



# "Culture Matters"

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Implications of Your  
Organization's Culture *Type* When  
Implementing Agile

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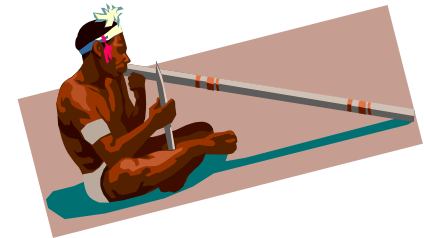
# The Bottom Line

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**“Culture isn’t just one aspect of the game – it is the game.**

In the end, an organization is nothing more than the collective capacity of its people to create value.”

-Lou Gerstner



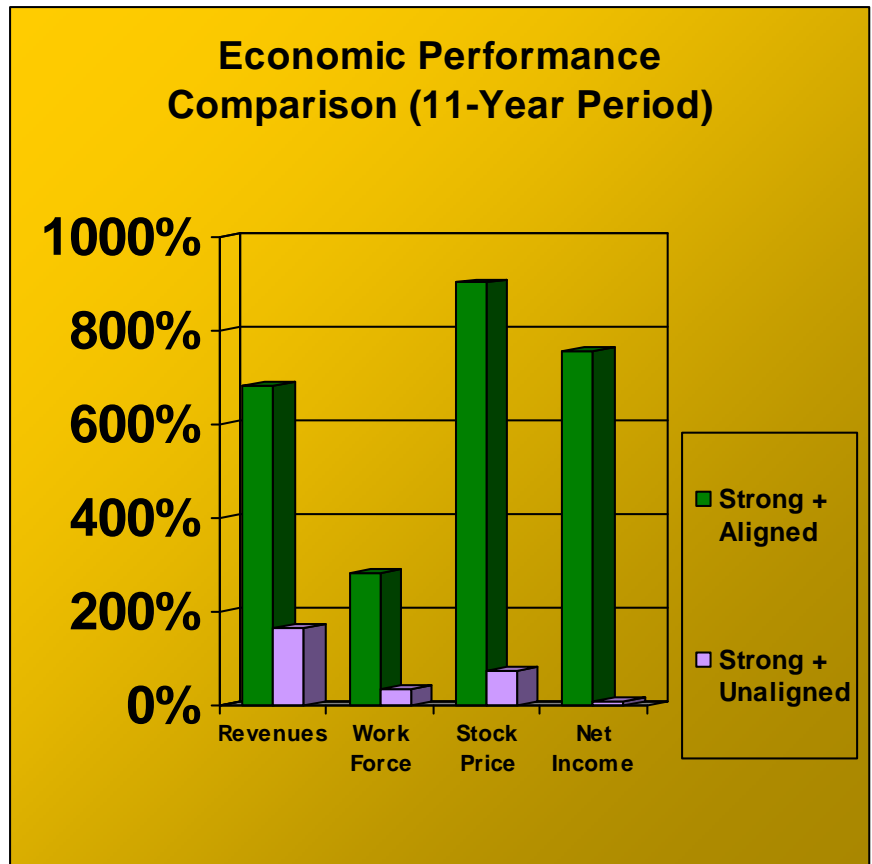
# Kotter & Heskett Study

(Corporate Culture & Performance, 1992)

