GOSEI

Actionable Fearless Leadership

- from Tayloristic to Agile Organization

Ari Tikka, Ran Nyman

Global Scrum Gathering Munich Oct 2016

Gosei

Ran Nyman

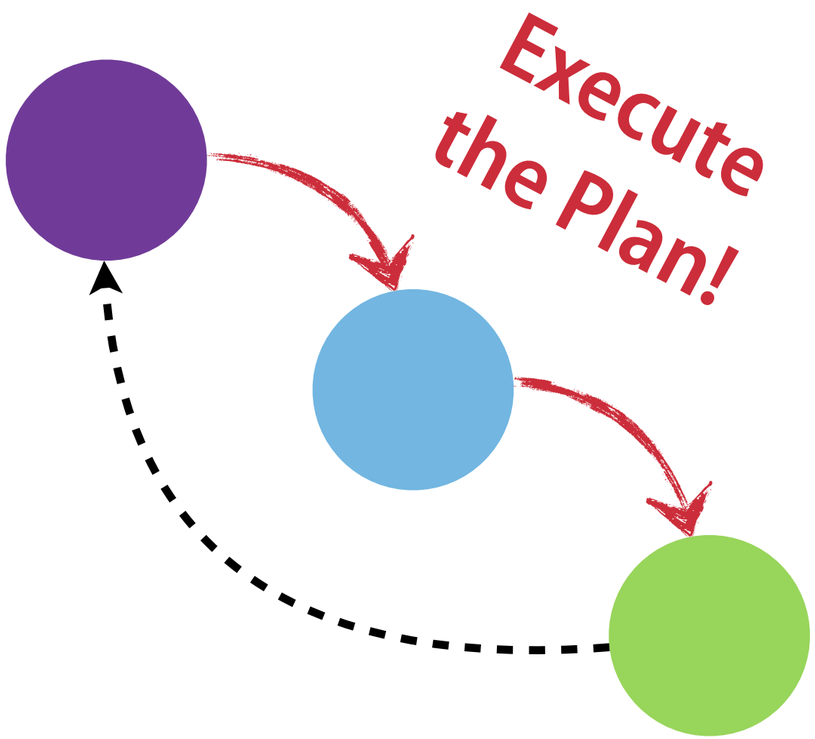
Ari Tikka

- 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

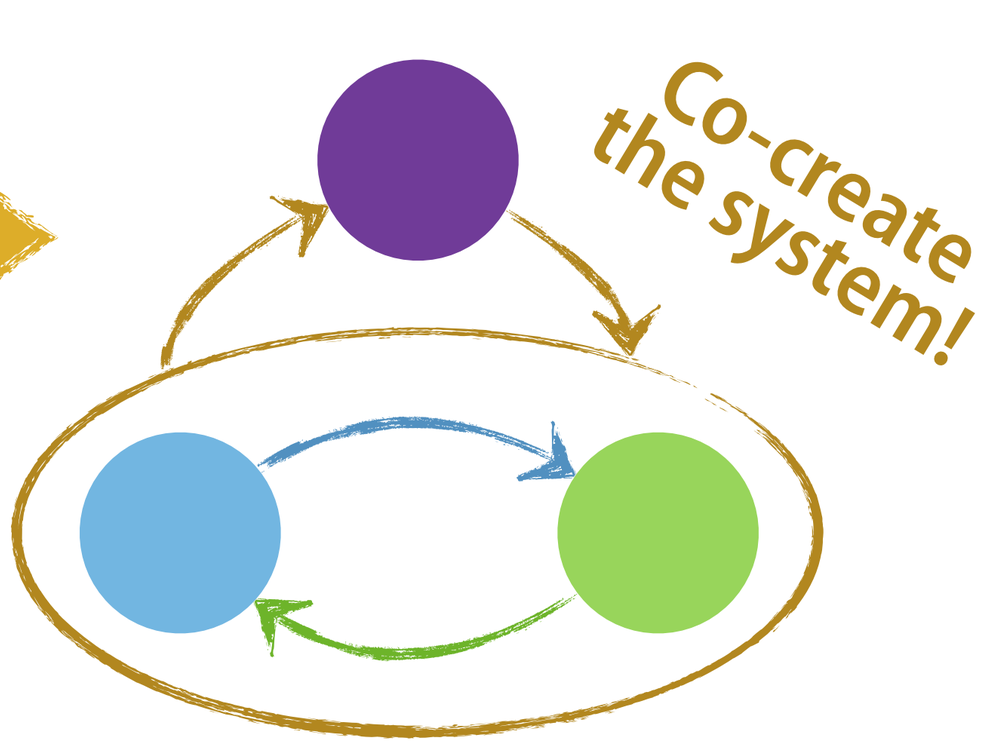
Gosei Oy all rights reserved.

What Gosei does

Tayloristic Coordinated organization



Agile Learning organisation



Gosei Oy all rights reserved.

GOSEI

Taylorism

Winfred Taylor

The Principles of Scientific Management

BY

FREDERICK WINSLOW TAYLOR, M.E., Sc.D.

PAST PRESIDENT OF THE AMERICAN SOCIETY OF MECHANICAL ENGINEERS

HARPER & BROTHERS PUBLISHERS

NEW YORK AND LONDON

1919

Gosei Oy all rights reserved.

Ford 1900

Context

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

Solution

- Automation
- Detailed standardization
- Proper wages

Gosei Oy all rights reserved.

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

Gosei Oy all rights reserved.

Moder ic Leadership

Split responsibilities

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

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
- Ente ise architect
- xyz specialist
- Se urity manager

Gosei Oy all rights reserved.

Everyday experience

“Pressure. Must. Should.”

“No time for real change.”

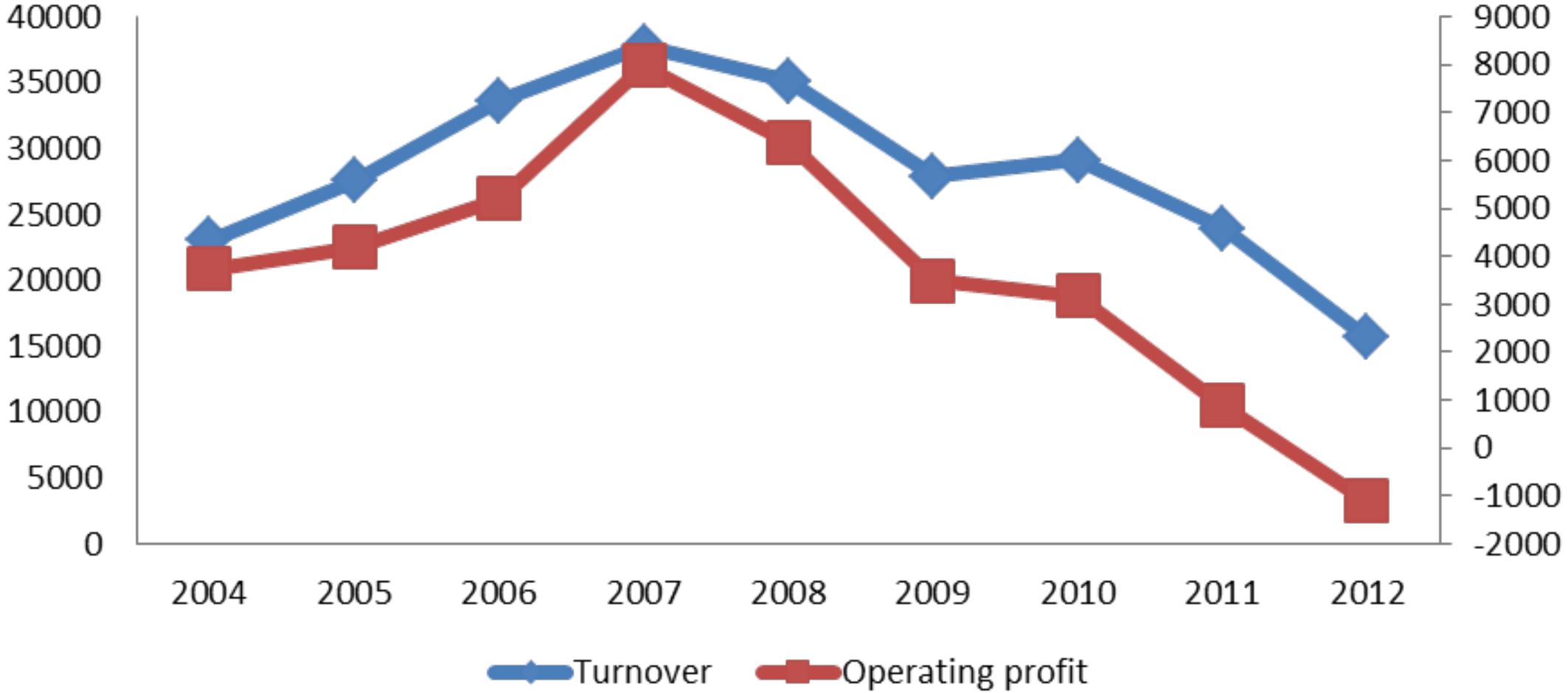
“Power and wisdom are always elsewhere.”

Gosei Oy all rights reserved.

GOSEI

NOKIA Mobile Phones

NOKIA mobile phone business 2004-2012 (million euros)



Gosei Oy all rights reserved.

NOKIA

Nokia Mobile Phones

Nokia Networks

Gosei Oy all rights reserved.

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

Gosei Oy all rights reserved.

Gosei Oy all rights reserved.

NOKIA Mobile Phones

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

Situation 2007-2011

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

Gosei Oy all rights reserved.

NOKIA Mobile Phones

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

“Just make it happen” - management

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

Situation 2007-2011

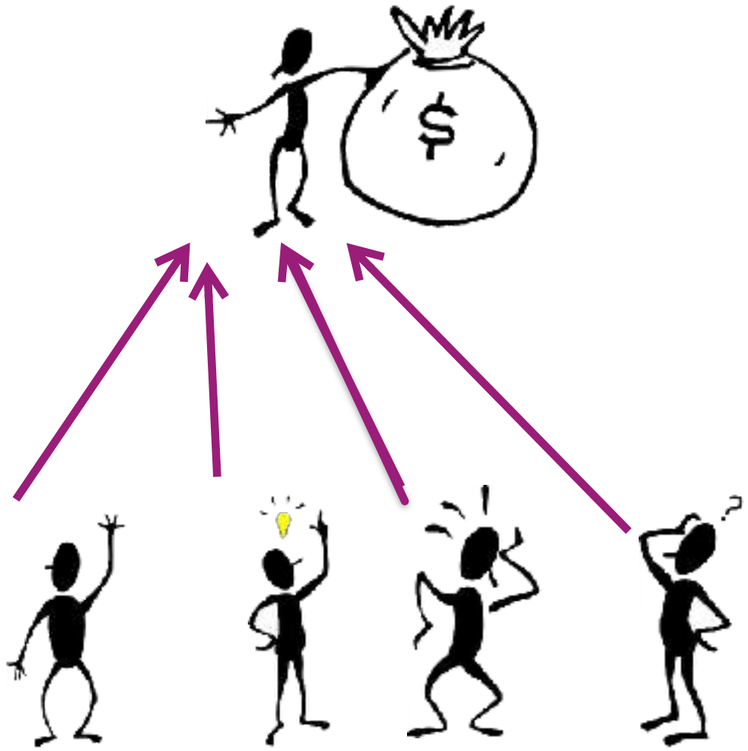
- New competitors, new game
- Technology constrains design
- Coordination chaos

Gosei Oy all rights reserved.

GOSEI

Coordination chaos

In the beginning



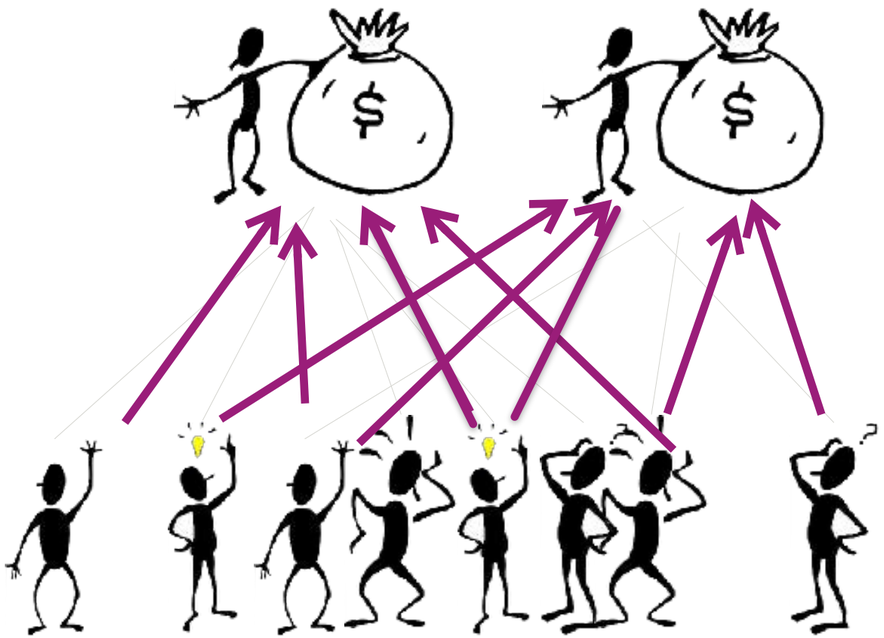
"Hey, We have business! And it is growing!"

"People just find their roles."

"Specialists are irreplaceable. We need to optimize their individual performance."

Gosei Oy all rights reserved.

