Announcement

- Assignment : Mar 19, 2023, 11:30 pm

- Final Presentation: On March 31

Today's Agenda

Agile Leadership Toolkit: Design Healthy Habits

How Do You Stimulate an Agile Culture?

How Do You Improve the Culture?

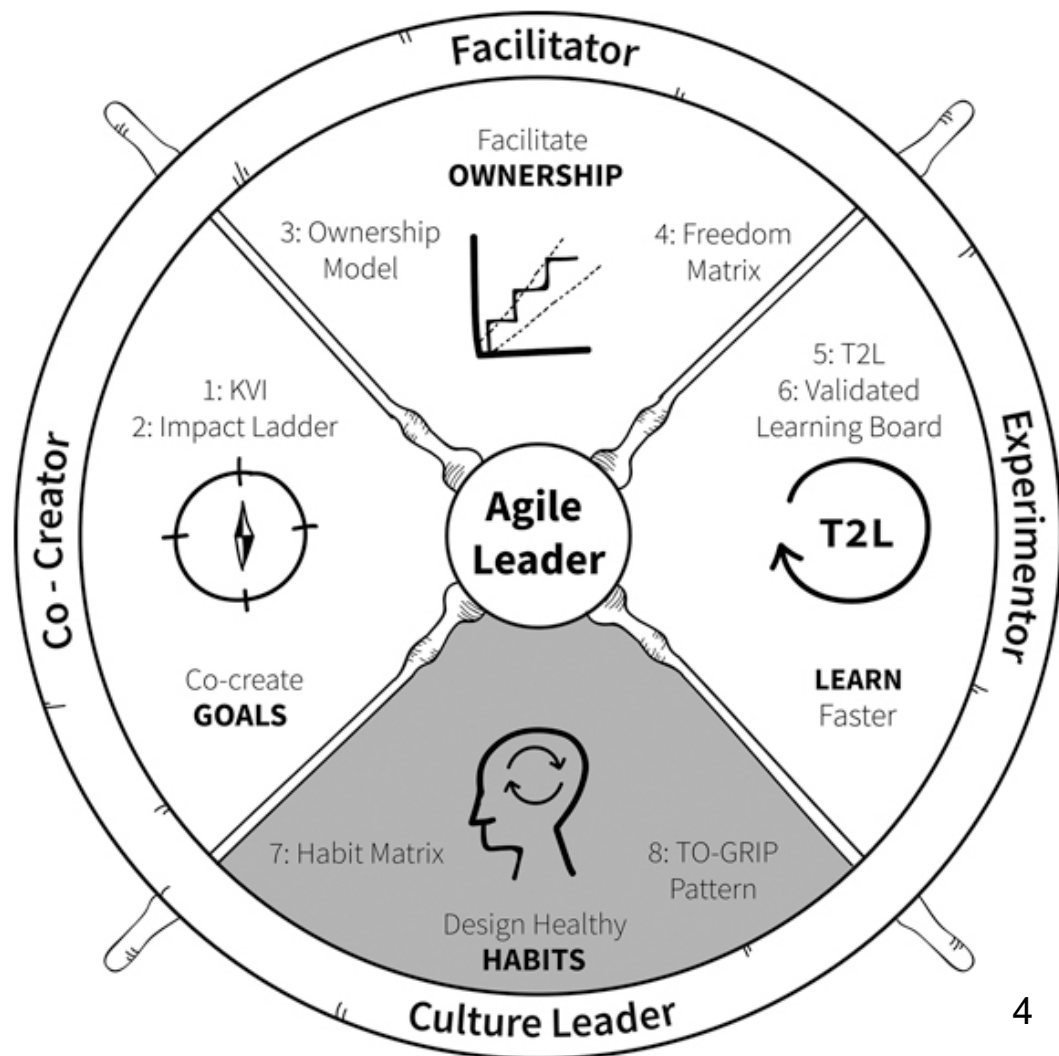What Is an Agile Culture?

What Are Habits?

How do you Design Healthy Habits?

Healthy and Unhealthy Habits

Can you Anchor the Cultural Improvement?

What is a Healthy Habit to Implement Improvements?