## What's most important to the bottom-line?

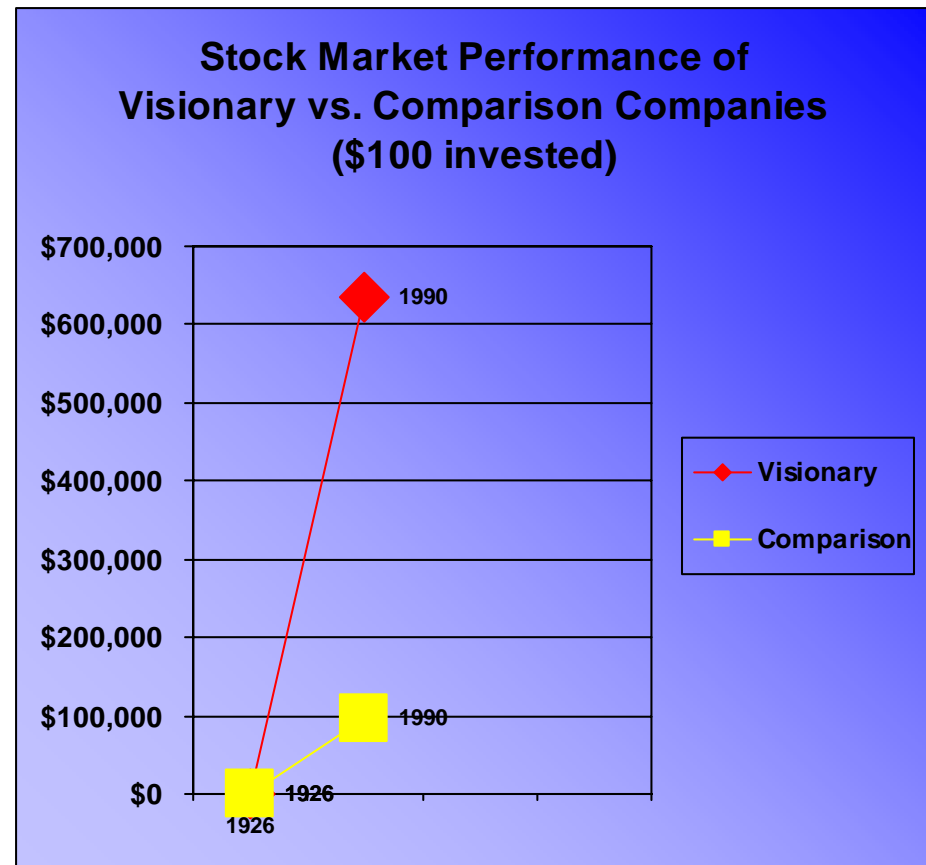
1. Strategy
2. Leadership
3. Structure
4. A Strong Culture
5. Financial analysis & management systems

Study involved 207 companies in 22 Industries



# Collins & Porras – *Built to Last*

- Collins & Porras studied:
  - 18 “visionary” vs. comparisons
  - What’s the difference?
- Key distinguishing factor:
  - presence of a **Strong, Integrated and Consistent Culture**
- Most critical differentiating factor:
  - **Alignment** – where all elements of the organization work in concert



Adapted from Jim Collins & Jerry Porras, *Built to Last*



# William Schneider – CultureTek™ ROI

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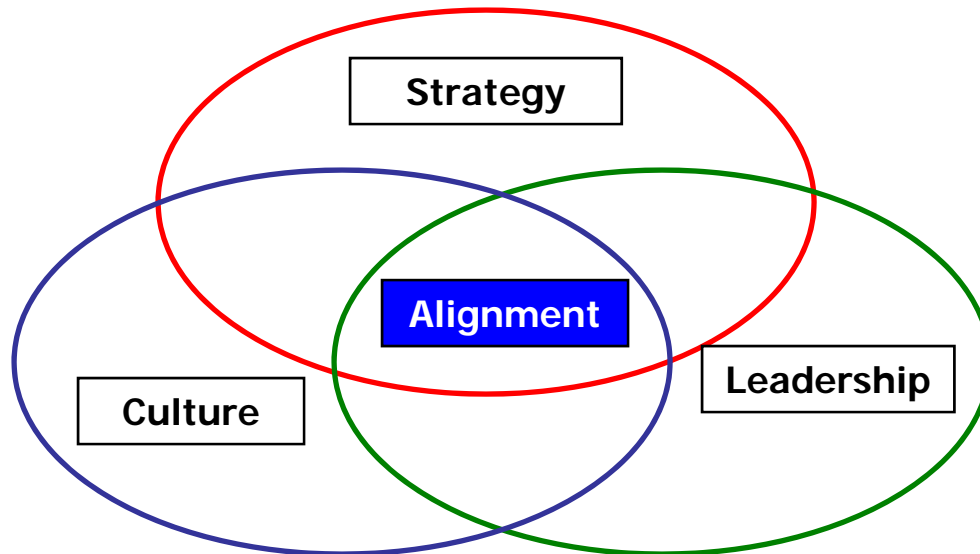
- Examined 81 Organizations across 14 industries
- Ranked on:
  - Profitability
  - Cash flow strength
  - Debt-equity ratio
- Bottom-line difference makers:
  - Focus
  - Alignment
  - Integration