Growing using common sense

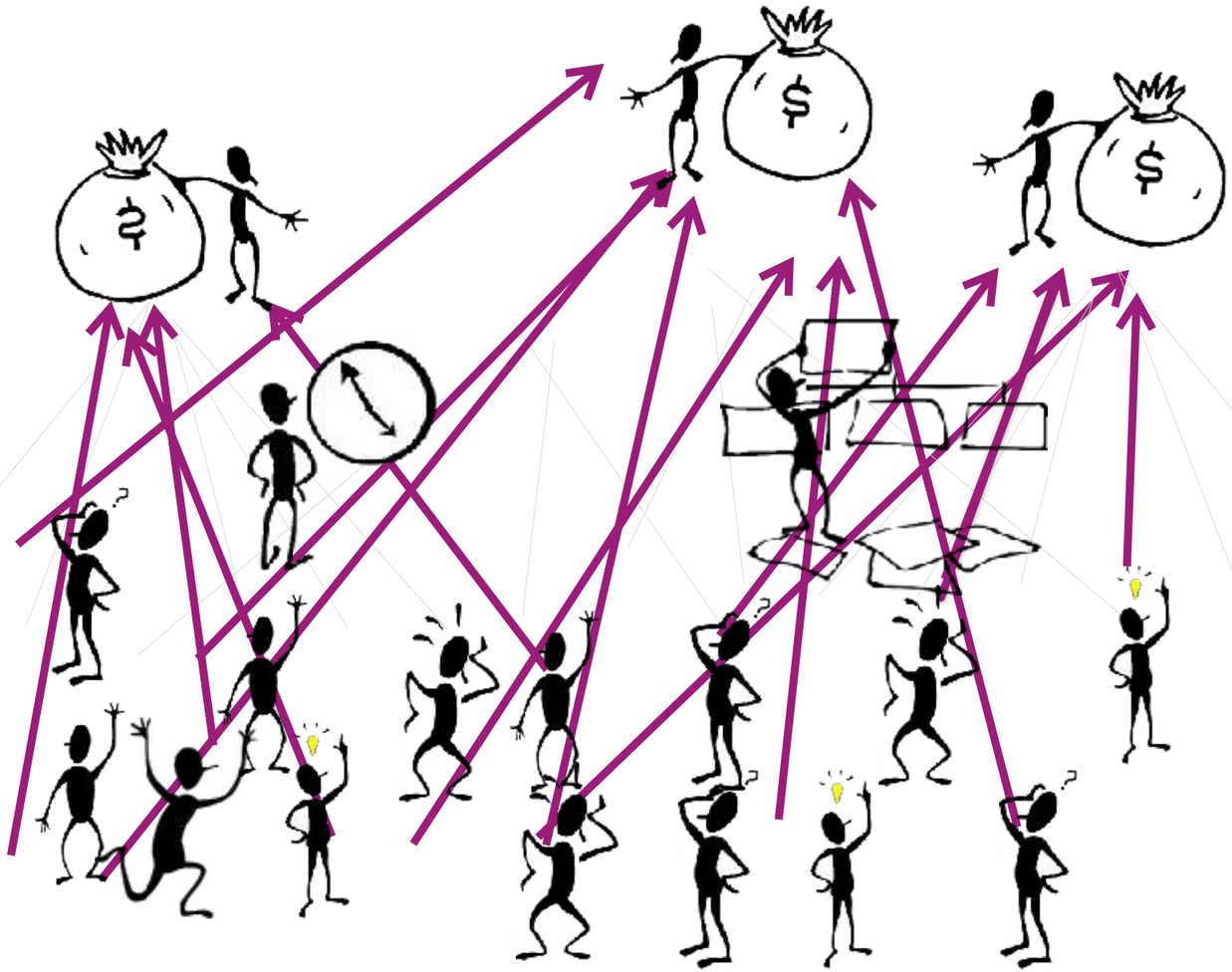


"It starts to get messy. We need someone to look after things."

"Lets hire a coordination specialist - the project manager."

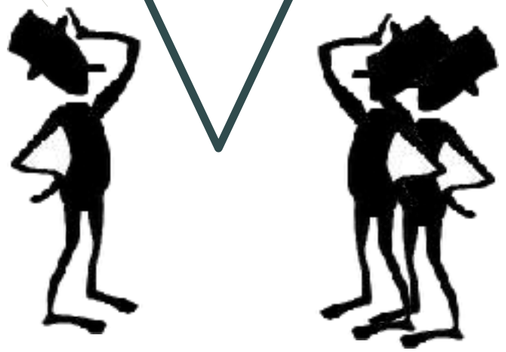
Gosei Oy all rights reserved.

Growth continues - we make it work



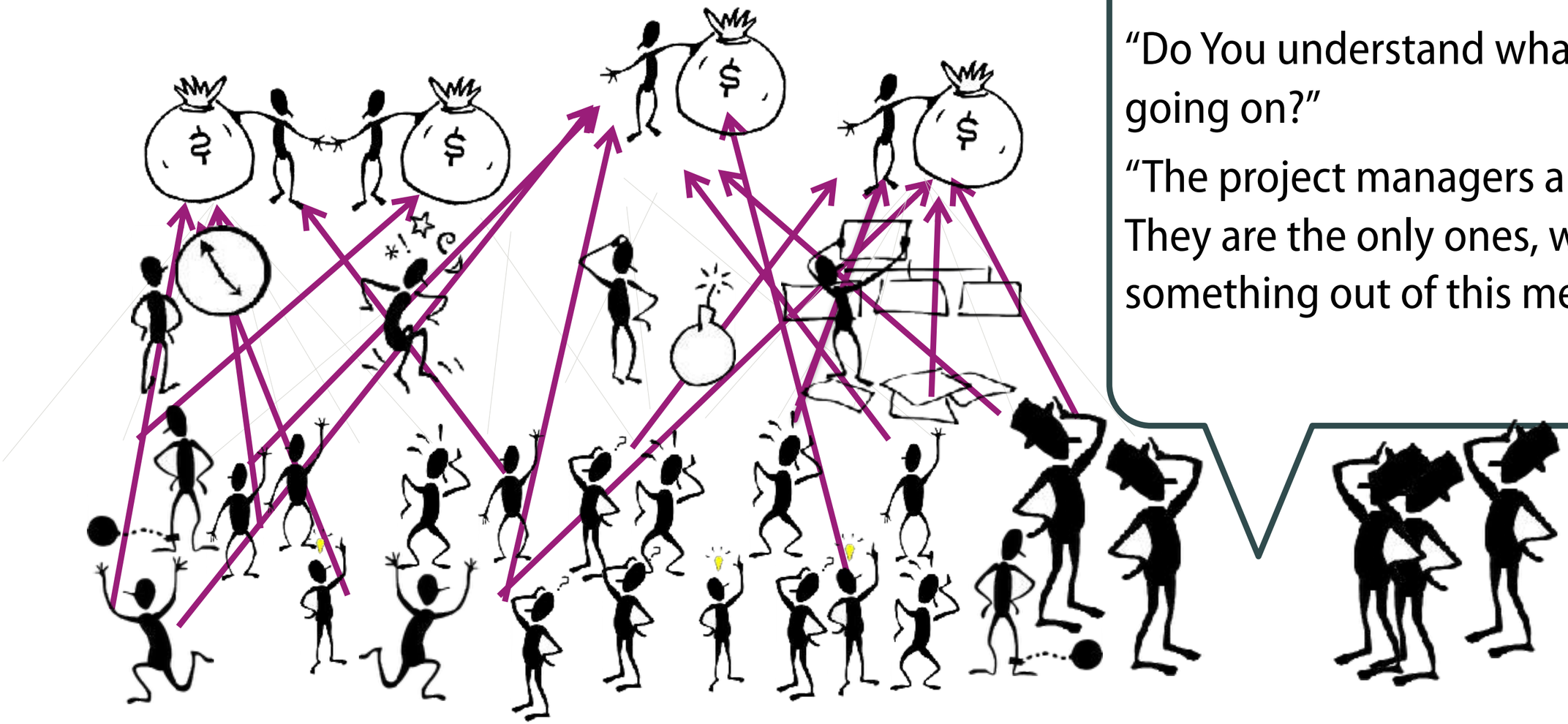
"The project managers really do their job."

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



Gosei Oy all rights reserved.

The coordinators become the heroes

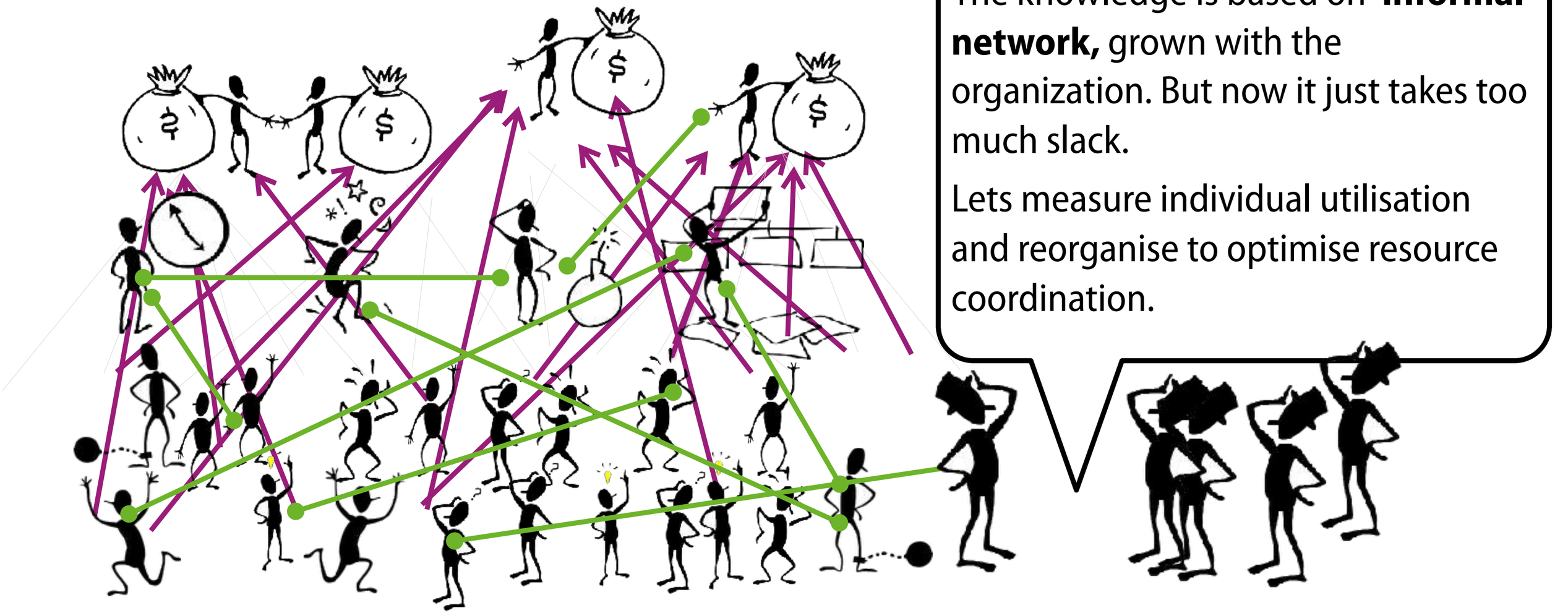


"Do You understand what is really going on?"

"The project managers are the heroes! They are the only ones, who get something out of this mess."

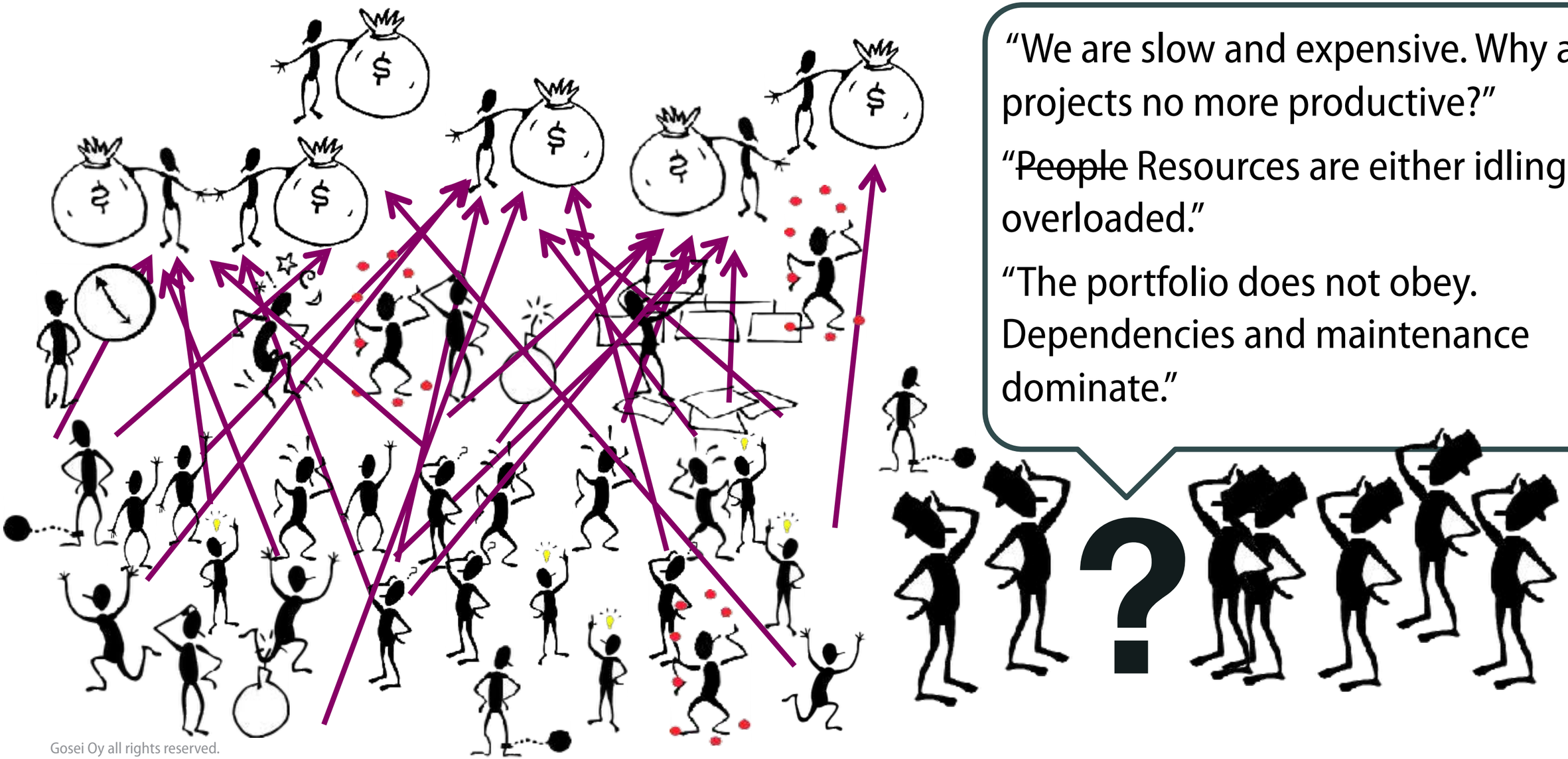
Gosei Oy all rights reserved.

