Parallel Organisation

Hello!

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Disclaimer

All presented opinions are personal opinions of Konstantin and do not express the views or opinions of his current or former employer.

What exactly does *Parallel Organisation* mean?

LeSS Guide of Parallel Organization - Misunderstood

In the third **LeSS Book** (p. 74), there is a **Guide of Parallel Organizations**. It means that: *"...you keep your existing organization as it is and gradually build the new organization next to it, starting with a few feature teams or one Requirement Area...". Your parallel organization will become a blueprint for a bigger, future organization.*

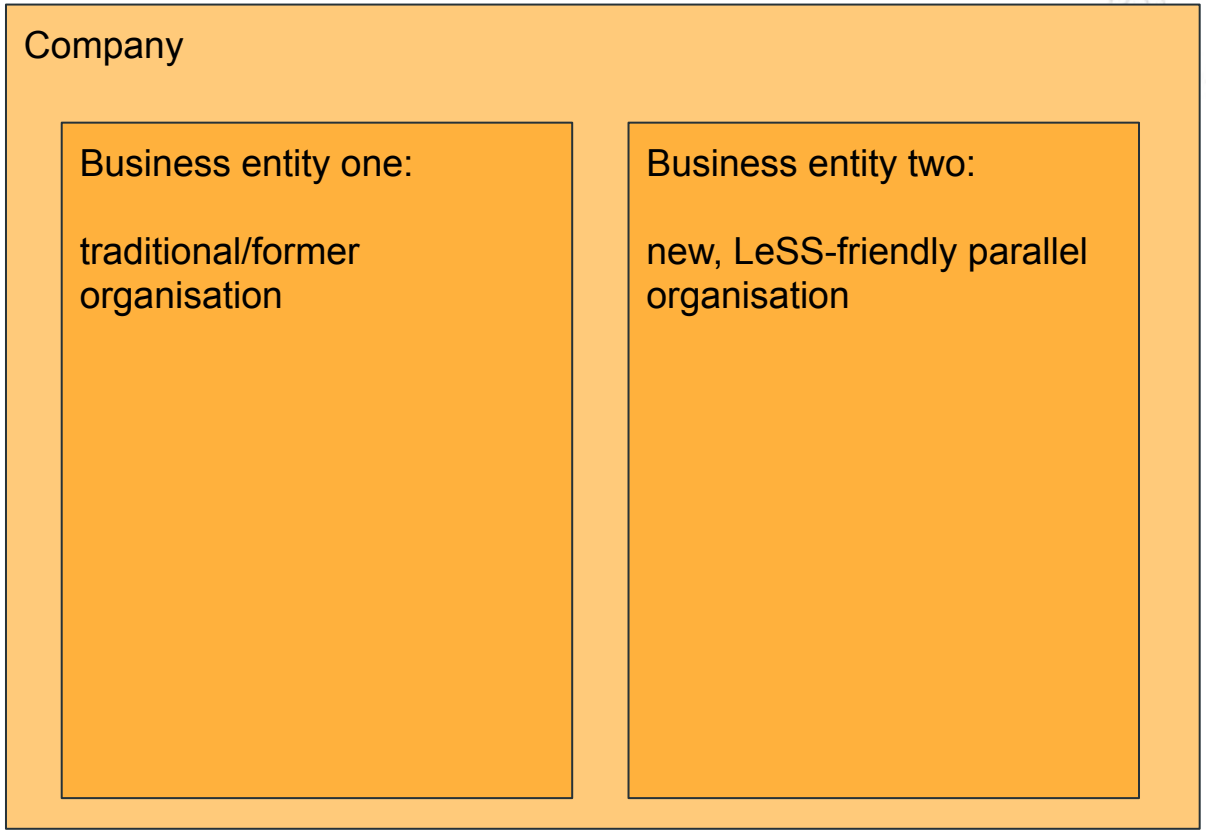
Please, **DO NOT REPLICATE !!!** your existing organizational structure, on a smaller scale, and call it Parallel Organization just to be "compliant with LeSS". **It is not cool and misleading ☹.**

Source: Gene Gendel

What exactly does Parallel Organisation mean?

Option 1: One, single business entity

Option 2: Two business entities



Important to understand:

Why is a parallel organisation useful?
&
What is critical when implementing it?

Why Parallel Organisation?

The short answer ...

Organizations are implicitly optimized to avoid changing the status quo middle- and first-level manager and “specialist” positions & power structures.

—1st Larman’s Law of Organisational Behavior

The longer answer ...

