The Open Organization Leaders Manual

The Open Organization Leaders Manual

Instructions for building the workplace of the future

Second Edition

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Colophon

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2 http://dejavu-fonts.org/wiki/Main_Page

3 http://overpassfont.org/

4 https://www.libreoffice.org/

Additional reading

From Jim Whitehurst

The Open Organization: Igniting Passion and Performance (Harvard Business Review Press)

Organize for Innovation: Rethinking How We Work (Opensource.com)

From the open organization community

The Open Organization Field Guide: Practical Tips for Igniting Passion and Performance (Opensource.com)

The Open Organization Leaders Manual: Instructions for Building the Workplace of the Future (Opensource.com)

The Open Organization Guide to IT Culture Change: Open Principles and Practices for a More Innovative IT Department (Opensource.com)

The Open Organization Workbook: How to build a culture of innovation in your organization (Opensource.com)

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Preface to the second edition

Bryan Behrenshausen

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Introduction to the second edition

Jen Kelchner

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Introduction to the first edition

Dr. Philip A. Foster

Leadership is power. More specifically, leadership is the power to influence the actions of others. The mythology of leadership can certainly conjure images of not only the romantic but also the sinister side of the human condition. How we ultimately decide to engage in leadership determines its true nature.

Many modern understandings of leadership are born out of warfare, where leadership is the skillful execution of command-and-control thinking. For most of the modern era of business, then, we engaged leadership as some great man or woman arriving at the pinnacle of power and exerting this power through position. Such traditional leadership relies heavily on formal lines of authority through hierarchies and reporting relationships. Authority in these structures flows down through the vertical hierarchy and exists along formal lines in the chain of command.

However, in the late 20th century, something began to change. New technologies opened doors to globalism and thus more dispersed teams. The way we engaged human capital began to shift, forever changing the way people communicate with each other. People inside organizations began to feel empowered, and they demanded a sense of ownership of their successes (and failures). Leaders were no longer the sole owners of power. The 21st century leader leading the 21st century

organization began to understand empowerment, collaboration, accountability, and clear communication were the essence of a new kind of power. These new leaders began *sharing* that power —and they implicitly trusted their followers.

As organizations continue becoming more open, even individuals without "leadership" titles feel empowered to drive change. These organizations remove the chains of hierarchy and untether workers to do their jobs in the ways they best see fit. History has exposed 20th century leaders' tendencies to strangle agility through unilateral decision-making and unidirectional information flows. But the new century's leader best defines an organization by the number of individuals it empowers to get something done. There's power in numbers—and, frankly, one leader cannot be in all places at all times, making all the decisions.

So leaders are becoming open, too.

Control

Where the leaders of old are focused on command-and-control positional power, an open leader cedes organizational control to others via new forms of organizational governance, new technologies, and other means of reducing friction, thereby enabling collective action in a more efficient manner. These leaders understand the power of trust, and believe followers will always show initiative, engagement, and independence. And this new brand of leadership requires a shift in tactics—from *telling people what to do* to *showing them what to do* and *coaching them along the way*. Open leaders quickly discover that leadership is not about the power we exert to influence progress, but the power and confidence we *distribute* among the members of the organization. The 21st century leader is focused on community and the edification of others. In the end, the open leader is not focused on self but is selfless.

Communication

The 20th century leader hordes and controls the flow of information throughout the organization. The open leader, however, seeks to engage an organization by sharing information and context (as well as authority) with members of a team. These leaders destroy fiefdoms, walk humbly, and share power like never before. The collective empowerment and engaged collaboration they inspire create agility, shared responsibility, ownership—and, above all, happiness. When members of an organization are empowered to do their jobs, they're happier (and thus more productive) than their hierarchical counterparts.

Trust

Open leaders embrace uncertainty and trust their followers to do the right thing at the right time. They possess an ability to engage human capital at a higher level of efficiency than their traditional counterparts. Again: They don't operate as command-and-control micromanagers. Elevating transparency, they don't operate in hiding, and they do their best to keep decisions and actions out in the open, explaining the basis on which decisions get made and assuming employees have a high level grasp of situations within the organization. Open leaders operate from the premise that the organization's human capital is more than capable of achieving success without their constant intervention.

Autonomy

Where the powerful command-and-control 20th century leader is focused on some *position* of power, an open leader is more interested in the actual *role* an individual plays within the organization. When a leader is focused on an *individual*, they're better able to coach and mentor members of a team. From this perspective, an open leader is focused on modeling behaviors

and actions that are congruent with the organization's vision and mission. In the end, an open leader is very much seen as a member of the team rather than the *head* of the team. This does not mean the leader abdicates a position of authority, but rather understates it in an effort to share power and empower individuals through autonomy to create results.

Empowerment

Open leaders are focused on granting authority to members of an organization. This process acknowledges the skills, abilities, and trust the leader has in the organization's human capital, and thereby creates positive motivation and willingness for the entire team to take risks. Empowerment, in the end, is about helping followers believe in their own abilities. Followers who believe that they have personal power are more likely to undertake initiatives, set and achieve higher goals, and persist in the face of difficult circumstances. Ultimately the concept of an open organization is about inclusivity, where everyone belongs and individuality and differing opinions are essential to success. An open organization and its open leaders offer a sense of community, and members are motivated by the organization's mission or purpose. This creates a sense of belonging to something bigger than the individual. Individuality creates happiness and job satisfaction among its members. In turn, higher degrees of efficiency and success are achieved.

