### Culture: The Key to Organizational Agility

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- Just like every other kind of leader, project managers are expected to lead all aspects of their project: its processes and its culture.
- Project management processes and product development processes are generally well understood—they are broadly taught, extensively documented, and well established.
- Meanwhile, the art and science of methodically developing and caring for an organization's culture, is not.



Complicating a project manager's life is that they have at least three constituencies to which they need to tend, each with their own culture:

- **Project Team:** The key to the success of your project team achieving its goals, in a way that doesn't suck for the team members, is the culture that develops on the team.
- **Clients:** The key to the success of your project's implementation, in a way that doesn't suck for the clients on whom it is being imposed, is your understanding of the client's culture.
- **Stakeholders:** The key to the opinion that the project's stakeholders form of your leadership and your team's performance is a function of, not only your success with the two groups above, but also your understanding of the cultural influences acting on those stakeholders.



Even if you accomplish the quantitative measures of success for your project (function, budget, schedule), but do so in a way that leaves organizational casualties and cultural rubble:

- At best, your accomplishment will be viewed as a success not worth repeating.
- Your team members will not view you as someone worth following in the future.
- Your clients and stakeholders will not view you as a person they want leading projects for them in the future.



Understanding and effectively addressing the difference between what is technically possible and what is culturally doable, is what will make or break:

- Your project.
- Your career.



## PURPOSE & OBJECTIVES OUR AGENDA

A fast and furious overview of the dark art and science of leading cultural change:

- Historical perspective, definitions, myth busting and other level setting.
- The interdependence of process and culture.
- The case for culture being THE key to any team's agility, performance and competitive advantage.
- A pragmatic definition of "culture."
- The anatomy of a culture, along with pragmatic lessons for affecting cultural change.
- · Some tools useful in diagnosing cultural health and prescribing treatment.



### INTRODUCTION & LEVEL SETTING Some Perspective

- The problem of building a stable organization from fallible individuals is as old as the stone age.
- The first traces of formal organization appeared ~35,000 years ago during the Upper Paleolithic.
- The dominant organization for the majority of our collective history has been the military—a hierarchical "command and control" structure designed to achieve successful operations during a state of crisis.
- Then came the "Third Wave," and the "Toffler Curve."
- In today's world, success requires an interdependence in all organizations that is new for our genus.



### INTRODUCTION & LEVEL SETTING MYTH BUSTING

- It is said that humans are built to resist change.
- NOT TRUE. Humans are built to avoid anxiety.
- Unfortunately, most change is implemented in a way that creates needless anxiety.
- The fact is, humans can put up with a lot more change than we give them credit for.



### INTRODUCTION & LEVEL SETTING MYTH BUSTING

- What humans have little tolerance for, what creates needless anxiety, is confusion.
- There is a difference between a journey feeling arduous, and feeling lost.
- The leader's job is to lead in a way that minimizes anxiety.
- Anxiety is a cultural phenomenon, not a technical one.



### INTRODUCTION & LEVEL SETTING

### DEFINITIONS

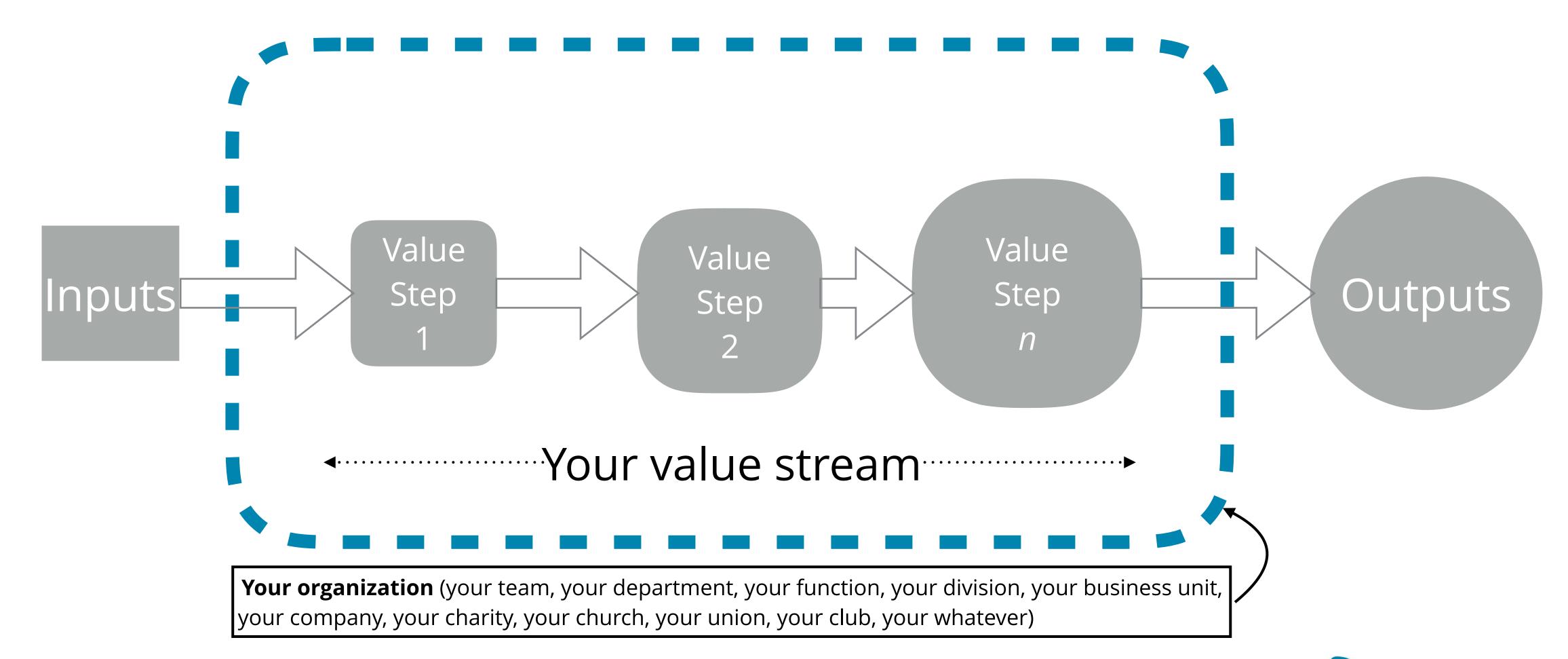
**Organization**: Any team of any kind, of any size, of any ownership structure, performing any role, at any station in any hierarchy.

**Agile**: a product, service, process, individual, or organization is considered "agile" if it possesses these two qualities:

- It is **highly reliable**, meaning:
  - It never breaks (an object has broken if it requires manual intervention to return to normal operation), or
  - In the off-chance it does break, it is easy to diagnose and quick to repair.
- It is highly adaptive to change in ways that do not jeopardize reliability.

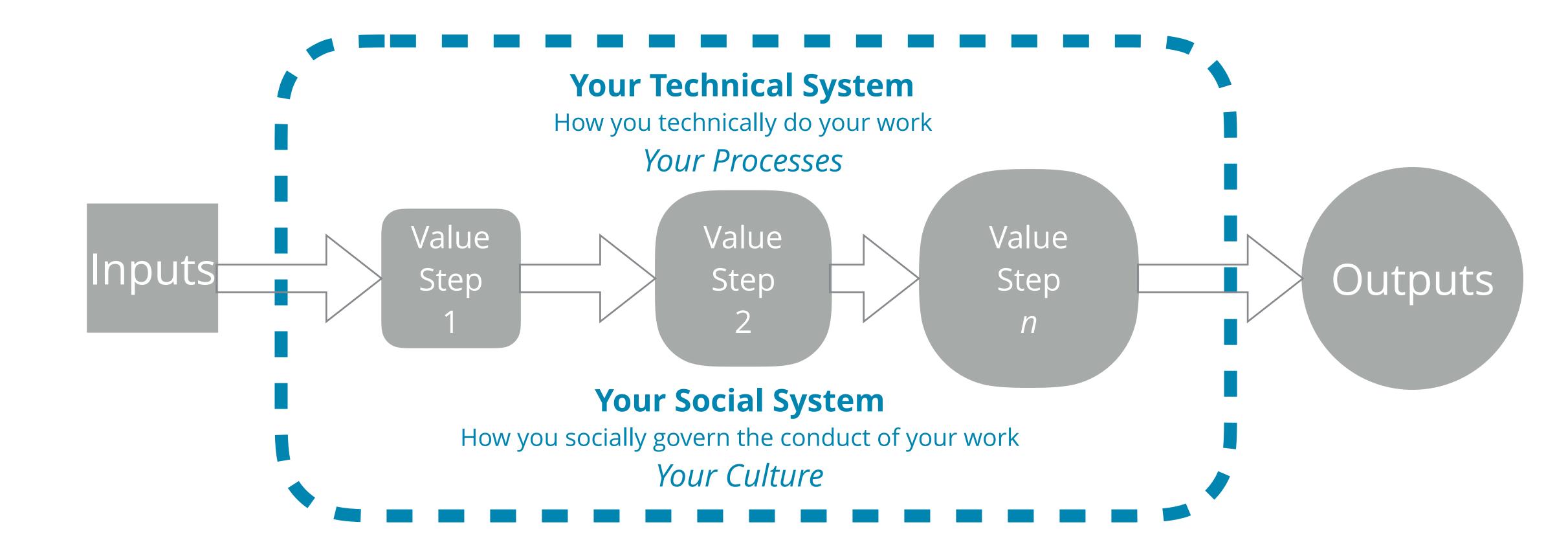


## PROCESS & CULTURE INTERDEPENDENCE THE PASMORE MODEL





# PROCESS & CULTURE INTERDEPENDENCE THE PASMORE MODEL





### PROCESS & CULTURE INTERDEPENDENCE THE PASMORE MODEL

When you make a change to one system in your organization, you must necessarily make a commensurate change in the other system; else, your organization will reject the change just like the body will reject a transplanted organ.



# PROCESS & CULTURE INTERDEPENDENCE ORGANIZATIONAL AGILITY

### Organizational Agility = Process Agility x Cultural Agility

**Process Agility** represents the suite of processes by which the organization *technically* conducts its work, and the <u>efficiency</u> with which it conducts them.

**Cultural Agility** represents the suite of formal and informal methods by which the organization *socially governs* the conduct of its work, and the <u>effectiveness</u> with which it governs them.

#### The multiplication sign reminds us:

- Process Agility and Cultural Agility are interdependent.
- Anything times zero is zero.



- Process (re)engineering is a discipline that is extensively researched, broadly documented and taught, and generally well understood.
- Meanwhile, "culture" is often viewed as that touchy-feely fluff that is best left to HR or OD.
- Leaders are responsible for their whole organization.



- Work in harmony with the culture and what is possible becomes doable.
- Work in opposition with the culture and what is possible becomes doomed.
- Culture always wins.
- In fact, culture is an organization's "secret sauce":
  - Culture is the key to enduring organizational agility.
  - Culture is the key to enduring organizational performance.
  - Culture is the key to enduring competitive advantage.



Adam - 1850's

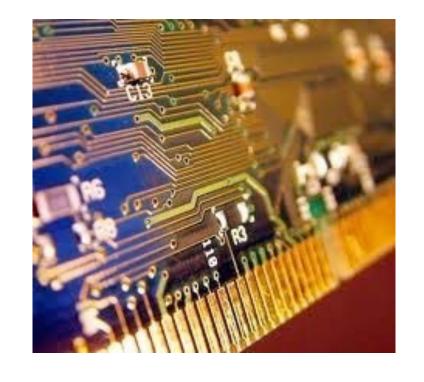


Property



Capital

1850's - 1950's 1950's - 1980's



Technology

1980's - Today



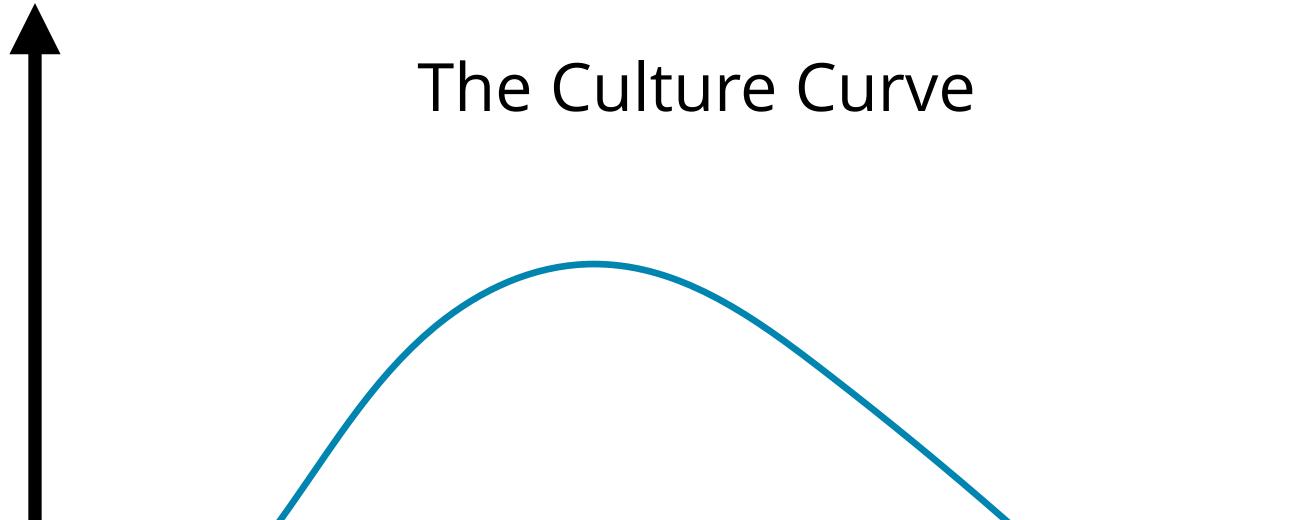
Culture



strength/size

### Going Up:

- Growth & Conquest
- Common purpose
- Social unity
- Cultural energy mobilized
- The spirit is strong

