



IS LEADERSHIP YOUR AGILE BLINDSPOT?

By Deborah Lovich, Vinciane Beauchene, Nicolas Hunke, and Sagar Goel

HERE'S A DISCONNECT. WE recently asked 65 senior executives, whose companies are in the midst of large-scale agile transformations, to rank the relative importance of eight enablers. “Leadership, culture, and behavior” ranked first. We then asked those leaders which enablers their organizations are best equipped to tackle—and “leadership, culture, and behavior” ranked next to last. (See Exhibit 1.)

Agile leadership traits can vary since each company has its own culture, strategy, and goals. That said, leaders follow many common principles and adopt similar practices. Our research shows that to be successful, leaders of agile and digital transformations adhere to six behaviors:

- **Aligning and Empowering.** Set the vision, explain the why, and then let go.
- **Continuously Learning.** Seek and act on feedback.
- **Acting as One Team.** Prioritize the goals of the organization over the

objectives of individuals or business units.

- **Always Helping.** Help teams with what they need to succeed (no request is too small).
- **A Bias to Action.** Start by doing rather than planning or discussing.
- **Outcome Oriented.** Talk to customers to understand what matters to them.

When we asked our 65 executives to name the main obstacles to adopting agile behaviors, the first was “fear of getting out of the comfort zone”; second was “leadership team dynamics”; and third was “lack of self-awareness.” Together the three obstacles received about three-quarters of the votes—twice as many as the fourth-ranked candidate. (See Exhibit 2.)

There's actually good news in these numbers. Leaders know what's important, and they recognize why they come up short. We did our survey before the outbreak of the

EXHIBIT 1 | Leadership, Culture, and Behavior Are the Number One Gap



Source: BCG Agile Exchange survey, n = 65.

¹Survey question: How important are the following enablers to the success of your most recent, current, or future agile journey?

²Survey question: How well-equipped do think your organization is to tackle the following enablers?

coronavirus. Imagine the importance of agile leadership and culture now, when teams are working remotely and concern over the virus has everyone on edge. Leaders need to double down on agile practices, not only to manage the human and business issues of the moment but also to prevent companies slipping back into command-and-control modes that will handicap a post-COVID-19 rebound.