We should all strive for the openness the 21st century leader requires. This requires self-examination, curiosity—and, above all, it's ongoing process of change. Through new attitudes and habits, we move toward the discovery of what an open leader really *is* and *does,* and hopefully we begin to take on those ideals as we adapt our leadership styles to the 21st century.

Yes, leadership is power. How we use that power determines the success or failure of our organizations. Those who abuse power don't last, but those who share power and celebrate others do. By reading this book, you are beginning to play an important role in the ongoing conversation of the open organization and its leadership. And at the conclusion of this volume, you'll find additional resources and opportunities to connect with the open organization community, so that you too can chat, think, and grow with us. Welcome to the conversation—welcome to the journey!

September 2016

Dr. Philip A. Foster is the author of The Open Organization: A New Era of Leadership and Organizational Development*. He is a business consultant, international speaker, and the host of Maximum Change TV.*

Part 1
Planning & Goal Setting

Creating teams that aren't afraid to fail

Catherine Louis

Successfully executing on a business goal implies raising questions about that goal—and it absolutely requires safe-to-fail experimentation on the path to achieving that goal. When business goals become inflexible mandates, experimentation goes by the wayside and a failure-adverse culture will prevail.

This four-step process can help open leaders cultivate a culture of experimentation in teams working toward a business goal (rather than creating the kind of failure-adverse culture that risks becoming less innovative).

Step one: Define your business goal

In general, there is no short of verbiage for defining business goals; however, as a starting point let's use Victor Basili's definition[5] of a conceptual goal:

> A goal is defined for an *object*, for a variety of *reasons*, with respect to various models of *quality*, from various *points of view*, relative to a particular *environment*.

I prefer this definition of a goal, because by analyzing its dimensions you'll end up creating a more clear, more compelling business goal:

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5 http://www.cs.umd.edu/~mvz/handouts/gqm.pdf

1. "A goal is defined for an **object**": What are we discussing here? Could it be our issue tracking system? Could it be the relationship between the issue tracking system and customers? Whiteboard this to visualize where your scope is.
2. "For a variety of **reasons**": What's the problem that needs to be addressed? When we state a goal, we include the purpose driving the goal!
3. "With respect to various models of **quality**": What's the quality issue with which we need help, and why is it an issue?
4. "From various **points of view**": From whose viewpoint are we discussing this goal? Customer? Project Manager? Whose opinion matters?
5. "Relative to a particular **environment**": Where and when is the issue being reported?

A business goal *implies* questions like these, and achieving it absolutely requires safe-to-fail experimentation. Providing a business goal as a mandate without allowing teams to question and fully understand the goal will shut a team down.

Take this poorly written business goal, for example:

> "We want to stop people from abandoning their shopping carts before purchasing."

Now, using Basili's definition, consider the following questions someone is likely to raise about this goal—and the kinds of responses that person is likely to receive from a leader less aware of the qualities that make a goal a good one:

- "What kind of shopping is being abandoned?"—"Any cart that isn't purchased."
- "Why?"—"Because I said so."

- "What's the quality issue we need to address?"—"Just get the cart purchased faster."
- "Who's 'we'?"—"Me, your Project Manager."
- "Where and when is this being reported?"—"Everywhere. Anywhere."

How's your motivation now? Do you feel like experimenting towards achieving the goal?

When taking a question-focused approach to setting goals, be sure to start with the goal! The ultimate test of effectiveness for a business goal is whether it motivates a team. A well-written goal stirs the blood.

Let's try this again. See if you can find all five points in this example of a goal:

> "The CEO of our e-commerce site selling women's apparel would like to see a significant improvement on the 1,000 to 2,000 abandoned shopping carts we see per day in the North American market to address this potential revenue gain. He is targeting at least 70% fewer shopping carts being abandoned per day."

Step 2: Ask questions about the goal

Next, encourage team members to ask questions about the goal. You'll need to start digging into the goal so you can understand it better, and the best way to get started is to ask a bunch of questions.

Some questions that come to mind are:

- Have we interviewed any shoppers about their shopping experience?
- How many clicks must users make from when they begin shopping to when a purchase is completed?

- Are non-NA markets not seeing these abandoned carts? Why?
- How long in duration is the average online shopping experience?
- Are the products presented in a clustered, attractive way versus being presented as one product per page?
- Are we using any advanced or custom filters which can improve onsite discovery and navigation?
- Do we support a fully-automated visual search for products?
- Do we understand the customer journey for ordering women's apparel online, and how much time is each step in this journey taking users?

Lots of questions are possible!

Prioritize these questions. Begin with the customer. In the example above, if you haven't done any customer interviews to hear and feel customer pains, then that's where I'd start.

Step 3: Decide how you're measuring progress

Data-driven improvements are possible. After you've analyzed your business goal, and then asked and prioritized the necessary questions about it, you should work with your team to establish baseline measurements of where you are today. This is your starting point. Begin using these metrics to structure your approach to answering your questions. For example, how many clicks do users typically make between the moment they start shopping and the time they've completed a purchase? Let real-time data guide your experimentation!