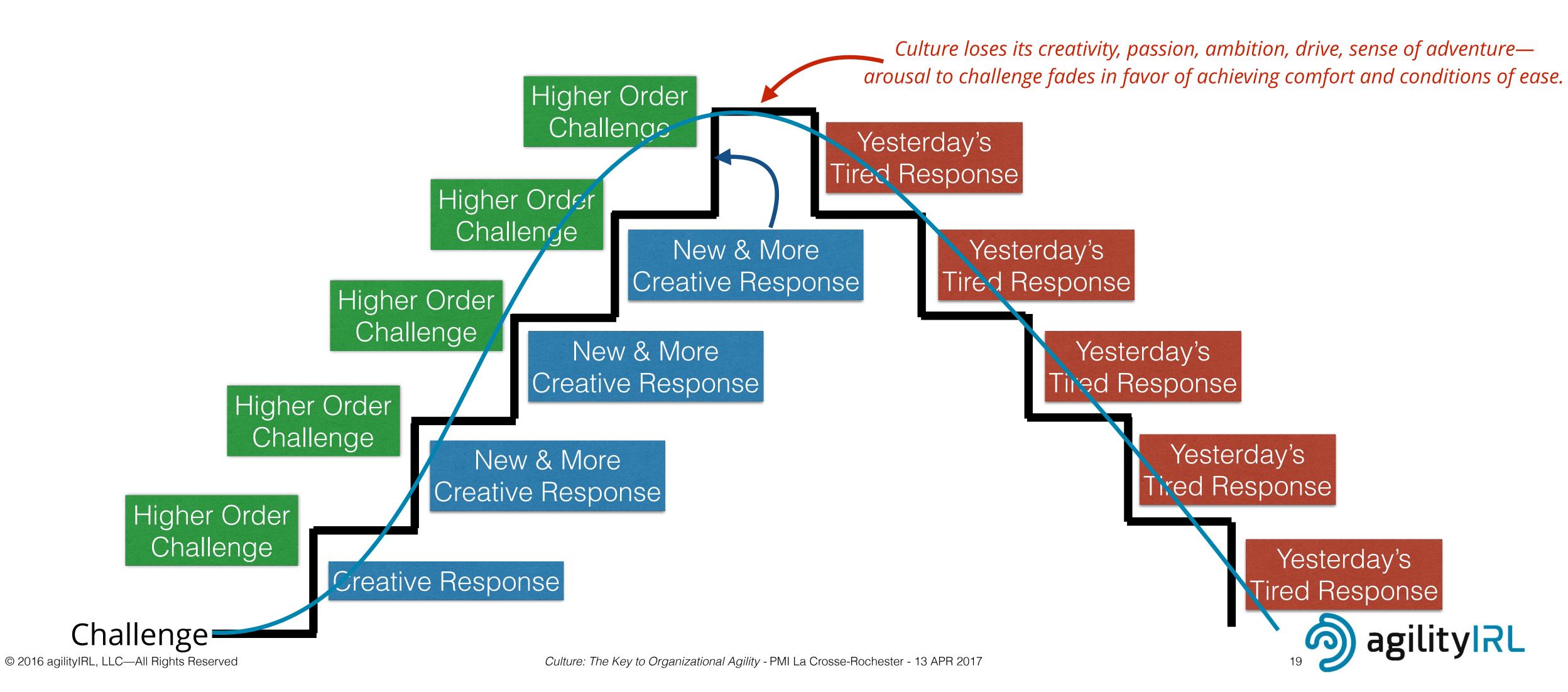


### Going Down:

- Decline & Decay
- Disintegration
- Families break down
- Loss of faith in social institutions
- The spirit is weak

>time



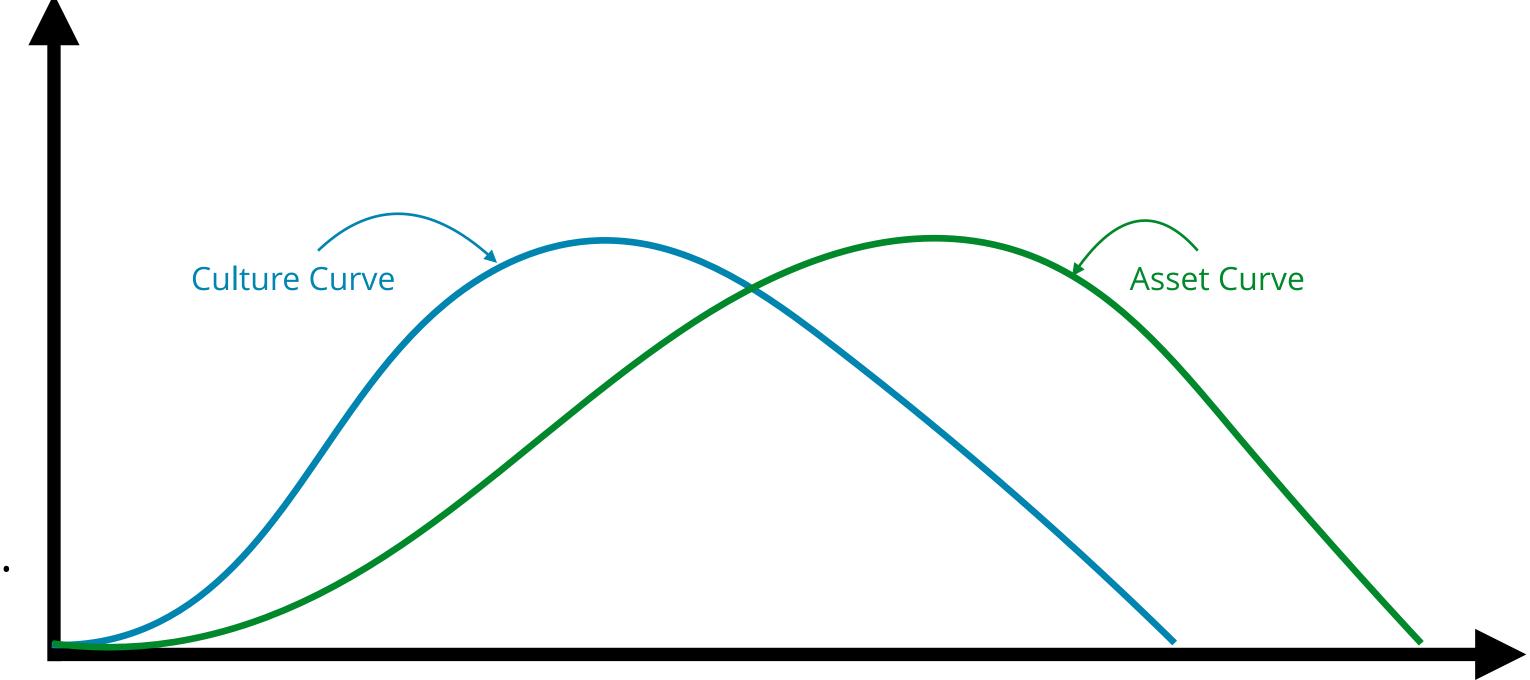


#### **Culture Curve:**

- The power to produce wealth.
- The goose in Aesop's fable.
- "PC" (Production Capability) in Covey's P/PC definition of "effectiveness."
- The culture curve leads.

#### **Asset Curve:**

- The accumulation of wealth.
- The golden eggs in Aesop's fable.
- "P" (Production) in Covey's P/PC definition of "effectiveness."
- The asset curve lags.



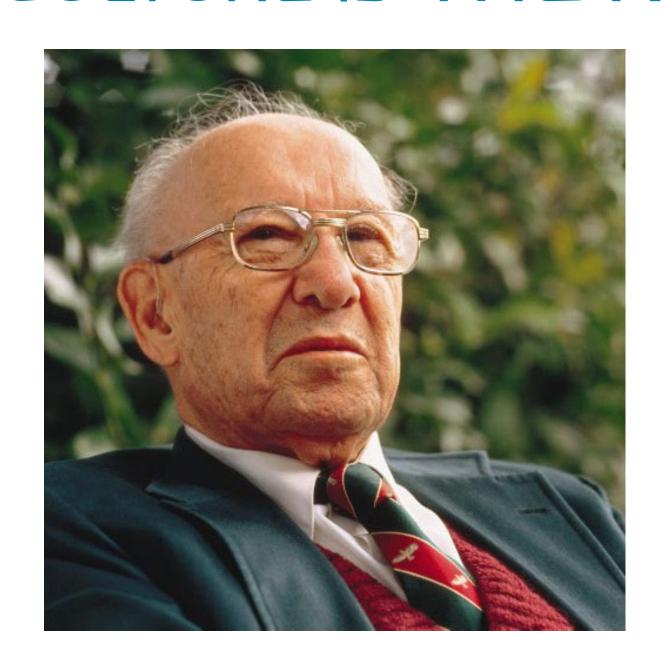


- An organization's culture is the difference between them becoming:
  - A vendor of preference, vendor of force, or ex-vendor.
  - · An employer of preference, employer of force, or former employer.
- Have you ever been to another couple's home and while they were cordial with you, it was clear they were having a dispute?
  - You weren't too unhappy to leave.
  - · Same for your customers, vendors, and employees.
- An organization's ability to obscure their internal disputes and dysfunction from their customers, vendors and fellow employees is disappearing—with social media it is approaching zero.



- Your culture is the key to successfully (re)engineering a process, or implementing a software package, or innovating, or launching a product, or rising to a challenge, or responding to a market surprise, or dealing with a crisis, or...
- Your culture is the key to your organization's agility—it's capacity and capability to sense and respond; to adapt, improvise and overcome.
- Your culture is the key to your organization's competitive advantage.
- Your culture is the key to your organization's relevance.



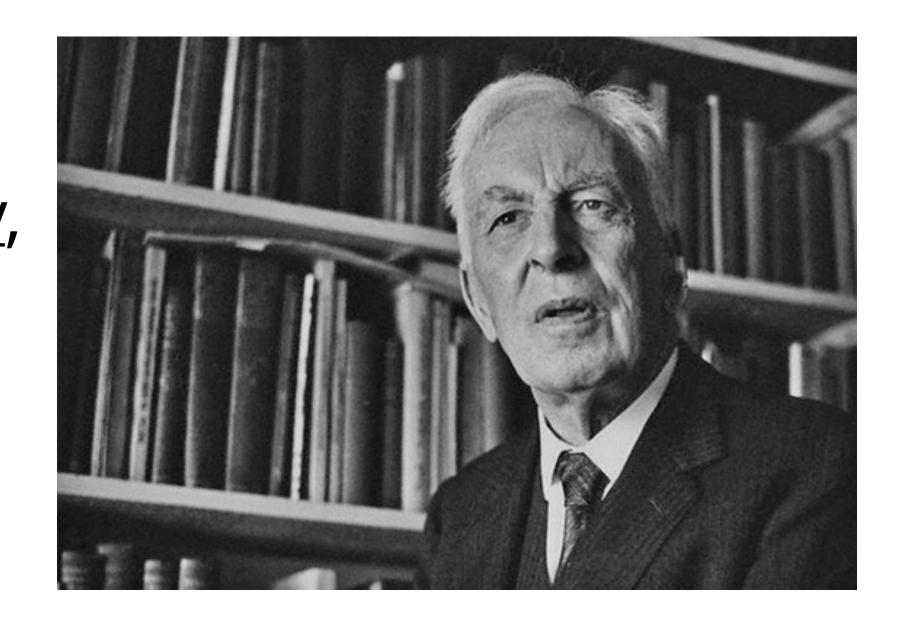


**Peter Drucker**, Austrian born American management consultant, educator and author, is regarded as the "father of modern management."

"Culture eats strategy for breakfast, operational excellence for lunch, and everything else for dinner."



Arnold Toynbee, 20th century British historian, and author of <u>A Study of History</u>, a synthesis of world history based on universal rhythms of rise and decline, made this observation:

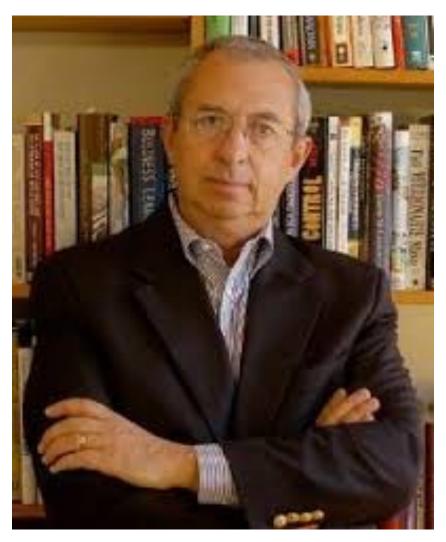


"Civilizations die from suicide, not murder."



## DEFINING "CULTURE" WHAT IS IT?

"Culture is the sum of an organization's habits."



Lawrence M. Miller



### DEFINING "CULTURE" WHAT IS IT?

There are 3 types of behavior:

- Emotional.
- Intentional.
- Habitual.

There is competitive advantage in habitual behavior because:

- It is highly reliable.
- It requires little management.

Organizational design goal: create the habitual behaviors in your organization that leads to the performance that you seek.



### DEFINING "CULTURE" HABITUAL BEHAVIOR

This begs two questions:

- 1. What is habit?
- 2. How do you change the habitual behaviors of an organization?



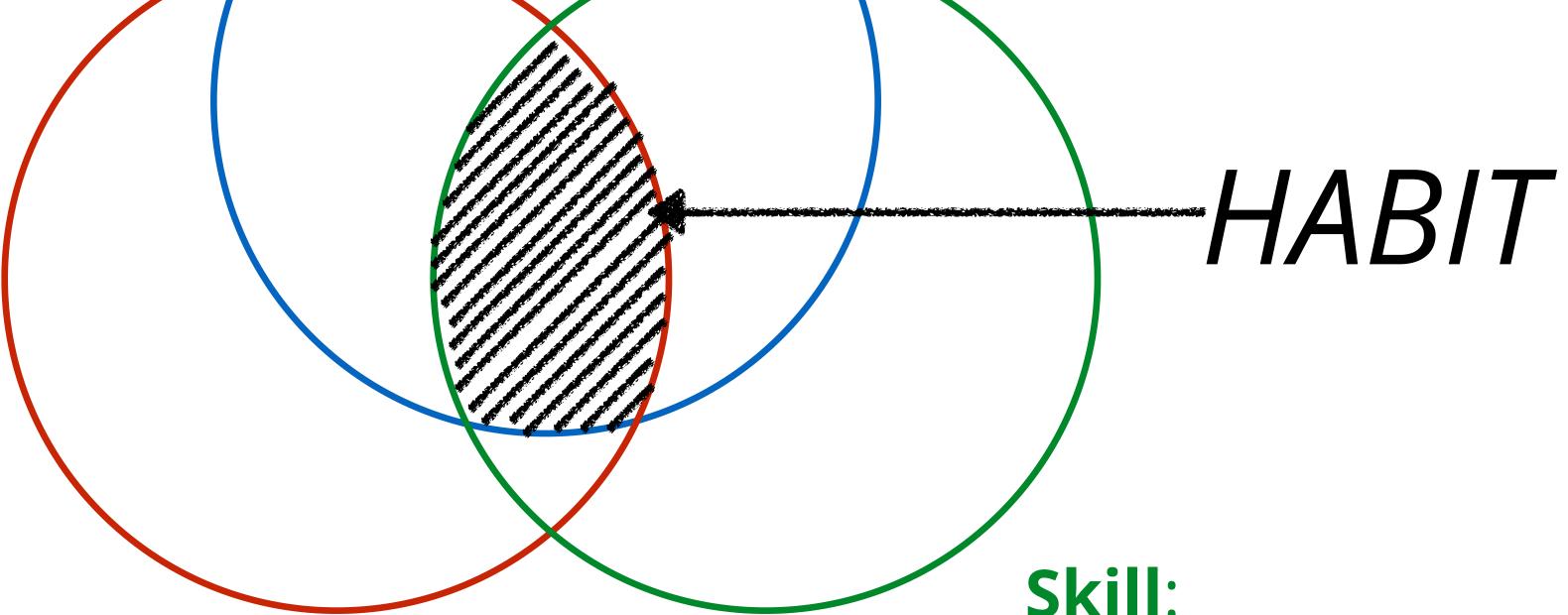
DEFINING "CULTURE"

HABITUAL BEHAVIOR

Knowing WHAT to do

Attitude:

Knowing WHY to do it



SKIII:

Knowing HOW to do it

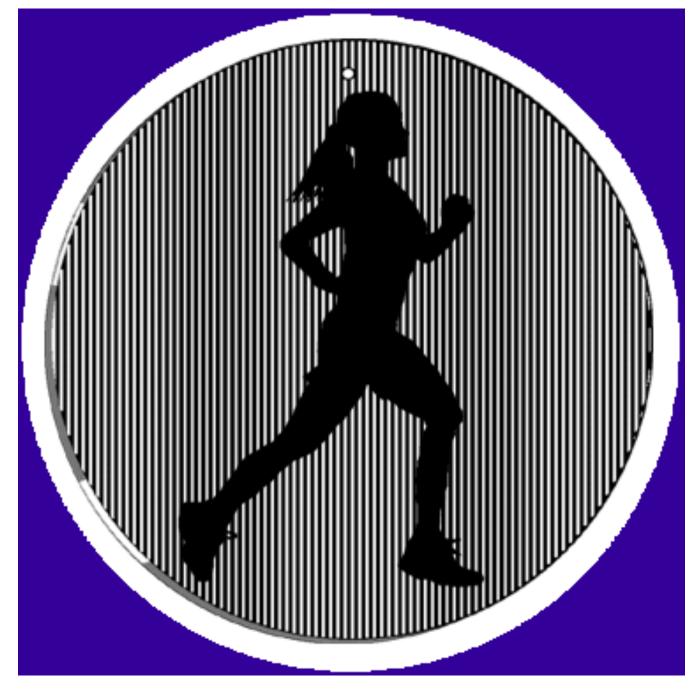


## DEFINING "CULTURE" HABITUAL BEHAVIOR

You can't exercise the heart directly.



