

Organizational Agility needs decentralization

ILKER DEMIREL, CST

**Designer of decentralized, agile organizations; Coach and trusted Advisor
(Olive Farmer)**

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Agile Dynamics



We, Agile Coaches, (sometimes)



<https://www.herzing.edu/become/nurse-anesthetist>



Agile Values and Principles

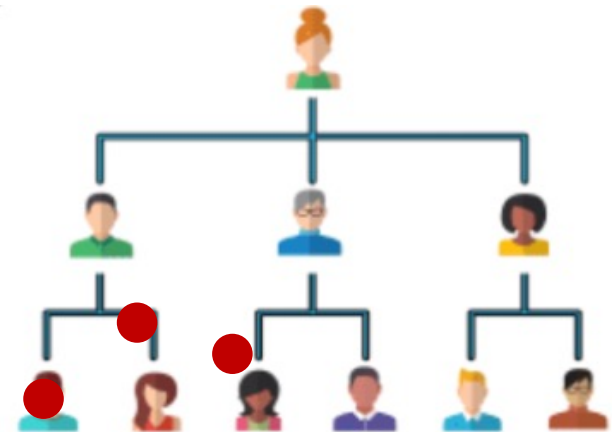
- "agile" is only for product development.
- **NOT** for an organization.
- **insufficient** to make an organization “agile”.