Using our example above, we might target:

- *Interview results of 80/100 customers with abandoned shopping cart experiences:* Have we

interviewed any shoppers about their shopping experience?

- *Cycle time # clicks/purchase:* How many clicks are needed from when someone starts shopping to when a purchase is completed?
- *Cycle time/client:* How long is an average shopping experience on our platform?
- *# products/page/category:* Are the products presented in a clustered, attractive way versus being presented as one product per page?

Gather data so that you can develop a coherent baseline measurement of your starting point. If the customer journey today is a seven-click experience—and you think that reducing the number of clicks associated with this journey will lead to fewer abandoned carts—then gather data on average times users spend at each of these steps.

Step 4: Experiment

Innovation does not occur without experimentation. The good news is that each one of the questions above can now become an experiment.

Let's take one of the questions above and form an experiment so you get the idea:

> Are the products presented in a clustered, attractive way versus being presented as one product per page?

Let's address this question in the context of experimentation.

- **RESTATING THE QUESTION AS A HYPOTHESIS.** We believe that if we cluster our products in an attractive way, rather than looking at one product per page, more purchases will occur. (I recom-

mend using the free Strategyzer test card[6] to help you organize your thoughts around creating your experiment once you have a hypothesis.)

- **KNOW YOUR RISKIEST ASSUMPTIONS.** One critical, risky assumption we're making is that more purchases will occur if different products are grouped in an attractive way. But what is an "attractive grouping," and to whom? Is it multi-colored blouses with neutral shoes? Is it blue shoes with white blouses? We'll need to experiment further to begin to answer this!

We've now created a solid foundation for experimentation. Next, we need to create a simple test experiment that we can begin to work on today to test our critical assumptions. We could attempt several kinds of experiments, including:

- **A/B TESTING**, a method of comparing two versions of a single variable—typically by testing a subject's response to variant A against variant B, then determining which of the two variants is more effective.
- **CONCIERGE TESTING**, or performing a service manually (just like a concierge at a hotel) with no technology involved. The idea here is to learn as much as you can via increased human interaction. A classic example of a concierge service is the beginning of AirBnB, where two guys rented out air mattresses in their home in San Francisco to validate what types of customers they might get with this type of service.[7]

6 https://blog.strategyzer.com/posts/2015/3/5/validate-your-ideas-with-the-test-card

7 https://blog.adioma.com/how-airbnb-started-infographic/

- **Landing page**, a web page on which someone "lands" in response to some advertisement, or social media campaign. The goal of a landing page is to convert site visitors into sales or leads. You can analyze landing page activity to determine click-through or conversion rates and gauge the success of the advertisement. One classic example of this method of experimentation comes from Buffer, which launched with just two pages.[8] The first was a link to "plans and pricing," and if users that link, they received a message saying "oops, caught us before we were ready."
- **Video**, or some audio-visual artifact to explain your product. Telling a story from a user-centric point of view, including a call-to-action, is a wonderful way to test a hypothesis. Dropbox did this in 2008 creating a 3 minute video posted to Digg, which expanded their waiting list from 5,000 to 75,000 literally overnight.
- **Wizard of Oz**, a method in which it *looks like you have a fully functioning product/feature*, but there's really someone "behind the curtain" doing all the work. A classic example of this test is Zappos. Founder Nick Swinwarm reserved the domain name and, without building any sort of inventory system, walked down the street to the local shoe store, took photographs of shoes, and posted them on the website.[9]

8 https://blog.bufferapp.com/idea-to-paying-customers-in-7-weeks-how-we-did-it

9 https://www.safaribooksonline.com/library/view/the-lean-entrepreneur/9781118331866/

In our example, let's say it's the first day of summer, so we decide to do a simple A/B test grouping summer shoes with summer blouses arranged by summer colors. Perhaps we create five groupings of various colors of shoes and blouses in order to begin gathering data. For example, we might run five experiments with the groupings of multi-colored blouses with neutral shoes, blue shoes with white blouses, red shoes with multi-colored blouses, green blouses with beige shoes, and yellow shoes with yellow pattern blouses.

- **Decide what to measure.** Perhaps we decide to measure click-through rates on products grouped versus products displayed one at a time, as well as the number of shoes sold versus the number abandoned in shopping carts.
- **Name your criteria for success.** For example, if 10% fewer shoes are abandoned in carts per month when grouped with blouses by summer colors, we'd be happy with this experiment.

For this example, the resulting test card might end up looking like this:

- *Hypothesis:* We believe that if we cluster our products in an attractive way, rather than looking at one product per page, more purchases will occur.
- *Test:* To verify or refute this hypothesis, we will run A/B tests grouping summer shoes with summer blouses arranged by summer colors versus displaying blouses and shoes one product at a time.
- *Metric:* We will measure both click-through rates and sales of both shoes and blouses displayed one product at a time and those same products displayed in summer color groups.

- *We are right if:* 10% more shoes are sold per month when grouped with blouses by summer colors
- *Follow up:* To further refine attractive product groupings, we will compare the results to learn which product groupings are more appealing and design our next experiment based on this.

Note that experimenting doesn't end here; it's just the beginning! Stated another way: Your team won't achieve its business goal without cultivating and embracing a culture that allows us to experiment, fail, adjust and learn.

Catherine Louis is a Certified Scrum Trainer, independent Agile coach, founder of CLL-Group.com, PoDojo.com, and founding member of Tech Ladies®.