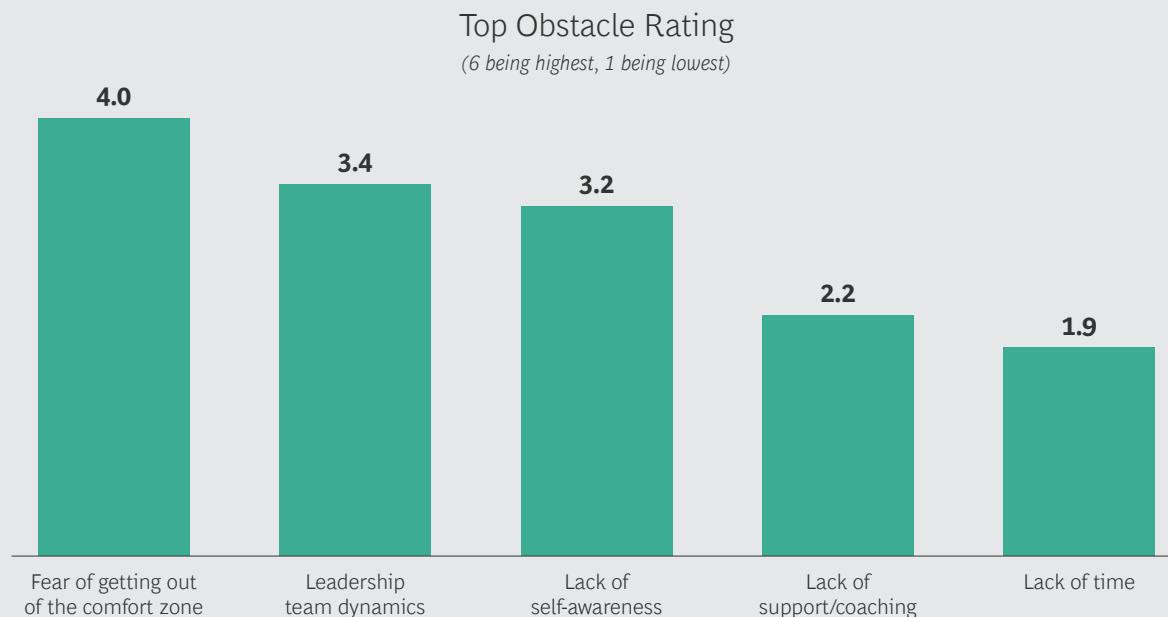
GET COMFORTABLE BEING UNCOMFORTABLE

During times of crisis, disruption, and fast-paced change, staff look to leaders for direction and answers to questions for which the answers often are unclear. It takes real leadership muscle to provide the direction that the organization craves while also allowing the autonomy to ensure action at the frontlines. In times of forced remote working, strong alignment is more important than ever, so that each employee can work autonomously. This is exactly what agile leaders are required to foster, and the current pandemic is an opportunity to build this critical muscle.

In 2019, we wrote about whether executives had the courage to become agile leaders—whether they were willing to abandon many of the attributes that had propelled their careers to date (such as command-and-control tactics and astute risk management) and instead invest in learning and experimenting with new management behaviors and practices. A very big part of such “courage” is being able to deal with discomfort—the discomfort of the unknown, of having someone else hold up a mirror to your own behaviors, of putting off seemingly urgent operational decisions to deal with something as vague and unstructured as “behaviors.” Discomfort means letting go of big decisions, steering committees, and reporting, and putting people very different from yourself on your teams and experimenting with new approaches and ways of working.

In our experience, many leaders are uncomfortable revealing that they do not have all the answers. They believe that the organization expects them to know everything and to always be right. For others,

EXHIBIT 2 | The Top Obstacles to Agile Leadership¹



Source: BCG Exchange Survey, n = 65.

¹Survey question: What is the biggest obstacle for leaders to adopt agile behaviors during an agile journey?

discomfort may mean that they simply do not like to talk about their own or their team's behaviors. They are much more at ease talking about strategy and operational plans than "soft stuff." In reality, as the respondents to our survey acknowledged, many leaders often lack the self-awareness even to know if their behaviors are "good" or "bad." It is not their fault: in hierarchical organizations, honest feedback is hard to come by. Nobody provides candid, open, real-time assessments, and every promotion confirms they are doing an awesome job just the way they are.

Getting uncomfortable may sound counter-intuitive, but it is exactly what agile leaders need to do. In this light, the coronavirus is an agile leadership opportunity. Leaders are already uncomfortable—working remotely, not having all the answers about how the pandemic will affect their organizations. This is a great time to build agile leadership muscles by acknowledging that they can no longer be right on everything and constantly up to date (things are just too complex and moving too fast) and understanding that there is a lot they can

learn from team members (at both peer and junior levels) who work and think differently.

Agile leaders spend time where the work happens—even remotely—and find ways to be helpful to the teams doing the work, while they work hard themselves on the "soft stuff." In a non-agile organization, such ways of working are difficult. No one wants to delegate blindly, and no one wants to commit to a project without being (reasonably) certain of the outcome. But as agile practices take hold, leaders gain the means to delegate with control. For example, they can see the progress with their own eyes by periodically visiting—or dialing into—the regular cadence of demos and retrospectives or by viewing the backlog of work, and, most importantly, by seeing the customer impact in direct customer communications.

The key is communicating intent, explaining both the what and the why. The more alignment that leaders are able to establish, the more autonomy they can afford to give their teams.

SEEKING DISCOMFORT

So how do you encourage leaders to get uncomfortable? We have found that four actions by top management can make the difference.

