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Why transformations fail and what then?

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Gosei



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Ari Tikka

- 20 + years in software business
- Agile Adoptions
- Organizational development
- Management coaching
- Customers in Telecom, Medical, Game, Heavy metal, Financial, Sales&Marketing, Public sector
- LeSS coaching company
- www.gosei.fi



Management control mechanisms by William G. Ouchi

Inventor of motivation Theory Z,
a teamwork addition to well know Theory X and Y
Influenced by Japanese management style

Thoroughly explained at:

<http://gosei.fi/blog/scaling-agility-or-bureaucracy/>



Observed Control Systems in Organizations

Market system

Measure Input (€) and Output (€).
Contractual between parties. Exact contract!

Bureaucratic system

Written rules and processes.
E.g. Employment agreement and supervision.

Clan system

Informal value based rules that allow innovation and collaboration.
For **unique, interdependent or ambiguous** task, this is only possibility. E.g. SW Development.

Three Layers in large Organizations

Economical reality

Business (top) management
Market control

Reward power

Middle management
Bureaucratic control

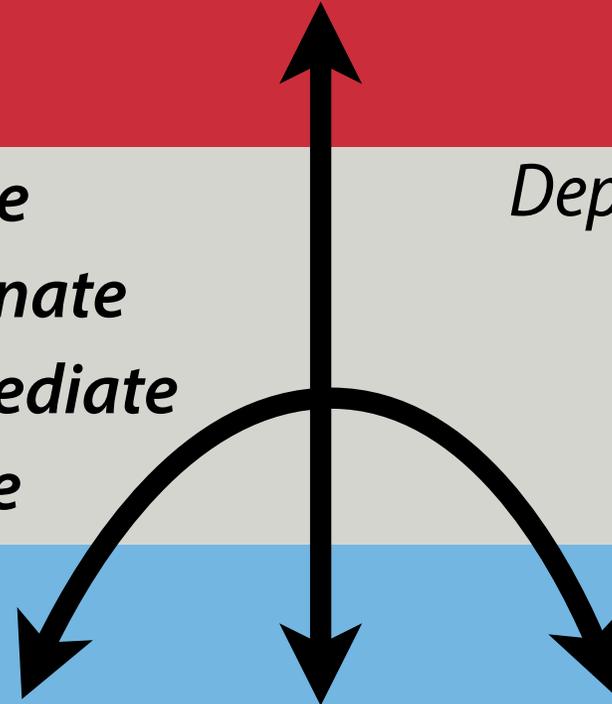
Analyze
Coordinate
Intermediate
Execute

Dependent power
->Politics

Internal reality

Front-end workers
Clan control

Expert power



Technical reality

Do you have bureaucracy?

Gary Hamel: "Humanocracy"

- There is hierarchy
- Power is vested in position
- Authority trickles down
- Big leaders appoint small leaders
- Strategies and budgets are set at top
- Job roles are tightly defined
- Central staff groups make policy and ensure compliance
- Control is achieved through oversight, rules and sanctions
- Everyone competes for promotion
- Compensation correlates with rank

Coordinationchaos.com

The organization has become too complex to be coordinated.



Coordination chaos & bureaucracy

Executive management

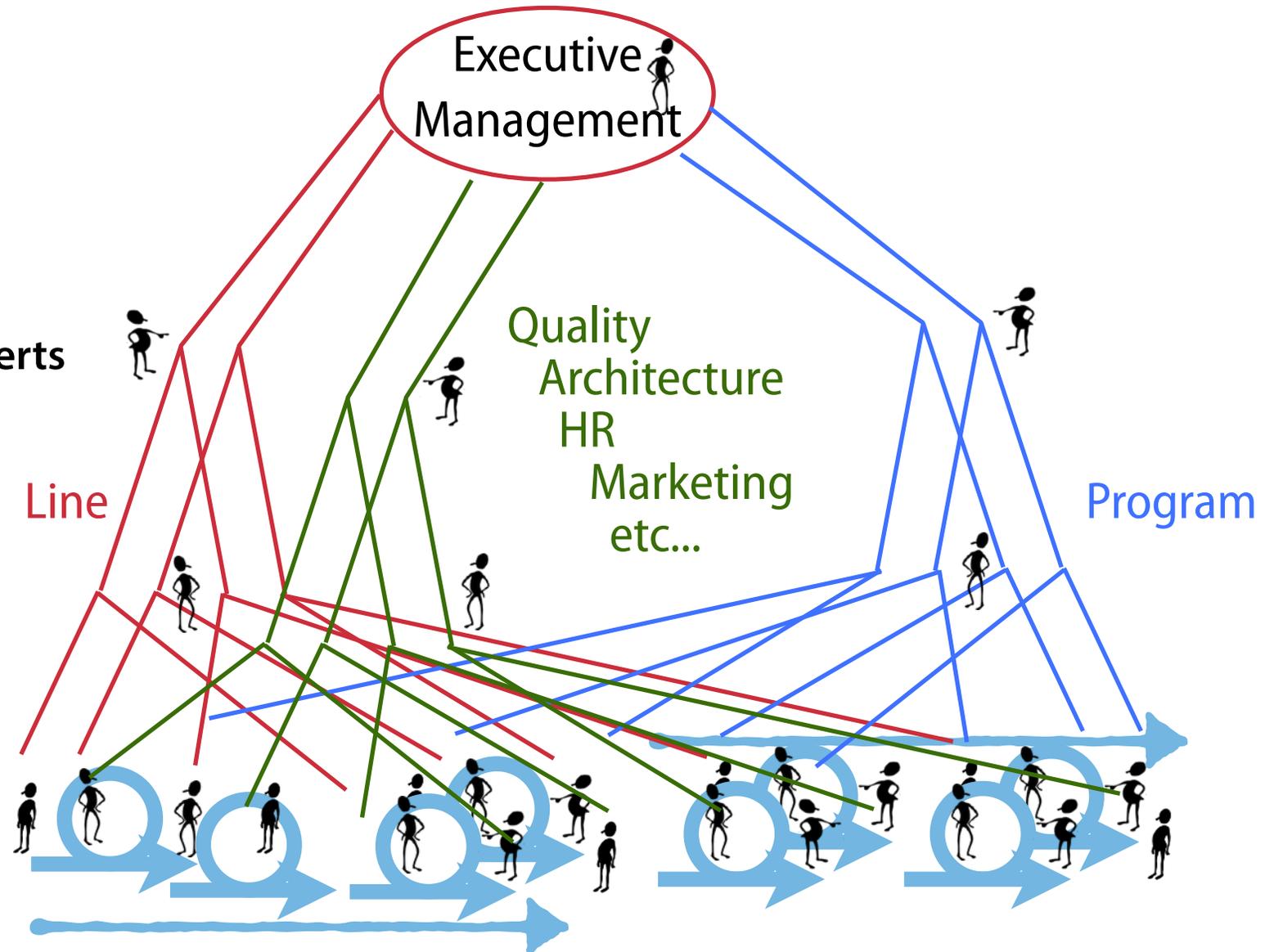
- Managing big problems
- No transparency
- Limited leverage

