

# Adaptive Executive section (Expansion of the SGEP)

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## ***Collected Resources for Scrum Guide Expansion Pack***

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It's difficult for an enterprise to be adaptive [2] without a climate where words and actions match. Over eighty engagement models were studied. Amongst those were scaling or descaling frameworks, and Product operating models, which can be useful for multi-Scrum-Team Products. Models range from going too far to not doing enough in helping the Product organization become more adaptive. There is no grand, universal truth or context-free 'Goldilocks zone.'

Of the engagement models studied, there are a number of notable contenders, including but not limited to Beyond Budgeting, Humanocracy, and Sociocracy, that, depending on the context, should be explored. Consider the combination with each other and with other approaches.

## **Beyond Budgeting**

Beyond Budgeting [3-26] is a management philosophy that rejects traditional, rigid annual budgeting in favor of a decentralized and adaptive approach to organizational control and performance management. It is built on 12 guiding principles-six focused on leadership and six on management processes-that promote decentralized decision-making, transparency, team autonomy, and a strong alignment with customer value.

Instead of fixed targets and detailed annual plans, Beyond Budgeting encourages dynamic goal-setting, continuous planning, and allocation informed by real-time needs, fostering adaptiveness and responsiveness in a rapidly changing business environment. This approach aims to empower teams, enhance innovation, and ensure organizations

are better equipped to navigate uncertainty [27] and complexity [28-33]. Beyond Budgeting is badly named (false assumption it's only about Finance) and well named at the same time (indeed going beyond budgeting).

## **Humanocracy**

Humanocracy [34], as defined by Gary Hamel, is a management model that replaces rigid hierarchies and centralized control with systems that maximize each person's contribution and creativity. In a humanocracy, organizations exist to serve and empower people, not just treat employees as resources for company goals.

It is built on principles like distributed ownership, meritocracy, openness, experimentation, and community, fostering autonomy and innovation. Authority is based on competence, and decision-making is decentralized to those closest to the work. Humanocracy prioritizes trust, engagement, and unleashing human potential over compliance and control, aiming to build resilient, innovative workplaces where employees drive meaningful change.

While models like Haier's Rendanheyi [35-36] share values of decentralization and empowerment, humanocracy is a broader philosophy focused on replacing bureaucracy with people-centric principles that unlock collective capability and value.

## **Sociocracy**

Sociocracy [37-41] is a governance system that organizes people into self-managing [42] circles and makes decisions by consent, not majority vote. Developed by Gerard Endenburg [43] in the Netherlands in the 1970s, it ensures everyone affected by a decision has a voice, with proposals advancing unless a reasoned objection is raised. Guided by the principle of 'good enough for now, safe enough to try,' sociocracy distributes authority, promotes transparency, accountability, and continuous improvement, and fosters collaboration and shared ownership. Its principles have influenced models like Holacracy and self-managing teams.

The most established variant is the Sociocratic Circle-Organization Method (SCM), the original, formalized method. SCM uses semi-autonomous circles, double-linking (where two people attend two directly related circles to connect those circles), consent-based decision-making, and open elections for roles. This structure maintains both organizational efficiency and member equivalence, and has a well-documented track record in businesses, cooperatives, and schools in the Netherlands.

While newer variants like Sociocracy 3.0 (S3) offer more flexibility, SCM remains the most historically validated and widely documented form of sociocracy.

## **The Adaptive Executive or Board Member**

MORE Executive SUCCESS identifies a number of opportunities for executives and board members:

- Acquire knowledge on stakeholders (including the customer) and their needs and limits, the work, how the work works, the waste, the anti-patterns, the problem space, the opportunities, the evidence that value can be harvested, behaviors, and habits
- Foster a humane performance climate and enable succession planning that protects and improves it
- Develop responsiveness and flow [44-45] across value networks
- Nurture emergence [46] and adaptiveness [2] in a direction with clarity
- Engage people, including customers and colleagues
- Foster effective and timely succession planning

There is abundant guidance for those from the organization's structural bottom, middle, and sides on how to improve adaptiveness [2]. The executive level, however, is poorly served with guidance on timely humane effectiveness, customer interactions, and 'how the work works.' There is a misconception that hired change agents fill the gap alone, which is unrealistic because the organization owns the change.

Timely, humane effectiveness should permeate the entire corporate structure to gain its numerous benefits. Even organizations that have 'succeeded in change adoption' face hazards. People leave, other perspectives take hold, and corporate fads can unravel adaptiveness gains. Negative chaos could arise.

Many players and engagement models purportedly support executive adaptiveness, which is great because different organizational contexts require different approaches. But for all the resources available, the overall landscape of executive adaptiveness hasn't changed much in 25+ years.

Whether using tactics, strategies, methods, and frameworks or none, organizations should first embrace the ethos that underpins ambidexterity, humane effectiveness, adaptiveness, and timeliness at the top. Otherwise, executives and board members will continue to oversee 'change theater' and an incomplete patchwork of timely, humane, effective pockets within organizations.

## **Shining a Light on Executive Behavior**

Executive and board member posture or actions will influence the new behavior of others more than any of their words or directives. Nevertheless, it would be best to revise the questions asked to improve ambidexterity, humane effectiveness, adaptiveness, and timeliness.

Ambidexterity, humane effectiveness, adaptiveness, and timeliness require the eventual extinction of incoherent executive behavior. Examples of more helpful behaviors are accepting failure, seeking information before judging, giving opportunities to try some-

thing new to learn things, making it okay not to know, and helping people focus. There are some notable options for dealing with executive behavior.

### **Immunity To Change®**

Lisa Laskow Lahey and Robert Kegan (principals at The Developmental Edge) created a change approach known as Immunity to Change® [47-48]. People often know what to do, but they won't do it because of conflicting internal commitments. Metaphorically, people have 'one foot on the gas and one foot on the brake'.

Immunity to Change® is a framework for defining those 'hidden commitments' and 'limiting assumptions' that prevent people from changing and realizing their goals. The Immunity to Change® theory and map have helped countless professionals and organizations to unearth and move beyond the commitments preventing their professional and organizational growth.

### **Intent-Based Leadership®**

*Intent-Based Leadership® (IBL) [49-51] is a language teams use for high performance that replaces the programmed industrial-age language. IBL stresses the concept of intent from leaders and the team. It is based on the books Turn The Ship Around and Leadership is Language by L. David Marquet.*

*One of the core beliefs is that leadership is not for the select few at the top. In highly effective organizations, there are leaders at every level. L. David Marquet molded the leadership he developed on the nuclear-powered submarine USS Santa Fe into a system called Intent-Based Leadership for your organization to implement to invite thinking and leadership at every level.*

*Intent-Based Leadership helps leaders build organizations where people are at their best because they have a sense of autonomy, tap their intrinsic motivation, feel listened to, and have a drive for excellence. They feel high levels of ownership and control, so they engage their hearts and heads. They gain psychological rewards as they see the fruits of their decisions and work. There is a bias for action, and teams are more agile and resilient because error creation and propagation are reduced.*

*The practice of stating intent allows teams to have distributed decision-making while maintaining unity of effort. The Intent-Based Leadership International (IBLI website) offers consulting, coaching, online courses, and books for leaders.*

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