

Agile Leadership in and Beyond the Scrum Team(s)

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*“Management is doing things right; leadership is doing the right things”
- Peter Drucker*

I have observed that many agile transformations and Scrum implementations fail due to the actions of managers and executives, or lack of actions. I am not claiming it is because of bad will or intentions. Often, it has to do primarily with a lack of understanding of how self-organization and leadership in an agile context either reinforce or negate each other, depending on how they are pursued.

In many organizations, agile change is expected to be limited to the team level only. I have even encountered organizations that claim that Scrum is only for the IT work and software delivery, but that the surrounding processes must not change so as to assure proper management of the work. This attitude assumes that the role of management is to glue everything together to prevent the organization from failing.

This might have been true in the industrial age. In the information age, the work's context has become so complex, with so many decisions to be made quickly, that reliance on one person to manage the work creates a bottleneck that could lead to failure. Becoming an agile organization requires changing the environment in which teams operate. Creating an agile environment requires a different approach to leadership and decision making.

What Is Self-Organization, Exactly?

Self-organization is a natural capability that all human beings master and use every day to achieve smaller and bigger goals in our personal lives. We apply it to get to work, to eat lunch, to spend holidays, and to organize our leisure time.

Let's take the example of getting to work. It takes a certain amount of time to get from point A to point B. You choose one of the available options to make the journey. If you choose a car, you need to decide which route to take. You navigate the traffic and you act accordingly. Finally, you get to point B, park the car, and go to work. You achieve this without someone looking over your shoulder all the time, giving you route instructions all the time, telling you what to mind all the time.



However, there are some conditions needed to guide your process of self-organizing:

- You need to know the goal. What are you hoping to achieve?
- You need to understand the rules. What are your limitations?
- You need to add pressure. What is the urgency to get things done?

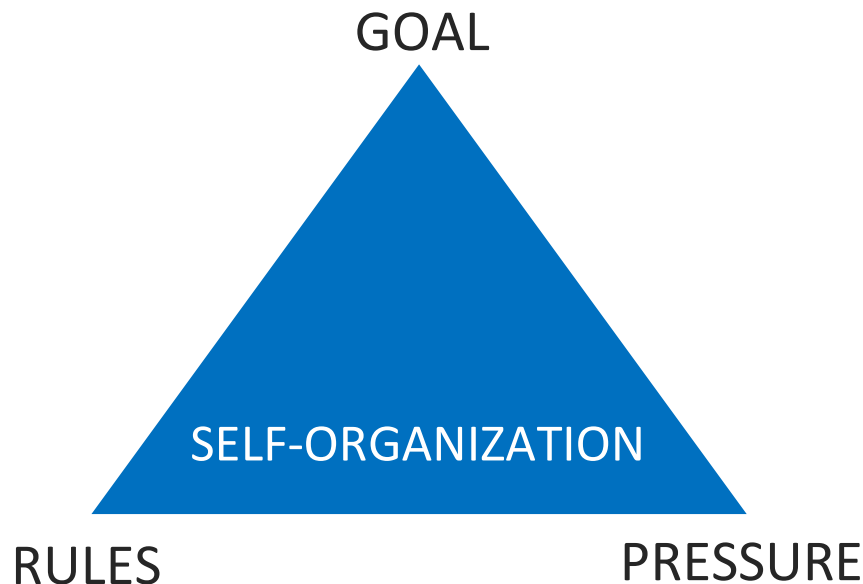


Figure 1. Triangle of self-organization

How does Scrum promote self-organization?

- Self-organization and iterative-incremental development need clear goals rather than detailed work plans. The Development Team needs to know the goals we are trying to achieve; their long-term goal is the Product Vision, while their short-term goal is the Sprint Goal.
- The Scrum Team and its surrounding organization agree to play by the rules of Scrum as described by the Scrum Guide.
- Productive pressure is introduced by time-boxing all events, and the goal of having a “Done”, releasable Increment no later than at the Sprint Review.

These 3 foundational elements will trigger the self-organizing mechanism. A Tayloristic, command-and-control approach to management is not needed. Worse, it would prevent self-organization to happen. When tasks are assigned by external powers and execution is controlled vigilantly, there is no room for self-organization. Different forms of leadership are needed to get the most from self-organization, and better cope with the complexity of today’s environments.