Chapter title

Author McLastName

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Developing a culture of experimentation on your team

Catherine Louis

Most companies support the idea of incorporating innovation into their business strategies, as it can help increase market share and generate additional profits through new products or service offerings.

But too often, these same companies fail to realize that innovation doesn't occur without experimentation. To successfully innovate, you need to conduct experiments—lots of experiments. Some will succeed, and lots more will fail. By definition, *experimentation* is "the process of performing a scientific procedure, especially in a laboratory, to determine something" as well as "the action or process of trying out new ideas, methods, or activities." Innovative organizations don't isolate such innovation practices to certain segments of the business; they cultivate an *attitude* of experimentation throughout, weaving it into the very fabric of the entire organization.

So the question for your innovative organization becomes "How do we create a culture that allows us to be comfortable with trying out new ideas, methods, and activities using a scientific procedure?" Having a healthy culture of experimentation is the only option if teams wish to innovate. And organizational leaders can play a significant role in fostering that kind of culture.

Before teams can even begin operating in an experimenting mode, leaders must shift their mindset to operate not like a know-it-all, but as if the world is truly a complex space, that we don't know it all, and that we can't know something unless we try it out.

When I visit companies and hear leaders say things like the following, I quietly take them around back for coaching:

- "Your demo failed." (This is usually accompanied by a scolding face.)
- "You need to run everything by me before conducting a test with the customer." Screeching brakes are heard as innovation comes grinding to a halt.
- "Let's do a dress rehearsal showing the customer how this operates before giving them the feature to manipulate." No, no, no—put the software in your customer's hands as early as possible. You'll learn what's wrong with your user interface. You'll reduce risk, increase quality, and build a relationship with the customers.
- "Well, obviously they need [*insert feature X that will get me my bonus if released within the year*]." Carefully think about how your compensation program may hinder creating an experimentation culture.

Taking a deeper look at the first three points, fear of failure is overwhelmingly the operating model. The last point is a desire for monetary success over doing what's right for the customer, regardless of where the idea comes from.

Instead, we want leaders involved in conversations to encourage experimentation. Those conversations sound like this:

- "What is the customer's problem? Have you observed this?"
- "What is your hypothesis?"

- "What are your critical assumptions that must be true for your idea to work?"
- "Do you need help designing an experiment to test if your hypothesis is true or false?"
- "What can you test to (in)validate your hypothesis?"

So how can you move from the first kind of conversation to the second? Here's my advice: Don't wait for the perfect moment—just start!

Here are nine pointers to help get you start experimenting as a team:

1. Don't jump into the solution space. First, define your problem. State it as a hypothesis.
2. List all of your assumptions.
3. On a 2x2 matrix, rank each assumption in terms of uncertainty versus risk. Identify the highest-risk, most uncertain assumptions before moving on to step 4.
4. Create a simple test experiment that you can begin to work on today. Action is key; however, think low-fidelity, rapid prototyping to be able to run this test. (For ideas on how to start prototyping, try the exercise at the end of this article.) In other words, be able to collect as much information with as little effort as possible. The key is to run your experiment with real people to get real results. The free test cards from Strategyzer are wonderful to help get teams thinking with a test mindset. Each card begins by stating the hypothesis, then the test, an accompanied metric, and criteria for success.

5. Gather the data and record everything: The data you collect and record will guide you further.
6. Review results as a team. If you use the test card, you will have thought about criteria for judging whether your test was a good one. Ask questions! What did you learn? Do you need to change your hypothesis based on what you learned? Do you need to do a new experiment? Do you need more data?
7. Share the results with the rest of the organization—especially the failed experiments.
8. Celebrate the learnings. You don't need to copy Spotify's Failure Wall (described in Henrick Kneiberg's Engineering Culture, Part II), but the point is to celebrate what you learned, and how you want to conduct the next experiment to incorporate what you want to change.
9. Rinse and repeat!

Steps 7-9 are crucial for leaders to help make this culture change stick. Leaders must hold the space where anyone can experiment. Anyone can run a failed experiment because these failed experiments mean we learn. You need to make it safe to take risks and to remove impediments. Start today with your own new mentality that will sweep across the entire organization: Instead of "no failure is allowed here," adopt the mindset of "We won't know until we run an experiment." It's your only option if you wish for innovation to happen.

A brief example: Dollar Shave Club

Dollar Shave Club's hypothesis was that men don't need fancy razors with lots of fancy features, nor do they want to spend time shopping for them. Their experiment involved creat-

ing a one-minute video[10] sharing the problem and offering a solution by inviting viewers to link to a landing page where they could place an order. Within 48 hours, they knew the experiment worked: They had received more than 12,000 orders.[11]

Catherine Louis is a Certified Scrum Trainer, independent Agile coach, founder of CLL-Group.com, PoDojo.com, and founding member of Tech Ladies®.

10 https://www.youtube.com/watch?v=ZUG9qYTJMsI

11 https://www.inc.com/magazine/201707/lindsay-blakely/how-i-did-it-michael-dubin-dollar-shave-club.html

Part 2
Organizational Design & Culture Building

Chapter title

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What it means to be an open leader

Jim Whitehurst

Being an open leader means creating the context others need to do their best work.