Hidden enabler becomes too expensive



Gosei Oy all rights reserved.

But… too much to be coordinated



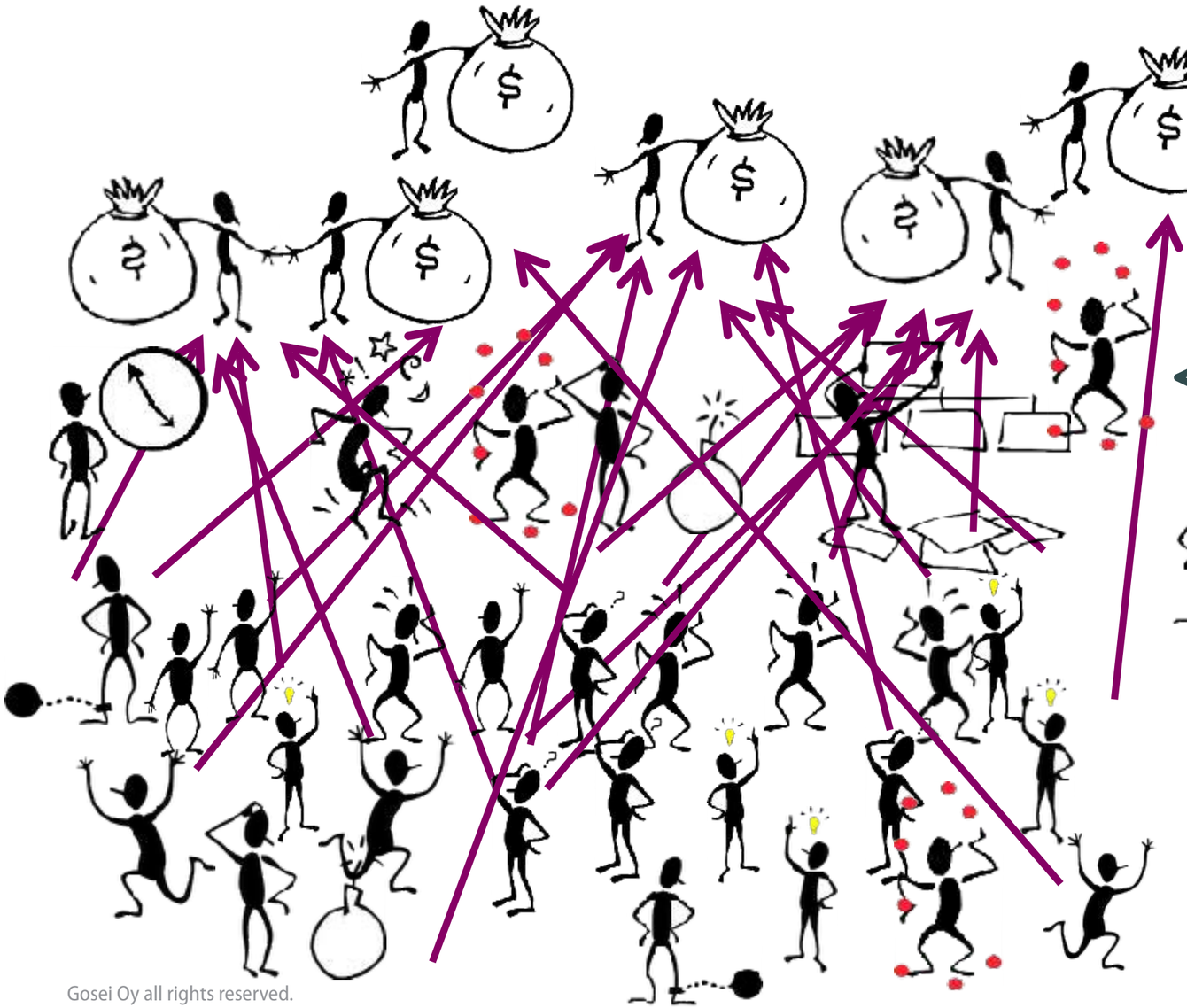
"We are slow and expensive. Why are projects no more productive?"

"~~People~~ Resources are either idling or overloaded."

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

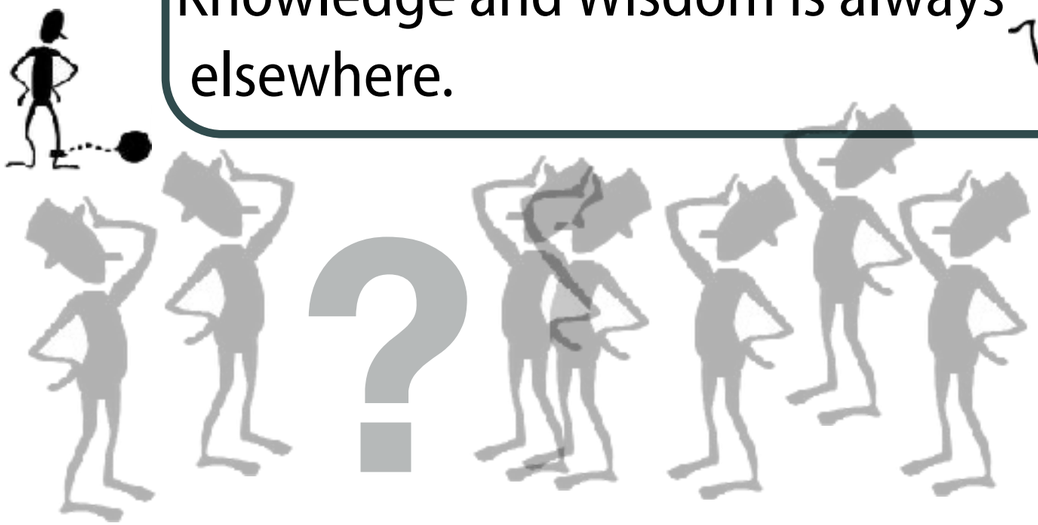
Gosei Oy all rights reserved.

Not fun!



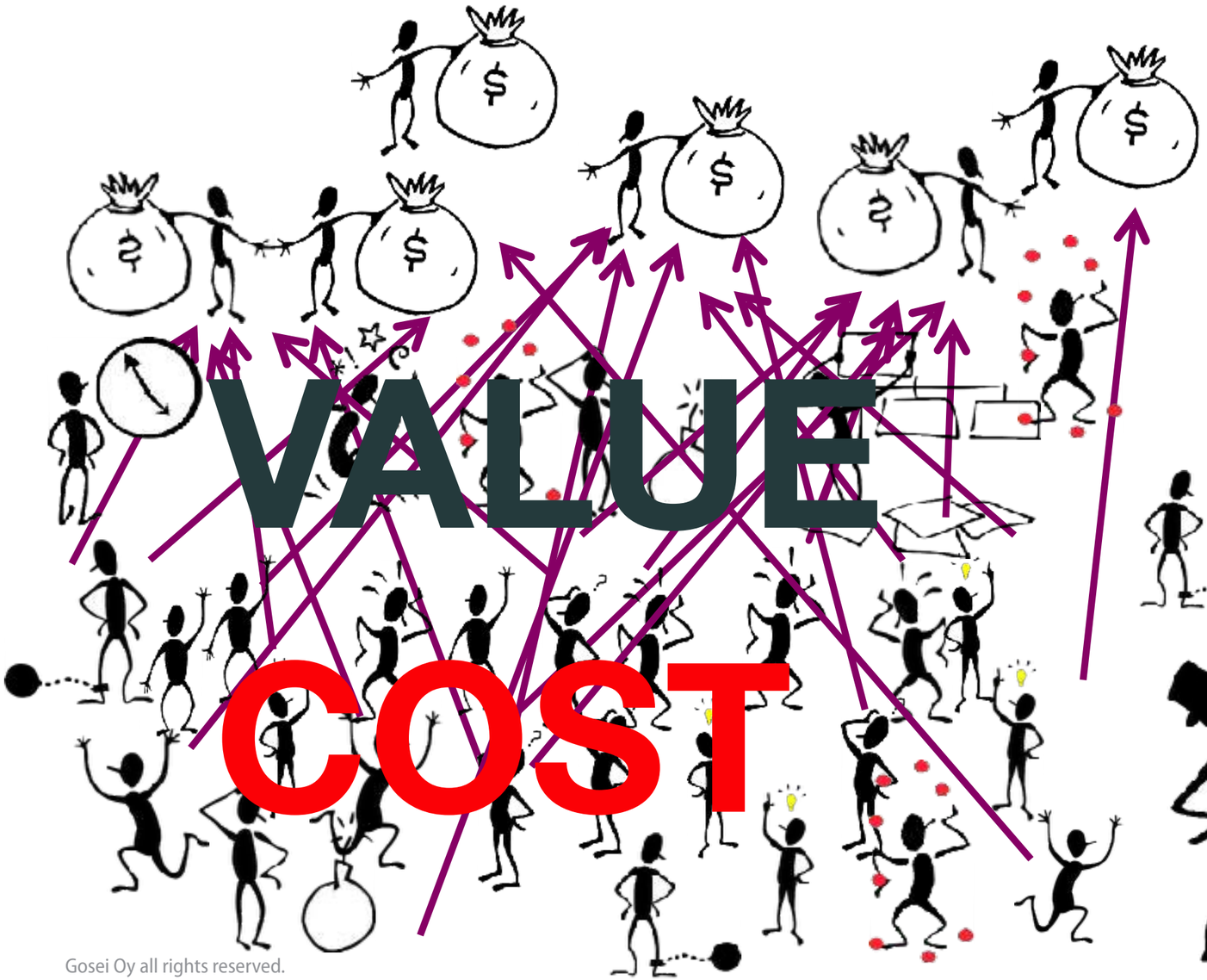
Fragmentation. Wait for decisions, budget, plan, knowledge, service, …
Quick fixes and bad quality. WIP, batches and queues. Little learning.
Busy with your queue. Problem escalations. Powerlessness.

Knowledge and Wisdom is always elsewhere.



Gosei Oy all rights reserved.

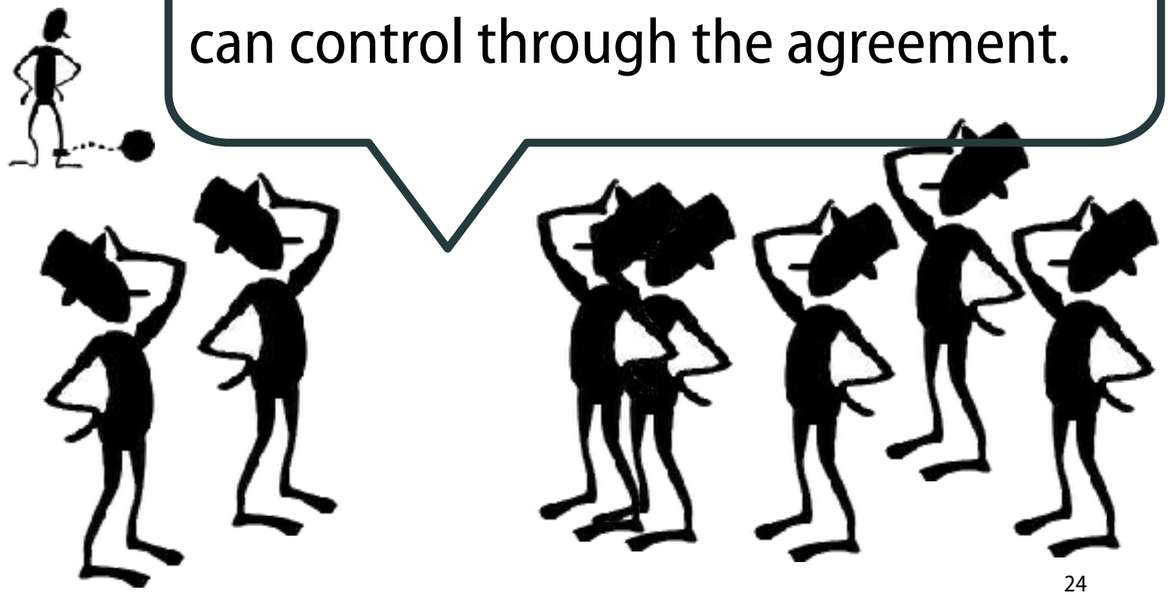
Outsourcing the leadership problem



"We still have the customers. And the middle layer coordinates the whole."

