

Agility & Company Culture

LeSS Conference NYC

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Agile Centre
Challenge your thinking.

The Power of Culture



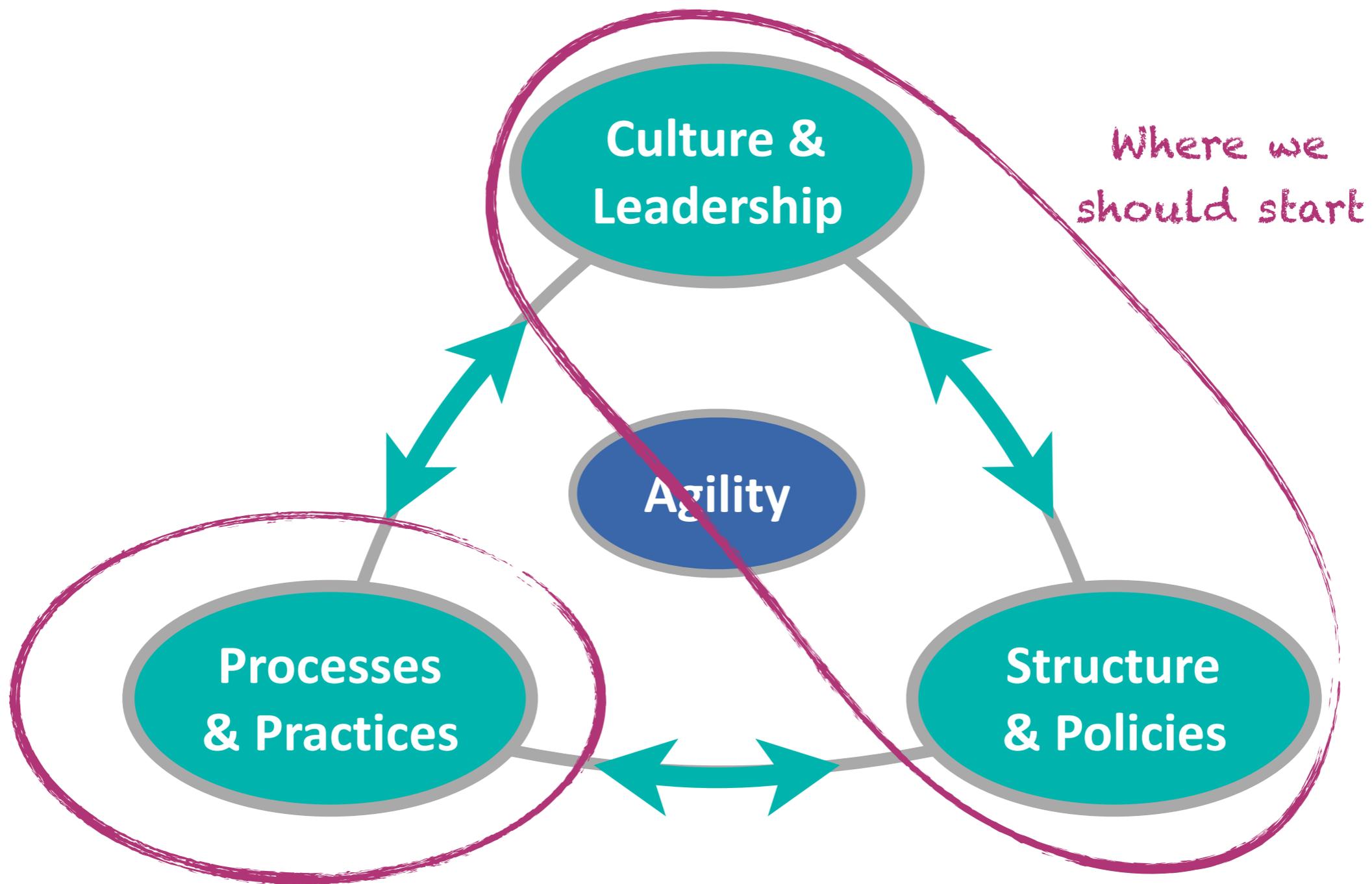
The Power of Culture

	1982 Fremont Plant
Employees	5,000
Absenteeism	20%
Unresolved grievances	2,000
Total annual grievances	5,000
Wildcat strikes	3-4
Product	Chevrolet Nova
Assembly costs per car	30% over Japanese
Productivity	Worst in GM
Quality	Worst in GM



The Power of Culture

	1982 Fremont Plant	1986 NUMMI Plant
Employees	5,000	2,500
Absenteeism	20%	2%
Unresolved grievances	2,000	0
Total annual grievances	5,000	2
Wildcat strikes	3-4	0
Product	Chevrolet Nova	Chevrolet Nova 1988 Geo Prism Toyota Corolla
Assembly costs per car	30% over Japanese	Same as Japanese
Productivity	Worst in GM	Double GM average
Quality	Worst in GM	Best in GM



Where most 'Agile transformations' focus

What Will We Cover Today?

1 - The importance of organisational culture

2 - How to assess organisational culture

3 - How to shift organisational culture

Who am I?



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What does culture means to
you?



How would you describe the
culture of your
organisation / department?



What is culture?

The set of taken-for-granted values, underlying assumptions, expectations, collective memories, and definitions present in an organisation.

Why Focus on Culture?



***“If you do not manage culture, it manages you,
and you may not even be aware of the extent to
which this is happening.”***