Part IV-
Design Healthy Habits

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When Rob became a director, the department had to deal with *a lot of backlogs, low quality, and unsatisfied customers.* There was a *demotivational culture* in which people didn't help each other and had a habit of just putting in their hours without any extra effort. Each day every employee was busy with approving loans, returning files, or implementing mutations. Everyone tried as much as possible to get rid of their own work stock and to deliver the best possible quality. In the meantime, Rob saw the backlogs and the complaints increase. This led to the situation that, after one month, customers heard that a few documents had not been properly filled in and that the whole process had to be redone. This led, of course, to low customer and employee satisfaction. Rob felt intuitively that *to change the culture, the structure and the habits.* He started with changing the habit around the work stock.

-**all files that were received before 9:00 a.m.** were handled the same day- Very quickly, a different vibe and culture was sensed within the department.

- **a marketplace around 1:00 p.m.**- Teams who found out during the day that they could not get their job done could ask other teams for help during this marketplace.

Rob took accountability because he himself wanted to set the example. In this way, he inspired others to be vulnerable and ask for feedback. Thanks to these two new habits, there was a new culture in the department of helping each other, sharing knowledge, achieving daily results together, feeling responsible for dossiers, giving personal feedback, continuously increasing quality, and asking for help.

How Do You Stimulate an Agile Culture?

"Dispirited, unmotivated, unappreciated workers cannot compete in a highly competitive world."

Introduction Questions:

1. What are the most important characteristics of an agile culture for you?

2. Which role model do you want to be in the cultural change?

Improve the Culture

For a successful change to agile, it is crucial that **the culture** fits with the agile way of working.

        The culture must promote learning, transparency, honesty, collaboration, and customer focus.

        The leader can influence the local culture within the scope of his mandate or responsibility.

Several successful leaders have a keen eye for two things:

1. culture follows structure (Larman's law).
2. they were unconsciously skilled in changing habits and in influencing **heroes** (informal leaders).

Improve the Culture

Improving culture is a tough and intensive process that requires **_perseverance and vision._**

Culture has **all sorts of facets and ingredients** that intervene and work together.

- ✓ Language, jargon: Specific words and slang that have a meaning and create a group feeling.
- ✓ Habits: "That's how we do it here." Ingrained behaviors that are common.
- ✓ Heroes or informal leaders: People who are respected and followed because of their achievements for the whole group.
- ✓ History: Behavior of previous managers, mergers.
- ✓ Symbols, reports: Overviews, icons, flags, or lists that define the group.
- ✓ Norms and values: The values that drive the behavior

These ingredients influence each other and together **form the culture**. This makes culture very complex and sticky.

How Do You Improve the Culture?

It consists of the following (iterative) steps. For each improvement you want to make in the culture, these four steps can be used.

1. Discover a part of the culture you want to improve.

2. Brainstorm on the habits that drive the existing culture.

3. Discover new, healthy habits that drive the desired change.

4. Anchor the change by adjusting symbols and guiding informal leaders to show the right behavior.

Healthy culture is crucial for thriving self-managing teams. The culture is—as it were—the oxygen for the team.

What Are Habits?

A habit is an act or behavior that one is familiar to, and one does not think about explicitly.

A habit consists of three steps: trigger, routine, and reward. The habit is triggered, after which the routine is rewarded.

Together these three parts form the habit loop:

Routine

The routine is the behavior or action that might have been uncomfortable at first but is becoming more and more familiar.

The trigger is a situation, moment, or event. This trigger initiates a reaction from a person or a team. It's like pressing a button that turns the habit on.

Trigger

Reward

The reward is the positive outcome or benefit of the behavior, like being able to do something more easily or preventing pain, but also more vague things like feeling appreciated, part of the group, or better about oneself.

How Do Habits Change?

How do the old and new habits fit into the habit loop?

Habit 1: Own Stock

	Old Habit	New Habit
Trigger	During the day, the employee looks at his own stock of work.	
Routine	He sees the large work stock. He spends the rest of the afternoon doing his best, but it does not get done in one day. He does not ask for help.	He sees the work stock, but it is too big to be completely eliminated this afternoon. He consults with the team and asks other teams for help.
Reward	No negative feeling. Has the same work stock as other employees. Nobody asks for help.	Team feeling. Work stock is zero at the end of the day. Satisfied feeling that the work is completed. Go home on time

How Do Habits Change?

