# Understanding the Leadership Maturity Model

## How to develop the leaders you need to enable leadership at all levels

Kanban Global Summit 2022
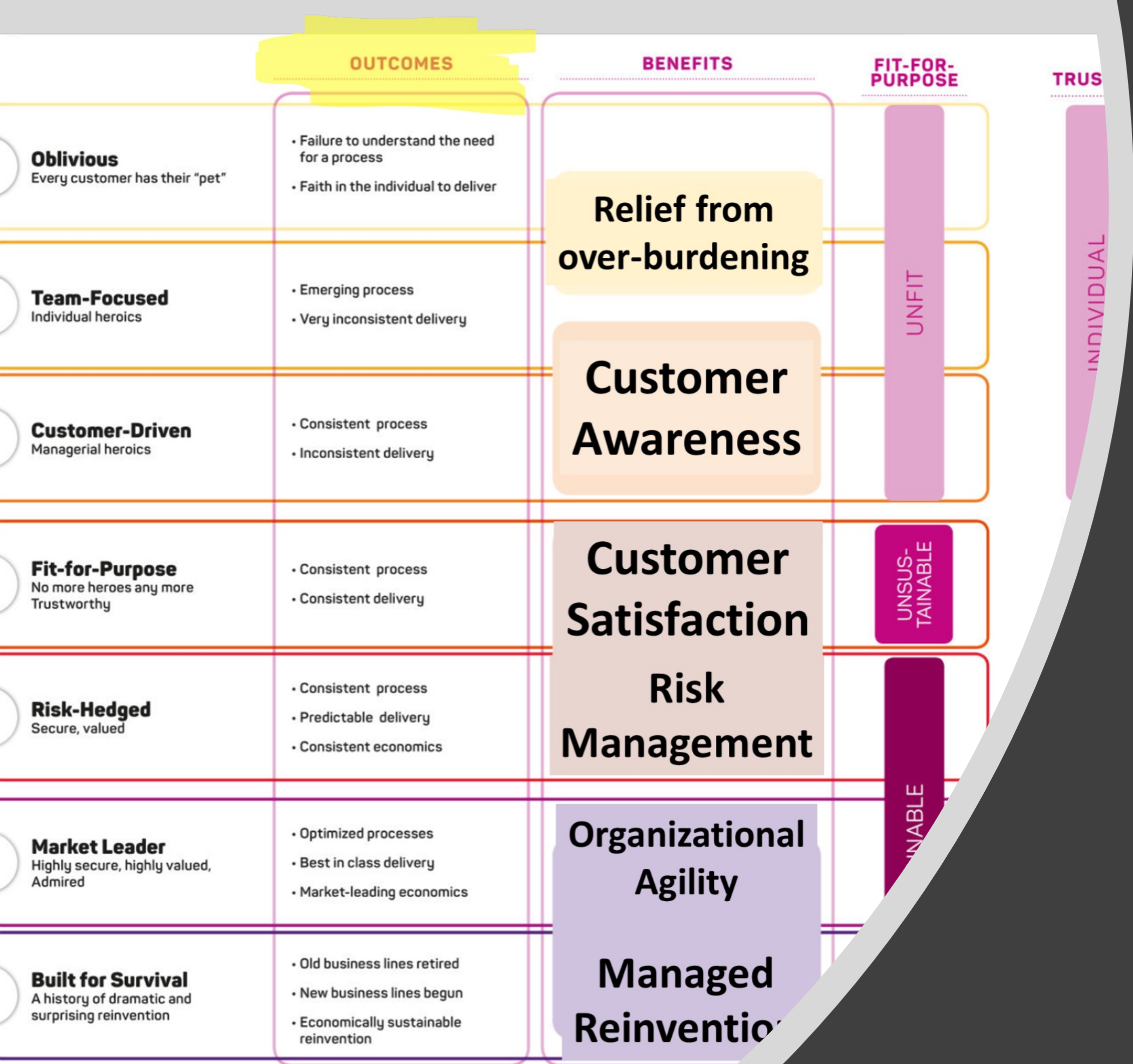San Diego

**David J Anderson**

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| OUTCOMES | | BENEFITS | FIT-FOR-PURPOSE | TRUS[T] |
|---|---|---|---|---|

**Oblivious**
Every customer has their "pet"
- Failure to understand the need for a process
- Faith in the individual to deliver

**Relief from over-burdening**

**Team-Focused**
Individual heroics
- Emerging process
- Very inconsistent delivery

**Customer Awareness**

**Customer-Driven**
Managerial heroics
- Consistent process
- Inconsistent delivery

UNFIT

INDIVIDUAL

**Fit-for-Purpose**
No more heroes any more
Trustworthy
- Consistent process
- Consistent delivery

**Customer Satisfaction**

UNSUS-TAINABLE

**Risk-Hedged**
Secure, valued
- Consistent process
- Predictable delivery
- Consistent economics

**Risk Management**

[SUST]AINABLE

**Market Leader**
Highly secure, highly valued, Admired
- Optimized processes
- Best in class delivery
- Market-leading economics