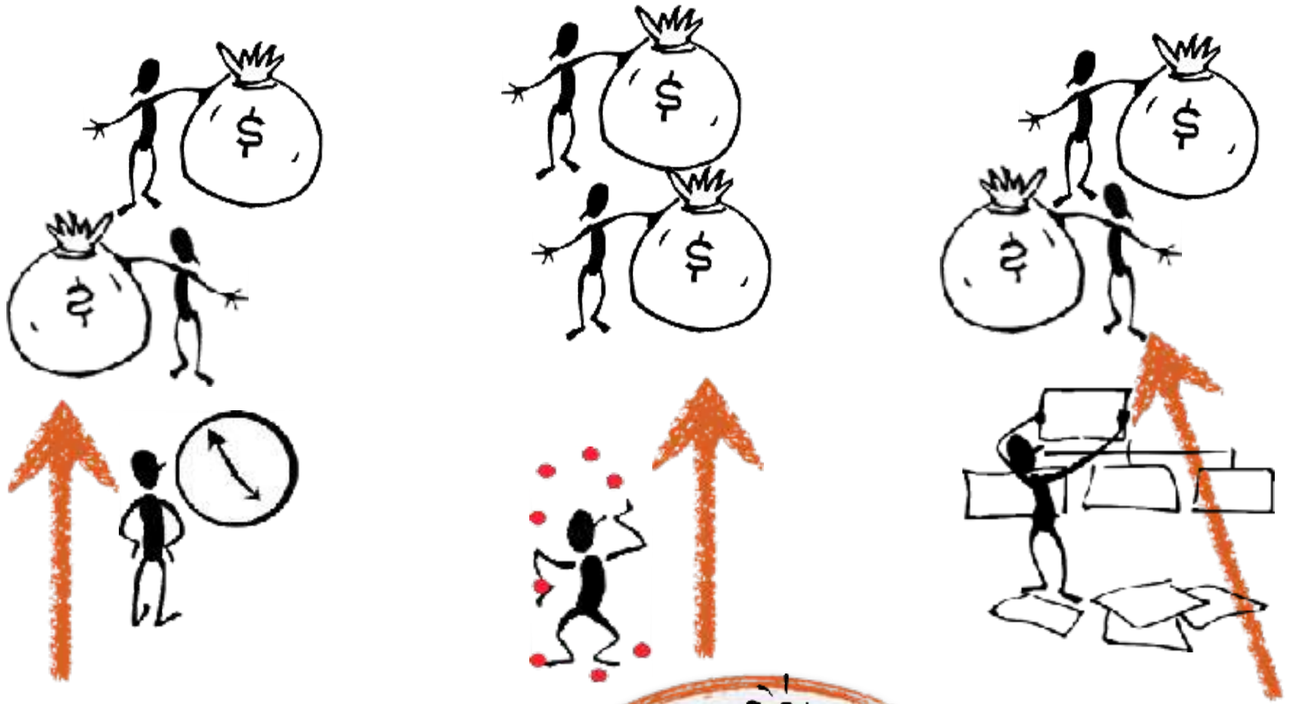
"The development is too expensive and is difficult to manage."

"But we can outsource the difficulty to an affordable provider, which we then can control through the agreement.



Gosei Oy all rights reserved.

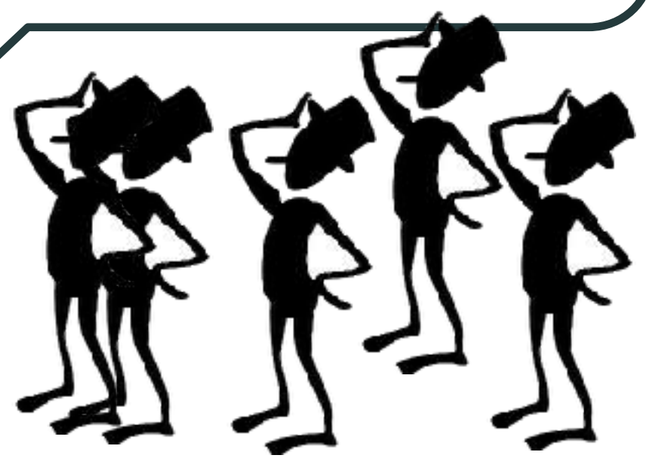
Or fundamental change in thinking



"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."



Gosei Oy all rights reserved.

The slow poison of component teams

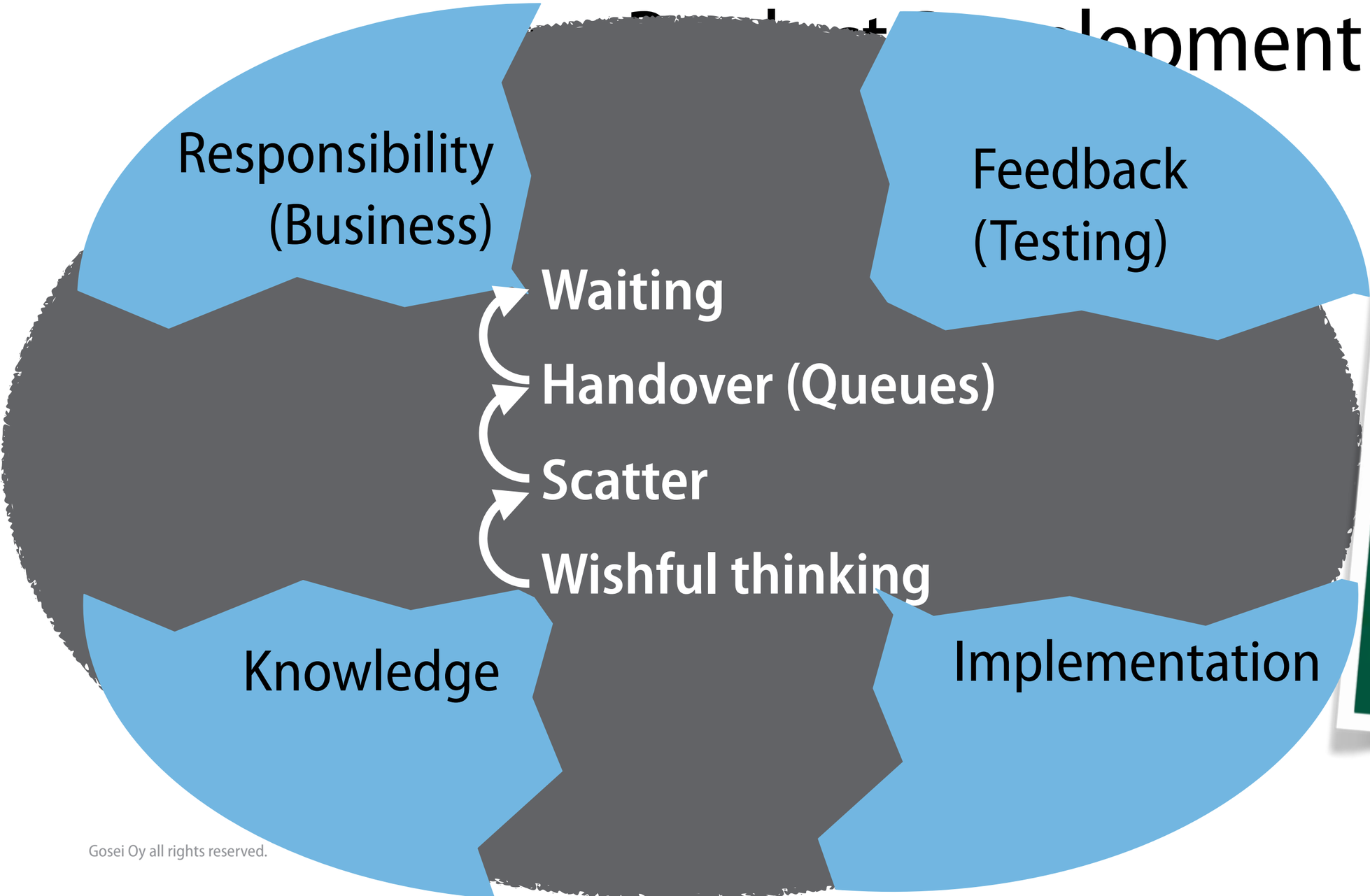
Dividing work to component teams leads to:

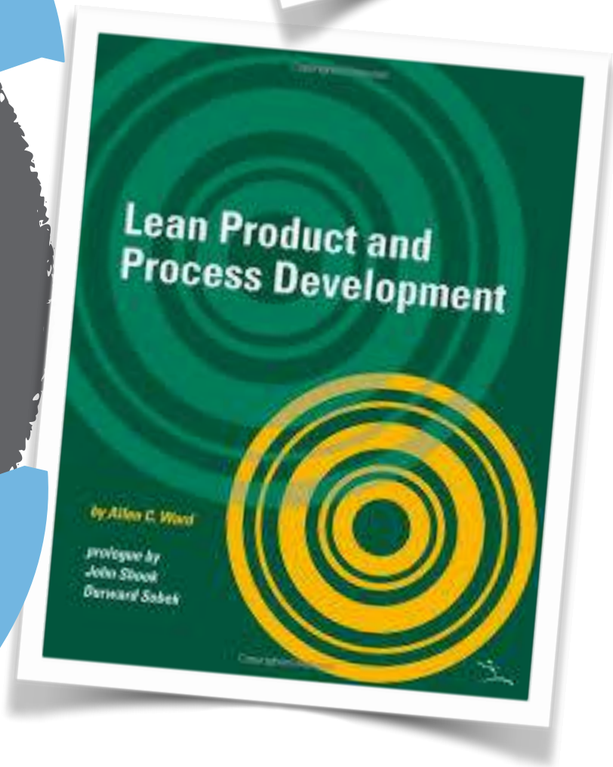
- pre-planning teams
- integration teams
- resource bottlenecks
- queues because of asynchronous dependencies
- long planning horizon
- ever growing organisation and middle management
- Coordination Chaos

It is called Waterfall. It works in the beginning.

Gosei Oy all rights reserved.

Second opinion from

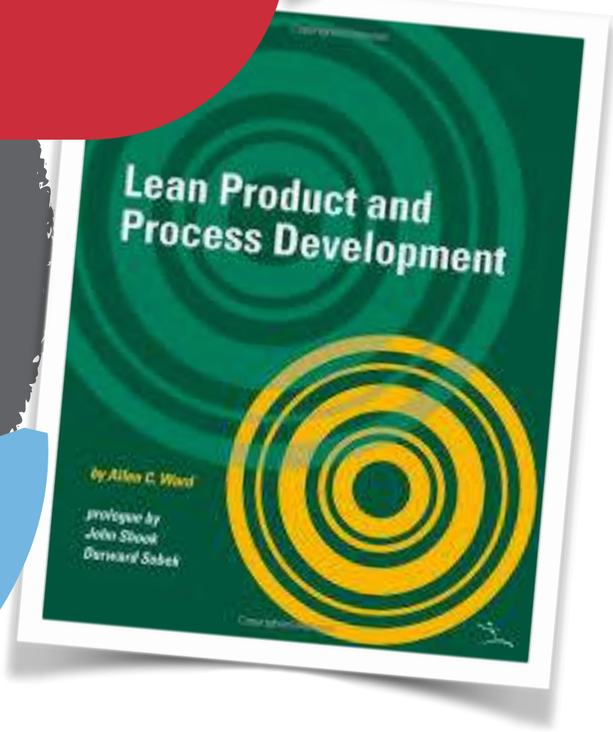




Gosei Oy all rights reserved.

Second opinion from

Organization's DNA
False management assumptions



...over (Queues)

...tter

Wishful thinking

Knowledge

Implementation

Gosei Oy all rights reserved.

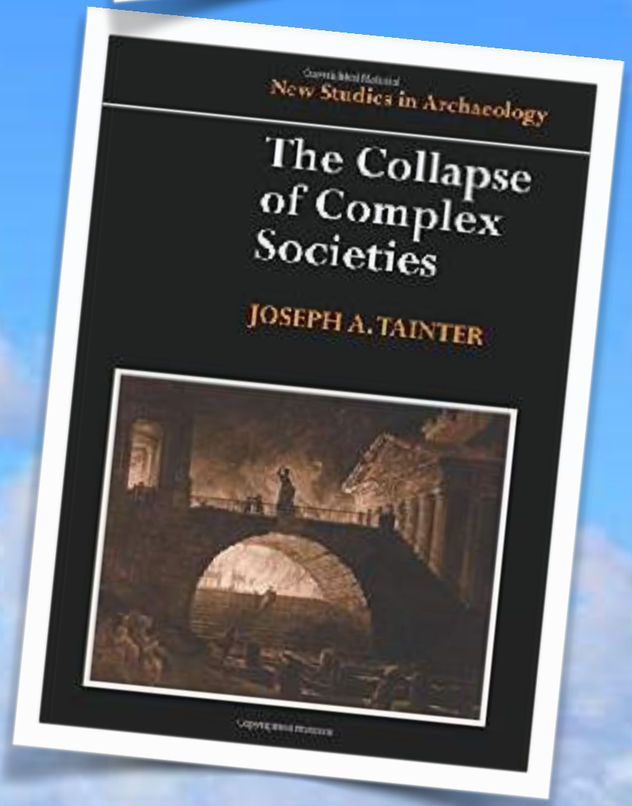
GOSEI

Collapse of Complex Societies

Joseph A. Tainter

Collapse of Complex societies:

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



Gosei Oy all rights reserved

Tainter's story in brief

Innovation
increases local efficiency
and complexity.

Complexity grows

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

Abundant resources
and innovation enable the
growth of the Society.

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

Gosei Oy all rights reserved.

The root cause of the collapse
is
the complexity
not
the depletion of resources.

GOSEI

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.enterprisegarage.io/2015/12/case-study-how-nokia-lost-the-smartphone-battle

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

Gosei Oy all rights reserved.

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

Gosei Oy all rights reserved.

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.

Gosei Oy all rights reserved.

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. Indiscussablility is indiscussable. But individuals know.

Indiscussablility results in skilled incompetence and organizational depression.

