ScrumAlliance®
Transforming the World of Work

Gary Hamel:
Hacking Management

June 17, 2015

Webinar will start 3 minutes after the hour

Our guest speaker: Gary Hamel

Gary Hamel is one of the world's most influential and iconoclastic business thinkers. He has worked with leading companies across the globe and is a dynamic and sought-after management speaker.

Gary has been on the faculty of the London Business School for more than 30 years and is the director of the Management Innovation eXchange (MIX).

Gary has written 17 articles for the *Harvard Business Review* and is the most reprinted author in the *Review's* history. His landmark books have been translated into more than 25 languages. His most recent bestsellers are *The Future of Management* and *What Matters Now*.

Gray presents an impassioned plea for reinventing management and lays out a practical blueprint for building organizations that are "fit for the future."

Poll

I participated or saw a recording of the webinars in January February, April or May:

Yes ☐

No ☐

Our agenda today

1. Update on the Learning Consortium

2. Gary Hamel: Hacking Management

   - Confronting core incompetency
   - Rethinking the foundations of management
   - Changing the way we change
   - Building tomorrow's capabilities today
   - Becoming a management renegade

Progress on the Learning Consortium

The Learning Consortium is a group of firms that want to learn together about continuous customer-focused innovation

Site visits of the Learning Consortium

Europe	Magna	July 14	Barcelona
	Ericsson	July 16,	Dublin
US West	SolutionsIQ	July 28	Seattle
	Microsoft	July 29	Seattle
	Gaming firm	July 30	California
Asia	Brillio	August 12	Virtual
US Mid West	CH Robinson	August 25	Minneapolis
	Agile42	August 26	Ann Arbor
	Menlo	August 27	Ann Arbor
Retrospective		September 26-27	Denver

Gary Hamel

The Management Lab
London Business School

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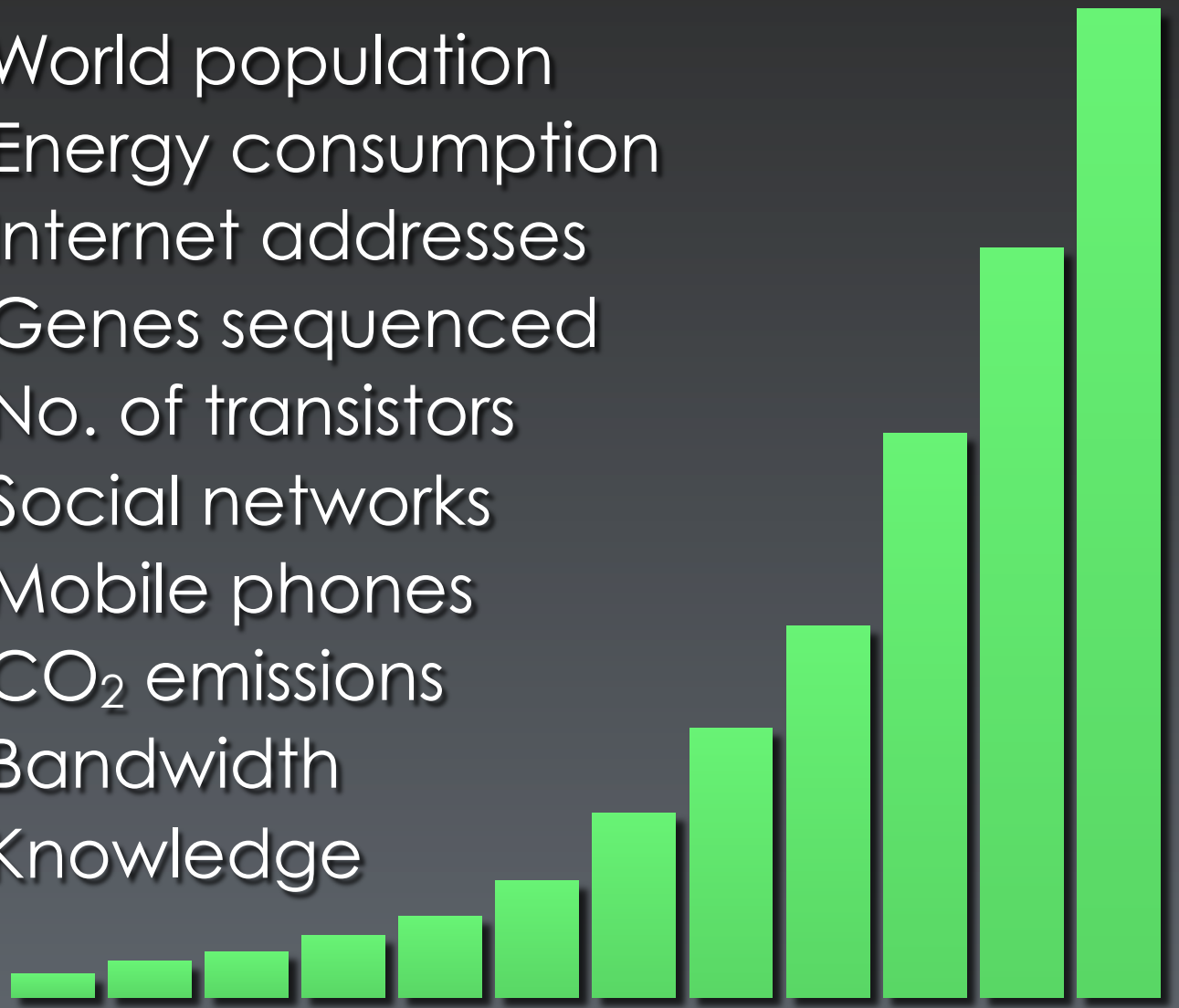
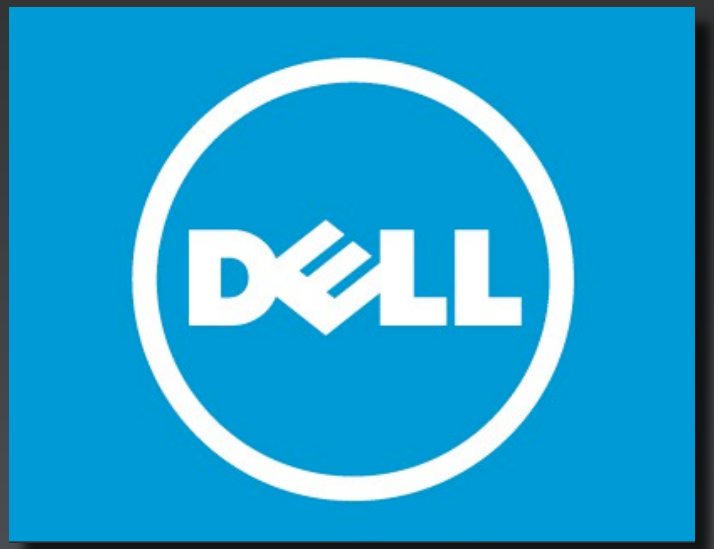
Core incompetence of the corporation

Inertial

Four billion people with a mobile phone
A social network site with 1.2 billion users
Space missions flown by a private company
Inexpensive GPS-controlled drones
Two billion photos posted online every day
An “internet of things” with billions of sensors
Four trillion gigabytes of new data each year
Computers that can learn to play video games
1.5 million new urban dwellers each week
Widely available 3-D printers