**Organizational Agility**

**Built for Survival**
A history of dramatic and surprising reinvention
- Old business lines retired
- New business lines begun
- Economically sustainable reinvention
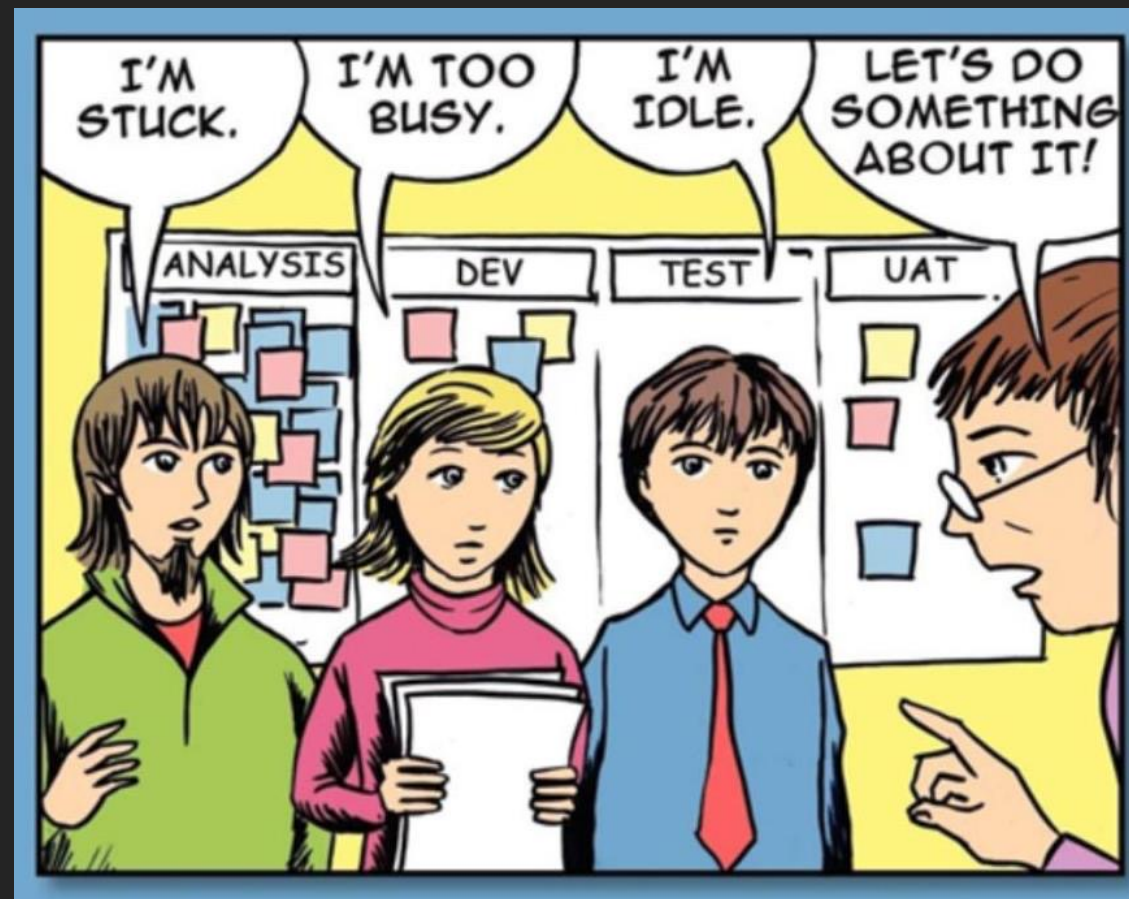
**Managed Reinvention**

KMM defines business outcomes & benefits related to organizational maturity

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# To produce results, someone must...

**TAKE RESPONSIBILITY**

**BE HELD ACCOUNTABLE**

**SHOW LEADERSHIP**

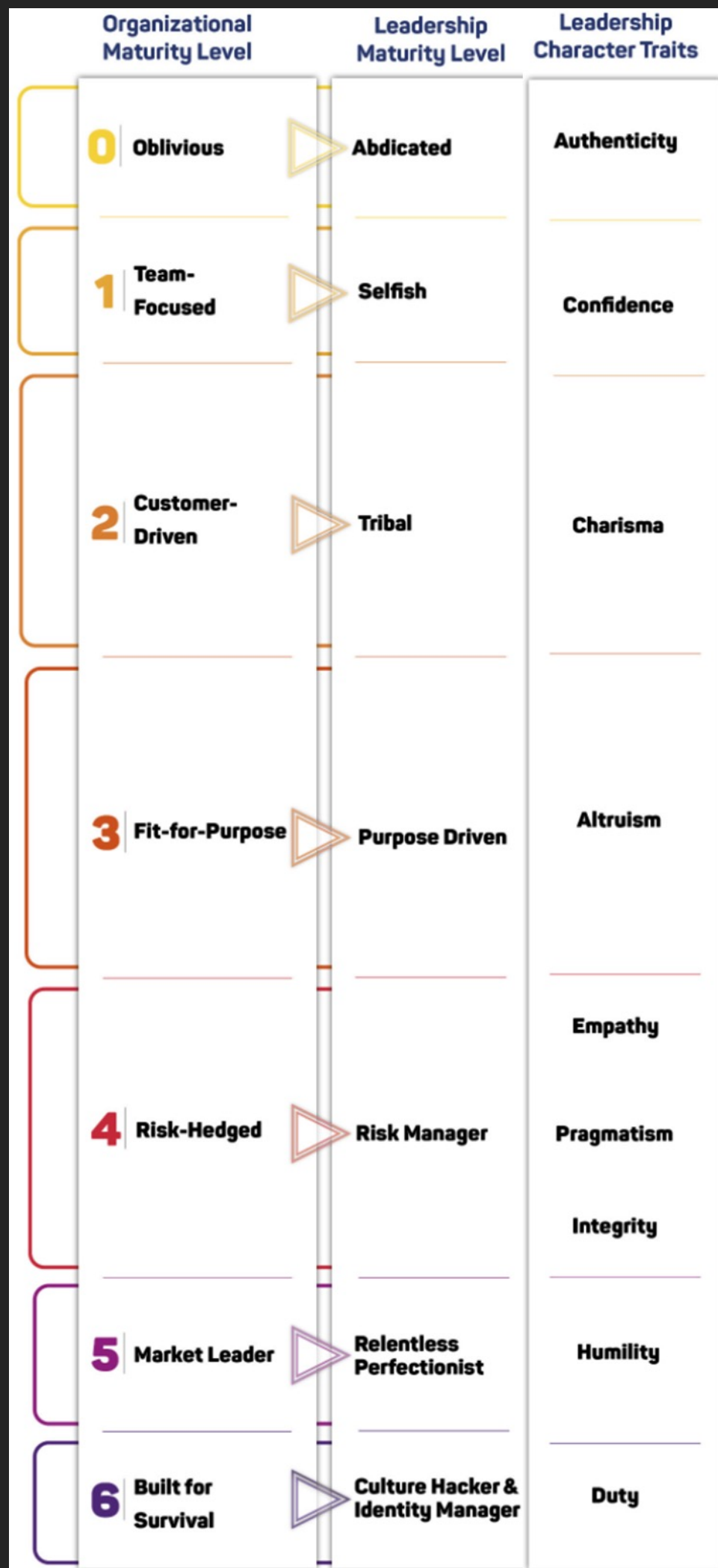# TO IMPROVE ORGANIZATIONS WE MUST DEVELOP LEADERS