Adapted from William Schneider, *Return on Investment CultureTek*, unpublished study



# Unpacking The Effective Organization

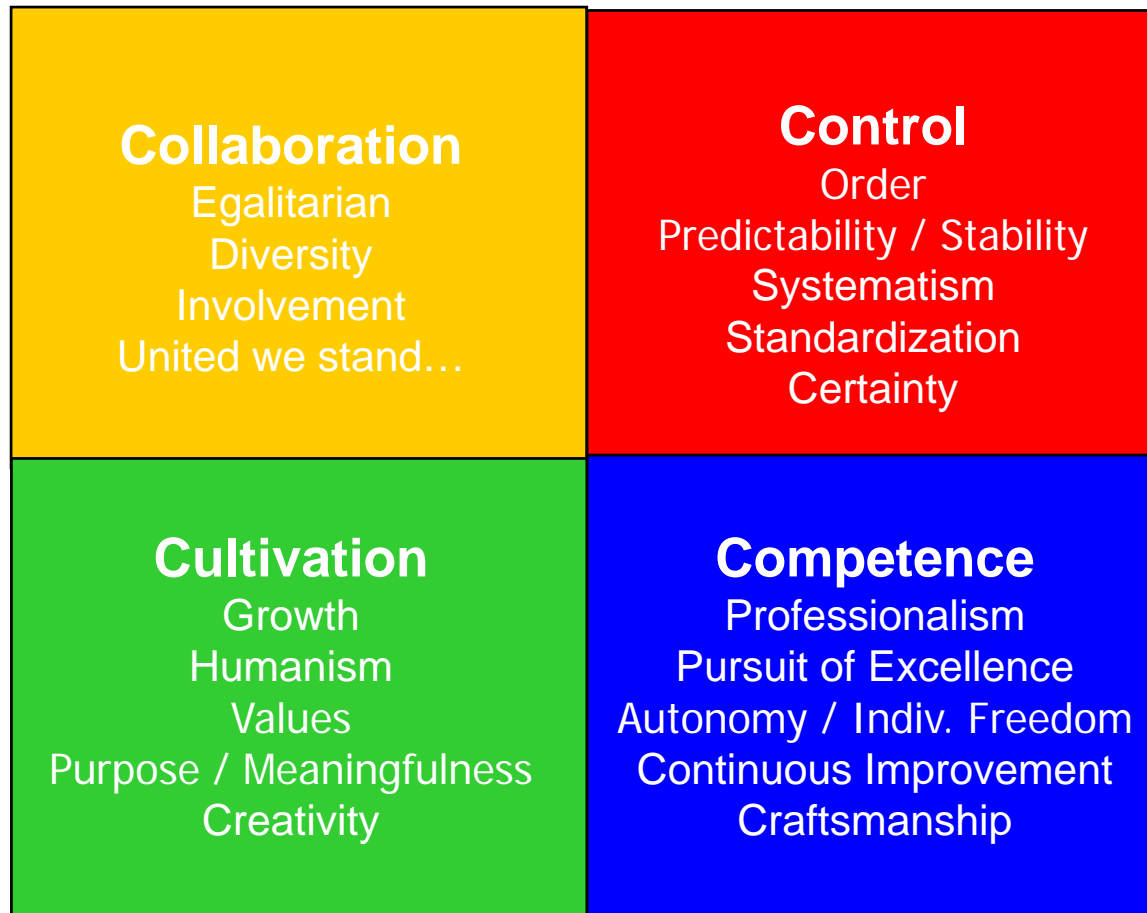
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Adapted from Schneider, *Aligning Strategy, Culture and Leadership & The Reengineering Alternative*