The heart is exercised indirectly by exercising the large muscles.



Changing an organization's habitual behavior is like exercising the heart. You can't affect it directly, you affect it indirectly.

# AN ANATOMY OF CULTURE THE 10S MODEL

The 10S Model represents the "large muscles" for affecting the organization's habitual behaviors:

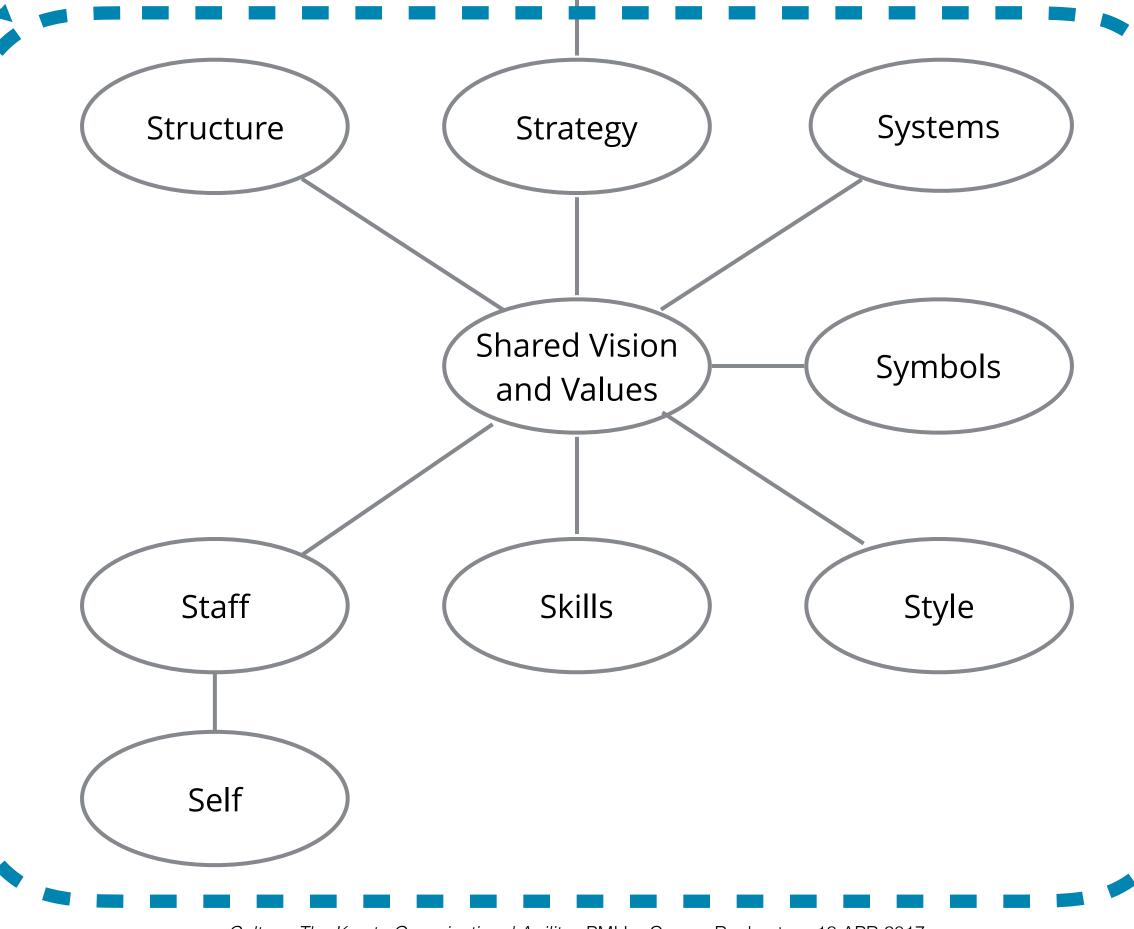
- First appeared as a "7S Model" in the 1981 book, <u>The Art of Japanese Management</u>, by Tony Athos and Dick Pascale.
- It depicts the organization as a holistic ecosystem with permeable borders.
- It is a people model, not a business model.
- It applies to organizations of any kind, any size, any structure, any purpose, and at any station in some hierarchy.



### AN ANATOMY OF CULTURE

THE 10S MODEL

Your organization (a company, a division, a department, a project team, a non-profit, a national organization, a local chapter, a union, a church, a political party, a sports club, a family—any organization.)



**Streams** 

#### **IMPORTANT:**

Cultures don't really exist in discreet parts like this; they are holistic ecosystems.

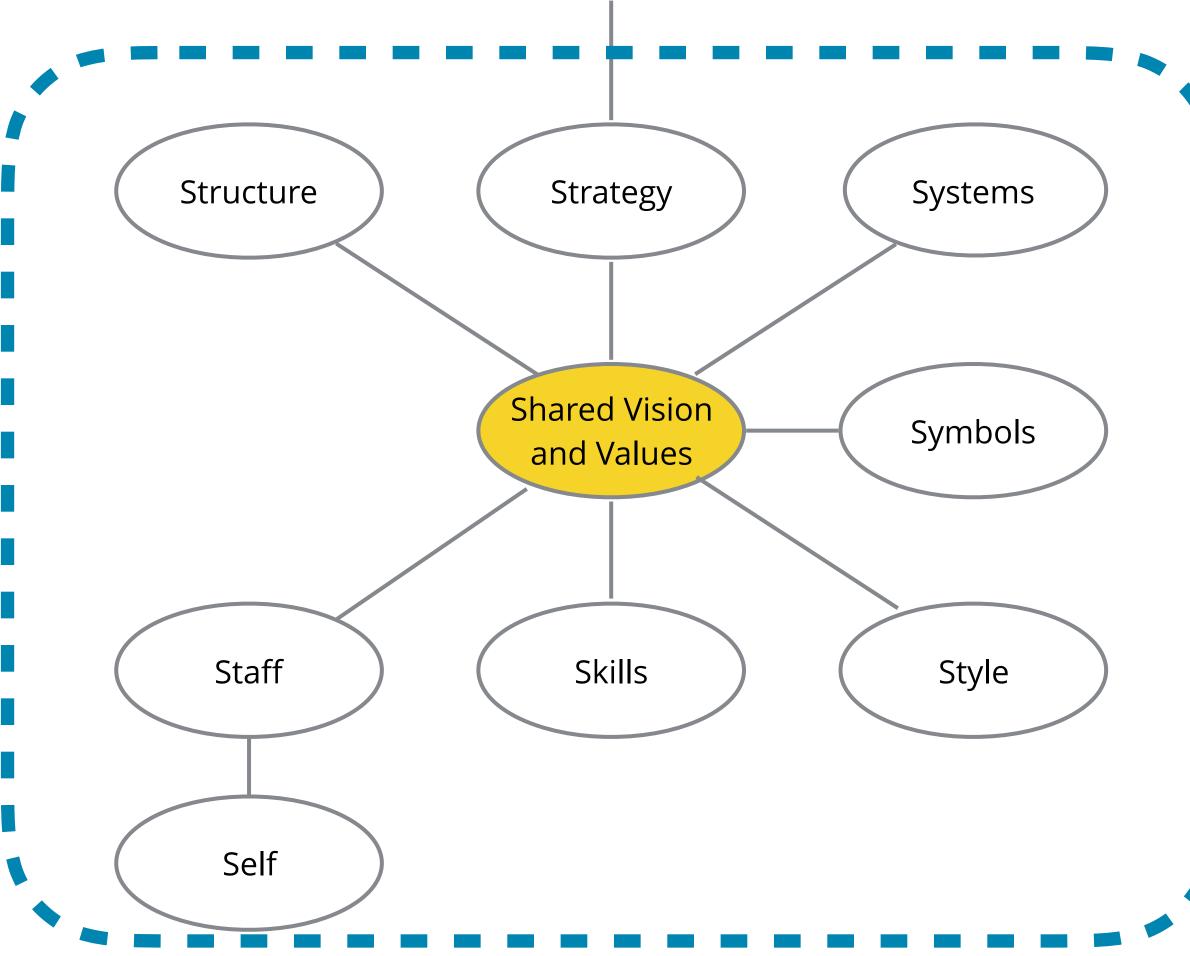
We use models like this only because they make it easier for us to understand and talk about this stuff.



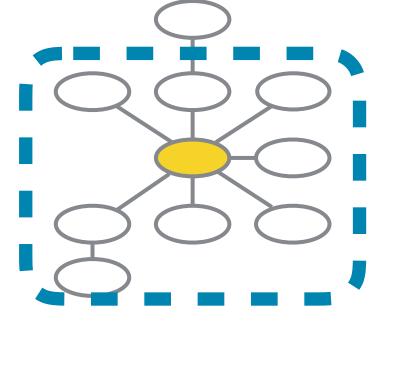
The public declaration of what you want to be, and

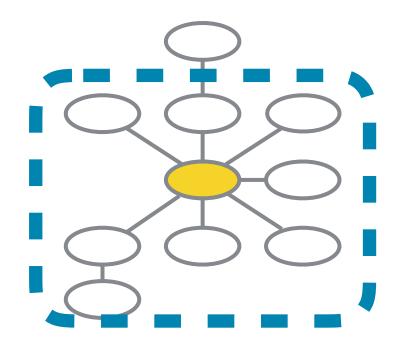
how you want to be:

- Not just your vision, mission, and values; but a growing body of work that interpret and clarify.
- A hallmark of Shared Vision & Values is that they are essentially changeless.



**Streams** 

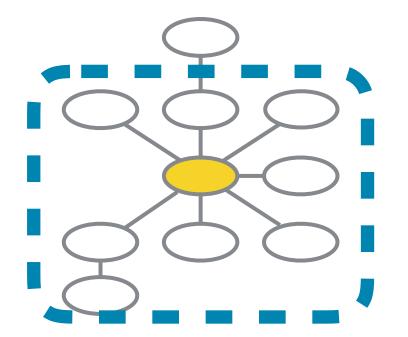




### Crafting Shared Vision & Values for Agility—Lessons from Real Life

- Start with, "Why?"
- Base your values on sound principles.
- Make your values absolute.
- State your values in relative priority.
- Embrace a distinctive value proposition.
- Provide something for each stakeholder.
- Be specific; don't strive for total buy-in.
- Protect their integrity with the fervor of a holy crusade.
- · IRL examples.

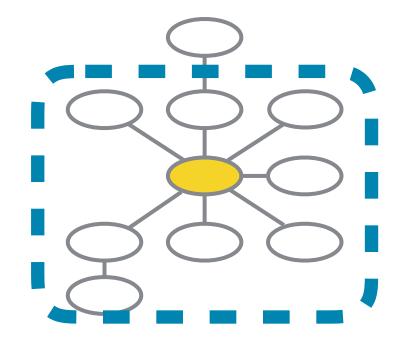




### Agility Requires Shared Vision & Values that Start with "Why?"

- We all have a need to confirm our self-worth.
- Self-worth cannot be achieved in the absence of a sense of contribution to some higher purpose.
- Achieving an ROI or EBITDA or EPS does not, as a goal, mobilize the noblest forces in our souls.
- Most organizations do serve a worthy purpose; individuals seek to identify with it.

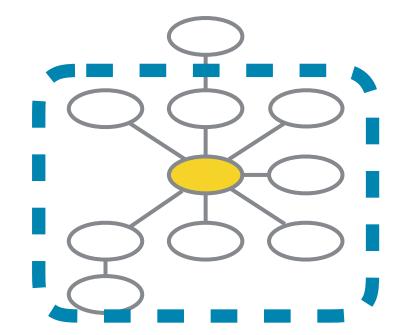




### Agility Requires Shared Vision & Values that Start with "Why?"

- The ability to communicate a valued purpose is a rare art today; but it is the essence of agility in leadership.
- People will endure almost any "what" as long as they understand and agree with the "why."
- It's the "why" that mobilizes discretionary effort.
- Agile organizations define their aims in terms of benefits to customers and in a manner that can inspire and motivate employees.
- Agile organizations make the connection between our souls and our work, and the organization benefits from the energies that are released by doing so.

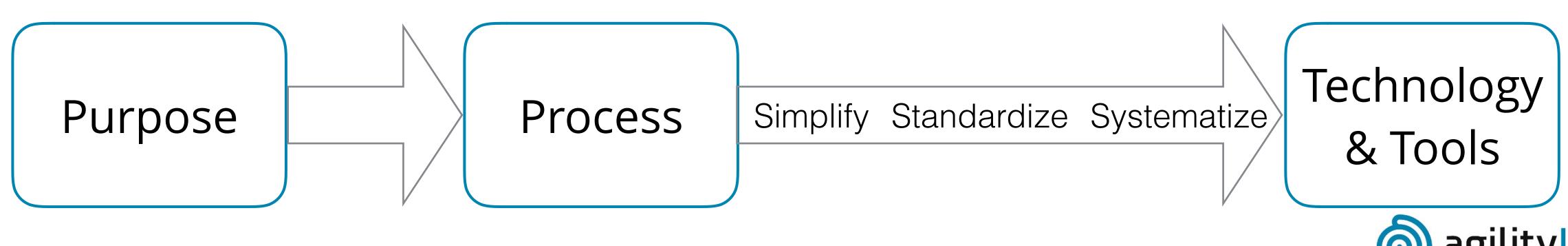


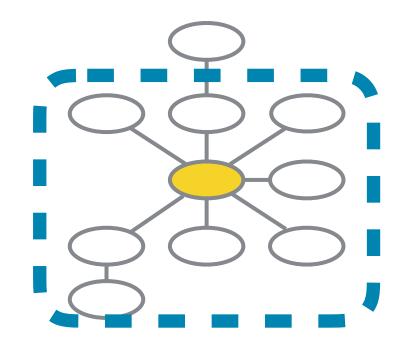


### Agility Requires Shared Vision & Values that Start with "Why?"

Starting with "Why" applies to programs and projects, too:

- Purpose before process.
- Process before technology.
- The way you get from process to technology is in 3 steps, in this order:
  - 1. Simplify.
  - 2. Standardize.
  - 3. Systematize





### Agility Requires Specificity and Doesn't Strive for Total Buy-In:

- Too many vision/mission/values statements are fluff—mockable fluff:
  - Meaningless distinctions.
  - Word smithing exercises.

