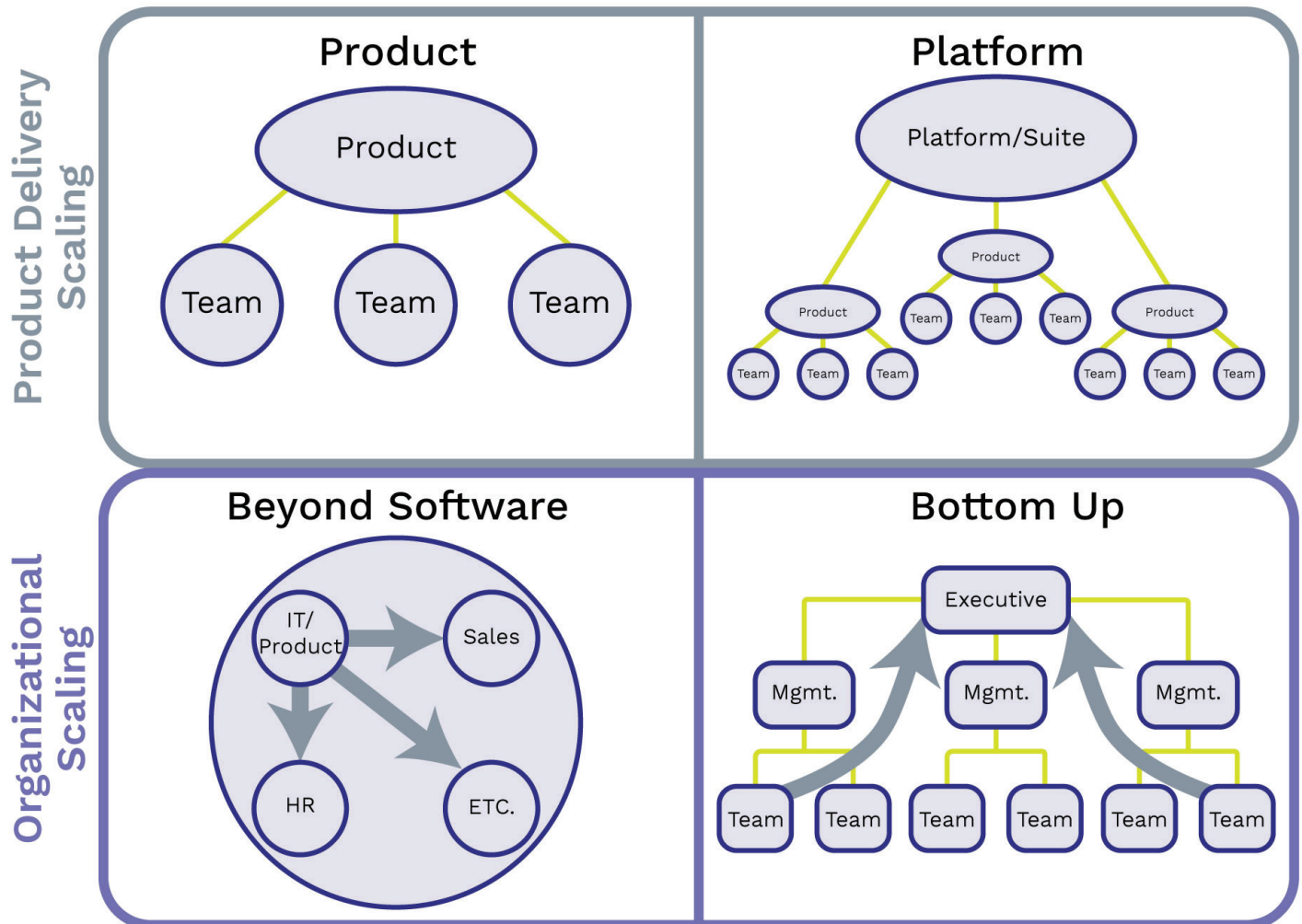


Creating an Agile Organization

8 Principles for Scaling Agile Thinking to the Organizational Level

Most organizations start scaling with one of the four following patterns:

Four Common Scaling Patterns



With the top two patterns, agile scaling practices may accomplish many of an organization's scaling goals. However, even popular scaling frameworks will fall short of delivering on true organizational agility without adhering to the principles that follow.

