



Leading transformation through uncertainty

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Executive summary

It's been almost twenty years since the agile manifesto launched the agile software development practice. Since then, agility has expanded beyond software development and IT. Business leadership teams have been looking at the agile principles, practices, and outcomes, and have embarked on their own journeys to agility. This paper, which focuses on agile leadership, is meant to help leaders understand the principles of the agile mindset so they can inspire and drive cultural change.

Agile organizations respond quickly to shifts in customer needs and market conditions. They embrace change and look for ways to delight their customers with customized offerings delivered in small bundles. You should care about agility if your goals are any of the following: increasing your company's competitiveness in the market, enabling faster innovation, accelerating time to market, or improving the customer experience.

The journey to agility requires agile leadership, because as a leader, your responsibility is to create the cultural change that will allow new agile ways of working to take effect. This requires, first and foremost, a mindset shift. You should be prepared for changes in leadership style, and in your teams and work practices.

The agile leadership style starts with your traits and beliefs and materializes in your behaviors. Authenticity, transparency, and self-awareness are the three top traits. They serve as the foundation for these crucial beliefs: change is a superpower; what got us here won't get us there; and I am never the smartest person in the room. The top three agile behaviors you can adopt as a leader are to give your teams autonomy as servant leader, be a role model, and make room for failure.

The journey to agility won't materialize without agile practices, tools, and the right environment. In fact, the most successful organizations are the ones who create congruence across teams, practices, tools, and work environment. Make sure you offer your teams training and ongoing coaching. Give them room to adopt new work practices and chart their own course; get out of their way as much as possible. Choose the tools and foster the environment that allow for ongoing collaboration and exploration.

Agile teams and practices create congruence in four areas:

- People
- Practices
- Tools
- Environment

Many leaders have embarked on their own initiatives to agility only to run into unforeseen obstacles and abandon their efforts. Agility isn't about a one-time transformation. And the path to agility isn't straight. Be prepared to make mistakes, fail, and learn. The most common pitfalls to avoid are below:

- The “agile compliance regime”
- Long transformation plans
- The expectation that agility will increase the certainty of success
- Change for the sake of change

The agile leadership style



Traits

- Authenticity
- Transparency
- Self-awareness



Beliefs

- Change is our superpower
- What got me here won't get me there
- I am never the smartest person in the room



Behaviors

- Give your teams autonomy
- Be a role model for the team
- Make room for failure



Introduction

It's been almost twenty years since the seventeen pioneers of the agile software development movement met in the Wasatch mountains of Utah to craft the agile manifesto. Since then, agile, the software development practice, and agility, the work ethos and concept, have caught fire. Using agile practices, software development teams have been delivering work faster and in a more predictable fashion, helping their teams achieve greater agility. In recent years, leadership teams from different functions, impressed by the results in IT and software development, have been looking at the agile principles, practices, and outcomes, and have embarked on their own journeys to agility.

Agility, the desired organizational outcome, is about people (skills and mindset), practices (agile, lean, kanban, SAFe and others), products (Jira, Trello, Jira Align, etc.) and work environment (offices, white boards etc.). This document focuses on people and practices, with emphasis on the type of leadership that enables agility rather than the individual agile practices such as Scrum or Kanban.

Throughout this paper the following terms will come up:

Agile organization An organization adopting a practice and set of principles in order to deliver more valuable software faster.

Agility The desired outcome for an organization that wishes to respond to change better.



The Agile Manifesto

Before all else, it's important to remember the core principles of the agile movement.

We are uncovering better ways of developing software by doing it and helping others do it. Through this work we have come to value:

- Individuals and interactions over processes and tools
- Working software over comprehensive documentation
- Customer collaboration over contract negotiation
- Responding to change over following a plan

Principles behind the Agile Manifesto

1. Our highest priority is to satisfy the customer through early and continuous delivery of valuable software.

2. Welcome changing requirements, even late in development. Agile processes harness change for the customer's competitive advantage.

3. Deliver working software frequently, from a couple of weeks to a couple of months, with a preference to the shorter timescale.

4. Business people and developers must work together daily throughout the project.

5. Build projects around motivated individuals. Give them the environment and support they need, and trust them to get the job done.

6. The most efficient and effective method of conveying information to and within a development team is face-to-face conversation.