That's a relatively short sentence, but for anyone wishing to lead a group in the 21st century, its implications are enormous. And if you're hoping to be one of those people—if you're hoping to have a career leading an open organization—then you must not only understand what it means, but also recognize ways you can put it into practice, so you can build a culture that creates a strategic, competitive advantage for your organization.

Context shapes culture

Culture is something management gurus are increasingly taking more seriously. "Culture eats strategy for breakfast[12]," I've heard people say. But I'm not sure that all of those folks truly understand *why* this is the case.

Despite depictions in popular media, a great company culture isn't simply the result of workplace perks and ping pong tables. Culture is the result of sufficient *context*—a shared set of values, a shared purpose, and shared meanings.

Being a leader in an open organization, then, means making connections: It involves doing the work of linking people both to each other and to some larger, shared picture. It's help-

12 http://techcrunch.com/2014/04/12/culture-eats-strategy-for-breakfast/

ing people understand how they can contribute to a collective effort in meaningful ways.

As a leader, you create context when you help everyone in the organization understand its whole mission: the vision, the values—all the elements that define your very reason for existing. An open leader also helps people recognize the vast sum of interactions taking place that make an organization what it is—the aims, goals, and passions that push individuals to work together.

So when we talk about "creating context," we're really talking about bringing these two facets of organizational life together in exciting and productive ways. An open leader aligns passion with purpose, action with vision. And that creates a culture where people feel inspired, motivated, and empowered to do their very best work.

Shaping that culture begins with an emphasis on sharing.

Learn to share

In conventional organizations, "knowledge is power." But in open organizations, that well-worn adage can be a destructive and downright disastrous guiding principle.

Some leaders believe that extending trust and operating transparently will somehow diminish their power. In reality, however, leaders should be sharing as much as they can with their organizations. Sharing information is how leaders begin to build the context that people in an organization need to forge connections between their passions and the organization's mission. Open leaders are honest about the problems they face, the worries they carry, and the limits they possess—because, in the end, the problems leaders face are the problems *everyone* faces. *Shared* knowledge is power.

The problems leaders hear about from customers—the things that keep them up at night—that's the information we

need to share with our entire organization. Because when we provide that context and share those problems, we inspire and empower people to help us overcome them. In *The Open Organization*, for instance, I describe how sharing my priority of making Red Hat more customer-focused—and thereby inviting others to help me achieve it—generated unique, creative, and valuable insights from people across the organization.

I've met people who believe "sharing more" actually means "delegating more." But that's not necessarily the case. In the traditional sense, "delegation" involves sharing responsibility for implementing a solution the leader has already dreamed up and settled on. What I'm talking about is different: sharing the work of *actually developing* those solutions, so associates have genuine influence over both the course their work will take and the purpose it will serve.

If this sounds hard, that's because it is. At Red Hat, we put a lot of effort behind hiring for and developing these kinds of leadership capabilities. We take the time to explain them to people, to coach people on what it takes to connect, to be transparent, and to extend trust.

We even talk about what overuse and underuse of these capabilities looks like. For example, we've found that it's important to explain that transparency isn't an excuse for rude behavior, nor does it mean you disclose confidential information about associates or our business. Trust doesn't mean you give people assignments without any direction or context, or that you fail to verify that work they've completed.

Develop your EQ

In an open organization, leaders must be sensitive to nuances—knowing how to share and how to invite collaboration in ways that keep an organization from dissolving into chaos. A leader's mandate to help people do their best work involves not

just an understanding of leadership capabilities like connection, trust, and transparency, but also a certain familiarity with—and sensitivity to—the feelings, emotions, and passions of the people that leader is trying to help.

In *The Open Organization*, for example, I discuss the need for leaders to share half-baked ideas with their organizations, to bring plans or concepts to the table before they're fully developed, in order to receive productive feedback sooner. The best leaders can pinpoint precisely when to present a half-baked idea—not so early as to distract people with an idea that may not play out, but not so late as to preclude any opportunity for productive discussion.

Spotting those opportune moments—really sensing them—requires leaders to be in tune with their organizations' emotional atmospheres.

Think about it this way: Great leaders give people enough structure to know they're marching up the right hill, but those leaders don't want to prescribe a single road north, because they need the people making the journey to feel empowered to control that journey. This way, they don't exhaust themselves trying to climb over a massive rock in their way, and instead devise a smarter method for getting around it.

The trick for leaders is providing enough clarity of purpose—enough context—that people are able to help an organization accomplish its goals, but not so much that they're impeded from exercising their creativity and initiative in the process.

Information overload doesn't create context. Distraction doesn't create context. Strong emotional intelligence helps leaders avoid both.

Be a catalyst, not a commander

Deciding to share (and determining how to share) drives open leaders to an important conclusion: a group is always going to produce a better solution than an individual.

Leaders of conventional organizations are commanders. They dictate and prescribe both means and ends, then monitor people to make sure they use the former to achieve the latter.

Leaders of open organizations are catalysts.

Chemistry tells us that a catalyst is an agent that, when added to a mixture, sparks a productive change. This is precisely the role leaders play in open organizations. They create context that invites people into relationships with new (even surprising) results. And they do this because they believe, truly and deeply, that the groups they help form will develop better solutions than the leader could alone.