World population
Energy consumption
Internet addresses
Genes sequenced
No. of transistors
Social networks
Mobile phones
CO_2 emissions
Bandwidth
Knowledge



hp

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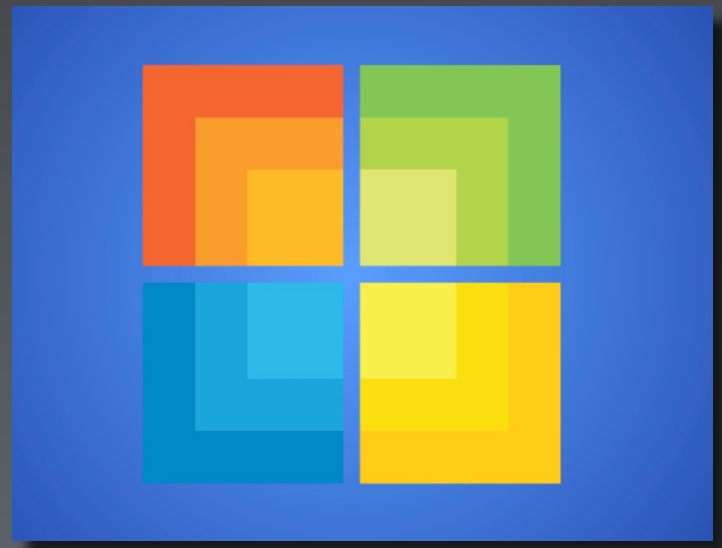
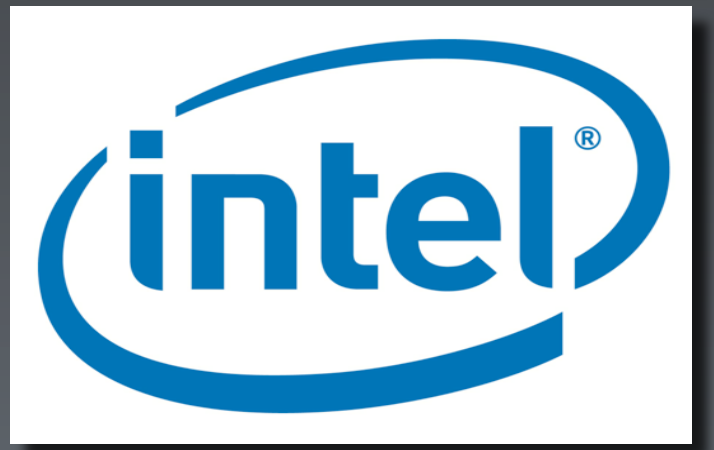
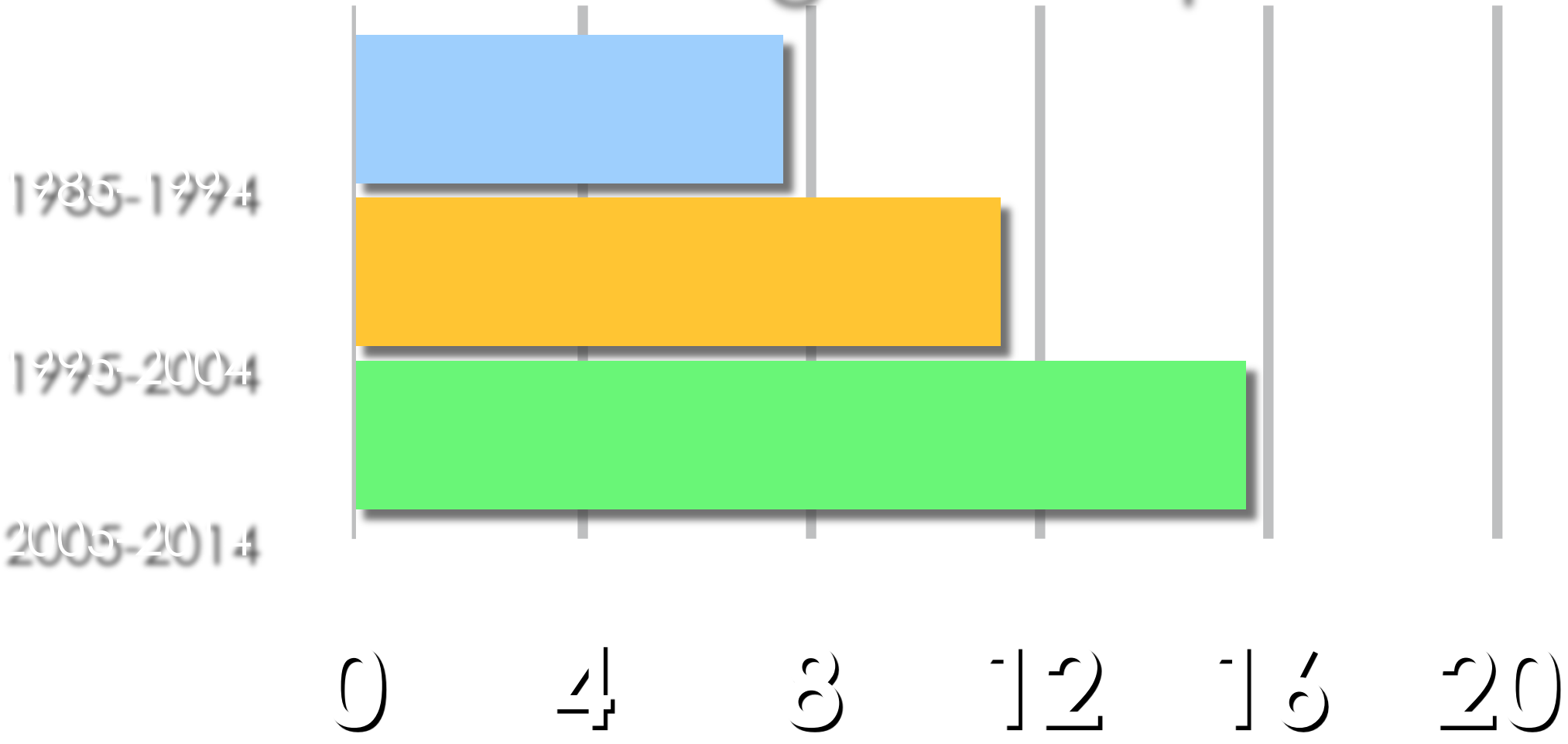
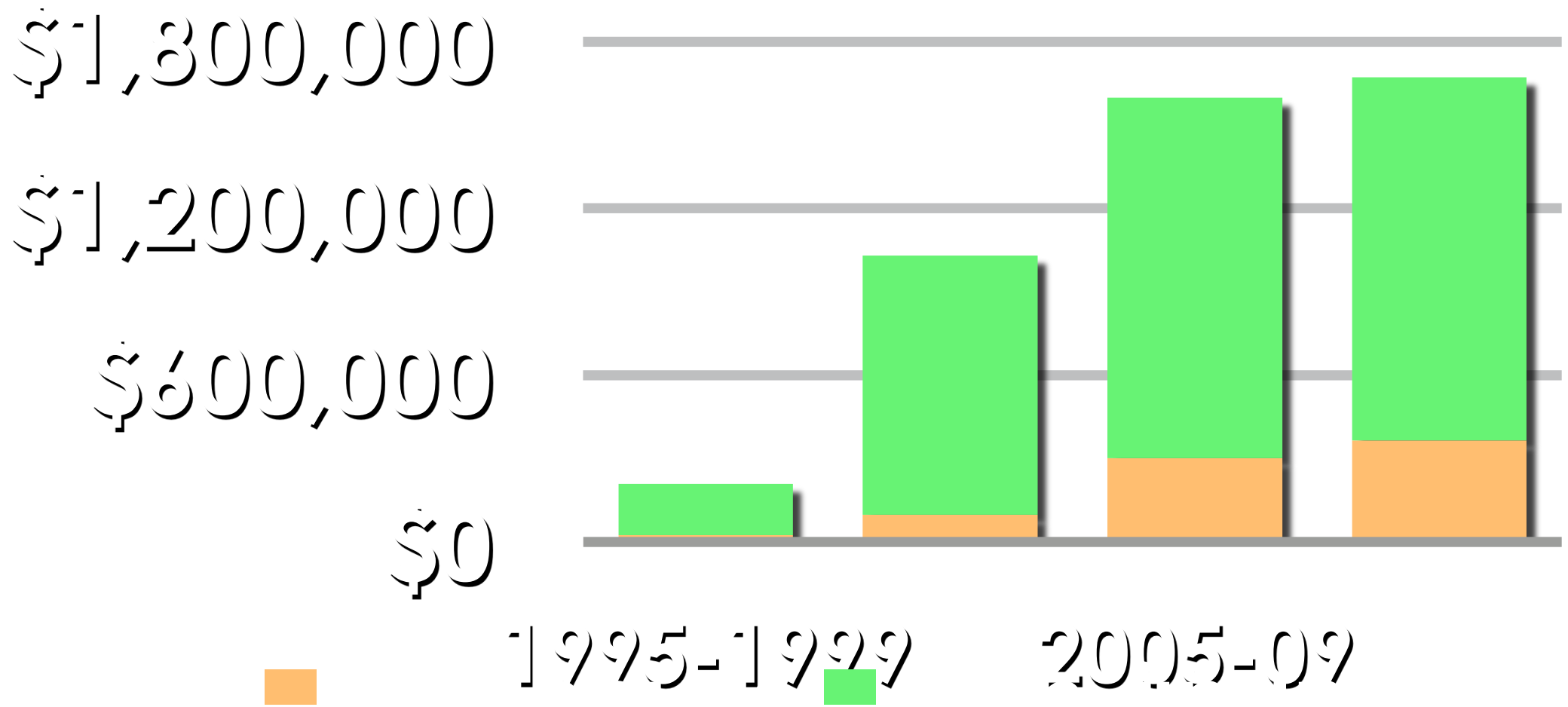


