Tribal Leadership for building adaptive and agile organizations

Leadership Challenges

Abstract ID: PMIBC_17_3_023
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ABSTRACT

Leadership is not about delivering result by power or money anymore, but about enabling a group of people destined to achieve a common goal. In new generation workplaces, people like to be trusted and encouraged to be self-organized. This new trend of group behavior resembles the concept of tribes in which groups of likeminded people decide their own goals and ways of working. Organizations constitute different such tribes which may or may not be aligned with each other. The leader's responsibility is to understand the dynamics of each tribe and help them co-exist for a larger purpose.

Ironically, a large number of business leaders are attuned to operate in command and control mode. This style of leadership is detrimental to the development of self-organizing teams which can adapt themselves to an environment which is Volatile, Unclear, Complex and Ambiguous (VUCA). Teams, under such leaders, are dependent on directions and instructions from their leaders to respond to changes. One of the primary goal of any Agile organization is to make their teams self-organizing, confident and empowered to own a problem and work out solutions on their own. In this environment, a leader is expected to act as a facilitator, change agent or catalyst. Any leader, who will tend to design and direct the solutions for the teams, will defeat the purpose of making the organization creative and self-managed.

Tribal leadership is the answer to address the concern of building an organizational culture where every group takes ownership for their success or failure. A Tribal Leader will be the right fit to synchronize an appropriate culture and strategy so that the tribes can initiate a 'Movement' to deliver results rather than delivering just a 'Project'. Today’s organizations demand their leaders to be able to connect with people and ideas. A tribal leader should be able to talk to and understand all the tribes and empower them to respond and adapt faster, in order to deliver right value to the customers.

INTRODUCTION

The latest “Annual State of Agile Report” by Version One lists down the top reasons why organizations struggle to become truly Agile. The top 3 reasons are related to organization culture, lack of proper management support and organizational resistance towards change. This gives a clear indication that existing leaders are not able to setup the right culture and mindset needed for a successful Agile organization.
Illustration 1: Reasons of failure for Adopting and Scaling Agile

Even after adopting and practicing Agile for years, so many organizations struggle to continuously improve, as the teams lose focus from their goals due to conflicting directions from leadership. Most of them face the challenge due to mismatch of Agile and organizational leadership. While many believe that an ideal Agile organization should not have any hierarchy, it is very difficult to operate with ‘no-managers’. It is evident that we need leaders, even in Agile teams but the leadership should be able to provide the needed support the teams need to become more and more self-organized.

During Agile transformation, organizations struggle to fit their existing employees to various new roles like Scrum Master, Product Owner or developers with more end-to-end responsibility. Often, people struggle to understand the demands and basics of their new roles. Most of the Scrum Masters start playing their role as new age ‘Managers’, defeating the purpose of Scrum Masters whose job is to facilitate the team and not direct the team. Furthermore, senior leaders in the organization continue to operate in an ‘Autocratic’ mode by setting goals for teams and asking them to meet the goal within a given timeline by using ‘iterative’ development cycle. This is contrary to the very basis of Agile as the fundamental culture and operation of the decision making and managing teams remain same.

This paper, will talk about the changes we should bring in the leadership style to successfully reap the benefits of an agile and adaptive organization. Leaders will have a much bigger role now to influence and support the teams to share the common vision and own their respective goals for the larger benefit of the organizations. The suggested approaches will help to convert hierarchies from linear to circular so that the leaders can provide right
support to nurture an agile mindset. It will not require a disruption in the way the organizations or the teams are structured presently. It will help leaders to start from their existing position and then change their thought process and working style to bring in the right leadership style.

DETAILS OF THE PAPER

1. Why do we need Tribal Leaders?

Conventionally, all of us are trained from our childhood to break down any given problem to smaller pieces so that those become more predictable and manageable. That is how leaders have approached any big problem. While doing so, many have lost the connection between the smaller pieces to achieve the big goal. There has been a serious lack of ‘Systems Thinking’ in leaders and organizations. Unfortunately, our organizations and reward systems are designed in such a way that people get rewarded and appreciated for achieving small goals even at the cost of not achieving the larger goal. It was the leaders whose sole responsibility was to achieve the larger goal. Hence, leaders always wanted to design everything in the way they were comfortable to manage. They encouraged people just to focus on the smaller pieces.