– Edgar Schein, Professor MIT Sloan School of Management

Competing Values Framework

**Recognised by the Financial Times as one of the
40 most important frameworks in the history of
business**

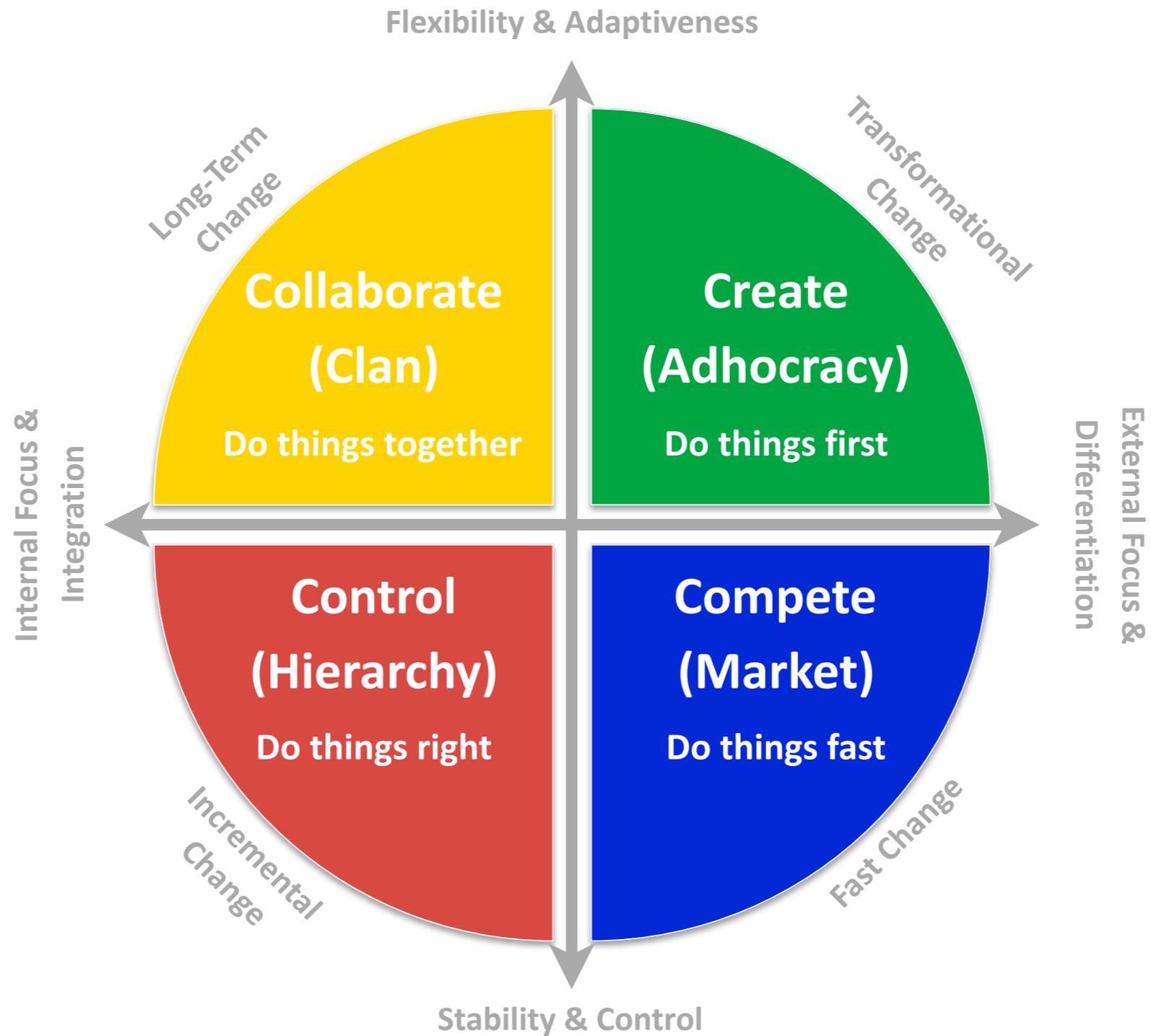
**Studied and tested in organisations for more than
30 years**

Competing Values Framework

The questions that were asked were:

- 1. What are the main criteria for determining if an organisation is effective or not?**
- 2. What key factors define organisational effectiveness?**
- 3. When people judge an organisation to be effective, what indicators do they have in mind?**