intel

Volatility in revenue growth rate for world's 50 largest companies



Writedowns and restructuring charges

US $ millions (current)



An **evolutionary** advantage

Incremental

Incumbents		Insurgents
Wal-Mart	vs	Amazon
Microsoft	vs	Google
Toyota	vs	Hyundai
iTunes	vs	Spotify
GSK	vs	Gilead
ATT	vs	Skype
HP	vs	Lenovo
RIM	vs	Apple
SAP	vs	Salesforce
Intel	vs	Qualcomm
Sony	vs	Samsung
Merck	vs	Celgene
Yahoo	vs	Facebook

2010

1. Facebook
2. Amazon
3. Apple
4. Google
5. Huawei
6. First Solar
7. P&GE
8. Novartis
9. Wal-Mart
10. Hewlett Packard

2015

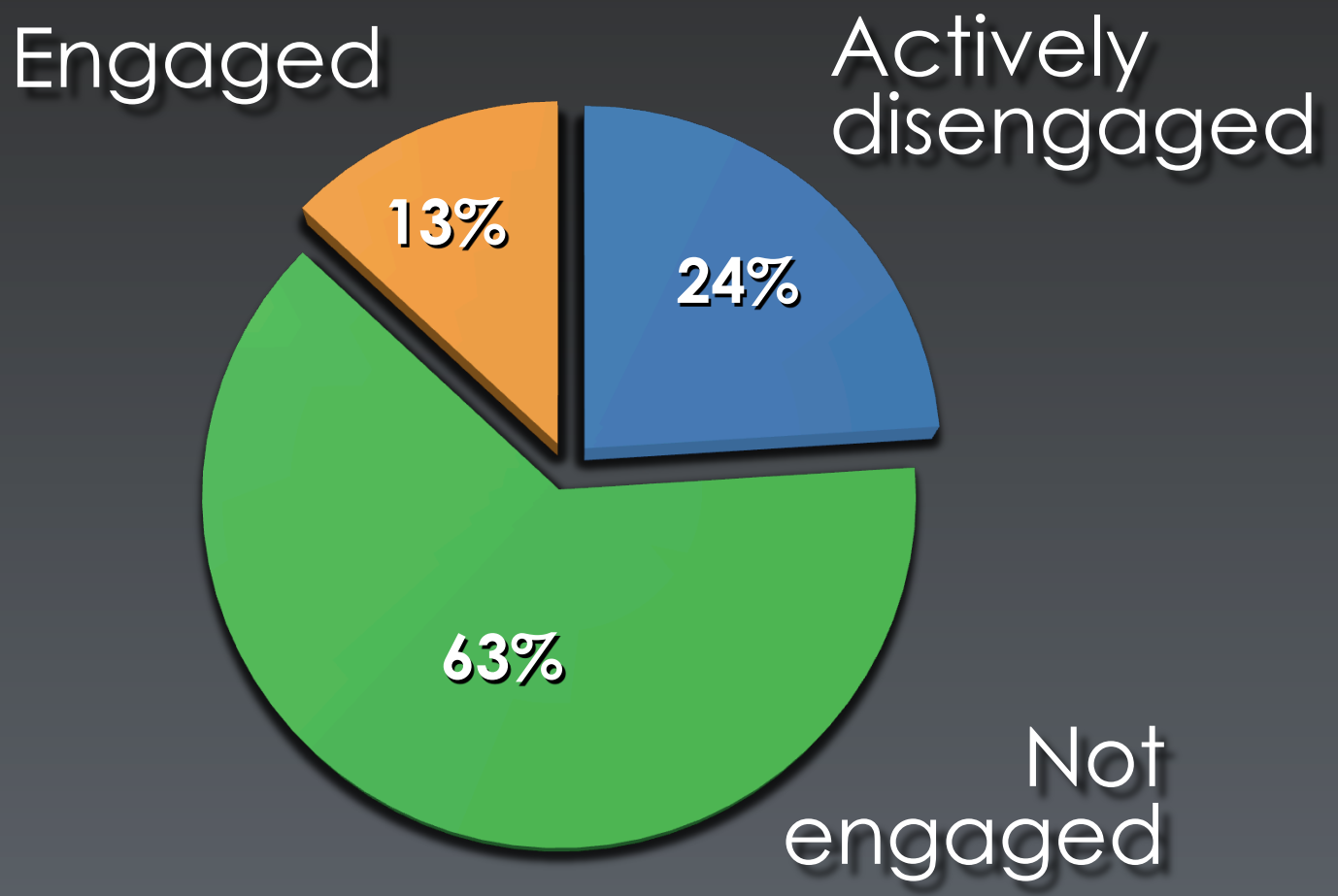
1. Warby Parker
2. Apple
3. Alibaba
4. Google
5. Instagram
6. ColorofChange
7. HBO
8. Virgin America
9. Indigo
10. Slack

