

Practical Ways to Lead an INNOVATIVE ORGANIZATION

MODERN MANAGEMENT MADE EASY: BOOK 3



*Author of Manage Your Project Portfolio:
Increase Your Capacity and Finish More Projects*

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Practical Ways to Lead an Innovative Organization

Modern Management Made Easy, Book 3

Johanna Rothman

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Practical ink

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*In memory and honor of Jerry Weinberg who told me I should
write a book about rewiring management logic.*

For Edward Rothman, my first management mentor.

*And, for Mark, Shaina, and Naomi, as always. Thank you for
managing me.*

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Praise Quotes

What Readers Say About The

Modern Management Made Easy books

“The lessons I learned reading *Modern Management Made Easy* books make me a better leader. Descriptive examples paint a clear picture of situations at work I often find myself in, and applying the practical advice helps me better serve myself, my team, and my organization. Johanna influenced me to think congruently, and provided the tools needed to excel in my role. I can’t recommend these books highly enough.” — Carl Hume, VP Engineering at Homestars

“If you are starting a new management role, or simply want a reminder of what it is all about, then these books provide a body of practical wisdom in an easily digestible form. They place the role of the manager in a wider context rather than implying some context free set of qualities and manage to avoid the platitudes all too common in books of this kind.” — Dave Snowden, Chief Scientific Officer, Cognitive Edge

“Do you need real-world answers to real-world management problems, especially to address agility at all levels? As I read Johanna Rothman’s *Modern Management Made Easy* books, I nodded along and said, “I’ve seen that!” Use these books with their suggestions for what you can do to solve your real-world management problems.” — Scott Seivwright, Agile Coach and Leadership Pirate

“This series of books is a rare mix of personal stories, practical examples, researched theory, and direct calls-to-action. Rarer still, Johanna’s writing segues between them without losing the reader

or breaking their immersion. Whether you are a manager, an aspiring manager, or a coach of managers, these books will give you the necessary tools to develop new skills and the language to develop new cultures.” — Evan Leybourn, Co-Founder, Business Agility Institute

“Think of these books like three friends who can offer you advice on your management journey. You’ll return to them whenever you want advice, reassurance, challenge, or renewal. I added these books to my library, right next to the late Russell Ackoff’s books on the F/laws of management. Use these books to create your modern management and an environment that brings out the best in the people you lead and serve.” — Claude Emond, Organizational Performance-Growth Expert

“This book series is the furthest thing from your run-of-the-mill boring management books. Johanna Rothman busts dozens of management myths in an easy to read set of essays that are useful in part or as a whole. The stories and anecdotes told are relatable, practical, and fit for today’s modern workplace. Regardless of your management experience, there’s valuable lessons to be found on every single page.” — Ryan Dorrell, Co-Founder, AgileThought

“These books provide a wealth of practical leadership and team-building information. Project managers and leaders of problem-solving teams are often taught logical but flawed guidance from the industrial era. Today’s project teams require servant leadership, inspiration, and collaboration skills far more than centralized planning or progress tracking. Johanna’s books identify and bring to life better alternatives for undertaking challenging projects. Laid out in a helpful sequence, they provide a wealth of practical tools for today’s practitioner searching for better outcomes and more satisfied stakeholders.” — Mike Griffiths, CEO, Leading Answers Inc.

“If you lead at any level in today’s disrupted and crazy world, read these books on modern management. As with all Johanna’s books,

they are full of insightful stories, real world examples and concrete actionable advice. Use these books to guide your own development, support and lead others, and guide your organisation to greater success.” — Shane Hastie, Director of Community Development ICAgile

“Each product team has its own culture. It is important for leaders to understand where culture comes from and how they can influence it so that their teams can build better products. In the Modern Management Made Easy books, Johanna Rothman has some valuable advice to help you be more purposefully create a culture that will support the team while driving powerful innovations. Her style of writing includes questioning and addressing industry myths that draw from decades of real world experience. Her work will change the way you lead product.” — Sean Flaherty, EVP of Innovation and cohost of the Product Momentum podcast.

“With her characteristic blend of pragmatism, insight, and wit, Johanna Rothman takes on the role of modern management’s mirror, mythbuster, and mentor. The first in her Modern Management Made Easy trilogy, *Practical Ways to Manage Yourself* demystifies the illusions we knowledge workers spin. Offering thought-provoking observations from her own career, along with steps to help identify and replace outmoded thinking and habits while gently urging guiding the reader towards a more thoughtful management practice, this latest volume reinforces why Johanna remains among modern management’s most readable, relevant, and respected thinkers.” — Tonianne DeMaria, Coauthor of Shingo-award winning *Personal Kanban*

“With two decades of management experience, I found myself nodding at every question and recognizing every myth. If you always work the way you’ve always seen management, you might not realize your alternatives. Do yourself a favor, and read these books because people won’t complain to you—they’ll complain about you.” — Mun-Wai Chung, Senior Consultant, MunWai Consulting

“I’ve had a few good managers and mentors to emulate in my management and consulting journey. But I sure could have used these three books along the way. There are many pragmatic gems here I wished I had back then, and there are still more gems that I now know I’ll be using moving forward.” — JF Unson, Agility Coach/Catalyst

“If you’ve ever wondered about management and why things are the way they are, read these books. Johanna offers questions—questions I hear every day—and then possibilities for improvement. Her personal and client stories challenged my thinking, for the better. Even if you only read the sections about managing performance, these books will help you select actions that create engagement and better performance in your organization.” — John Cutler, Head Customer Education, Amplitude

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Any mistakes are mine.

Introduction

Several years ago, I wrote a series of articles I called “management myths.” They each described how I’d seen managers act so that the manager created the opposite result from the one they wanted. Yes, the manager’s actions created precisely the opposite effect.

I wrote a myth a month for 36 months.

I assumed as the world transitioned to agile approaches or approaches where teams, managers, and organizations needed more resilience, that managers would change. I thought no one needed to read about the myths in a world where we want collaborative, cross-functional, self-managing teams.

I was wrong.

As I worked with more managers who wanted to use agile approaches, I realized these problems:

- Existing management practices didn’t work at all for agile teams or teams that need to exhibit adaptability and resilience.
- Those practices didn’t work for managers who wanted to lead and serve others.
- These practices actively prevented innovation.