# Focus on desired outcomes

# What level of business do you need to be in your market?

| | OUTCOMES | BENEFITS | FIT-FOR-PURPOSE | TRUS |
|---|---|---|---|---|
| **Oblivious** Every customer has their "pet" | • Failure to understand the need for a process • Faith in the individual to deliver | **Relief from over-burdening** | UNFIT | INDIVIDUAL |
| **Team-Focused** Individual heroics | • Emerging process • Very inconsistent delivery | | | |
| **Customer-Driven** Managerial heroics | • Consistent process • Inconsistent delivery | **Customer Awareness** | | |
| **Fit-for-Purpose** No more heroes any more Trustworthy | • Consistent process • Consistent delivery | **Customer Satisfaction** | UNSUS-TAINABLE | |
| **Risk-Hedged** Secure, valued | • Consistent process • Predictable delivery • Consistent economics | **Risk Management** | INABLE | |
| **Market Leader** Highly secure, highly valued, Admired | • Optimized processes • Best in class delivery • Market-leading economics | **Organizational Agility** | | |
| **Built for Survival** A history of dramatic and surprising reinvention | • Old business lines retired • New business lines begun • Economically sustainable reinvention | **Managed Reinvention** | | |

Maturity Level 4 is a popular choice for many leaders

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| Organizational Maturity Level | Leadership Maturity Level | Leadership Character Traits |
|---|---|---|
| **0** Oblivious | Abdicated | Authenticity |
| **1** Team-Focused | Selfish | Confidence |
| **2** Customer-Driven | Tribal | Charisma |
| **3** Fit-for-Purpose | Purpose Driven | Altruism |
| **4** Risk-Hedged | Risk Manager | Empathy |
| | | Pragmatism |
| | | Integrity |
| **5** Market Leader | Relentless Perfectionist | Humility |
| **6** Built for Survival | Culture Hacker & Identity Manager | Duty |

THE LEADERSHIP MATURITY MODEL CODIFIES CHARACTER TRAITS

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# Let's look at examples of each level:

# **Level Zero**
# **Abdicating**

# Leadership Behavior at Level 0

Doesn't have much influence

Is easily swayed - inconsistent

No idea what to do or how to do it

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# Level One
# Selfish

# Leadership Behavior at Level 1

Has followers and authority

Less integrity, more opportunism

Actions undermine the organization

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# Level Two
# Customer-Driven

# An example at a higher layer of management

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# Leadership Behavior at Level 2: Build the Tribe

Reputation extended well beyond Wall
Members understood roles and rules
Enforces identity to maintain cohesion

# Level Three Altruistic and Purpose-Driven

# Leadership Behavior at Level 3: Serve the People

Identifies a purpose to build coalition

Builds consensus; sacrifices ambition

Allows emergent definition of system

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# Level Four
# Risk Manager

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# Leadership Behavior at Level 4: Responsible Stewardship

Built up reserves for the next battle

Knows what she wants; hedges bets

Assesses people; accepts reality

# Level Five Relentless Perfectionist

# Leadership Behavior at Level 5: System builders

Trusted to find the truth all rely on

Long time horizon – patient for results

Rewards successful experimentation

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# Level Six
# Culture & Identity Manager

# Leadership Behavior at Level 6: Ensuring Survivability

Value-focus; delegated running kingdom

Persuaded rivals to abandon ambitions

Efforts to sustain Tolerance & Diversity

Culture _is_
the job!

Lou Gerstner

Kanban
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# Lou Gerstner on Culture

Until I came to IBM, I probably would have told you that culture was just one among several important elements in any organization's makeup and success - along with vision, strategy, marketing, financials, and the like... I came to see, in my time at IBM, that culture isn't just one aspect of the game, it is the game.

# Culture hacking _is_ the job of senior leaders



Fixing culture is the most critical – and the most difficult – part of a corporate transformation… In the end, management doesn't change culture. Management invites the workforce itself to change the culture.

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# Understanding Culture



DEFINITION OF CULTURE

$$\text{Culture} = \sum \text{Values} \times \text{Behaviour}$$

Values — Define Identity

Behaviour — Decisions + Actions (of the leaders)

