DUBAI INTERNATIONAL
PROJECT MANAGEMENT FORUM
5ᵀᴴ EDITION

AGILE PM
Leading Lean-Agile Transformations

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BUILDING NATIONS

The Challenge **to** Change

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Digital disruption is affecting every industry across the globe.

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The pace of change is accelerating

"Speed is critical to disruption, yet legacy structures can block a company's ability to execute rapidly."

— McKinsey & Company

From the McKinsey & Company report
"How to scale your own digital disruption"

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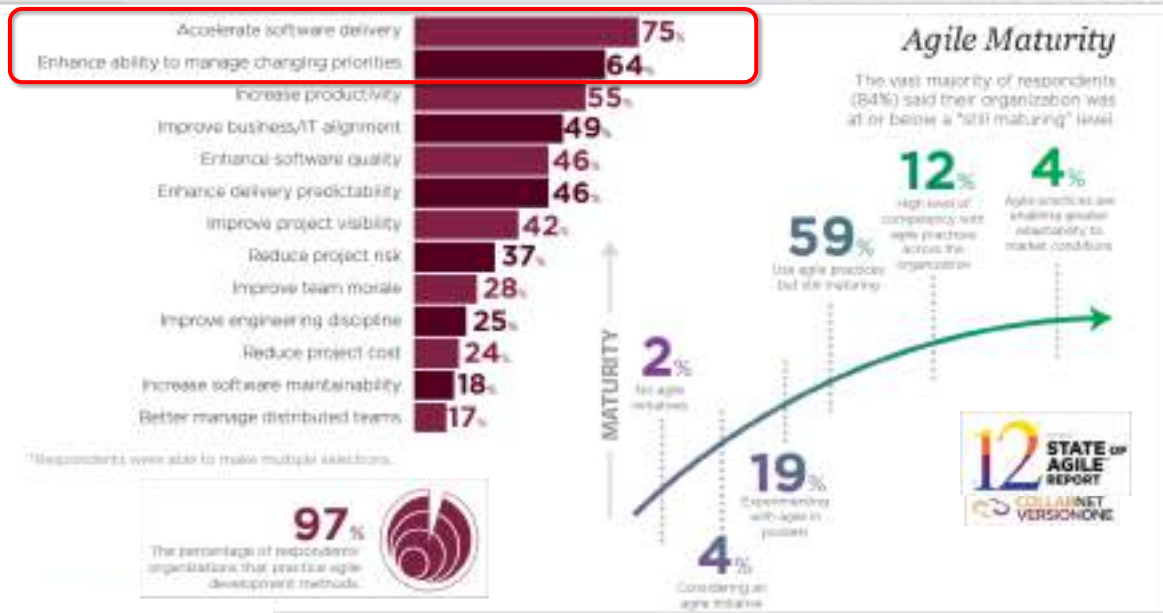## Enterprise technology programs need to adapt

- ▶ Organizations increasingly depend on technology to meet the challenges of a digital age

- ▶ Traditional approaches to developing and sustaining new technologies have proven to be insufficient for 21st century solutions

"We cannot solve our problems with the same thinking we used when we created them."
−Albert Einstein

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Challenges with contracts create delays

Overruns in program budgets

Long unstable delivery timelines

Too early commitment to a design that didn't work

Phase gate SDLC isn't helping reduce risk

Organizational stovepipes

Massive growth in complexity

The world has adopted Agile to overcome similar issues

Agile Maturity

The vast majority of respondents (84%) said their organization was at or below a "still maturing" level

Accelerate software delivery — 75%
Enhance ability to manage changing priorities — 64%
Increase productivity — 55%
Improve business/IT alignment — 49%
Enhance software quality — 46%
Enhance delivery predictability — 46%
Improve project visibility — 42%
Reduce project risk — 37%
Improve team morale — 28%
Improve engineering discipline — 25%
Reduce project cost — 24%
Increase software maintainability — 18%
Better manage distributed teams — 17%

97% The percentage of respondents' organizations that practice agile development methods.