Leaders, teams, and innovators succeeded despite their management.

And, in an organization attempting to transform to an agile culture? The more the managers tried to make old patterns work, the less agility anyone exhibited.

Why did these smart people behave in ways that didn’t make sense?

They didn’t know they had options.

These managers had never witnessed useful management, never mind excellent management. They tried to do the best job they could. And, they perpetuated what they'd experienced, or possibly even learned in school. They practiced what they'd seen—the old ways of management.

It's time for real modern management.

Modern managers have enormous challenges. They feel as if they are between the proverbial rock and a hard place.

How can you become a modern manager when the system, the culture, is based on old thinking and old practices?

Carefully.

I've divided the original essays into three books. Book 1, *Practical Ways to Manage Yourself*, asks you to consider how you can manage and respect yourself to build congruence and integrity in your actions.

Book 2, *Practical Ways to Lead and Serve (Manage) Others*, explains how you can serve a harmonic whole. The entire team or group can then work together in a culture of transparency and trust.

This third book explores ways to create a human and innovative culture in your organization, so you can use the ideas of trust and integrity to create a place where people want to work.

You might feel many constraints in your situation. As you read these books, you might nod and say, "Yes, I can do that." And, you might shake your head at some ideas and say, "Not going to touch that here. Nope, not at all."

I do hope you consider each essay as a possible experiment for your management practice. You have options.

Who Are the People in These

Essays?

You might wonder about my use of names and gender in these books. For example, you might never have seen women as senior managers. I have seen men and women as senior managers. I've been a senior manager.

My experience tells me that a given gender does not equate to great or unfortunate management skills. Neither does a person's country of origin or any other kind of individual demographic.

To help you see what the management world could be, I've created parity across genders. I've used names of people I've worked with or admired. Even with that, I've changed all the names to protect the innocent and the guilty.

I've had the good fortune to meet and work with male and female managers worldwide. In almost every circumstance, the managers have done the best they could, given their company's environment and culture. The manager's gender didn't matter.

The company's environment mattered more than anything. You might—or might not—see the variety of people in roles that I write about here.

Through my work, I've recognized several principles that create great management and build healthy organizational cultures.

All three books build on these principles:

1. Clarify purpose—for you, the team, and the organization.
2. Build empathy with the people who do the work.
3. Build a safe environment. People work better when they can trust you, their colleagues, and the organization as a whole.
4. Seek outcomes by optimizing for an overarching goal.
5. Encourage experiments and learning.

6. Catch people succeeding.
7. Exercise value-based integrity as a model for the people you lead and serve.

If you can exercise these principles, you will gain these effects:

- Respect—for yourself, for the team, and for the purpose of the organization.
- Trust—possibly with boundaries—to encourage the behaviors and outcomes you want.
- Team-based approaches to working at all levels of the organization.

All three books explain some of the trickier parts of management. You'll get the most value if you read all three books.

As you read the dialogue in the essays, remember that I said most of these things to my managers. You might see these conversations as insubordination.

I didn't feel as if I was insubordinate. I used the principle of congruence to have conversations where my manager and I cared about the outcome, each other, and discovered our best possible outcome for the situation.

You and I are different people. How I frame conversations might not work for you. You will find *your* best ways to describe the situation and influence your manager.

You can practice human and humane management that produces superior results for your organization. You can respect yourself, the people you serve, and the entire organization as well as customers. You can act with integrity. And, you can have empathy without being a pushover.

You might worry—will you still be able to obtain the necessary financial results you want? Yes, innovative leaders create an environment that balances short-term needs—including financial—with a culture of innovation and change.

Management is an honorable profession. We need managers—great, congruent managers who can use their interpersonal skills to get the best out of themselves first. Then, they can extend those skills to the people they serve and across the organization.

This book is about how you might create an environment that promotes innovation. I'll suggest many options you can consider to ease your management and encourage innovation.

Let's start.

1. Encourage Management Innovation

Have you ever seen innovation in a management team?

Think back to your participation in innovative teams, groups, or organizations. Aside from the fun and challenge, you had a specific common goal. You and your team focused on that single goal. Everyone contributed as they could to the goal—and people learned from each other. All the participants understood the state of the work. And you were able to show other people your work.

The team had sufficient autonomy to work in ways that suited them—for their internal process and inside the organization. And, the team produced. They were able to show interim progress internally. Depending on the product or service, they integrated feedback loops from other people across the organization and customers.

Each innovative team or group I've worked with has had a different feel. Some of them socialized at work. Some didn't. Some encouraged loud disagreements. Others had a culture of only library-loud voices.

The teams managed their working agreements for their behaviors and actions. And, I've seen each innovative team—including innovative management teams—exhibit these innovation principles.

1.1 Consider These Innovation Leadership Principles

If you want to lead an innovative organization, consider these principles:

1. Clarify purpose. Why does your organization exist? What customers does it serve? What problems does it solve?
2. Build empathy with the people who do the work. Examine your policies and procedures—do they help people do the work or hinder the people?
3. Build a safe environment. How safe are you to exercise your integrity, disagree with others, prioritize the work, and more? Do you clarify why and when you make decisions and what to do when people disagree?
4. Seek outcomes by optimizing for an overarching goal. When managers work in flow efficiency, they optimize for the organization, not their department or themselves.
5. Encourage experiments and learning. The more innovation you want, the more everyone will need to experiment and learn.
6. Catch people succeeding. Create small-world networks where people can offer each other reinforcing feedback and learn together.
7. Exercise your value-based integrity. When the managers and the organization's policies work with integrity, people notice. They will make more decisions that you want and fewer decisions you don't want.

You'll notice I didn't include transparency or communication in these principles. That's because if you use all these principles, you will communicate more effectively. You will be as transparent as you can be with the people you serve.

When I've been a part of innovative teams and organizations, they used these principles. They experimented, learning as they proceeded. They were able to learn and extend the organization's products, services, and knowledge.

Notice that all these principles rely on human relationships. That's why the ideas in Books 1 and 2 are so critical to effective management and leading an innovative organization. When managers create the environment for human relationships to thrive, the organization can innovate.