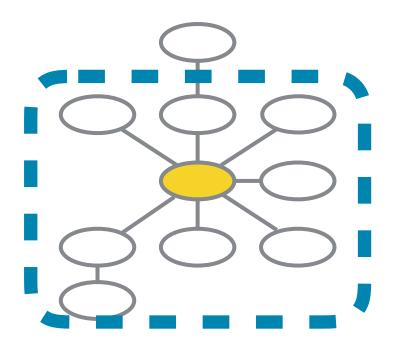
#### Typical Mission Statement Themes:

- Customer Satisfaction/Delight/Orgasmic Ecstasy
- Total Quality
- Continuous Improvement

#### As opposed to what:

- Customer "Meh"
- Partial Quality
- Occasional Improvement

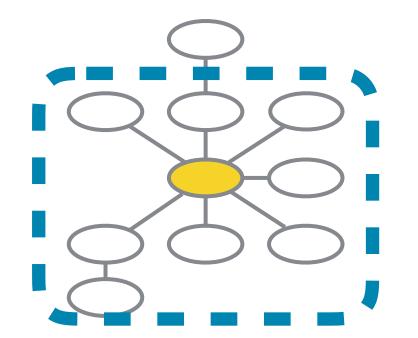




### Agility Requires Specificity and Doesn't Strive for Total Buy-In

- To be useful, an organization's Shared Vision & Values needs to be stated at a level of specificity such that a reasonable person could nobly disagree with it.
- DO NOT strive for total buy-in!



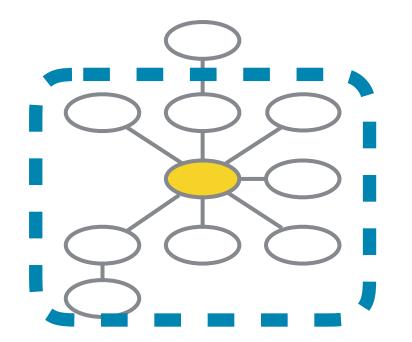


#### Agility Requires Specificity and Doesn't Strive for Total Buy-In

To be the unsurpassed leader in customer service by:

- · Listening to the customer, understanding them, and making them feel understood.
- Treating the customer with politeness and courtesy, even when they may not be treating us in a similar fashion.
- Honoring the promises, the explicit commitments, that we make.
- Managing the expectations, the implicit commitments, that we create.
- Not being duplicitous.
- Having the humility to apologize if we blow any of the above.





#### Agility Requires Integrity in the Organization's Shared Vision & Values

- All organizations have at least one Shared Vision & Values:
  - For some it is by design.
  - For others it is by default.
- Too many organizations have two:
  - The one on their website and plaque in the lobby.
  - The one by which they really operate.

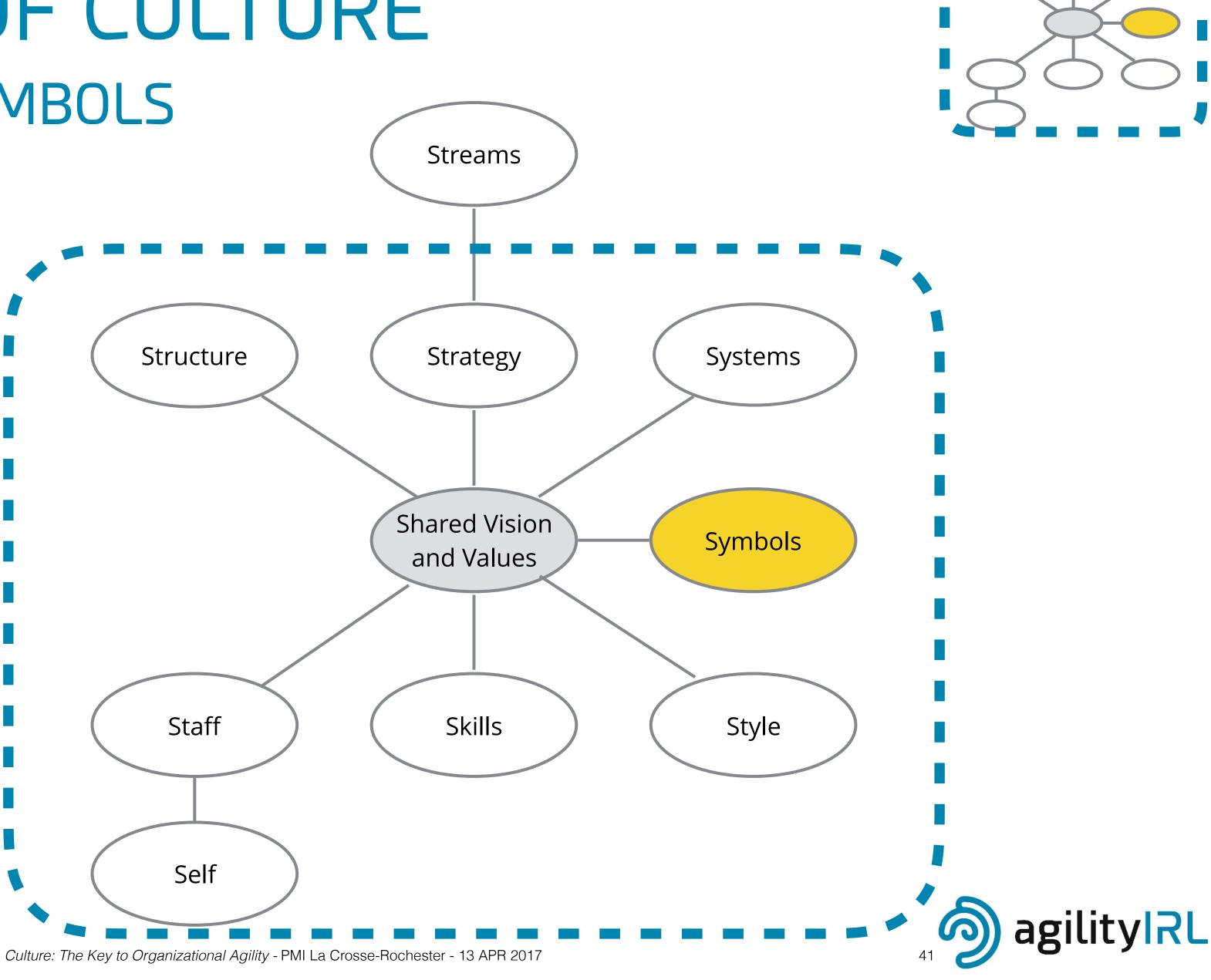


AN ANATOMY OF CULTURE

THE 10S MODEL: SYMBOLS

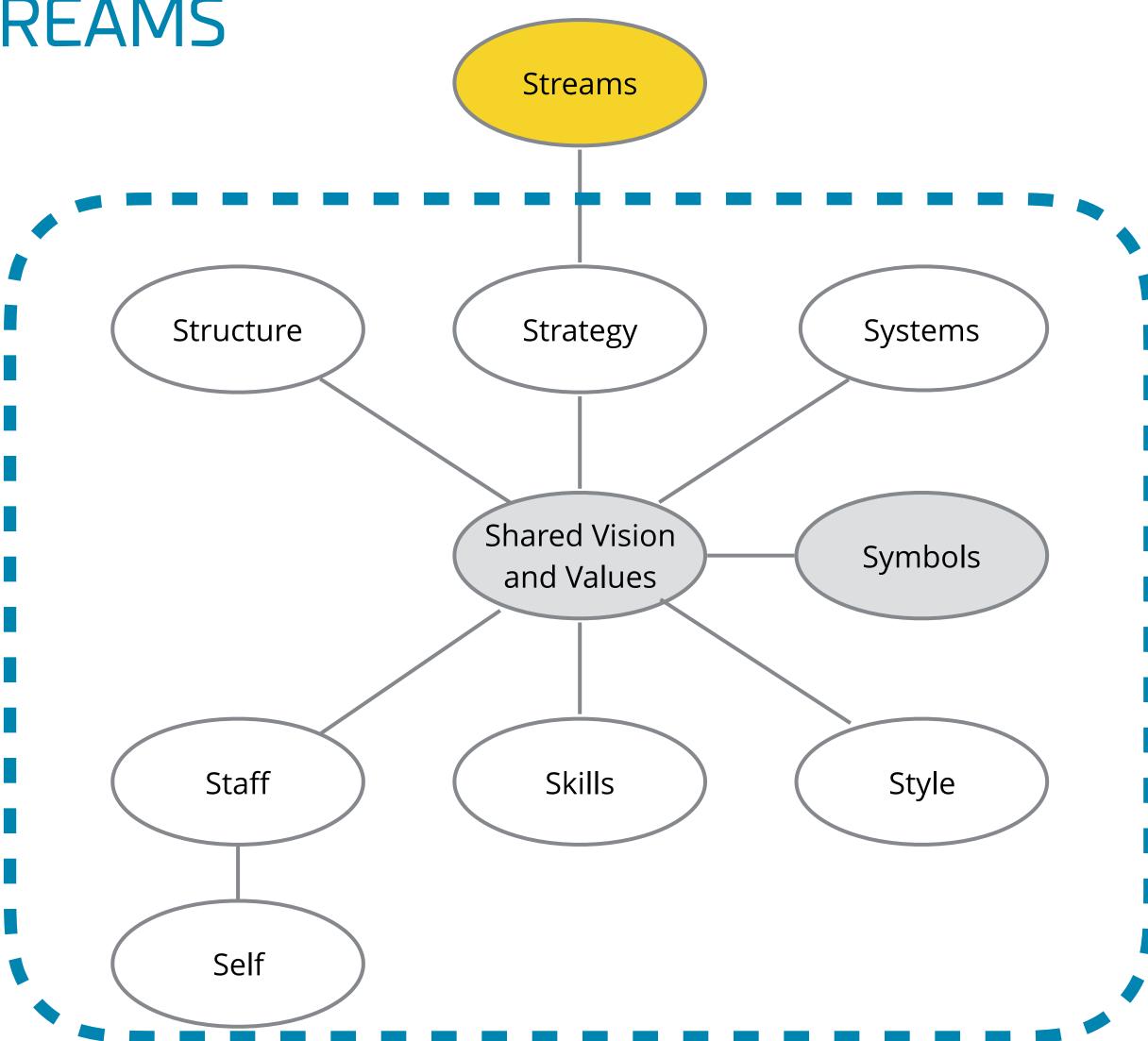
The physical manifestation of the organization's operational Shared Vision & Values; they also provide:

- Cultural insights.
- · Levers for change.



Those forces that are out of your control, but that affect your organization:

- Streams can affect your organization at any "Spoint."
- A hallmark of Streams is
   that they are constantly
   changing.
- Streams are those things that test your organization's agility.



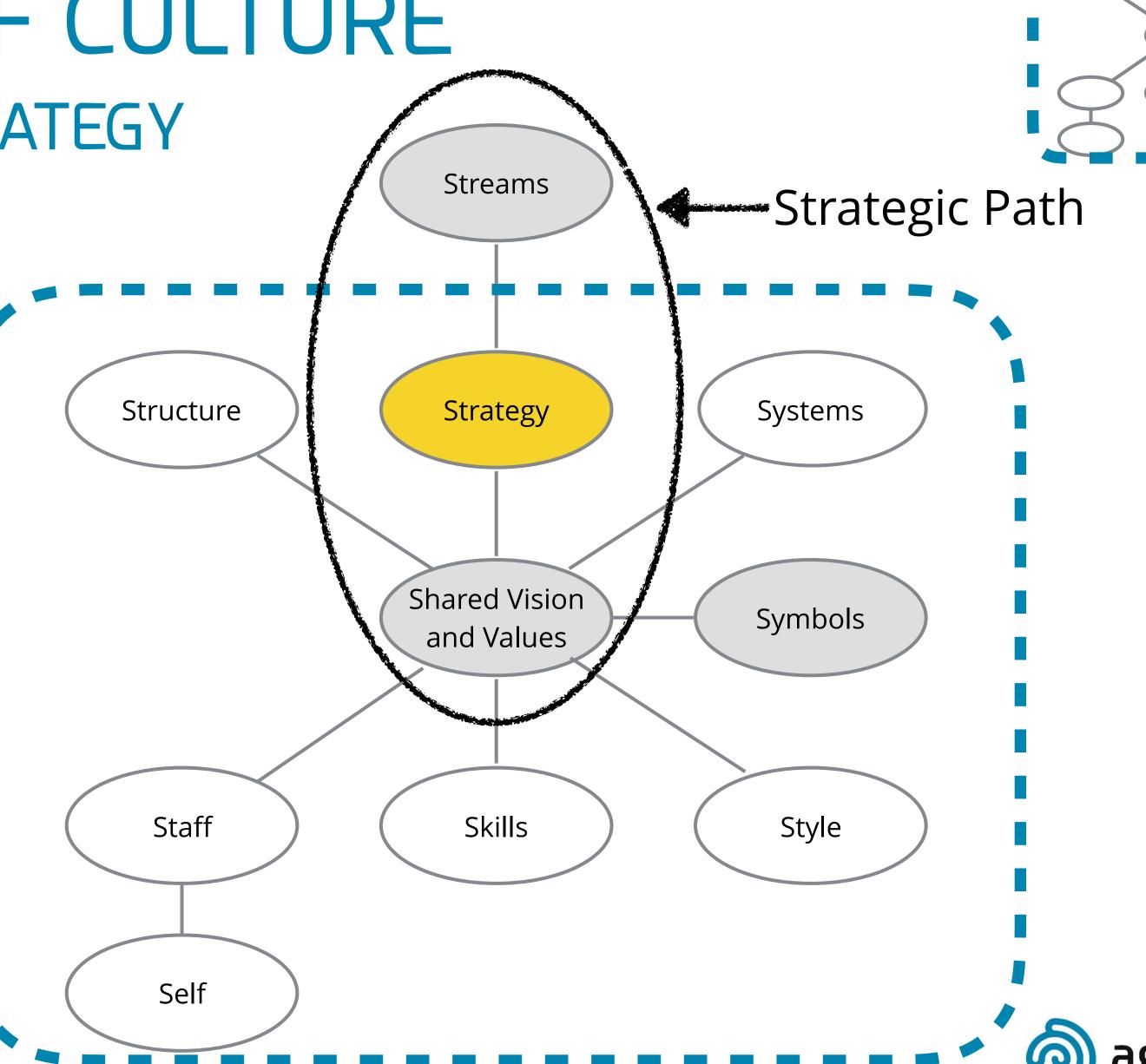
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AN ANATOMY OF CULTURE

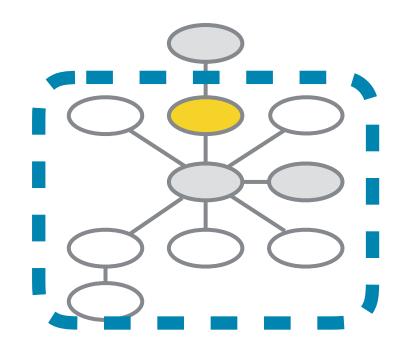
THE 10S MODEL: STRATEGY

Strategies are how you deal with the constantly changing streams in a way that is congruent with your essentially changeless
Shared Vision & Values.

The combination of Shared Vision & Values, Strategies and Streams is sometimes referred to as the "Strategic Path."