12% 4% 59% 2% 19% 4%

STATE OF AGILE REPORT
COLLABNET VERSIONONE

The Challenge **of** Change

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Change is hard

Most common barriers to Agile adoption

Barrier	%
Organizational culture at odds with agile values	53%
General organization resistance to change	46%
Inadequate management support and sponsorship	42%
Lack of skills/experience with agile methods	41%
Insufficient training and education	35%
Inconsistent processes and practices across teams	34%
Lack of business/customer/product owner availability	31%
Pervasiveness of traditional development methods	30%
Fragmented tooling and project-related data/measurements	24%
Minimal collaboration and knowledge sharing	21%
Regulatory compliance or government issue	14%

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COLLABNET VERSIONONE

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Lean-Agile and DevOps
⬇
Organizational Change

Organizational change is prone to failure

"70% of organizational change initiatives fail…"
- *Kotter, 1996*

"Companies engaging in strategic OC initiatives are more likely to fail than to succeed…"
- *Decker, Durand, Mayfield, McCormack, Skinner & Purdue, 2012*

"50% failure rate in multiple studies of all types of change initiatives…"
- *Shin, Taylor, & Seo, 2012*

"70% of all change efforts (in the study) were unsuccessful…"
- *Burke, 2011*

"41% to 93% failure rate among quality improvement initiatives…"
- *Cândido & Santos, 2015*

"Initiatives involving culture change have a 19% success rate…"
- *Smith, 2002*

LEADING CHANGE JOHN P. KOTTER

McKinsey & Company

© Scaled Agile, Inc. 1-11
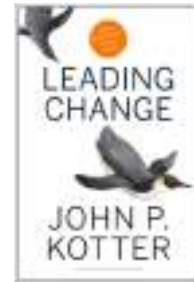
Why does organizational change fail?

▸ **Resistance to change**
▸ Low readiness for change
▸ Inadequate communications
▸ Poor planning
▸ Lack of training
▸ Institutional inertia (process, structure)
▸ Technology gaps

▸ Lack of organizational alignment
▸ History of change failures
▸ Lack of employee involvement
▸ Bureaucracy, politics, conflict
▸ Poor strategy / wrong change
▸ Unrealistic expectations
▸ Low transparency and trust

- Decker, Durand, Mayfield, McCormack, Skinner & Purdue, 2012

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What's the solution?

Leaders hold the key to successful change

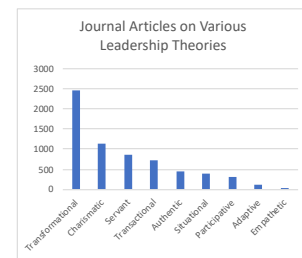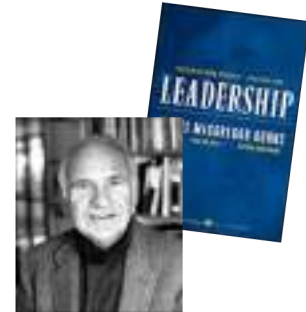*People are already doing their best; the problems are with the system.*

*Only **management** can change the system.*

—W. Edwards Deming

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Introducing Transformational Leadership

▸ A model in which leaders inspire and motivate followers to achieve higher performance by:

– Building on values and a sense of purpose

– Encouraging teams to work toward a common goal through vision, values, communication, example-setting, and evident caring about followers' personal goals and needs

– Aligning organization and personal vision for the larger good

▸ Burn's seminal work has evolved thanks to subsequent researchers such as Bass, Avolio, Riggio, and others

– More peer reviewed research as been published on transformational leadership than any other leadership model

Journal Articles on Various Leadership Theories

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It's about competency, not style

Likeable

Dynamic

Charism

Easy-going

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Slide 1-17

Transformational Leadership

Decentralize decision making
Unlock intrinsic motivation
Intellectual Stimulation (IS)

▸ Challenge the status quo

▸ Develop high performing teams

▸ Decentralize decision making

▸ Expect relentless improvement

▸ Encourage innovative thinking

▸ Transition from manager to leader/mentor/coach

▸ *Adaptive leadership*

Inspire and align with mission
Inspirational Motivation (IM)

▸ Articulate a clear vision and intent

▸ Inspire passion and motivation to achieve goals - answer "why"

▸ Communicate frequently

▸ Drive organizational alignment

▸ *Charismatic leadership*

Develop leaders
Individualized Consideration (IC)

▸ Support personal and professional growth through coaching and active listening; the leader-leader model

▸ Offer direct recognition individual and team contributions

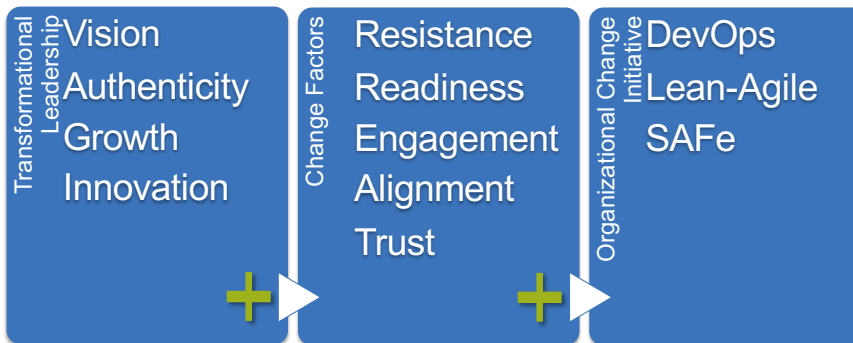▸ Exhibit genuine care with empathy

▸ *Empathetic, Servant leadership*

Lead the change
Know the way
Idealized Influence (IIA/IIB)