Let’s investigate what leadership is required when Scrum is adopted to achieve self-organization.

Leadership Within Scrum Teams

We can read in the Scrum Guide that, “The Scrum Master is a servant-leader for the Scrum Team.”¹ The Scrum Master leads the team towards a better, more advanced use of Scrum. The Scrum Master helps the Development Team by removing impediments in their way. The Scrum Master facilitates the Scrum events to engage everyone in a fruitful collaboration and supports the Product Owner in exploring strategies and tactics to maximize the value delivered. They lead the organization on its distinct path of becoming more Agile and lead the organization to deliver more value in a complex world by making sure that Scrum is understood and enacted. The Scrum Master challenges the status quo, at the team and at the organizational level, and helps to build an Agile environment where Scrum Teams can thrive.

The Product Owner leads the Scrum Team towards delivering value to the stakeholders and to the market and leads the Development Team through purpose and a clear product vision. The Product Owner serves the stakeholders by building strong relationships with them and showing ownership. The Product Owner is a servant leader too, for the team and for the stakeholders.

Members of the Development Team lead via craftsmanship, great development practices, and frequent delivery of product versions. They challenge the availability and value of existing tools, infrastructure, and ways of working. They challenge themselves in identifying and enacting improvements, at the product, development, and team level. Any team member can lead the way toward new solutions and resolving conflicts by making decisions or running experiments.

Leadership Beyond Scrum Teams

In most organizations, the mandate for agile transformation comes from executives. Since Scrum is the most widely adopted agile approach, most agile transformations start with introducing teams to Scrum.

In the previous section, we established leadership within Scrum Teams. Since an organization’s management and executive team are not part of the Scrum Team, what does the adoption of Scrum change for them, if anything? As Scrum thrives upon self-organization, and a traditional command-and-control management approach tends to suffocate self-organization, what is the way forward for them?

The Scrum framework implements an empirical process, which means regularly inspecting the state of work, and adapting both the outputs and processes based on feedback to improve the results the work achieves. This ‘inspect and adapt’ loop used by Scrum requires a high level of transparency: without frequent and accurate information, teams cannot improve their results.

Transparency requires high levels of both courage and trust, within Scrum Teams, across Scrum Teams, and between Scrum Teams and management. The Scrum Values of commitment, focus, openness, respect, and courage provide a compass showing the way for the organization to establish a safe environment in which transparency and trust can exist and thrive. Looking at the Scrum Values

¹ Schwaber, K., & Sutherland, J. (2017, November). The Scrum Guide™. Retrieved from <https://scrumguides.org/scrum-guide.html#team-sm>.



helps management and leadership evolve towards a servant-leader style of management, focused on managing an environment in which people can self-organize rather than a culture of telling people what to do.