We have seen many examples where a single visionary leader has created large organization but it could not maintain the momentum after the departure of the leader. This was mainly because these leader failed to get others in the organisation to own their visions. In the early 1990s, Steve Case started AOL with a vision to turn internet into home utility. Soon, it became one of the most admired companies in the US. AOL bought Time Warner and revolutionized the entertainment media world by making it available everywhere. Despite being the Facebook or Google of 90s, it barely exists anymore. The key reason for AOL’s decline was the departure of Steve. He ensured his vision was achieved by his team members as long as he was physically present in AOL. In the process, he directed people to achieve what he felt was important. He did not build a group of people who shared the ownership for the success of his goal. Once he left, people waited for direction from a new leader to move ahead.

On the contrary, let us take an example of a great football club, Barcelona FC. This Spanish club has remained at the top spot in the international club football for decades although there have been continuous changes in players, managers, coaches and club officials. The reason for this phenomenal success lies in the culture of the institution – Barca’s organizational identity. Everyone belonging to the club takes immense pride in remaining at the top. The collective sense of ‘Who We Are’ that is imbibed in all the players, managers, coaches etc. is the core reason for its continued success.
The world has become more interconnected and business has become more and more competitive now. Moreover, the millennials do not just work for earning their bread any more, they are working for pride. People are pursuing careers where their passion lies. The work place is becoming a social institution driving towards achieving something big not only for the leader but for every individual.

Thus, there has been substantial change in the way organizations are designed and the way leaders lead people. During early 2000, most of the IT organizations started transforming themselves from Traditional Hierarchical Management style to Agile Management style. There is further need to improve the way organizations are structured and the way leaders setup processes and practices to motivate people to achieve bigger and faster success. Illustration 2 summaries the changing trend of leadership and teams from Hierarchical Organizations to Agile Organizations to Tribalized Organizations.

<table>
<thead>
<tr>
<th>Organization Structure</th>
<th>Traditional Hierarchical Management</th>
<th>Agile Management</th>
<th>Tribalized Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motive Force</td>
<td>Hierarchy</td>
<td>Flat, Cross Functional Teams</td>
<td>Communities</td>
</tr>
<tr>
<td>Leadership Force</td>
<td>Business Need</td>
<td>User Need</td>
<td>Community Objective</td>
</tr>
<tr>
<td>Leadership style</td>
<td>Management</td>
<td>External Change</td>
<td>Community Consensus</td>
</tr>
<tr>
<td>Processes</td>
<td>Top Down</td>
<td>Jointly Shared</td>
<td>Emergent</td>
</tr>
<tr>
<td></td>
<td>Linear, Waterfall</td>
<td>Iterative</td>
<td>Informal, Continuous</td>
</tr>
</tbody>
</table>

Illustration 2: Comparison for different management styles

2. Who are these Tribal leaders?

Systematic is a new generation software company with around 500 employees, which started practising Agile from 2005. After transforming the entire organization to Agile ways of working, the company’s CEO Michael Holm, found out that his leadership team is hindering the faster growth and progress of Systematic. In an interview with Harvard Business Review, he mentioned that “The development teams were using scrum and were doing things differently, while the management team was stuck doing things the same old-fashioned way”. He found out that his leadership team is moving too slowly and relying on bureaucratic processes and documentation. He formed a nine-member Agile Leadership team, eliminating half of the existing processes and reports and converting the rest to the real-life systems without much manual interventions. The leadership team adopted a model to meet every day for 20
minutes to make faster decisions rather than exchanging long emails and meeting only one in a week for long hours. They were given the task to remove all the impediments for all their teams daily. Systematics’ revenue and profit almost doubled between 2010 and 2016 with almost similar employee strength.

Michael Holm and Systematic succeeded because they found out the root cause behind the company’s delayed growth. His timely intervention to change the organizational culture and leadership team to become more creative, and the implementation of distributed ownership helped Systematic achieve phenomenal growth post 2010.

To understand how tribal leaders can motivate a team for better and sustainable results, we need to understand human behaviour little more in depth. By nature, human beings are social animals who always form groups based on common interest and goals. Historically, these groups were termed Tribes. A typical tribe is a group of 20 to 100 people who are naturally inclined to a common need or desire rather than asked by a leader to act together.