▸ Be a role model; set the example

▸ Develop self-awareness and a sense of your true north

▸ Create an environment of trust and respect through transparency

▸ Act with integrity, values, principles

▸ *Authentic, Charismatic leadership*

Lead Others — Lead with the Head — Lead with the Heart — Lead Yourself

Innovation | Growth | Vision | Authenticity

Plan — Do — Check — Adjust

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Slide 1-18

Transformational leadership and organizational change

Transformational Leadership
Vision
Authenticity
Growth
Innovation

➕

Change Factors
Resistance
Readiness
Engagement
Alignment
Trust

➕

Organizational Change Initiative
DevOps
Lean-Agile
SAFe

G⊙AL

Change is hard because people overestimate the value of what they have and underestimate the value of what they may gain by giving that up...

James Belasco and Ralph Stayer, authors of *Flight of the Buffalo*

Research shows that Transformational Leadership:

✓ Predicts high team performance and employee engagement[1]

✓ Increases positive attitudes of employees during change

✓ Improves organizational change outcomes

✓ Can be learned!

[1] *The Science Behind DevOps*. Nicole Forsgren, Jez Humble, Gene Kim. 2017

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Why it matters:

Transformational leadership has a greater influence on followers' commitment to supporting organizational change than implementing specific change management practices.

Herold, Fedor, Caldwell, & Liu. (2008).

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*Leadership and Change:
A Case Study*

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SRA
Enduring Values. Inspired Performance.™

U.S Federal IT Services Company
$1.3B, 5,600 FTE, Founded 1978

Circa 2013-2015

▶ Burning platform - shrinking addressable market
- sequestration
- slowing economy
- dramatic reduction in global operations
- hyper competition

▶ Visionary leadership – Dr. Bill Ballhaus
- protect the base
- wickedly efficient
- perform better than the competition
- take market share