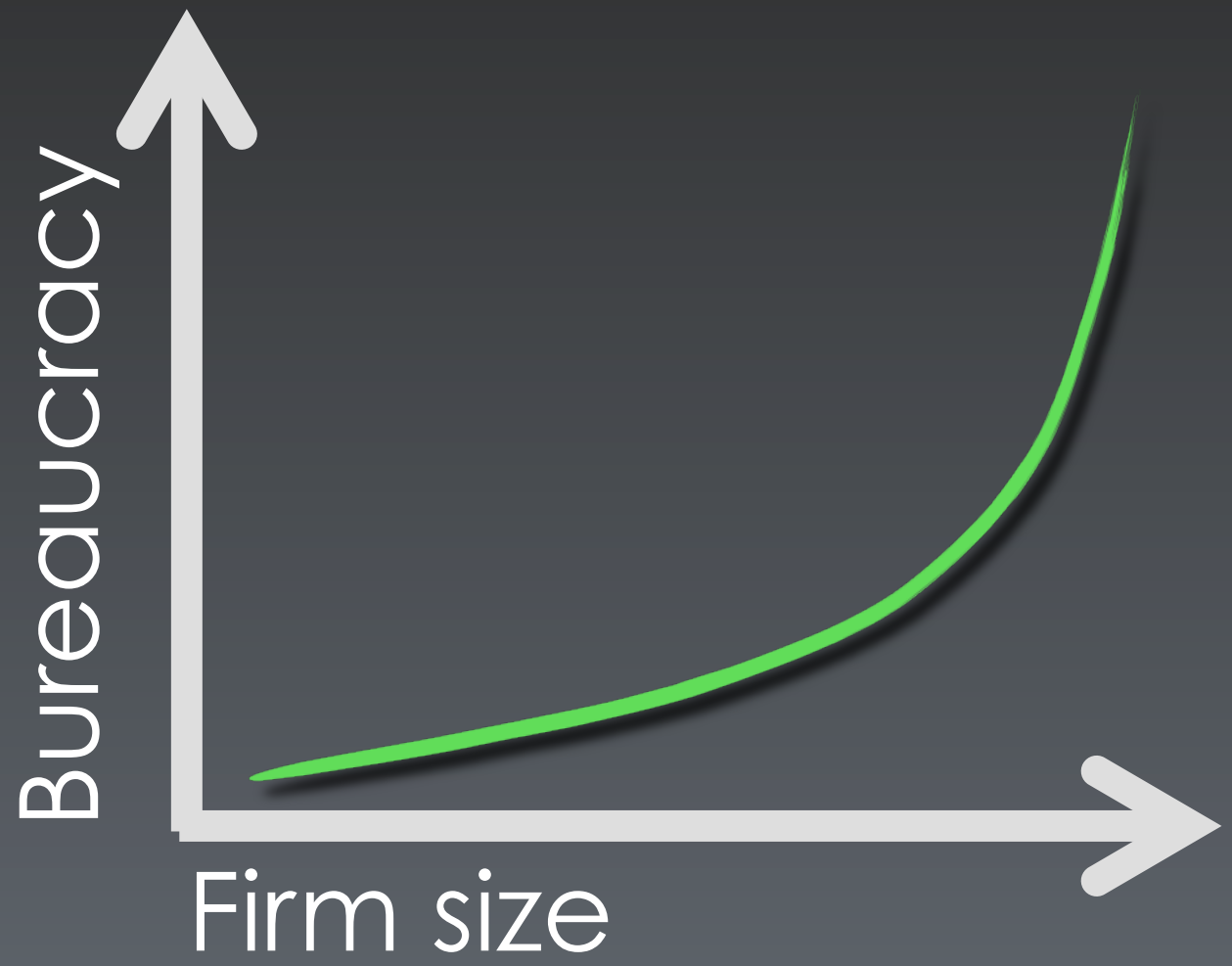
94%

An evolutionary advantage

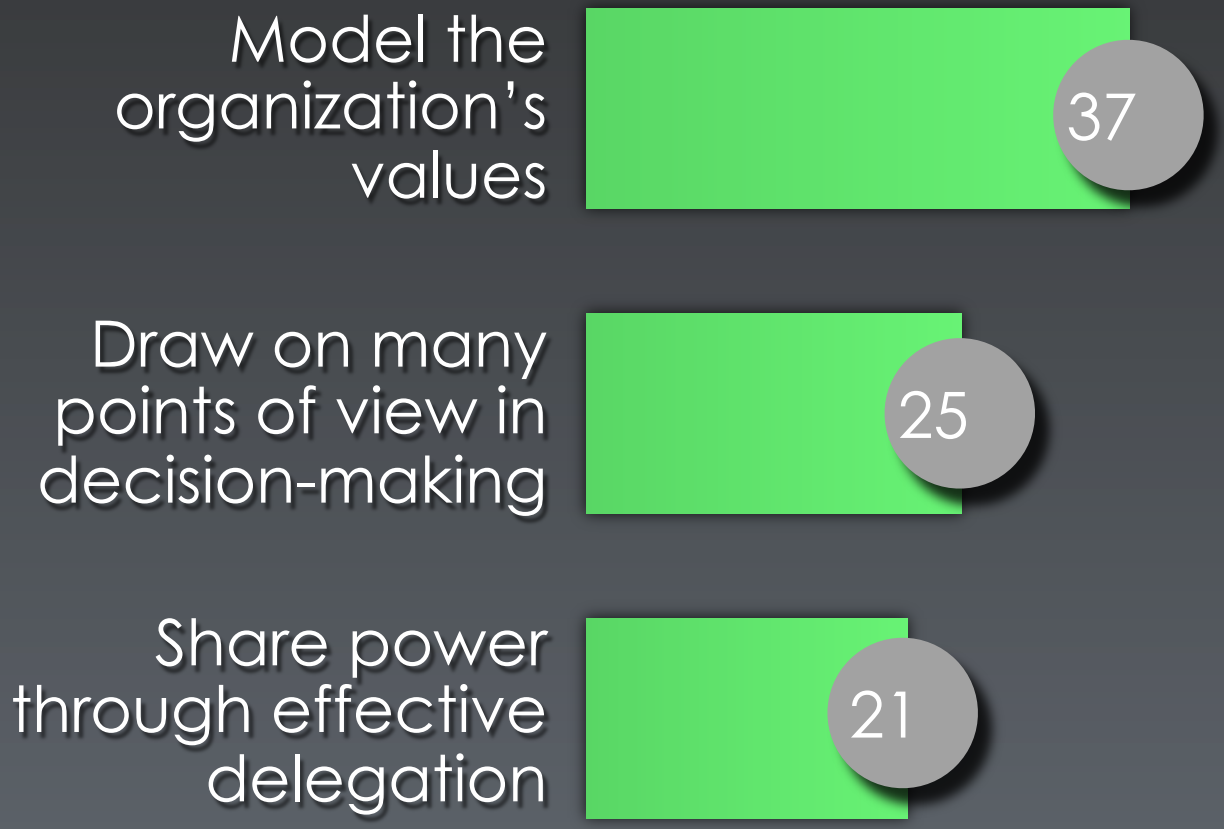
An innovation advantage

Inhuman


Engaged
Actively disengaged
13%
24%
63%
Not engaged


Bureaucracy
Firm size

To what extent do leaders …

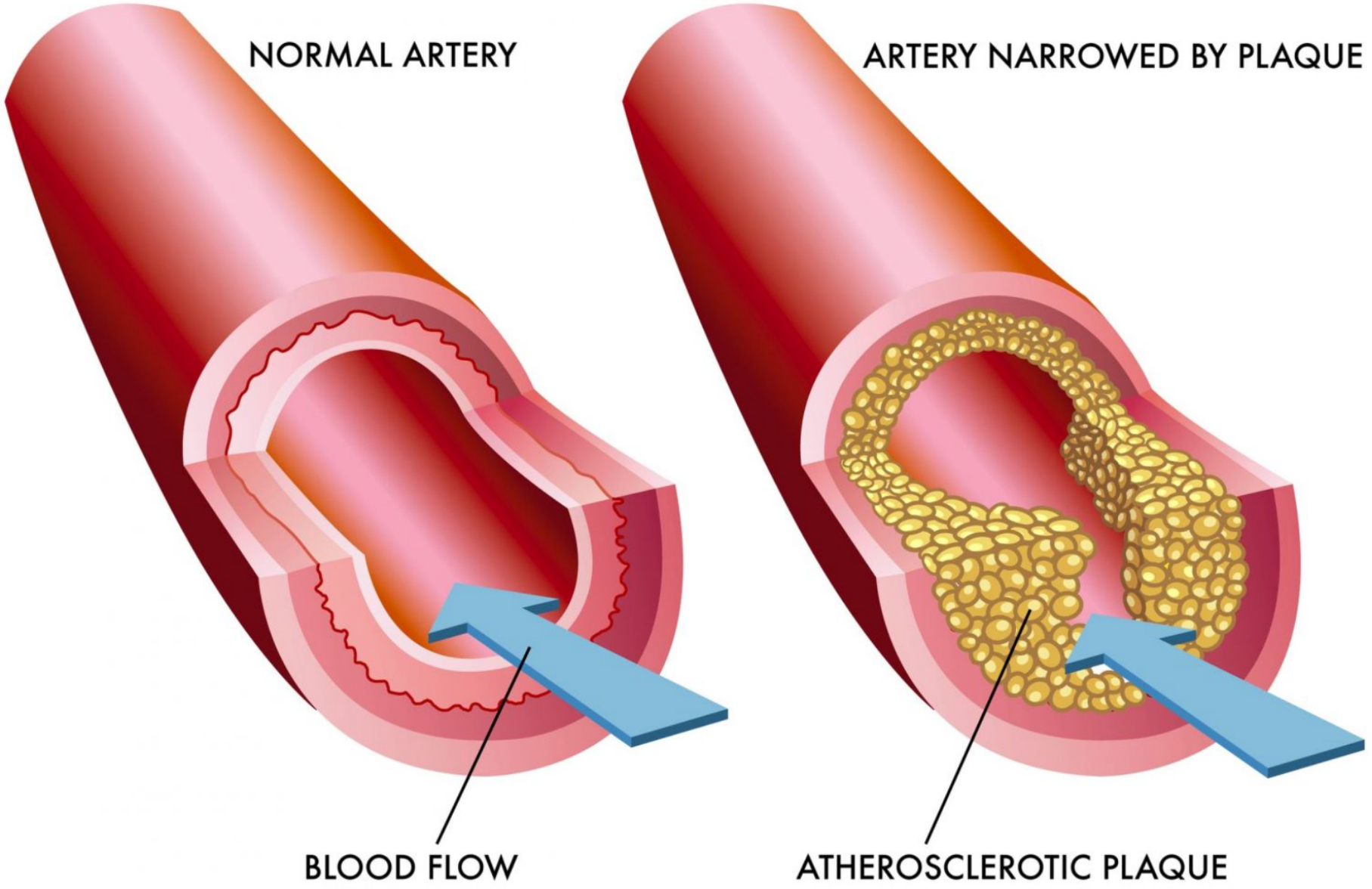


An evolutionary advantage

An innovation advantage

An inspiration advantage

ATHEROSCLEROSIS

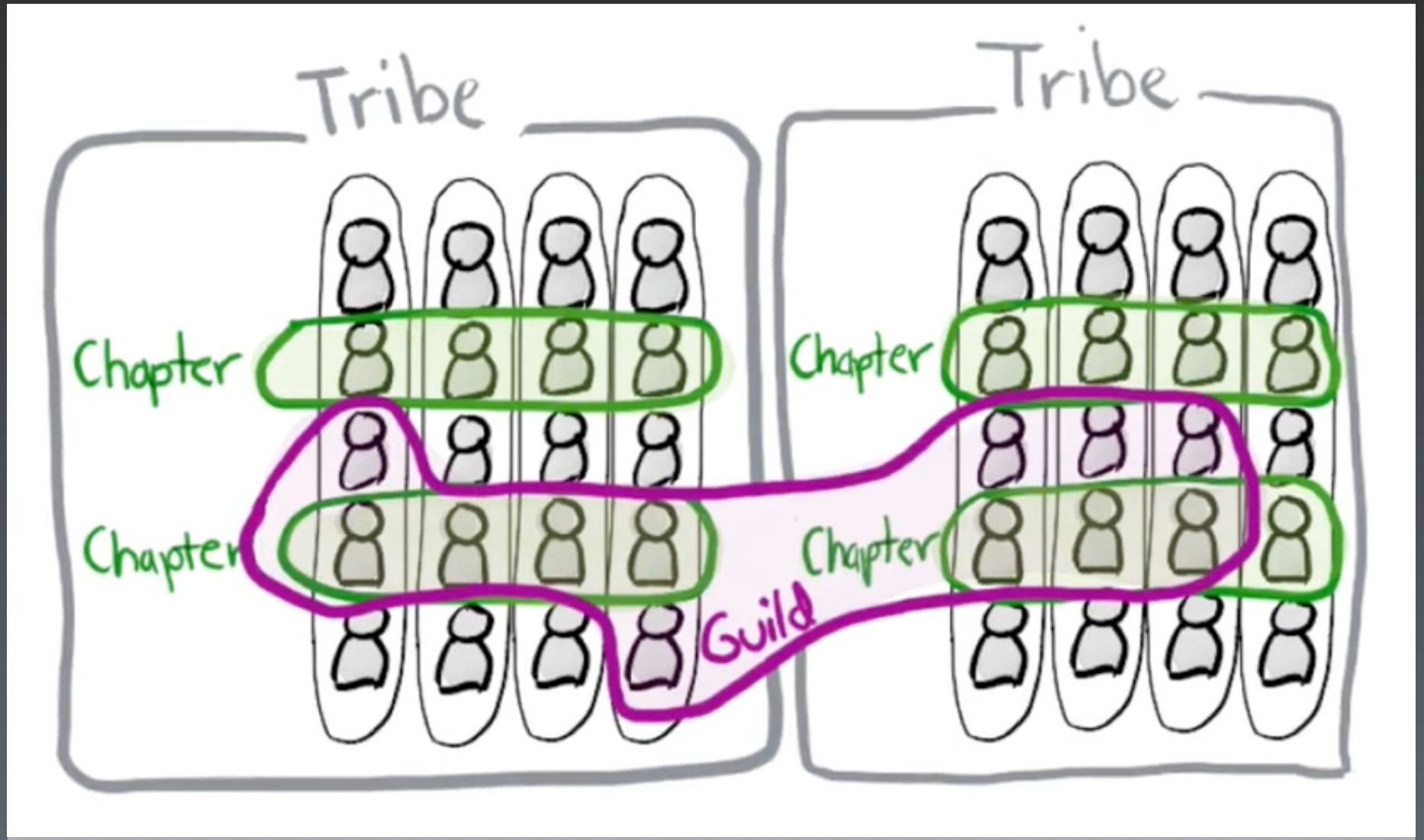


Bureausclerosis

Motivation

- ✓ Power trickles down.
- ✓ Authority is vested in positions.
- ✓ Strategies are set at the top.
- ✓ Big leaders appoint little leaders.
- ✓ Resources are allocated centrally.
- ✓ Employees compete for promotion.
- ✓ Compensation correlates with rank.
- ✓ Individuals are assigned tasks.
- ✓ Managers review performance.
- ✓ Staff groups ensure compliance.

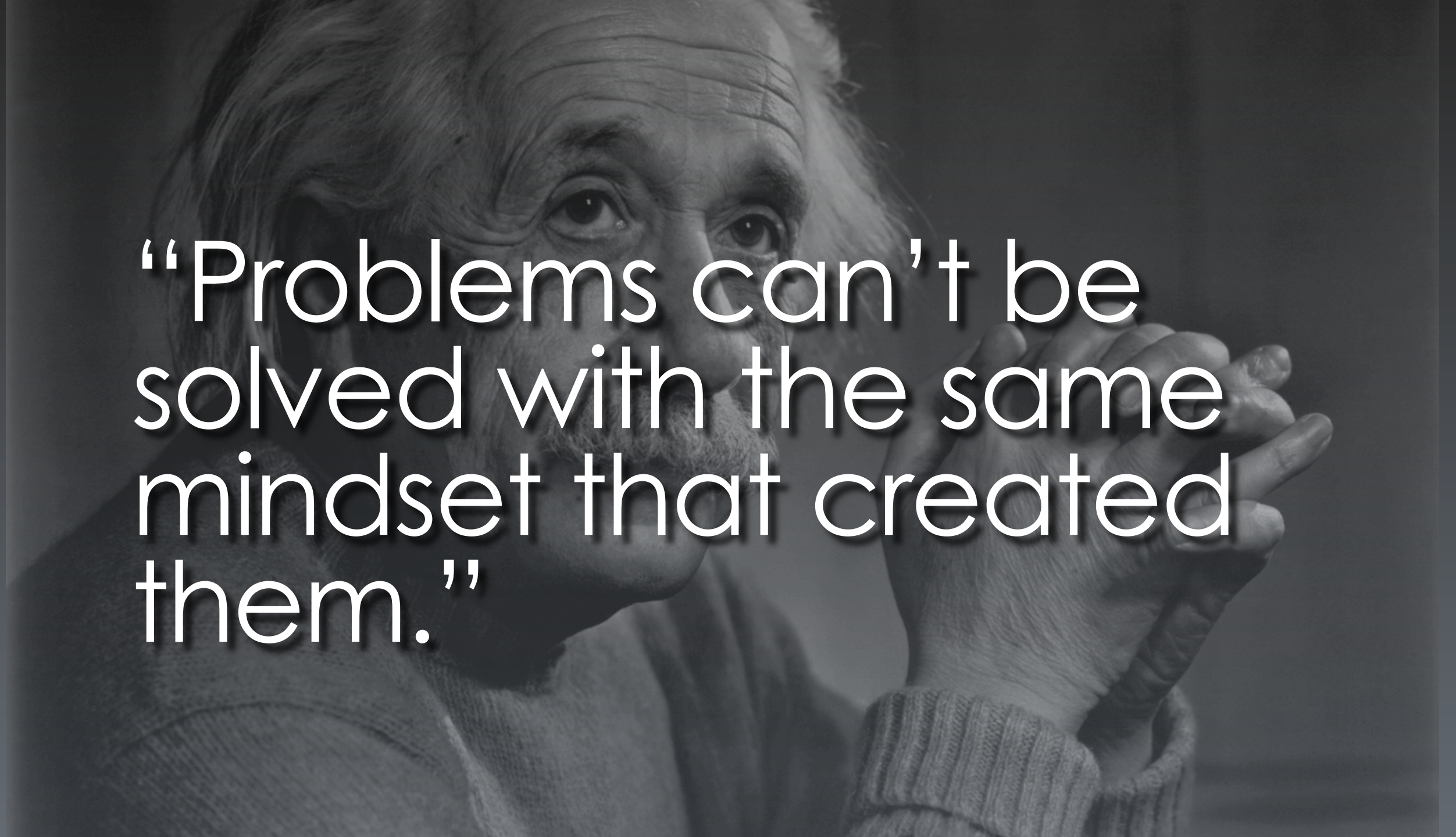