Studies from various sources have shown that these kinds of tribes are much more self-organized and intrinsically motivated to achieve their goals. Their leaders do not show or tell them what needs to be done but facilitate them to overcome impediments. Such Tribal Leadership is the leadership style which teams are looking for in present day’s organizations.

There are 2 levels of leadership involved in day to day operations of any Agile organization – Agile Managers/Scrum Masters and the Senior Executives. Although both type of leaders need to possess few common characteristics, there are few characteristics which are specific to their roles.

The key characteristics of a Senior Tribal Leader are:

- Should be able setup a vision for the organizational growth and success
- Must identify the like-minded group of people driven by common interest or skill
- Will create a shared vision for the like-minded group
- Should use consent based decision making methods to distribute ownership
- Should emphasize on self-organization and autonomy
- Ensure cross functional collaboration and transparency
- Will implement frequent feedback loops and focus on continuous improvement

The key characteristics of a Tribal manager are:

- Will ensure that the teams understand the shared vision and owns it
- Should use aggregation of opinions to resolve conflicts
- Must encourage creativity and remove fear of failure
- Should emphasize on self-organization and autonomy
- Ensure cross functional collaboration and transparency
- Will implement frequent feedback loops and focus on continuous improvement
- Will work as a facilitator and help teams remove their impediments
3. What do Tribal Leaders need to do differently?

A. Bringing Sociocracy by Inclusive Decision Making

Sociocracy replaces autocracy in a tribal organization. Sociocracy brings in the sense of equality and distributed power in teams. The transparent flow of information and inclusive nature of decision making, make people more adaptive to continuous changes. Different groups or tribes can see the wholesome picture of the organizational goals and reasons for achieving the same.

The entire process of top-down decision making has to undergo a complete change. Leaders must ensure that they encourage inclusive decision making, so that everyone in the team feels that their voice is heard and they are aligned to the final decision.

The challenge with this approach is that it may take much longer to conclude. There can be various and contradictory opinions while taking a decision in a group. A tribal leader has to be prepared on how to handle this problem. Ideally, an inclusive decision making process must be data driven and based on multi-criteria voting system. While it is important to include and hear everyone, leaders need to set right processes to avoid diversions and unnecessary arguments.

It is not necessary that the teams will always have agreement from every stakeholder for every decision they make. But there has to be consent from every team member about no 'paramount objections' to the decision. Objections are always welcome with right justification and reasoning. Objections should be highly valued to offer every stakeholder an opportunity to raise their concerns.

*Illustration 3* below, clearly mentions the benefits of incorporating the culture of Sociocracy in work places.
Illustration 3: Benefits of Sociocracy

B. Empowering teams to be self-managed

A team which needs continuous direction and assistance can never be creative in nature. Any such team will not create an environment where team members take pride in what they are doing. Motivation is an intrinsic trigger for every individual to put their best to achieve something big. The best factor that drives an individual’s motivation is the sense of achievement.

Many organizations have tried to transform their development teams to an autonomous team with end-to-end responsibility for what they create. This requires bringing together different skillset within the same group who can contribute towards making successful delivery. People have used different names like Crew, Troop, Unit etc. Nevertheless, only changing the names of the clan will not make them self-managed unless proper restructuring of roles and responsibilities take place in parallel.

Spotify is an ideal example of introducing Tribe culture in their organization. They have so far, implemented it well and are well recognized in the industry for their Organizational culture to manage product development.
Illustration 4: Spotify model for scaling Agile Organization

Illustration 4, explains how people are grouped into smaller Squads to focus on delivering a small piece of work. But these teams are too granular to ensure delivery of the larger goal. So, these squads are grouped into Tribes who are destined to work towards a common goal. Spotify created a culture where these tribes sit together, collaborate informally and share information regularly with each other. There is a Tribal Leader who ensures communication of right information and assistance to the squads to build the right thing.

C. Achieve goals by sharing ownership and vision

‘Vision’ is a very common term in all leaders’ vocabulary. Every leader talks about a ‘vision’ that they want the entire organization to follow. A few successful leaders embed the ‘vision’ into the organization's culture so that everyone’s performance is linked to the success of the leader. But, these ‘visions’ are mostly one person’s individual goal which are imposed on everyone. This is definitely not a shared vision. Such visions do not have commitment from people; rather people obey order to achieve this. A truly shared vision becomes every individual’s own vision.