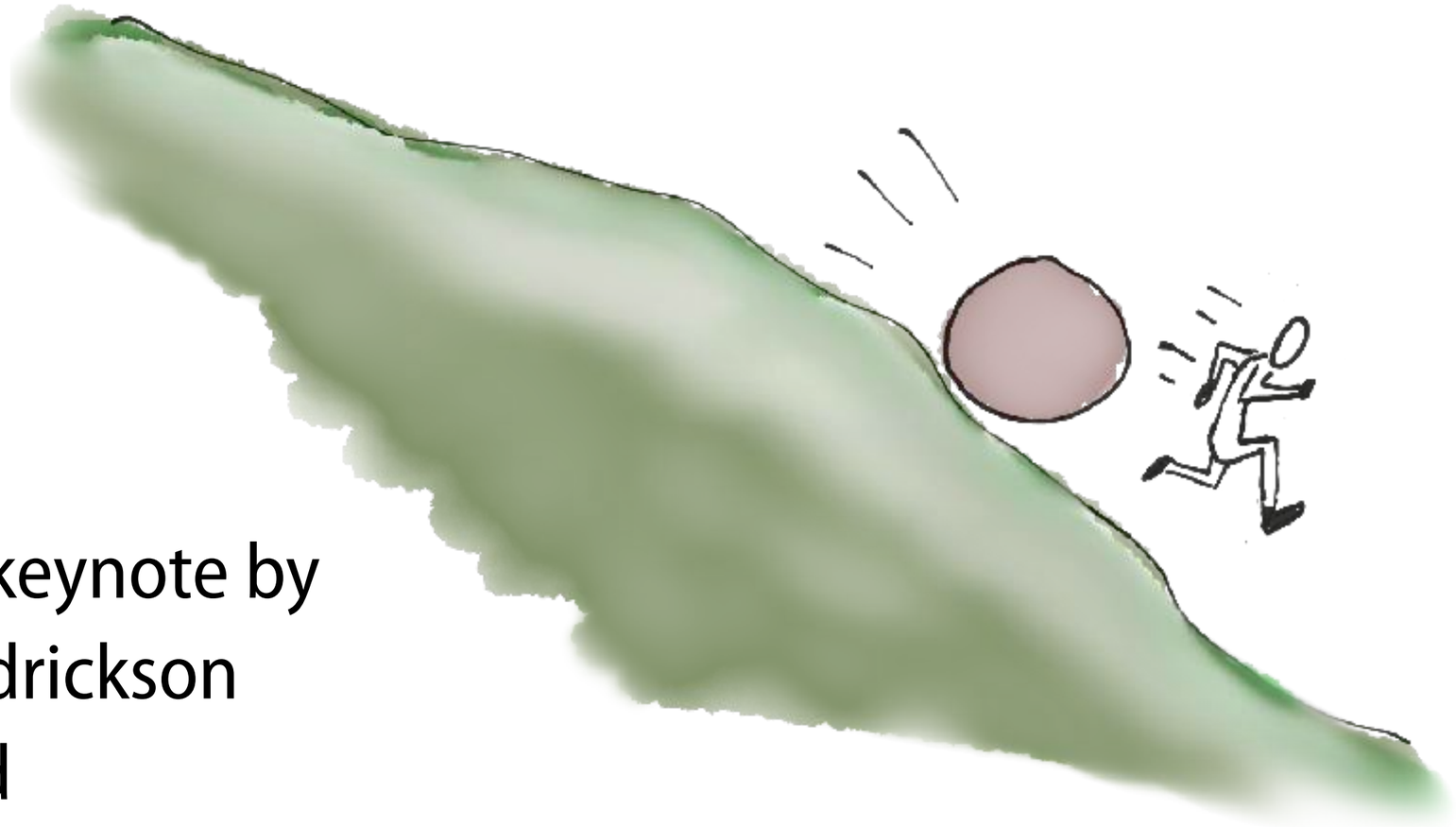
Chris Argyris: Overcoming Organizational Defenses, Facilitating Organizational Learning. 1990.

Gosei Oy all rights reserved.

GOSEI

Actionable Fearless Leadership

Without Intervention, Work Rolls Down Hill



From XP2016 keynote by
Elisabeth Hendrickson
@testobsessed

© 2016 Pivotal Software, Inc. All rights reserved.

Fearless Leaders

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

Gosei Oy all rights reserved.

Fear

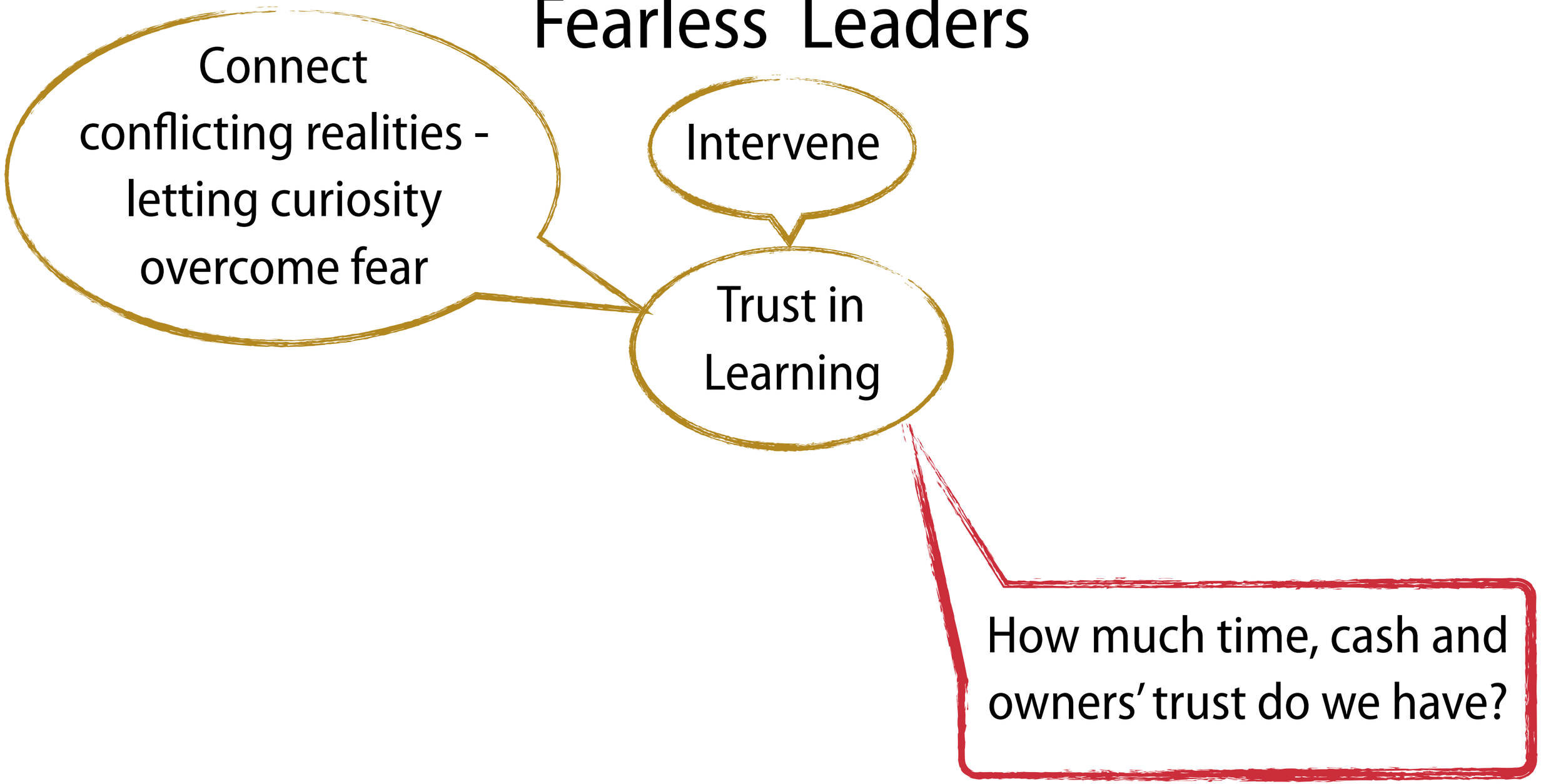
- Individual
  - Exclusion from the tribe
  - Personal conflict
- Collective
  - Death of the tribe
  - Loss of cohesion
  - External conflict
- Avoid conflict

Gosei Oy all rights reserved.

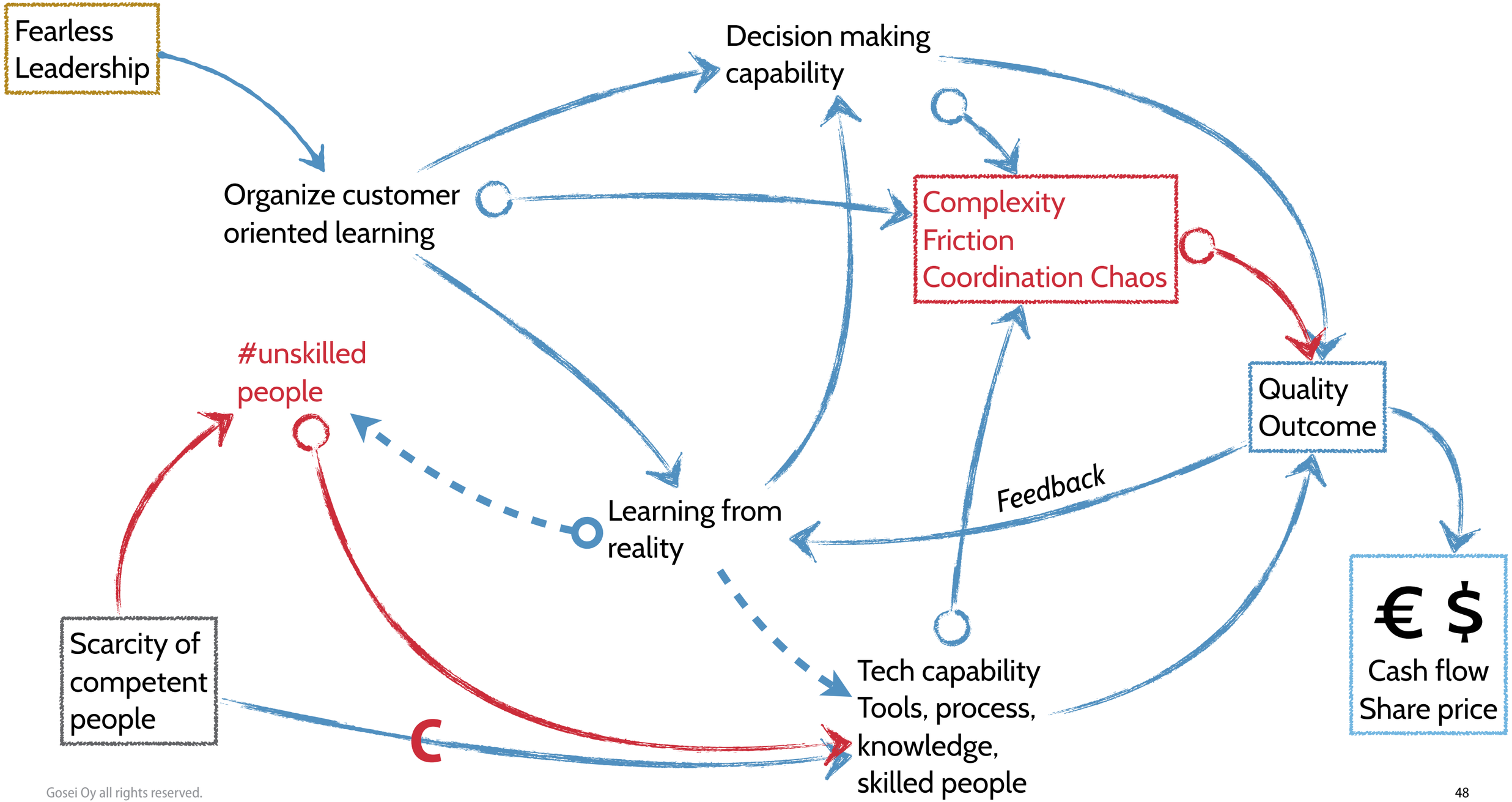
From
Conflict Avoidance
To
Greed to Learn

From
Conflict Avoidance
To
Radical Curiosity

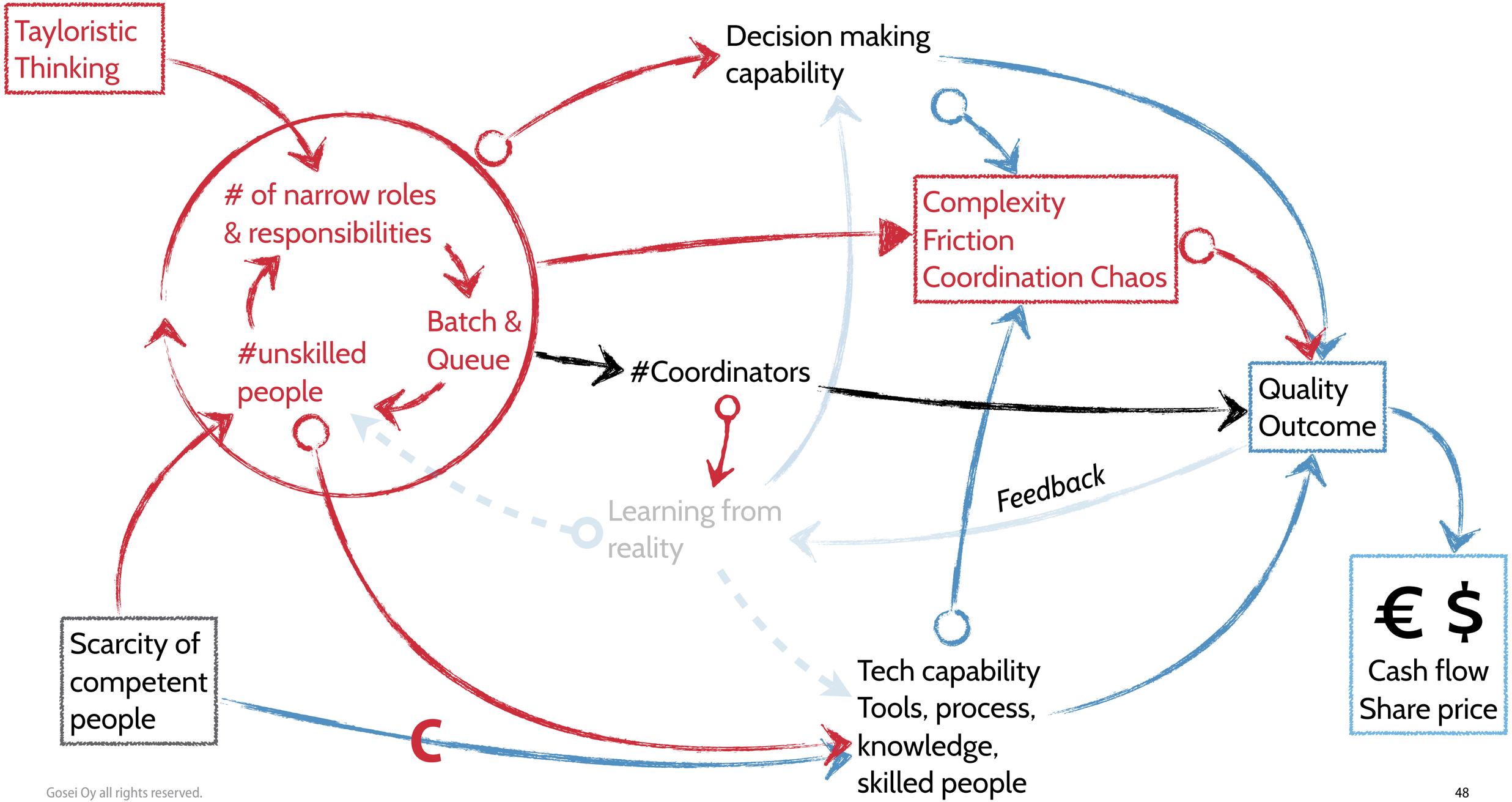
Fearless Leaders



Gosei Oy all rights reserved.



