

Sensemaking in the Agile Forest

Self-managing or self-organizing agile teams¹

Henny Portman

Self-managing or self-organizing?

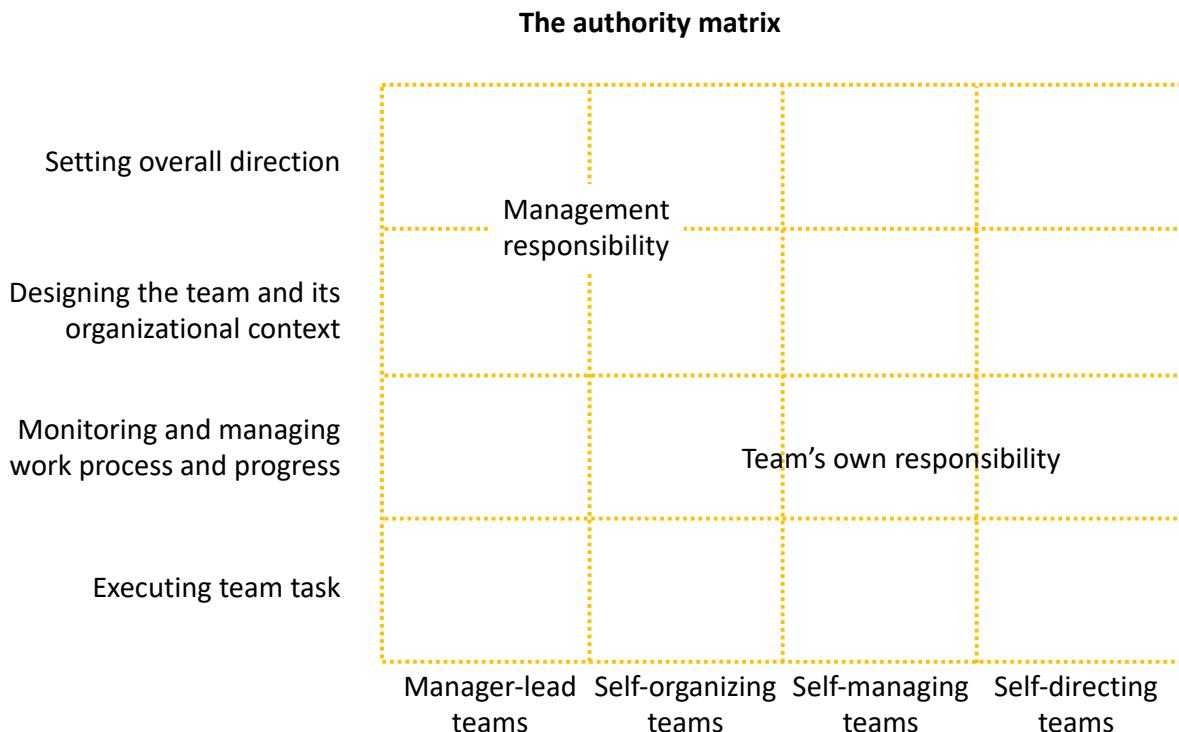
Many people confuse these words, but they are not the same. A self-organizing team is responsible for the ‘how’ to do the work as well as ‘who’ within the team does the work. This is applicable for most of the agile teams where the product owner prioritizes the backlog (aka, the ‘what’) and the team is responsible for the ‘how’ and ‘who’. To function, the team will have to know what the organization stands for, where the organization wants to go. The team will have to make agreements on what they can and cannot decide.

A self-managing team is, in line with the self-organizing team, responsible for the ‘how’ and ‘who’ of the work. When we look at the ‘what’ there are many more responsibilities behind this. The team is responsible for the prioritization of the work, how they are organized as a team, their own budget (the number of people on the team), the appointment or dismissal of team members and compensation.

There is even a third one: self-directing teams. Self-directing teams can be seen as self-managing teams that have more decision power than self-organizing teams. They can set their own team’s purpose and goals or direction.

J. Richard Hackman created in his book *Leading Teams: Setting the Stage for Great Performances*, the authority matrix which I slightly modified to show the differences between self-organizing, self-managing and self-directing teams in comparison with each other and traditional management-lead teams.

¹ How to cite this article: Portman, H. (2022). Self-managing or self-organizing agile teams, Sensemaking in the Agile Forest series article, *PM World Journal*, Vol. XI, Issue XII, December.



Decision-making

When an agile team is allowed to decide on more matters for itself, it speeds up the decision-making process. This brings it closer to self-organization or ultimately self-management. PRINCE2 uses tolerances to define the boundaries within which a project manager can decide for himself. If the decision is outside the tolerances, the project manager must escalate to a steering committee or client. Agile teams could also agree tolerances or use 'delegation poker'.

Decision latency theory

In their *CHAOS Report 2018: Decision Latency Theory: It's All About the Interval*, the Standish Group presents the root cause of software project performance. Decision latency theory states: "The value of the interval is greater than the quality of the decision." Or with other words, if you want to improve project success, you have to speed-up your decision-making. The Standish Group studied this decision latency for over a decade and stated that a project will create one decision for every \$1,000 in project labour cost. If it takes many hours to decide, there is probably a lot of overhead involved (e.g., escalating to higher management layers) and you will have difficulty to stay within time and budget. You must find ways to reduce this interval by decentralize the decision making, by eliminating steps that take time but have no value, by killing many of those crowded useless meetings, et cetera. Simply reducing decision latency can improve your project performance by 25%. In the report several graphs are shows as well as tables with the cost of decision latency and the resolution (skill level) by decision latency.