Org. Level Agility

fails,

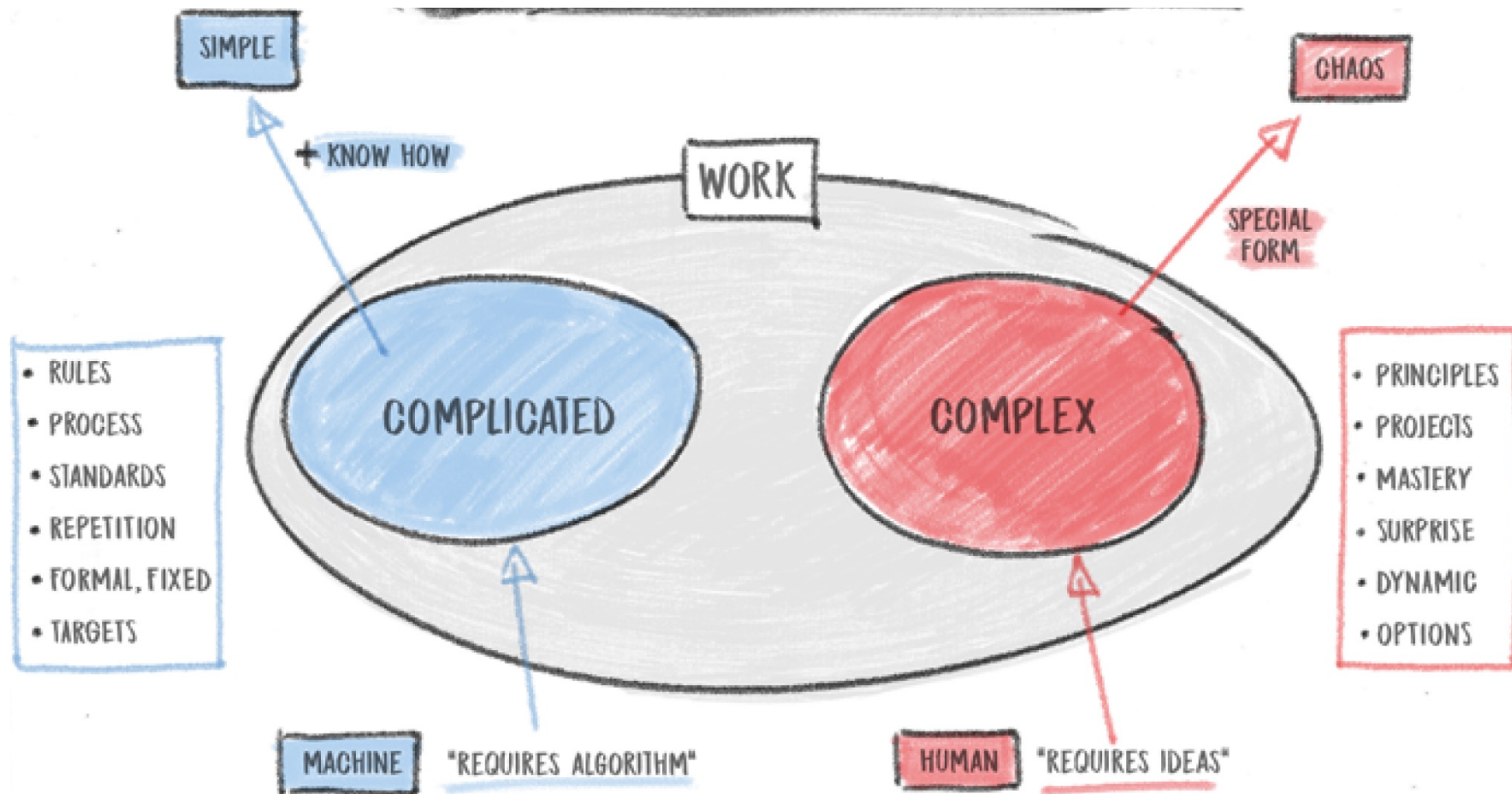
hopeless belief,

if it is local and only optimizing the system



"A bad system will beat a good person every time.",
Edward Deming

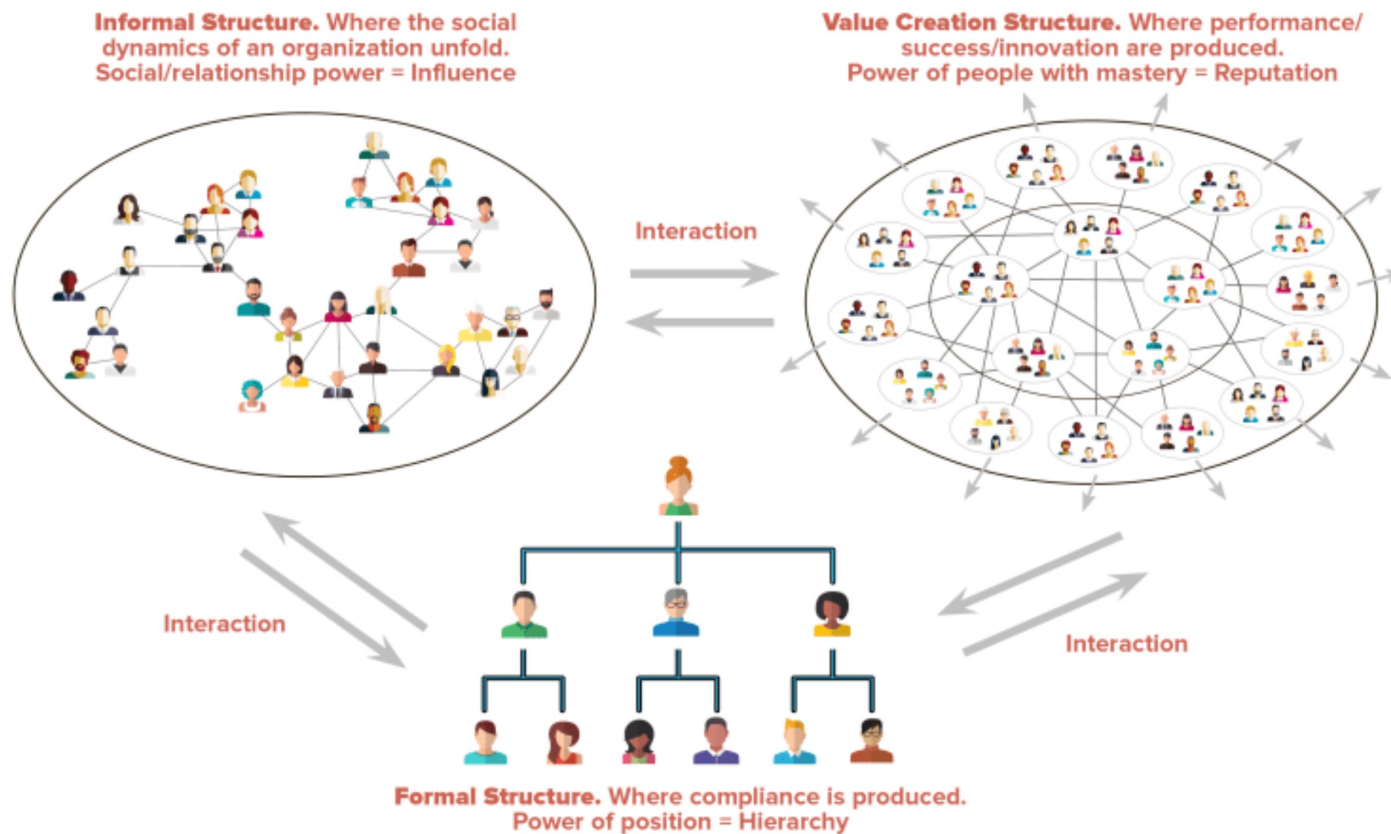
Knowing the distinctions to have agile organizations. Complex vs Complicated