Gosei Oy all rights reserved.



Gosei Oy all rights reserved.

Fearless Leaders

Connect conflicting realities - letting curiosity overcome fear

Intervene

Trust in Learning

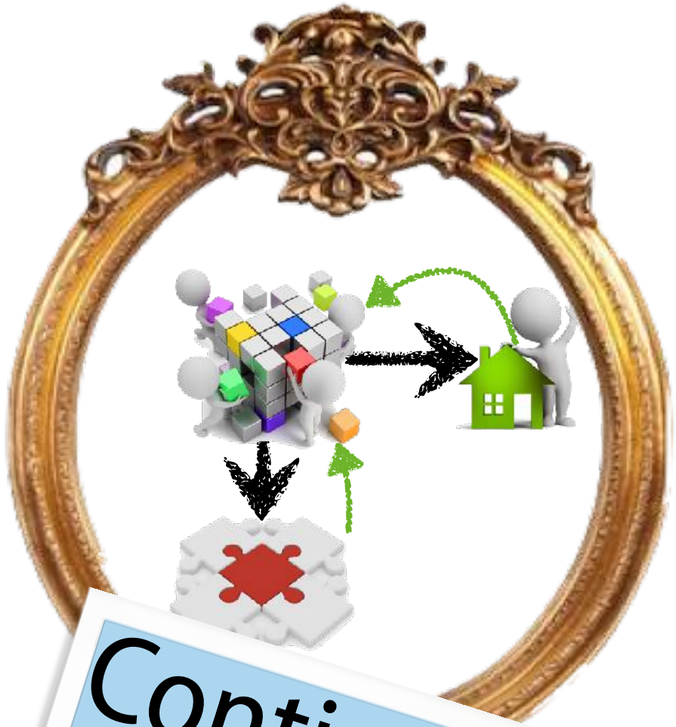
Understand the system

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

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

Gosei Oy all rights reserved.

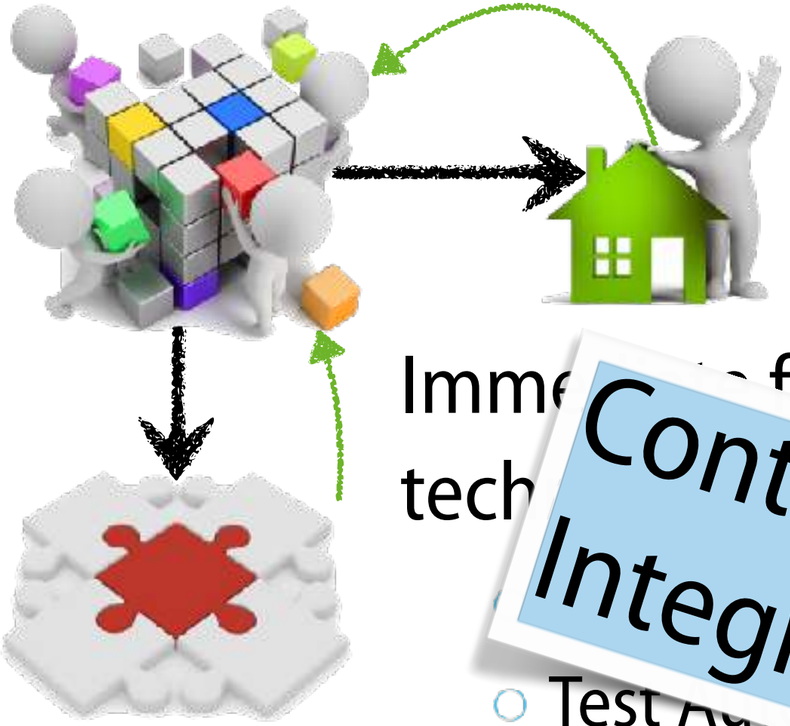
Build the system of feedback from realities



Continuous Improvement

- Organise for customer or
  - Find your Product
  - Cross-functional tea
  - Full product focus

Feature Teams working with Full Product



- Imme feedback from
- tech
- Systems Think
- Test A

Continuous Integration

Gosei Oy all rights reserved.

Noooooooo!

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?

Gosei Oy all rights reserved.

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.

Gosei Oy all rights reserved.

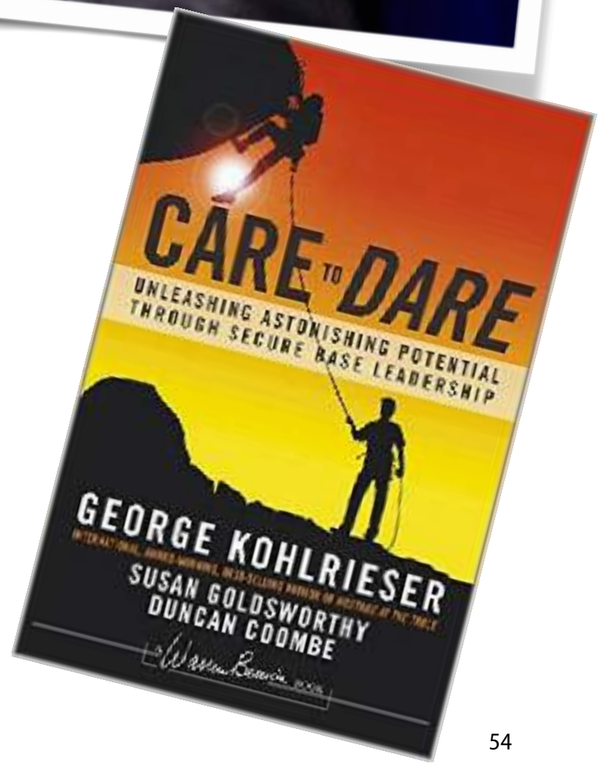
Secure Base

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



Gosei Oy all rights reserved.

Fearless Leaders

Connect conflicting realities - letting curiosity overcome fear

Intervene

Build feedback mechanism from Work, Customer and System

Trust in Learning

Create safety by demonstrating Secure Base

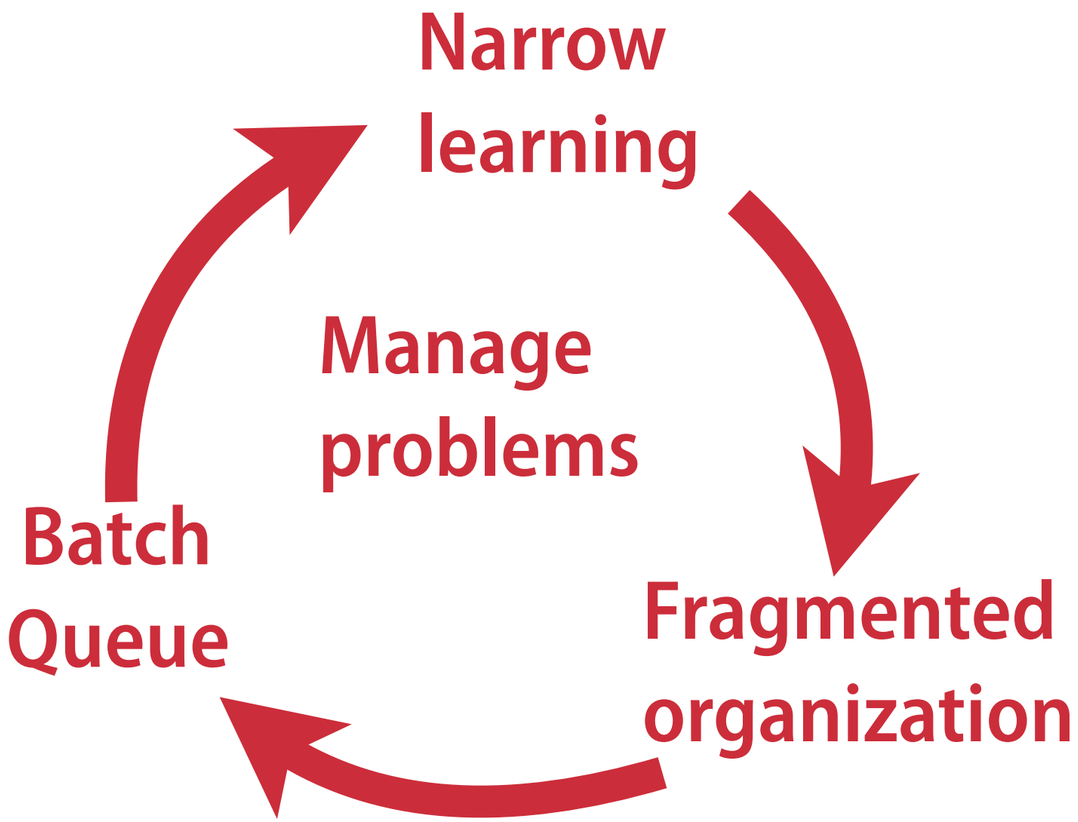
Understand the system

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

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

Gosei Oy all rights reserved.

Everyday experience



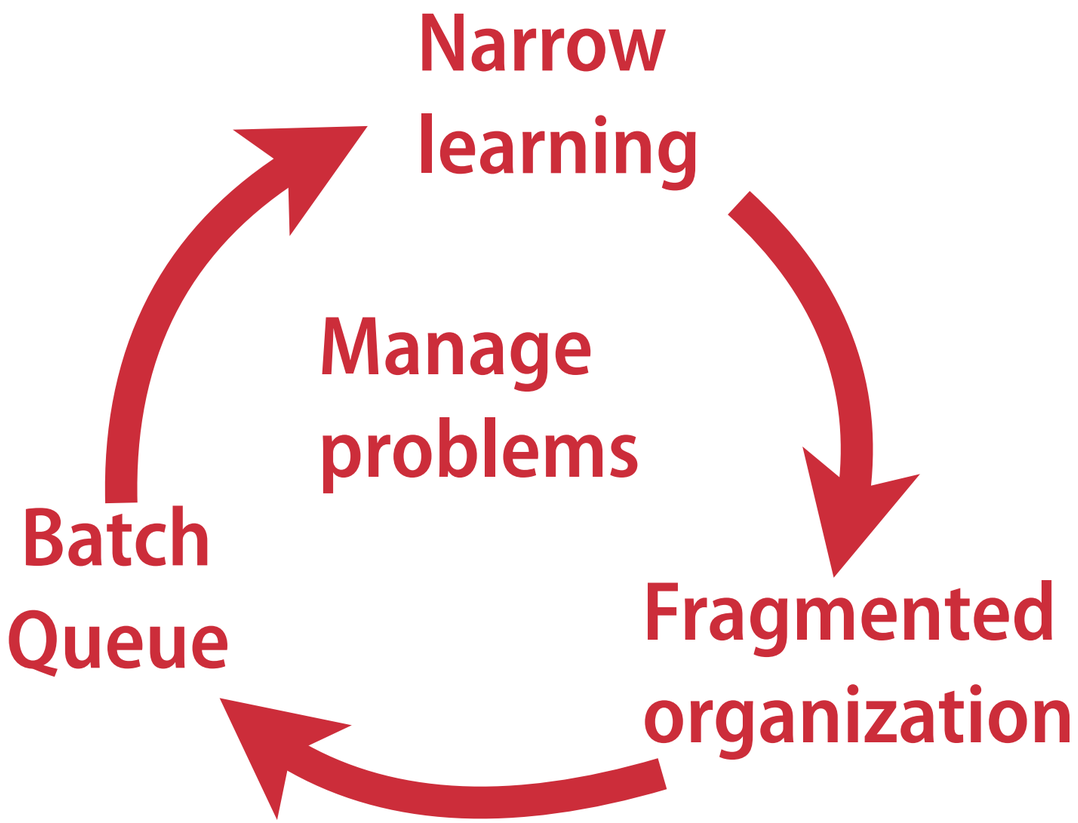
“Pressure. Must. Should.”

“No time for real change.”

“Power and wisdom are always elsewhere.”

Gosei Oy all rights reserved.