Coordinators, managers, experts

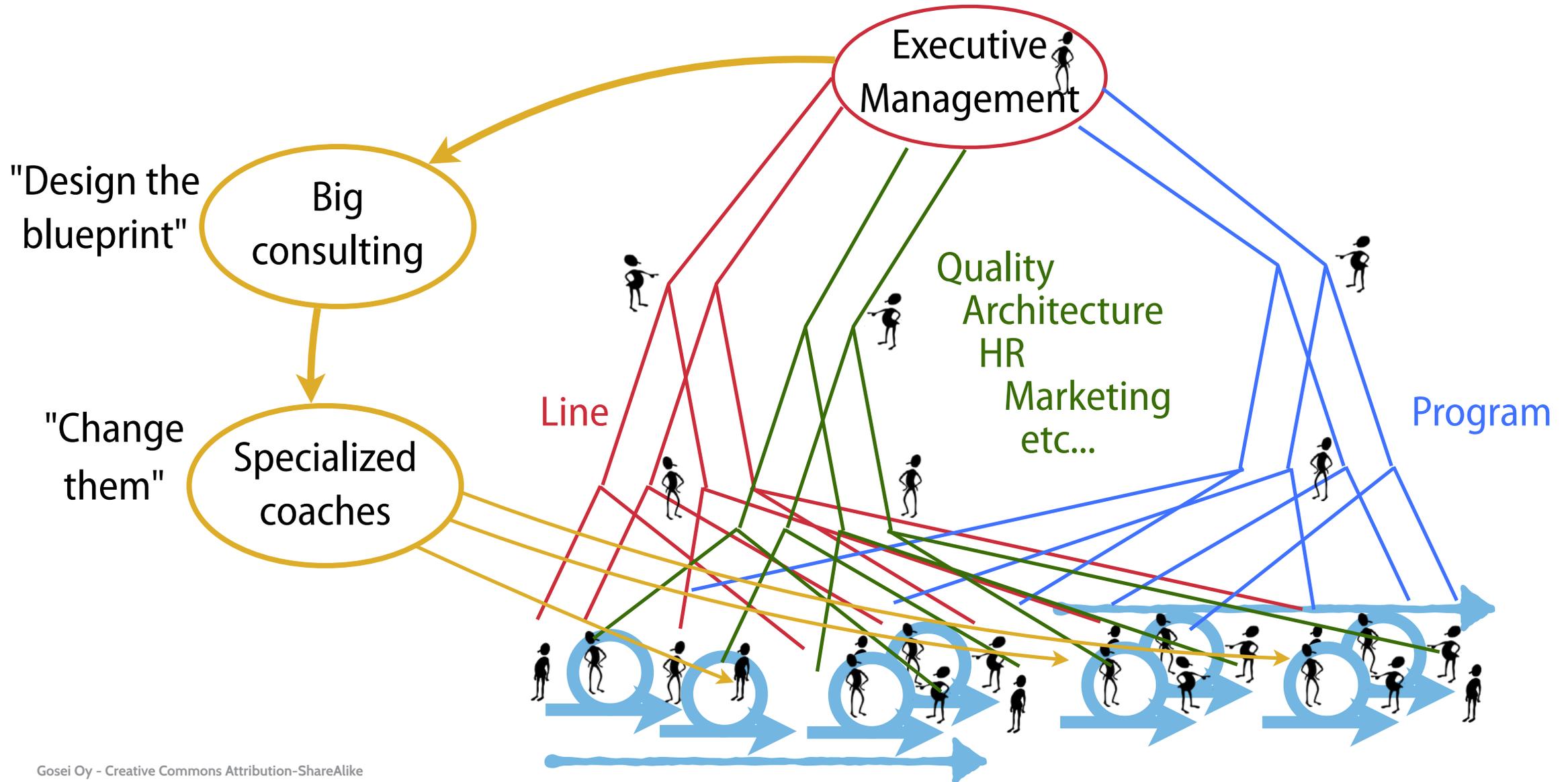
- Silos
- Managing problems
- Overwhelmed by detail
- Constrained by dependencies and rules

Teams, front-line workers

- Work does not work
- Execute given tasks
- Enormous mass of local detail



Change according to the culture



Please share experiences
in small groups.

What do we need?

We need

A path

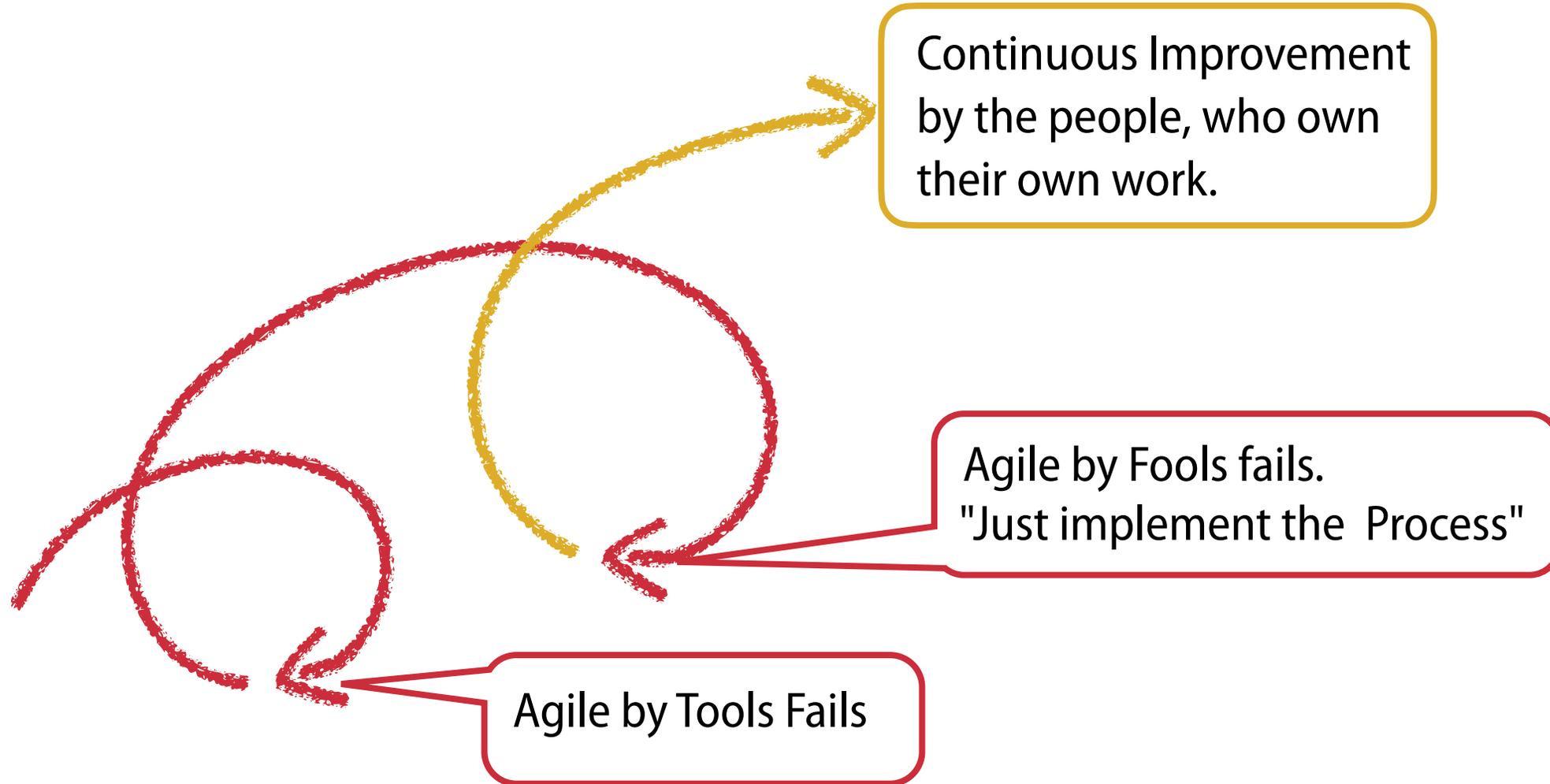
to the solution that

- The executives can decide and trust
- Works as a system
- Improves the teams' work