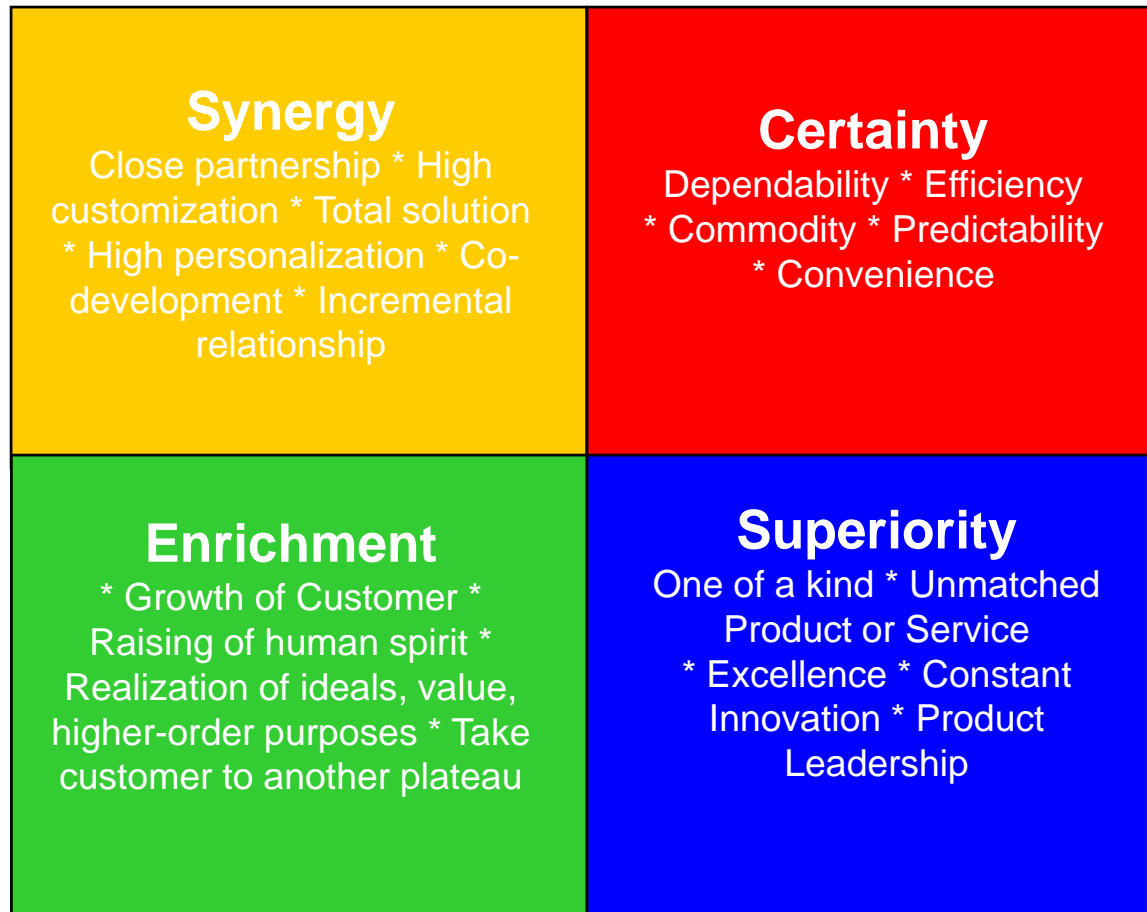


# Four Core CULTURES



From Schneider, *Aligning  
Strategy, Culture and  
Leadership*

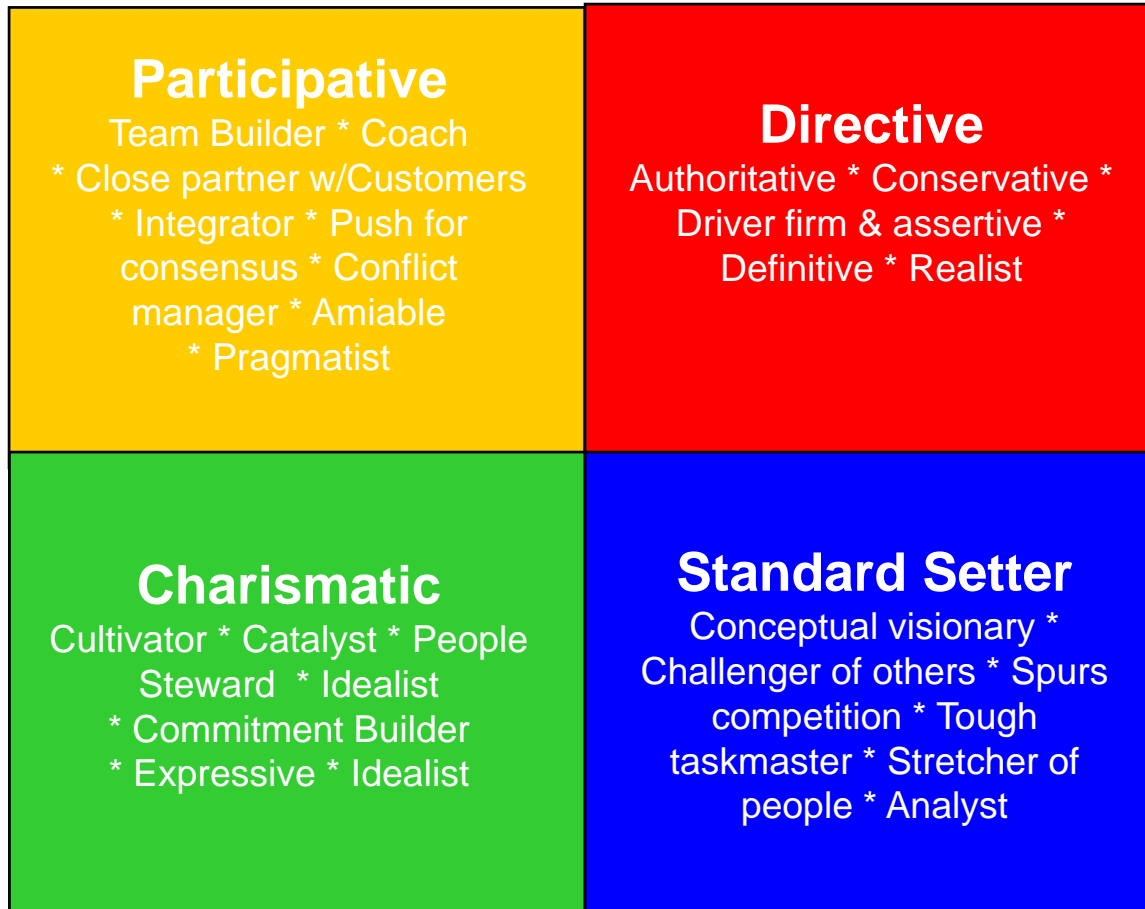
# Four Core STRATEGIES



From Schneider, *Aligning Strategy, Culture and Leadership*



# Four LEADERSHIP Styles



From Schneider, *Aligning Strategy, Culture and Leadership*



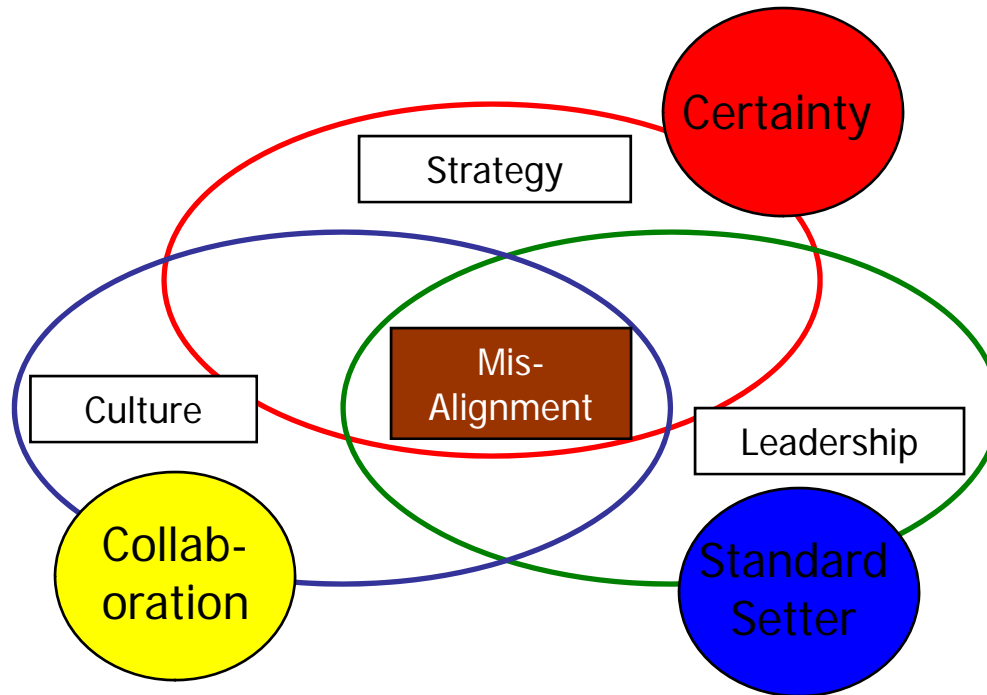
# Cultural “Levers”

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- Way to Success
- Leading & Managing