7. Working software is the primary measure of progress.

8. Agile processes promote sustainable development. The sponsors, developers, and users should be able to maintain a constant pace indefinitely.

9. Continuous attention to technical excellence and good design enhances agility.

10. Simplicity—the art of maximizing the amount of work not done—is essential.

11. The best architectures, requirements, and designs emerge from self-organizing teams.

12. At regular intervals, the team reflects on how to become more effective, then tunes and adjusts its behavior accordingly.

Read more about the [Agile Manifesto](#) and its founding members.

Why is agility important?

What's the big deal about achieving agility? After all, companies have competed successfully in the market for decades with large product releases, spaced every few years, delivered through hierarchical structures and traditional practices.

In today's marketplace, you need a high level of innovation to stay competitive. Customers' needs change quickly. Technology is ever-evolving and the barriers to entry are low. Your employees are constantly looking for ways to have a lasting impact and delight your customers. The stakes are higher than ever.

To thrive, your organization needs to:

- Delight your customers with products and services that win their hearts
- Adapt to shifting customer demands quickly
- Let teams of motivated, passionate individuals adopt new ways of working together while incorporating ongoing customer feedback
- Use technology as a strategic enabler of innovation rather than restrict technology to the back office

Agility, far from a destination, is an evolution. You should care deeply about agility if your goals are any of the following: increasing your company's competitiveness in the market, enabling faster innovation, accelerating time to market, or improving the customer experience.

Consider moving to agility if you want to:



Increase your company's competitiveness in the market



Enable faster innovation



Accelerate time to market



Improve the customer experience



The agile organization

Agile organizations respond quickly to shifts in customer needs and market conditions. They embrace change, and look for ways to delight their customers with best-in-class offerings delivered quickly in small batches. Agile organizations adopt a culture of continuous learning, and strive for visibility and strategic alignment across organizational boundaries.

Such organizations exhibit six trademark characteristics:

1. They embrace self-aware, passionate individuals who are invested in the organization's vision and success.
2. They create networks of teams with flat structures, and give them full responsibility to deliver solutions that will delight the customers.
3. They work in rapid cycles and deliver work in small, consumable batches.
4. They experiment and learn continuously.
5. They integrate technology into every aspect of the organization to deliver nimble solutions.
6. They move from project-centered to product-oriented teams focused on customer outcomes.



Agile leadership

Smaller companies can often make quick decisions and work in an agile mode without the constraints of long-term, multi-year strategic planning or red tape. The larger a company becomes, the more difficult it is to continue working in an agile mode. In larger, traditional organizations, leadership teams plan in long-term horizons, set strategy and goals, and deliver products and services through fixed, often rigid organizational structures. Many of these companies have been extremely successful for decades and brought products to the market that we still use and admire today. If you are a seasoned leader in a traditional company, you have a way of managing that has served you well. Except now the stakes are higher: game-changing products are brought to market by nimbler, more agile companies, and you need a way to compete. What got your company where it is today may not move it where it needs to go next.

How do you achieve greater agility? What will be your new role? Suppose a couple of small teams in your company have set out on their own journey to agility. How do you expand the momentum? How do you keep agile teams, each making their own decisions and working in short delivery cycles, in sync? How do you avoid becoming a roadblock?

If you're part of a seasoned leadership team, your role on the journey to agility will be counter-intuitive. Agility is, first and foremost, a mindset shift for you. The culture of decision making at the top needs to evolve to a culture of empowerment and trust.