And, because relationships are the heart of innovation, these innovative teams are—surprisingly—fragile. If someone from outside the team or group meddles in the team—changes any of these characteristics—the relationships falter and eventually die. (That someone might be you, your peer manager, or other managers in the hierarchy.) The innovative team cannot sustain its innovation.

External meddling breaks the necessary relationships between the team members and their contacts outside the specific team.

I've seen well-meaning managers challenge every single innovation principle. The managers don't define an overarching purpose, so people don't see the meaning in what they do. The managers ask the members to multitask or the manager looks for milestones, not outcomes you can see. Or, the manager asks people to work alone, isolated in their silo or cubicle.

Worse, I've seen too many organizations say that people are their greatest asset. Then, these same managers don't act to optimize the environment for the people. The managers actively discourage experimentation with policies, procedures, and mandates. And, the managers make decisions—and no one understands why.

Why do managers act this way? Often, because they fear risks or potential problems—or the manager does not feel safe. Instead of clarifying and explaining their fears, the managers became conservators of the status quo. They don't encourage change and experimentation to discover a new status quo.

Here's a quick test to see if your organization rewards conservator, status quo thinking: Does the organization reward success as measured by following plans, not learning from experiments? If so, you work in a more conservator-oriented organization.

When we work in conservator mode, we protect the institution from immediate failure. We ingrain current modes of working that don't allow for and encourage change. We stagnate.

When we work in experiment mode, we learn and extend what the institution can do.

Managers and leaders struggle to find the "right" balance between protection and experimentation. That balance changes with the market context and with the people in the organization.

In my experience, both conservators and experimenters have the best interests of the organization at heart. (Yes, there is a small set of cynics in many organizations who only want to satisfy their self-interest. However, most people I meet want their organizations to succeed.)

Our organizations need innovation now more than ever. Peter Drucker said this in *The Essential Drucker* [DRU01](#):

"...every organization—not just businesses—needs one core competence: *innovation*.

And, Gary Hamel said "Management innovation ... yields a competitive advantage" [HAM07](#).

If you manage for innovation, you manage *for* change. To encourage change, you need to know your organization's purpose—why your organization exists.

1.2 Start With Why

Why is your organization in business? I'm not talking about the "excellence" or "delivery" or any of that buzzword bingo nonsense. Do you know which customers you serve and why? How about your employees? Why does your organization exist?

Too often, I see the organization's leaders say they deliver value to the shareholders. Or that they focus on the short-term and making money.

Every company needs money to fund its work.

However, making money is not a mission. Neither is creating value for the shareholders. Companies make money and create value for the shareholders as an outcome of creating products and services customers love.

Companies use their purpose to decide which products and services to offer. That purpose, through the products and services, attracts employees and customers. The purpose helps create the environment.

When I work with managers about their why, I ask questions such as these:

- What is your purpose, the difference you will make in the world?
- Why do people care about that difference?

As Simon Sinek says in *Start with Why* [SIN09](#), "People don't buy WHAT you do, they buy WHY you do it." When you start to explore your why, you can see how you can attract employees and customers.

When you know your why, everyone pulls together—because they all believe in the same purpose.

The purpose helps the organization frame possible innovations as experiments. (Any given experiment might fail—the success occurs when people learn from their work.) Not trivial experiments that allow us to relearn gravity, but experiments with management, with products, and with the processes we use. Great experiments help us learn a lot in a short period of time.

When managers spend time defining why *their* organization is different, they can attract their ideal customers—and ideal employees. Those ideal customers start and continue to buy, funding the organization. And, those customers tell their friends and colleagues. The employees help the organization recruit other great employees.

The organization makes money as an *outcome* of finding and exploiting your difference as an organization—your organization's "why." And, why defines the meaning people want for their jobs.

People Want Work to Matter

A senior manager, Jim, told me, "None of the people here care about meaning in their work. We're all in it for the big bucks."

I asked what he rewarded. Did he reward meaning, or did he reward delivering the same kind of products again and again?

"The products," he said.

I asked, "How many of your best people went to your competitors or other organizations where they can learn and grow?" I knew they had about 25% turnover the previous year.

He growled and walked away.

He worked for the money. He didn't care about the customers, the products, or the employees.

You might think only a particular generation works for meaning. Not true. While I've met cynical people like Jim, I've met many

more people who work *for* meaning.

Jim had only worked for managers who trained everyone to work for money and self-interest, not for meaning.

When people work for self-interest, they use their employment to make life as comfortable as possible for themselves, before and after retirement. People who work in their self-interest are incongruent with others and the organization.

You may know or work with people who don't care about meaning in their work. I bet it's because they don't feel safe to explore what the meaning might be. Or, they tried—for years—to find meaning, and now they're working for a paycheck.

It's not worth their trouble and time to find meaning at work. These people find meaning elsewhere—in their community, in a sport, in their family.

If you pay those people enough, they'll stay with your organization for long enough, maybe even many years. They'll do what you ask. That's a transactional relationship to the work.

If you've seen this transactional relationship before, you might think these people need motivation. (No one lacks motivation. All motivation is internal.) Instead, consider how you can act to stop *demotivating* the cynics and transactional workers.

People need you to trust them to do work within reasonable boundaries. They will, if you also offer meaning in the work.

If you don't know your “why”—why the organization exists—you can't offer meaningful work. And, if you can't align the people to work on an overarching goal, you still can't offer meaningful work.

Most people have a why for their careers which helps them choose one job over another. And, that why doesn't have to be the same as the organization's why. However, the two whys do need to intersect enough so the organization's why invites the person to do their best job.

Everyone's motivation eventually withers without meaning. When people don't see meaning, they do what the manager tells them to do. These people stop thinking. They don't consider any kind of change.

Your organization's "why" frames its common goals and shared values—the meaning people find at work. That meaning allows everyone to be effective.

1.3 Manage for Effectiveness

Many organizations prize efficiency. Efficiency is different from effectiveness.

- When we are efficient, we take the extra steps and waste out of the work.
- When we manage for effectiveness, we first decide which work to do and not do.

When we start with efficiency, we might do the wrong work quite well. That doesn't help fulfill our "why." In a real sense, we waste time on the wrong work.