*Inspired by Niels Pfläging

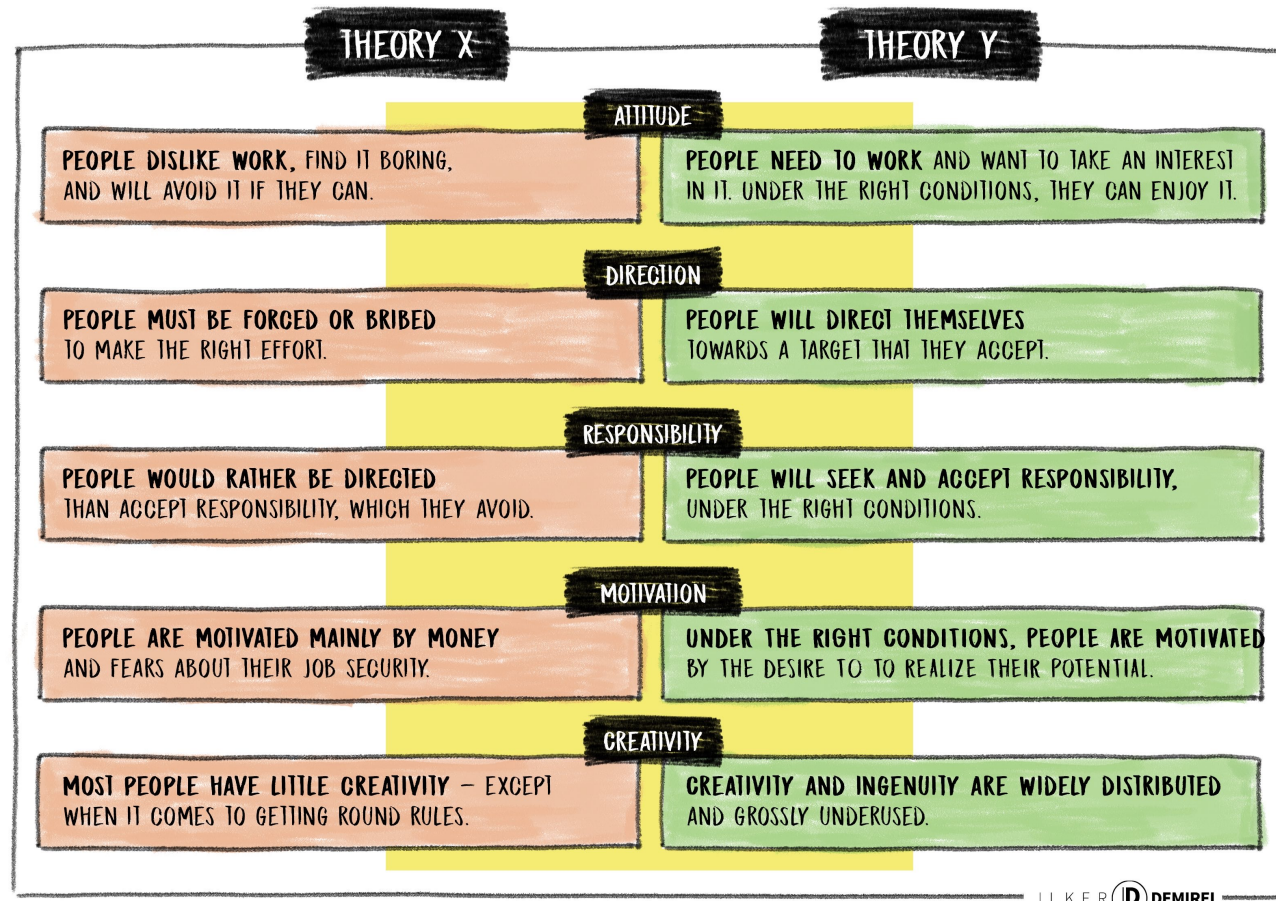
Knowing the distinctions to have agile organizations. Three Structures

**OrgPhysics: To Balance the Three Structures,
Value Creation Structure Must Come First**



Knowing the distinctions to have agile organizations.