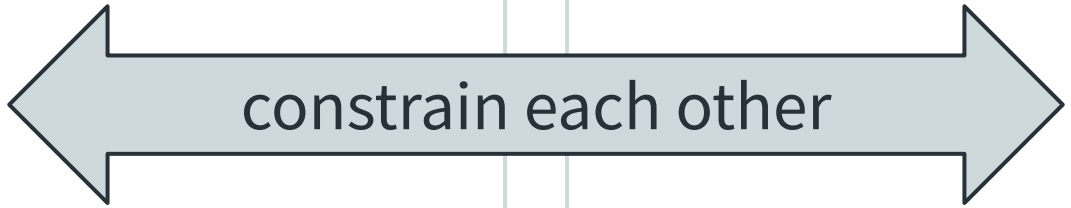
Definition of Terms

Organisational adaptiveness

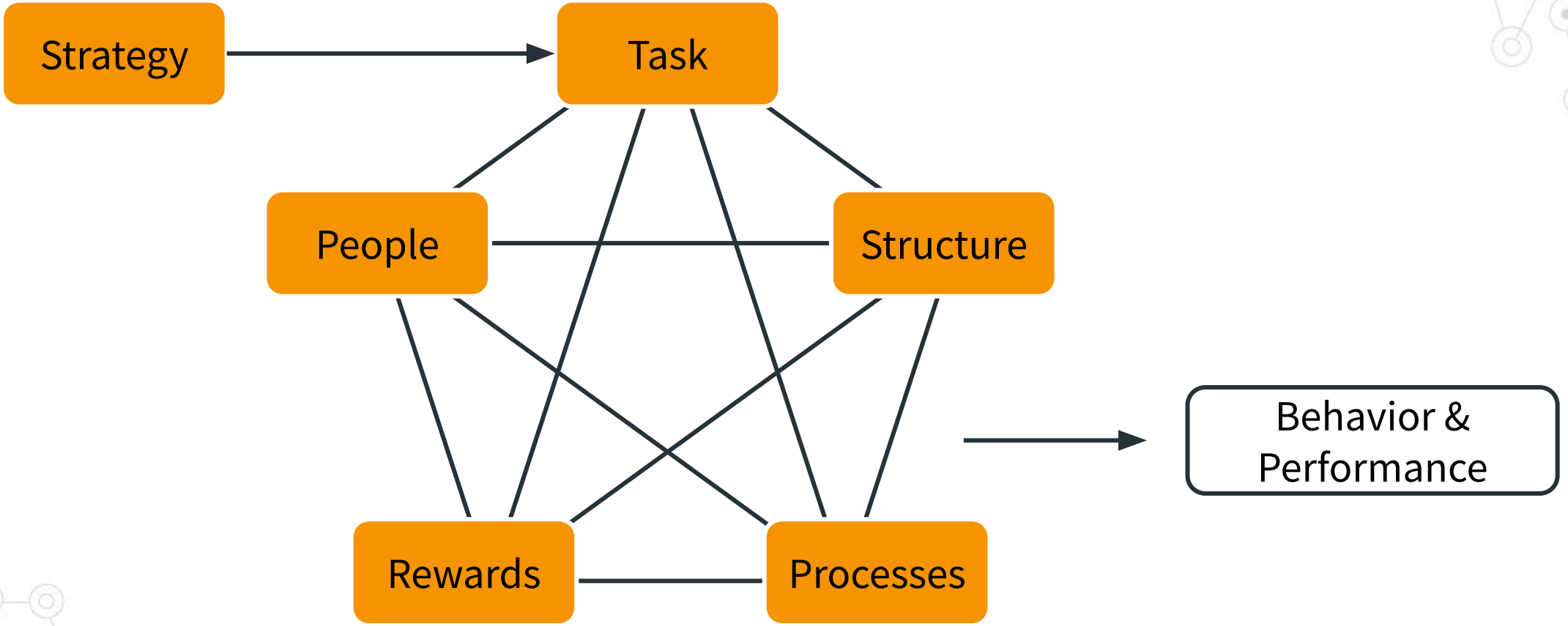
- Ability to change organisational setup.
  For example, easiness of moving one team to another Requirement Area
- Change product's direction

Technical adaptiveness

- Ability to adapt/change direction of the technical infrastructure & technical stack.



The Product Development System
Based on Jay Galbraith's organisational design framework—The StarModel™



All models are wrong, but some are useful.