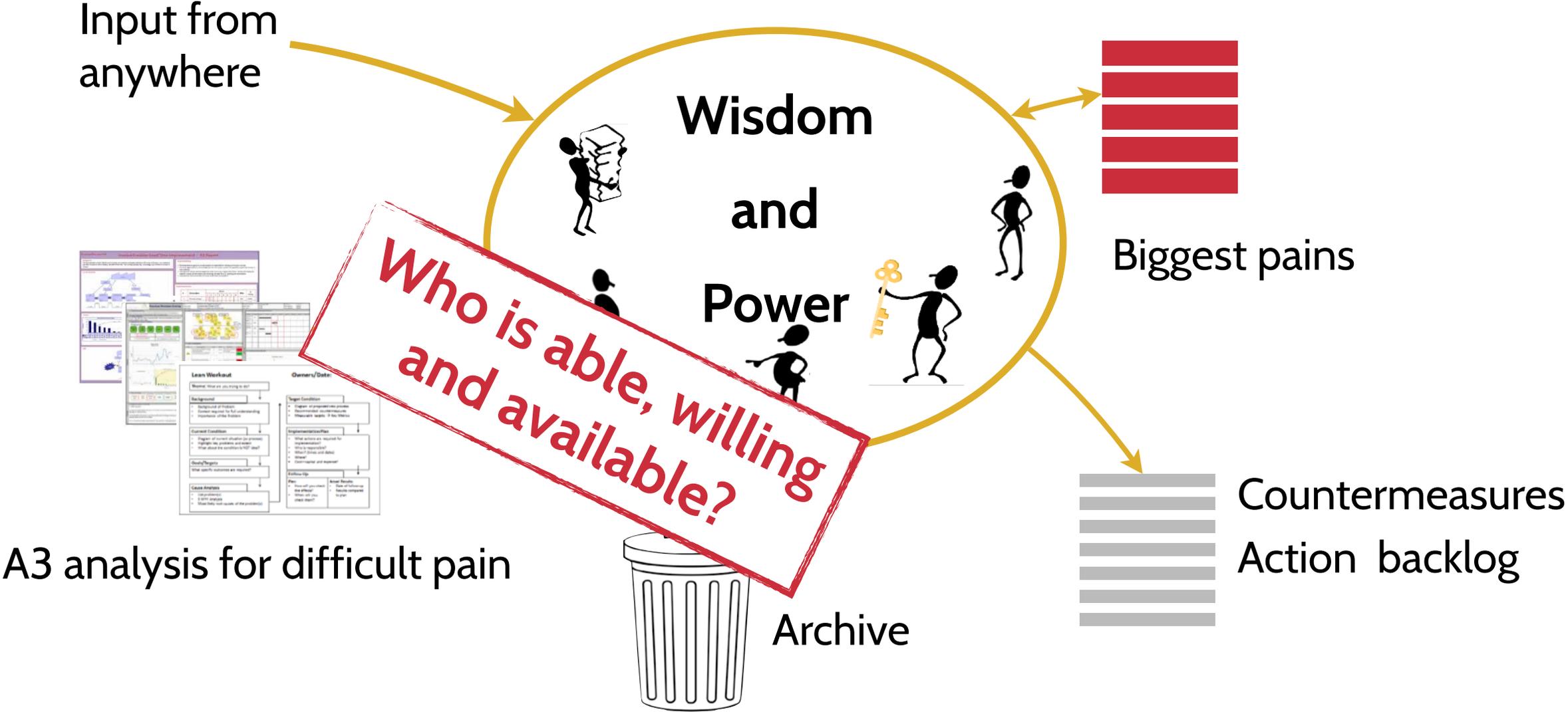
Who?

How?

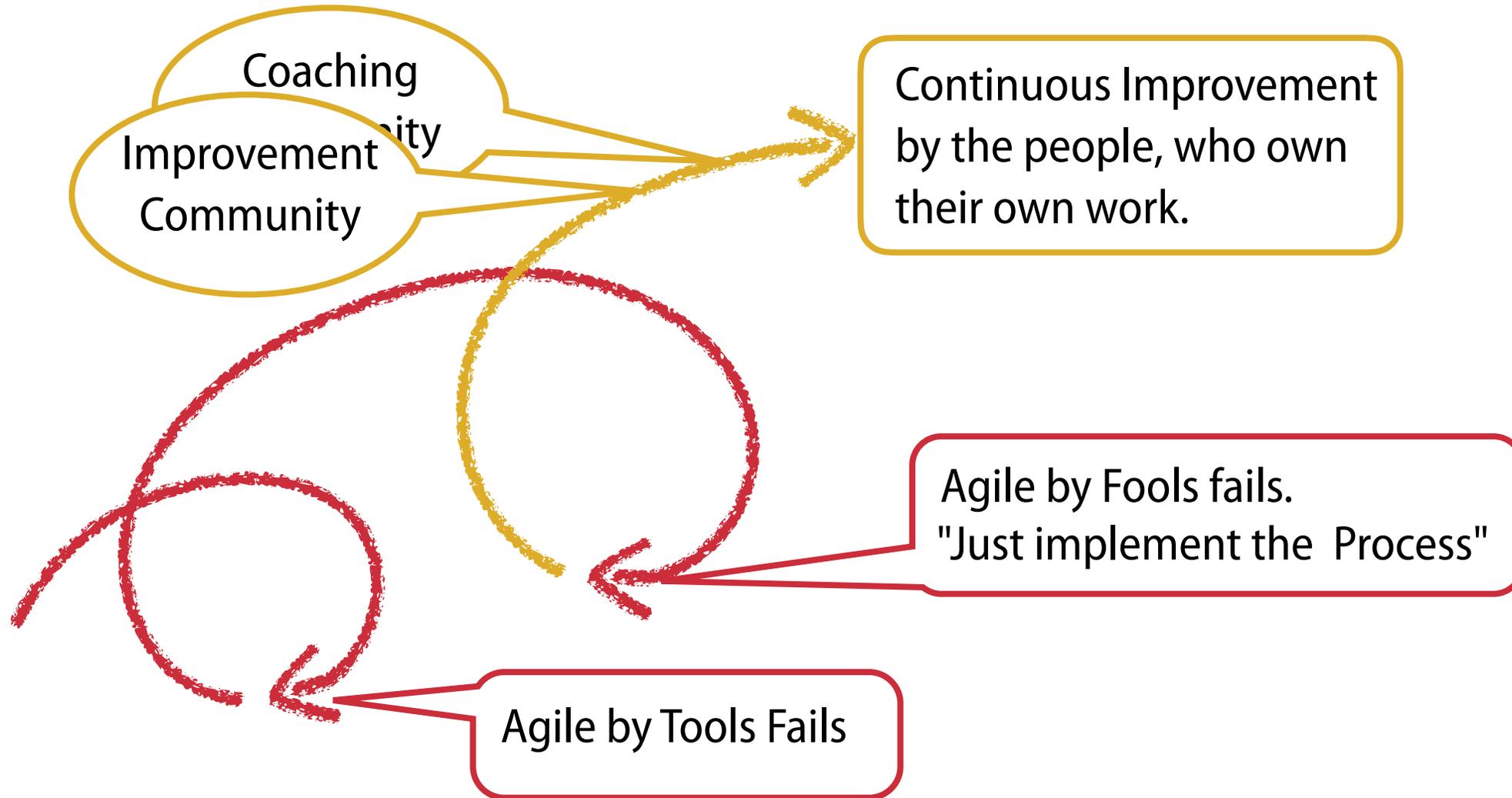
Adoption patterns



Improving the system



Competent capacity



Change by the coaching network

Better than ever analysis

+

competent coaching capacity

= Continuous Improvement

Resulting in:

