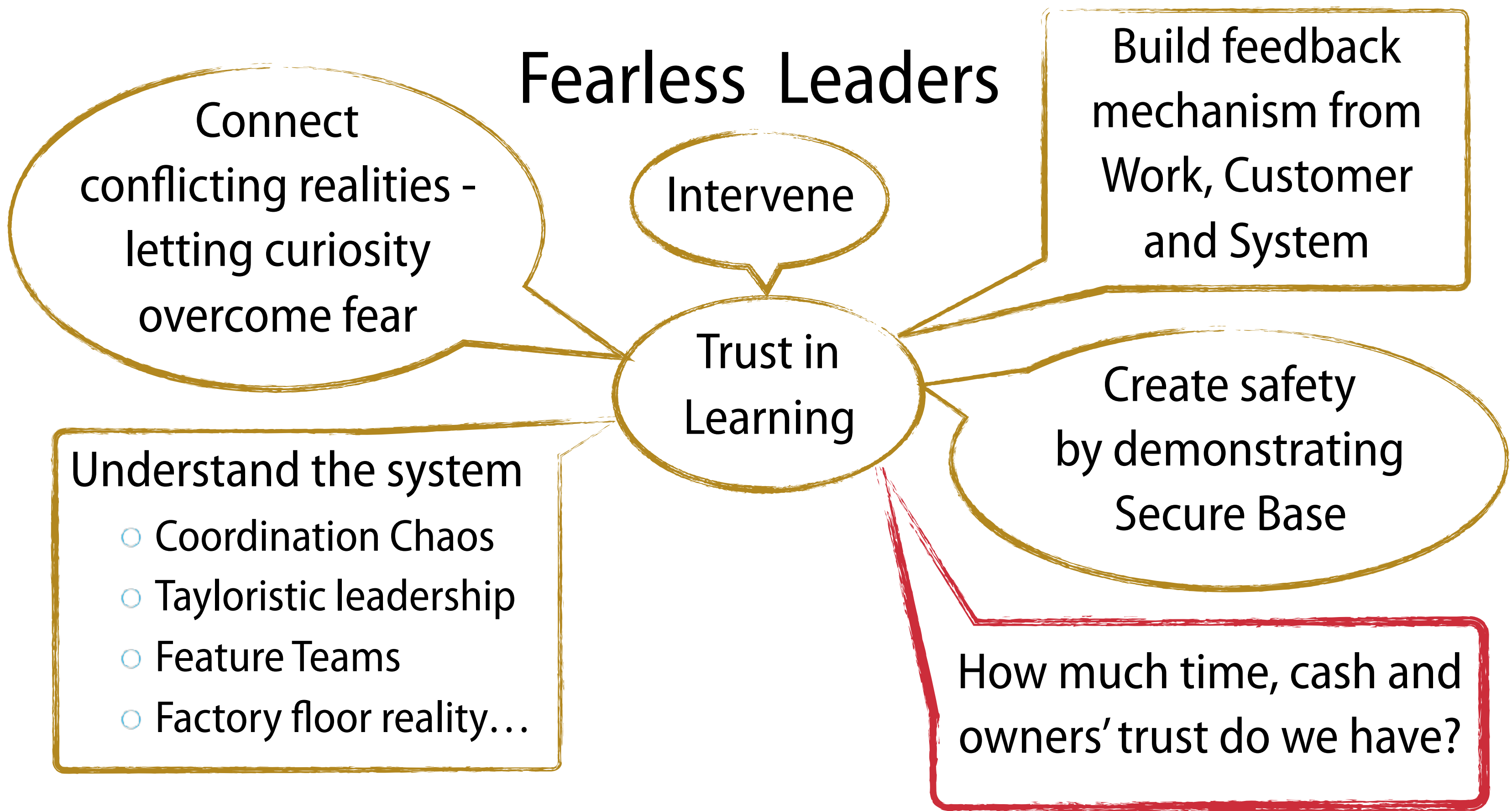
- Social network, bonding
- Achievement, empowerment