Delegation poker

Delegation poker is a technique derived from Management 3.0. Management 3.0 is not a framework but a mindset for managing an organization. Delegation poker can be used to gain insight into who is responsible for what. It provides insight into which decisions and tasks management delegates to the agile team. Delegation is not black or white, it is a process by which management transfers responsibility in a controlled and gradual manner. The starting point here is that management delegates as much as possible, but not too much; otherwise, chaos ensues.

How it works

It works as follows:

- Decide in advance which cases or situations require delegation policies. All agile team members and other stakeholders, e.g., management, describe situations or instances on post-its.
 - You can possibly cluster and prioritize the cases or situations if there are too many.
 - All those involved have a set of seven delegation poker cards at their disposal (see below).
 - For each case or situation, you must go through the following steps together (compare planning poker):
 - One person explains the case or situation.
 - All those involved choose a delegation poker card.
 - When everyone has chosen, lay the cards face up.
 - Those with the smallest and the highest level of delegation explain their choice.
 - Then you look for consensus together and record the result on the delegation board. Think of a board with a prioritized list of cases or situations on the left. And then horizontally the seven levels of delegation so that for each case or situation you can indicate which level of delegation applies.

The delegation poker cards²

The seven delegation poker cards are:

1. Tell: I will tell them
 2. Sell: I will try and sell to them
 3. Consult: I consult and then decide
 4. Agree: we will agree together
 5. Advise: I will advise but they decide
 6. Inquire: I will inquire after they decide
 7. Delegate: I will fully delegate.

² Source: <https://management30.com/shop/delegation-poker-cards/>

The cards are numbered from 1 to 7, indicating the seven levels of delegation. Here, the highest card equals full delegation.



Decision making within the team

The team decision matrix is a tool from Management 3.0 too. It is something to put on the team wall or radiator and shows how decisions are made within the team. First you agree with senior management the delegation and next you can decide as a team how to cope with team decisions. Is one, ore are some, the majority or all involved in decision making. Or is it just a matter of throwing the dice to decide (See also *The diceman* from Luke Rhinehart).

	One	Some	Majority	All	
Work process				X	
Top 5 risks			X		
Performance status				X	
Raise improvement issue	X				
Pick up improvement point			X		
...					

Conclusion

The more a team is allowed to decide for itself, the closer it gets to self-management. To facilitate discussion, delegation poker can be conveniently used. What is and what is not allowed to be decided, or to what level delegation will take place in each case or situation.

Sensemaking in the Agile Forest series

This article is part of a series of articles called *Sensemaking in the Agile Forest*. This series³ consists of the following parts:

- Portman, H. (2022). What is Agile? Sensemaking in the Agile Forest series, *PM World Journal*, Vol. XI, Issue I, January.
 - Portman, H. (2022). What is Scrum? Sensemaking in the Agile Forest, series article 2, *PM World Journal*, Vol. XI, Issue II, February
 - Portman, H. (2022). Is agile always better? Sensemaking in the Agile Forest series, *PM World Journal*, Vol. XI, Issue III, March
 - Portman, H. (2022). The ideal Product Owner, Sensemaking in the Agile Forest series, *PM World Journal*, Vol. IX, Issue IV, April
 - Portman, H. (2022). The Ideal Scrum Master, Sensemaking in the Agile Forest series, *PM World Journal*, Vol. XI, Issue V, May
 - Portman, H. (2022). Is an agile team always autonomous? Sensemaking in the Agile Forest series, *PM World Journal*, Vol. XI, Issue VI, June
 - Portman, H. (2022). What do iterative and incremental mean in Agile? Sensemaking in the Agile Forest series, *PM World Journal*, Vol. XI, Issue VII, July
 - Portman, H. (2022). The Minimum Viable Product (MVP) unraveled; Sensemaking in the Agile Forest, series article, *PM World Journal*, Vol. XI, Issue VIII, August
 - Portman, H. (2022). Prioritizing in an agile team, Sensemaking in the Agile Forest, series article, *PM World Journal*, Vol. XI, Issue IX, September
 - Portman, H. (2022). Multitasking, task-switching or monotasking; Sensemaking in the Agile Forest series, *PM World Journal*, Vol. XI, Issue X, October
 - Portman, H. (2022). Being predictable as an agile team; Sensemaking in the Agile Forest series, *PM World Journal*, Vol. XI, Issue XI, November
 - Self-managing or self-organizing agile teams
 - Slicing user stories
 - Agile management products (burn-down and burn-up charts)
 - Agile user testing (cohorts, A/B testing)
 - The Kanban board (WIP-limit, cumulative flow diagram)
 - Culture makes or breaks your agile transformation
 - Getting started as an agile team (a pilot)
 - The evolution of agile frameworks
 - ?

Please let me know if you would like to add specific agile topics to this series.

³ This series is based on a number of short Dutch blogs I made for Forsa Advies, a project management training organization in the Netherlands (<https://www.forsa-advies.nl>).

About the Author



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Henny Portman, owner of Portman PM[O] Consultancy and was partner of HWP Consulting, has 40 years of experience in the project management domain. He was the project management office (PMO) thought leader within NN Group and responsible for the introduction and application of the PMO methodologies (portfolio, program, and project management) across Europe and Asia. He trains, coaches, and directs (senior) programme, project and portfolio managers and project sponsors at all levels, and has built several professional (PM(O)) communities.

Henny Portman is/was accredited in a variety of qualifications, including P3O, PRINCE2, MSP, MoP, PRINCE2 Agile, AgilePM, AgilePgM and AgileSHIFT trainer and an SPC4 SAFe consultant and trainer. He is a P3M3 trainer and assessor and PMO Value Ring Certified Consultant (PMO Global Alliance). On behalf of IPMA, he assesses mega and large projects for the IPMA Project Excellence Award. In addition to this, he is an international speaker, author of many articles and books in the PM(O) field, and an active blogger (hennypotman.wordpress.com/).

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