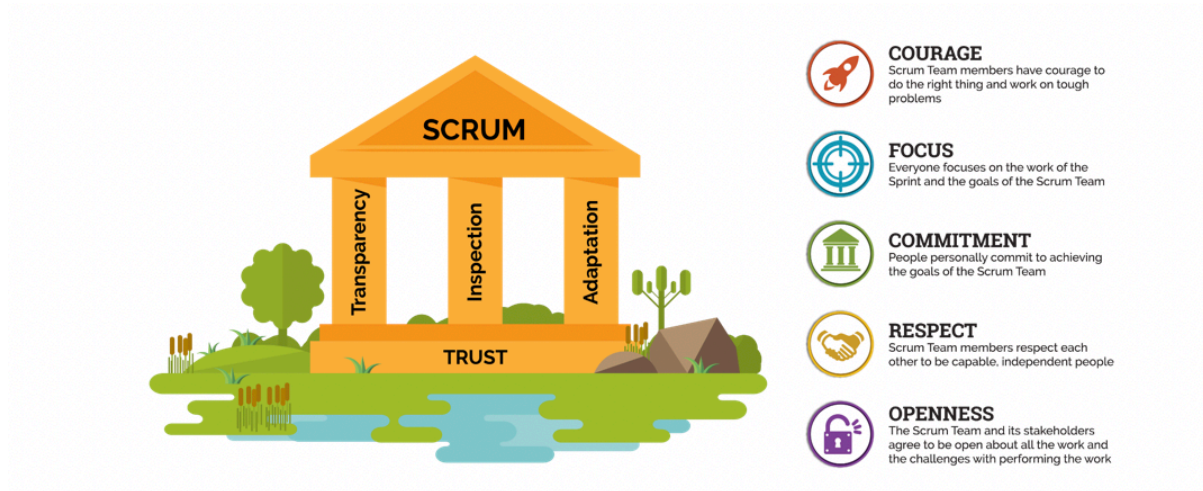


Figure 2. Scrum needs environment to thrive

Most organizations typically have at least one, and likely several, management layers between the executive team and the Scrum Teams. Introducing Scrum, with its emphasis on self-organization, will impact each of those layers. Considering and shaping the impact of the change on those managers who will be affected by the change reduces miscommunication and resistance. When the effect on middle management layers is ignored, Scrum Teams can feel misguided, and may even come to believe that executives are either incompetent or have ill will.

A lack of clarity might exist over the matter of who is responsible for making the change happen. Is it the executives from their organizational helicopter view? Is it the Scrum Teams without a mandate to make operational decisions? Is it external consultants with limited knowledge about your company? The leadership team should at least be heavily involved. They have the knowledge, power, mandate, and political influence to make the change happen while eliminating important impediments to the Agile Transformation. Their involvement is the key element that is missing in many, if not most, Agile Transformations.

Servant-Leadership

Robert Greenleaf coined the term “servant-leadership” in 1970 in his paper, “The Servant as Leader”².

Some people may think that having self-organizing teams means that teams do whatever they want and managers having nothing to do anymore. Since self-organization is triggered by purpose (goals), rules, boundaries, and pressure, servant-leader managers still have a role to play in setting and

² Greenleaf, R. K. (2008). *The Servant as Leader*. Robert K. Greenleaf Center.

adapting those elements as needed. Sometimes, the move to self-organizing teams means that managers are even busier than before. When teams self-organize, servant-leadership frees managers to focus on establishing guiding strategic and business goals around which teams can self-organize.

The degree to which this shift takes place depends on the manager's mindset: if a manager cares mostly about power, appreciation, and prestige, they will struggle to relinquish control, which will inhibit the ability of their teams to self-organize. Conversely, if the manager cares about people, their development, and the product they create, and dedicates themselves to providing what the teams need for them to get things done, then servant-leadership can feel like a natural choice and the manager's teams will thrive.

Servant-leadership can challenge traditional managers who view their role as maintaining and protecting procedures and standards, assigning work that needs to be executed, and subsequently controlling whether that work is done according to their instructions and expectations. Managers who rely on formal authority struggle to embrace servant-leadership, which relies on informal, natural authority rather than formal authority. Servant-leadership focuses on providing goals that reinforce a strategic vision, and then supports the people doing the work so that they can be successful.

Traditional management is task and execution oriented, while servant-leadership is people and outcome oriented. That way, performance of the manager can be easily measured. KPIs and incentives can be easily set in place to manage the performance.

It is more difficult to formally measure and validate a leader, and the impact and results, than it is for a manager who can fall back on procedures and structures. It is much harder to set KPIs or OKRs (or any kind of objectives) on a leader and assign a bonus or incentive to that.

I find it helpful to think about servant-leadership in terms of the relationship of a soccer team and its coach. The coach is not on the field actively taking part in the match but stands outside the field lines and gives advice. How do you know if the coach is a good one? The good coach's team wins matches.

Servant-leadership is about serving others, caring for people, promoting sense of community, and making decisions together. The servant-leader inspires others, leads without using direct power nor position, and influences individuals.

How to Grow Servant-Leadership in Organizations

While a manager's stance, beliefs, and behavior all have a significant effect on the success of the ability of their teams to self-organize, they cannot, alone, overcome the effects of the organization's culture on the team. People behave according to the culture in which they are immersed, often unknowingly and subconsciously, and that culture will either encourage or inhibit the ability of the team to self-organize.

An organization's culture defines appropriate behaviors and establishes boundaries between how people in the organization judge between right and wrong, between what they find acceptable or what they do not. This culture has very little to do with the official corporate communication nor with posters that hang on the office walls. It is intangible and manifests itself in how people in the organization act, often unconsciously, including leaders. Interaction with a leader or manager creates

the experience of organizational culture for an employee. This is why there is the saying, “people don’t quit bad jobs, they quit bad leaders.”