How do the old and new habits fit into the habit loop?

Habit 2: Something Goes Wrong

	Old Habit	New Habit
Trigger	A mistake is discovered.	
Routine	Blame others. Point to others that caused the mistake.	Brainstorm together with different people on the root cause and possible solutions. Learn from the mistake and improve.
Reward	No negative attention. No need to change. Focus on own work.	Team spirit. Improvements are really implemented. The number of mistakes lowers. There are more satisfied customers.

How do you Design Healthy Habits?

"Leaders give the right example, even if nobody is watching."

Introduction Questions:

1. What habits in your organization contribute to the agile culture? Why?

2. Which unhealthy habits have you been trying to stop for a while?

Healthy and Unhealthy Habits

How unhealthy habits can be found?

✓ the leader has to understand how unhealthy habits work, and

✓ he has to use the brainpower of different people to brainstorm on the root cause of undesired effects.
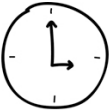
Unhealthy habits are unfortunately difficult to recognize in practice.

The short-term reward of any habit is positive. Therefore, the distinction can only be found in the long term.
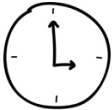
	Healthy Habit	Unhealthy Habit	No Habit. Discipline
Reward	🙂 Positive	🙂 Positive	☹ Negative
Long-term effect	🙂 Positive	☹ Negative	☹ Negative

Relationship among healthy and unhealthy habits and discipline

Healthy and Unhealthy Habits

	Unhealthy Habit	No Habit. Discipline
Trigger	People ask me all kinds of questions and I think I know the answer.	
Routine	Answer	Say, "You can figure this out yourself."
Reward	Feel needed. People happy with good answer (so it seemed).	Don't feel needed. People not happy because they already tried to find out themselves.
Effect	A lot of questions. Not learning to find answers.	More problems unsolved and people didn't grow that much.

Matrix

Healthy and Unhealthy Habits

		Alternative 1: Mentor	Alternative 2: Learning Culture
Trigger		People ask me all kinds of questions and I think I know the answer.	
Routine		Say, "What did you already do? Let's use that to find new solutions."	Say, "Let's put the answer also in forum or knowledge base (KB)."
Reward		Feel needed. People happy with even better answer (so it seemed).	Feel needed. Reviewed the answer in the KB or forum so it was properly recorded.
Effect		For simple questions, they could find the answers themselves, which saved me time. And for the harder ones, we did it together.	Others saw the value of the KB and start to use it also. Slowly this helped in changing to a learning and sharing culture

Alternatives

GAME #1

Tool 7: Habit Matrix

Habit Matrix

	Unhealthy habit	Discipline	Idea 1	Idea 2	Idea 3 ...
Undesired effect:	Short description of the long-term effect.				
Trigger	Short description of the situation that triggers the habit				
Routine	Current behavior	Punish or ignore	New behavior	Alternative new behavior	
Reward	Current reward (positive)	Negative	Positive reward	Positive reward 2	
Effect	Long-term negative effect	Positive effect	Expected effect	Expected effect 2	

The Habit Matrix
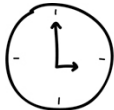
By consecutively following the next steps, the Habit Matrix can be filled in.

1. **Describe the current unwanted effect**.
2. **Describe in a very concrete way an exemplary situation** that triggers the habit. It is important to make this as specific as possible.
3. Then **describe the current routine**.
4. **Describe the direct reward.** This step is important in order to ultimately design a good new habit. The good description of the reward usually fails on the first attempt. It helps to spend time asking questions and working together to make the direct reward specific.
5. **Make the discipline explicit**. This is the act based on willpower without positive reward. Make the (negative) short-term incentive of doing nothing or taking a concrete disciplinary action. Then the long-term effect often cannot be traced back to this disciplinary measure.
6. **Brainstorm about alternative habits**. Try to match the current routine with the short-term reward as closely as possible.