Leaders demonstrate Fearlessness
by their own personal Secure Base

- E.g. <http://www.imd.org/news/TEDx-talk-George-Kohlrieser.cfm>



Fearless Leaders



Connect conflicting realities - letting curiosity overcome fear

Intervene

Build feedback mechanism from Work, Customer and System

Create safety by demonstrating Secure Base

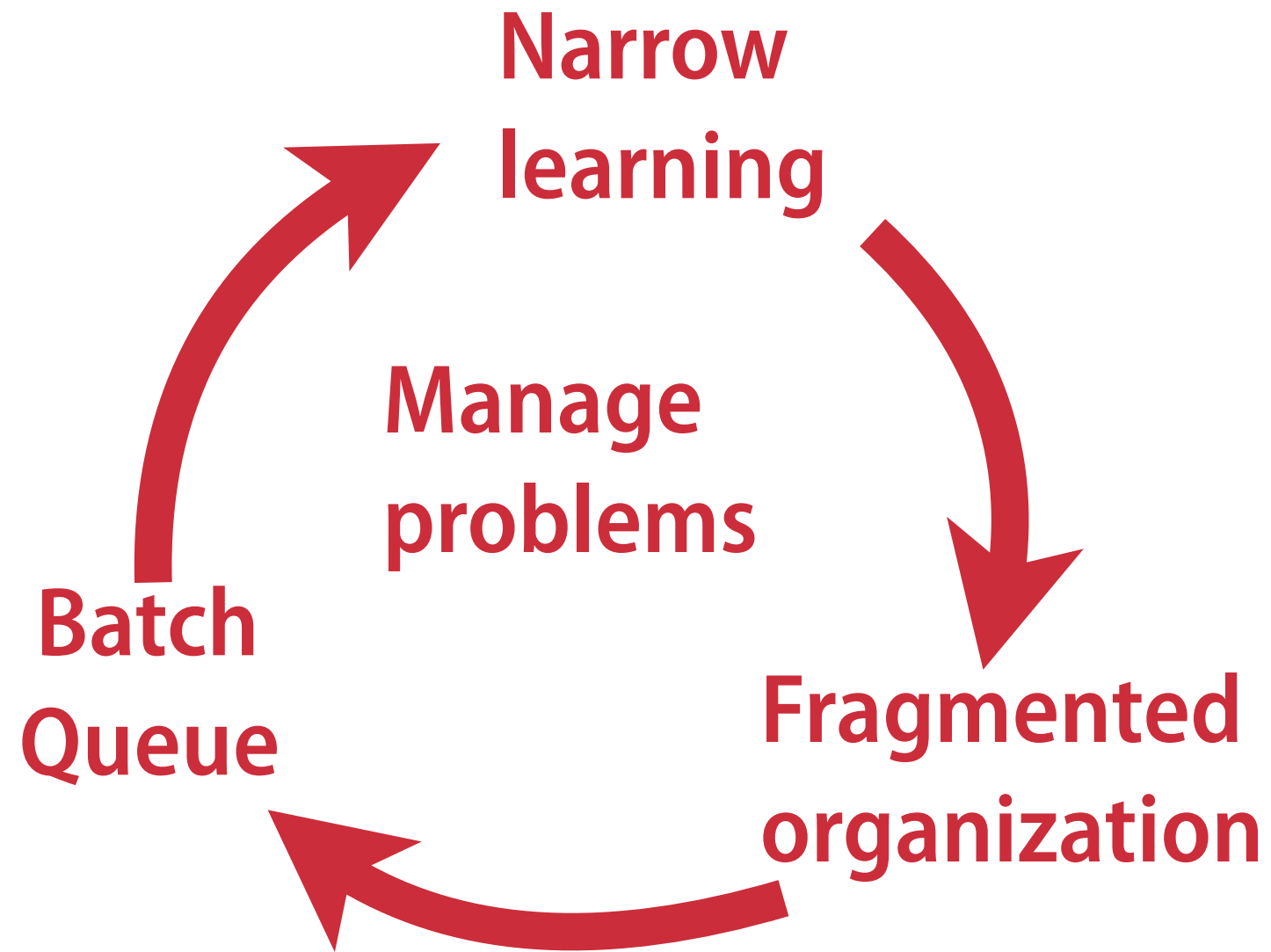
How much time, cash and owners' trust do we have?

Understand the system

- Coordination Chaos
- Tayloristic leadership
- Feature Teams
- Factory floor reality...

Trust in Learning

Everyday experience

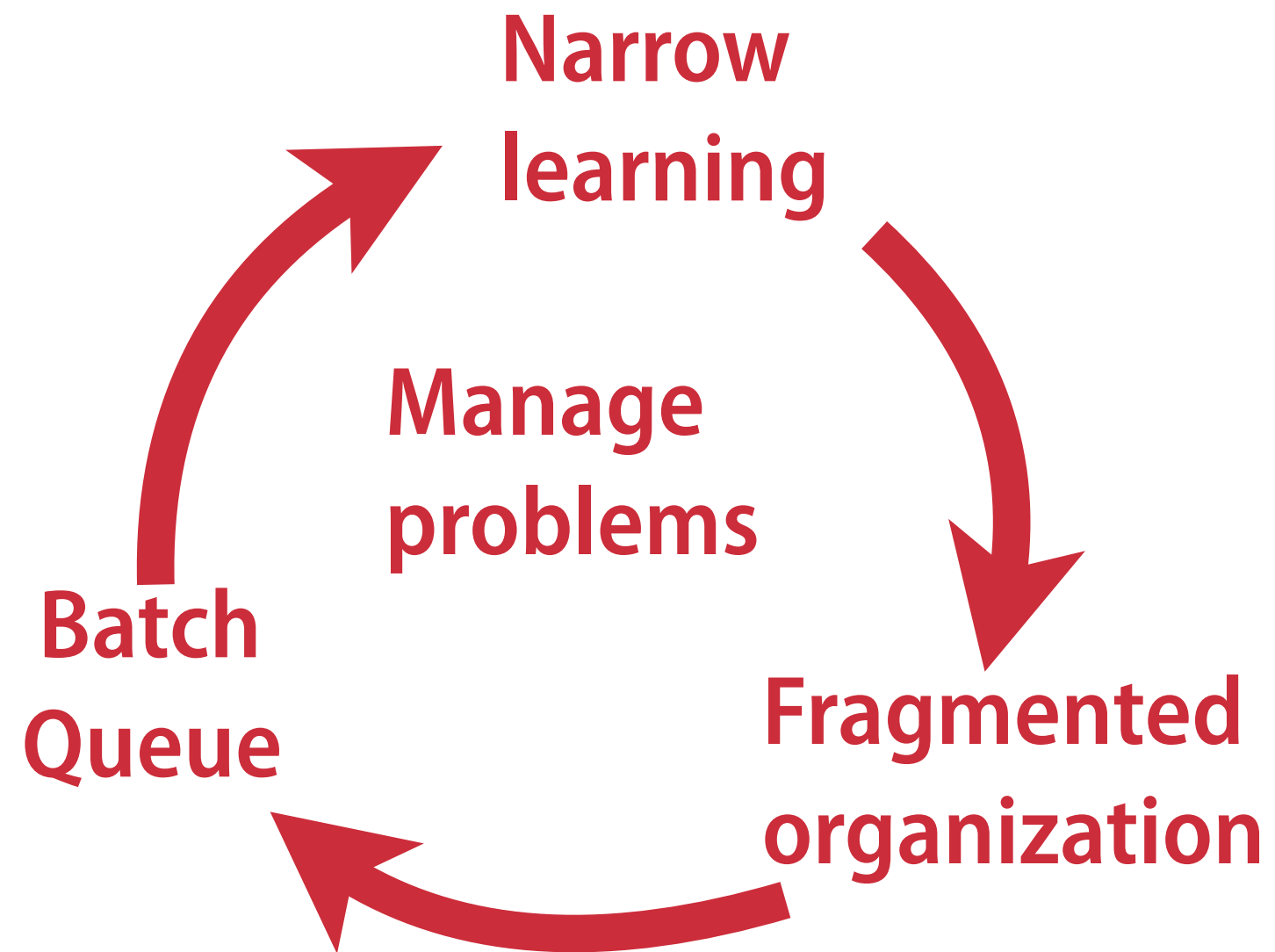


“Pressure. Must. Should.”