Competing Values Framework



Stability & Control

Internal Focus &
Integration

Incremental Change

Culture Type: Hierarchy

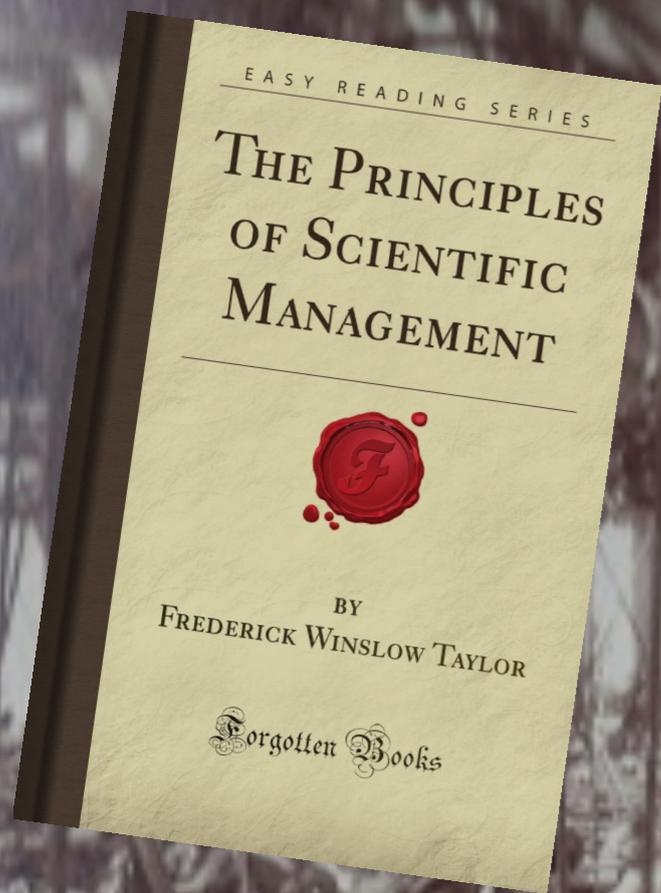
Orientation: Control

Leader Type: Coordinator
Monitor
Organiser

Value Drivers: Efficiency
Timeliness
Consistency & Uniformity

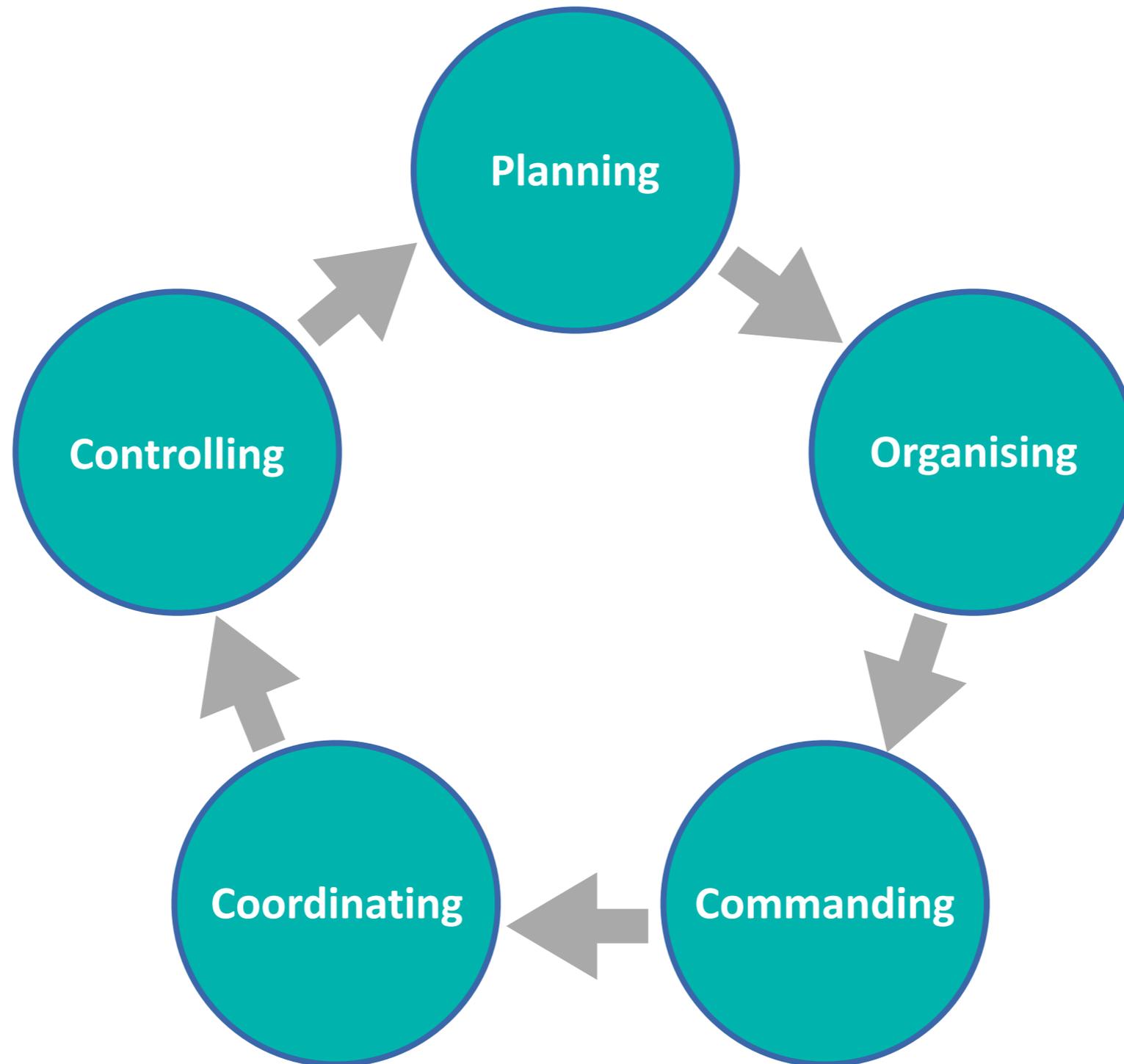
Theory of Effectiveness: Control and efficiency with capable processes produce effectiveness





“There is no question that the cost of production is lowered by separating the work of planning and the brain work as much as possible from the manual labor.”

Frederick Winslow Taylor



7 attributes of a classical bureaucracy

- hierarchy
- rules
- specialisation
- separate ownership
- meritocracy
- impersonality
- accountability

Stability & Control

External Focus &
Differentiation

Fast Change



Culture Type:	Market
Orientation:	Compete
Leader Type:	Hard-Driver Competitor Producer
Value Drivers:	Market Share Goal Achievement Profitability
Theory of Effectiveness:	Aggressively competing and customer focus produce effectiveness

Flexibility &
Adaptiveness

External Focus &
Differentiation

Transformational
Change

Culture Type: Adhocracy

Orientation: Create

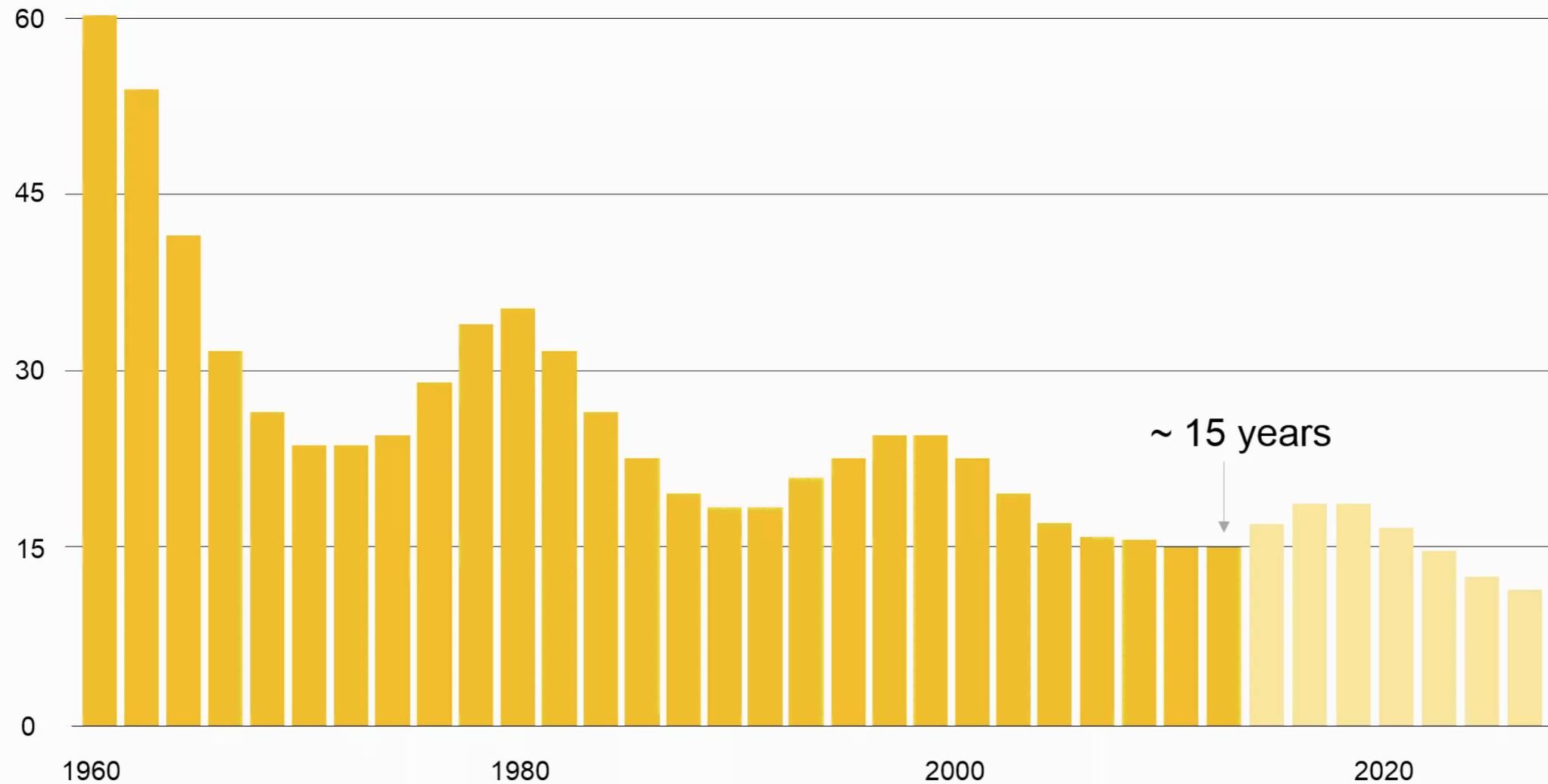
Leader Type: Innovator
Entrepreneur
Visionary

