

Management for the Agile Age

Stewardship & Partnership for Agile Teams







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Rev 100806

Lightening Discussion!

- What is a Lightening Discussion?
- Who is this guy up front?
 - Paul Hodgetts, Agile Coach
- Who are these people around me?

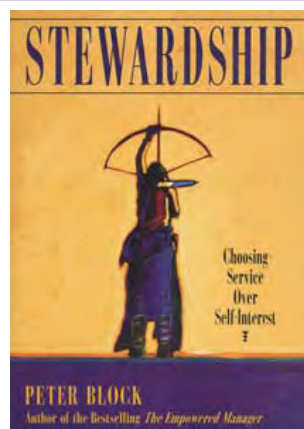


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Part I – Core Approach

Stewardship – Peter Block



Published in 1993!

We Know Business is Under Pressure

- Doing more with less
- Delighting our customers with high quality
- Learning and adapting to the marketplace
- Generating passion and commitment

- We often think the problem is economic
- It's really an issue of "governance"
 - How purpose is defined and lived
 - How power is held and exercised
 - How wealth is balanced and controlled

Lightening Discussion!

- How is purpose defined and lived?
- How is power held and exercised?
- How is wealth balanced and controlled?

- How would you describe this type of relationship?
- What other type of relationship would you compare it to?

The dominant model for business relationships is...

Parental
Matriarchal
Patriarchal



- The Patriarchal model is characterized by:
 - A control / compliance definition of purpose
 - A dependency / dominance power structure
 - A privileged, self-interested wealth distribution

The Patriarchal Model Has Issues

- It's expensive to run
- Does not adapt and respond well to changing circumstances
- Creates obstacles to satisfying customers
- Does not lend itself to learning and continuous improvements
- Disenfranchises the people doing most of the work

Lightening Discussion!

- What would you expect from a real partnership?
- How would purpose be defined?
- How would power be held and exercised?
- How would wealth be controlled and distributed?

Attributes of a Partnership

- All partners participate in defining purpose
 - Vision and values defined via dialog
 - Hierarchy may still exist to focus at different levels
- Everyone has the right to say “No.”
 - We may lose the argument, but not our voice
 - Authority may still exist for expert fall-back
- Joint accountability
 - Each person responsible for current situation
 - Each person responsible for future outcomes
- Transparency and honesty
- Equitable access to resources and benefits
- No abdication (or passive-aggressive)!

Lightening Discussion!

- What does a subordinate expect of their boss?
- Of the organization in general?
- What does a boss expect of their subordinate?




Dependency / Dominance

- **Dependency is chosen when:**
 - We avoid ownership and responsibility
 - We seek safety over adventure
- **Dominance is chosen when:**
 - We accept caretaking responsibilities
 - We bargain for compliance
- **Entitlement**
 - Institutionalizes dependency and dominance
 - Emphasizes self-interest over service

Attributes of Empowerment

- **Commit to the greater community**
 - Requires individual choice
- **Actively participate in defining purpose**
 - Goals, policies, culture
- **Assuming authority to serve our customers**
 - Willing to act and speak
- **Assume responsibility for outcomes**
 - Not externalizing problems or changing others

Lightening Discussion!

- Are your customers being well served?
 - Are your colleagues being well served?
 - Is anyone being well served?
 - If not, what is being served in their place?
- 

Separation and Self-Interest

- **Management has been separated from doing**
 - Management as a profession, not practices
 - Organizations structured to exclude workers from planning, organizing, controlling work
- **People operate from self-interest**
 - If not maximizing, at least protecting
 - Control and compliance strategies protect interests

Service

- **Service is:**
 - Supporting ownership and choice at every level
 - Willingly giving of skills and talents
- **Transitioning to service-focus is revolutionary**
 - Evolutionary change maintains status-quo
 - Those with power must choose to change
 - The stronger the class structure, the harder the change

What Is Stewardship?

- **A choice for service governed through partnership and empowerment**
- **Stewardship embodies:**
 - Affirming each person as central to the business
 - Balancing power and accountability
 - Each person is responsible for creating culture and delivering quality outcomes
 - Management as integral to the performance of work
 - Not trying to engineer and direct the transition
 - Equal treatment of all practices and structures

Part II – Principles & Strategies

Principle-Driven

- **Stewardship is based on principles from which management practices can be shaped**
 - The principles must be integrated and customized for our specific context
 - Jumping to quickly to specific practices yields limited results
 - Mimicking others “best practices” shortcuts learning and discovery
 - Benchmarking and comparing leads back to compliance and dependency

Core Principle #1

- **Localize decision making and the authority to act where the work is performed**
 - Core team members create or customize policies and practices
 - Active participation in answering:
 - What do the customers need?
 - What does the team need to meet those needs?
 - Giving choice creates accountability