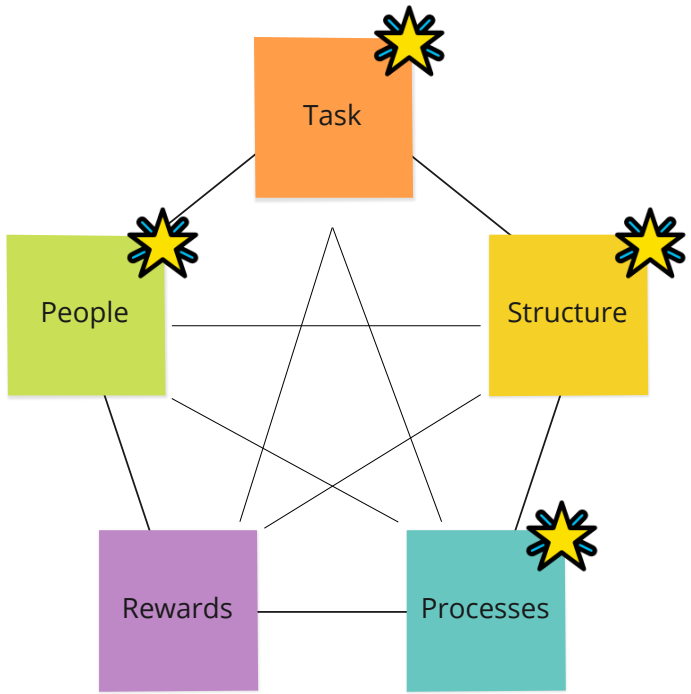
The first law of diagramming:

we model to have a conversation.

***Causation Fallacy**: Every effect has a cause… and we can tell which is which.*

—Gerald M. Weinberg

The situation…



- Well-established corporation with embedded products (HW & SW) and high degree of legacy in their tech stack
- We spined off a Parallel Organisation
- Task, Structure, Processes are set up
- Rewards & HR policies remain unchanged
- True volunteers joined the new organisation

What is likely to happen one/two years later?

The start

Product Owern is named

Product Backlog consists of customer-centric items

Product Backlog is in place

people from removed management layer either joined teams, or became SM, APO or stayed in the old organisation.

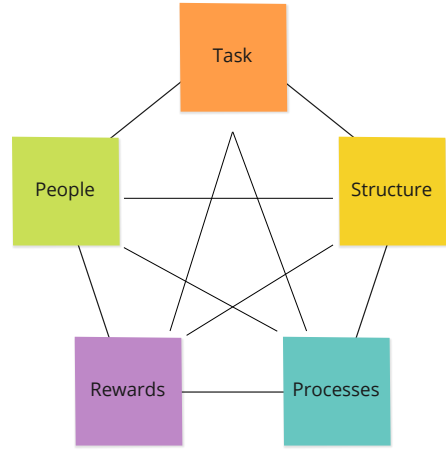
people were working for several years in the old company and are used to the rewards system

people are used to working in single-function and single-component teams

pure volunteers

highly motivated people, eager to go all in

based on people's career development, some are consiously/subconsiously expecting a promotion (e.g. pay rise, responsibility). They understand that with the change this might be delayed or accelerated.



Organised in cross-functional & cross-component feature teams

Teams are organised around product features

In the case of LeSS Huge, teams can change Areas easily

Teams are told and expected to be self-managing and long-living

Structure is flexible and is not reflected in the org. chart (not an org. unit)

one management layer removed to reduce hierarchy

Individual, target-dependent bonuses in place

Employee reveiw is conducted every 12 months

Targets are set by managers

Employee review is done by managers

Normal Sprint cycle (2 weeks)

Managers are expected to Go See with their own eyes

Teams are expected to collaborate with each other

Budgeting processes as legacy of the old org. in place

The start

- Euphoira is high, people are motivated
- Organisational adaptiveness is high
- Since the organisation is "agile", some people expect an increase in performance

A few months after the start

- Teams notice that the learning curve is very steep.
- Some people start informing their manager or Scrum Master that they cannot cope with the broadness of the items in the Product Backlog.
- Transparency uncovers hidden problems. Organisation discovers that the legacy tech stack is very rigid.
- The organisation realises that they cannot create as much outcome as they thought they would.
- Management starts to get nervous, and becomes bussy introducing counter measures. (no more time for GoSee)

This situation calls for fast action...

The most tengable thing menagers observe is that some people wish for a narrower focus.

Managers are used to a single-function and single-component setup. They delivered products for decades this way and consider it a working system compared to the current chaos...

Note:
Some people have issues dealing with the broadness, some are fine with it.

... Therefore, managers consider reducing the focus for teams and reflect it in the organisational design.

What is likely to happen? What kind of experience do decision makers have?

Legacy decision making style

What worked 2 years ago?

Push more work through the pipeline

Divide team into specialties

move to component teams for narrower focus

What will get me a bonus?

