Scaling Ourselves Up

Organizations around the globe are struggling to adapt to an increasingly turbulent economic, technological and business environment.¹ Many companies are responding to the turbulence of today’s world by adopting agile development in their product and service delivery. And for good reason: Agile provides well-tested practices and frameworks that improve a company’s speed, customer satisfaction, and quality of delivery.

As many organizations are finding, however, Agile’s focus on team delivery alone is not enough. Consider a recent Version One 2013 “State of Agile” survey: respondents cited “inability to change organizational culture” and “general resistance to change” (at 54% and 42% respectively) as the two largest barriers to sustainable agile adoption.

These two issues have nothing to do with agile delivery methods per se. More and more, companies are already quite good at the nuts and bolts of agile team delivery. What they lack are new skills and practices at the management and organizational level to create an overall environment of agility. As teachers of a few thousand Scrum Masters and Agile Coaches around the world, this is the lament we hear most frequently.

Increasingly, the challenges we face invite us to “scale” more than our agile delivery mechanism: we need to scale ourselves up. To be capable of more than merely ‘dealing’ with turbulence and complexity, to the ability to directly using that complexity in the realization of business outcomes. To do so, we need to upgrade our own internal operating system as leaders—to scale up our own complexity of mind in order to bring about greater institutional adaptability.
We intend this white paper to help you visualize how to make this operating system upgrade for yourself, and that it will help guide your practice, as well as provide you the wherewithal to choose the next step in your development as an agile leader.

This paper unfolds as follows. First we describe the profound philosophical shift that informs and defines the mindset of the Agile Leader. Then, we present an integral systems model that will help you decipher the complexity of organizational life, while revealing new options for managing in the face of that complexity. Finally, we illustrate some tools for managing and leading, based on the model, whose use and practice will activate your own emerging capabilities as an Agile Leader.

We believe this brief paper can activate truly new thinking in you. As you read along, be asking yourself: how and/or where might this be true in my world? What might things look like seen through the lens being proposed? We invite you to try experiments based on what you’re reading.

From Predict-and-Plan to Sense-and-Respond

Let’s start with first things first: the Agile Leader mindset. The Agile Leader recognizes that the management imperative has shifted: from the Newtonian Predict-and-Plan mindset still dominating management thinking (we might even say ‘management reflexes,’ as it is not so much thinking as reflexive action), to a newer, post-Newtonian Sense-and-Respond mindset that is better equipped to deal with the complexity, unpredictability and turbulence companies now face.

What is the nature of this shift in mindset?

The Predict-and-Plan mindset assumes that:

- The future is, indeed, predictable;
- Events and outcomes are by their nature stable, and very little will substantially change during the course of a given planning horizon;
- We are capable of seeing or anticipating all the relevant variables of a situation ahead of time;
- Cause-and-effect is stable and linear.

Given these basic assumptions, we would expect people to take certain kinds of actions:

- They will plan most big things ahead of time;
- They will make most of their decisions ahead of time;
- They will break down large institutional initiatives into smaller pieces that fall within separate organization responsibility areas (functional and departmental silos);
• They will create organizational and management systems, processes, and structures that operationalize and enable these assumptions and activities.

A whole body of practices and competencies embody the Predict-and-Plan mindset: entire degree programs and certification paths, while adopting a small number of more forward-thinking aspects, are still unduly rooted in the reflexive assumptions of Predict-and-Plan. HR departments, Finance, and other management functions are still fundamentally guided, day to day, by such thinking. Predict-and-Plan constitutes the very DNA of what it means be an effective organization and to be an effective organizational player. Just ask the stock market!

By contrast, a Sense-and-Respond mindset rests upon different assumptions:

• We cannot predict the future;
• Things will change, often in very unexpected (and sometimes unwelcome) ways;
• We simply cannot see or anticipate all the relevant variables of a situation ahead of time;
• Cause-and-effect may not be easily observable, either because of time (cause and effect may be separated by long periods of time), locality (cause and effect may be separated by large spatial distances), or complexity (cause and effect may be hard to sort out in complex situations, especially when we cannot see the entirety of a situation).¹

Given these very different assumptions, people employing a Sense-and-Respond mindset will tend to:

• Plan and strategize as they go (rather than planning up-front);
• Set things up to increase learning, then adjust their thinking, planning, and action based on that learning (double-loop feedback);
• Make decisions quickly, and with limited information;
• Make things visible and transparent;
• Know how to give and receive useful feedback;
• Have a high degree of flexibility in how they structure, organize, coordinate and execute the work.