Core Principle #2

- **Reintegrate the managing and performing of the work**
 - Management as a set of tasks and activities
 - Management activities performed by anyone

Core Principle #3

- **Make metrics and controls serve the core teams**
 - Designed by those being measured
 - Value long-term, qualitative measures
 - Measure business results, not means
 - Controls maintained via partners negotiating and mutually committing to performance-based contracts

Core Principle #4

- **Support local solutions, deemphasize consistency and conformance**
 - Justify the need for consistency, rather requiring permission for exceptions
 - Where consistency or conformance is needed, let the teams determine how to meet them

Core Principle #5

- **Service is everything**
 - Everyone is accountable to their customers
 - Dialog with customers provides evaluations, feedback, definition of roles and services
 - Bosses now serve by providing basic structure and supporting self-direction

Core Principle #6

- **De-glorify management as a position and title**
 - Minimize management and staff functions
 - Management and staff defined on the basis of value added to the core work processes
 - Core teams have choice in utilizing staff services

Core Principle #7

- **Support transparency and full disclosure**
 - Knowledge is power - distribute power
 - Train everyone in business and customer literacy
 - No protecting or positioning bad news or difficult issues
 - Communication is direct - not via third parties

Core Principle #8

- **Require a commitment, a promise**
 - The price of choice is commitment to act in the interests of the greater organization
 - Empowerment must be balanced by this commitment

Core Principle #9

- **Equitably balance and distribute wealth**
 - Tie reward systems to success of teams, groups, business units and the greater organization
 - Eliminate individual rankings and ratings
 - Reward core teams for exceptional outcomes

Lightening Discussion!

- **Which of the principles seem hardest to implement? Easiest?**
 - Localize decision making
 - Reintegrate management with work
 - Make metrics & controls serve teams
 - Support local solutions over consistency
 - Service is everything
 - De-glorify management as a position
 - Support transparency and full disclosure
 - Require a commitment to the organization
 - Equitably balance and distribute wealth

Core Practice: **Stewardship Contract**

■ A mechanism for:

- Establishing the vision and mandates of the greater organization
 - Without caretaking or command and control
- Defining the contract establishes the requirements & boundaries of the partnership
- Negotiating the contract defines the specifics
- Spells out the conditions of membership
- Initiated top-down, defined at each level

Elements of a Stewardship Contract

1. Core Mission for the Team

- What services and products do we offer?
- Who are our customers?
- What is the core value proposition for them?
- What is the unique thing we bring to them?

Elements of a Stewardship Contract

2. Financial Accountability & Results

- How is the team funded?
 - Does it “sell” its services and products?
 - Does it obtain revenue from “taxes?”
- What outcomes are expected to justify funding?
 - Financial (returns, profits, etc.)
 - Customer (satisfaction, response, etc.)
- Be specific, but leave the means to the team

Elements of a Stewardship Contract

3. Structure & Constraints

- How does the team fit into its ecosystem?
 - Structured around products, customers, etc.
 - What is the team’s “market?”
- How does the team relate to others?
 - What is the organizational structure?
 - What are the core organizational policies?
- What are the limits and constraints on these?

Elements of a Stewardship Contract

4. Basic Governance Strategy

- Define what partnership means to us
 - Suggested: partnership attributes
 - Suggested: stewardship core principles
 - Better to collaboratively define
- Require that any adaptations adhere to them
- Be vigilant not to just define better parenting

Elements of a Stewardship Contract

5. Focus Initial Attention

- Identify the high priority issues to solve
 - Identify without discussing solutions
 - Avoid consequences, protecting, positioning
- Choose where to begin
 - Work process, personnel / financial practices
 - Outline basic plan for subsequent refinement

Lightening Discussion!

- Which of the elements of the contract seem hardest to implement? Easiest?
- Core mission
- Financial accountability and results
- Structure and constraints
- Basic governance strategy
- Focus of initial attention

The Emotional Work

- Ground our work with a solid foundation:
 - Business reasons for proceeding
 - Clearly define customers and value proposition
 - Be specific about results needed to be healthy
 - Articulate in our words the guiding principles
- Build a very solid story for each of these
- Circle back to these when things get emotional

The Emotional Work

- **The hardest change is internal and personal**
 - Shifts in beliefs and relationships
- **We can't engineer these changes**
 - Internal re-evaluation, introspection, choice
- **Some will want dominance / dependency**
 - Talk about "unstated emotional wants"
 - Dependency: safety, freedom, self-esteem
 - Dominance: compliance, loyalty, gratitude