A vision is truly shared when each individual dreams of achieving it, when everyone sees value in reaching the goal. When the members in a community truly share a vision, they become genuinely connected. They put overall achievement over their personal goals. That makes the entire process more collaborative and transparent. The sense of shared vision empowers everyone to own successes or failures. People become fearless and creative. It becomes a passion rather than a job. In the corporate world, also, the best of the creative organizations successfully creates this sense of shared vision in their teams. Their leaders align the members as per the common interest and passion they have.
Illustration 5: Level 5 Leadership

After studying more than 1400 companies which were ‘Good’ places over 40 years, Jim Collins and his team found out that 11 out of them moved to ‘Great’ while the rest continued to be ‘Good’. Their study establishes that an effective leader catalyses commitment to and vigorous pursuit of a clear and compelling vision. Refer to Illustration 5 above, to identify different levels of leadership effectiveness in organizations.

4. How Tribal Leaders can build an adaptive organization?

When asked about the theory of leadership, David Packard, the co-founder of Hewlett and Packard told that “I don’t know about theories of leadership. Bill (Hewlett, the co-founder) and I were just doing what we loved and were so delighted that people wanted to join us.”

This, in nutshell, explains how a Tribal Leader can bring in the changes from conceptualizing an idea and bringing it live to the customers by getting like-minded people to drive the same vision. The Tribal Leader must be a designer, teacher and mentor with deep sense of business and customer needs.
A. Understanding the Business need

Any leader’s success is finally measured based on increase in sales, creation of new revenue streams or improving market share. A Tribal Leader also has to prove her quality through these measurements. Although the behavioural aspects of a tribal leader are equally important, their effect is measured through the business success of the organization. While the new leaders need to be adaptive, flexible and capitalize on learnings from failures, they need to be able to adapt and respond to the continuously changing business environment.

B. Building a Tribe culture

Organizational culture plays a very important role to improve motivation, productivity and quality of work. While right culture can create a very positive and cohesive environment for the employees, improper culture creates division among the different parts of the system. A leader’s job is to align the right set of people who are passionate about achieving something similar. She needs to form the right strategy which in one hand helps the organization to reach its financial goals and in other hand aligns groups of people to bring in a revolution in workplace to create something great.

Dave Logan, John King and Halee Fischer-Wrigh have defined the 5 stages of Tribal Culture in an organization in their book The Tribal Leadership as depicted in Illustration 6 below. A Tribal Leader’s job is to identify the stage at which her organization is in and help the organization to move to the next stages. It will require to change the culture and way of thinking of the critical mass which cannot be brought in just by setting up few new policies. The leader should aim to bring the organization to at least Stage 4 where the tribes will be proud and happy to share the core values and strategies of the organization.
Illustration 6: How to change a Tribal Culture

Refer to the Annexure for more details about the ‘5 Stages of Culture’ as defined by Dave Logan, John King and Halee Fischer-Wrigh.

C. Forming self-organizing teams

A tribe is always driven by its own vision. Its leader should set clear goals and high standards in front of them. Once committed to deliver the goal, the tribe does not require day to day assistance or direction. The leader must devote good amount of time to plan and organize right set of skillset and tools for the tribes. On one side the leader should trust the team, on the other side the leader has to make it clear that the ownership of delivery lies completely with the tribe. Self-organized teams ensure high level of commitment with minimum supervision and continuous focus on improvement.

D. Reflect through feedback

Self-awareness and correction are the primary qualities of a good tribal leader. This type of leader should not be risk-averse and keep learning throughout the journey. She has to be open to receive feedback and criticism, both internally and externally. This character of her will help her to gain confidence of her customers as well as her followers within the organization. Continuous learnability of the leaders helps them face challenges with more resilience and calmness. Members of the tribes feel inspired to be fearless under such leaders and such tribes deliver more creative and revolutionary outcomes.

CONCLUSION

There is a huge shift in the socio-cultural dynamics of organizations in the recent past. With the advent of start-ups and the millennials joining the organizations, definitions of ownership and leadership have more ‘shared’ connotations. There is a dire need to bring in a new order of things in corporate leadership which goes far beyond positional authorities of individuals. Peter Senge, in his book The Fifth Discipline, mentioned that whenever a new management system begins to take root, we see leaders emerge from periphery. Similarly, Tribal Leaders would not necessarily come from the traditional center of powers but from women, poor or young. Tribal Leaders will be flexible, fearless of failure and quick learners to adapt fast to situations.