Models


Tribe
Tribe
Chapter
Chapter
Chapter
Chapter
Guild

www.hackmanagement.com

Management 1.0	Management 2.0
Standardization	Experimentation
Specialization	Disaggregation
Formal hierarchy	Meritocracy
Unity of command	Communities
Conformance	Markets
Predictability	Openness
Extrinsic rewards	Freedom

Migration


“Problems can’t be solved with the same mindset that created them.”

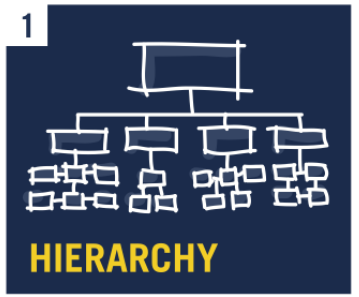
THE HACKATHON PROCESS

PHASE 1			PHASE 2	PHASE 3	PHASE 4
WHY ADAPTABILITY MATTERS NOW	**THE ENEMIES OF ADAPTABILITY**	**THE DESIGN PRINCIPLES OF ADAPTABLE ORGANISATIONS**	**INVENTING MINI HACKS**	**DEVELOPING AND FINALISING ADAPTABILITY HACKS**	**WHAT DID WE DISCOVER?**
Develop a **common understanding of what we mean by adaptability** and why it is now more important than ever before.	**Brainstorm and prioritise the most important "enemies of adaptability"**: the barriers that stop our organisations from becoming as adaptable as they should be.	**Identify the design rules, or principles,** that characterise organisations that are already truly adaptable.	**Develop a set of "mini hacks"**—short yet provocative ideas for how to overcome one or more of the enemies of adaptability while drawing inspiration from the key design principles. Form hacking teams to take some of the most promising mini hacks and develop them into fully realised management hacks.	**Work within our hacking teams** to take the best mini hacks and develop them into full, "shovel ready" hacks that could be used inside real organisations to make them more adaptable.	**Synthesise the key insights** from the hackathon into this report and disseminate our findings at the CIPD Annual Conference in November 2013.