Value Drivers: Innovative outputs
Transformation
Agility

Theory of Effectiveness: Innovativeness, vision and constant change produce effectiveness



Average Company Lifespan on S&P 500



Source: Deloitte, Yale University

CORPORATE
REBELS

Flexibility &
Adaptiveness

Internal Focus &
Integration

Long-Term Change

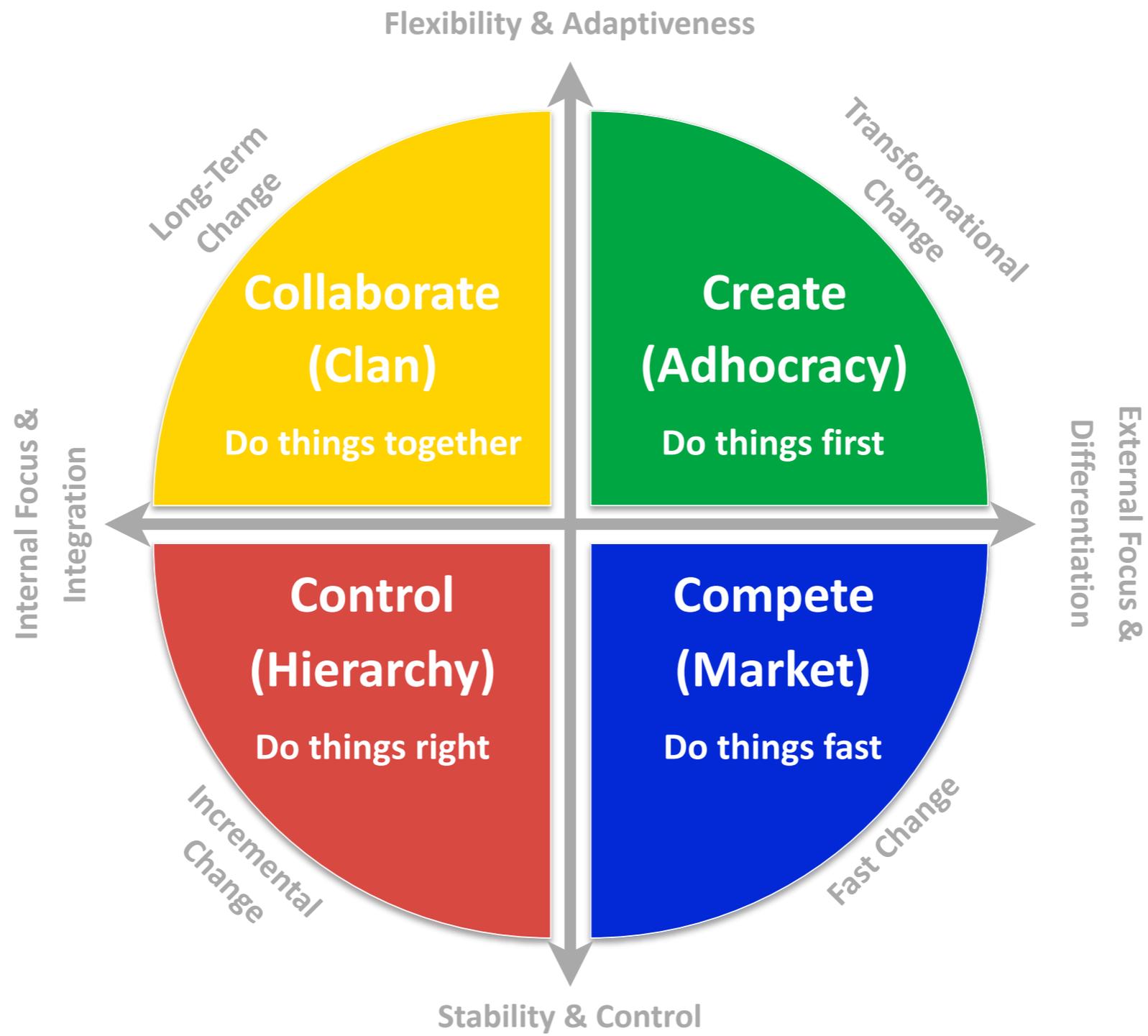
Culture Type:	Clan
Orientation:	Collaborate
Leader Type:	Facilitator Mentor Team-Builder
Value Drivers:	Commitment Communication Development
Theory of Effectiveness:	Human development and high commitment produce effectiveness