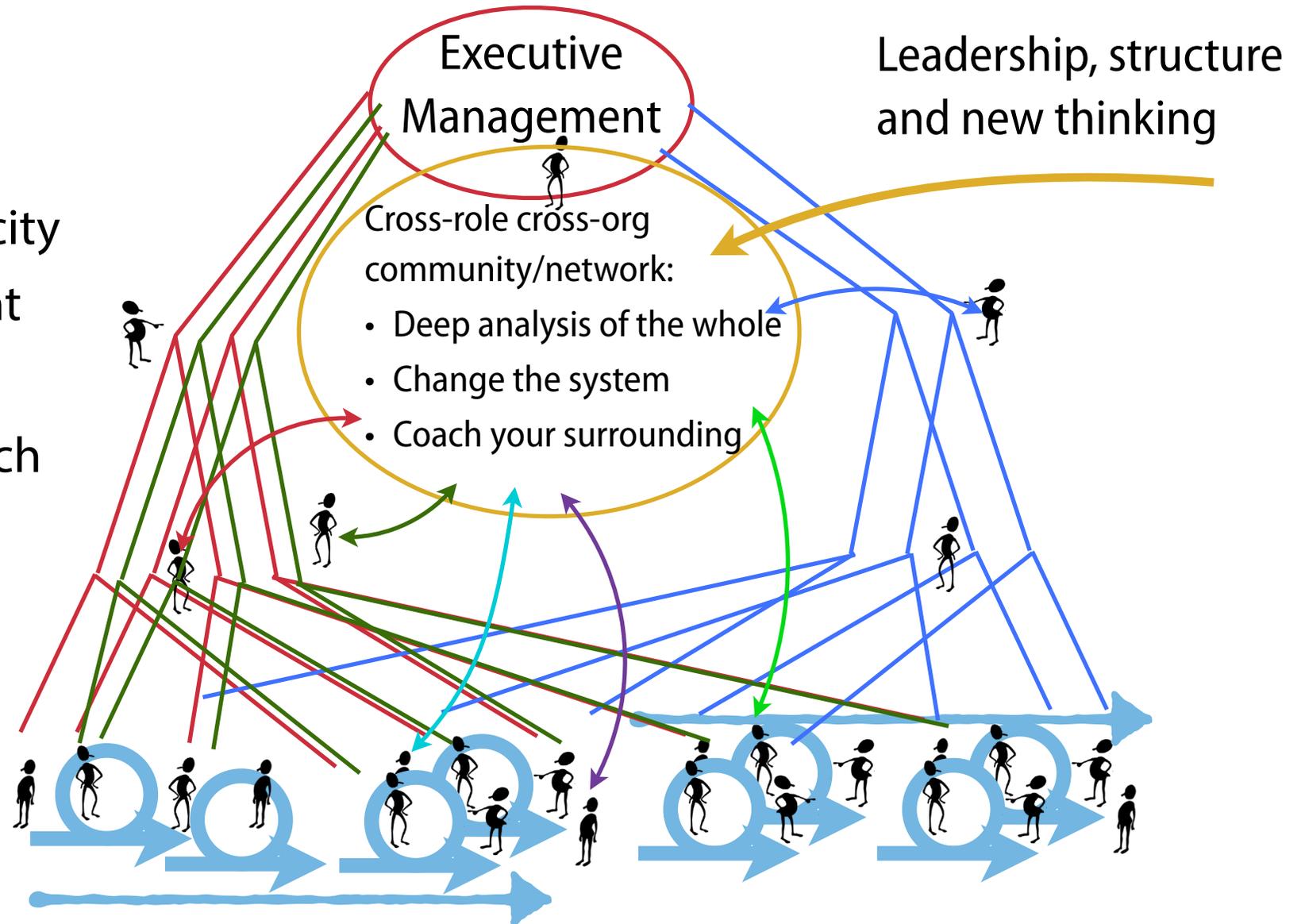
-> Build our (Agile) approach

-> New leadership culture

-> Teamwork

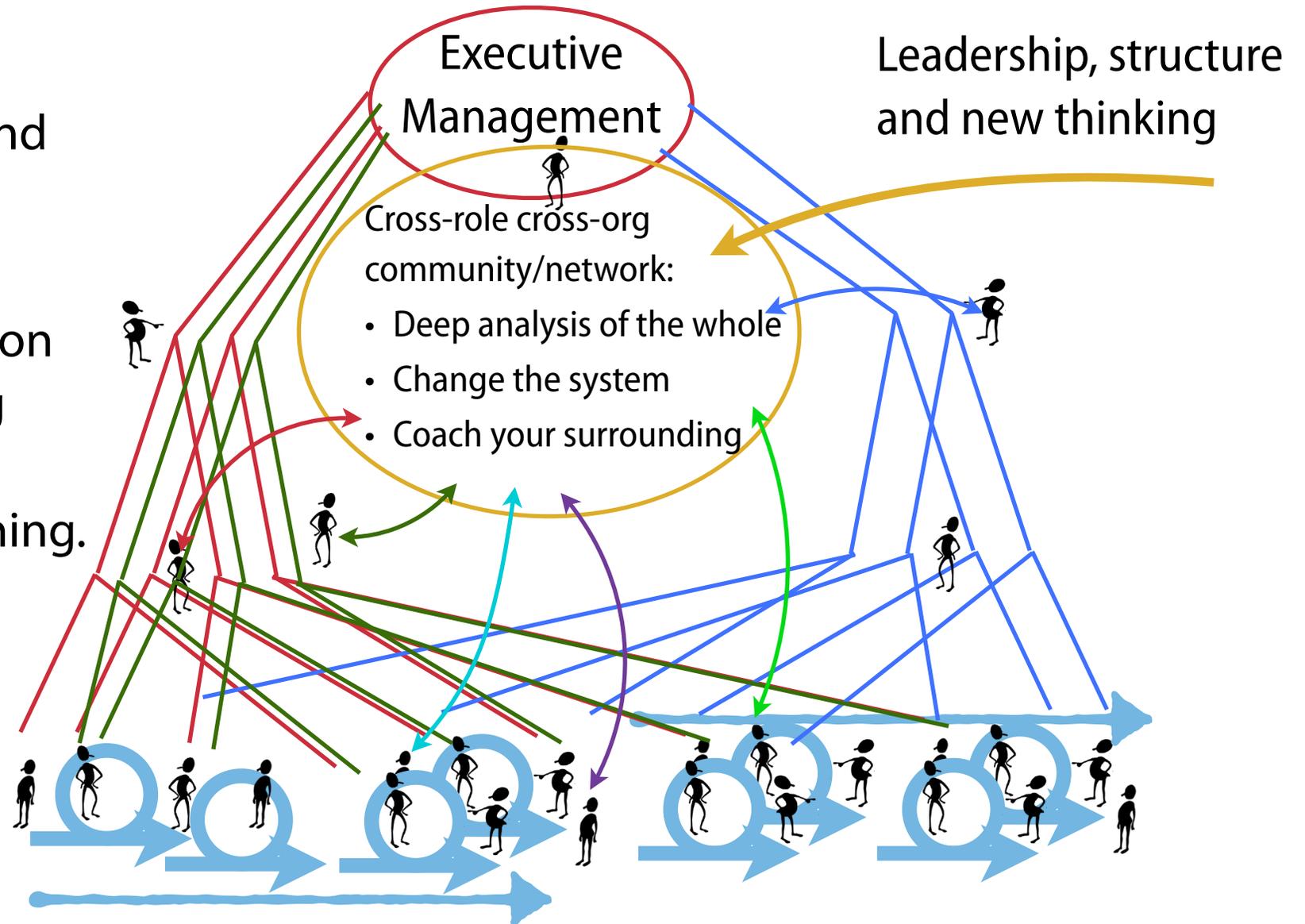
-> Talent management

-> Productivity,
sustainability, ...