THE ENEMIES OF ADAPTABILITY

WHAT ARE THE BARRIERS THAT PREVENT OUR ORGANISATIONS FROM BEING MORE ADAPTABLE?

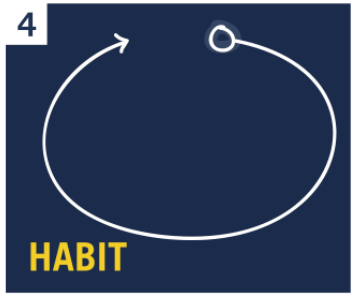
That is the question we posed to contributors during the early stages of the hackathon. In just under two weeks, our hackathon community developed a list of over **120 enemies of adaptability**—barriers that prevent our organisations from being as adaptable as they could be. As we read through these 120 enemies of adaptability, we saw **12 core themes** emerge. These are perhaps the most **critical barriers** that impede organisations from adapting to the changing world around them.



Top-down, control based hierarchies discourage individual initiative, lead to slower reaction times, and divert energy to "managing up."

Command-and-control systems lead to organisations filled with anxious employees who are hesitant to take the initiative or trust their own judgment.

Defensive thinking, fossilised mental models, and contentment create a bias in favour of the status quo.



Lack of proactive change often has to do with mindsets and behaviours: we must want to change, and also understand how to change.

When the responsibility for making big decisions is concentrated at the top, a handful of executives favoring the status quo can thwart change.

Highly optimised business systems are great for efficiency, but deadly for adaptability. Assets, skills, and processes become more specialised, and change becomes more incremental.

In many organisations, rigid unit boundaries, functional silos, and political fiefdoms hamper the rapid realignment of skills and assets.

Employees don't have the skills, training, and coaching they need.

Compensation and incentive systems often truncate executive time horizons and skew perspectives.

Management processes typically arrive at the "one best strategy" through top-down, analytical methods, and discourage bottom-up experimentation.

Management systems value conformance and cohesion at the expense of diversity and divergence. This limits the ability to generate the rich variety of ideas and options required to be truly adaptable.

Organisations without a compelling shared purpose may have trouble aligning on a natural path for adaptation.

THE DESIGN PRINCIPLES OF ADAPTABLE ORGANISATIONS

We next focused our attention on the **building blocks of adaptable organisations**—the design principles that can help them evolve their DNA to become more adaptable and fit for the future. What follows is a list of some of the **most important design principles**, as developed by the hackathon team.

1

EXPERIMENTATION & LEARNING

To continue to adapt, organisations must experiment more frequently and learn more quickly.

2

TRANSPARENCY & OPENNESS

A committed and clever approach to transparency energises and connects people across boundaries. The most open organisations are the most engaging and nimble.

3

AUTONOMY & TRUST

Increasing trust and reducing fear opens the door for the kind of participation, experimentation, and passion that is so crucial to building resilience.

4

PURPOSE & MEANING

Organisations must offer a compelling case for why what they do matters, one that animates and aligns every person in the organisation—and every person the organisation touches.

5

DIVERSITY

Organisations that welcome and value diversity and dissent—that are as energetic about exploring the edges as they are about preserving the core—are better able to respond to change.

6

FLEXIBILITY

To intercept opportunities that come and go at lightning speed, organisations must be able to quickly reconfigure capabilities, infrastructure, and resources.

7

CREATIVITY

Everyone is born with the natural capacity to create, yet most organisations are designed to cramp that essential human gift rather than to unleash it.

8

PEER COLLABORATION

Collaboration and accountability should be driven horizontally through peer-to-peer interactions, rather than vertically through the chain of command.

9

NATURAL LEADERSHIP & MERITOCRACY

Status and influence derive from the ability to get things done with other people and from demonstrated excellence rather than from the ability to accumulate positional power.

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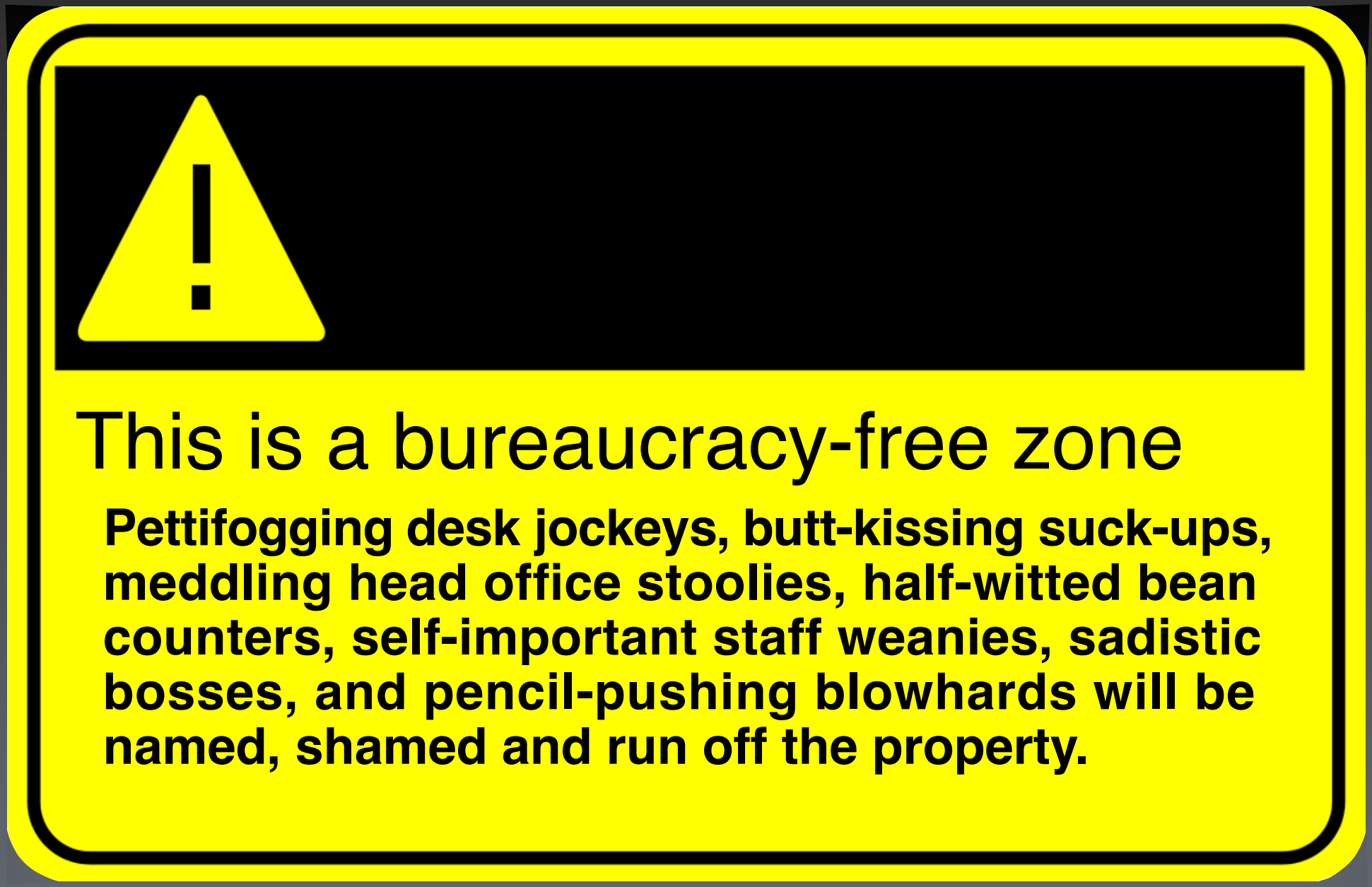
MOOD