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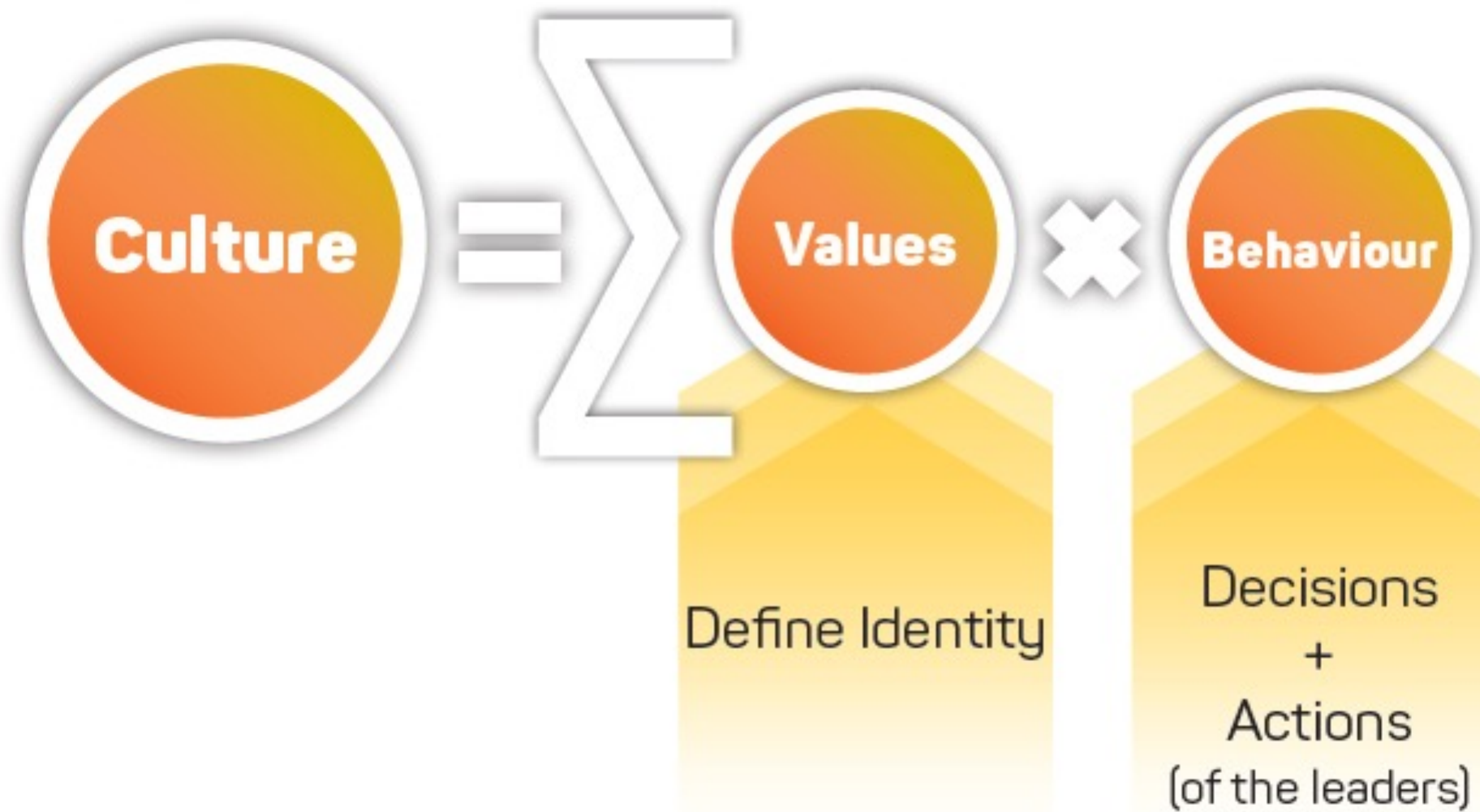
# Leaders as social engineers

**Leaders must manage a corporate sense of identity by managing the culture**



**DEFINITION OF CULTURE**

Culture = ∑ (Values × Behaviour)

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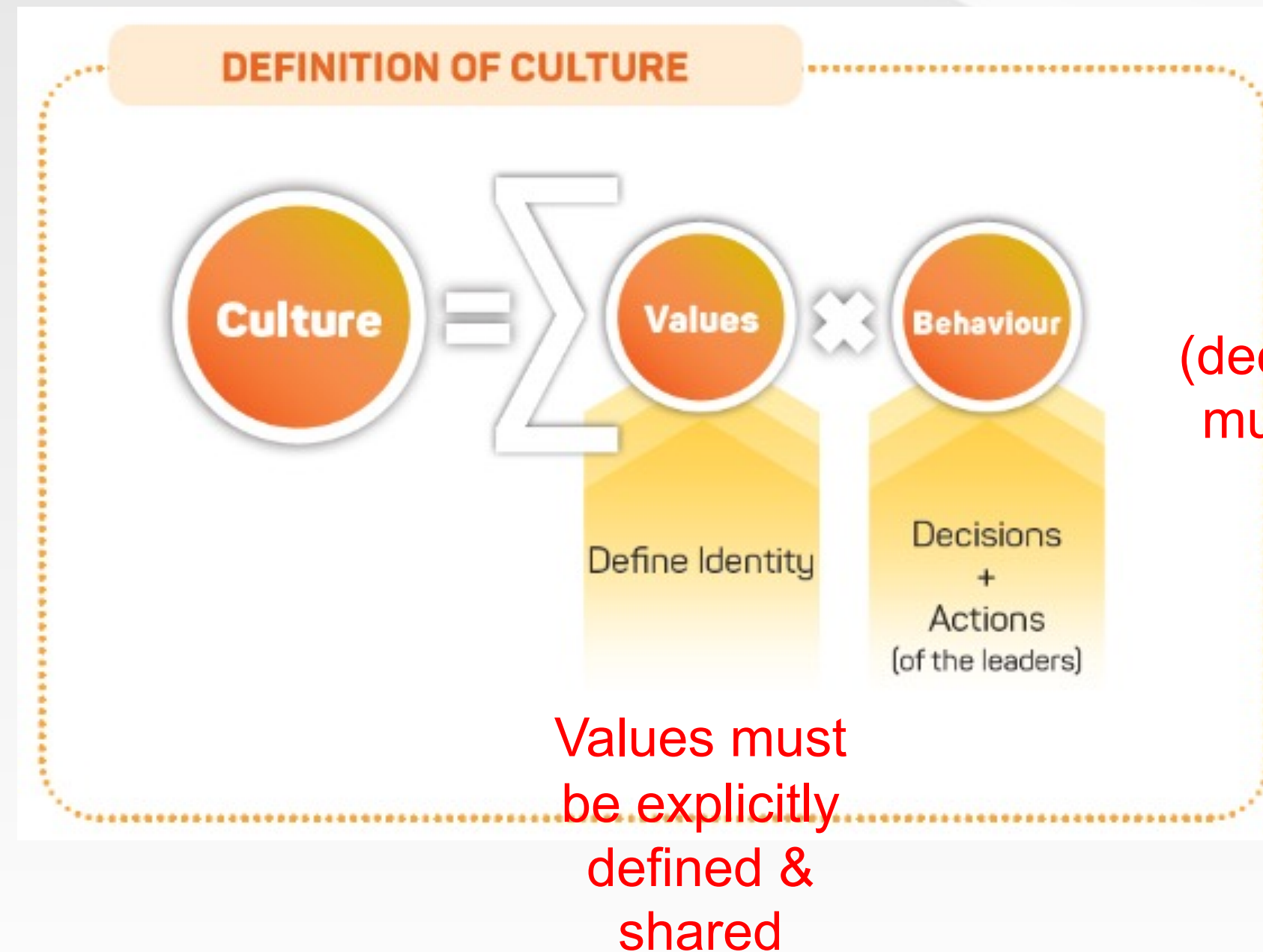
Behavior
(decisions + actions)
must be congruent
with values