- Organizational Structure / Employee & Task Role
- Use of Power / Decision Making
- Key Norms, Climate

Adapted from Schneider, *Aligning Strategy, Culture and Leadership*

# A Non-Effective Organization



Adapted from Schneider, *Aligning Strategy, Culture and Leadership*



# Control Culture “Home Ground”

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- **Strategic Focus**
  - “Only game in town” (biggest, dominant)
  - Get and keep control
- **Leadership & Mgmt. Focus**
  - Leaders: Authoritative, directive, conservative
  - Management: Objective, “by the book”
- **Structural Focus**
  - Org Form: Hierarchy
  - Employees: stay within their function
- **Power Focus**
  - Power: your title
  - Decision-making: methodical & objective
  - Change: Mandate it!
- **Relationship Focus**
  - Norms: Be certain, realistic, disciplined
  - Climate: Unemotional, restrained, formal

Adapted from Schneider, *The Reengineering Alternative*



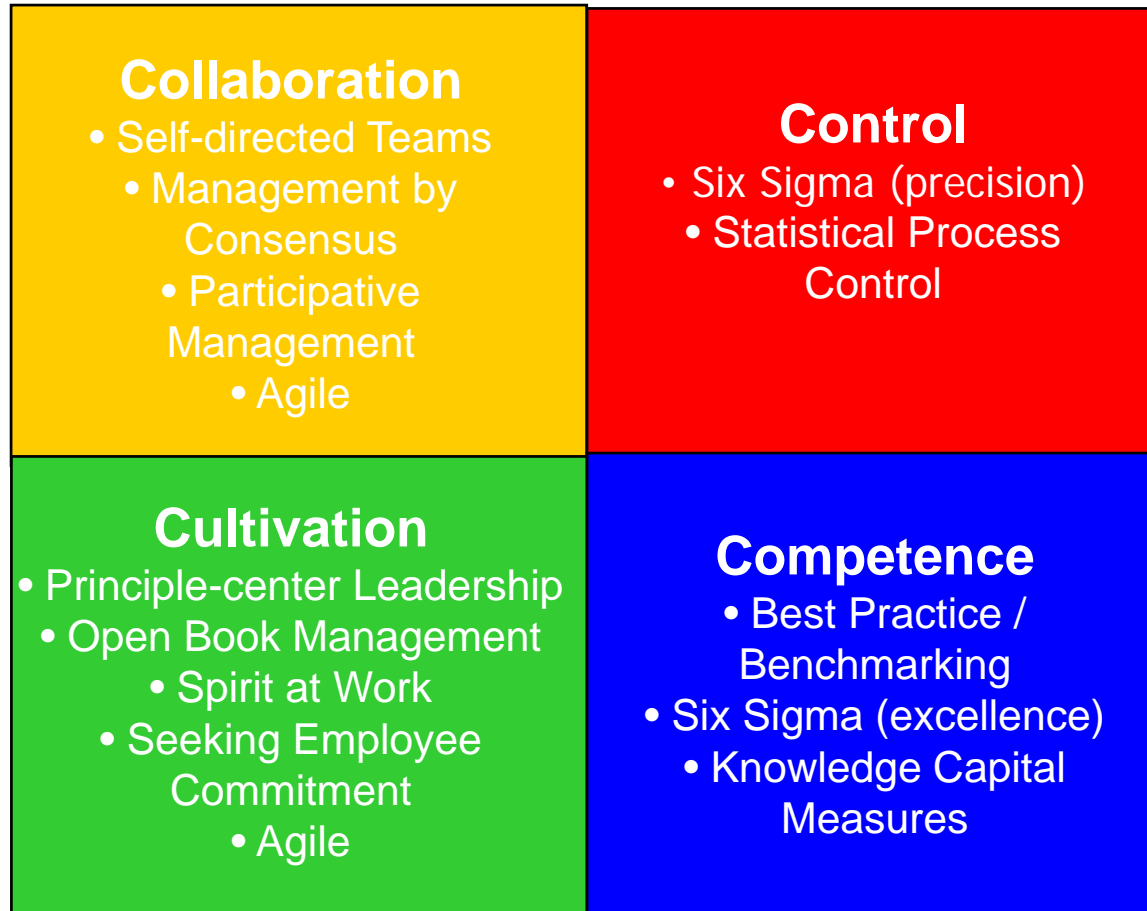
# Does Agile Fit Control Cultures?