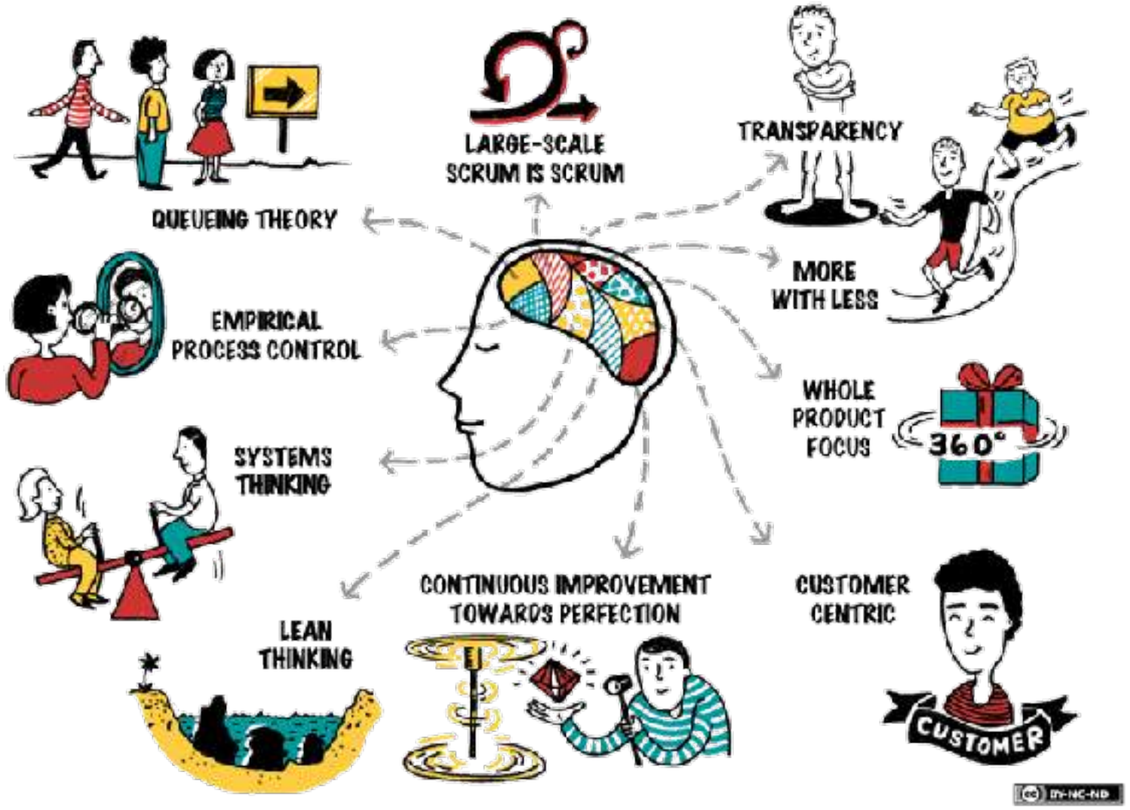
Adoption path



Gosei Oy all rights reserved.

Adoption path

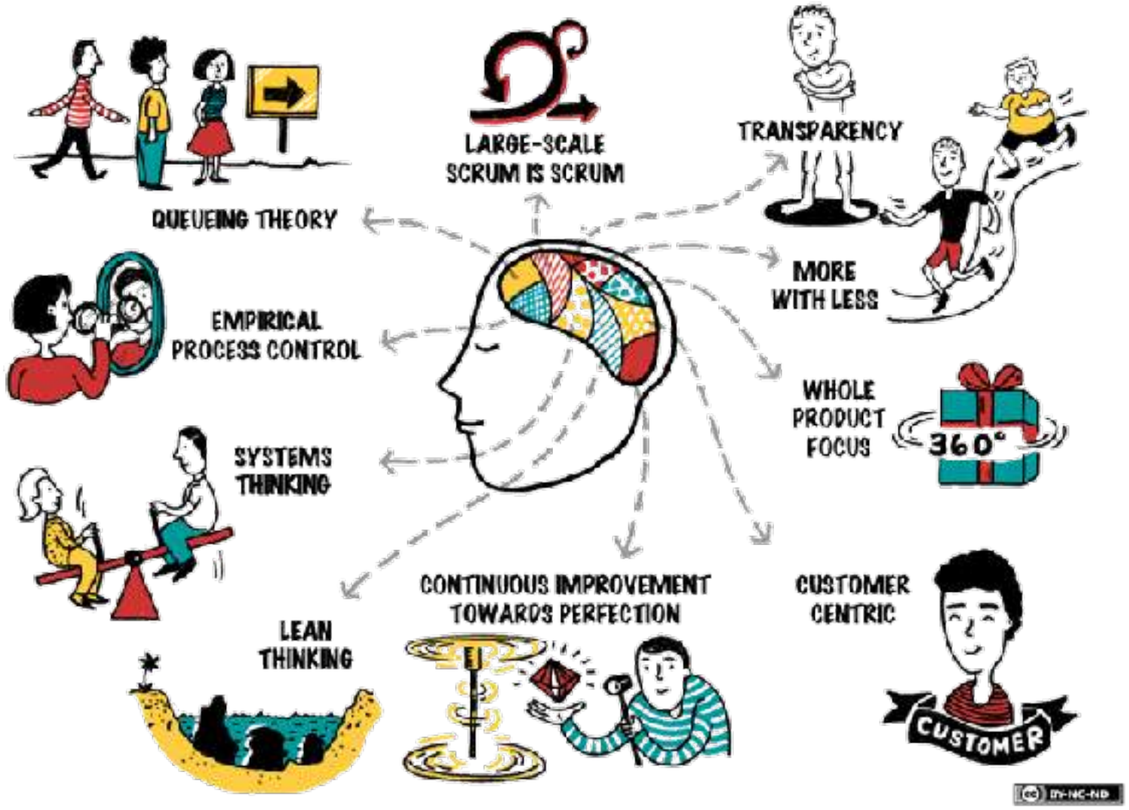
1. Change thinking



http://LeSS.works/principles

Gosei Oy all rights reserved.

Adoption path

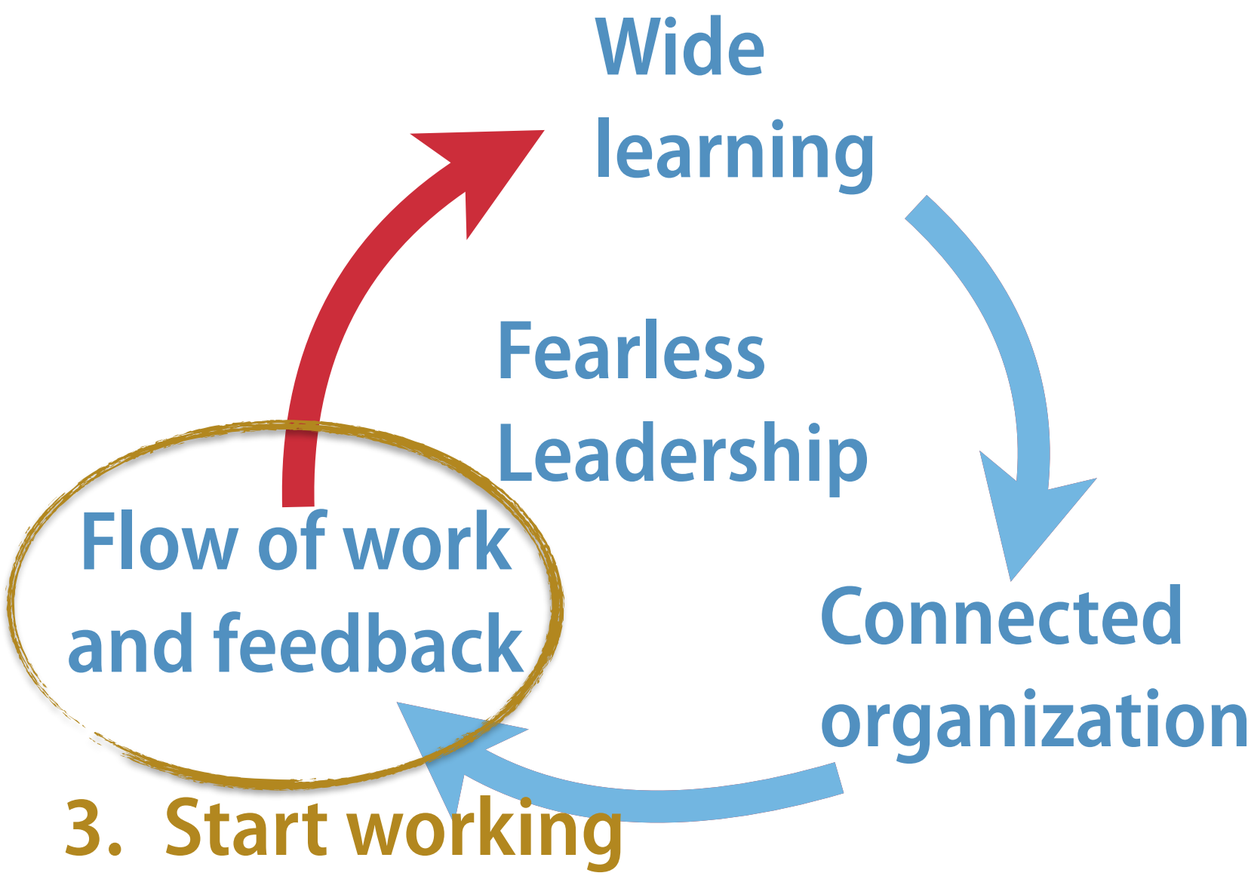


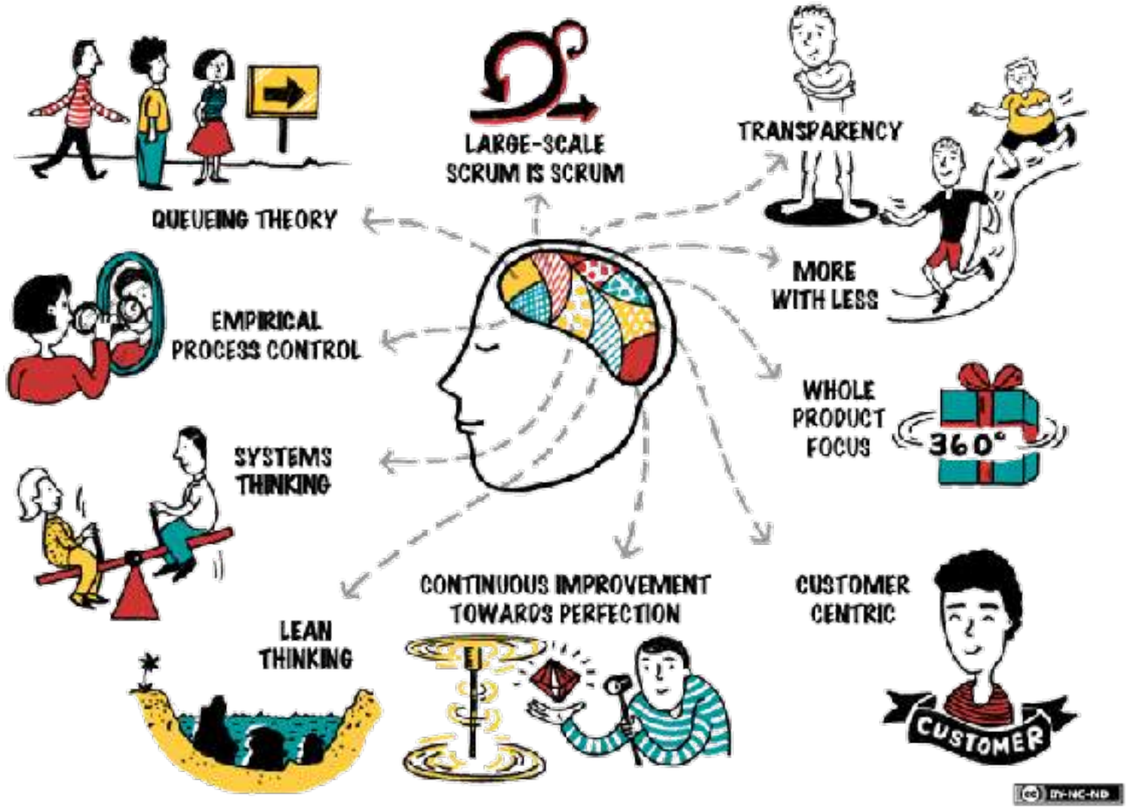
http://LeSS.works/principles

2. Organize for customer-centric learning

Gosei Oy all rights reserved.

Adoption path



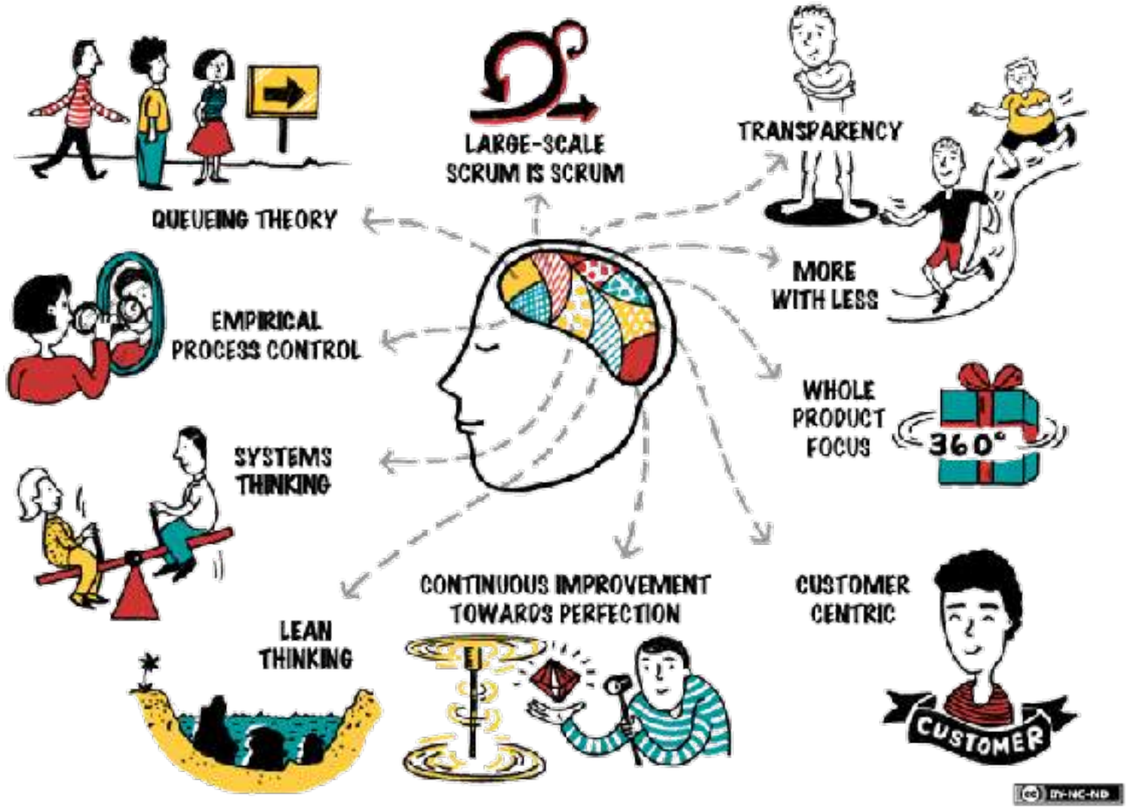


http://LeSS.works/principles

Gosei Oy all rights reserved.