Servant-leadership is dampened by, and can even be damaged by, hierarchical, top-down command behavior. Encouraging servant-leadership and self-organization requires gradually weaning an organization from hierarchical command behavior. This often means also shifting from a traditional, hierarchical structure to a more flat, networked, or matrixed organization.

The leaders of this new organization will need to develop new skills, traits, and attitudes. Eventually, the whole organization will need to change, but starting small and learning by doing helps the organization improve its focus by not taking on too much change at once. The best place to start is usually some customer-facing product or organization that must improve its competitiveness. From this starting point, change can ripple out naturally, to supporting departments and organizations. Put your full attention on it, remove any impediments to your envisions way of working from this starting point.

Starting small and narrowing your focus helps you to show results more quickly, while making a case to demonstrate that it can be done in your organization. In the course of showing results, you will learn how to remove impediments and improve your organization’s capabilities. From that base of experience, you can start similar initiatives in other parts of the organization. By repeating this pattern, at some point the new model will become the new status quo.

During the change, you might notice that some people will struggle to adjust to the new culture. You cannot force people to change; they will only change if they want to change. Some people will find a different, better place in the organization, some people will leave the organization, and some others will need to be let go.

This hidden cost often goes unnoticed, and it’s true for both the management and the teams. Some managers will prefer to keep power and can become a serious hindrance to introducing servant-leadership. Some people will still prefer to be assigned to a task and be told what to do and how and put serious limits on the introduction of self-organization. Organizations must discover and deal quickly with these issues; how quickly they do is determined by the urgency of the change.

Similar to the transformation to a more Agile organization, the change to servant-leadership is a journey. Some managers say that they cannot imagine that the people in the organization will start to collaborate and self-organize after switching from hierarchy to autonomy. They might be right if we think about the change in terms of flipping the organization overnight. People used to being assigned to a task might not pick up responsibility and decide themselves right away. Delegation is also not black and white. There are multiple shades of delegation. That’s why leaders and teams need to go through a journey. Leadership is a two-way relationship, so teams will also follow a path to team maturity.

The organization can accelerate the change in leadership by providing some enablers:

- **Communicate the change and make it both official and important.** You should use the current organizational processes and culture to mandate the change. Make sure that you communicate the dissatisfaction of the current state, vision, and first steps clearly, and then repeat the communication from time to time to make it stick. You need to create the sense of

urgency so people will understand that change is inevitable. Of course, change accelerates quicker with a very real sense of urgency, i.e., when there is a new competitor taking a big chunk of your market. But seeing the danger of it ahead of time and creating the sense of urgency around that is a much better choice.

- **Create clear roles and responsibilities model for the new organization.** Most managers will have been trained in the old way of managing and not much in the new way of leading. You will need to retrain them and provide them with new tools. Liberating Structures and Management 3.0 are a great place to start. You can build delegation boards with your teams to clarify on what delegation level each type of decision falls under.
- **Make mentoring and coaching part of your organization's daily routine.** Strive to enable many role models throughout the organization, at all levels. Remember that the one who sponsors the change should be a servant-leader to managers going through the change and should lead by example. Therefore, support them and show them how it should be done. As with trying anything new, sometimes people can fail. Make sure they learn from mistakes and help them to recover quickly. It's a change in a complex adaptive system, so use empirical process to solve that problem. Inspect and adapt along the way, make the change transparent, and build feedback loops into the process. Involve the leaders in the process and make decisions together within the defined boundaries.
- **Use executive authority to protect the change.** Show zero tolerance to artificial constraints and anything that threatens to sabotage the change. Sometimes one manifestation of power in the right moment can clearly show that this time that change is for real and it's not another smoke and mirrors change for the sake of politics or public relations. When in doubt, ask the team how you can support them.

Summary

Scrum is a foundation and a tool to achieve business agility. Scrum Teams need the right environment to be successful. Leaders have the responsibility to create and sustain that environment. Changing the whole organization overnight is not an option. Start small and create reference organizational model which you can spread through the organization. Switching from old style management to leadership is a journey both for the manager and the team. With the right environment, you can enable more productivity, more innovation, and intrinsic motivation.