“No time for real change.”

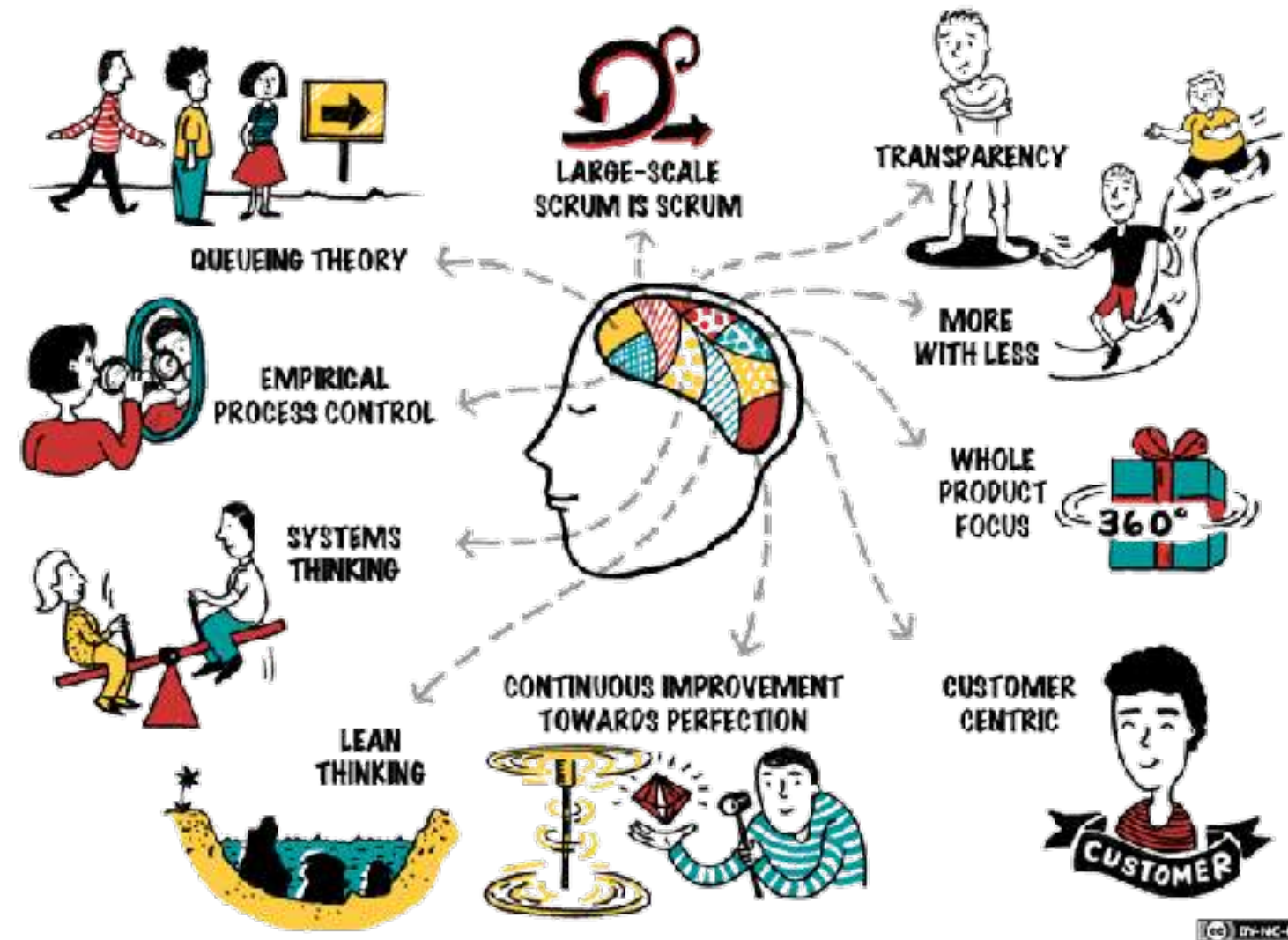
“Power and wisdom are always elsewhere.”