Sense-and-Respond calls for a different kind of organizational player: someone who is able to rapidly (and accurately) sense what is going on around them, then effectively respond in ways congruent with institutional purpose and mission. All of this without waiting to be told what to do!

Such a capability is a nuanced one, one that cannot be created through the traditional, directive styles of management we’ve come to know, wherein managers do all the strategic thinking, then tell others what to do to execute on that strategy. Instead, what we need is a fundamental shift in what counts as the proper goals and focus of management.

**Making the Leadership & Management Upgrade**

The most succinct way to describe this is as a shift from **managing for results** to **designing environments that create results**. When managing for results, the manager’s attention is primarily with the tactical side of institutional goal achievement. Plans are created and executed, people are tasked with work, and an occasional organization structure (like a status meeting or governing council) is created to aid in realizing those goals. The manager’s focus is on milestones, deliverables, and “hitting the date.”

Activities are carefully coordinated across a number of functional units, each of whose task is accomplishing some piece of the larger puzzle. Structures, processes and policies are created to ensure that coordination succeeds. Responsibility for that coordination is typically held by management, rather than by the people actually doing the work.

*Managing for results* is the typical thinking by which *Predict-and-Plan* is implemented. As depicted in Exhibits A and B, it focuses on directing and telling, hence the term summary term – ‘directive’ – used to describe this management methodology.

By contrast, *designing environments that creates results* represents a radically different approach. It recognizes that, though managers may be accountable for institutional and strategic goals, the road to their attainment is not fundamentally through *telling* and *directing*, but rather through helping workers see where the organization is going (see a vision, own a goal), then empowering and enabling them to leverage their skills and task domain to attain that mission and those goals.

As a methodology, managing through the *design of environments* recognizes that behavior is always determined, at least partially, by the structures, processes, values and habits around which work activity is organized. Therefore, to engender an alteration in people’s behavior, the Agile Leader realizes they must alter the conditions in which people work and operate. Such alterations naturally condition the emergence of behaviors congruent with the organization’s direction, at least to the extent there has been clear alignment around that direction.
We can use Bill Joiner’s term, ‘catalyzing’\(^2\), to describe this management methodology, since as in a chemical transformation, the catalyst is an agent that stands outside the system and by its chemical activity, effects change in another system. Exhibits A and B capture salient behaviors of the catalyzing manager.

Note, this is a both/and conversation. In making the shift from managing for results ('directive') to designing environments that generate results ('catalyzing'), we’re not saying that the effective Agile Leader ignores the former. There are times when an Agile Leader uses directing, telling, controlling and incenting to get things done; but they are not limited to – nor predisposed towards – these approaches.

Not being limited to a single management methodology, the Agile Leader now has expanded capability upon which to draw, enabling him or her to catalyze the deep organizational Sense-and-Respond capabilities companies need in order to overcome the very kinds of organizational barriers pointed to by Version One’s 2013 “State of Agile” survey. The Agile Leader can rely on much more than his/her own wisdom, and tap into the wisdom of their teams.

So, how can I make this shift myself? Let’s take a look.

<table>
<thead>
<tr>
<th>Managing for Results ('Directive')</th>
<th>Designing Environments ('Catalyzing')</th>
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<tbody>
<tr>
<td>• Telling others what they need to do</td>
<td>• Creating Conditions that favor and even elicit collaboration and ownership</td>
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<tr>
<td>• Directing the flow of information, of instructions, of interactions, of who-can-talk-to-whom, of authority</td>
<td>• Designing Structures that smooth the flow of information, ease interaction, create transparency and visibility, and remove the obstacles and impediments to fast and ready throughput</td>
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<tr>
<td>• Controlling how things get done, how people work, what others do, what information is available and when</td>
<td>• Introducing Practices that help people become skillful and effective at communication, adaptive planning, emergent software design and delivery, iterative/incremental product delivery, among other things</td>
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<tr>
<td>• ‘Incenting’ others through rewards, promotions, and bonuses or other forms of favorable treatment</td>
<td>• Introducing Roles that delineate specific skill-sets that some, but not all, need to have to help the overall flow more quickly and more effectively</td>
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<td></td>
<td>• Introducing Vocabularies that help people say things in new ways and, as such, be able to talk about this new way of working</td>
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Introducing an Integral Agility