Instead, when we start with effectiveness, we make the difficult decisions about what to do and when to do it. Those decisions help us continue to refine what makes us effective for our customers and employees—what fulfills our "why."

I've met too many managers who think they need to manage for efficiency. The managers want to standardize the process, measures, and tools. They want to measure and reward individual work. The managers believe they are efficient.

To be fair, many business schools still teach this approach to management. If you were taught this and believe it, you are in good company.

However, managing knowledge work for efficiency ignores the fact that effective knowledge work requires people to learn together. Learning together is rarely efficient.

I have to admit. I love my *personal* efficiencies. I organize my work and my personal life, to waste few movements. My system works for *me*. My efficiencies don't "scale" even to my family.

It's the same for the people you lead and serve.

When we first look for efficiency, we treat people as if they are cogs in a machine. We use a mechanistic approach to management—we ignore our human relationships at work.

When we don't acknowledge the humanity of the workplace, we create a system that produces a race to the bottom. The system starts a downward spiral of losing the best employees and then, the best customers. At some point, you don't have a growing, innovative organization.

If we want innovative organizations, we first need to decide why we're in business. Then, we decide what to do and what not to do. When we integrate how we treat and reward people with those decisions, we can create an innovative organization.

Here's what effectiveness means:

- Across the organization, we work on the right work at the right time.
- People across the organization collaborate to ship and support the product. As a whole organization, we fulfill a customer's needs.
- We don't just do what we've always done; we fill the pipeline of possibilities so we can continue to work on the right work at the right time. We experiment and innovate at all levels of the organization. We enable change at all levels of the organization.

My experience leads me to say that when we manage for effectiveness *first*, we can then manage for efficiency. Russell Ackoff said, “The righter we do the wrong thing, the wronger we become. ... Getting the right thing wrong is better than putting the wrong thing right.”¹

Some of our traditional management practices create inefficiencies. Here are some common inefficiencies. I address each of these examples in a future chapter:

- Ask people to multitask in the name of utilization.
- Create processes where the cost of the tracking outweighs the savings we might get from the tracking. I’ve seen organizations that ask technical people to track their time in 15-minute increments. Or to itemize every expense on a business trip—even the water that the person might buy at the airport.
- Demand that people use a centralized approach to purchasing office supplies, travel, or anything else that requires customized information.

We only *appear* to use economies of scale when we do these things in knowledge work. In reality, we create bureaucracy, which makes the work that much more difficult.



In general, when we attempt to use economies of scale for knowledge workers, we create more inefficiencies.

We have alternatives to manage our funding and our cash flow—and to make sure we can trust people to deliver necessary outcomes *and* manage the money.

When we’re effective, we optimize for *organizational* throughput. You might measure the change in customers and revenue—not just the number of projects or features you release.

¹<https://thesystemsthinker.com/transforming-the-systems-movement/>

If you ever measure a system with a single-dimension output measurement, such as the number of releases, people optimize for that single measure.

Years ago, I performed an assessment where the managers created antagonistic incentives between developers and testers. The developers received bonuses based on meeting their (dictated) milestones. The testers received bonuses when they reported more defects than their quota.

Both sets of people gamed the system. The developers “met” every single date by not finishing the code. They checked in unfinished work.

If a tester found a problem in one language, the tester could check the other six languages and report an additional six issues.

Both developers and testers suffered from single-output measurement evaluations. No one checked the desired outcomes: did the product work so the customers would buy it and use it?

When you evaluate people on *outputs*, they game the system—they optimize to create those outputs.

When you evaluate *outcomes*, you get products that work. You get excellent customer support. You get an organization that works in harmony for the good of the entire organization. And, you can’t get outcomes unless people work together in cross-functional teams in flow efficiency. That flow efficiency thinking includes the managers.

Evaluating effectiveness is more complicated than it sounds. The first piece of effectiveness is creating an environment that helps people succeed.

The environment shapes everyone’s behavior—including yours.

1.4 Environment Shapes Everyone’s Behavior

You may have heard the famous quote popularly attributed to Peter Drucker:

“Culture eats strategy for breakfast.”

When Drucker said that, he meant that the culture you create and reinforce matters more than any strategy you create. Table 1 has some examples of the differences between what people say and the reality of the culture.

Desired Culture vs Reality of the Culture	
Stated Strategy or Culture (We say we want this)	The Organization's Reality (Reality of how we treat each other, decide what we discuss, and what we reward.)
We want collaborative work.	We measure individuals.
We want you to be entrepreneurial.	You have no time to learn or experiment.
We want faster throughput.	You multitask on several products and projects.
We want to see working product so we know you're working faster and cheaper.	You must estimate and provide Gantt charts (or other predictive measures).
You have autonomy.	We plan the details of the products and projects.
We encourage change.	Plan the work and work the plan.
Quality matters.	Just get it out.

Table 1: Desired Culture vs. the Reality

Does it matter if what managers say doesn’t match their actions? Yes, and not just for our integrity. It matters because the environment—where what people say differs from their actions—shapes everyone’s behaviors.

Kurt Lewin, a psychologist, published his equation in *Principles of Topological Psychology* back in 1936. His equation says that the

behavior of a person (B) is a function of the person (P) and the environment (E):

$$B = f(P, E)$$

As people, P, we perceive the environment, E. We act in ways that make sense to us. Those actions comprise our behavior (B).

Here's an example I see too often. Managers want the benefit of an agile or lean approach to software, which means they expect people to collaborate. At the same time, they tell people they have unique, personal objectives. People won't get raises or bonuses unless they fulfill those personal objectives.

What would you do? What many of us do. We choose ways to fulfill the personal objectives, so we don't miss out on *our* raise or *our* bonus.

You can *tell* people over and over that you want collaboration. You won't get sustained collaboration until you remove personal rewards. That goes for managers, too.

Think back to the last time you saw someone "not perform". Could their "lack" of performance be a reasonable response to the environment?

We all bring our unique personality, experience, and beliefs to our work. Our differences can help us create great products. The more managers realize the environment shapes people's behaviors, the more managers will pay attention to that environment.

Ask these questions about your environment:

- Are you able to decriminalize mistakes? Do you encourage risk-taking and learning from mistakes?
- Can you support experiments?
- How many problems can teams, groups, and collaborative people solve on their own?