Change by the coaching network

- 1-2% full time internal and external highly skilled coaches.
- Min 10% of the population initiated to the coaching community by ~4 days team development/training.
- Core team, contributors, participants, followers.



Better than ever analysis of how we really work.

Or the executives ask somewhere else...



A training program provides skills and experience of teamwork, building personal investment into continuous improvement, unlike habitual workshops and meetings, where busyness leads to superficial results.

Learning to Learn - training example

Day 1 Working with individuals

- Sponsor assignment
- Coaching dialogue
- Feedback & Nonviolent Communication

Day 2 Leading organizations

- Culture, Complexity, Power
- Analyze our organization
- Organizational (anti)patterns
- Applied Agile topics

Day 3 Teamwork

- The conditions for teamwork
- Group dynamics in teams
- Conflict resolution
- Applied Agile topics

Day 4 Continuous Improvement workshop

- A3 improvement topics
- Applied Agile topics

- Thinking homework between modules
- **Shared goal** to find better ways of working in practice
- Interview stakeholders for A3 improvement plans
- 1+1+1+1+1 or 2+2+1 days

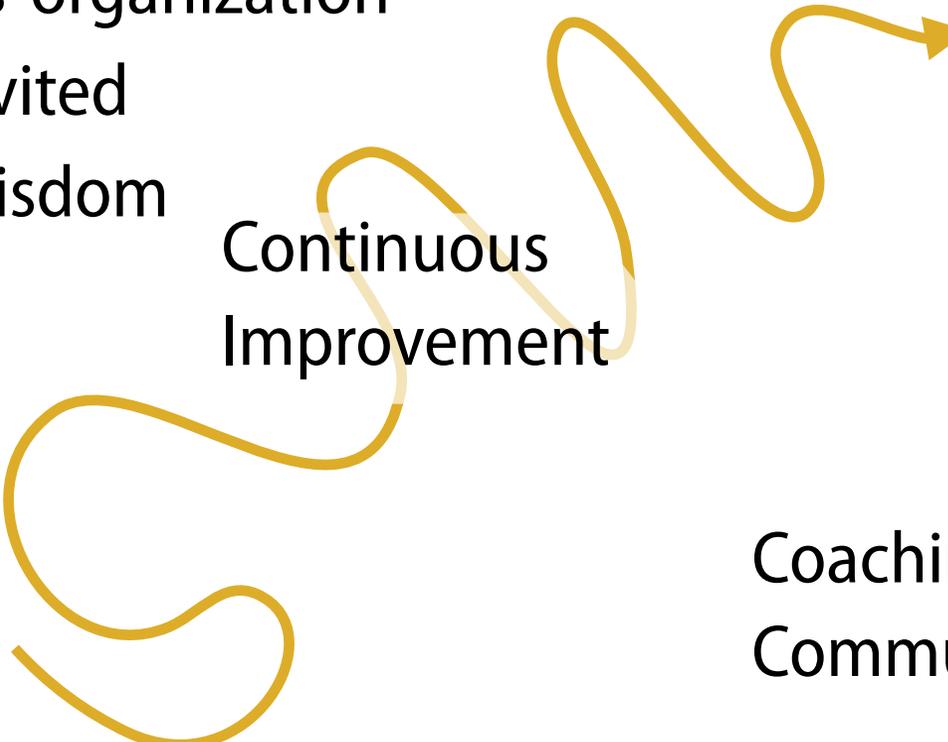
Day 5 Celebrate (1/2 day)

- Finalize improvement plans
- Present improvements
- Reflect learnings
- Diplomas and bubbles

Takeaways

- Greed to learn, knowledge creation
- Cross-role Cross-organization
- Everybody is invited
- Best external wisdom