I won't deny it: Being a leader means constantly being tempted to step in, to force decisions, to *command*. Commanders generally consider collaborative dialogue a grueling waste of time ("I just need to tell people what to do," they say). Sure, they may go so far as to hold meetings about, invite comments on, and ask for feedback regarding their ideas. But in the end, those are empty gestures, because they've already decided that they know what's best.

Catalysts, on the other hand, believe that if they get the right conversations going—if they spark the right kinds of collaboration—then their organizations will realize better results. Leaders can only become catalysts when they let go of the assumption that, categorically, they know best.

Without a doubt, being a catalyst is actually more difficult than being a commander. Since open organizations tend to be meritocracies, in which reputation and a long history of concrete contributions trump job titles as markers of organizational

power and influence, leaders must be constantly balancing the skills, personalities, and cultural capital they see in their colleagues. Far from dictating, they need to master the art of making appropriate connections—producing the proper combinations—that ignite the most influential innovations.

Yet being a catalyst is also more rewarding than being a commander. Parents, consider this: Did you feel more proud when you graduated from college, or when your kids graduated from college? If you're like me, the answer is: your kids. Catalysts experience that same sense of pride parents do when they watch those they've helped succeed.

A checklist

So here's a checklist for those hoping to make a career leading an open organization. Being an open leader requires:

- **WILLINGNESS** to extend trust and share information
- **APPRECIATION** for transparency and collaboration whenever possible
- **SENSITIVITY** to the moods, emotions, and passions of the people that make up an organization
- **KNOWLEDGE** of not only what to share, but how to share it
- **BELIEF** that groups will consistently outperform individuals working in isolation
- **TRUST** in those groups to drive necessary change

Master all this, and you're well on your way to creating the most important thing a leader can provide: the context for people to do their best work.

Jim Whitehurst is President and CEO of Red Hat, the world's leading provider of open source enterprise IT products and services, and author of The Open Organization.

Chapter title

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Part 3
Motivation & Engagement

Chapter title

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When empowering employee decision-making, intent is everything

Ron McFarland

In Japanese business discussions, one term appears again and again: "gemba." Over many years living and working for Japanese companies, I've probably heard the phrase "gemba de kimeru" a million times. Basically, it means that issues must be solved and decided on the front-line, where the problems and/or opportunities are. Popular thinking holds that people can work with their peers to solve problems. In Japan, however, problems with this thinking can develop.

Here, top managers often don't want to "stick out." They don't want to assume too much responsibility. So they pass decision-making "down" to front-line people, essentially removing themselves from the decision-making picture. They don't grant front-line employees decision-making power in order to empower them. They do it to avoid responsibility for failures.

As Jim Whitehurst says in *The Open Organization*, granting front-line employees more autonomy is a way of driving innovation—not avoiding culpability. Jim describes the ways Western managers struggle with the issue of autonomy (they fear letting their staff make decisions, as they think that by doing so they'll lose organizational power), but they miss this critical intercultural difference. (Interestingly, if managers stay involved in supporting roles and believe that front-line people

can make decisions on their own, they can actually become more powerful. But that's another article.)

Managers should stay involved in critical decision-making, even as they grant their front-line employees a bigger voice in decisions. But their role needs to change. As Whitehurst says in The Open Organization, they need to facilitate, not delegate. That's a critical distinction that my time in Japan has taught me.

It's also shown me one source of this problem—as well as a few paths to fixing it.

In need of meritocracy

When managers ask their staff to make decisions, then divest completely from the decision-making process, they can actually reveal their own weaknesses. I've seen engineers transferred to high level, personnel-related department positions, for example. These transfers were not based on ability or experience, but simply on title and the number of years of experience they had in the company. Promoted candidates unfortunately tend to lack managerial skills and sensibilities (after all, they were trained as engineers). So to make sure the department is functional, these newly-minted managers have to rely heavily on their staff. We in the department were shocked by this, and prayed that incoming managers wouldn't weaken our departments too greatly.

Interestingly, however, I've seen some success in this uncomfortable working environment. Quite simply, the manager announced he didn't feel he was fully qualified for the position, and that he would need all the staff's support to be successful, particularly from those who have been in the department for many years. Admitting one's limits actually helps build engagement.

Peer projects can begin at parties

Japanese company parties always feature an emcee, who announces the start of the party. Imagine a party to welcome the unqualified boss I mentioned above. Typically, people are sitting around a large table, and initially there is only one discussion going on (one the emcee controls). The emcee welcomes everyone and asks someone to give a toast ("kanpai") to begin the boss's welcome party. From that point on, people start eating and drinking. Then the emcee asks everyone to introduce themselves, both to the whole group and to the boss, and to mention some of the things they're working on. After all participants have introduced themselves, the new boss speaks.

In my experience, the unsuccessful inexperienced bosses announce how they'd like to improve the department. The best unqualified managers simply present their career highlights, then mention that they're looking forward to getting to know and working with everyone. When general conversation resumes, the new manager actually moves around the room, pouring beer in each associate's glass, offering an individual greeting. At that time, the manager asks about each member's most urgent concerns with the intent of finding a way to genuinely understand them. Armed with what they've learned at these parties, these inexperienced (but smart) managers begin finding ways they can be helpful. Rather than just announce a plan to make changes, they spend time trying to understand what their employees need to have changed.