The points explained in this paper will help existing or aspiring leaders of Agile organisations to understand what fundamentally they need to change and how they can become successful leaders for the organizations. With the Tribal leadership approach, much happier Agile teams can be built which will work towards delivering great values
to the customers. Tribal leadership can address the issue of disengagement and unhappiness at work due to lack of inclusion and recognition of creative work.

The change is not easy as it needs lot of unlearning of the way we perceive leadership from our childhood. Leaders are always portrayed as a charismatic figure with larger than life influence on people. Moreover, decentralized execution and autonomy at every level may create a bigger chaos in large organizations. There may be stronger conflicts and differences in priorities among teams if they are not aligned properly towards the organizational goal.

But a future leader will be expected to play a role where organization and people become larger than the leader. Her success will lie in creating a movement by driving her tribes to create a revolution.

REFERENCES

1. *Tribal Leadership* by Dave Logan, John King and Halee Fischer-Wrigh
2. *The Fifth Discipline* by Peter M. Senge
4. [https://emergentbydesign.com](https://emergentbydesign.com)
ANNEXURE

Cultural Map
The Five Stages of Culture

<table>
<thead>
<tr>
<th>Stage</th>
<th>%</th>
<th>Behavior</th>
<th>Relationship to people</th>
<th>Language</th>
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<tbody>
<tr>
<td>5</td>
<td>2%</td>
<td>Innocent Wonderment</td>
<td>Team</td>
<td>&quot;Life is great&quot;</td>
</tr>
<tr>
<td>4</td>
<td>22%</td>
<td>Tribal Pride</td>
<td>Stable Partnership</td>
<td>&quot;We're great&quot;</td>
</tr>
<tr>
<td>3</td>
<td>49%</td>
<td>Lone Warrior</td>
<td>Personal Domination</td>
<td>&quot;I'm great&quot;</td>
</tr>
<tr>
<td>2</td>
<td>25%</td>
<td>Apathetic Victim</td>
<td>Separate</td>
<td>&quot;My life sucks&quot;</td>
</tr>
<tr>
<td>1</td>
<td>2%</td>
<td>Undermining</td>
<td>Aliensated</td>
<td>&quot;Life Sucks&quot;</td>
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</table>

5 Stages of Culture

THE 5 STAGES OF TRIBAL CULTURE

<table>
<thead>
<tr>
<th>Relationship to People</th>
<th>Stage</th>
<th>Behavior</th>
<th>% of Orgs</th>
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<td>Stage 8</td>
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<tr>
<td>Stable Partnership</td>
<td>Stage 4</td>
<td>&quot;WE'RE GREAT&quot;</td>
<td>22%</td>
</tr>
<tr>
<td>Personal Domination</td>
<td>Stage 3</td>
<td>&quot;I'M GREAT (AND YOU'RE NOT)&quot;</td>
<td>49%</td>
</tr>
<tr>
<td>Separate</td>
<td>Stage 2</td>
<td>&quot;MY LIFE SUCKS&quot;</td>
<td>25%</td>
</tr>
<tr>
<td>Aliensated</td>
<td>Stage 1</td>
<td>&quot;&lt;ALL&gt; LIFE SUCKS&quot;</td>
<td>2%</td>
</tr>
</tbody>
</table>

Innocent Wonderment
the language revolves around infinite potential and how the group is going to make history - not to beat a competitor, but because doing so will make a global impact. this group is in competition with what's possible, not with another tribe.

Tribal Pride
people are fully themselves, & everyone seems happy, inspired, & genuine; the culture emphasizes shared core values and interdependent strategies; a we're great tribe always has an adversary, & the bigger the foe, the more powerful the tribe.

Lone Warrior
knowledge is power, so people hoard it; they have to win, and winning is personal; the mood is one of wanting help and support, yet being continually disappointed that others "don't have their ambition or skill".

Apathetic Victim
people are passively antagonistic; seen it all before and watched it fail, quietly sarcastic and resigned; judging, yet never interested enough to spark any passion.

Undermining
people are desparingly hostile, banding together to get ahead in a violent and unfair world.