Continuous
Improvement



Overspecialization
Fragmentation

Resilience

Teamwork

New structures

New culture

Coaching

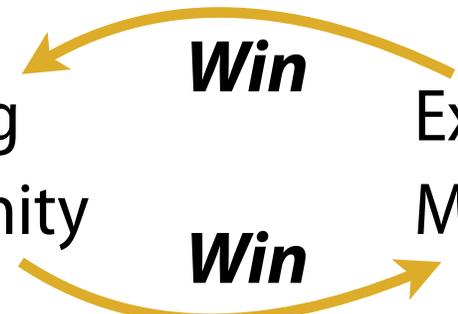
Community

Executive

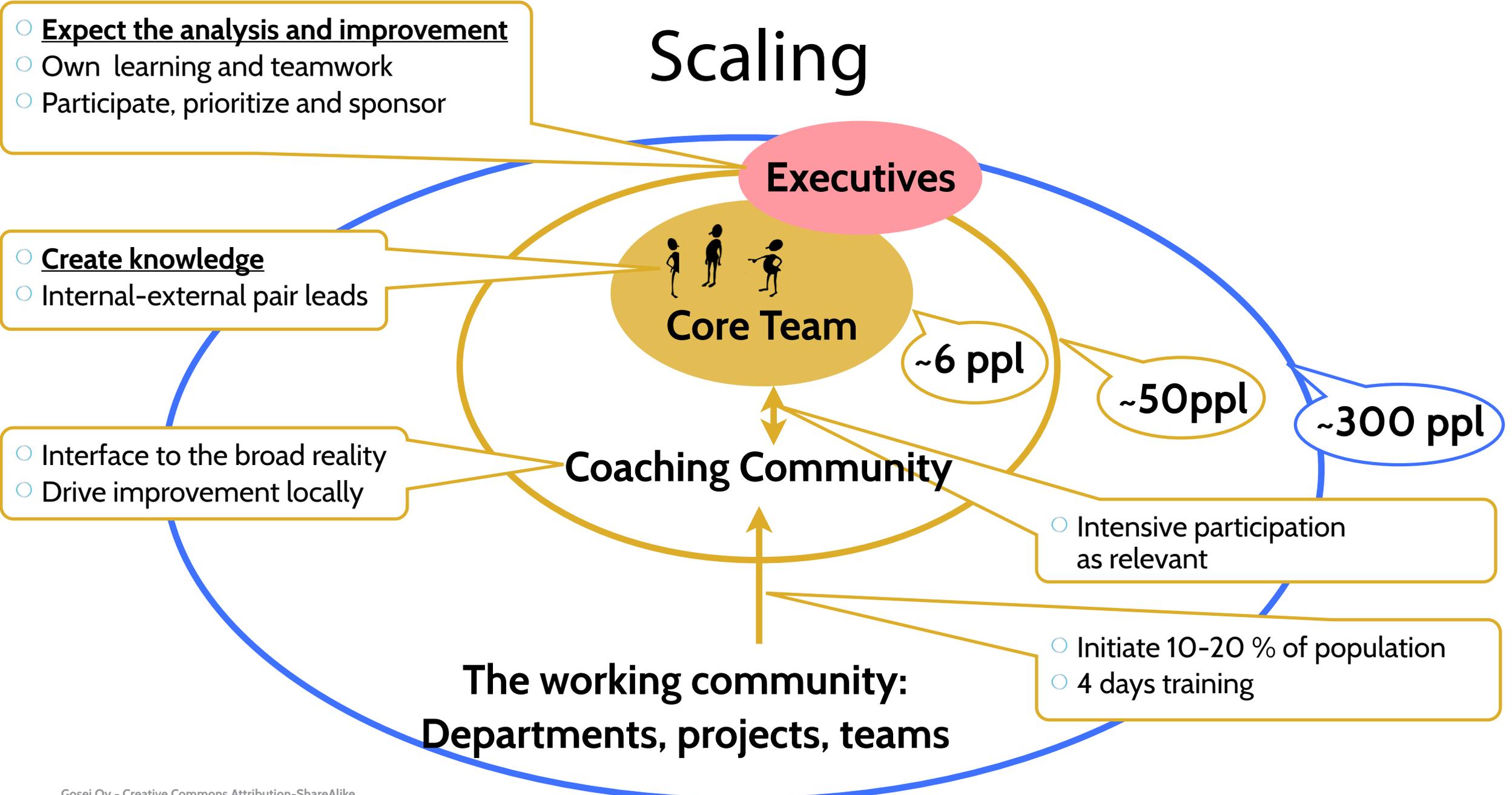
Management

Win

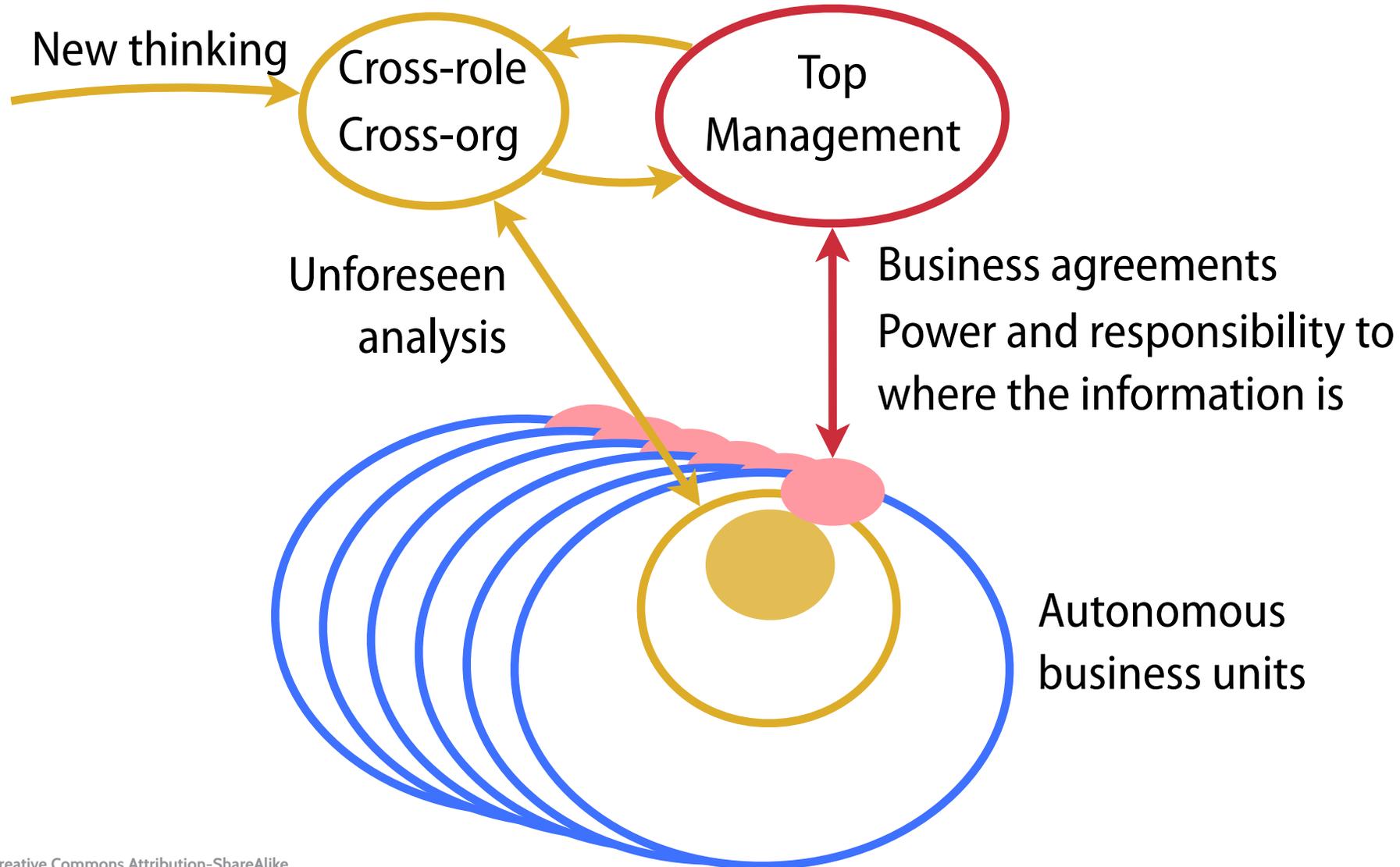
Win



Scaling



How about 6000 people?



Failure patterns

Delegate to management consultants

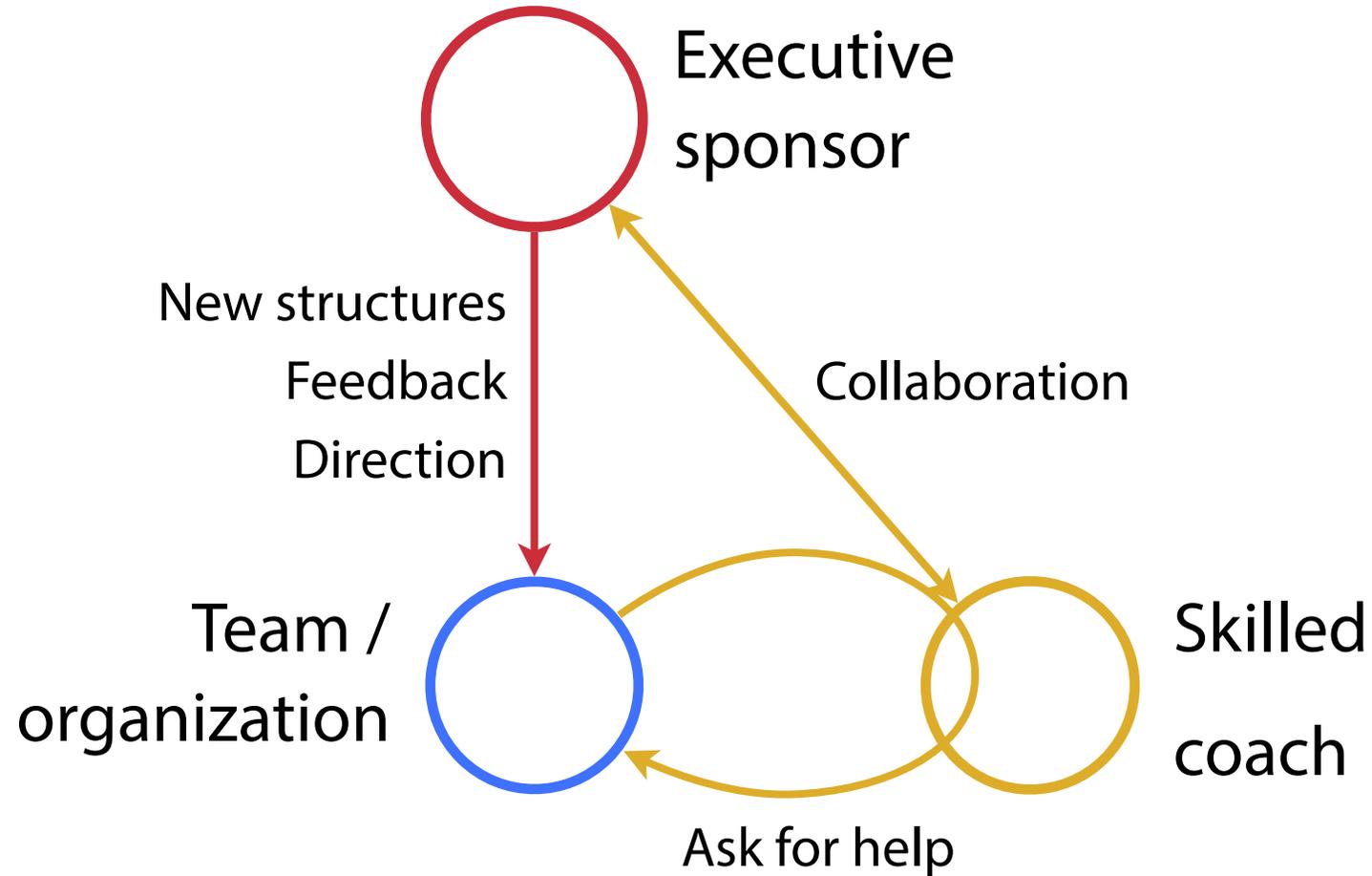
John Kotter at <https://digitaltransformation.net/en/interview/a-conversation-with-dr-john-kotter-about-change-leadership-in-a-fast-moving-world/>