With the right introductions, questioning, and ideation, critical peer projects can begin during those parties, whether through the boss's introductions or close colleagues just kicking ideas around. These type of parties are not just for new employees (or new bosses). Many Japanese companies have these parties with subsidiaries, vendors, and customers with the same

goal. They really generate front-line projects to explore partnerships as well.

Meetings in the bars at night

But occasionally official company parties are not the best environments for speaking freely and openly, particularly regarding uncomfortable issues. On some delicate subjects, I have been more successful holding peer-to-peer, open discussions after those parties.

I ask a few attendees to grab a beer or two at a yakitori restaurant after the party. The people I select for these meetings usually demonstrate the desire to make improvements (as opposed to those wanting to maintain the status quo). I also select people that take pride in their work, will be accountable for performance, and have proven they've got the skills to introduce important changes. With that environment and small group size, those discussions have been very successful for me, and I think that environment is the best venue for creative open discussions throughout Japan.

Finding a balance

Whether you're putting together peers at a formal business meeting, at an official boss's welcome party, or in a bar, I can't stress enough the importance of balancing the four criteria Whitehurst explains in *The Open Organization*:

1. Encouraging members to speak freely and honestly
2. Encouraging members be courageous enough to be different
3. Selecting members committed to achievement
4. Selecting members with the willingness to be accountable for whatever is decided

This is how to catalyze front-line engagement—by staying involved in decision-making, not by skirting it.

Ron McFarland has been working in Japan for 40 years, and he's spent more than 30 of them in international sales, sales management training, and expanding sales worldwide. He's worked in or been to more than 80 countries. Over the past 14 years, Ron has established distributors in the United States and throughout Europe for a Tokyo-headquartered, Japanese hardware cutting tool manufacturer.

The Tao of project management

Allison Matlack

The Tao Te Ching[13], believed to have been written[14] by the sage Lao Tzu[15] in the 6th century BCE, is among the most widely translated texts in existence. It has inspired everything from religions to funny movies about dating, and authors have used it as a metaphor to explain all kinds of things (even programming).

This text is what immediately comes to my mind when thinking about project management in open organizations.

That might sound strange. But to understand where I'm coming from, you should start by reading *The Open Organization: Igniting Passion and Performance*, Red Hat president and CEO Jim Whitehurst's manifesto on corporate culture and the new leadership paradigm. In this book, Jim (with a little help from other Red Hatters) explains the difference between conventional organizations (a "top-down" approach, with decisions coming down from central command to employees motivated by promotion and pay) and open organizations (a bottom-up approach, with leaders focused on inspiring purpose and passion so employees are empowered to be and do their best).

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13 http://acc6.its.brooklyn.cuny.edu/%7Ephalsall/texts/taote-v3.html

14 https://en.wikipedia.org/wiki/Tao_Te_Ching

15 http://plato.stanford.edu/entries/laozi/

This concept—that employees in open organizations are motivated by passion, purpose, and engagement—plays directly into where I think project managers should focus.

And to explain, I'll return to the *Tao Te Ching*.

Don't let your job title define you

> The tao that can be told
> is not the eternal Tao
> The name that can be named
> is not the eternal Name.
>
> The unnameable is the eternally real.
> Naming is the origin
> of all particular things.[16]

What exactly is *project management*? And what does a project manager *do*?

As you might expect, part of being a project manager is *managing projects*: gathering requirements, managing stakeholder communication, setting priority, scheduling tasks, helping the team resolve blockers. Many institutions[17] can teach you how to manage projects very well, and these are good skills to have.

However, *literally* managing projects is only part of what project managers in open organizations do. These organizations require something more: *Courage*. If you're good at managing projects (or if you're good at any job, really), then you can start to feel safe in your routine. That's when you know you need to find the courage to take a risk.

16 http://acc6.its.brooklyn.cuny.edu/%7Ephalsall/texts/taote-v3.html#1

17 http://www.pmi.org/certification/project-management-professional-pmp.aspx

Do you have the courage to step outside of your comfort zone? The courage to ask important people challenging questions that might raise eyebrows, but that might also uncover a better way forward? The courage to identify the next thing that needs to be done—then the courage to go and do it? The courage to call out communication gaps and take initiative to fix them? The courage to try things? The courage to fail?

The opening passage of the *Tao Te Ching* (which I cited above) suggests that words, labels, and names are limiting. That includes job titles. In open organizations, project managers don't just perform the rote tasks required to manage projects. They help teams *accomplish the organization's mission*, however defined.

Connect the right people

> We join spokes together in a wheel,
> but it is the center hole
> that makes the wagon move.[18]

One of the most difficult lessons I had to learn as I transitioned into project management was that not having all the answers was perfectly acceptable, even expected. That was new for me. I *like* having all the answers. But as a project manager, my role is more about *connecting* people—so the ones who *do* have the answers can collaborate efficiently.

This does not mean dodging responsibility or ownership. This means being comfortable saying, "I don't know, but I will find out for you," and closing that loop as quickly as possible.

Picture a wagon wheel. Without the stability and direction provided by the center hole, the spokes would fall and the wheel

18 http://acc6.its.brooklyn.cuny.edu/%7Ephalsall/texts/taote-v3.html#11

collapse in on itself. Project managers in an open organization can help a team maintain forward momentum by bringing the right people together and cultivating the right discussions.