Feeling stressed out and responsible for making everyone happy

Create specialized teams to support weaker teams (ex platform teams)

Create team-specific backlogs/items to narrow the focus

Try to provide support network/training

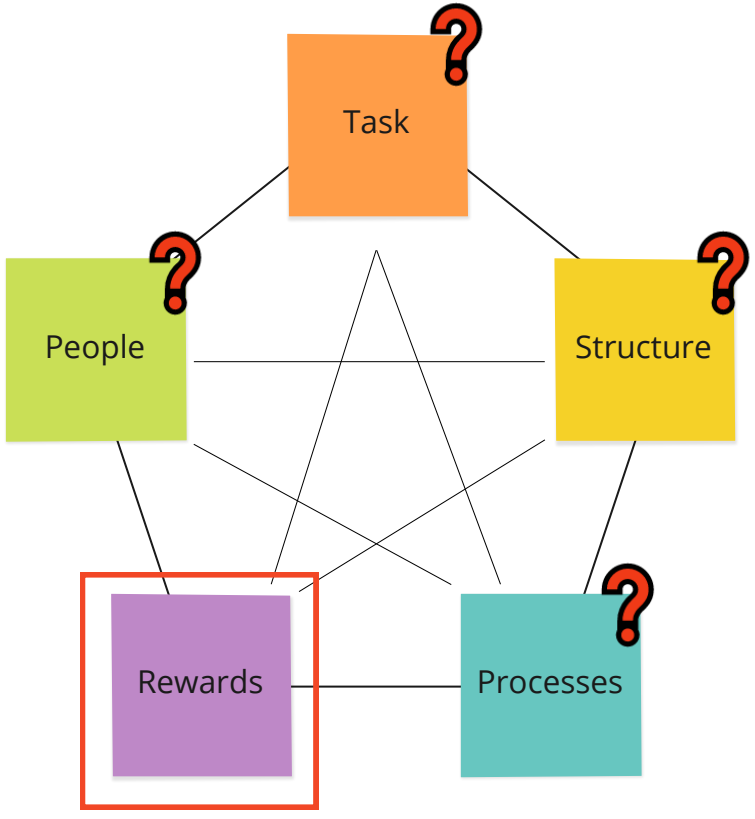
People default to what their supervisor expects, good or bad.

Move people to different teams where they have more support

Management step in to organize and simplify
People look for managers to organize the "chaos"