Ok, let's say that you were the CEO of a newspaper.

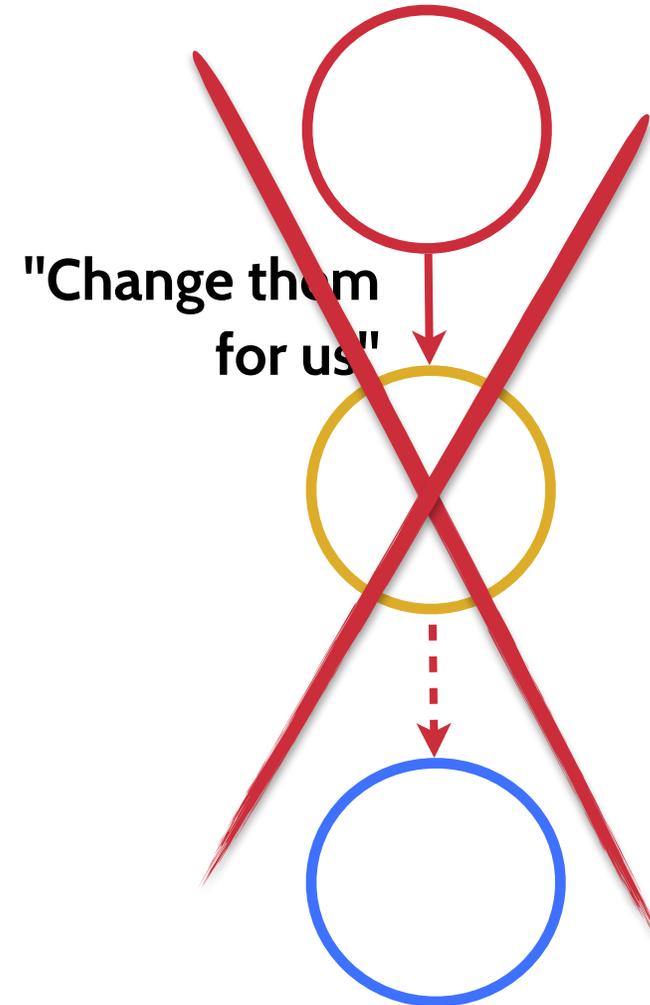
What would you have done when you saw the change coming?

Kotter: I know what I wouldn't have done, and that is outsourcing the problem to McKinsey or another big consulting company, pay a huge amount of money and have them find a solution. 200 PowerPoint slides created by a bunch of newly graduated consultants rarely work, even if the consultants are incredibly smart, as they almost always are. They might come up with some good ideas but how do you then implement them? The research results are clear – it doesn't work. The solutions must come from within the organization.

The role of the coach



Coaching bubble



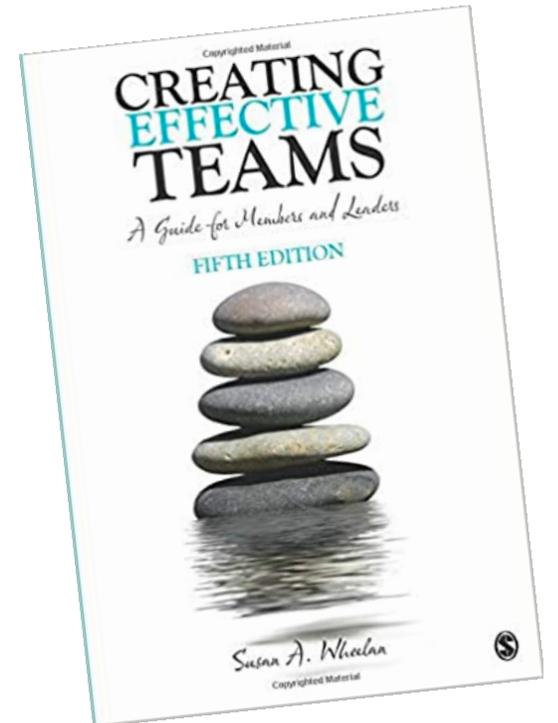
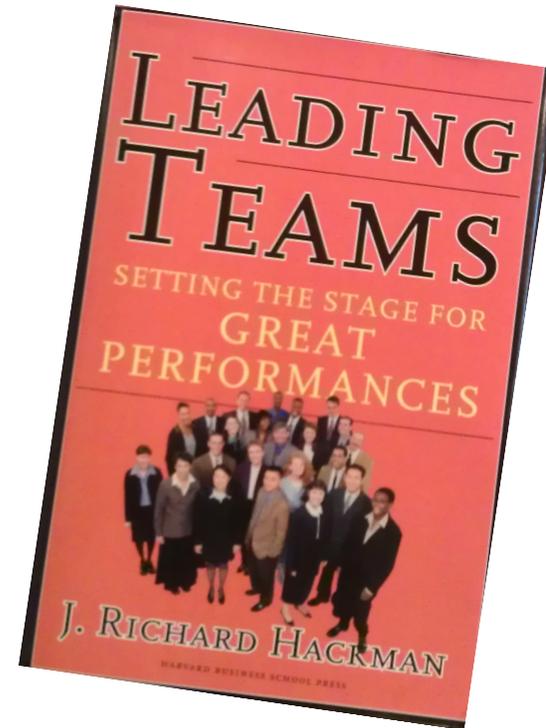
**Well working community
or
"Implement the Blueprint"**