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- Self-assigned tasks?
- “No roles” on an Agile team?
- Team consensus orientation?
- No fixed dates?



# Why Management Ideas Fail





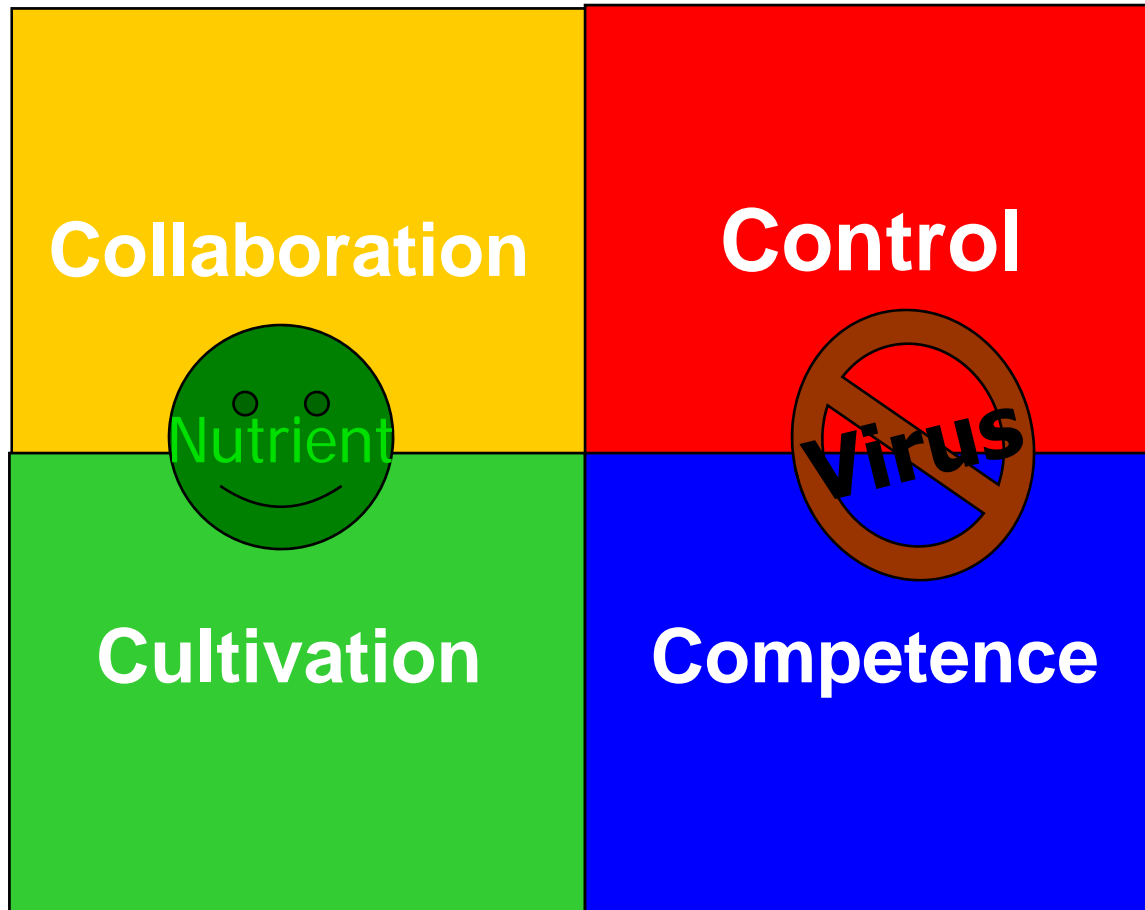
# Enterprise Transformation?