Leaders and managers of every stripe have a variety of conceptual tools and frameworks they use. Tools like SWOT, balanced scorecard, strategic diamond, work breakdown structure, results dashboard, just to name a few, not only help managers get important work done; they shape a way of thinking about what it means to manage and what it takes to manage.

The Sense-and-Respond Agile leader is no different. A variety of tools exist to help the Sense-and-Respond leader. In our own coaching and mentoring work with managers and executives, we have been evolving a model to help them embrace the new mindset of the Agile Leader. We call it the Integral Agile Operating System, after Ken Wilber, whose thinking on human systems has profoundly influenced our own work with companies.³

We like the term ‘operating system’ (OS) because it points to the fact that it constitutes a set of deep principles on which virtually all organizational performance is built. And we like the term ‘integral’ because it represents a fully comprehensive model that does not exclude any point of view.

We see the Integral Operating System as tool for revealing the deeper operating system which underlies—and determines—any living system, whether an individual, a team, a department, or an organization. ‘Living system’ is an apt orienting metaphor for the Sense-and-Respond Agile leader, recognizing the centrality of individual choice and authority in building a broad organizational capacity for agility and adaptability. It recognizes the emergent quality of organizational

³ For a solid introduction into relevant aspects of Ken Wilber’s work in this area, see K. Wilber, Integral Psychology: Consciousness, Spirit, Psychology and Therapy. For a full explication of the IOS as applied to organizational agility, see Michael K. Spayd, Coaching the Agile Enterprise, forthcoming.
intelligence, and acknowledges the complexity of the leader’s task in growing Sense-and-Respond capability across all walks of organizational life.

As a comprehensive orienting framework, the Integral Agile Operating System is of great use to the Agile Leader; it allows him or her to see the most critical dimensions of human performance, cultural dynamics, structural shaping, and everything else that goes on in organizations, without reducing the inherent richness of each, while also not becoming lost (and overwhelmed) by the sheer complexity. Since this may seem an outlandish claim, let’s take a look.

**Four Organizational ‘Windows’**

There are several aspects and dimensions of the Integral Agile Operating System, as fully practiced. In this paper we focus on just one of these, providing a key map we use in teaching and coaching agile leaders. We call this map ‘the four windows view of organizations.’

This map helps us to see four salient aspects of any organizational situation, event, process, or instance.

Let’s take a moment to unpack this map by looking at a very simple situation: a developer on a team solving a routine coding problem—something that typically happens many dozens of times per day for any given developer.

For any such situation, we can look at it from the internal perspective of the individual’s experience (thoughts, feelings, values), while simultaneously observing the external behaviors and practices the individual engages in, plus the skills and competencies (e.g. typing) employed to get the work done. This is illustrated in the diagram below:

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4 In the Integral Operating System, the term quadrants is used rather than windows. In the present context, we prefer the term ‘windows’ in order to preserve the rich metaphoric references that ‘looking through different windows’ engenders.
At the same time, we can look at the developer working not only from his/her individual perspective, but also from the perspective of the collective of which that individual is a part, for instance the team. Again, we can look from the internal perspective (e.g. team culture, relationships, cohesion) as illustrated in the diagram below:

Finally, we can look at this situation from the external collective perspective—the larger organizational and institutional structures, systems and processes in which that person is most broadly situated, and by which their day-to-day life is governed, as illustrated in the diagram below.
Here’s a simplified picture of the “Four Windows” view of organizations:

The Windows Up Close
Let’s take a closer look at the four different perspectives represented.