Recognizing Underlying Habits—Example 1

Example 1: No Improvements
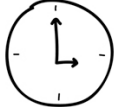
Undesired effect: There are ideas for improvements, but these are not implemented. There is no culture of continuous learning and improvement.

	Unhealthy Habit	Discipline	Idea 1	Idea 2
Trigger	Running behind on a daily schedule			
Routine	Work harder and/or longer.	Just stop at 5 o'clock.	Schedule improvement.	Improve use of days off.
Reward	☺ Reached the target and the schedule.	☹ Unsatisfied customer and manager.	☺ Reached the target and the schedule	☺ Implemented improvements.
Effect	☹ Quick fix, no improvements. Drained. Same song every day.	😐 At home in time, but no improvements.	☺ Solid and long-term fixes. Effective.	☺ Long-term fixes. Culture of improvements.

Recognizing Underlying Habits—Example 2

Example 2: No Team Players

Undesired effect: Senior employees are not team players but are individual "firefighters."

	Unhealthy Habit	Discipline	Idea 1	Idea 2
Trigger	Customer complaint or critical bug			
Routine	Matthew the firefighter fixes it			
Reward	Pat on the back. Savior. Seen as expert			
Effect	Quick fix, no improvements.			

Can you Anchor the Cultural Improvement?

"We are what we repeatedly do. Excellence then, is not an act, but a habit." - Will Durant

Introduction Questions:

1. Who are the heroes in your organization? Are they driving and supporting the healthy culture?

2. Which heroes are a personal example of the desired culture?

Who Are the Heroes of an Agile Culture?

✓ People who are successful *with their attitude and behavior, and their behavior is copied by others*- so-called followers.

✓ Heroes could have *a positive or a negative contribution* to the culture.

✓ Because heroes need to be successful, a hero's status is supported by the symbols like reports, lists, overviews, and bonuses.

✓ Because they are so successful and their behavior is copied by others, their behavior is *resilient*. - They have an informal influence on their environment.

✓ Successful agile leaders have a clear and concrete picture of what they expect from influencing people.

✓ Guiding these heroes to the new way of working is in fact a very effective way of driving change.

   It's not a change with a thick approach, milestones, and a lot of pressure and power. No, it's the total opposite: a viral change.

   It's a change that is ignited and self-spreads throughout the teams.

✓ These **informal leaders** will be an example for the rest and will take the rest into the change. It can be concluded that the culture is anchored when the symbols and heroes are aligned.

Discussion: Heroes

Discuss a Cultural Leader/Informal leader who you think has made huge change in the society/office and are followed by the people/employees in the society/office. Extend your discussion why are they considered to followed by others.
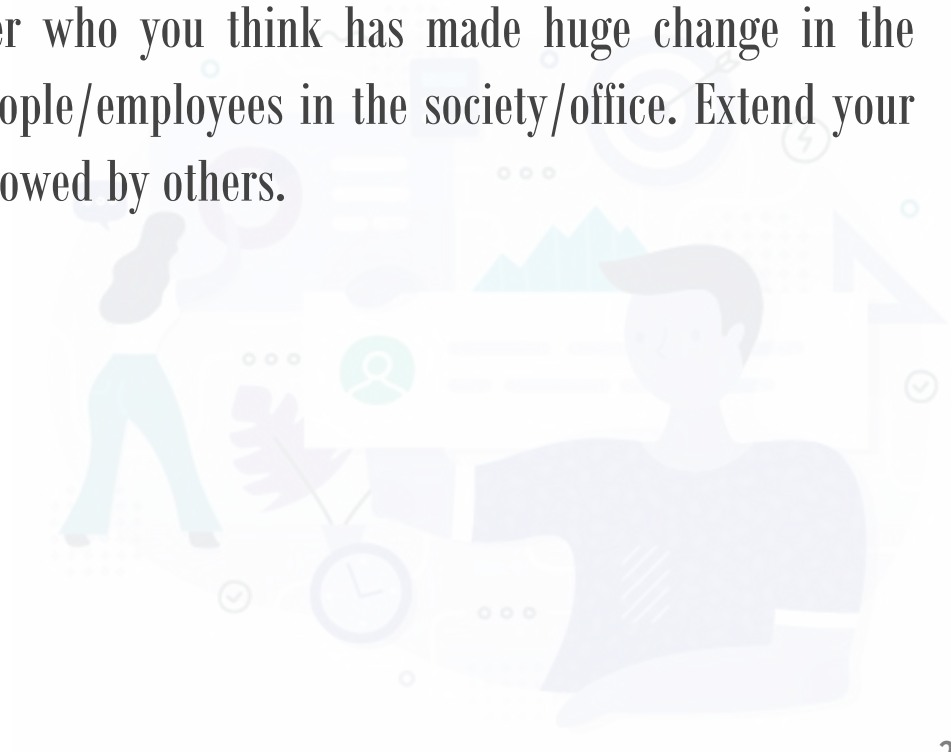
How Do You Anchor the Cultural Improvement?