Values must
be explicitly
defined &
shared

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# Demonstrating Values in Practice



**DEFINITION OF BEHAVIOR**

$$Behavior = \sum Decisions \times Actions$$

Decisions: Form a decision filter

Actions:
+ve reinforce values

-ve undermine values

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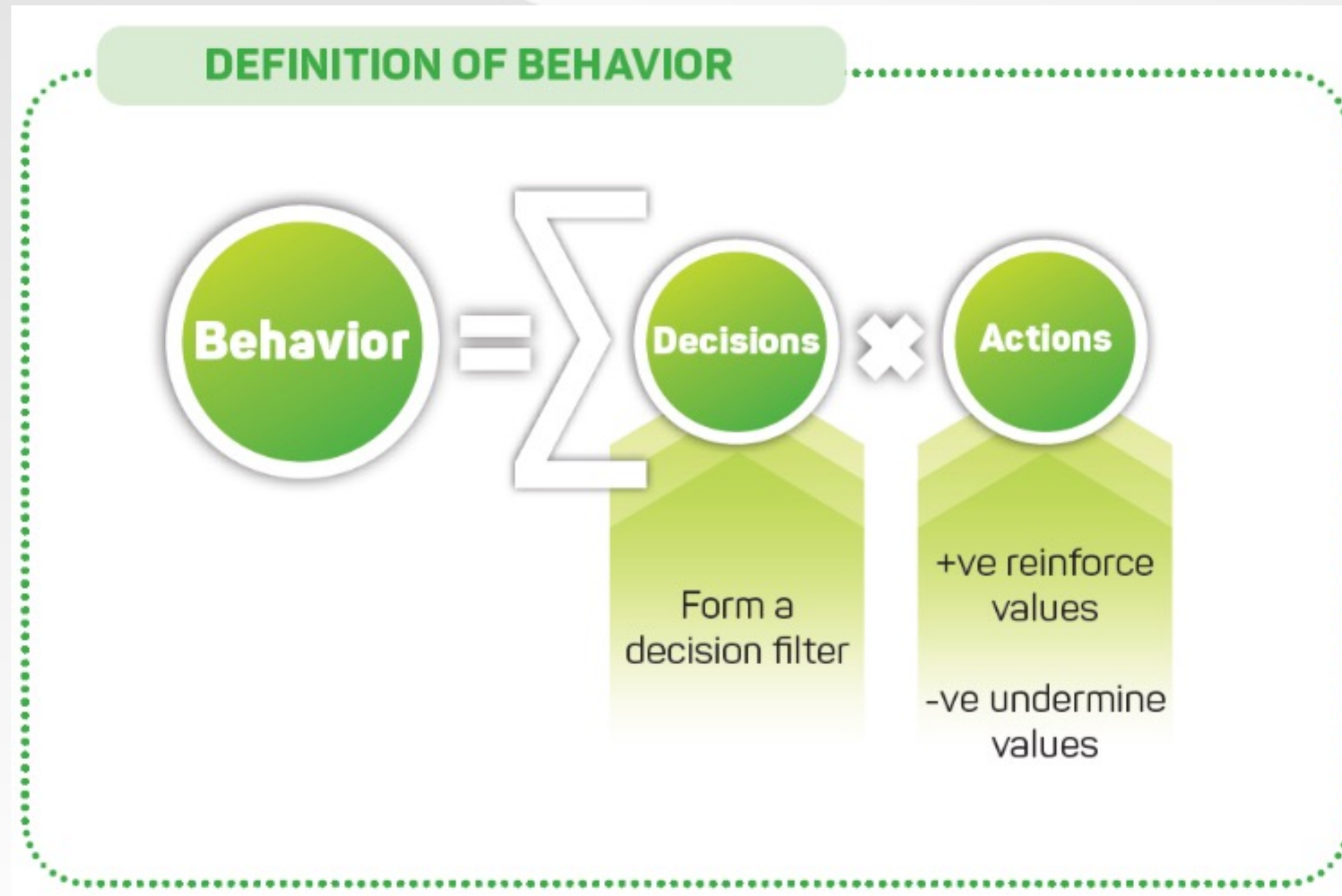
# Agile Decision Filter



**AGILE DECISION FILTER**

**PREFER PROGRESS OVER DELAY FOR PERFECT INFORMATION**
Make progress with imperfect information, course correct later as new information arrives. Trade cost of delay against cost of rework.

**PREFER TRUST OVER CONTROL**
Trust enables you to move quickly without delay and without overheads of permission, negotiation, contracts, audit and arbitration. Trade risk of losses through failed trust for economic gains from speed and low overheads.

**SEE WIP AS A LIABILITY RATHER THAN AN ASSET**
More work-in-progress causes lead times to grow disproportionately, and quality to drop disproportionately. More WIP causes a disproportionate drop in customer satisfaction. Trade the pleasure of starting for the benefits of finishing.

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# Lean Decision Filter



**LEAN DECISION FILTER**

**VALUE TRUMPS FLOW**
Expedite at the expense of flow to maximize value.

**FLOW TRUMPS WASTE ELIMINATION**
Increase WIP, if required to maintain flow even though it will add waste.

**WASTE ELIMINATION TRUMPS ECONOMY OF SCALE**
Drive efficiency by reducing transaction & coordination costs of selecting, scheduling, sequencing, and delivering work.