With the bottom two patterns, scaling practices will be insufficient due to the unique needs of different parts of the organization. Instead, Agile Organizations derive practices from the first principles that follow.

Based on years of research and experience helping hundreds of organizations adopt an Agile mindset, we present 8 principles of Agile Organizations.

8 Principles of Agile Organizations

1. Customer Delight over Shareholder Value

A primary focus on shareholder value (profit) consistently leads to short-term thinking, sub-optimization, and low engagement. Agile Organizations clearly define their customer(s) and focus on delighting them by continually delivering value. Agile Organizations do not view profit as a goal, but as the means to continue to deliver on the organization's purpose. Profits are the natural result of adding value and delighting customers.

2. Embracing Complexity over Predicting and Controlling

The world has become less predictable. Reductionist management models of predicting and controlling are incompatible with complexity, which presents a fundamentally different set of conditions from the complicated challenges of the past. Agile Organizations create structures that embrace complexity to gain competitive advantages in the 21st century.

3. Engagement and Adaptability over Efficiency

Efficiency is not the only approach to management; resilience and anti-fragility are more effective ways to confront complexity. Agile Organizations create space for teams to discover new opportunities and effectively respond to change. Additionally, Agile Organizations recognize that low engagement has a huge impact on the capability to deliver value and innovation. They focus on creating a human-centric, productive workplace by amplifying the five engagement factors: 1) a strong connection to the purpose of the work, 2) individual and team autonomy, 3) opportunity to pursue mastery, 4) strong social connections, and 5) daily small wins.

4. Autonomous Teams over Directed Groups

High performing teams have a clearly defined membership, are cross-functional, trust each other to deliver on commitments, have autonomy within their area of focus, and have strong shared purpose. They move adaptively towards refining and executing against the overall team mission. Agile Organizations recognize that properly structured teams are their best tool to succeed in a complex environment.

8 Principles of Agile Organizations

5. Human Systems over Rigid Hierarchies

Traditional organizations view themselves as machines, where humans are resources to be deployed as interchangeable cogs, leaders pull levers to create desired outcomes, and efficiency is the primary goal. Agile Organizations resemble living systems, where people self-organize around a shared purpose, making new connections in evolving structures to address emergent opportunities.

6. Radical Transparency over Structured Communication

Agile Organizations make all information readily available to help individuals and teams make informed decisions. This level of Radical Transparency provides the clearest possible picture of the larger complex system, and enables the organization to adapt to change, maintain flexibility, and continuously improve. Agile Organizations are mindful of using this information in a non-judgmental way, so that people feel safe to share and consuming it freely.

7. Simple Rules over Complicated Processes

Agile Organizations recognize that a shared understanding of how members collaborate on work is critical to success. It is impossible to create policies and procedures to address every issue that will arise. Agile Organizations create Simple Rules that define broad parameters for decision making, problem solving, and establishing expectations.

8. Transformational Leadership over Heroic Leadership

Complex systems can never fully be understood by even the most effective leader. Transformational leaders create an environment where everyone focuses on delighting customers, removing friction from the system, and developing their own leadership effectiveness. In an Agile Organization, every voice is engaged in addressing complexity in creative and innovative ways.

Additional Information

Web:

www.agileforall.com/scaling

Check out our site for additional details about each principle, including examples of how organizations are putting them into use to become truly Agile Organizations.

Welcoming Complexity Newsletter:

www.agileforall.com/newsletter

Sign up for ongoing updates as we share organizational case studies, leadership insights, and new learning related to the principles.

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