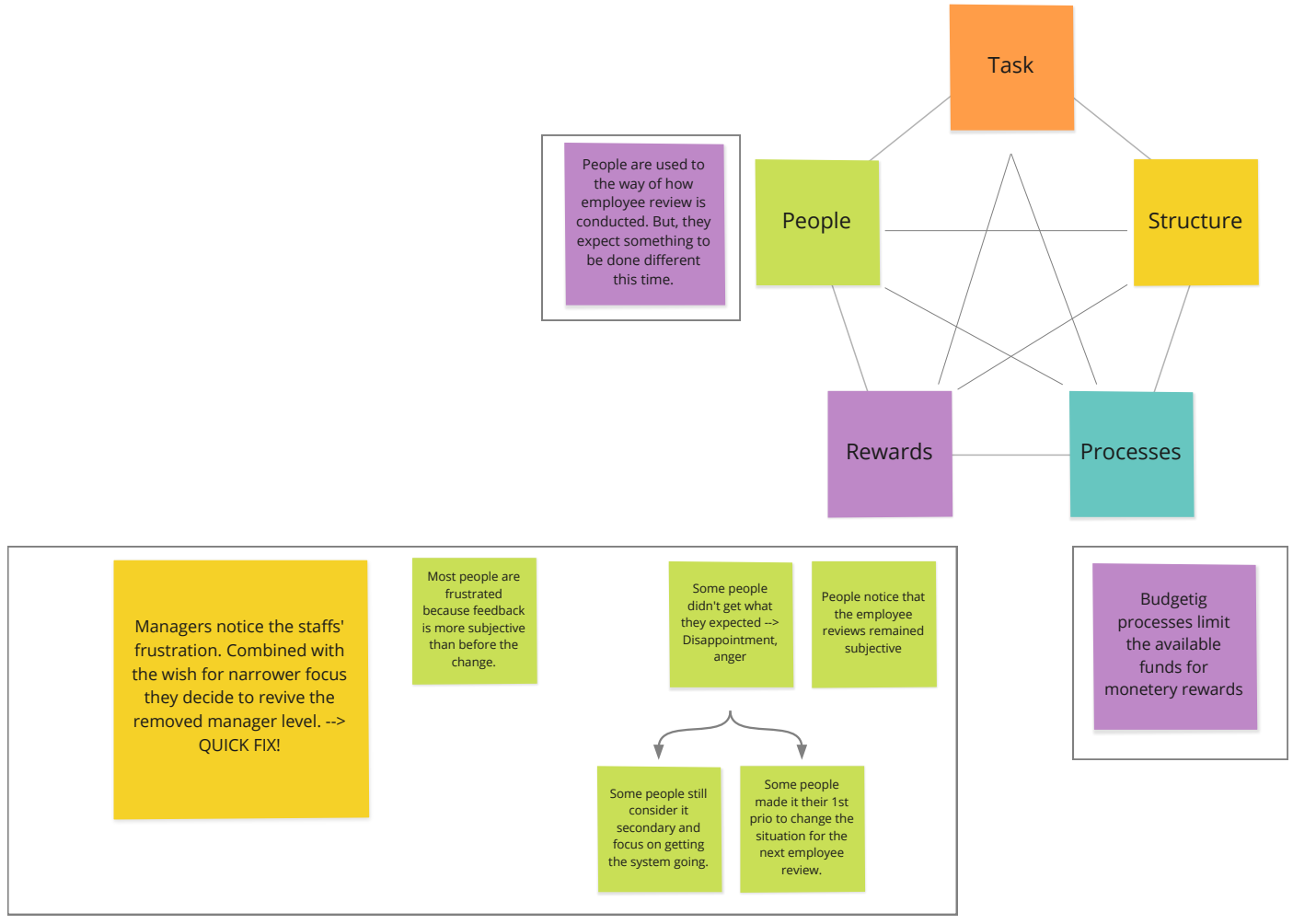
Decision makers will narrow the focus

The next cycle of employee reviews



- What do people expect?
- What do they probably get?
- How will this effect the other elements?

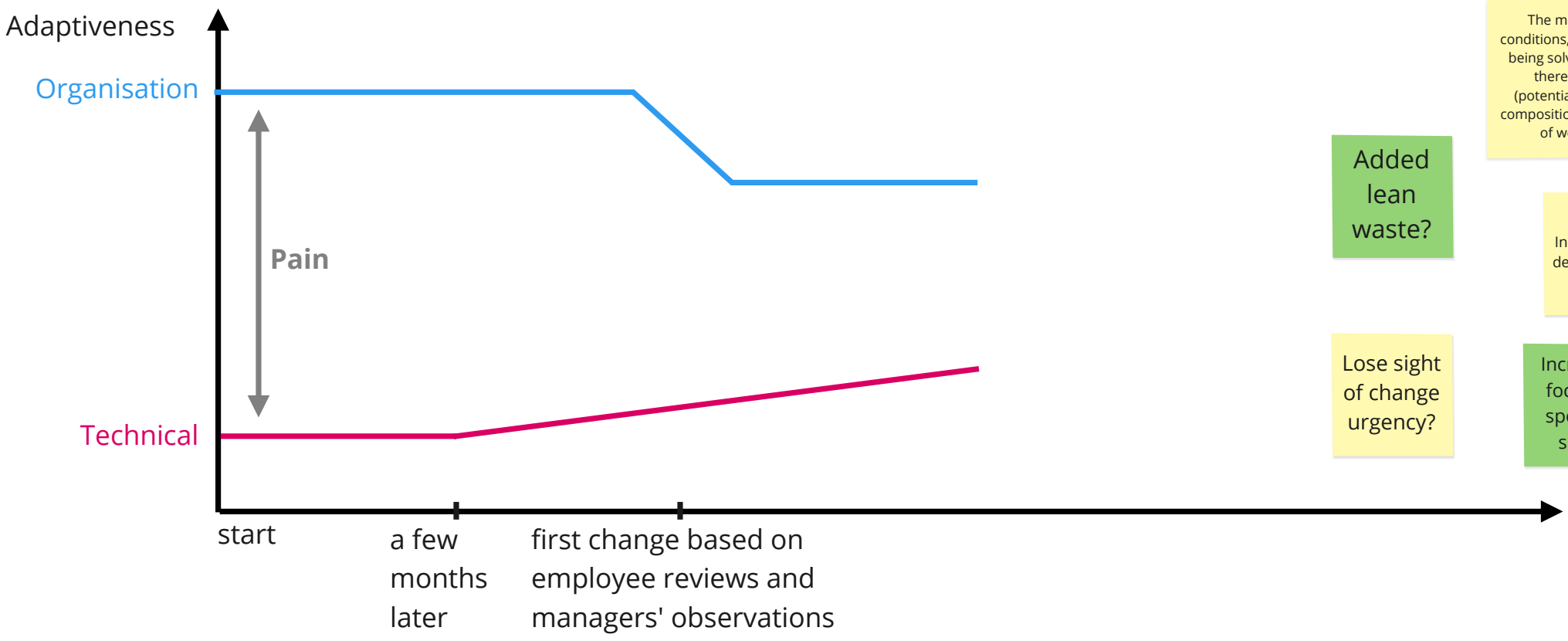
Effects on the Product Development System #1



Effects on the Product Development System #1

- Previously removed manager level is revived.
- Managers have a smaller span of control --> produces a false feeling of objectiveness for employee reviews.
- What else might have changed?