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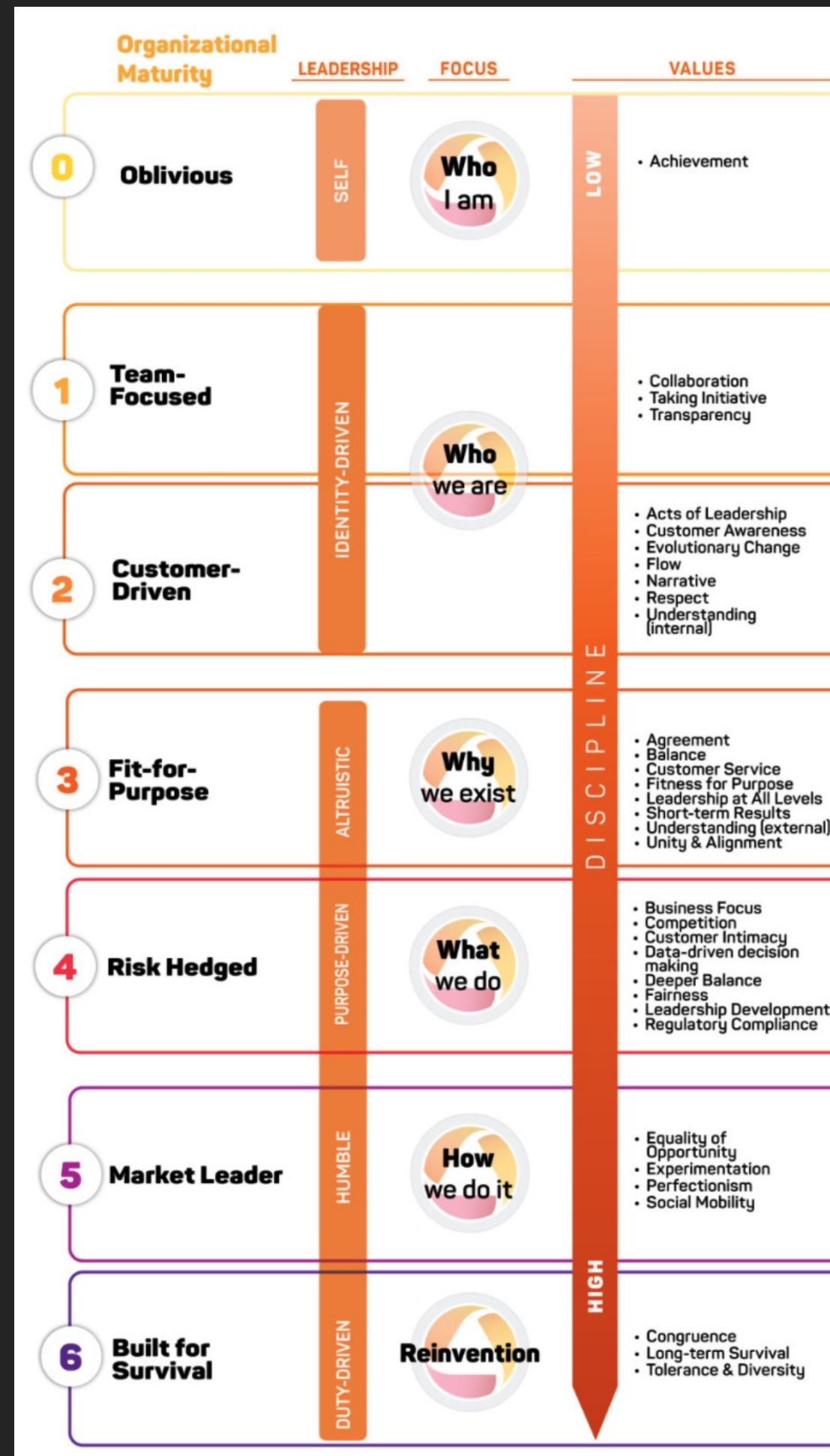
# TOGETHER THE LEADERSHIP & ORGANIZATIONAL MATURITY MODELS CODIFY CULTURE & VALUES
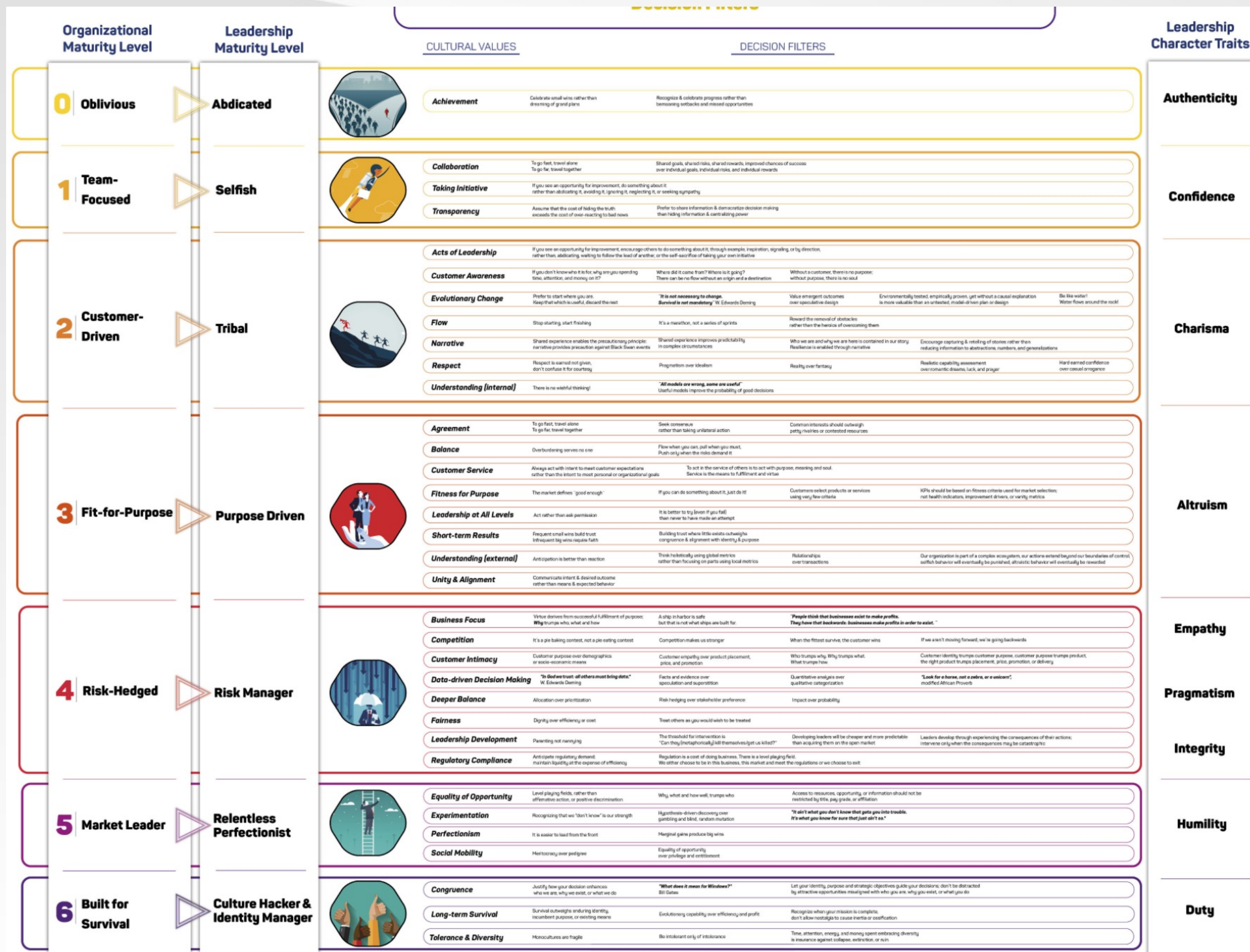
34 cultural values mapped to 7 maturity levels