Adoption path



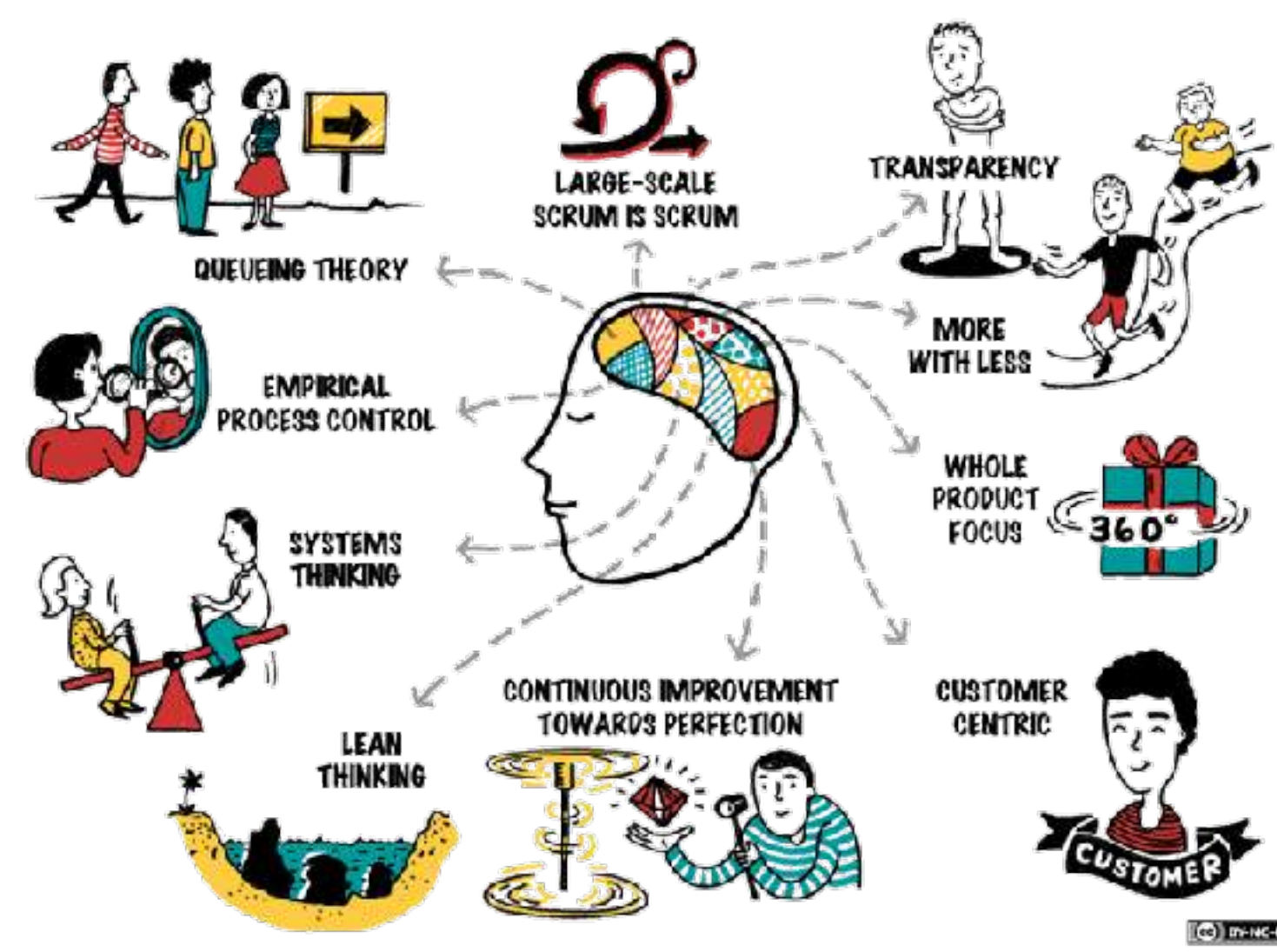
Adoption path

1. Change thinking



<http://LeSS.works/principles>

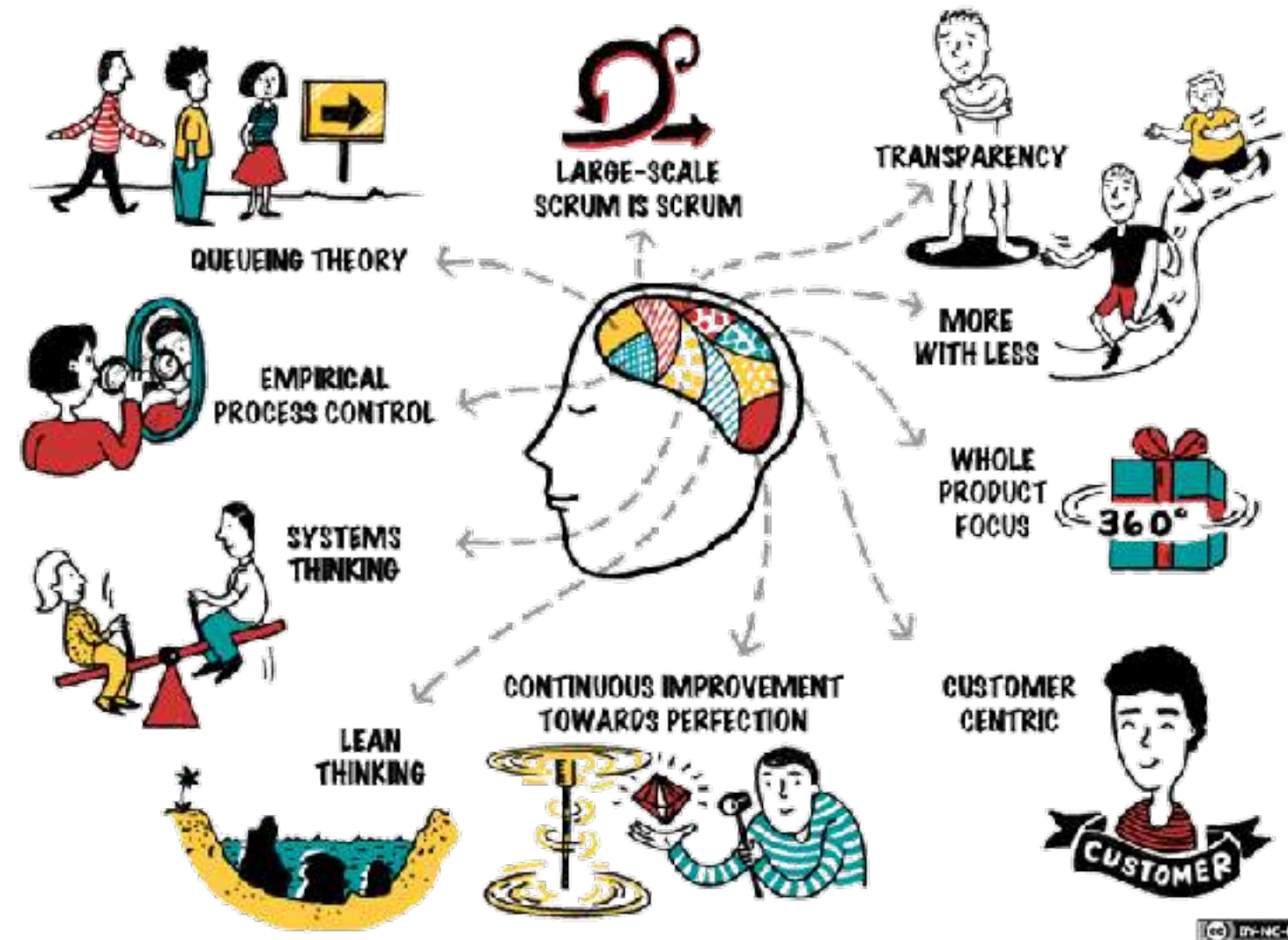
Adoption path



<http://LeSS.works/principles>

2. Organize for customer-centric learning