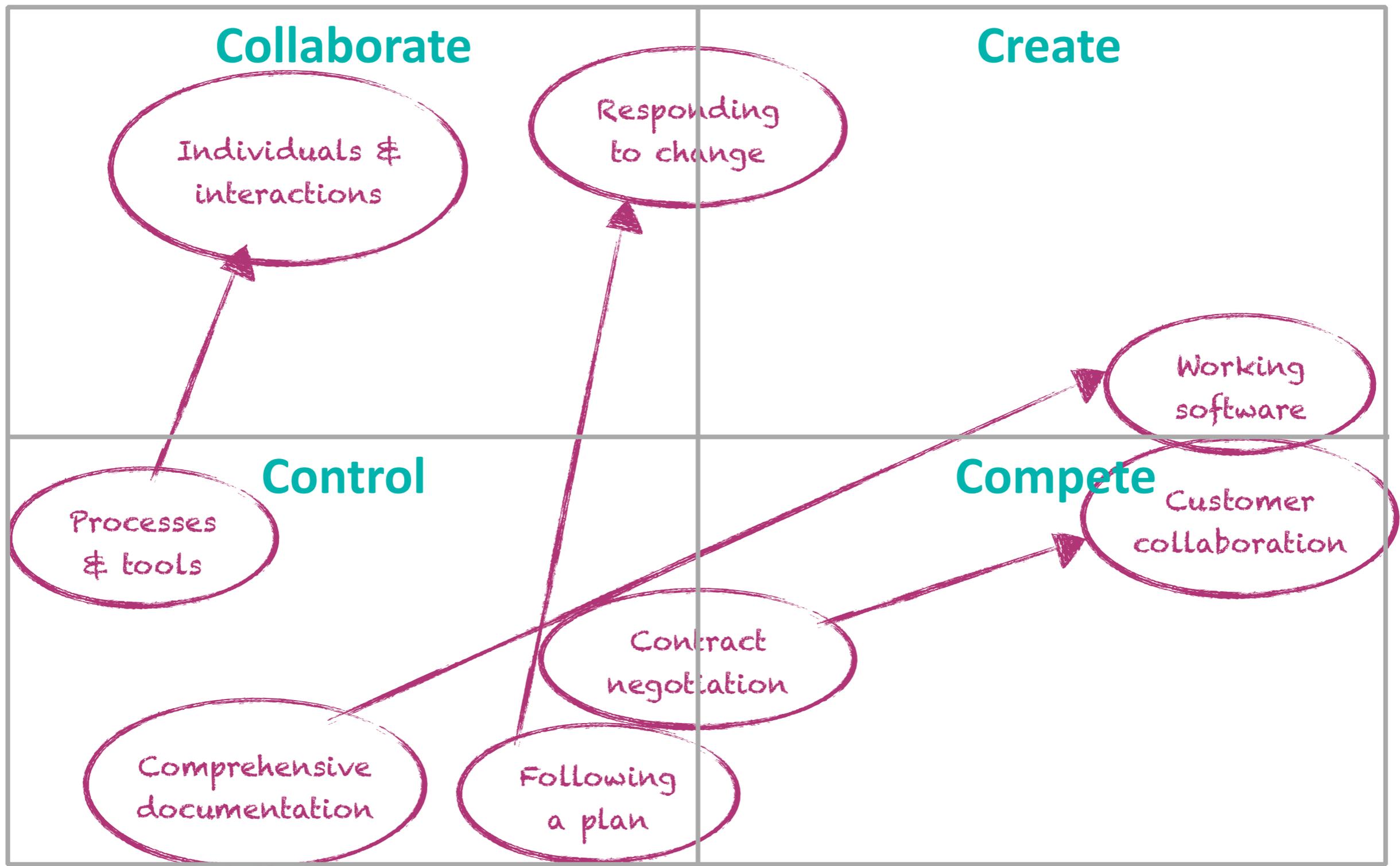
Exercise

Where is your organisation
(or department)