Discovering the unhealthy habits and designing new healthy habits to replace them are important for cultural improvement. Consider the following steps to really change the culture:

- ✓ Change the symbols of the organization to promote the agile behavior.
- ✓ Spot the heroes.
- ✓ Talk openly with the group about what we expect from each other.
- ✓ Make heroes successful with the new behavior, mindset, and attitude.
- ✓ If needed, take drastic measures toward the wrong heroes. These are the weeds between the crops.

What is a Healthy Habit to Implement Improvements?

Introduction Questions:

1. How are strategic improvements implemented in your organization?

2. Which strategic improvements are so complex and unpredictable that they cannot be planned?

David has been an agile leader for over 9 months, and he is very happy with the successful changes that have taken place over the past months. He feels that he has overcome the most difficult period. He now knows how to set goals that increase the focus on the customer. He also sees that teams now take ownership because they get the right freedom. They continuously grow and develop initiatives. Fortunately, the teams now learn much faster from customers, so they know much better if they are doing well. David is still struggling with one last important question. A few local improvements are so great that they have to be implemented across multiple teams. The teams can very well implement improvements that are directly related to their own focus and customer impact.

But making large changes across multiple teams is still hard and, so far, unsuccessful.

David knows that the change starts with him. He wants to teach himself a new habit to make major improvements and changes. Only then can he expect this from the employees themselves. **But what is a good habit for this?**

Enabling Improvements

How can the agile leader improve the **continuous-improvement culture**? And How can the leader use the culture of self-managing teams?

There are three basic ingredients needed to drive viral change. — by Leandro Herrero

- ✓ A relatively small group of people can have a great power in the creation of change.
- ✓ The formal leaders and structure have to support this small group of change enablers.
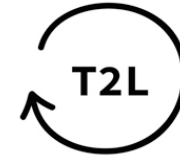- ✓ The first steps of change should be quickly beneficial and rewarding.
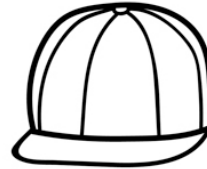
Tool 8: To-Grip

TO - GRIP

Team
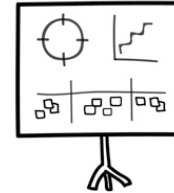
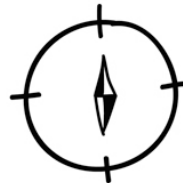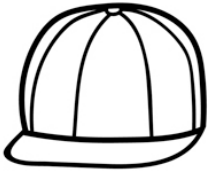**R**hythm — T2L

Owner

Insight

Goal

Period

TO-GRIP

Team

*Who will drive the change? Which small team of people will probably have great power in creating the change?* This could be an existing team or a newly formed group of people from different teams. This team formally gets the right amount of freedom to take ownership .

Owner

Who is the leader behind this change? Who takes responsibility for the consequences or mistakes made during the change? This person is either a manager with a mandate or another person who can quickly get approval on changes needed. This will be the person that drives the change, empowers the team, and sets priorities where needed. He has a (shared) vision for the change on both the current pain and the desired passion.
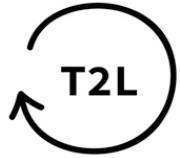
Goal
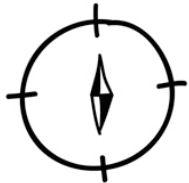
What is the challenge, problem, or improvement? What is the measurable goal that we want to achieve? How is this translated to a (positive) customer impact? A good practice is to have a tangible metric with a trendline to measure the progress. A good practice is to add a slogan and a visual icon or logo.
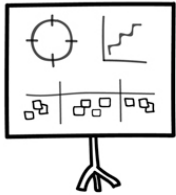
TO-GRIP

Rhythm

Rhythm
T2L

When will the team meet? What is the timebox? What is the expected T2L?
In complex environments, the change can't be planned or scheduled. Rhythm is the alternative for a detailed plan. Rhythm builds structure, and it enables us to:
repeat the inspection of progress and status, adapt our approach, and inform stakeholders and ask for help.