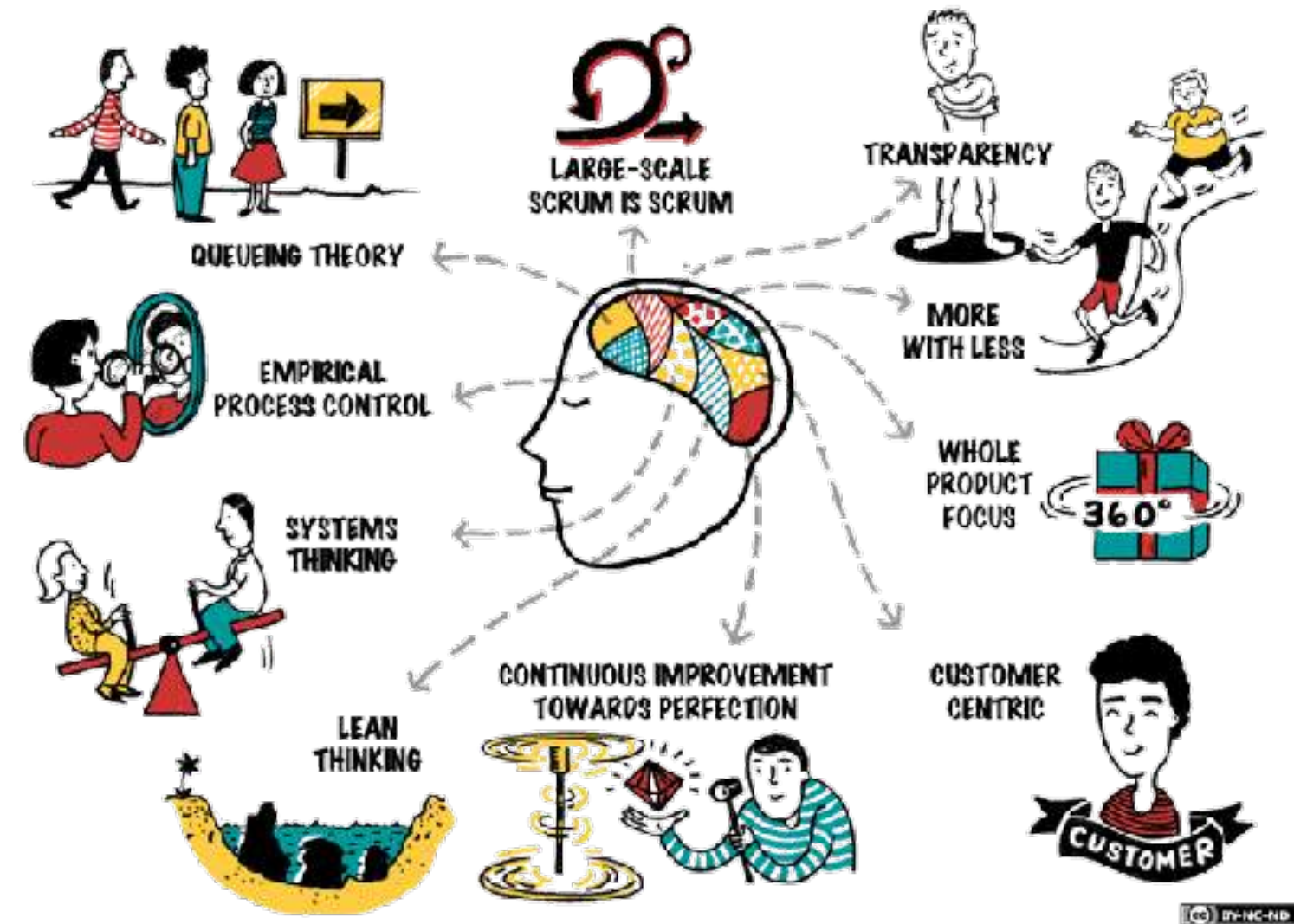
Adoption path



<http://LeSS.works/principles>

Adoption path

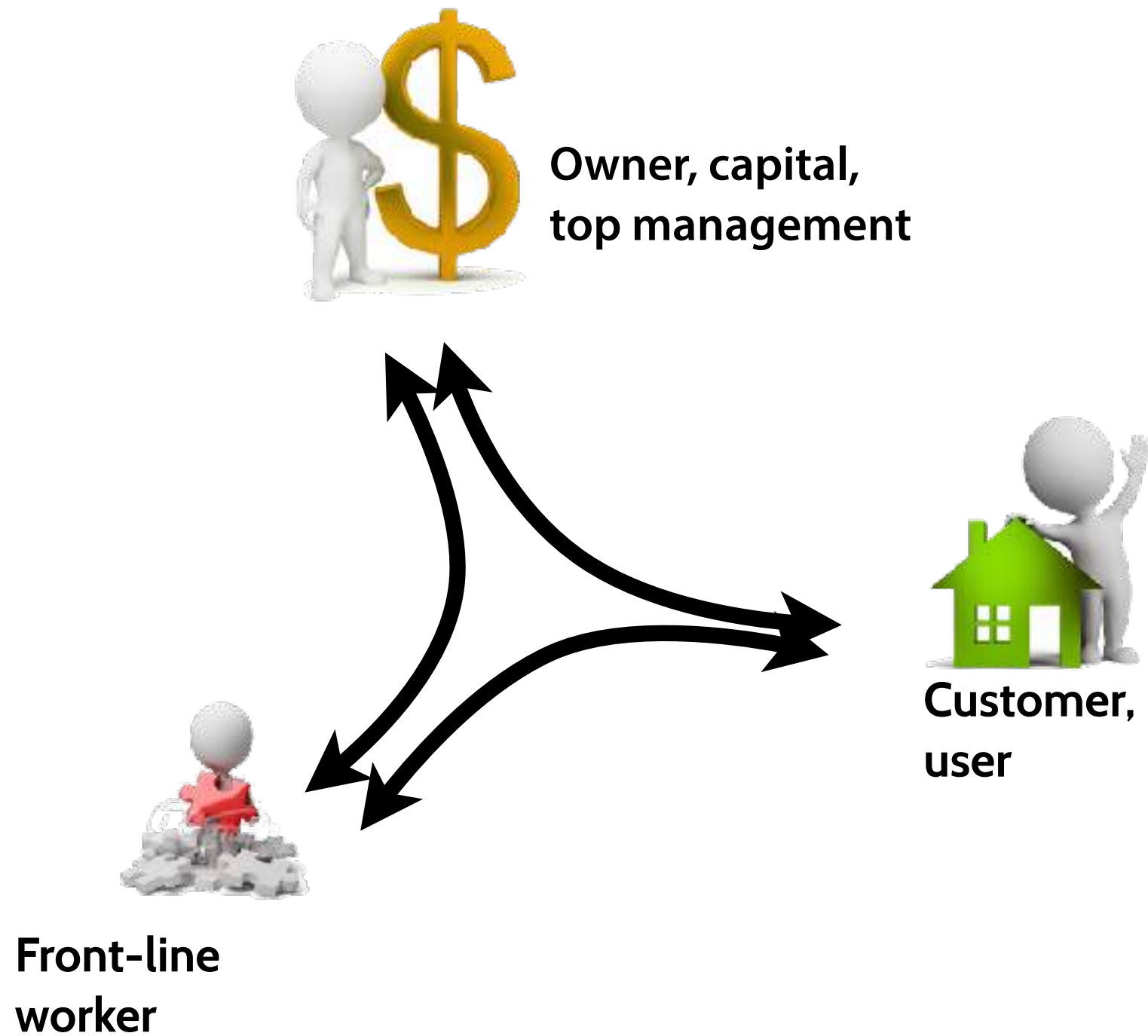
4. Learn forever



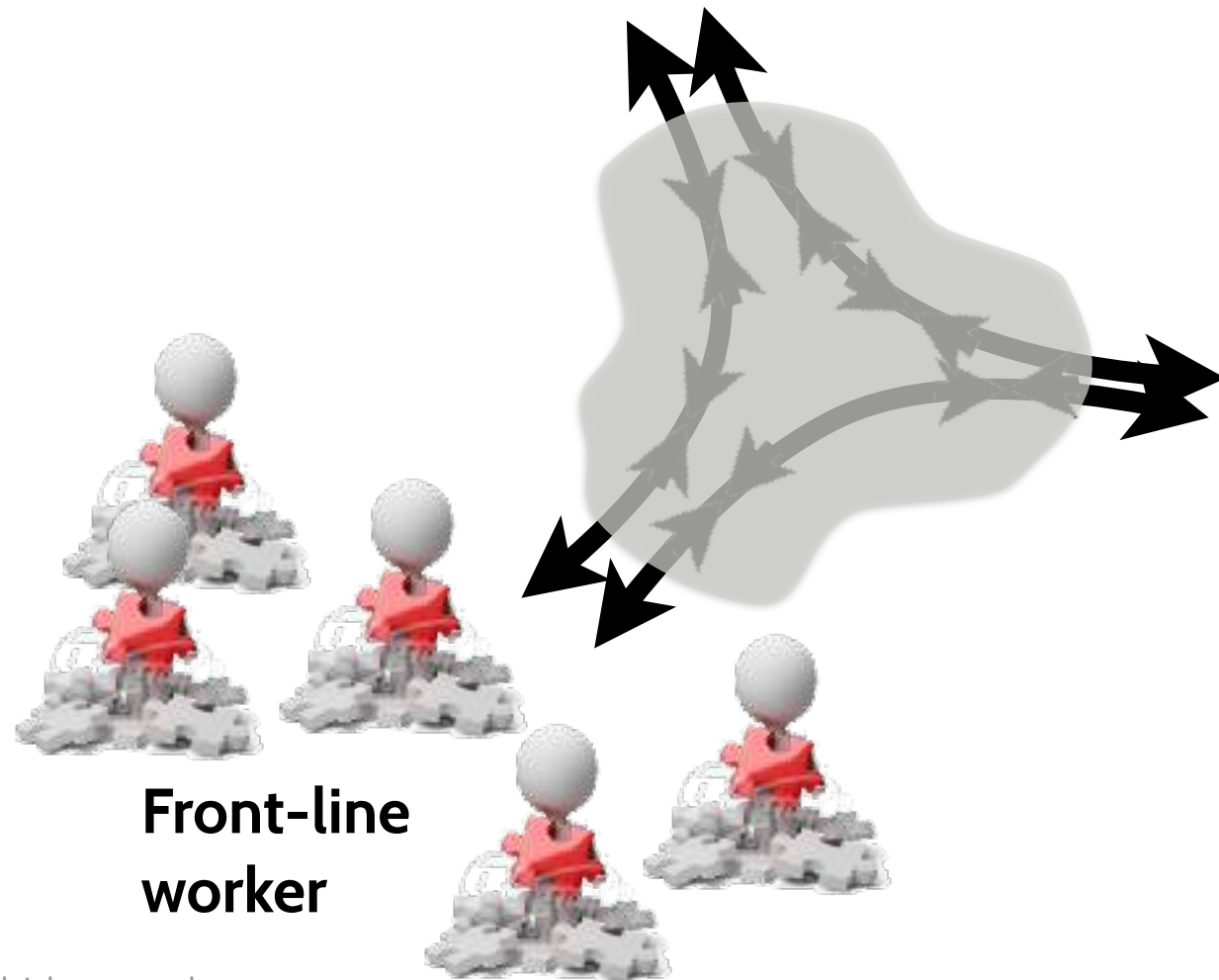
<http://LeSS.works/principles>