The environment managers and leaders create can encourage or block innovation.

1.5 Encourage Management Flow Efficiency

For too long, we've asked managers to work in silos. We've judged managers by "their" performance or the performance of "their" teams or groups. That's resource efficiency. (For more information about resource efficiency and flow efficiency, see *This is Lean: Resolving the Efficiency Paradox* [MOA13](#) or *The Principles of Product Development Flow: Second Generation Lean Product Development* [REI09](#). I also wrote about the problems of resource efficiency thinking in Book 2.)

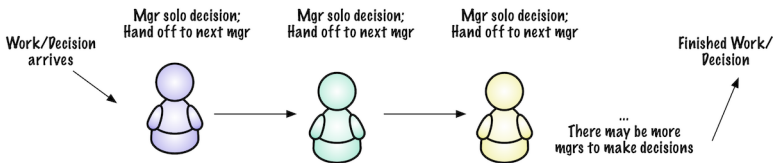


Figure 1.1: Management Resource Efficiency

The manager assigns work or decides for that manager's team or group. After that decision, the manager hands off work to the next manager. Managers incur tremendous delays between the various decisions.

When managers focus on *their* functional group, we create hierarchies like the one in Figure 1.2.

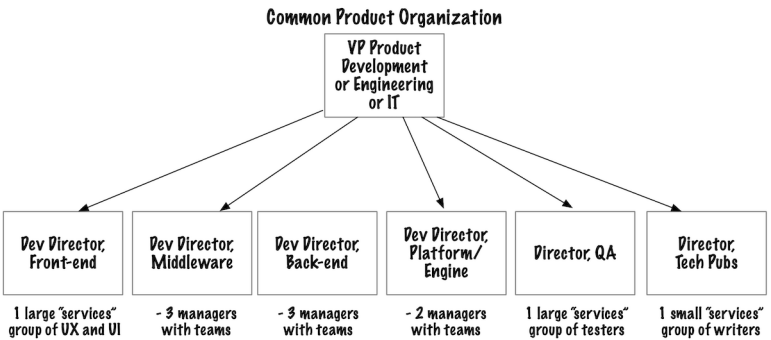


Figure 1.2: Common Product Development Organization

In silos, such as these, each manager focuses on his or her team’s functional expertise. Managers tend to focus on *their* issues, not issues across the organization. And, managers tend to think in resource efficiency, optimizing down for each person’s work—not across for an overarching organizational goal.

When we think in hierarchies, we assume the *information* flows up and down the hierarchy. Here’s how hierarchical communication flows up and down.

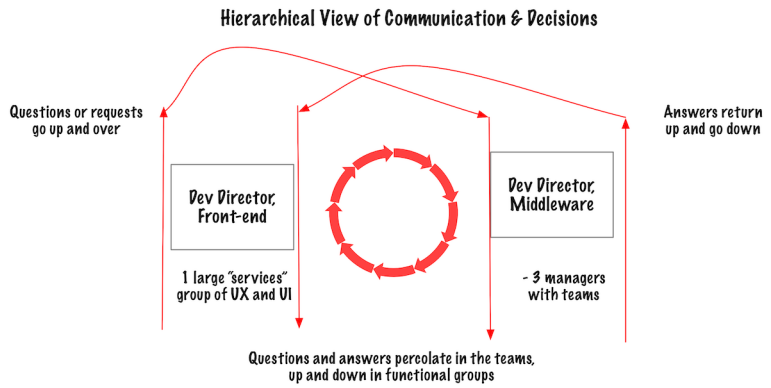


Figure 1.3: How we think information moves in a hierarchy

We assume that when teams have questions, they ask their manager. That manager then asks a colleague. The second manager might

decide or ask the teams to decide. Then, the new information goes back up the hierarchy and down to the team with the questions.

When we reinforce a hierarchy, we reinforce the idea that managers make most of these decisions. Many organizations reward managers for those decisions.

However, that's not how people work effectively in organizations.

People create relationships across the organization in unpredictable ways. Sometimes, they connect via shared interests in the work or something outside of work.

If you graph the way people communicate and work in an organization, you see a small-world network of seemingly random connections, as in Figure 1.4. (See *Here Comes Everybody: The Power of Organizing with Organizations* [SHI08] for more information about these networks.)

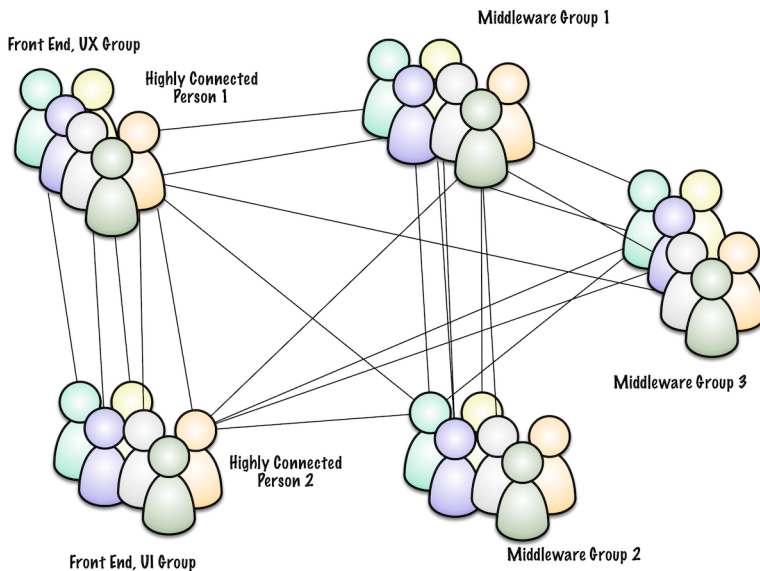


Figure 1.4: Small-World Network

Some people connect with more people. I call them Highly Con-

nected so you can see that their connections matter. Some people only connect with people in their teams or groups. That turns out to be okay, too—as long as the managers create an environment where small-world networks thrive.

I created single-function teams in Figure 1.4, because most organizations still create single-function teams and then matrix people into projects.

Effective managers work across the organization—at every level. They use flow efficiency to create management teams, as in Figure 1.5.