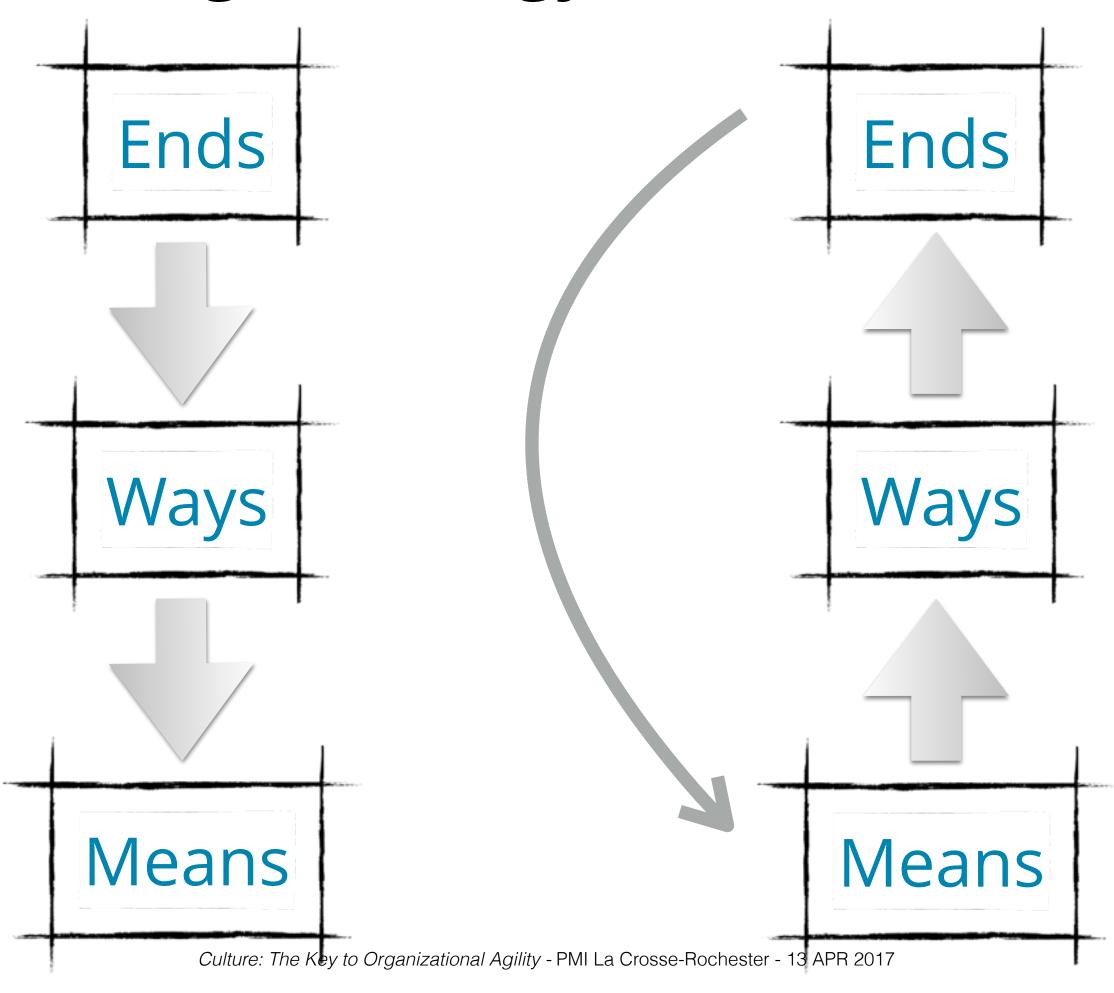


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### Enabling agility through Strategy—Lessons from Real Life:

Strategic Planning of Yesteryear



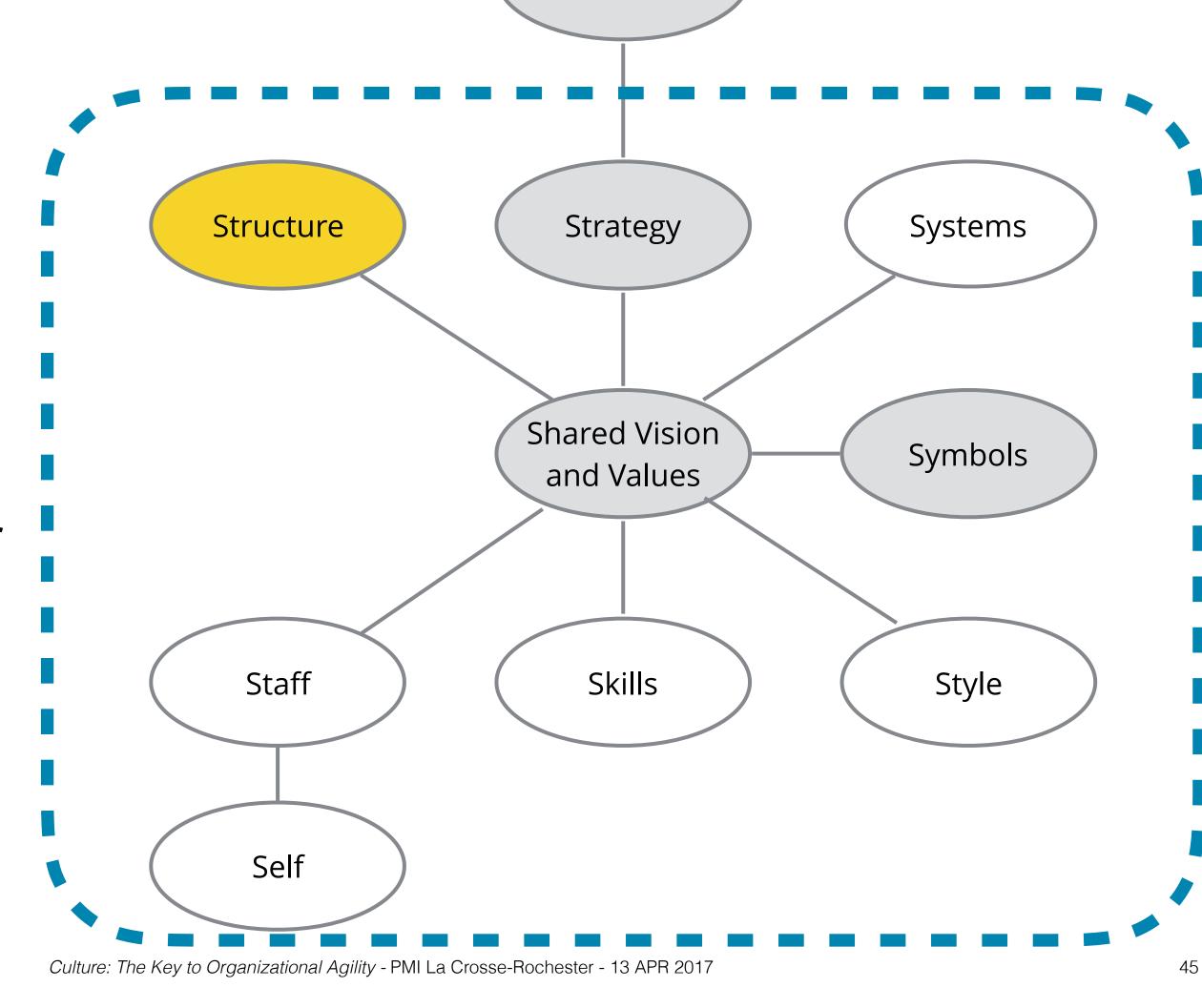
Strategic Planning for Today



AN ANATOMY OF CULTURE

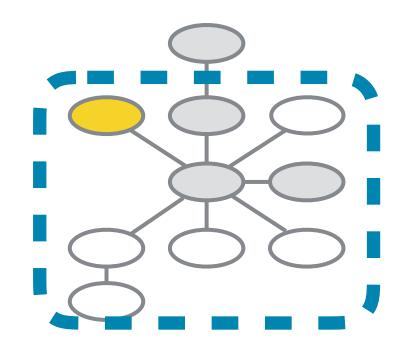
THE 10S MODEL: STRUCTURE

Organization of work, functions, roles, responsibilities, reporting relationships, span of control, and so on.



**Streams** 

## AN ANATOMY OF CULTURE THE 10S MODEL: STRUCTURE

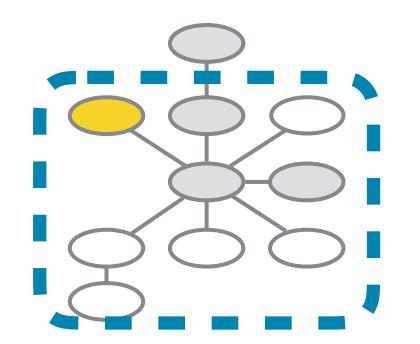


#### **Enabling Agility Through Your Structure—Lessons from Real Life:**

- · Agile structures are based on teams.
- · Agile teams are organized around processes that are as whole as possible (e.g., "Business Events").
- Be careful not to over-romanticize "Tiger teams."
- Simplify job descriptions, roles and titles to improve agility.
- Increase span of control and reduce vertical hierarchy to improve agility.
- Organizing multiple, similar organizations for agility.



## AN ANATOMY OF CULTURE THE 10S MODEL: STRUCTURE



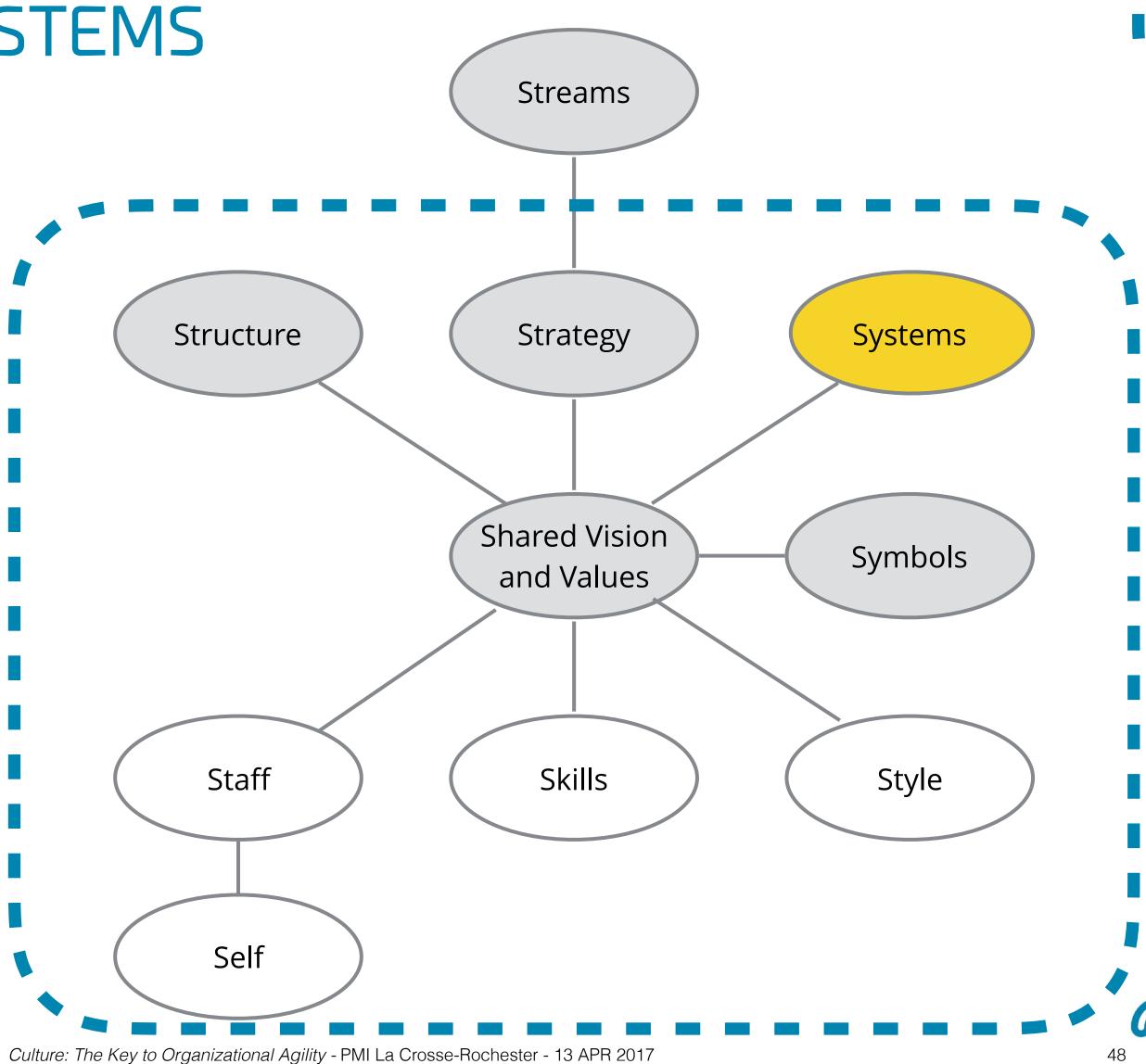
#### Be Careful Not to Over Romanticize "Tiger Teams"

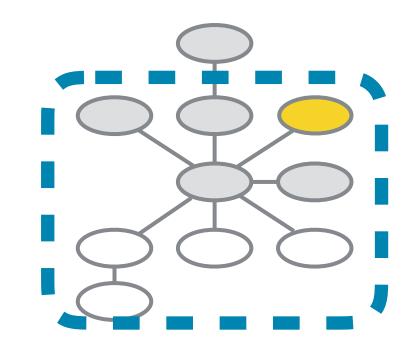
- A concept that originated at HP.
- A temporary team of people specially commissioned to complete a specific problem solving task.
- Based on the belief that team IQ > individual IQ.
- Two notes of caution:
  - Don't pool ignorance.
  - Don't create legislatures.



The ways and means by which the organization communicates, makes decisions, manages performance, etc.

Depending on if they are done well or poorly, the Systems to measure and reward desired behaviors will provide the greatest thrust or drag on your change effort.

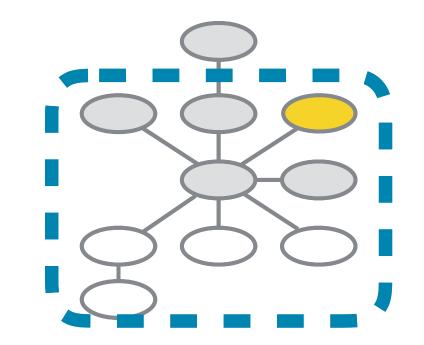




#### **Empowering Agility Through Your Systems—Lessons from Real Life:**

- Addressing system disconnects to improve agility.
- Defining the agile behaviors you desire.
- Designing a measurement system that enables agility.
- Designing a reward system that enables agility.
- · Designing a performance management system that enables agility.
- Using visual scoreboards to enable agility.
- Designing contests to promote agility.

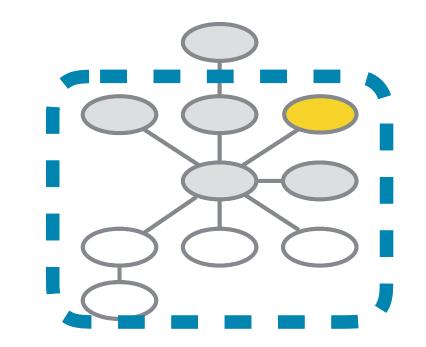




### Defining the Agile Behaviors You Desire

- What are the desired behaviors that constitute an "agile organization?"
- If you can't define what you're after in terms of desired behaviors, then you won't be able to use any of the tools for managing change:
  - You won't be able to train it.
  - You won't be able to coach or mentor it.
  - You won't be able to measure and reward it.