**Organize structures
for
Customer Oriented Learning**

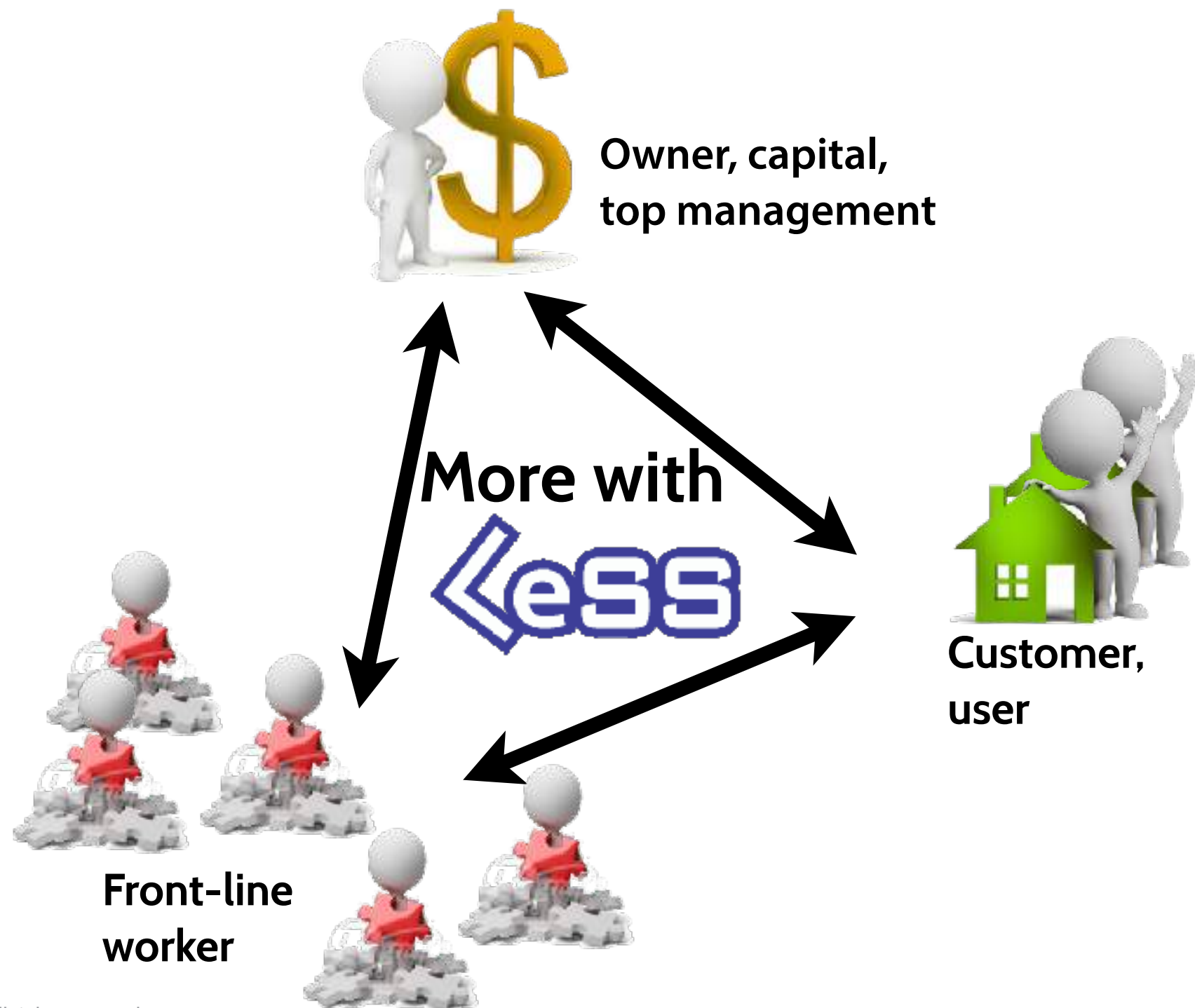
The real stakeholders



Growth of the middle management



Dis-intermediating by LeSS

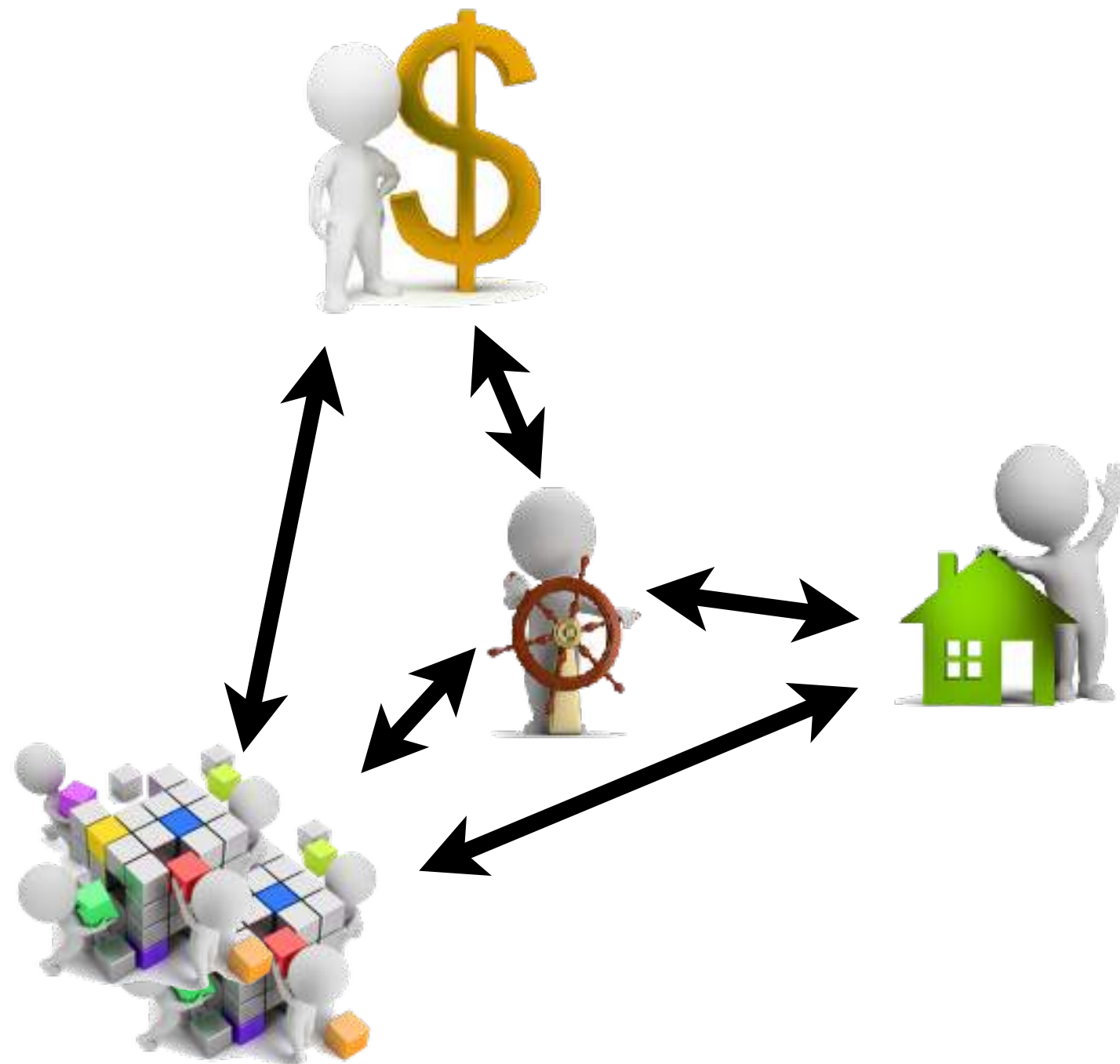




Nooooooo!