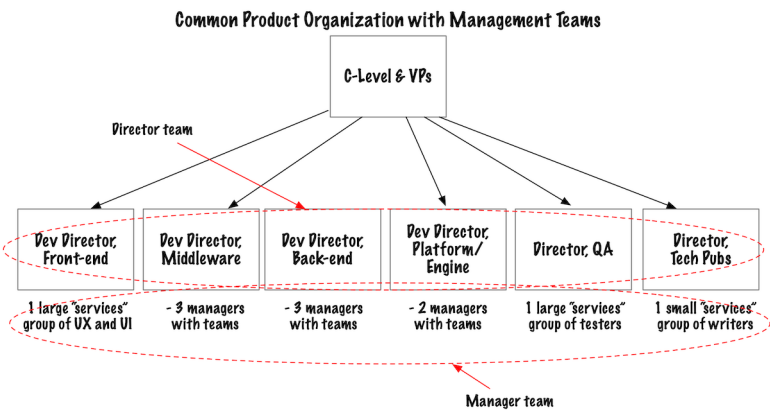


Figure 1.5: Flow-Based Management Teams

When management teams work in flow, they create teams at their level to surface and resolve cross-organizational issues and challenges. The managers collaborate on the project portfolio so they all agree on the organization’s purpose and work towards that purpose.

Notice that you don’t have to change your organization to use management teams who work more in flow.

However, if you decide you want to work in flow efficiency as management teams, you might find the organizational structure in Figure 1.6 works better for you.

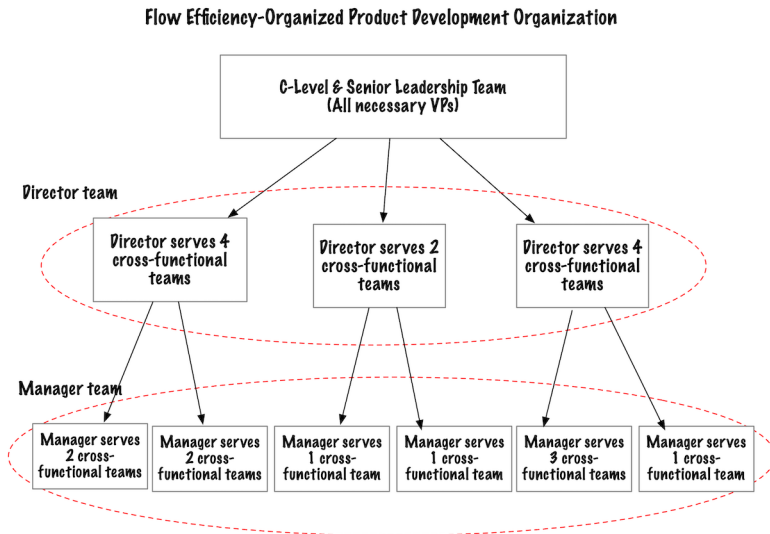


Figure 1.6: Flow Efficiency-Organized Product Development Organization

The directors and the managers also act as cross-functional teams as in Figure 1.5. In Figure 1.6, the managers do not focus on the *content* of the teams. The managers learn enough to serve cross-functional teams, not a single-function team.

In Figure 1.6, I showed arrows only going “down” from the more senior managers to the less senior managers. The information flows both ways. However the managers serve the people and teams farther down on the chart. Yes, I’m using hierarchical terms to describe a flatter organization. I want to make sure people who are accustomed to hierarchy can understand these ideas.

When I’ve worked with flow-efficiency management teams, we discover that managers can serve more teams because they’re not involved in the day-to-day work of the team. There is no set number of teams a manager can serve. That number depends—at minimum—on how well the team can manage itself. (I’m not saying this is easy. I’ll talk more about this later in [Increase Management Capability](#).)

You might think if you change the org chart, you can change how

people act. You don't have to change the org chart first. Instead, consider these principles of management flow:

- Managers change their focus from “down” to the team to “up” to the product, service, or organization. That's why defining the “why” helps the team focus on the outcomes.
- Middle managers collaborate across the organization to create a balanced project portfolio. They see where teams or team members might need training opportunities. They see opportunities for process and product innovation.
- Senior managers collaborate to create a coherent set of products that customers will buy. They refine the culture with their choices of what to reward.

I first wrote about flow efficiency for teams in Book 2. The quick explanation is that every outcome is a function of the work time and the wait time.

To see your flow efficiency percentage, add all the work time and divide by the wait time. For example, if managers meet one hour a week over three weeks to decide, that's three hours of work time plus 504 hours of wait time (168 hours per week times three weeks), for a total of 507 hours to make the decision. The flow efficiency is 3 hours divided by 507 hours, .0059, multiplied by 100 to get the percentage. This percentage is .59.

Let me say that again without the numbers. The management work time is only three hours. However, because it took three *weeks* to decide, the managers had very little efficiency.

Just imagine if the managers had spent three hours over the course of one day to make their decision. The work time is three hours. Let's assume the managers started at 9 a.m. and decided at 5 p.m. Three hours of work time plus 5 hours of wait time gives you a flow efficiency of 3 divided by 8, a percentage of 37.5.

If you extend flow efficiency to managers, you'll gain more throughput than you can imagine. That's because the managers collaborate for the good of the organization, not their self-interest.

When managers collaborate, they can create more congruence across the organization.

1.6 Create a Congruent Organization

In Book 1, I discussed personal congruence and the balance a manager needs to manage him or herself. In Book 2, I discussed how to apply congruence to how people work with each other. In this book, it's about how to have a congruent organization.

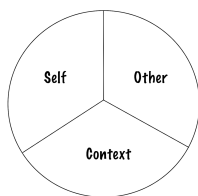


Figure 6: Satir Congruence Model

The brief explanation of congruence:

- When we ignore the other person's needs, we blame them.
- When we ignore our needs, we placate the other person.
- When we ignore the needs of both ourselves and the others, we are super-reasonable, not acknowledging we are human.
- When we ignore the context, we're irrelevant.

When we balance all three—our needs, the other person, and the context—we are congruent.

Here are some examples of congruent behaviors in organizations:

- When managers say, “People are our most important asset,” they create time for training and learning. The managers create learning time for people and teams.
- When managers decide what to do first, second, third, and never, and then they stick to it for long enough for the teams to deliver something useful. That way, no one multitasks, and the entire organization succeeds.
- When managers eliminate individual goals and focus on how to create goals that elevate the whole organization.