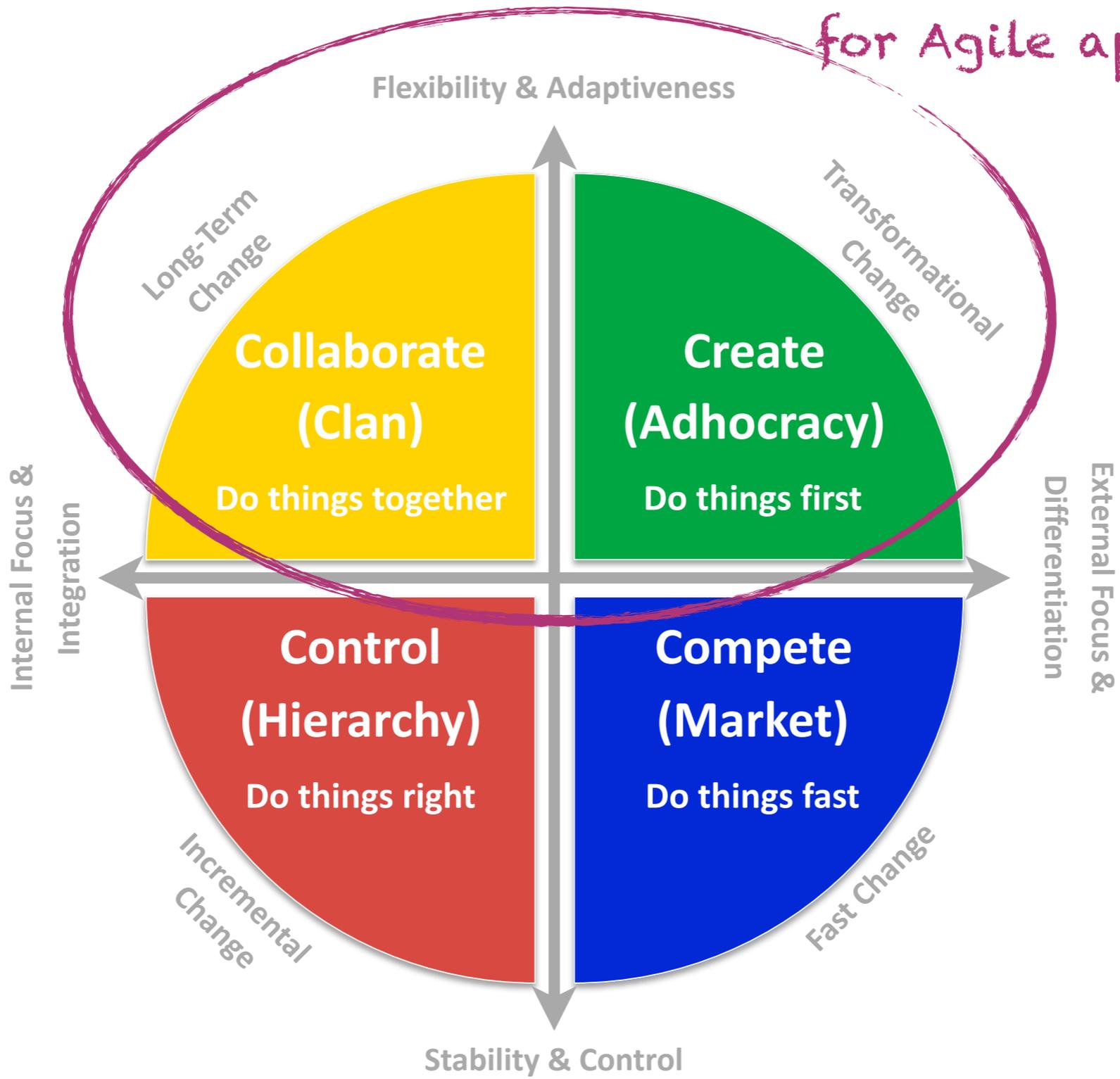




Agile - A Cultural Transformation



This is the sweet-spot for Agile approaches



What Do You Value?



Communication

We have an obligation to communicate

Respect

We treat others as we would like to be treated

Integrity

We work with customers and prospects openly, honestly, and sincerely

Excellence

We are satisfied with nothing less than the very best in everything we do

“conducting the business affairs of the companies in accordance with all applicable laws and in a moral and honest manner”

- Enron code of Ethics

What Do You *Really* Value?



Profit

We make as much money as we can, at any cost

Share Price

We do whatever is necessary to maximise the share price over this quarter

Bonuses

We work, primarily, on the things which will get us our bonuses

Objectives

As long as we hit 'the number' we are happy

Typical Metrics

Collaborate

- employee engagement
- employee participation
- people growth
- improvements (Kaizen)
- collaboration

Create

- new products / innovations
- experimentation
- creativity
- learning
- cycle time

Control

- efficiency
- productivity
- 'resource' utilisation
- standardisation
- velocity

Compete

- profitability
- market share
- turnover
- growth
- customer satisfaction

So how do we assess and change organisational culture?

Culture Assessments & Change

6 Areas of Assessment

1. Organisational Characteristics

2. Organisational Leadership

3. Management of Employees

4. Organisation Glue

5. Strategic Emphases

6. Criteria of Success

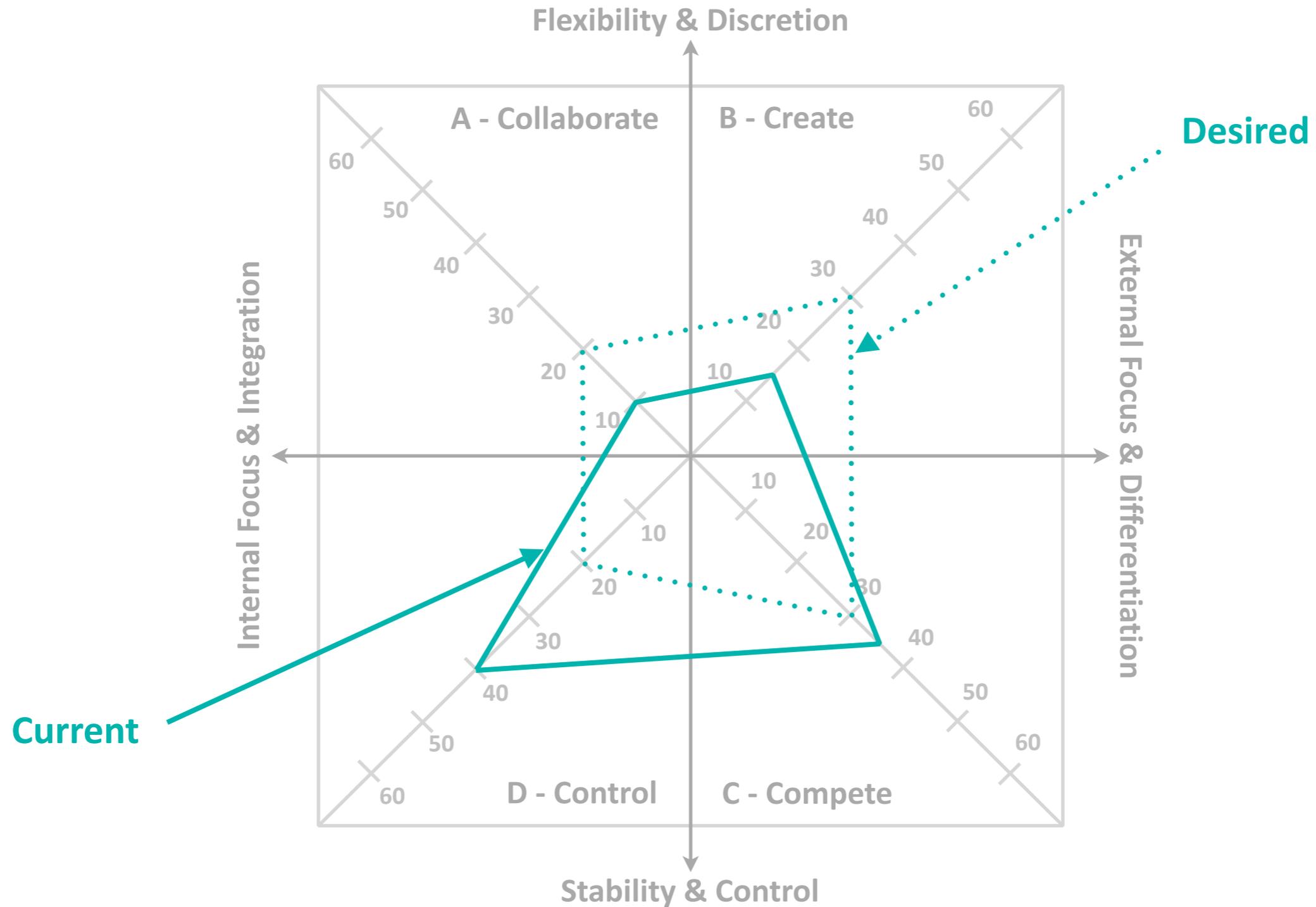
Let's look at just
one area

Culture Assessments & Change

Organisational Characteristics

	Current	Desired
A) The organisation is a very personal place. It is like an extended family. People seem to share a lot of themselves.	18	30
B) The organisation is a very dynamic and entrepreneurial place. People are willing to stick their necks out and take risks.	12	40
C) The organisation is very results-oriented. A major concern is with getting the job done. People are very competitive and achievement-oriented.	35	15
D) The organisation is a very controlled and structured place. Formal procedures generally govern what people do.	35	15
Total	100	100