To narrow focus, the Product Backlog transforms from customer-centric items to component based tasks



The market conditions, problem being solved, and therefore (potentially) the composition or type of work

People got comfortable with feeling the pain knowing it will improve with practice

Added lean waste?

Increased # of dependencies?

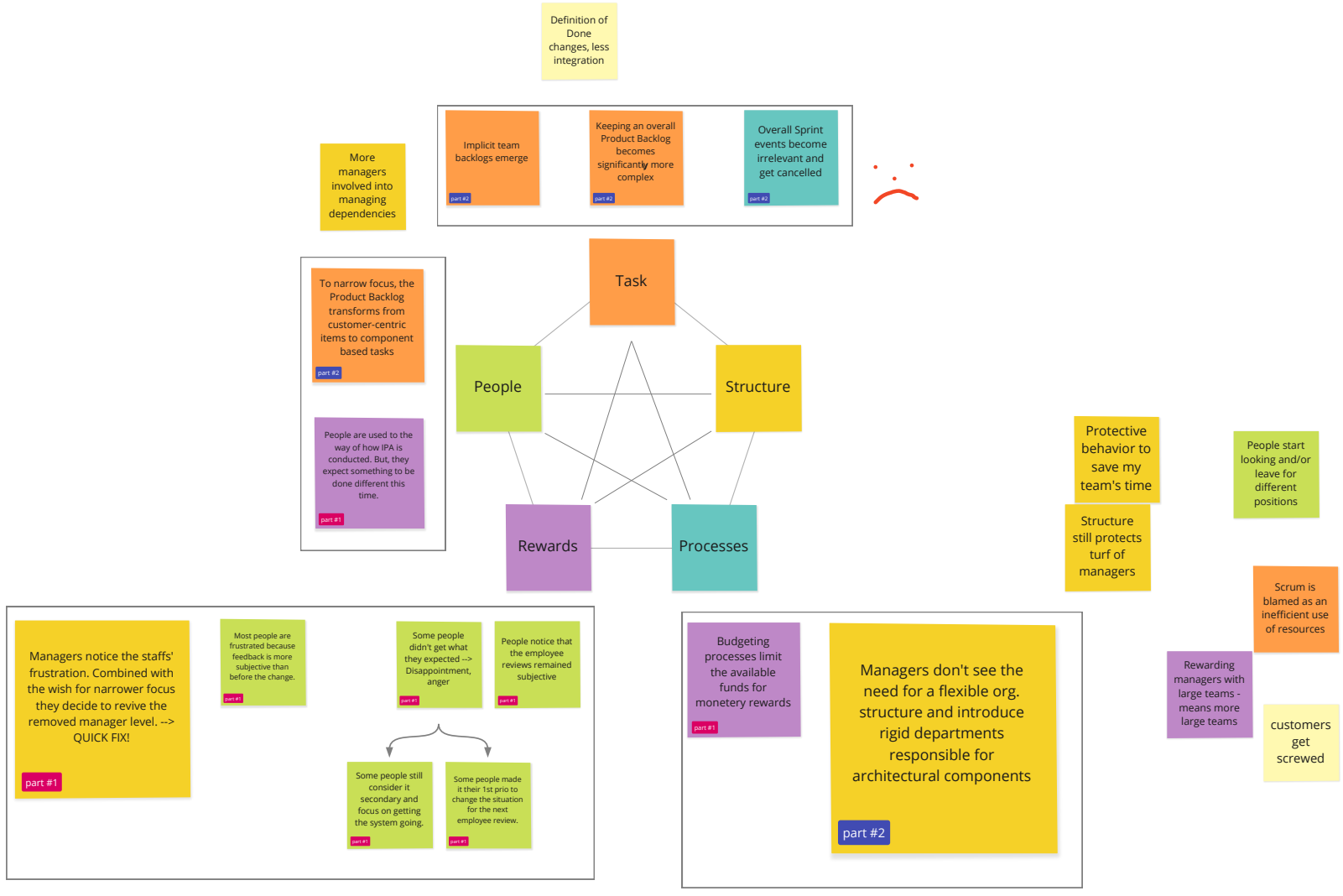
dependencies and delays start to grow
cross-functionality decreases

Lose sight of change urgency?