97 decisión filters mapped against values

Pragmatic, actionable leadership guidance

51

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# Sociology of Change

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# Specific, pragmatic, actionable guidance to drive innovative, high trust, tightly cohesive organizational culture

**BUILDING INNOVATIVE CULTURE** — **TRUST**

LOW → HIGH

- Freedom of Speech
  - Transparency
  - Collaboration
  - Competence
  - Cadence
  - Acts of Trust
- Rule of Law
  - Explicit values
  - Explicit policies
  - Empowerment
- Equitable Justice System / High Trust
  - Vulnerability
  - Keeping promises
  - Predictability
  - Consistency
  - Confidence
  - Build reputation
  - Explicit decision frameworks
  - Flatter org structure
  - Tolerance of Failure
  - Learning from Failure
  - Transparent, equitable justice system
- Equality of Opportunity / Experimentation / Social Mobility
- Tolerance / Diversity

## BUILDING SOCIAL COHESION

| STRENGTHEN | WEAKEN |
|---|---|
| Work in the office | Work remotely from home |
| Collaborate with colleagues | Work in isolation |
| Wear a uniform | No dress code |
| Charismatic leader | Introverted, distant leader |
| Strong rite of passage | No rite of passage |
| Clear definition of membership / "in" | Fuzzy definition of membership / "in vs. out" |
| Clearly defined social hierarchy | Loosely defined or implicit social hierarchy |
| Clearly defined roles and relationships | Loosely defined, implicit or missing definition of roles & relationships |
| Strong symbols, brands, identity marks | No symbols, brands or identity marks |
| Strong history and narrative | Weak history or narrative |
| Strong traditions | Weak or lack of traditions |
| Arcane tribal language | Plain language |
| Common enemy | No clear enemy |
| Strong sense of purpose | No sense of purpose |
| Clear external measures of success | No clear measures of success |
| Known source of power, e.g. intellectual property, patents, secret recipe | No obvious source of power |
| Strong, equitable, trusted justice system | No justice system |
| Tribal homeland or place of refuge | Homeless |
| Loyalty | Lack of loyalty |
| Strong, selfless leader dedicated to the group's success | Weak or selfish leader |