Trust your team

> When the Master governs, the people
> are hardly aware that he exists.
> Next best is a leader who is loved.
> Next, one who is feared.
> The worst is one who is despised.
>
> If you don't trust the people,
> you make them untrustworthy.
>
> The Master doesn't talk, he acts.
> When his work is done,
> the people say, "Amazing:
> we did it, all by ourselves!"[19]

Rebecca Fernandez[20] once told me that what differentiates leaders in open organizations is not the trust people have *in them*, but the trust *they have* in other people.

Open organizations do a great job hiring smart people who are passionate about what their companies are doing. In order for them to do their best work, we have to give them what they need and then get out of their way.

Here, I think the above passage from the *Tao Te Ching* speaks for itself.

19 http://acc6.its.brooklyn.cuny.edu/%7Ephalsall/texts/taote-v3.html#17

20 https://opensource.com/users/rebecca

Be effortless

> The Master does nothing
> yet he leaves nothing undone.
> The ordinary man is always doing things,
> yet many more are left to be done.[21]

Do you know the type of person who is always extremely busy? The one who seems frazzled and stressed with too many things to do?

Don't be that person.

I know that's easier said than done. The thing that most helps me keep from being that person is remembering that we are all extremely busy. I don't have a single co-worker who is bored.

But someone needs to be the calm in the middle of the storm. Someone needs to be the person who reassures the team that everything is going to be okay, that we'll find a way to get things done within the parameters dictated by reality and the number of business hours in a day (because that's the truth, and we have to).

Be *that* person.

What this passage of the *Tao Te Ching* says to me is that the person who's always talking about what she or he is doing has *no time to actually do those things*. If you can make your job seem effortless to those around you, then you're doing your job right.

21 http://acc6.its.brooklyn.cuny.edu/%7Ephalsall/texts/taote-v3.html#38

Be a culture coach

> When a superior man hears of the Tao,
> he immediately begins to embody it.
> When an average man hears of the Tao,
> he half believes it, half doubts it.
> When a foolish man hears of the Tao,
> he laughs out loud.
> If he didn't laugh,
> it wouldn't be the Tao.[22]

Last fall, I enrolled an MBA business ethics class with a bunch of federal employees. When I started describing my company's culture, values, and ethics framework, I got the direct impression that both my classmates and my professor thought I was a naive young lady with a lot of lovely daydreams[23] about how companies should run. They told me things couldn't possibly be as they seemed. They said I should investigate further.

So I did.

And here's what I found: Things are *exactly* as they seem.

In open organizations, culture *matters*. Maintaining that culture as an organization grows makes it possible to wake up and look forward to going to work in the morning. I (and other members of open organizations) don't want to "work to live," as my classmates described it. I need to feel a passion and purpose, to understand how the work I do on a daily basis directly contributes to something I believe in.

22 http://acc6.its.brooklyn.cuny.edu/%7Ephalsall/texts/taote-v3.html#41

23 https://opensource.com/open-organization/15/9/reflections-open-organization-starry-eyed-dreamer

As a project manager, you might think that your job has nothing to do with cultivating your company's culture on your team. However, it's your job to embody it.

Kaizen

> In pursuit of knowledge,
> every day something is added.
> In the practice of the Tao,
> every day something is dropped.
> Less and less do you need to force things,
> until finally you arrive at non-action. When nothing
> is done,
> nothing is left undone.[24]

The general field of project management is too focused on the latest and greatest tools. But the answer to the question of which tool you should use is always the same: "the simplest."

For example, I keep my running to-do list in a text file on my desktop because it serves its purpose without unnecessary distractions. Whatever tools, processes, and procedures you introduce to a team should increase efficiency and remove obstacles, not introduce additional complexity. So instead of focusing on the tools, focus on the *problem(s)* you're using those tools to solve.

My favorite part of being a project manager in an Agile world is having the freedom to throw out what doesn't work. This is related to the concept of kaizen[25], or "continuous improvement." Don't be afraid to try and fail. Failing is the label

24 http://acc6.its.brooklyn.cuny.edu/%7Ephalsall/texts/taote-v3.html#48

25 https://www.kaizen.com/about-us/definition-of-kaizen.html

we've put on the process of learning what works and what doesn't. But it's the only way to improve.

The best processes arise organically. As a project manager, you can help your team by supporting them and not trying to force them into anything.

Practice

> Some say that my teaching is nonsense.
> Others call it lofty but impractical.
> But to those who have looked inside themselves,
> this nonsense makes perfect sense.
> And to those who put it into practice,
> this loftiness has roots that go deep.[26]

I believe in what open organizations are doing. What open organizations are doing for the field of management is almost as important as the actual products and services they offer. We have an opportunity to lead by example, to inspire passion and purpose in others, to create working environments that inspire and empower.

I encourage you to find ways to incorporate some of these ideas into your own projects and teams to see what happens. Learn about your organization's mission and how your projects contribute to it. Have courage, expect to try some things that won't work, and don't forget to share the lessons you learn with our community so we can continue to improve.

Allison Matlack is a project manager leading case management teams at Red Hat. Previously, she was the content editor/manager for the Red Hat Customer Portal for more than three years.

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26 http://acc6.its.brooklyn.cuny.edu/%7Ephalsall/texts/taote-v3.html#67

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Chapter title

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Appendix A
The Open Organization Definition

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