These actions balance the needs of each person, the customer, and the entire organization.

You’ve seen plenty of incongruent behaviors:

- When the company decides to reimburse travel expenses more than a week after the travel so the company can use the float.
- When managers say, “Do more with less.” That statement has no meaning.
- When people have no flexibility for office organization, office furnishings, or the career ladder. For example, your ability to get a desk or a chair depends on your salary level. Or, the people or team can’t experiment with various project approaches. Or, HR decides that no one can be eligible for a raise except at one specific time each year.

Why blame people for being human?

1.7 Create Integrity in the Organization

When you think about integrity in the organization, what do you consider? The values I discussed in the previous books still hold:

- Transparency. Can you share enough about how the organization progresses so people can see how they fit into the organization?
- Fairness. You don't have to treat people exactly the same way, as long as people feel they have fair treatment.
- Consistency. When you're consistent with the (hopefully few) policies, people know what to expect.
- Avoiding blame. At the organizational level, do you encourage collaboration and mistake-proofing so that people can avoid problems?
- Build respect into all interactions. Make it easy to recognize people and update their pay without having to wait for another salary year.

I'm writing this in the era of COVID-19 amid discussions about how and when people should return to work. One more part of integrity is physical and psychological safety. If people don't feel safe, in either dimension, they won't want to return to work. Leaders who don't create both a physically and psychologically safe environment lack integrity.

If you think you can't afford to keep people safe, why would you ask them to come to work? Or, would you put yourself in their shoes and do their job to see how to make the work safe?

The more you exercise your integrity, the easier it is to create an entire organization built on respect and integrity.

And, the more innovation you want, the more the managers optimize for the effectiveness of *outcomes*. The managers leave efficiency issues to the teams.

Management flow efficiency helps everyone manage for outcomes, not outputs. The more the managers work in flow, the easier it is to manage *for* change.

1.8 Manage for Change and Innovation

When we manage for innovation, we act differently than when we operate for our self-interest or the short-term.

We work as collaborative management teams at every level. We encourage collaboration and flow efficiency, not just in technical teams, but in management teams.

And, we are more able to balance the immediate needs for cashflow with building for the future.

As you read this book, I'll ask you to experiment.

I'm not asking you to change your beliefs. Your beliefs arise from the results of your actions and interactions with others. Change your behaviors as an experiment. Then, you can decide if you want to change your beliefs and the culture.

You don't need to be perfect. If you can explain when you experiment, people will build empathy, trust, and respect with you.

2. Does Management Require Practice?

When you look at managers from the outside, their work might not seem that difficult. Go to some meetings, and talk with people all day. What's the big deal?

Managers solve problems the teams can't solve. Managers address the questions of which customers to serve and when. Managers decide on the strategy, which defines the mix of products and services. Managers decide about finances and cash flow.

The way the managers discuss and decide reflects the organizational culture.

With any luck, the managers work together, as a cohort, to optimize for the organization, not any one of the managers. When managers work across the organization, they learn from each other and create management flow.

Very few people outside those meetings have visibility into how managers treat each other or those conversations. And, the effect of those conversations? To create the environment in which everyone can do their best work.

The best managers learn by practicing and from feedback. They practice. Even if no one can see the practice.

2.1 Myth: Management Doesn't Need Practice

Sheryl, a director, sat in the division's strategy meeting. Their product had been a great success until last week. That's when their major competitor had released a brand new product that changed the entire market. Combined with the seasonal sales decrease, they needed new ideas now.

Sheryl had never faced an emergency like this before. She was glad she was able to work with her colleagues.

She was worried about leaving her department's managers alone. Normally, she checked in with them when she walked around. However, that wasn't possible this week.

The managers knew where to take the product—that wasn't a problem. But, not everyone had a ton of management practice. Especially Terry. She'd promoted him just last month. On the one hand, his instincts were often right. On the other hand, he didn't have a lot of management experience.

She used her phone to make a note to remind the managers to support each other. Sheryl turned off her phone and hoped her team had learned how to collaborate to support each other. She'd have to address that later.

She needed to focus on this strategy emergency. This product problem might be the end of the company's viability. That was more important right now than her managers' abilities.

In the meantime, Terry was confused about a problem. He decided to ask Johnny for help. Terry leaned his head in and knocked on the door. "Got a minute to talk through a problem I have?"

Johnny nodded. "Yup, let me save what I'm doing."

Terry walked in and sat down at Johnny's visitor table and pulled up a diagram on his tablet.

Johnny walked over and sat down across from Terry. “What’s up?”

Terry took a deep breath. “First, I don’t get what Sheryl’s been doing. She’s been in meetings the last week. She’s only come out for *our* one-on-ones. I’ve been trying to catch her. I wanted to ask her some questions about how to give feedback to Cathy about this problem.” Terry shook his head. “I thought I’d ask you for help.”

“Good idea,” Johnny said.

Terry pointed to his architecture picture. “I know this architecture is not going to work. I need to find the right words for the feedback. I thought management would be so easy. When Sheryl asked me if I wanted to be a manager, I thought this part would be a piece of cake—but it’s not. Every time I think of what I want to say, it comes out wrong.”

Johnny nodded. “Yup, I have the same problem with some of the senior people in my teams, too.”

Terry continued. “Every time I text Sheryl asking for a little time, she asks if it’s an emergency. I say no, and she asks if we can wait for our one-on-one. I say okay. She’s not normally like this. What’s going on? Do you know?”

Johnny said, “You know the new product our competitor released last week?”

Terry nodded.

“I think all the product people and our division managers are trying to figure out what to do. We’re in the slow season, and they don’t want that product to cause our death spiral.”

“Oh, got it,” Terry said. “I was so focused on my work, I didn’t even think about what she was doing. She always makes management look so easy.”

Johnny grinned. “Yeah, she does. Even now, in uncertainty, she still responds, at least a little.”

Terry thought for a minute. “Do you think she needs help, even if it’s a stupid thing to ask?”