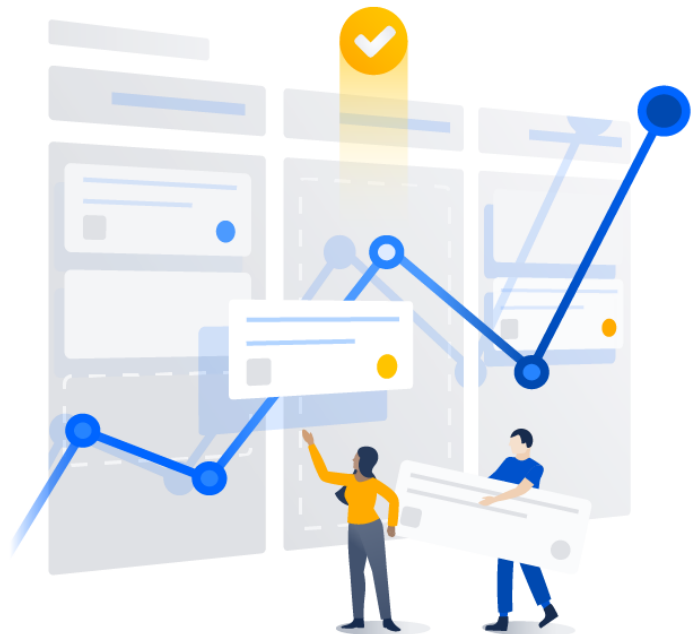
Some companies begin with one or two groups and an agility coach and continue from there. In some cases, executive sponsors try to move the entire organization towards agility at once, aligning business and IT teams. In all cases, however, change requires commitment from the top. The journey to enterprise agility requires agile leadership. And your job as an agile leader is to unleash the potential of every team.

You should be prepared for changes in leadership style, and in your teams and work practices. Easier said than done? Not necessarily.

The agile leadership style

The agile leadership style isn't about implementing short development cycles nor adopting one of a dozen agility frameworks. It is, first and foremost, a mindset shift. Without this shift and subsequent change in management practices, agility will remain an unfulfilled promise. What do we mean by a mindset shift? To start with, we mean a re-evaluation of and change in the leader's traits and the leader's beliefs. Together, traits and beliefs form the foundation for the agile behaviors that spark change across the organization.

Let's make this more real. Suppose we ask Alex, one of your company's recent hires, to join the conversation. Alex, whom you wooed away from your closest competitor, comes with seven years experience in software development and project management. What's more, Alex doesn't mince words, has worked in agile teams, and is cheering your decision to move towards agility. She will help guide us forward as we explore the traits, beliefs, and behaviors of an agile leader.



Trait 1. Authenticity

Authenticity is the number one trait in the agile leader's checklist. It takes self-reflection, an open mind, and commitment.

Here's what authenticity is *not*:

- Committing to a course while intending to pursue another
- Expecting your teams to adopt agile ways of working when you yourself won't

Authenticity is:

- Bringing your true self to work every day
- Being upfront with your teams while being mindful

ALEX:

"I want someone at the top who's real. Someone who's not driven by internal politics. Someone who means what they say, say what they mean. I want to believe that you care about me and about all of us in this group. And I hope you care about our customers, too, because they pay our salaries."

Trait 2. Transparency

Is it hard to embrace transparency?
Not as hard as you think.

Here's what transparency is *not*:

- Refusing to acknowledge you don't know how to begin the journey to agility
- Labeling yourself or your teams "agile" without a grasp of the agile mindset
- Refusing to seek help

Transparency is:

- Being honest when uncertain
- Being humble when faced with challenges
- Admitting mistakes and seeking help

ALEX:

"This is a biggie for me. I want to know where I'm headed. Can you explain your plans to me? The more you trust me with the truth, the more loyal I'll be. If you want us to achieve agility but don't know how, please admit it and we'll go from there."

Trait 3. Self-awareness

Self-awareness begins with the understanding that you, like everyone around you, don't know everything. Together with self-regulation, it shapes our emotional intelligence at work.

Here's what self-awareness is *not*:

- Talking like you're right and arguing like you're right
- Refusing to consider your teams' ideas or feedback

Here's what self-awareness is:

- Arguing like you're right and listening like you're wrong
- Evaluating and re-evaluating your own strengths and weaknesses

"The best agile leaders argue like they're right and listen like they're wrong."

Dom Price

Work Futurist, Atlassian

 ALEX:

"My old boss thought they were always right. It was so hard to get through to them. I hope you can lead by example."

Agile leadership beliefs

Belief 1. Change is our superpower

Change is no longer something to live with or get used to. It's something successful leaders own and manage.

Here's how *not* to think about change:

- Change is a necessary evil, I just have to live with it
- I'll deal with change when it comes
- If I can implement this one restructuring I'll be good for a few years

Embrace change as:

- Constant
- Necessary
- Your hidden superpower

 ALEX:

"We all talk about change but you know what? Many of us are afraid of what happens if we try to rock the boat. We do want to rock the boat, very much. It's when we're afraid of what happens to us when we speak up, that we no longer want to."