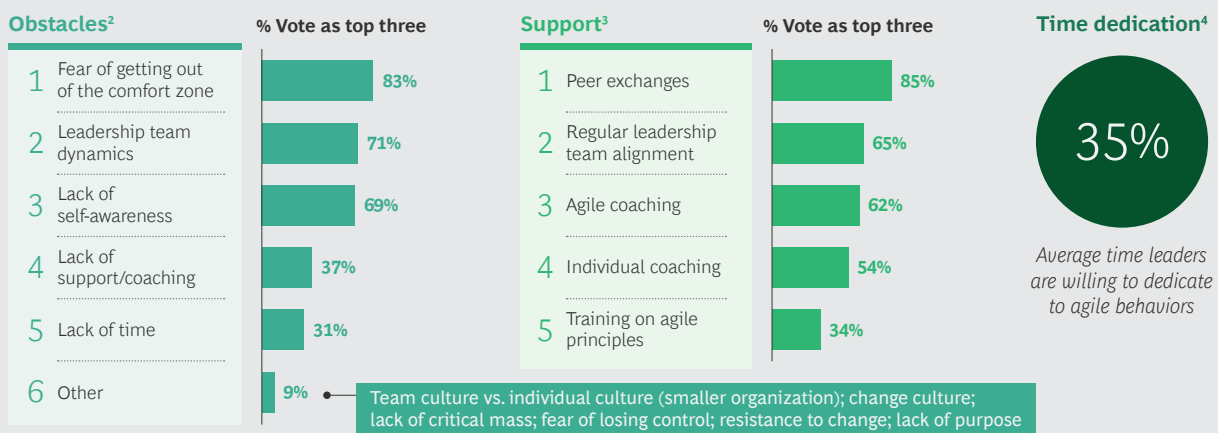
Communicate why it matters. Talk to other leaders who have transitioned successfully to agile ways of working and leading, and use their experience as a guide. They will tell you how important leader behaviors are. As one top executive said, “The leader behaviors are more important than you think and much harder to change than you think.” Refer to data on the main obstacles and enablers from our survey. (See Exhibit 3.) Another BCG survey involving more than 200 companies shows that addressing the soft stuff—leadership, purpose, and culture—is actually the heart of the transformation effort and can increase odds of sustained impact by 50%.

Align together on how leaders need to change. Top management should define the three or four actionable behaviors that matter most for them. Articulating these behaviors in their own words and then leading by example will help counter the inevitable reaction that this is all “HR

speak.” For example, when asked for advice or a decision, try responding with, “What do you think? Why do you think it? How can you test it to figure out if you are right?” Rather than trying to guide or direct a team’s actions, look for problems that you can solve or barriers to progress that you can remove.

Make it real through action. Companies must find ways to embed agile behaviors into rhythms and routines so they become the new normal. Making a plan, making it public, providing peer support, and making it costly to veer from the path all increase the likelihood of success. One bank set a 72-hour rule for removing obstacles to a team’s progress. Every 24 hours, unresolved obstacles are escalated one level up, and in 72 hours they reach the CXO. Another bank requires executives presenting to its executive committee to complete a three-question survey afterward: Was the executive committee prepared (had members read the relevant materials)? Were the members engaged (nobody was texting or emailing during the discussion)? Did the executive come out of the session better off (did the executive committee provide help)? The survey results are presented

EXHIBIT 3 | Agile Leadership: Key Obstacles and Enablers¹



Source: BCG Agile Exchange survey, n = 65.

¹Survey question: We consider an agile leader should exhibit these characteristics. How do you rate yourself on these?

²Survey question: What is the biggest obstacle for leaders to adopt agile behaviors during an agile journey? Further ranks were 4th: Lack of support/coaching; 5th: Lack of time; 6th: Other.

³Survey question: When becoming an agile leader on an agile journey, what would be the most useful to you? Further ranks were 4th: Individual coaching; 5th: Training on agile principles.

⁴Survey question: How much time would you be willing to dedicate to your leadership behaviors, including incorporation into daily routines, during an agile journey?

back to the executive team to help them better understand their own behaviors and their impact, so they can continue to build their agile muscles.

Make it stick. To reinforce behaviors and help to develop new habits, change the performance management tools from individual-based to team-based. Altering the environment can nudge people toward desired outcomes. Senior leadership at a Latin American bank abandoned their corner offices and worked from a conference table, where they were accessible to everyone. Executives at a global technology company converted their offices into

cross-functional team rooms. A software company introduced agile experiments, innovation contests, and rewards for people who experimented often and shared lessons learned.

IN CRISES SUCH as the current pandemic, agile leaders thrive. That doesn't mean they have all of the answers, nor do they pretend to. Instead, they admit they are dealing with the unknown, they lay down a few principles for the journey, and they help their teams navigate the uncharted territory together.

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