### Defining the Agile Behaviors You Desire

It's 3-years in the future. Your effort to make yours an agile organization has been a home run. You have been asked to write an article about your organization's transformation for a highly regarded professional journal. Write the article:

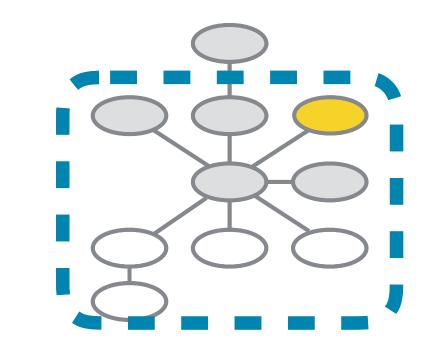
- What kinds of behavior will there be more of?
- What kinds of behavior will there be less of?

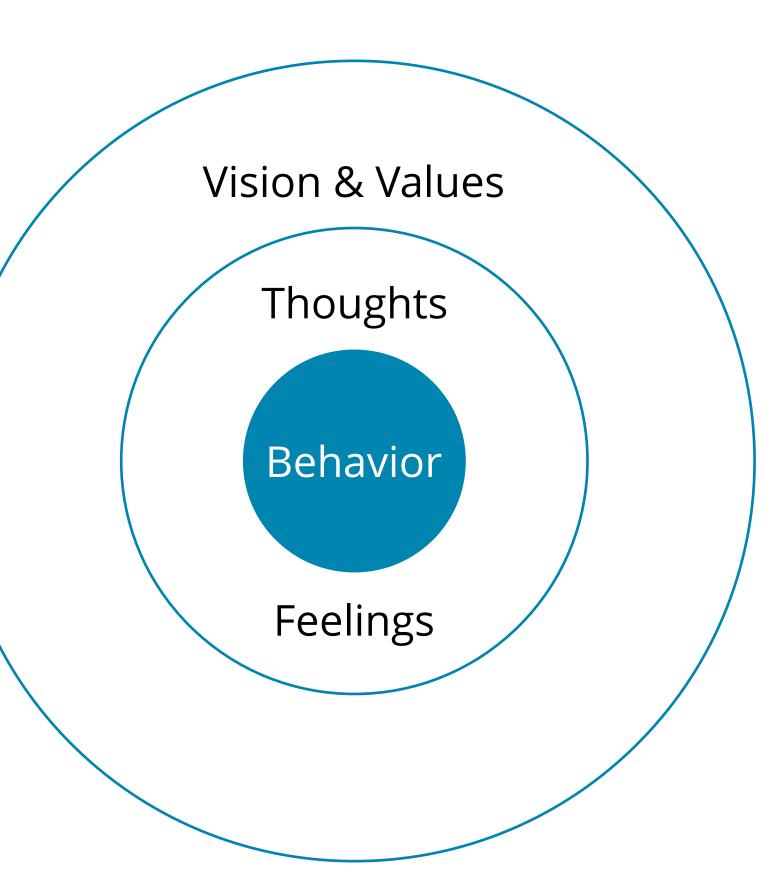




It can be like peeling an onion:

- People's first response, the top layer, is often a value.
- If you push them, their next response, the next layer, is often a thought or a feeling.
- Keep pushing them toward the center until they crash into behaviors.



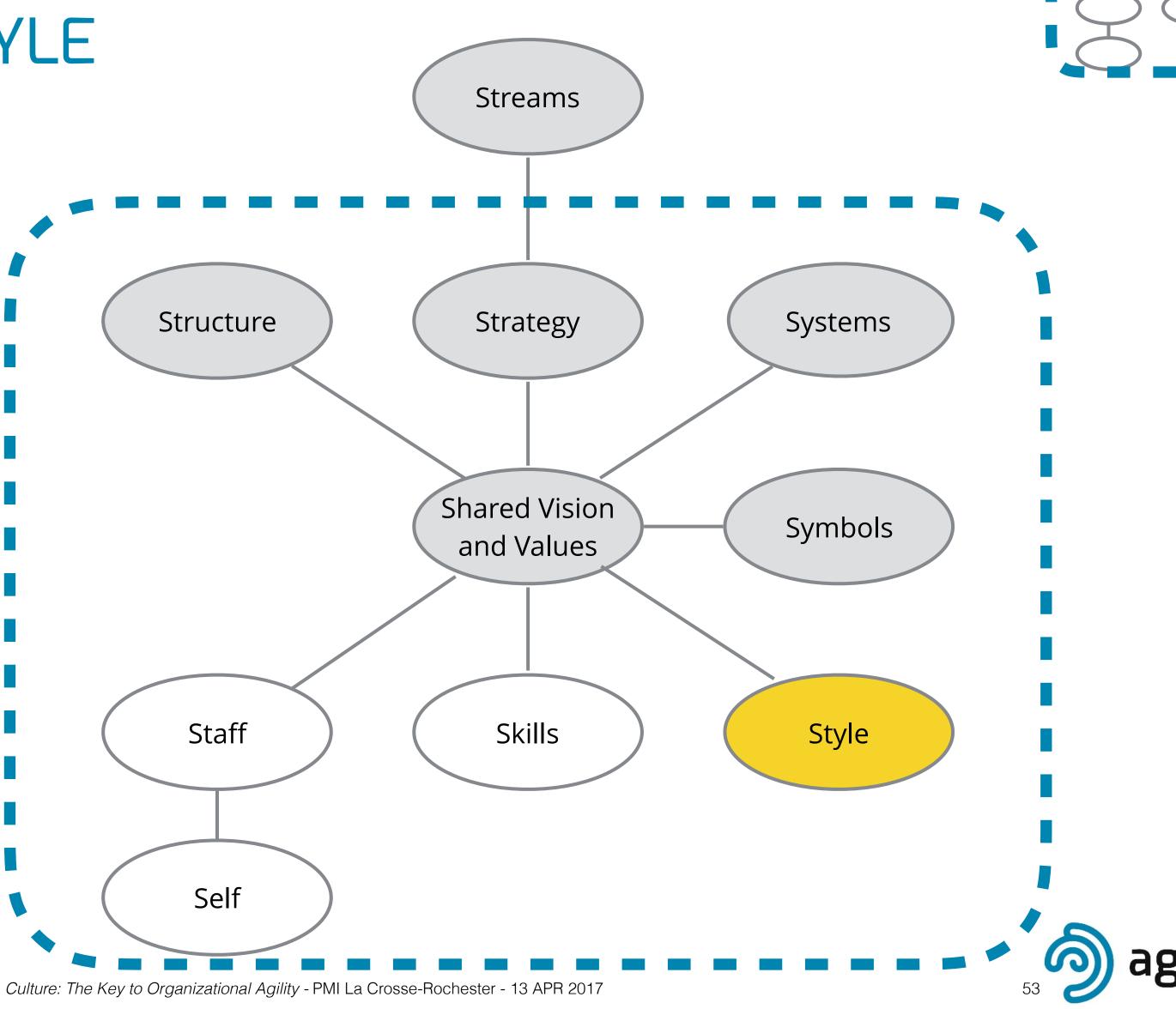


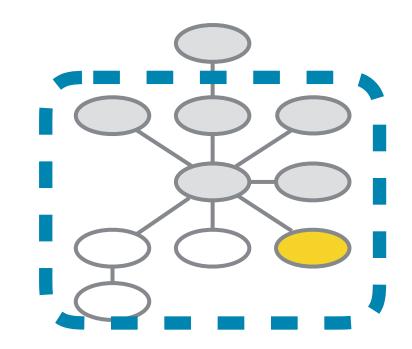


THE 10S MODEL: STYLE

There are two kinds of management style, which bookend the continuum:

- Command &
   Control.
- Commitment & Release.

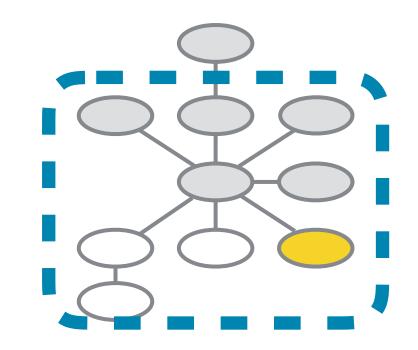




### **Enabling agility through Style—Lessons from Real Life**

- Agility requires a portfolio of styles, spanning the continuum
- Creating safety to risk is essential to agility.
- Empowering higher levels of initiative promotes greater agility.
- Employ "stewardship delegation" to enable agility when making assignments.
- Empowering agility in partnerships.





### Creating Safety to Risk is Essential to Agility:

When does a failure/mistake/error rise from simply being part of the natural learning process, to warranting discipline?

Was the decision/action consistent with our mission/vision/values?

Was the decision/action within the individual's bounds of authority?

This is not a pattern of behavior for this individual.

Has learning occurred?



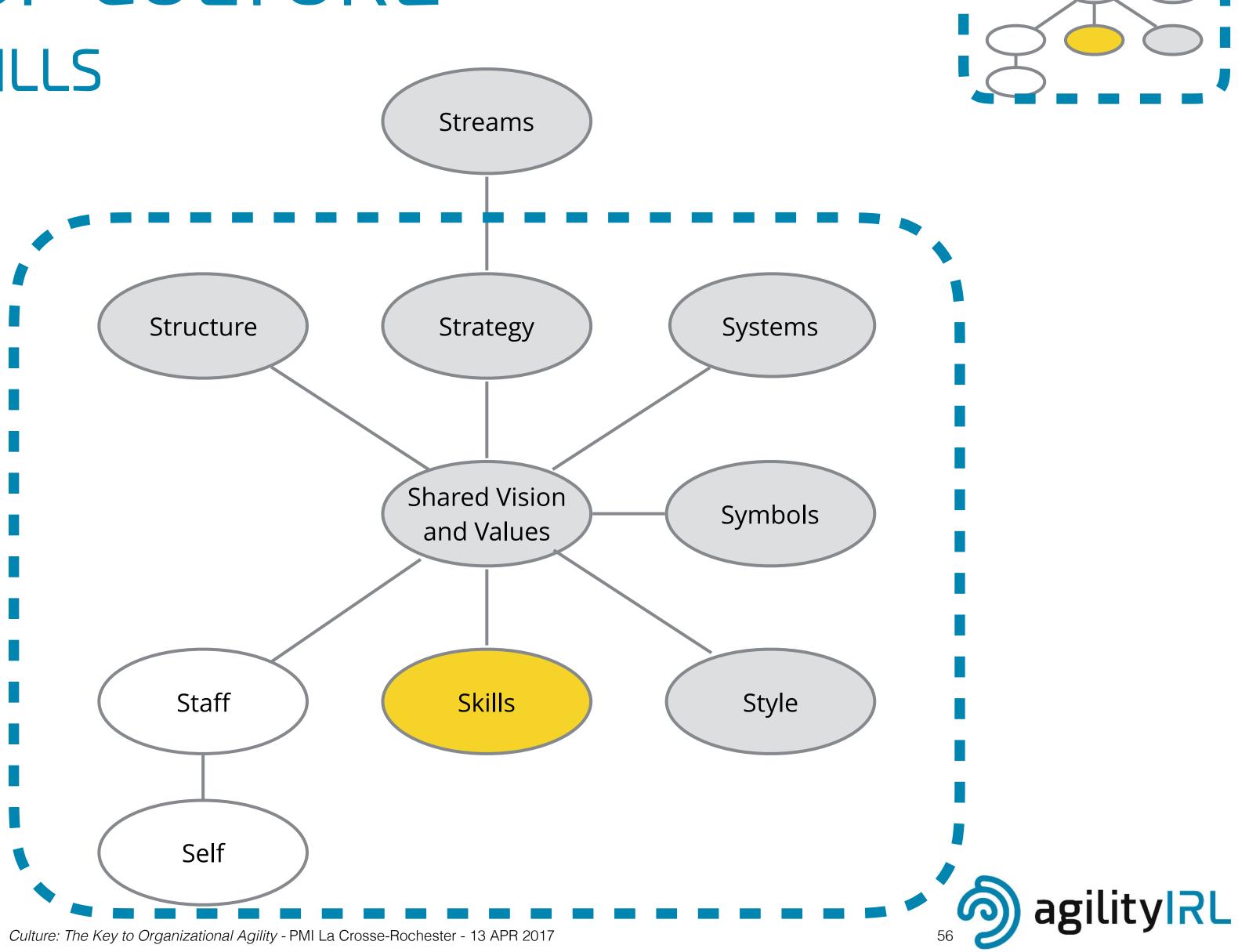


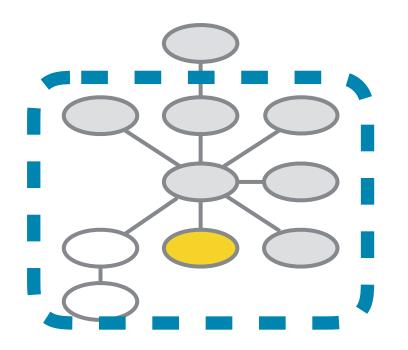
AN ANATOMY OF CULTURE

THE 10S MODEL: SKILLS

There are two categories of skills:

- Generalist.
- Specialist.

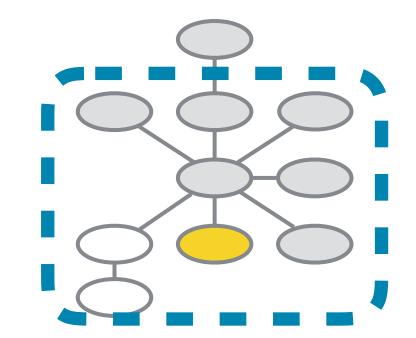




### Enabling agility through Skills—Lessons from Real Life

- Generalist skills core to agility.
- Continuing education and development is essential to agility.
- The "Specialist Syndrome" is toxic to agility.





### The "Specialist Syndrome" is Toxic to Agility

Beware the specialist syndrome:

When what you are doing, and how you are doing it, becomes more important than the reason you are doing it, and who you are doing it for.