- **The Psychological Window (The “I” Perspective)**: This window gives a view of how people think and make sense of the world. Specifically, it recognizes that the particular ways in which individuals make sense of the world not only color, but to a considerable degree, determine how the world occurs for them. Call these ‘filters’ or ‘mental models’, they are cognitive frames largely invisible to us. Research in adult development tells us that the largeness, or complexity, of these frames sets a limit on the level of complexity we can effectively work with in the world. Agility, in this individual mindset dimension, is measured by the largeness (or complexity) of the cognitive frame an individual is able to hold. Specifically, through this window we see an individual’s values, their mindset, and their way of thinking about any given topic.

- **The Behavioral Window (The “IT” Perspective)**: This window is the perspective from which we observe an individual’s behavior, as well as the practices and skills brought to bear in day-to-day activities. In the Agile context, these skills are often technical or product-oriented, but they are also, necessarily, social. This window focuses us on the skillful means through which an individual is able to exercise his or her internal capacity—as viewed from within the Psychological Window—in the world of work. It is also about effective technical and product practices. Agility in this quadrant refers to mature

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competence in the areas of technical practices, product development, collaboration, communication, and work relationships.

• **The Cultural Window (The “WE” Perspective).** This window provides a view of shared values, beliefs, habits and assumptions, all of which underlie and powerfully determine how people should act in groups: what kinds of things can be said without censure, what’s important to us as a culture, what isn’t important, what does it mean to be part of this enterprise (or team, or program), how we can best succeed, and so on. From this quadrant we observe the depth of alignment around purpose and vision. The view through this window allows us to sense the prevailing mood of the organization: Upbeat? Optimistic? Defeatist? Strident? Confident? Agility in this quadrant refers to our alignment around a common purpose, our ability to embrace and integrate a variety of subcultures, our clarity and transparency around the mental models we use, and our collective flexibility as we sense-and-respond to change.

• **The Systems Window (The “ITS” Perspective).** Through this window, we are able to see the exterior aspects of organizational life. These are the structures, processes, systems and routines that determine how things get done and how work is coordinated and organized. What are our governance systems like? Performance management? What are the kinds of structures and systems we put in place in order to match our institutional capacity to the demands we have as a business. Are these structures and systems rigid? Or are they malleable and adaptive? Agility in this quadrant refers to the flexibility and malleability of the structures, processes and systems which govern how we work and coordinate activities, and (critically) to the ability to create a state of organizational flow.

With this map in hand, we can now ask:

*From the perspective of any given window or view of organizational life, what would Sense-and-Respond capability look like? In which areas do we need to grow? Where are we already highly adaptive? In which arenas are we overly rigid?*

**The Agile Leader’s Roadmap**

So what does the catalyzing agile leader do? Exhibit C elaborates the Organizational Map above. We will work from this map in the following discussion.
A couple of things to notice.

First, while we've retained the rather generic names given above for each of the windows, we have also added titles that are more specific to the organizational context we are discussing (e.g., Leadership & Engagement, Competencies & Products, etc.).

Second, we can activate each Window as an Agile Leader by stepping into a specific role, assuming specific responsibilities, and engaging in specific practices. On a typical day, the Agile Leader will navigate seamlessly from Window to Window, depending on what is needed and what is happening at any given moment.

**As an Agile Leader, it is important to understand which window you need to look from for a specific situation, in order to assume appropriate role and responsibilities.**

There may be times when one or another aspect of the organization needs more attention. For instance, when code quality is faltering, the Agile Leader turns their attention to the **Competencies & Products** Window, seeing whether there are sufficient engineering practices in place (for instance, code coverage for automated unit testing might have fallen below a reasonable threshold). Or the Agile Leader may turn to the **Organizational Architecture & Environments** Window to investigate whether there are unnecessary hand-offs or inadequate platform resources that are impeding the testing process. Peering through the **Organizational Culture and Shared Vision** Window might reveal a culture in which the rigid separation of coding and testing cultures makes it hard for a team to come to consensus around how to raise quality, or who has responsibility for what.
One of the major obstacles to becoming a catalyzing leader is our preference for a certain Window, seeing all organizational situations from that favored Window. The discipline for the Agile Leader is to start developing facility in each of these Windows, since organizations can only be seen in their entirety through all four.

Let’s step through each Window, one by one.