Team development in 30 seconds

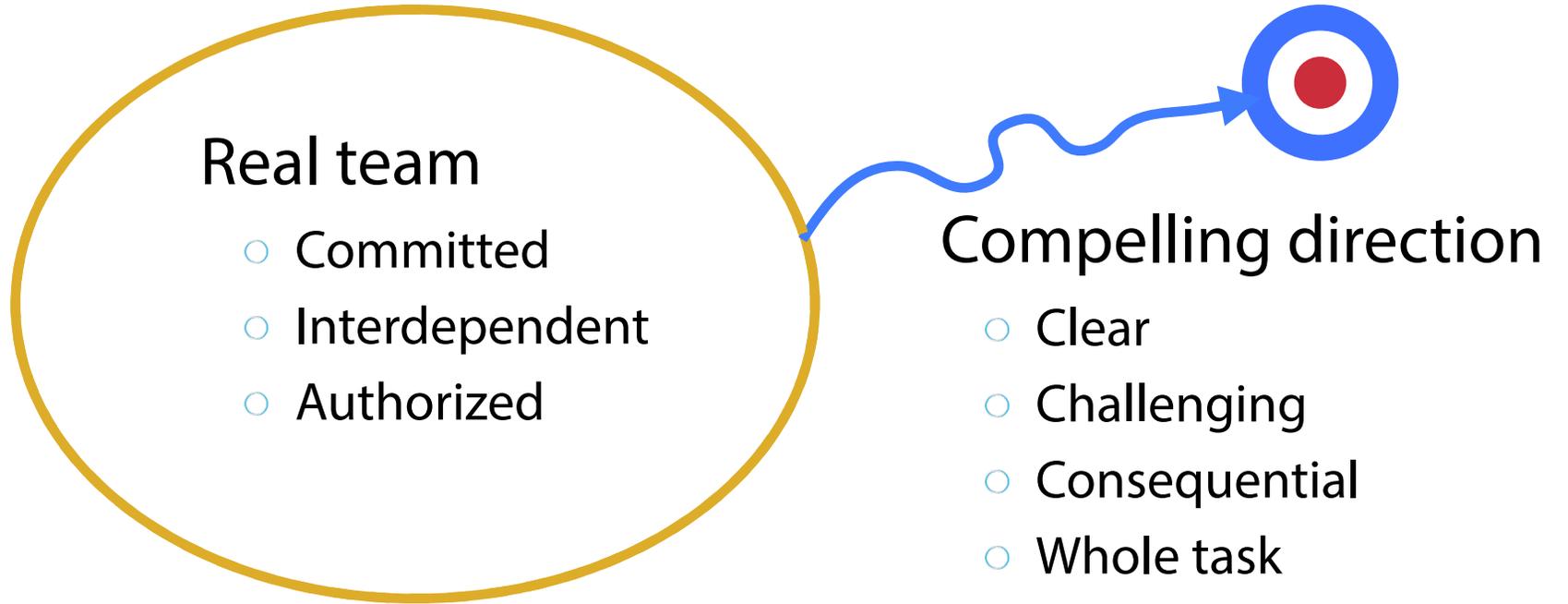
Enabling structure



Compelling direction

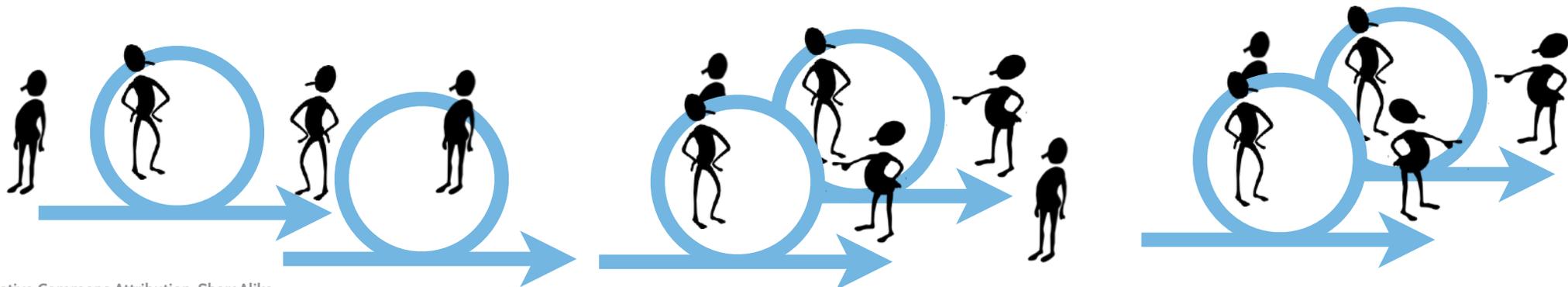


Necessary conditions for great collaboration



Enabling structures

- Executive sponsoring
- Listening to people
- The 10-20 %

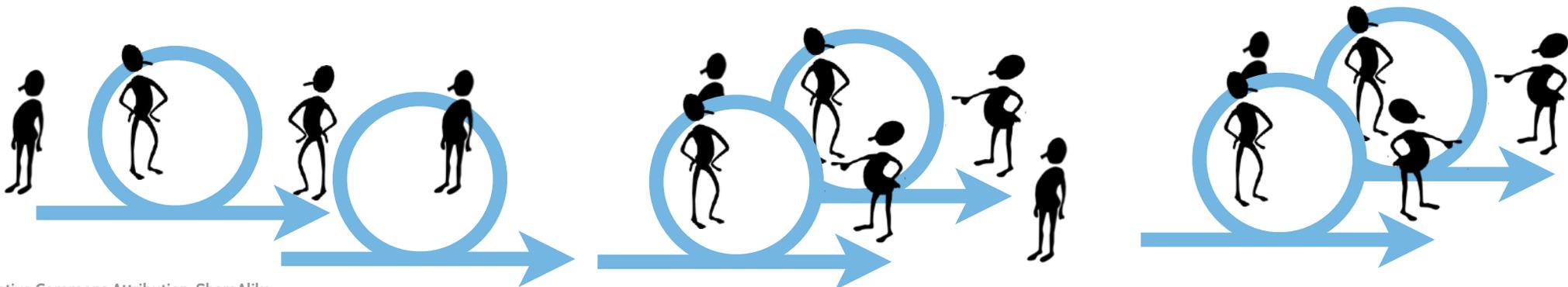


Failing the necessary conditions



Enabling structures

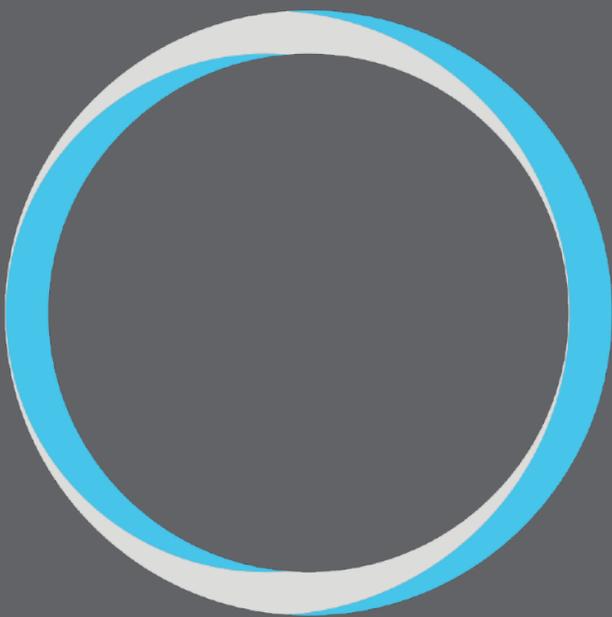
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Cowboy coaches







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