It will break!

LeSS Organizational design



Find your product to enable direct customer interaction.

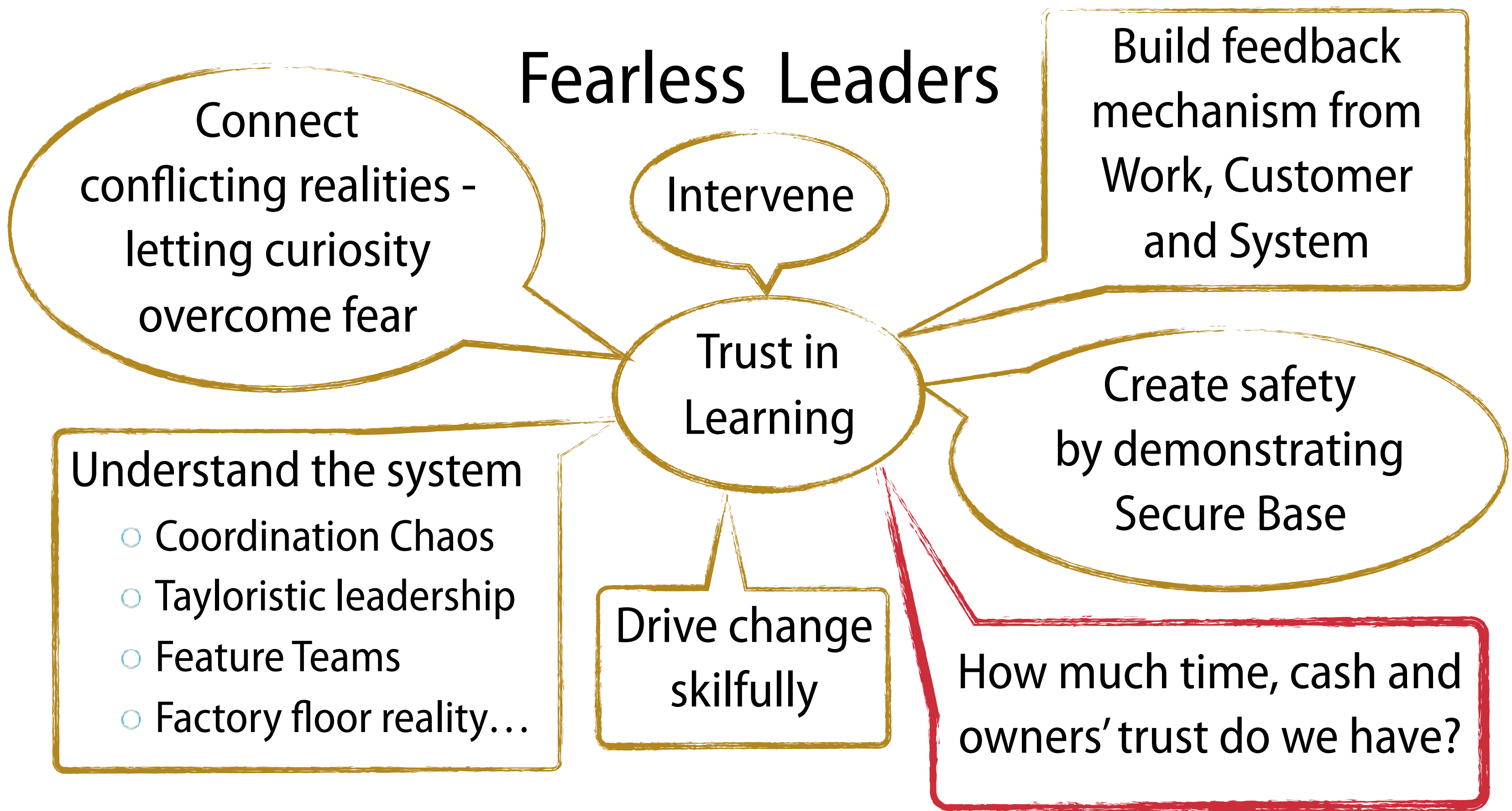
Build customer-oriented feature teams.

Decoupling products and learning away from Coordination Chaos.

The Product Owner decides, customer interaction clarifies.

The top and line management work to build the system.

Fearless Leaders



How much time, cash and owners' trust do we have?

www.gosei.blog

www.coordinationchaos.com

www.less.works