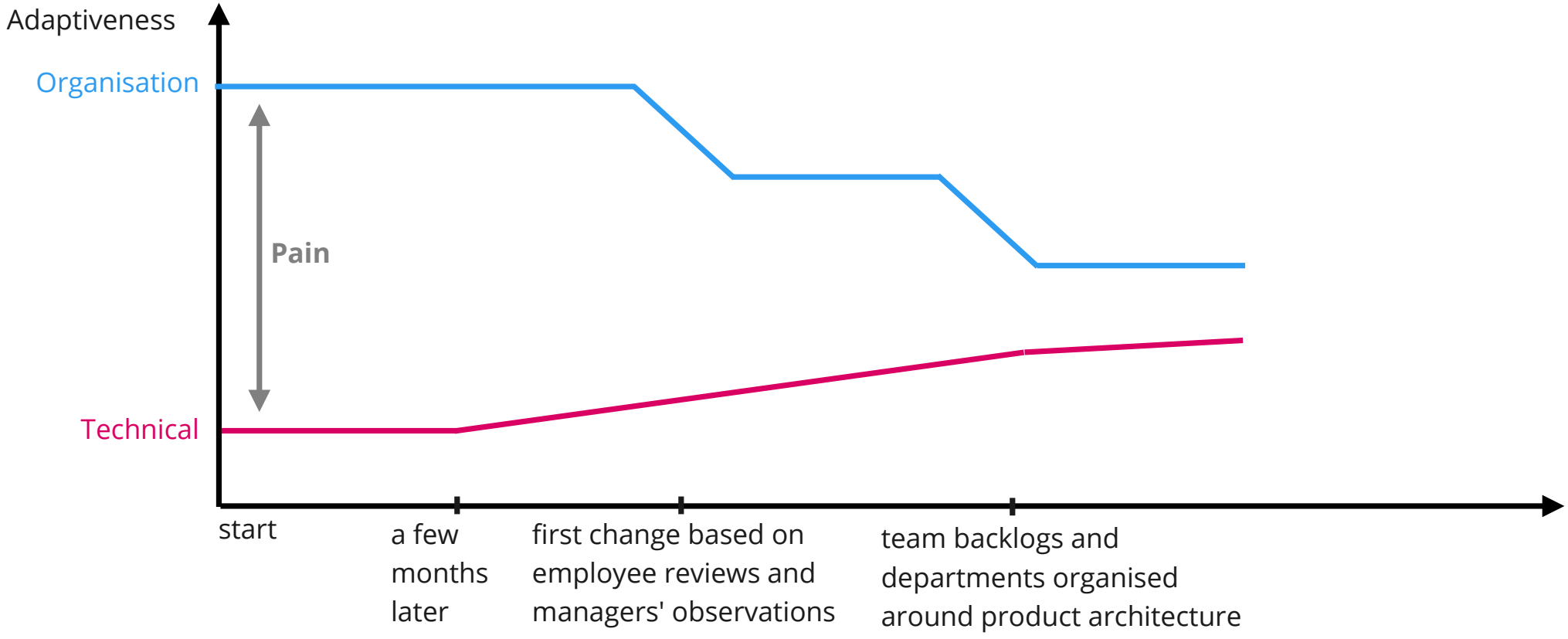
Increased focus on specialty skills?

newly revived managers drive for changes that make them look good

Effects on the Product Development System #2



Effects on the Product Development System #2



Effects on the Product Development System #3

Which people is this system likely to attract?

"I" shaped people

People who are stuck in their ways

Implicit team backlogs emerge

Keeping an overall Product Backlog becomes significantly more complex

Overall Sprint events become irrelevant and get cancelled

People who match old culture

Hire for old culture and not new culture

company will try to fill in the gaps to catch up - manager's choices?

ass-kissing, tame specialists

specialists, heroes who can save the day for us

People who like same old, over brave new world

People likely to fit into the system get hired.