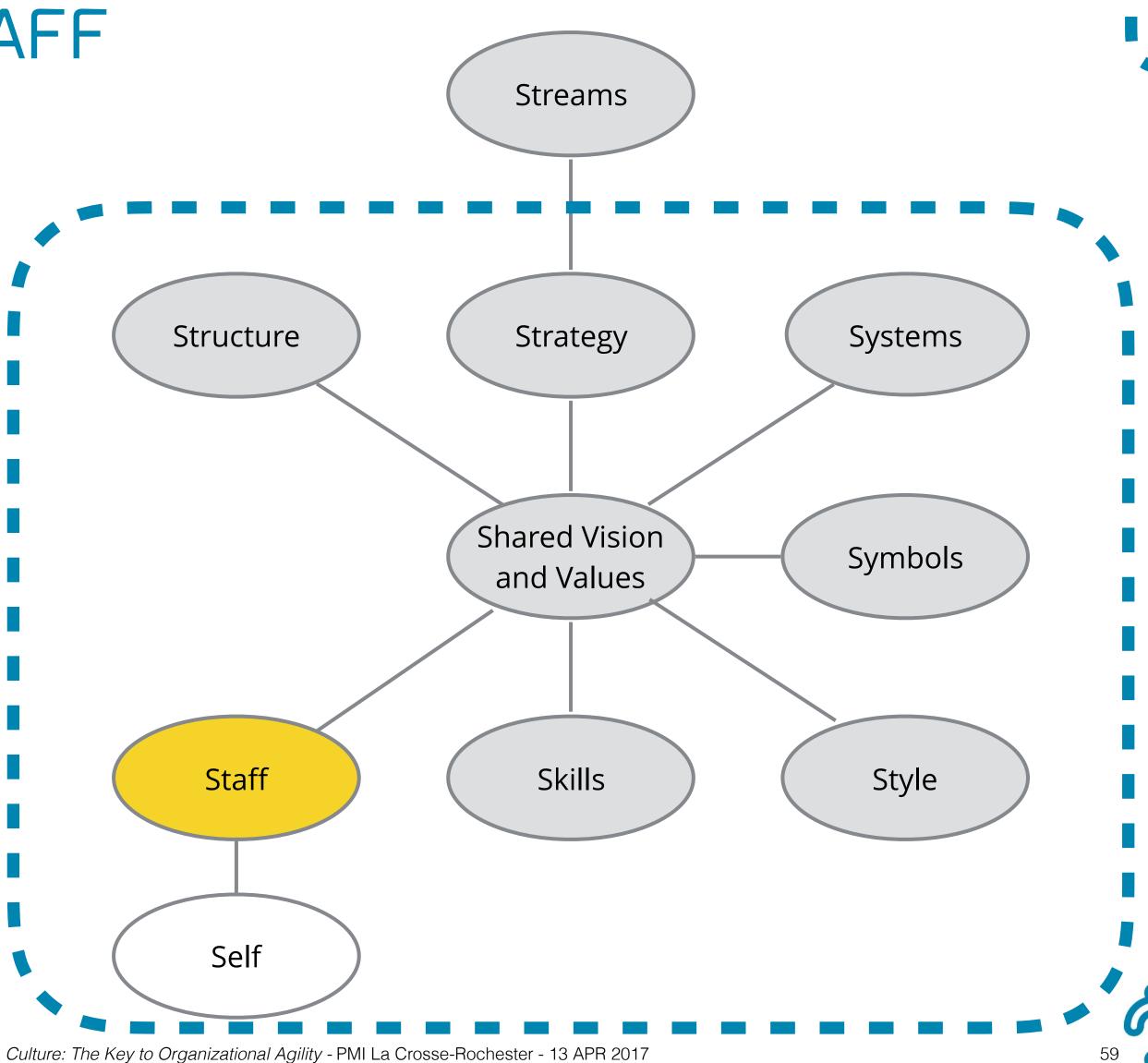


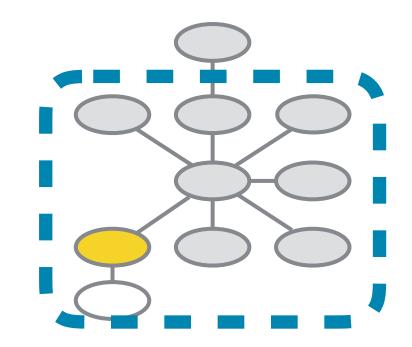
AN ANATOMY OF CULTURE

THE 10S MODEL: STAFF

The humans in your organization:

- Employees: those members of your talent pool that you choose to "own."
- Contractors &
   Consultants: those
   members of your talent
   pool that you choose to
   "rent or lease."

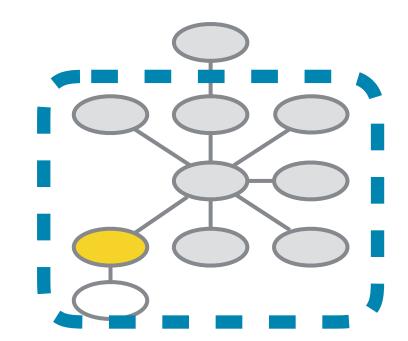




### Cultivating Staff for Agility—Lessons from Real Life

- True diversity supercharges agility.
- Track record and "heart" are more important to agility than degrees and credentials.
- · Agility requires people with an internal locus of control.
- Agility runs on <u>authentic</u> communications.





Track Record and "Heart" Are More Important to Agility Than Degrees and Credentials

- Track record is more important than credentials.
- Degrees may or may not be important, but "heart" is sacred.
- Heart = Character x Passion



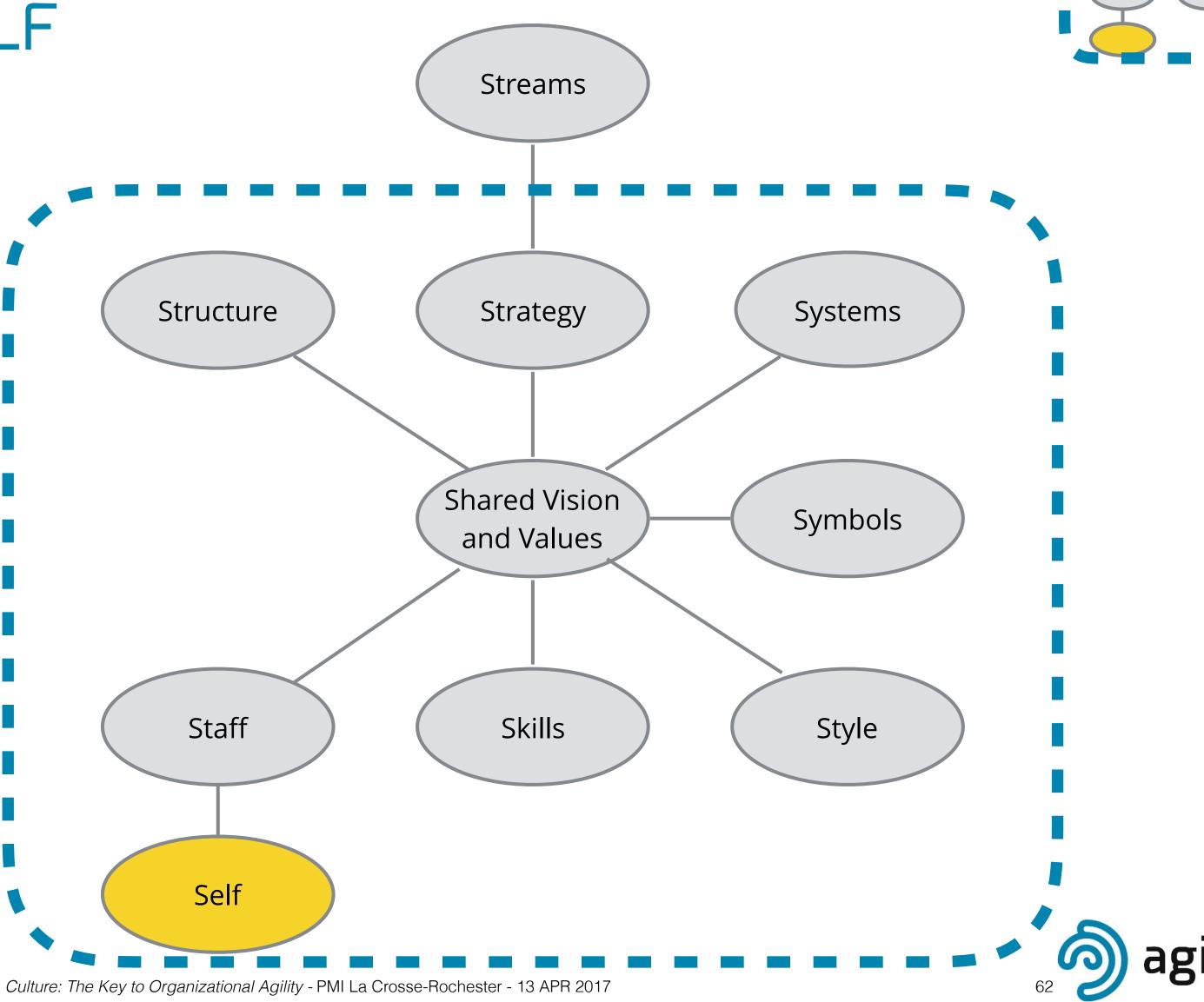
You don't win with talent alone. There isn't enough talent to win on talent alone. You win with heart.

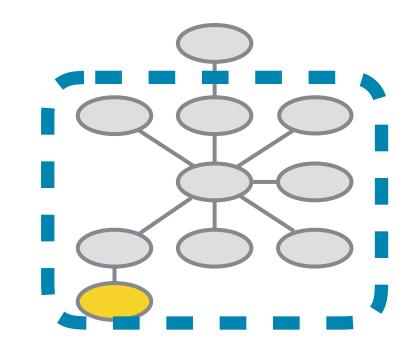
I'm not looking for the best players; I'm looking for the right ones.

The name on the front of your jersey is a lot more important than the one on the back.



You, as a member of the organization's staff.





### Cultivating Your Own Capacity & Capability for Agility— Lessons from Real Life:

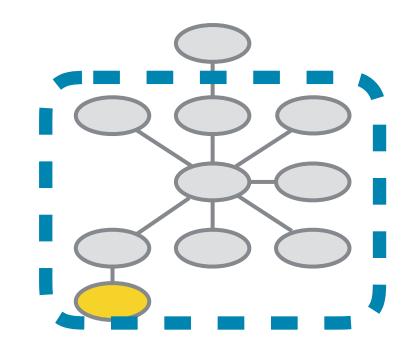
- Agility puts character before personality.
- Agility requires personal behavior that is responsibly independent and effectively interdependent.
- · Agility is developed through exercise on 4 dimensions.
- "Response-ability"—Your single greatest power.



"Response-Ability"—Your Single Greatest Power



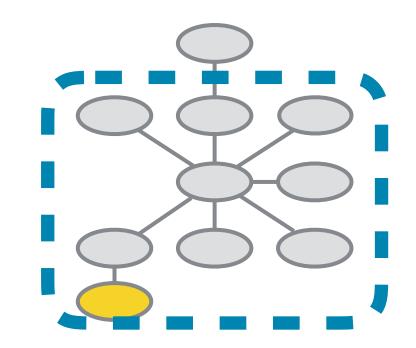




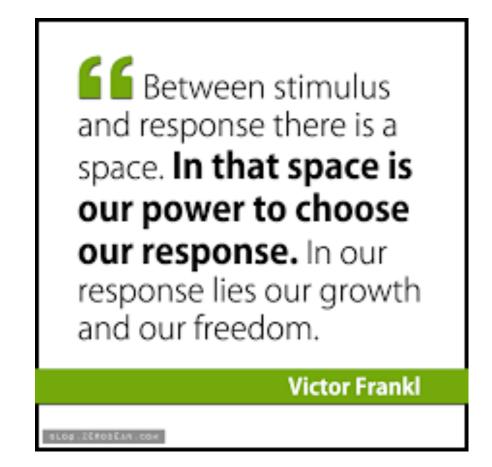
#### "Response-Ability"—Your Single Greatest Power

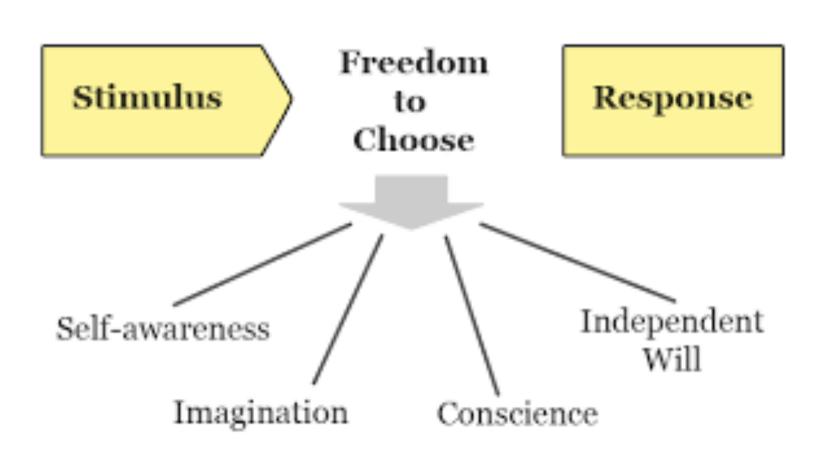
- Traditional S/R teaching says that your response to a stimulus is a function of your conditioning:
  - Genetics: your grandparents did it to you.
  - Nurturing: your parents did it to you.
  - Environment: your god/zodiac sign/mate/kids/boss/dog/system/ other department/etc. did it to you.
- Your response will default to your conditioning, if you don't intervene.





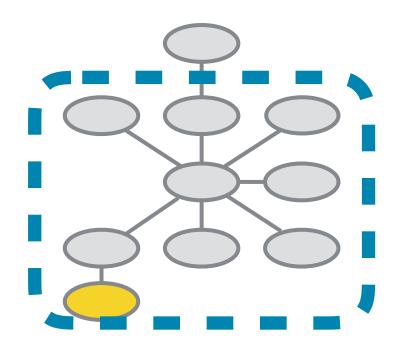
### "Response-Ability"—Your Single Greatest Power





Your fate may be what happens to you, but your destiny is determined by how you choose to respond to what happens to you.





#### "Response-Ability"—Your Single Greatest Power

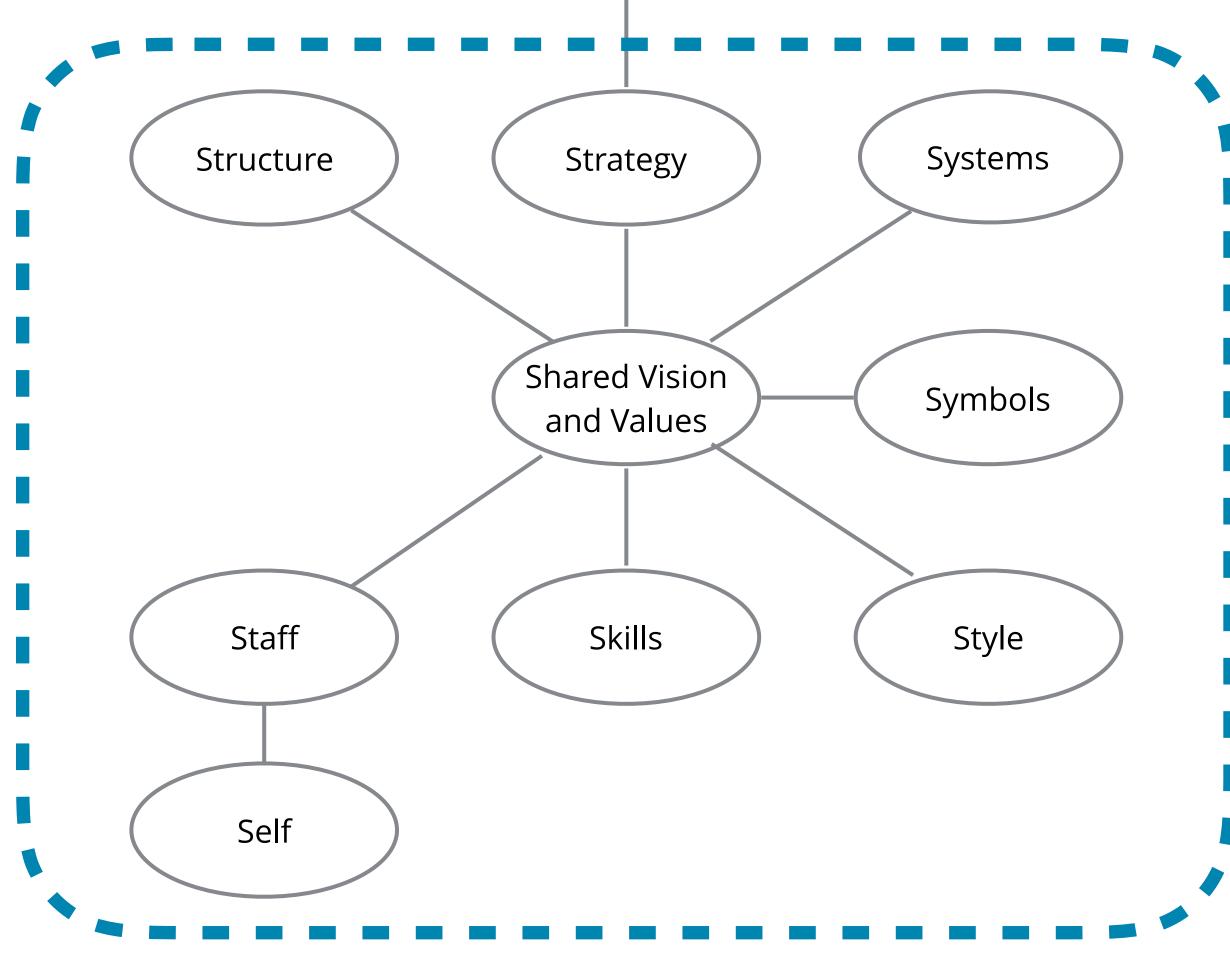
- Your greatest power is to choose your response to any stimulus—"response-ability:"
  - Cultivate the self-awareness to choose your response based on your values, rather than default to your conditioning.
  - Teach yourself to subordinate your moods to your values.
- Just like building any other muscle, it will be difficult in the beginning, but become easier as you exercise and grow your "response-ability" muscles:
  - Your agility as a person will be better off for it.
  - Your agility as a leader will require it.