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- Can an Organization's Culture (Type) Be Changed?
- Can Yours?

# Good Virus / Bad Virus

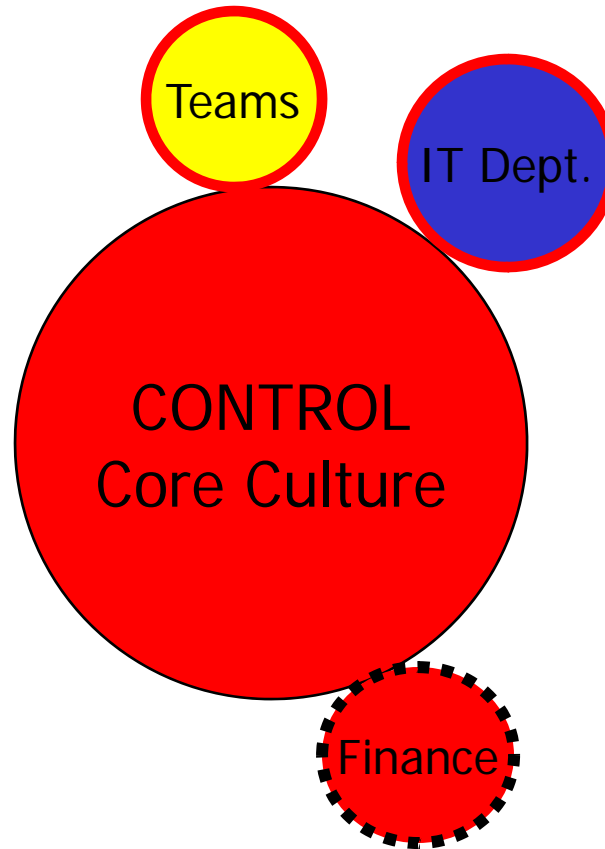
Agile in the Right vs. Wrong Culture





# Cross-Cultural Implementation Strategy

“Subcultures must serve the Core”





# Steps to Cross Cultural Implementation

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1. Create a Team Culture
  - Collaboration/Cultivation within team
  - Team Motto: "Be in Service to the Core"
2. Firewall the Organization
  - Negotiate "object" interfaces



# Control Alternatives to Agile Practices

Agile Practices	Control Alternatives
No additional metrics	Conform to org reporting schema
Teams manage team dynamics	Mgmt involved in people issues
"No Roles"	Respect Functions, cross train
No "Chicken Talk"	Mgmt announcements at end
Consensus / full self management	Accentuate management's directional role within Agile
Move Agile into Management	Limit Agile to tactical strategy (& balancing the Control Culture)



# Conclusion

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- Culture is the most important thing
- Agile is good, being yourself is better
- Customize implementation to the type of culture
- If you need a different culture type....move
- Call if you need help:
  - [www.collective-edge.com](http://www.collective-edge.com)
  - [michael@collective-edge.com](mailto:michael@collective-edge.com)