Johnny leaned back in his chair. “Gee, I never thought of that. Maybe she does. We could text her and see if she does need help. She might appreciate it. At least she would know that we’re thinking of her.”

Terry nodded.

“In the meantime,” Johnny said, “want to discuss what you’re going to say to Cathy about her design? Maybe you shouldn’t be the one to say it. You’re the manager, but you’re not the be-all and end-all for design decisions, right? How does the rest of the team feel about it? Can you enlist someone else?”

Terry nodded. “Oh, maybe that’s a better way to offer her feedback,” he said. “I don’t have to be the one to tell her that her design isn’t going to work. She hates it when I tell her these things anyway. Now that I’m in management, she doesn’t want to hear that from me.”

Johnny grinned and said, “Well, maybe you don’t know enough anymore to tell her that. Maybe that’s why she doesn’t want to hear it from you. You need to have other people tell her—especially if it’s true. Why do you think her design isn’t good enough?”

Terry pointed to the picture on his tablet. “See this over here? Well, this is going to fail in these three ways under load in these circumstances.” Terry and Johnny discussed the technical details for a few minutes.

“Okay, you convinced me,” Johnny said. “You know, I just thought of something from back when I was a developer and I wanted to get people to think about their designs.”

Terry cocked his head to the right. “Oh?”

Johnny nodded. “I asked everyone to choose someone else’s design and say, ‘Generate three ways this design will solve problems for

us. And, think about three ways your design will fail.' Have you tried that approach?"

Terry shook his head. "Nope. That's about the Rule of Three, right?"

Johnny nodded. "Yup. My experience says if you can't think of three positives and three negatives, you haven't thought clearly enough about the problem, and we all need to go back to the drawing board and experiment some more. Maybe even try a short timeboxed experiment to get more ideas. Maybe an hour or two total."

"Nice," Terry said.

"That way, you don't need to give Cathy specific feedback about her idea, but you can get everybody to give her feedback, or get her to think about her idea some more. And, we can give Sheryl the breathing room she needs for her summit. Okay?" Johnny asked.

"Great idea!" Terry said. "You have this management thing knocked, don't you?"

"Uh, not really," Johnny replied. "I've been working at it a lot longer than you. It's still hard work, and I need practice to manage right. Well, at least, not too wrong. Let's bring in the rest of our management team and see what we can do for Sheryl."

Terry nodded. "Good idea."

2.2 Increase Management Capability

All three of these managers knew they needed to increase their management capabilities.

- Sheryl needed to learn how to manage strategic product problems.
- Terry needed to learn how to offer feedback to a senior person on his team.

- Johnny practiced how to coach a peer.

Managers aren't born knowing how to do these things. Managers need to increase their management capabilities.

When managers collaborate, they create a learning cohort, a sym-mathesy. (See *Symmathesy: A Word in Progress* [BAT15](#) for why we are a product of our learning cohort.)

When managers work together, they often model management flow efficiency. And, they help each other create more management capability.

Johnny and Terry learned together. Together, they helped Terry discover a way to manage Terry's feedback problem:

1. Let other people offer feedback.
2. Verify that the problem exists.
3. Use a problem-solving technique: Find three great things about someone else's design and three problems in your own design. (This approach comes from *Manage It! Your Guide to Modern, Pragmatic Project Management* [ROT07](#).)
4. Experiment more: Create short timeboxed experiments to develop alternative solutions.

Terry and Johnny discussed the Rule of Three: One solution is a trap, two solutions is a dilemma, and three possibilities breaks logjam thinking, helping people think of more possibilities. (See *Behind Closed Doors: Secrets of Great Management* [BCD05](#) for this and other management approaches.)

Terry and Johnny modeled several principles from [Consider These Innovation Leadership Principles](#):

- Empathy with each other, their team members, and their manager.

- Created a safe and collaborative environment in which people can discuss, explore, and learn.
- Broadened the problem-solving perspective to the entire team, instead of only Terry's perspective.

In parallel, Terry and Johnny—and their colleagues—can offer Sheryl help and support for the product problem. Only Sheryl knows when she will be ready for their help and support.

2.3 Create Your Management Cohort

Even when people have great instincts, they need coaching and practice to become great managers. Lencioni in *The Four Obsessions of an Extraordinary Executive* [LEN00](#) explains this for executive teams. All management teams need to learn together.

When the leader asks the managers to work as a cohort, collaborating, the managers can learn faster together. They might coach each other, as Terry and Johnny did here.

However, when managers learn as a cohort, the entire department or division works better. The managers work in flow efficiency, integrating speed and integrity into their decisions.

Here are some possibilities to create your management cohort:

- Ask for coaching from your peers. When you ask for help or support, you're exhibiting strength, not weakness. (I wrote more about this in Book 1.)
- Generate a list of topics you'd like to learn more about, and learn with your colleagues.
- Explain the idea of a cohort or symmathesy to everyone: your peers and your manager.
- Look for a recent time your department's management decision-making process would have benefited from everyone working on the same problem at the same time.

I have not yet met a “natural” manager. I have met many people who used the growth mindset (Carol Dweck’s *Mindset: The New Psychology of Success* [DWE07](#)) to practice parts of their management role.

The growth mindset rejects the idea that skills are inborn talents. Instead, we can learn, practice new skills, and persist to master these skills. We learn from feedback. And, if we fail, we can learn from our mistakes.

The more you practice, the more management capabilities you will gain. Your management might look easy, and that’s because you practice.

2.4 Options to Practice Management

Consider these options to learn and practice your management skills:

1. Create your management cohort, even if your manager doesn’t specifically encourage you to do so.
2. Ask for coaching from your colleagues. I had to ask specifically around the Rule of Three. I had to practice to move past the first obvious alternative.
3. Practice your coaching with other managers, to obtain feedback in a safe environment.
4. Ask your manager for feedback about your management skills. I found that I needed to improve my interpersonal skills and my “poker face” skills. I still don’t have much of a poker face—my reactions show on my face. I often have to say, “I’m frustrated with the situation, not you. I value the fact you brought me this information.”
5. Manage up, especially using your influence to manage your manager.

When I incorporated deliberate practice as a manager, I became a better manager.

More from Johanna

I consult, speak, and train about all aspects of managing product development. I provide frank advice for your tough problems—often with a little humor.

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