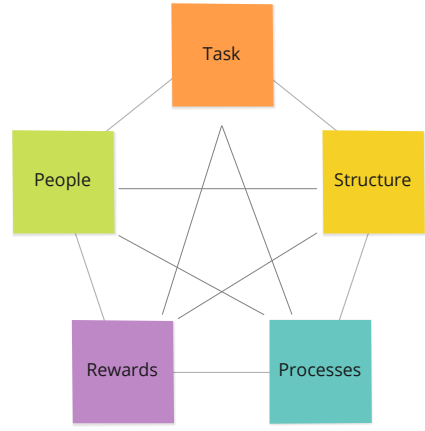
part #3

To narrow focus, the Product Backlog transforms from customer-centric items to component based tasks

part #2

People are used to the way of how IPA is conducted. But, they expect something to be done different this time.

part #1



Because of the changes, some people become frustrated and leave the company.

part #3

Open positions create demand to hire new people.

part #3

Individual performers

People who love component work

People who ignore customers

Managers notice the staffs' frustration. Combined with the wish for narrower focus they decide to revive the removed manager level. --> QUICK FIX!

part #1

Most people are frustrated because feedback is more subjective than before the change.

part #1

Some people didn't get what they expected --> Disappointment, anger

part #1

People notice that the employee reviews remained subjective

part #1

Some people still consider it secondary and focus on getting the system going.

part #1

Some people made it their 1st prio to change the situation for the next employee review.

part #1

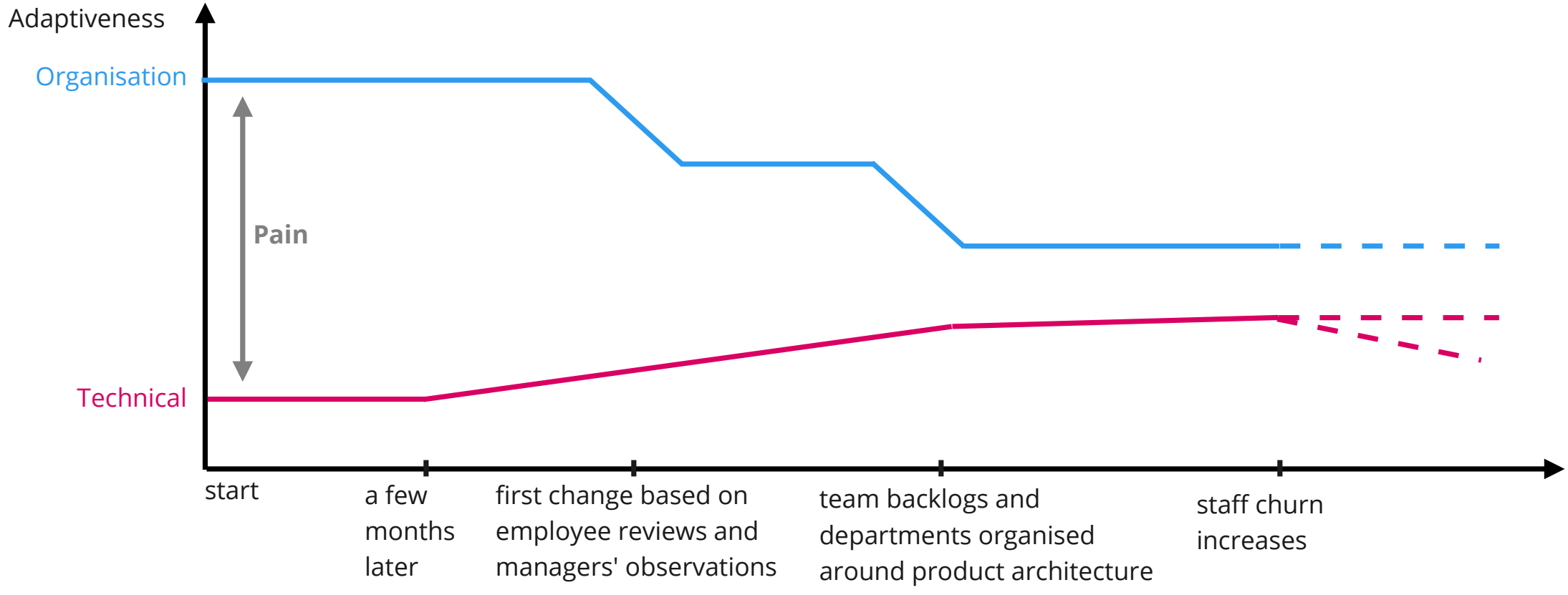
Budgetig processes limit the available funds for monetery rewards

part #1

Managers don't see the need for a flexible org. structure and introduce rigid departments responsible for architectural components

part #2

Effects on the Product Development System #3



How Parallel Organisation?

How to implement a LeSS-friendly Parallel Organisation?

- Line of organisational reporting must be separate from the traditional organisation
- Both organisations work…
  - …out of one Product Backlog
  - …within the same code base
- Merge teams from the traditional to the parallel organisation gradually

Questions & Answers