Insight

Insight is *a tangible and transparent insight on status and progress.* A good practice is to have this on a fixed place physically on the wall. This is where the team members have their rhythm but also where the stakeholders get informed on progress. If somebody else wants to know the status, he can walk to the board and ask for background information. Tools like VLB, T2L, and KVI are probably used on this insight board.
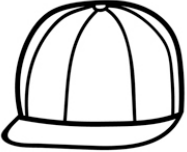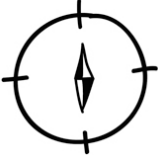
Period

After how many weeks or months do you have a stop-or-continue moment? For which period do we ask for commitment from the team? This is the formal review to see whether we continue. In complex systems, success can't be guaranteed. Sometimes it's better to just stop this improvement and try something totally different.

Case Study

A big financial software company already worked with agile for a few years. They are in the midst of implementing a faster way to deploy software by adding automatic tests and automating the deployment of software. But the customers and users are **complaining** that *new functionality takes too long and that when the new functionality is available it doesn't meet the expectations nor does it really work well*. Several people want to improve collaboration with *real users*. They want to use the feedback of the users more intensely. The users who also wanted to collaborate more were called **"first users"** because they got to see and use the functionality the first. Together with first users, the team members want to launch new functionality and then, when these first users are satisfied with the functionality, it's gradually launched to more customers and users.

Example of implementing co-creating with users

Team	
Owner	
Goal	

4

Example of implementing co-creating with users

Rhythm T2L	
Insight	
Period	

How Do You Measure Change?

Implementing co-creating with users

Category	Description and Example Metrics
Output	This category measures what has actually already changed and what change has been made. This only measures the activity but not yet the success of the change. For example: ✓ The number of teams that are working with at least one customer in co-creation ✓ The number of teams that deliver to customers at least every month ✓ The number of active participating customers
Outcome	The outcome category measures the first signs of improvements. ✓ The number of customers who are satisfied with the co-creation approach ✓ The average satisfaction of the customers, split into non-participating and participating groupings ✓ The (positive) effect on social media (number of likes, number of forwards, etc.) ✓ The actual reduction of T2L
Impact	The impact category measures what we really want to achieve with the improvement. A combination of impact for the customer and value for the company. ✓ The value (turnover) that is received on new or improved products and services ✓ The happiness of the customers and users who are really using it ✓ The number of employees who stayed or even join because of it

How Do You Handle Resistance to Change?

The important resistance categories are

- **Why**—Teams need to know the why behind the change. What is the objective, and what is the purpose of it?
- **Urgency**—Tough improvements also need an urgency.
- **How**—Depending on the maturity of the team, the how should be clear.
- **Forced**—These people and teams are resistant to the improvement because they feel they are forced into it.
- **Change fatigue** — Teams and people that show this type of resistance are often still working to harvest the fruit of the previous improvements and don't want to work on another improvement just yet. They know the why, the how, and also the urgency.
- **Fear**—Being afraid of the unknown is a natural emotion.

It's the role of the agile leader to use the power of the change team and to give them enough structure so they can enable the change in the rest of the organization. The practical tool TO-GRIP will support the agile leader in this structure by showing confidence and giving enough mandate and authority to this change team together with a tangible goal, powerful rhythm, transparent insight, and clear evaluation moment. These ingredients of the TO-GRIP tool will help the agile leader to create a successful and powerful culture for continuous learning and improvement.

Summary

Habit Matrix: supports the agile leader in a culture workshop.

TO-GRIP: both the agile leader and the agile teams have control over improvements, strategic points, or major changes.