### AN ANATOMY OF CULTURE

THE 10S MODEL: QUESTIONS?





**Streams** 

### DIAGNOSTIC & PRESCRIPTIVE TOOLS

THE 10S MODEL

Diagnostic & Prescriptive

**Properties:** 

Holistic ecosystem.

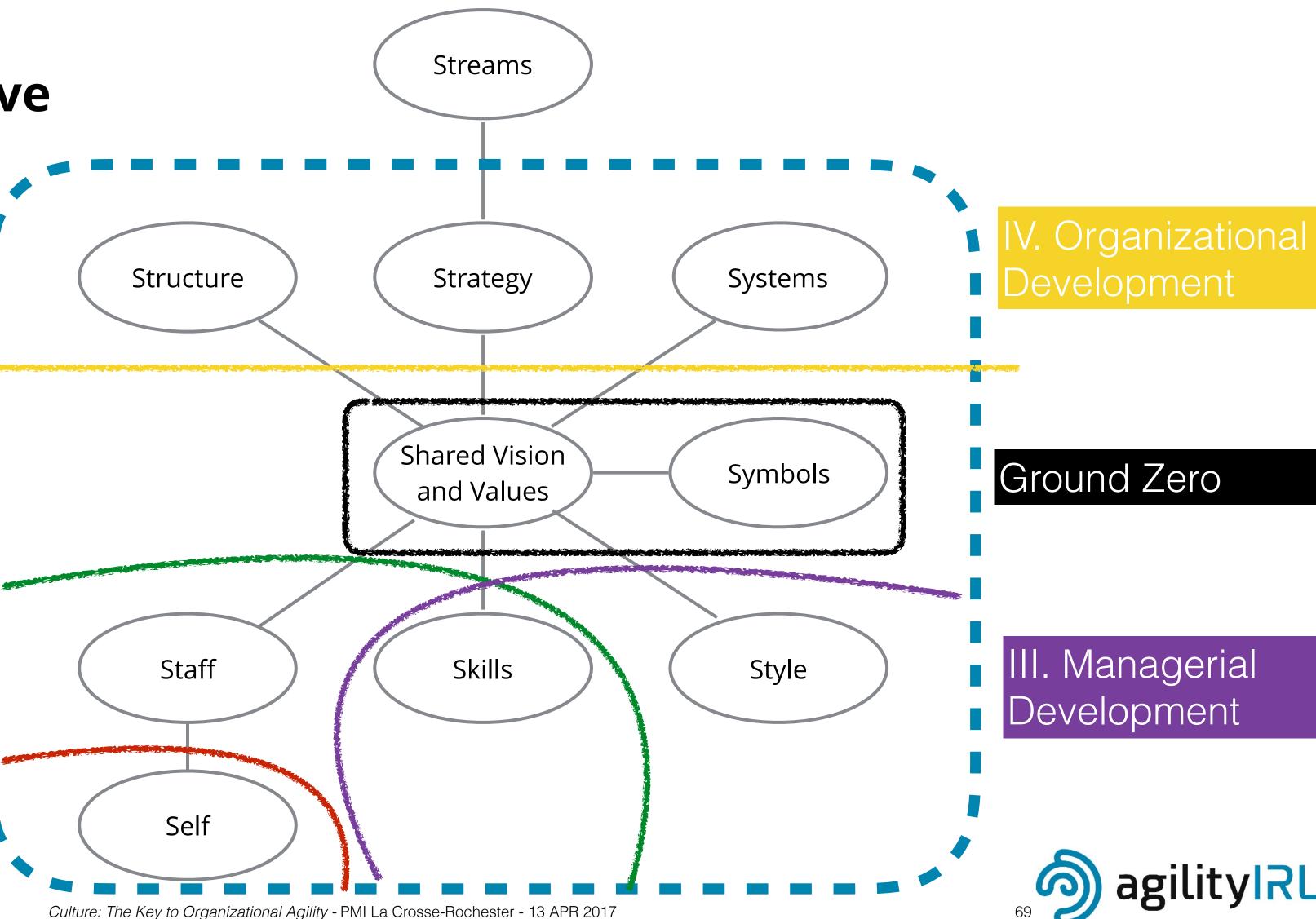
Alignment.

Developmental.

Hierarchy.

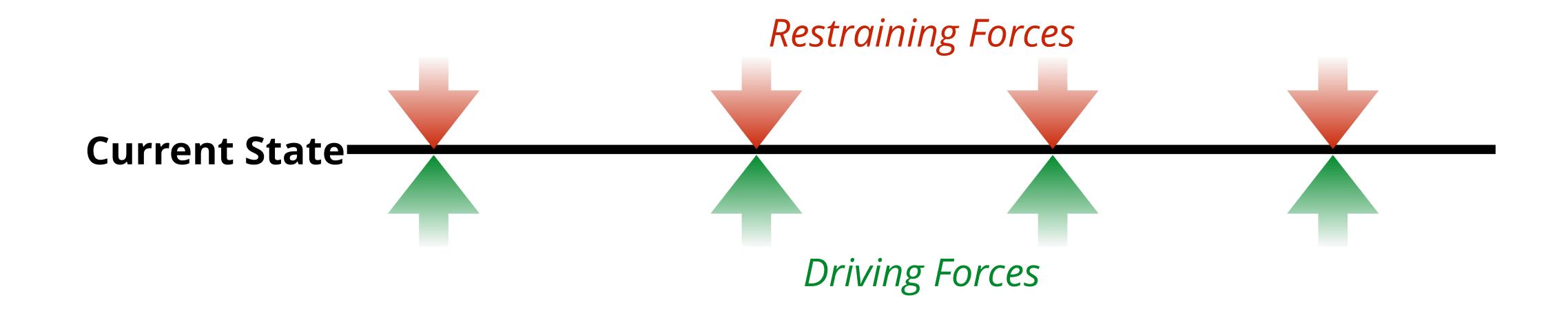
II. Inter-Personal Development

I. Personal Development



### DIAGNOSTIC & PRESCRIPTIVE TOOLS ENVIRONMENTAL FERTILITY/TOXICITY FOR CHANGE

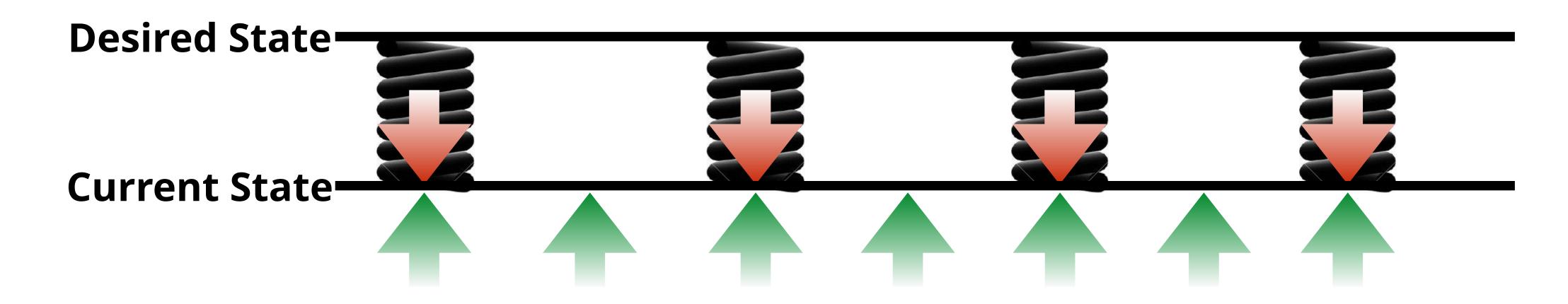
**Desired State** 



Kurt Lewin Force Field Model



### DIAGNOSTIC & PRESCRIPTIVE TOOLS ENVIRONMENTAL FERTILITY/TOXICITY FOR CHANGE

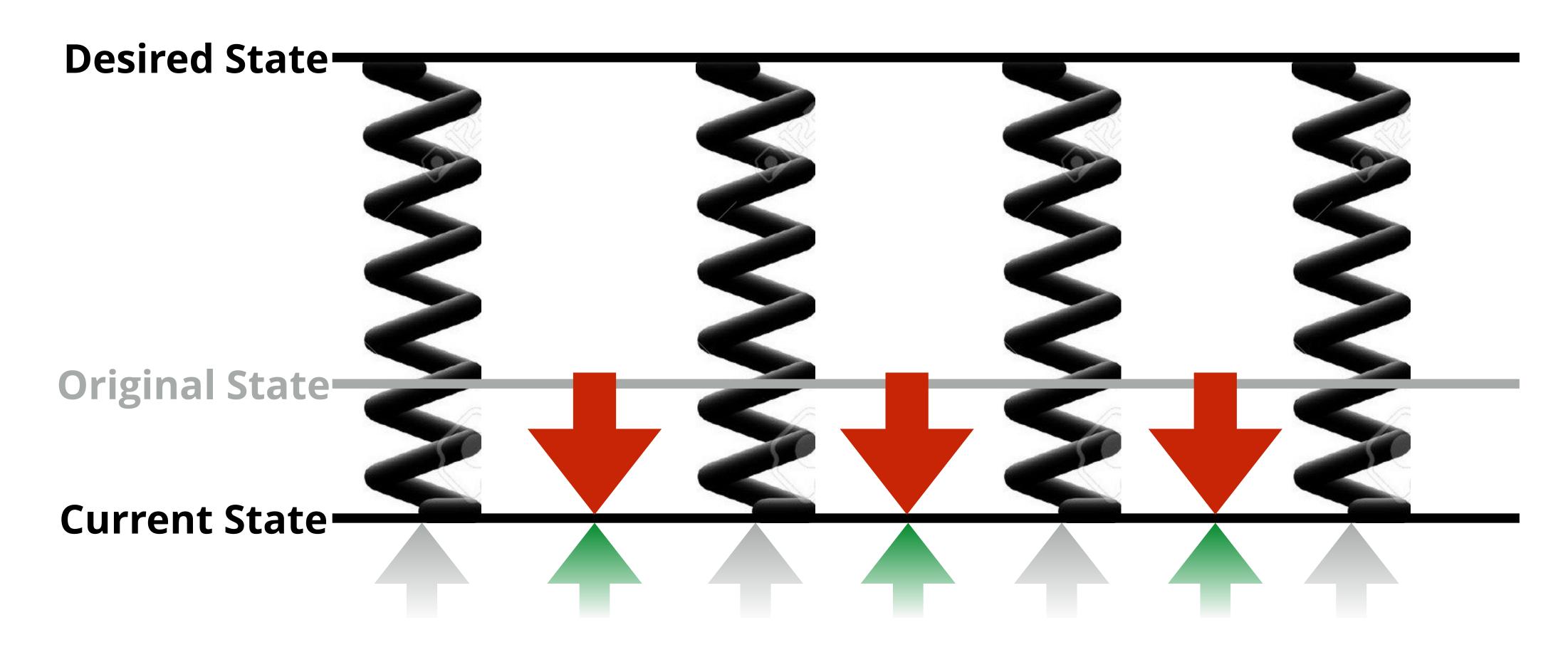


Original State

Kurt Lewin Force Field Model



## DIAGNOSTIC & PRESCRIPTIVE TOOLS ENVIRONMENTAL FERTILITY/Toxicity for Change



Kurt Lewin Force Field Model



### DIAGNOSTIC & PRESCRIPTIVE TOOLS SOLUTION EFFECTIVENESS

Effectiveness = Quality x Acceptance

"Quality" refers to the technical elegance of the solution.

"Acceptance" means just that; will people play to it?

The multiplication sign reminds us that anything times zero is zero.



# CULTURE: THE KEY TO ORGANIZATIONAL AGILITY





### A Quick Word from Our Shameless Commerce Division

### Design for Organizational Agility:

A 2-day class: June 6-7, 2017

UMn Continuing Education & Conference Center

	Super Early Bird	Early Bird	Procrastenator
Registration	Before	May	After
Period	May 15	15-31	May 31
Public Pricing	\$997	\$1,497	\$1,997
PMI Pricing	\$897	\$1,397	\$1,997
PMI Promo Codes	PMI-SEB	PMI-EB	



More information and registration at agilityIRL.com



# CLOSING RECOMMENDATIONS BE A LIGHT, NOT A JUDGE—BE A MODEL, NOT A CRITIC

**Remember Our Definition of Agility:** a product, service, process, individual, or organization is considered "agile" if it possesses these two qualities:

- It is **highly reliable**, meaning:
  - It never breaks (an object has broken if it requires manual intervention to return to normal operation), or
  - In the off-chance it does break, it is easy to diagnose and quick to repair.
- It is highly adaptive to change in ways that do not jeopardize reliability.

Organizational agility starts with individual agility.



# CLOSING RECOMMENDATIONS BE A LIGHT, NOT A JUDGE—BE A MODEL, NOT A CRITIC

#### Does work life suck?

Be a model, be a light, be an example for others, and invest in three things:

- 1. Get smarter—and hurry. Learn something new and difficult and valuable. Repeat.
- 2. Care more—and hurry. This takes guts because it means you'll have to do something.
- 3. Solve problems that matter—and hurry.

If you can invest in these three things, what happens to your leverage? Your value? Your choices?

There will always be people who can cut corners better than you, work more hours than you, and certainly work cheaper than you.

But what would happen if you became the person who is smarter, cares more, and is better at solving problems that matter?



Bedankt 训制您 Thank You Grazie Danke Merci Takk Aracias agilityIRL