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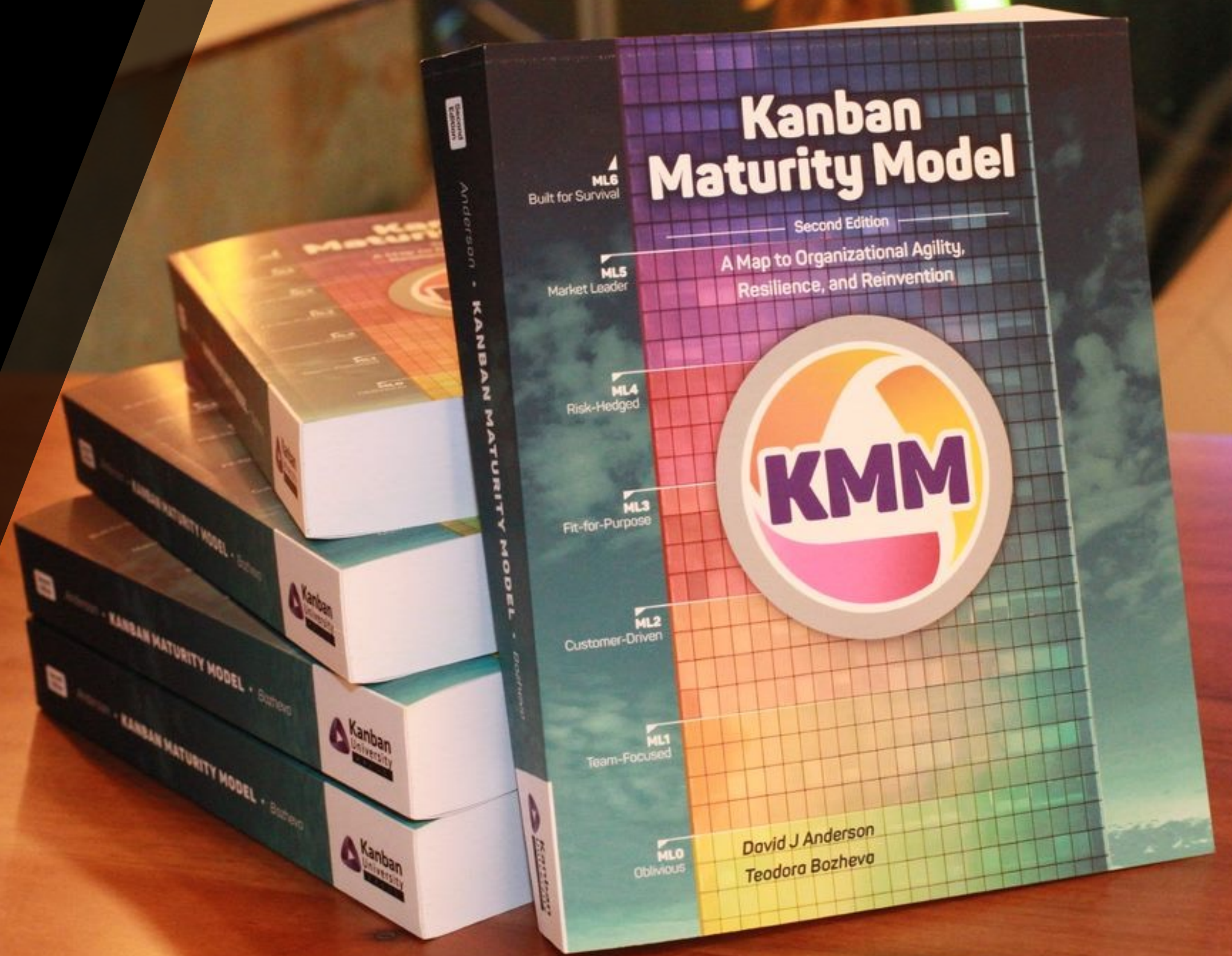Email: dja@mauvius.com

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# THE LEADERSHIP MATURITY MODEL PROVIDES THE LADDER

# Start where you are

DEVELOP YOUR LEADERS AND ORGANIZATION IN AN INCREMENTAL & EVOLUTIONARY WAY

# Leadership material available now...



**http://kmm.plus/**

# KANBAN LEADERSHIP PROFESSIONAL
**Understanding Leadership (KLP I) & Actionable Leadership (KLP II)**

**NEW & EXCLUSIVE**

**KLP I**

Understanding
Leadership

**+**

**KLP II**

Actionable
Leadership

## Understanding Leadership (4 days)

- 16 classroom hours (collaborative group exercises, question & answer sessions)
- Access to the online learning platform for reading assignments and extra material

## Actionable Leadership (4 days)

- 16 classroom hours (collaborative group exercises, question & answer sessions)
- Access to the online learning platform for reading assignments and extra material

**Also available privately on-premises or in-person at our leadership development centre in Zillertal, Austria (2 hours from Munich airport)**
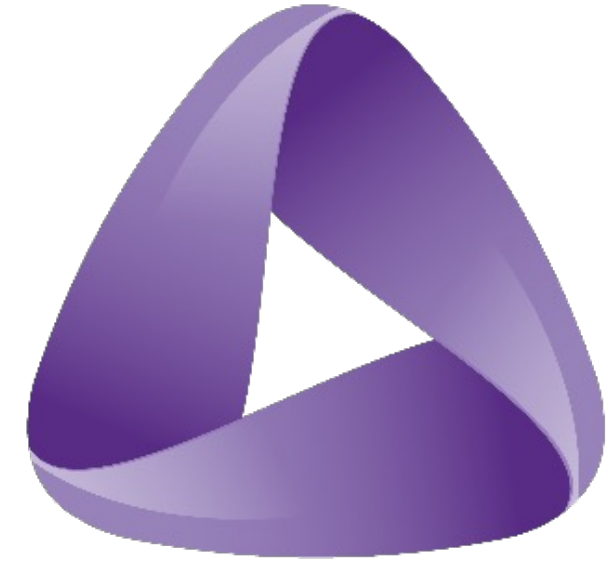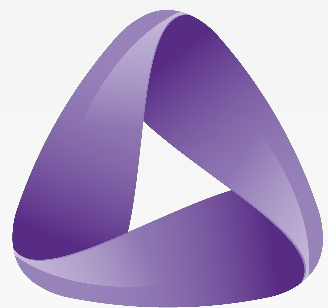
# About

David Anderson is an innovator in management thinking for 21st Century businesses. He leads a training, technology and publishing business making new tools & ideas accessible to managers across the globe.

He has almost 40 years experience in the high technology industry starting in games. He has worked at IBM, Sprint, Motorola and Microsoft as well as several startups
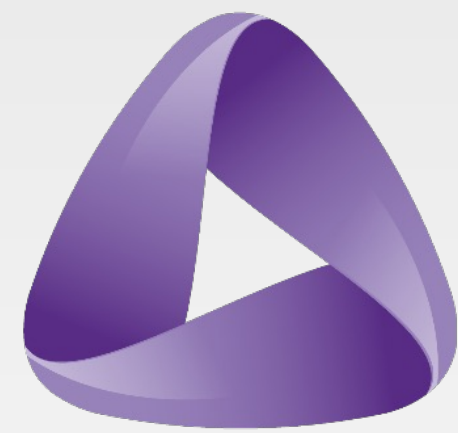
David is the pioneer of the **Kanban Method, Kanban Maturity Model, Fit For Purpose Framework and Enterprise Services Planning.**

He is the author of 6 books, the most recent being **Fit For Purpose** – *How Modern Businesses Find, Satisfy & Keep Customers 2nd Edition.*

David is CEO of **David J Anderson School of Management**, a private business school with locations in Spain and Austria, and is CEO of **Mauvius Group Inc.** doing business as **Kanban University** licensing Kanban training through a global network of partners.