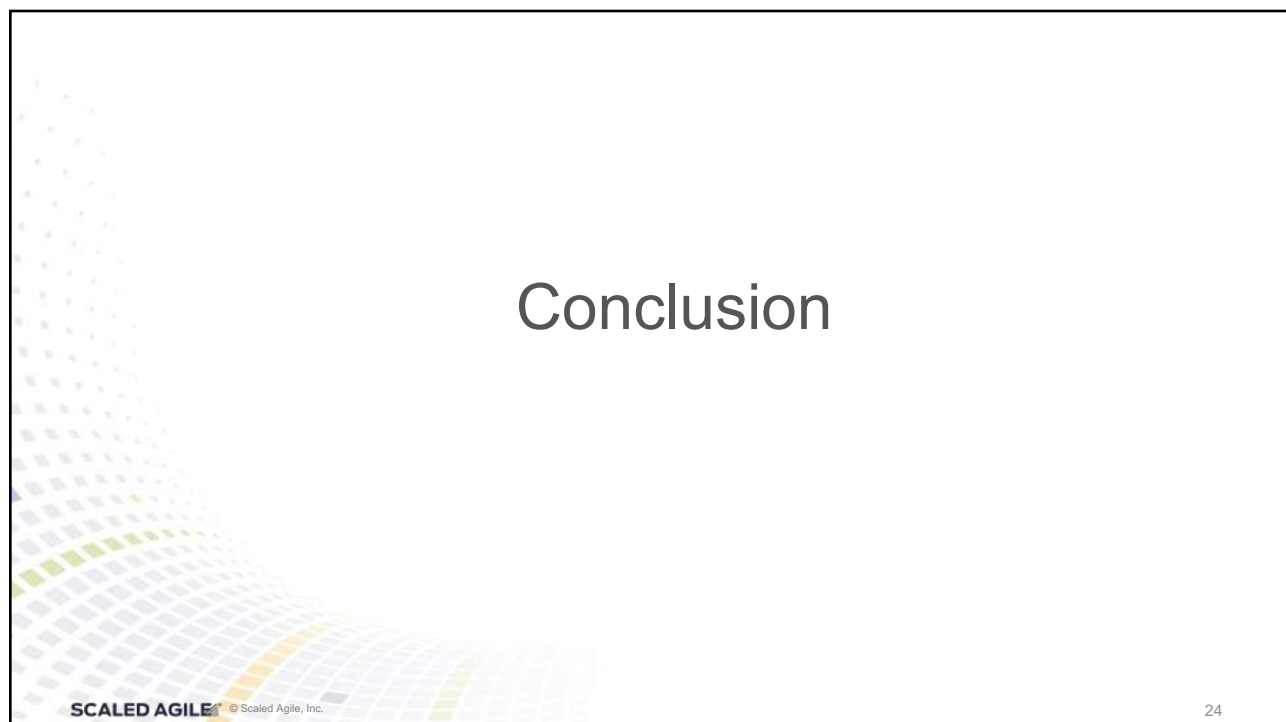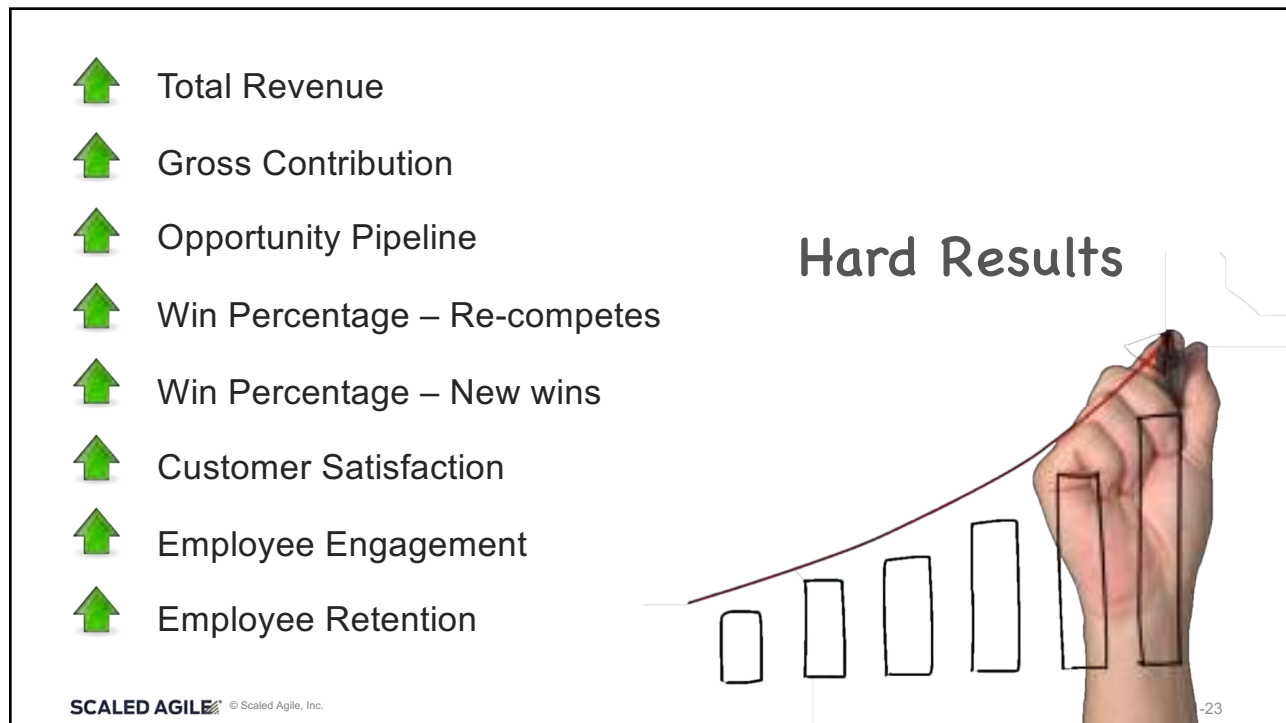*Don't just survive… thrive!*

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Transformation leadership initiative

▶ Synthesis of organizational development, transformational and adaptive leadership principles

▶ 360 assessments

▶ Small cohorts

▶ Four in-residence emersion workshops

▶ Assigned one-on-one mentors

▶ Reading list

▶ Virtual check-ins with cohort coaches

▶ Adaptive challenge of their choice – apply their new skills to solve meaningful problems or seize new opportunities

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Total Revenue

Gross Contribution

Opportunity Pipeline

Win Percentage – Re-competes

Win Percentage – New wins

Customer Satisfaction

Employee Engagement

Employee Retention

Hard Results

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Conclusion

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Session Takeaways

Lean-Agile and DevOps requires significant change

Change is hard, and likely to fail without effective leadership

Only leaders and managers can change the system

How we lead is a choice

High performing leader behaviors are key to successful change

These leader behaviors <u>can be learned</u>

Developing transformational leaders requires focused effort

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Thank you!

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