What a Boss Really Wants

- Value me more than any other boss
- Know what I want without having to be told
- Accept my controlling behavior as helpful
- Don't bother me with problems
- Bring me only solutions and successes
- Consider me your friend, even when I occasionally embarrass you with your peers
- Be loyal to me, regardless of what I do
- Be grateful to work for me and learn from me

What a Worker Really Wants

- I want to be your favorite
- Ask my advice before doing anything that impacts me
- Make me your confidante
- Make my advancement your responsibility
- See my weaknesses as charming
- Leave me alone... except when I'm in trouble, then rescue me
- Protect me from powerful foes, run interference for me

The Emotional Work

- Start saying “No” to emotional wants
 - They may feel abandoned, but stick with it
 - Don't feel too guilty
- Start having the difficult conversations:
 - “I want you to share in the feeling of ownership of this organization. I plan to share with you the power and privilege of ownership, as long as it is used in service of the greater organization. This is the partnership agreement that I want to manage by.”

The Emotional Work

- **Be prepared to stand your ground:**
 - Workers: "We need some assurance that our jobs will be protected while we make this change."
 - Boss: "I can not be responsible for your career. The team jobs were not created as career opportunities, they exist to serve the customers and business. The best I can offer is transparency and honesty and encourage you in creating your own future."
 - Workers: "If you won't take care of us, why should we feel a sense of loyalty to you and the company?"
 - Boss: "Even though I would really like your loyalty, I can get along without it. You need to decide if you can commit to what the team needs to accomplish and the agreement. You need to decide if you want to do this, given the uncertainty of the future."

Part III – Practices & Structure

Guiding Components

- **Full disclosure**
 - Complete performance information
 - Uncertainty about plans
- **Business literacy**
 - Customers and their needs
 - Financial cost structures and performance
 - Comparative / competitive data
 - Individual performance data
 - How to make exceptions to policies

Examples of Management Practices

- Customer relationship management
- Control of work and work assignments
- Team ground rules (discipline)
- Purchasing & supplier relationships
- Standards & quality control
- Process improvement
- Results reporting

Examples of Management Structure

- **Cross-functional teams organized around customers, products**
 - May still have matrix, but emphasis shifts
- **Beyond hierarchy**
 - Not just flattening or decentralization
 - Network model
 - Concentric circle model (Girl Scouts)

The New Role of The Boss

- **What is the new role of supervisor/manager?**
- **Boss as coach or facilitator or consultant?**
 - Hard to justify a layer of supervision for that
 - Should be integrated in teams, perhaps as a service
- **Boss as banker?**
 - Secures funds for the team
 - Communicates results and conditions for continued financial support
- **Boss as broker?**
 - Obtains support, services and customers
 - Resources the team can't get on their own

“Staff” Functions

- **Examples: finance, personnel/HR, program/project management, centralized technical groups, legal**
- **Usually in service of top management**
 - Reinforces control and compliance
 - Supplier and services mandated to teams
- **Need a fundamental shift to support stewardship**

Shifting the Staff Functions

- **No longer responsible for implementing organizational policy and strategy**
- **Define core work teams as their customers**
- **Primary role is to transfer expertise to core work teams**
- **Let the teams contract for staff services**
- **Direct bill staff services to the teams**
- **Provide a clear service guarantee**
 - Clear and concrete
 - Easy to make a claim against the guarantee
 - Service organization must pay a price for violations

Financial Practices

- Full disclosure of economic information
- Economic literacy
- Budget accountability for the team
- Collaborative monitoring and evaluation
- Spending authority
- Centralized purchasing as a service
- Auditing as learning and consultation

Human Resources Practices

- **Eliminate performance appraisals**
 - Make each person responsible for their own
 - Disconnect learning from pay system
- **Hiring by the team**
 - Each person has veto power over new members
- **Externalize career development**
- **Redistribute management development**
 - No class system
 - Train mixed-level teams
 - Provide teams & people choice in learning

Compensation Systems

- Provide full disclosure of pay practices
- Establish common base pay
 - Minimize pay variance by position
- Pay teams for real outcomes
 - Share in economic benefits produced
- Pay for skills
- Provide equitable benefits and privileges
 - Stock options, termination plans, retirement plans, various perks

Part IV – Sample Tactics

Where It Goes Wrong

- **Enrollment in top-down vision**
 - Selling vs. collaboration
 - Coercion through rewards
- **Efforts driven by management**
 - Best changes generate from within
- **Short-term focus and metrics**
- **Creating new staff group for stewardship change**
- **Unjustified consistency**
 - Across the board standard implementation
 - Common training program