Culture Assessments & Change



Culture Assessments & Change

Collaborate

Increase Decrease Remain the same

- Track and improve employee engagement
- Promote teamwork and participation through team-based rewards
- Create higher levels of trust
- Focus on helping people to grow and develop
- Provide chances for self-management

Create

Increase Decrease Remain the same

- Clarify a vision of the future
- Encourage and celebrate risk taking
- Allow time for creativity and innovation
- Make change the rule, not the exception
- Become a more forward-looking organisation
- Create bolder innovation programs

Control

Increase Decrease Remain the same

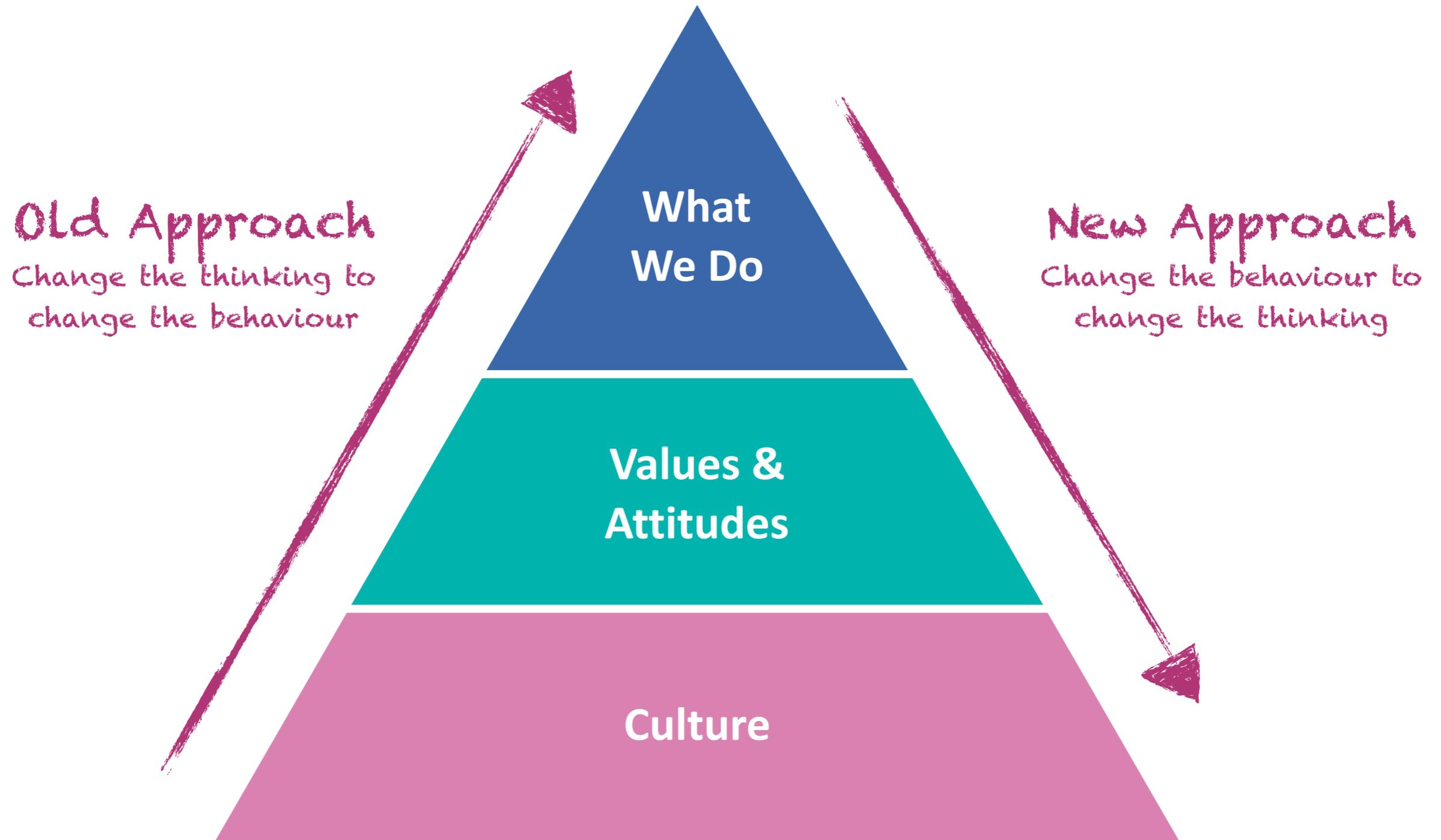
- Eliminate unnecessary rules and procedures
- Eliminate unneeded reports and paperwork
- Reduce corporate directives
- Eliminate micromanagement
- Remove unnecessary constraints
- Push decision making down
- *Maybe Less Jira!!!!*

Compete

Increase Decrease Remain the same

- Slightly less centrality of measures and financial indicators
- Stop driving for numbers at all costs
- Adapt to human as well as market needs
- Decrease the measures of individuals in favour of teams