**The Agile Teams Context**
A few introductory comments before moving through each window. There are two primary focal areas for Agile Leaders: Teams and Environment. We can use the four windows to think about each. Having solid Agile teams is the necessary precondition for effective organizational agility, regardless of whether or not you are building a scaled implementation or not. Regarding the criticality of solid agile teams, Dean Leffingwell, the creator of SAFE, writes:

“SAFE is fully, 100% dependent on good Scrum teams that can deliver quality product in a timebox. Woe be unto you if you try to scale crappy code.”

When team agility is only partially achieved (yielding hybrids like ‘Scrum-but’, ‘Water-Srum’ and ‘Fragile’) nothing else you do will have much lasting impact.

The Agile Leader may think of themselves as the overall Guardian who protects the environment of the agile team. Their responsibility is to create environments that help agile teams be successful and on a solid path of continual improvement. In this regard, it is critical to understand what the Agile Leader does not do: they do not ‘lead’ the team in the usual sense, though they do demonstrate leadership; they do not ‘manage’ or ‘direct’ the team, instead the product owner directs their ‘what’ and the Agile process and the team’s own inspect and adapt cycle directs their ‘how’. They lead and manage from the boundary of the team, making sure teams have what they need and that they are able to engage in the agile practices that will help them become great; that their environment supports the delicate job of self-organization.

**The Leadership & Engagement (Psychological) Window**
Now we move into the first of the four windows: this is the Leadership & Engagement Window. From this window, the role of the Agile Leader is Coach-Leader. The primary responsibility from this window is to coach others in their development as leaders (the term ‘coaching’ is defined below), and to actively engage their own personal growth and development as a leader. From this place, your primary interest is in catalyzing the growth of people’s capacity to embrace greater complexity—to be able to develop frames of thinking and relating to others that is a match for the complexity you all are facing.

The primary practices of the Coach-Leader role are:
• Coaching others in their development as leaders. In this practice, the Agile Leader lets go of their own agenda and instead focuses on helping the other bring out their own agenda for their development.
• Clarifying for yourself a vision and purpose for where you are leading your organization or department—getting clear, that is, on your own values and what is really important to you in your organization.
• Developing yourself as a leader, much as you are developing that capacity in others, to handle greater complexity.

The Competencies & Products (Behavioral) Window
From the perspective of the Competencies & Products Window, the role is Process-Leader, which includes process and products in value creation. In this role, your primary responsibility is to see to it that team members develop the practices and processes that will optimally advance the translation of effort into value creation.

There is a business and technical side to this. The business side entails helping others develop practices that more quickly match product to customer. The technical side entails minimizing total cost of ownership, which is done by establishing a high bar on quality, then balancing technical debt reduction with value creation. Lastly, establishing practices (test-driven development, continuous integration, automated unit testing) that raise quality while lowering technical debt.

Finally, there is a collaborative skills aspect, in that the Process-Leader introduces practices that will help individuals be more skillful in their communication and collaboration, which are core competencies for knowledge work.

Practices of the Agile Leader as Process-Leader role include:
• Establishing expectations (how high is the bar) on quality
• Establishing metrics that will measure things, which actually help your organization, and your people, improve.
• Introducing new competencies, practices and vocabularies that will help individuals bring out better products more quickly and with higher quality.
• Help insure the products being built are ones the customer will really love.

The Organizational Culture & Shared Vision (Cultural) Window
From the perspective of this window, the Agile Leader takes the role of Facilitative-Leader. The responsibility in this role is to create a culture of shared meaning and of ‘barely sufficient’ management. When people are clear about direction—and they feel excited in taking that direction for themselves—they are empowered to take more effective action, with greater authority. When this happens, management has less ‘telling’ and less ‘coordinating’ to do, because people can already see for themselves what needs doing.
It is the job of the **Facilitative-Leader**, therefore, to set that direction, in part by declaring their own passion and clear sense of meaning. This declaration serves to help others find their own values and to create their own connection to the meaning and inspiration of their work.