A General Game Plan

1. Define the stewardship contract
2. Renegotiate control and responsibility
3. Fully spread business literacy
4. Collaboratively create the desired future
5. Provide management training to core team members
6. Form improvement teams to address issues
7. Change management practices
8. Adjust organizational structure
9. Redesign the compensation system

Tactics for Cynics

- Cynics are reluctant to have faith in the change
- Cynicism is expressed via doubts and objections
- Do not try to argue or negotiate with cynics
- Cynics seek a promise of certainty and safety
- Do not make such a promise – we can't deliver
- Be clear that they have to choose to have trust in the commitments of themselves and their colleagues

Tactics for Victims

- Victims are reluctant to take responsibility
- Victims feel powerless, or that those in power will disappoint them
- Victims typically ask for more power before they will take responsibility for using it
- Do not give power without commitment
- Be clear that they have to choose to commit to outcomes in return for power and control

Tactics for Bystanders

- Bystanders are reluctant to commit to risks
- Bystanders often ask for proof, usually specific, as reassurance for success
- Emphasize that evidence is not proof that our change will generate the same results
- Do not waste time with evidence, or try to make promises that it will all work out
- Be clear that they have to choose potential adventure, and actively manage risks

Tactics for “How?”

- “How do we do this?” is often a defense against action
- Askers are looking for assurances of a recipe
- Askers are reluctant to take on finding answers
- Avoid providing cookbook answers
- Emphasize principles and desired outcomes
- Be clear that they have to choose to learn and discover their own implementation

General Tactic for Resistance

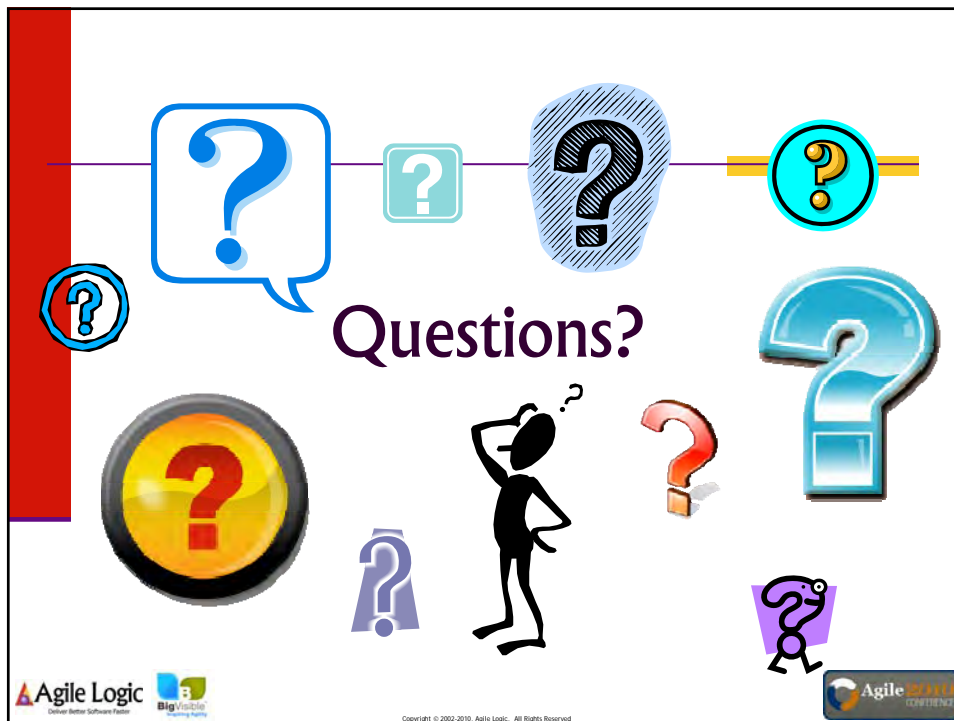
1. **Acknowledge their position**
 - Acknowledge the part of us that agrees
2. **State the choice to have faith and commitment in the face of those reservations**
 - State the choice that I am making
3. **Invite the choice from the them**
 - Make the choice the foreground issue
 - Know what you will do if they decline

General Tactic for Bosses

1. **Make the case for the change**
 - State the results wanted, problems faced
 - Be clear about principles and constraints
2. **Acknowledge that you want an exception**
 - Acknowledge you understand ramifications
3. **Promise specific results**
 - Results should be meaningful to your boss
 - All you should be expecting is tolerance

Summary

- Stewardship is a choice for service governed through partnership and empowerment
- Driven by core principles
- Defined via the stewardship contract
- Practices are based on core components, but must be situationally designed and implemented
- All roles change, but boss and staff changes may be significant
- There's no cookbook, but a general game plan
- Be prepared for emotional responses and some common resistance strategies



Thank You For Attending!

Enjoy the rest of the Conference!

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