Belief 2. What got me here won't get me there

If you're convinced you're the expert or that you have nothing new to learn, you've fallen into complacency; you're not growing. You may have to unlearn old tricks to make room for a new way of thinking.

 ALEX:

"The old way of doing things is just an old way of doing things. It's not the right way for what we need now."

The following beliefs will *not* help you on the path to agility:

- I have seniority, I've done this job for twenty years, no one knows it better than I do
- Everyone needs direction from me
- What got us here will get us there

These beliefs *will* serve you well:

- Everything around me is changing—I have to change too
- If I listen well, I'll learn better
- What got me here won't get me there

Belief 3. I am never the smartest person in the room

Humility in a position of power, rather than a weakness, is a strength.

These beliefs are *not* helpful if you wish to work in an agile manner:

- I can outwit everyone at work
- My group wouldn't know what to do without me
- Being the smartest one around is my burden to bear

These beliefs *will* serve you well:

- I have a lot to learn
- I am no better than my team

 **ALEX:**

“Dear CIO, I graduated top of my class. I have a graduate degree and 3.9 GPA. You hired me because I'm smart and driven.”

Agile leadership behaviors

The agile traits and beliefs discussed above create the foundation for your actions as the agile leader. Your traits and beliefs may only be visible to a few but your actions are visible to everyone. The following three behaviors are at the top of our list.

Behavior 1. Give your teams autonomy

You hired your employees not only because they're good at what they do, but because they're motivated. Your role as a leader is crucial but leading in an agile way doesn't mean setting strategy, dictating direction, and controlling the outcomes all by yourself. Nimble companies that empower the team unit have proven that they can be far more innovative.

The behaviors below will *not* put you on the path to agility:

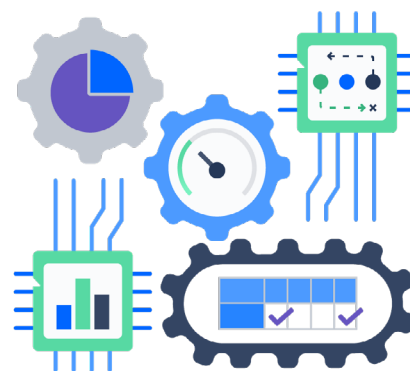
- Making all the decisions and handing them down the organization
- Withholding information your teams need to make decisions
- Asking for constant update reports and intervening in the work you have tasked your teams to produce

These behaviors *will* serve you well:

- Finding ways to be of service to your teams rather than the other way around
- Helping to set a tone and direction and giving your teams autonomy

 ALEX:

"I don't want to be told what to do all the time. Please don't treat me like I'm incapable. I've seen our customers' reactions to our latest product and they're not always flattering. Honestly, I can dig in and make things happen if you'll let me."



Behavior 2. Be a role model for the team

Becoming a role model for agility means sharing in both your team's successes and failures; embodying the agile mindset; and soliciting feedback. Remember you have to embrace change in order to lead change.

These behaviors will *not* help your journey to agility:

- Taking credit when your teams succeed and blaming them when they fail
- Refusing to listen to advice or criticism

These behaviors will serve you well:

- Admitting your part in the teams' successes and failures
- Being open to advice and criticism

"Senior leaders think agility is something other people do. The best results I've seen come from senior leaders taking on the mantle of modeling agility."

Dom Price
Work Futurist, Atlassian

 ALEX:

"Your actions will speak louder to me than your words."

Behavior 3. Make room for failure

Failures are opportunities to learn and make adjustments. As an agile leader, you have to create space for your teams to experiment and fail. An executive we worked with has taken specific and concrete action to this end by launching weekly meetings to celebrate failures.

 ALEX:

“Sure, we’ll make mistakes.
Who doesn’t?”

The behaviors below will *not* serve you on the journey to agility:

- Brushing failures under the carpet
- Refusing to take responsibility for failed attempts or mistakes

These behaviors will serve you well:

- Offering the freedom for experimentation and failure
- Rewarding your teams for efforts made, not just for successes

The agile leader

Together, traits and beliefs form the foundation for the agile behaviors that spark change across the organization.