The practices associated with the **Facilitative-Leader** role have to do with:

- Orienting others around a shared vision. This can take many forms, including convening town-hall meetings, departmental lunches, informal ‘break-outs’ with small cross-functional groups, and simple, brief conversations in the break room or at lunch.
- Socializing Agile. Again, this can take many forms. For instance, the occasional 90-minute agile orientations, agile lunch-and-learns, inviting outside speakers to give talks, etc. It could also be you having 1-on-1s with peers and other stakeholders across the organization, in which you explain and educate on topics related to agility.
- Identifying and engaging *catalysts* for culture change. These are individuals whom you have found to be enthusiastic about Agile, who have ideas about how to make it work within some specific organizational segment, and who have the capacity to influence others. These ‘catalysts’ are like sleeper cells: they are informed and in-tune with what you are thinking and where you are going strategically, and will ‘wake up’ at strategically important moments that you can’t possibly know about otherwise.

**The Organizational Architecture & Environment (Systems) Window**

Stepping through this window, the Agile Leader takes on the role of **Systems-Leader**. In this role, the chief responsibility is to increase flow, minimize waste, and see (and help others see) the larger system. Many of the competencies and practices of this role derive from the literature on Lean thinking and on Systems Thinking.\(^6\) Among the biggest challenges to agility, especially for large organizations, are the overly complicated systems and architectures that define organizational structure. Part of the job of the Agile Leader, in their role as **Systems-Leader**, is to lean out some of those systems and architectures.

Among the practices of the **Systems-Leader** are the following:

- Understand the challenges and barriers teams run into, then focus on the deeper organizational dynamics from which those challenges and barriers arise. In the role of **Systems-Leader**, the Agile Leader sees agile teams as ‘canaries in the mine’: they alert leaders and managers to underlying organizational dysfunctions which were previously invisible.

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• Develop a keen sense of the systemic dynamics which characterize your organization, and have ways to help others see those dynamics, so that they are empowered and enabled to help alleviate blocks that impede organizational flow.

• Align various organizational functions so that they operate more under a *pull* model rather than a *push* model. For instance, shift governance processes and policies, making the first question addressed: who needs this? Why do they need it? And will whomever needs this also own it?

**It Takes Practice**

Just as it takes awhile for teams to get facile with agile practices, and to develop real skillfulness, so too it takes awhile for the Agile Leader to become facile with the roles and practices we’ve introduced here. The good news is, in our experience, the Agile Leader can expect to see very positive results early on.

The most important thing here is to bear in mind that any given organizational situation can be seen through any Window. Part of the art of the Agile Leader is to discern which Window—and which *role*—provides the greatest leverage, and to know that you will need to experiment.

**Conclusion**

As we stated at the beginning of this paper, the next frontier for the agile world goes beyond agile team delivery: it is about organizational and leadership agility. Just as agile teams have a body of practices, roles, and structures to support their transformation as agile practitioners, so too does the Agile Leader need a body of practices, roles and structures. When the new Agile Leader asks “what can I do?, it is no long sufficient—nor is it *responsible*—to say simply that they need to “get out of the way.” Nor is it sufficient to simply ‘borrow’ practices from agile teams—such as daily management ’stand-up’s—which may make no sense at the leadership level.

This brief paper outlines a framework and a body of practices for leading and managing in an agile environment. This framework and practices arise from our many years of coaching and consulting with the enterprise, and from our years of inquiry and research into what it means to be an Agile Leader.

There is a great—a *great*—need for effective agile leadership. Without it, the transformational vision of Agile will forever be beyond our reach. The work of agile leadership is not easy, and the path of the Agile Leader will not necessarily make your life easier. We do believe, however, that the practice of agile leadership will improve your odds for a sustainable and transformative agile movement.
Endnotes

1 A number of recent reports from across the business community testify to increasing recognition of such a need for broader, organizational agility. The 2009 Economist Business Intelligence Unit Report¹, for instance, notes that:

- 90% of business executives believe that organizational agility is critical for business success
- 50% of all CEOs and CIOs agree that rapid decision-making and execution are not only important, but essential to a company’s competitive standing;
- Agile companies grow revenue 37% faster and generate 30% higher profits.

And yet, as the report further observes,

- 27% of leaders surveyed recognize competitive disadvantage due to not being agile enough to respond to fundamental marketplace shifts;
- 34% of those leaders who try to improve agility say they have failed to deliver desired benefits due to:
  - Slow decision-making
  - Conflicting departmental goals and priorities
  - Risk-averse cultures
  - Silo-based information.