Adoption path

4. Learn forever



http://LeSS.works/principles

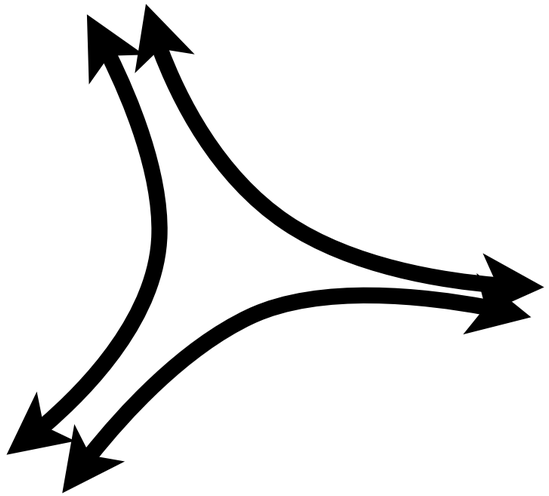
Gosei Oy all rights reserved.

GOSEI

Organize structures for Customer Oriented Learning

The real stakeholders

Owner, capital,
top management

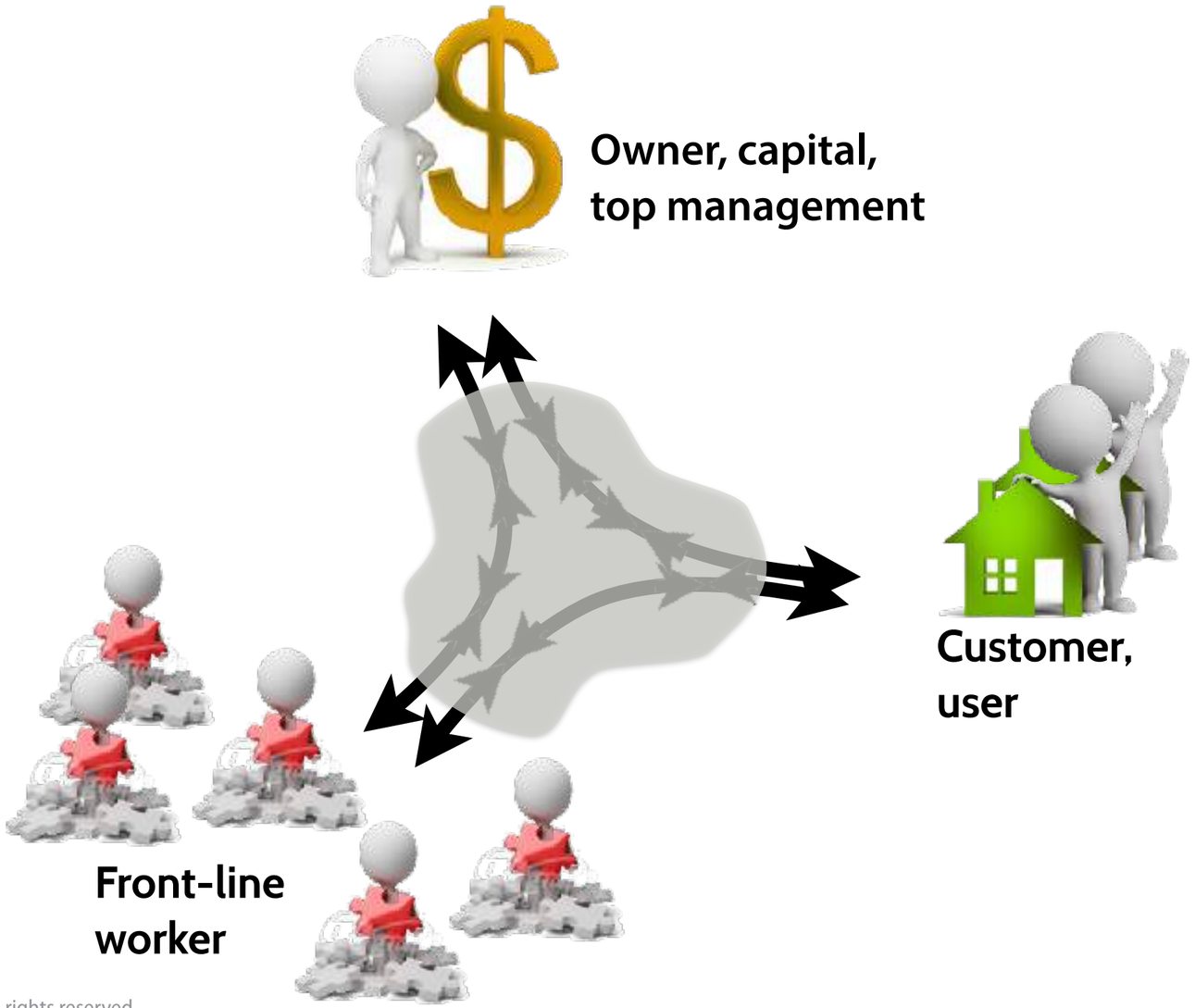


Customer,
user

Front-line
worker

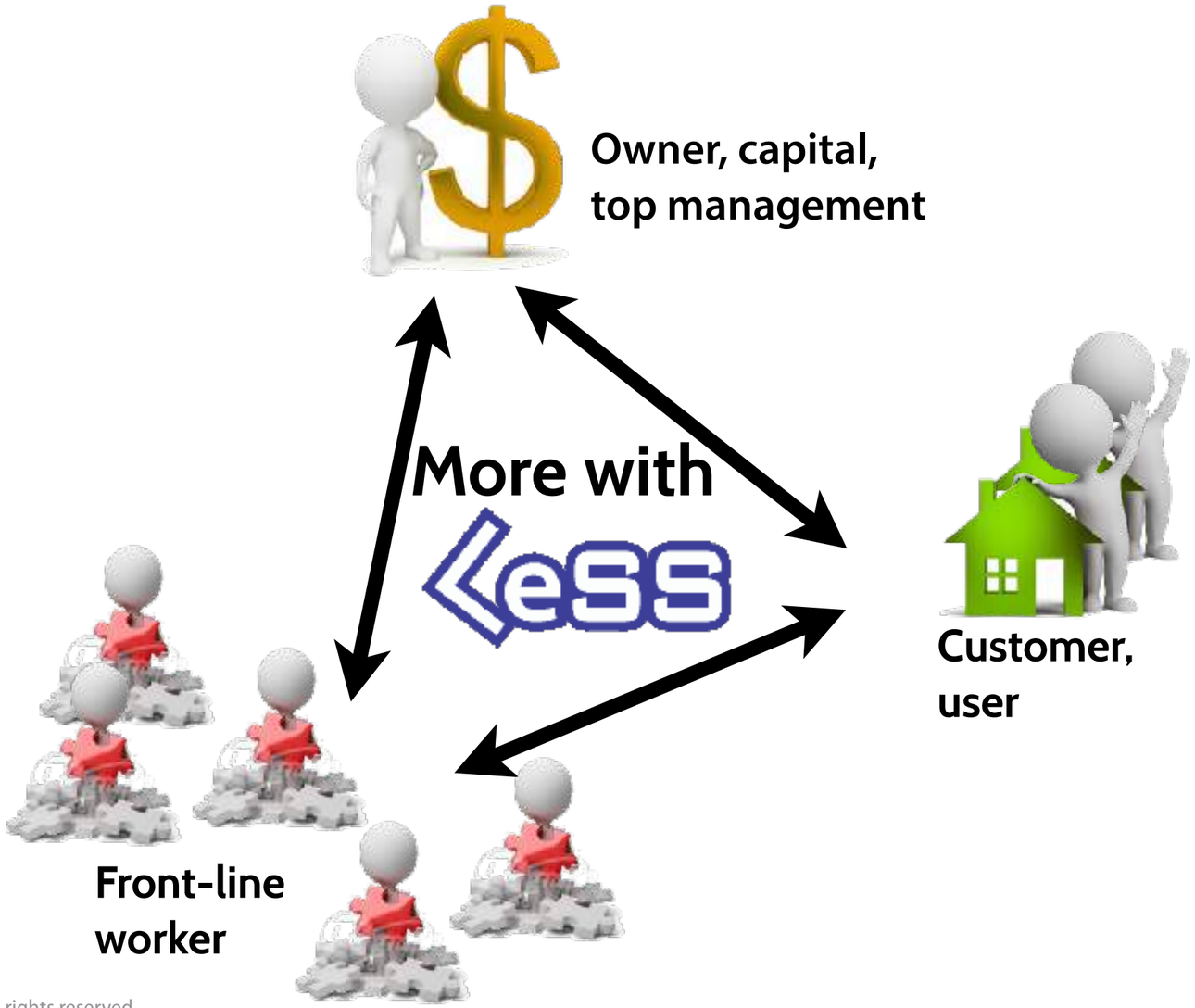
Gosei Oy all rights reserved.

Growth of the middle management



Gosei Oy all rights reserved.

Dis-intermediating by LeSS

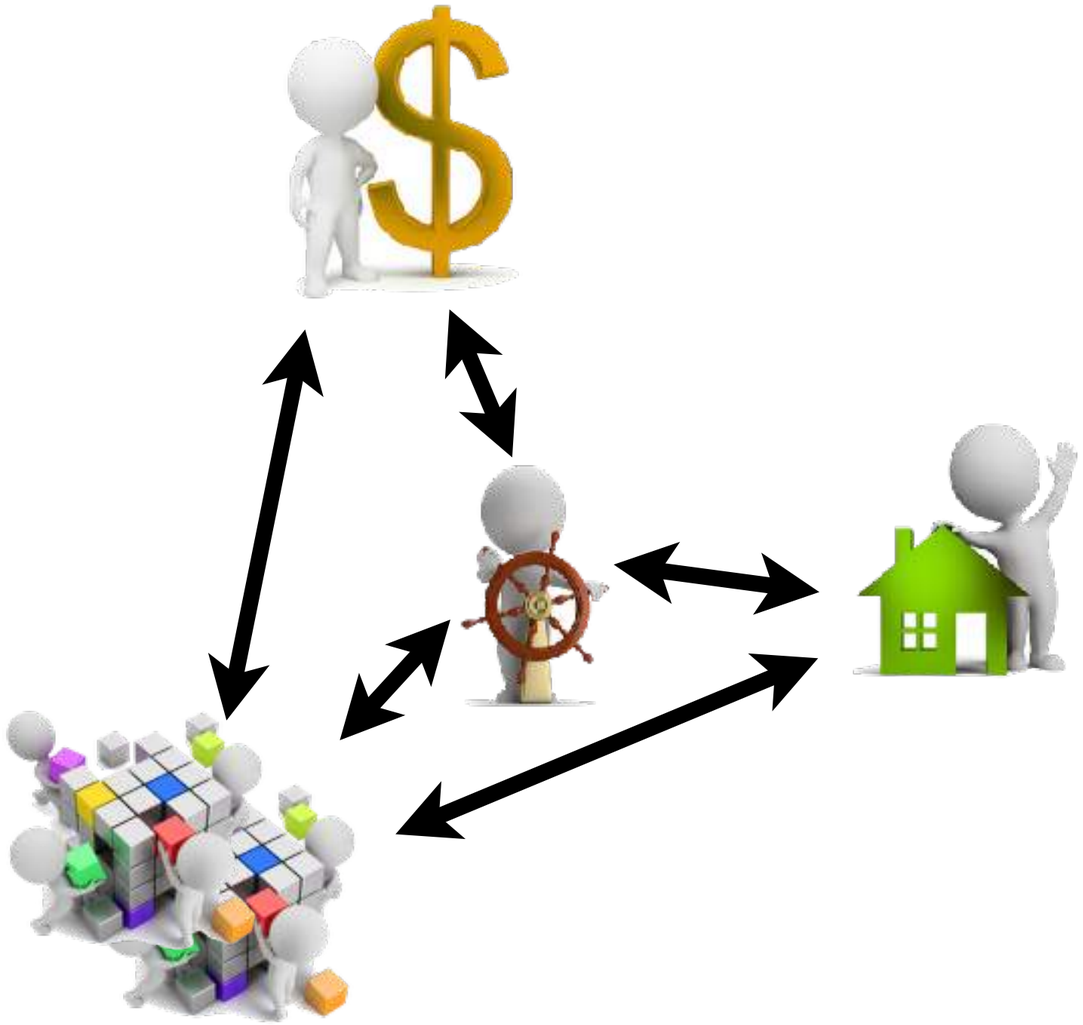


Gosei Oy all rights reserved.

Noooooooo!

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.

Gosei Oy all rights reserved.

Fearless Leaders

Connect conflicting realities - letting curiosity overcome fear

Intervene

Build feedback mechanism from Work, Customer and System

Trust in Learning

Create safety by demonstrating Secure Base

Understand the system

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

Drive change skilfully

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

Gosei Oy all rights reserved.

www.gosei.blog

www.coordinationchaos.com

www.less.works

Gosei Oy all rights reserved.