TRAITS

Self-awareness
Transparency
Authenticity



BELIEFS

Change is our superpower
What got me here won’t get me there
I’m never the smartest person in the room



BEHAVIORS

Give autonomy
Be a role model
Make room for failure

Agile teams and practices

The journey to agility needs leadership but doesn't materialize without teams of empowered, motivated individuals working together.

There are four aspects to agile teams and teamwork: people, practices, tools and environment. Agility, however, isn't about having the best people or the most evolved practices or cutting-edge tools. At Atlassian we believe that the most successful organizations are the ones that create congruence across people, practices, tools, and environment.

People

If your teams don't have experience with agile practices and ways of working, it's worthwhile to invest in training. Make sure your people have access to ongoing coaching, and are given the opportunities to learn and sharpen their skills.

Practices

The most agile organizations employ habits and rituals chosen by the teams and endorsed by the leader. This is where your servant leadership style comes into effect. Teams, once they understand the mission they're on, armed with new knowledge and the right tools, are given the freedom to chart their own course.

Tools

There are a number of technology tools available for a variety of tasks. Pick the ones that allow for agile ways of working and are congruent with what you're trying to achieve and with the skills of your people. A waterfall-based tool isn't the best choice, even if it is the best in its class.

Environment

Does your company's work environment match the practices and tools you employ for your people? Is the office space configured in a way that allows collaboration and exploration or are offices with closed doors getting in the way?



Australia's top bank

A case study

When Shayne Elliott assumed the position of CEO at ANZ, one of Australia's biggest and oldest banks, he found himself at the helm of an organization that had maintained a steady course with little or no change for over 100 years.

To make ANZ competitive, Elliott made the decision to change the bank from being driven by process to being driven by the customers' needs. The idea was to deliver new products the customers wanted, fast. "This change absolutely started with Shayne," said Darren Pratt, customer engagement lead. "This was his vision. We had very clear leadership."

Elliott knew about agility. He also understood that becoming agile is not about adopting a framework or a specific tool. He knew the journey to agility involved a cultural change that would impact all 50,000 ANZ employees.

It was not easy.

Elliott and his executive team soon realized that becoming agile required vast amounts of energy and dedication. Rather than focusing on methodology or technology, they turned their focus to people. They invested in training, encouraged employees to ask questions, and adopted "squads" and "tribes" that could decide how to work best.

Today, ANZ's smaller teams are empowered and accountable for quicker deliveries. Having developed trust in each other, the teams are invested in the outcomes of projects and the success of the company.

Elliott's proudest moment is not having turned a big ship around; it's seeing employees working with a renewed sense of dedication and enjoying higher levels of job satisfaction.

Agility pitfalls

The journey to agility isn't easy and it doesn't follow a straight path. Beware of the pitfalls below:

The “agile compliance regime”

Sometimes executive sponsors, determined to turn their teams agile, adopt an agile methodology like Scrum, hand out checklists, and expect their teams to comply. What these sponsors get is adherence. They don't get the value of agility.

Long transformation plans

Many senior leaders fall into old habits. An example of this is creating an 18-month detailed waterfall plan for agility. But agility is a spectrum. There's no switch you can flip to turn your company agile. Agility is an evolution, achieved daily by small and constant change.

The expectation that agility will increase the certainty of success

To an agile leader, the best way to reduce uncertainty is to try things out by delivering work in small chunks and getting frequent releases into the customers' hands. With each release, confidence grows. Agile teams fail faster and learn faster. And even though there will be no certainty, progress will be constant.

Change for the sake of change

On the far end of the change spectrum, companies may get addicted to a change-for-the-sake-of-change mentality. Change may be necessary but it needs to be purposeful.



Enterprise agility begins with you

With agility expanding across the organization, teams look to their leaders as beacons of light towards a better future and way of working. Individual teams can only take a company so far on their journey to agility; a leader needs to continue paving the way for accelerated change.

When you, the agile leader, put the team at the center of everything you do, only then will you be able to truly unleash their potential. Your traits, beliefs, and behaviors as a leader will determine just how agile your organization will become and how fast you can grow. Remember, it's not a one-time transformation, it's a journey that you can lead your teams on.

Interested in learning more about what goes into an enterprise's journey towards achieving agile at scale?

Dive into additional resources on our agile coach site, from Lean Portfolio Management (LPM) to Objectives and Key Results (OKRs):

<https://www.atlassian.com/agile/agile-at-scale>