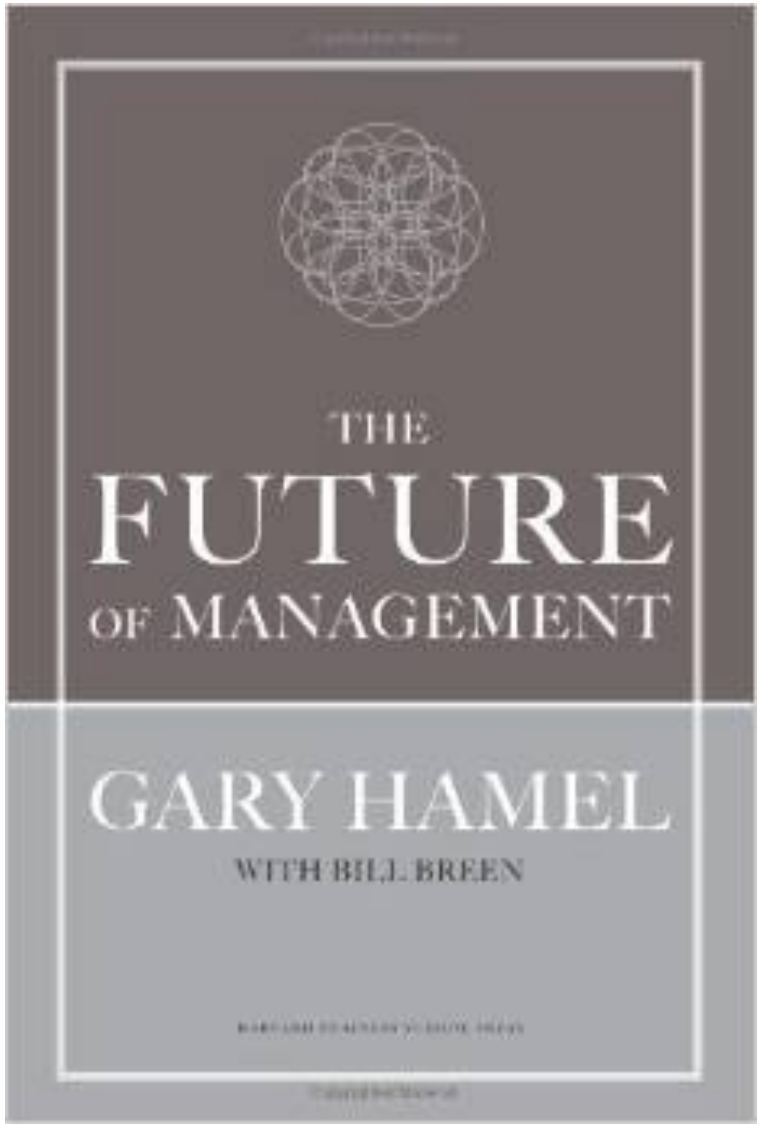
Does your manager understand what tasks you love and loathe?

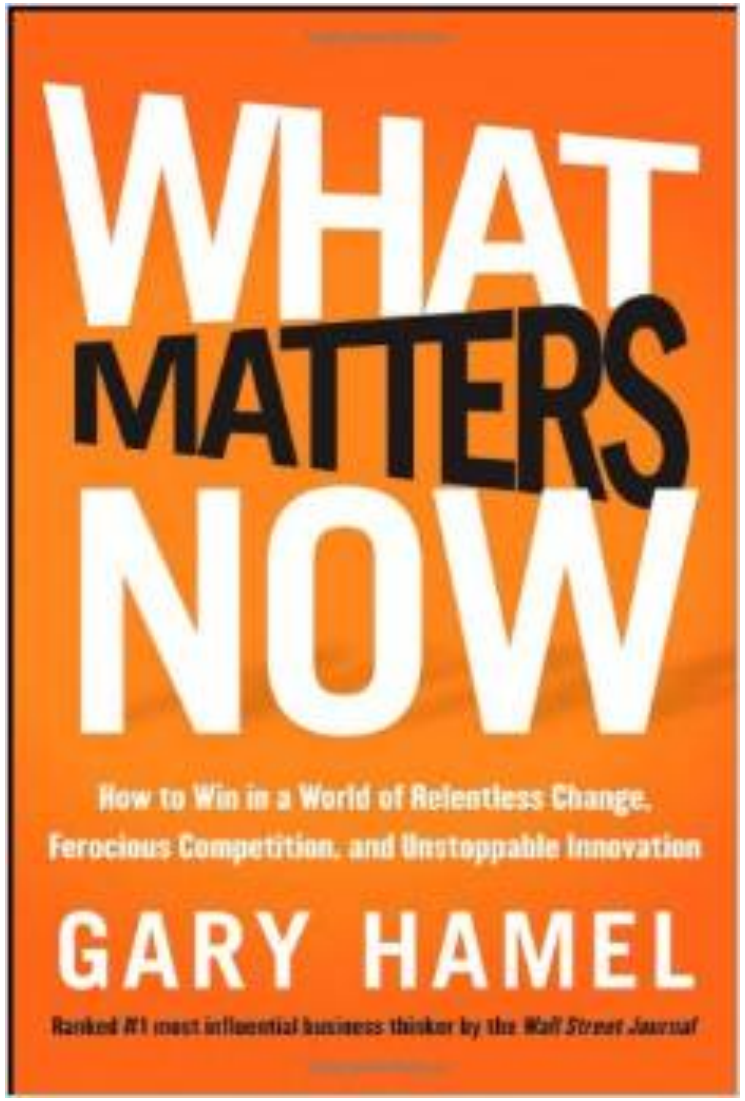
Where to start?

Bureaucratic Mass Index


This is a bureaucracy-free zone
Pettifogging desk jockeys, butt-kissing suck-ups, meddling head office stoolies, half-witted bean counters, self-important staff weanies, sadistic bosses, and pencil-pushing blowhards will be named, shamed and run off the property.

Questions?





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Thank you for attending

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