Changing Culture



Source: John Shook

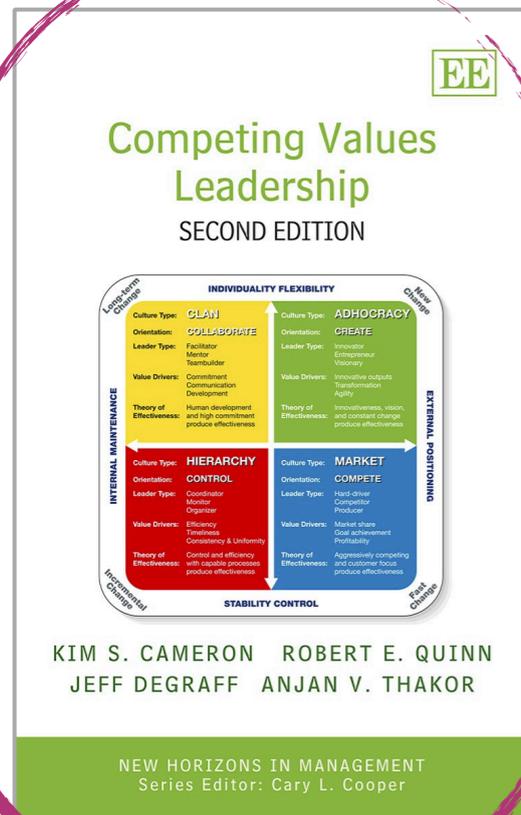
“Culture follows structure”

Craig Larman

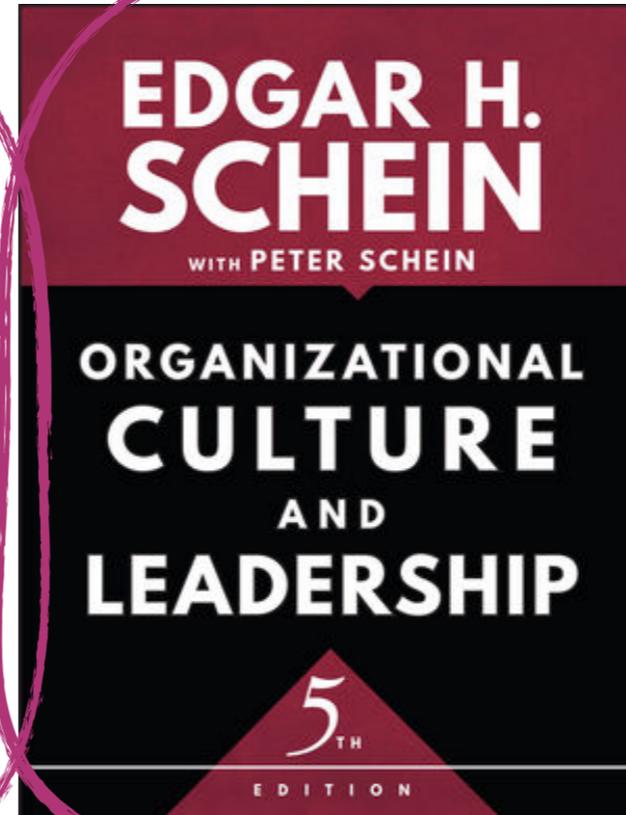
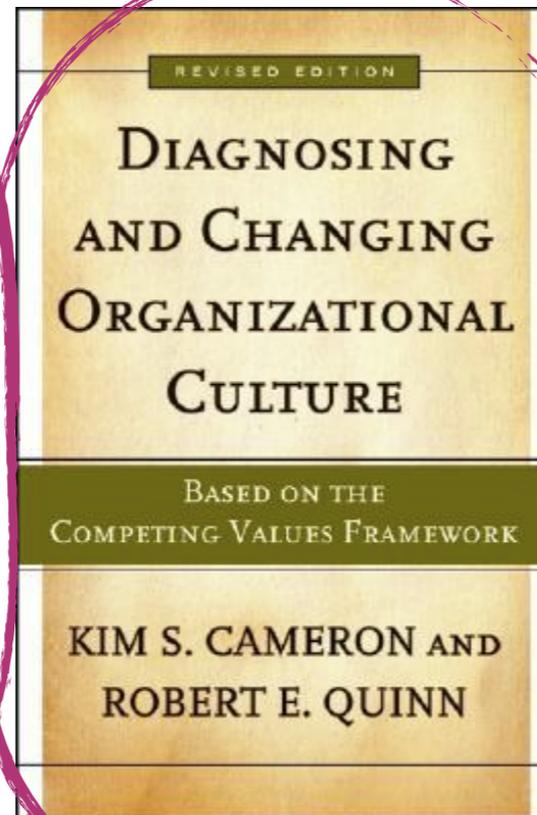
“Attempting to change an organisation’s culture is a folly, it always fails. Peoples’ behaviour (the culture) is a product of the system; when you change the system, peoples’ behaviour changes.”

John Seddon

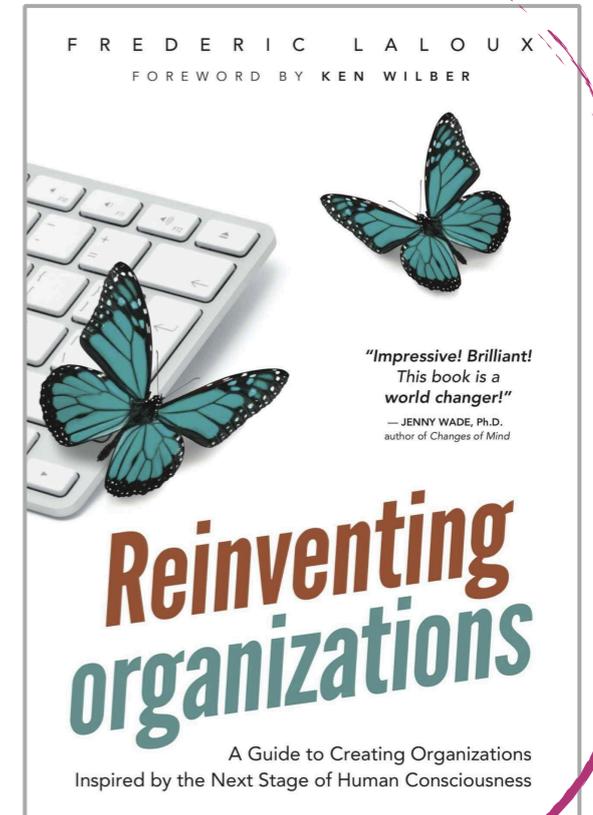
CVF Assessment tool



Background on CVF



Interesting stuff on culture



**Without an enabling culture,
Agile values, principles and
practices will never survive**



Thank You - Keep in Touch

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