Image about human, Douglas McGregor



Based on Douglas McGregor, 'The Human Side of Enterprise', 1960

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Knowing the distinctions to have agile organizations.
Behavior and environment, Kurt Lewin



$$B = f(p, E)$$

Knowing the distinctions to have agile organizations. Mary Parker Follett vs. F. W. Taylor



“We have three kinds of leadership: the leadership of position, the leadership of personality and the leadership of function. My claim for modern industry is that in the best managed plants the leadership of function is tending to have more weight and the leadership of mere position or of mere personality less.”

Mary P. Follett, 1933

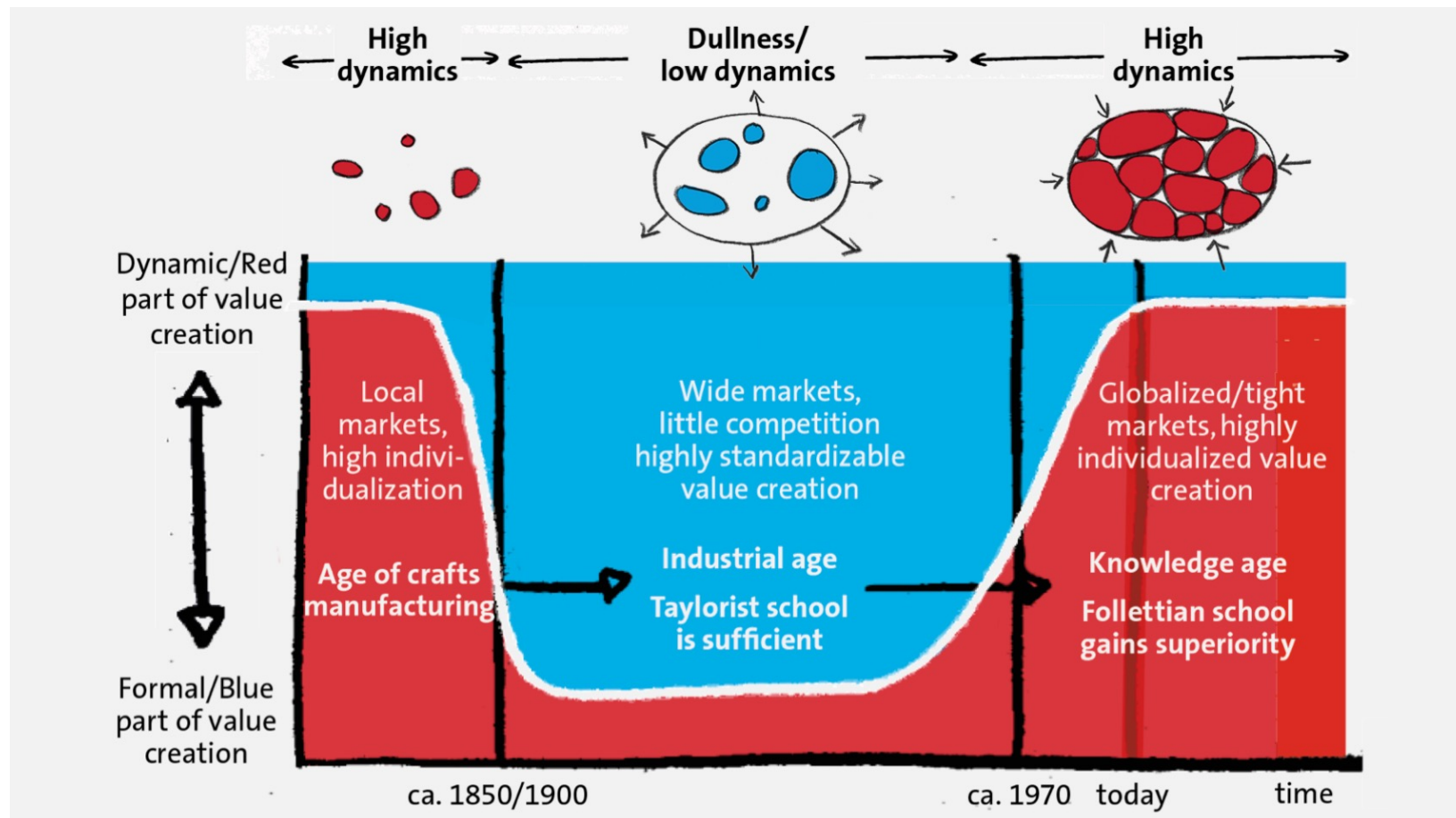
Follett: Founding mother of the humanist branch of management

BetaCodex Network Associates Niels Pflaeging | Silke Hermann ;
BetaCodex Network White Paper No. 17 | April 2021 | betacodex.org/white-papers

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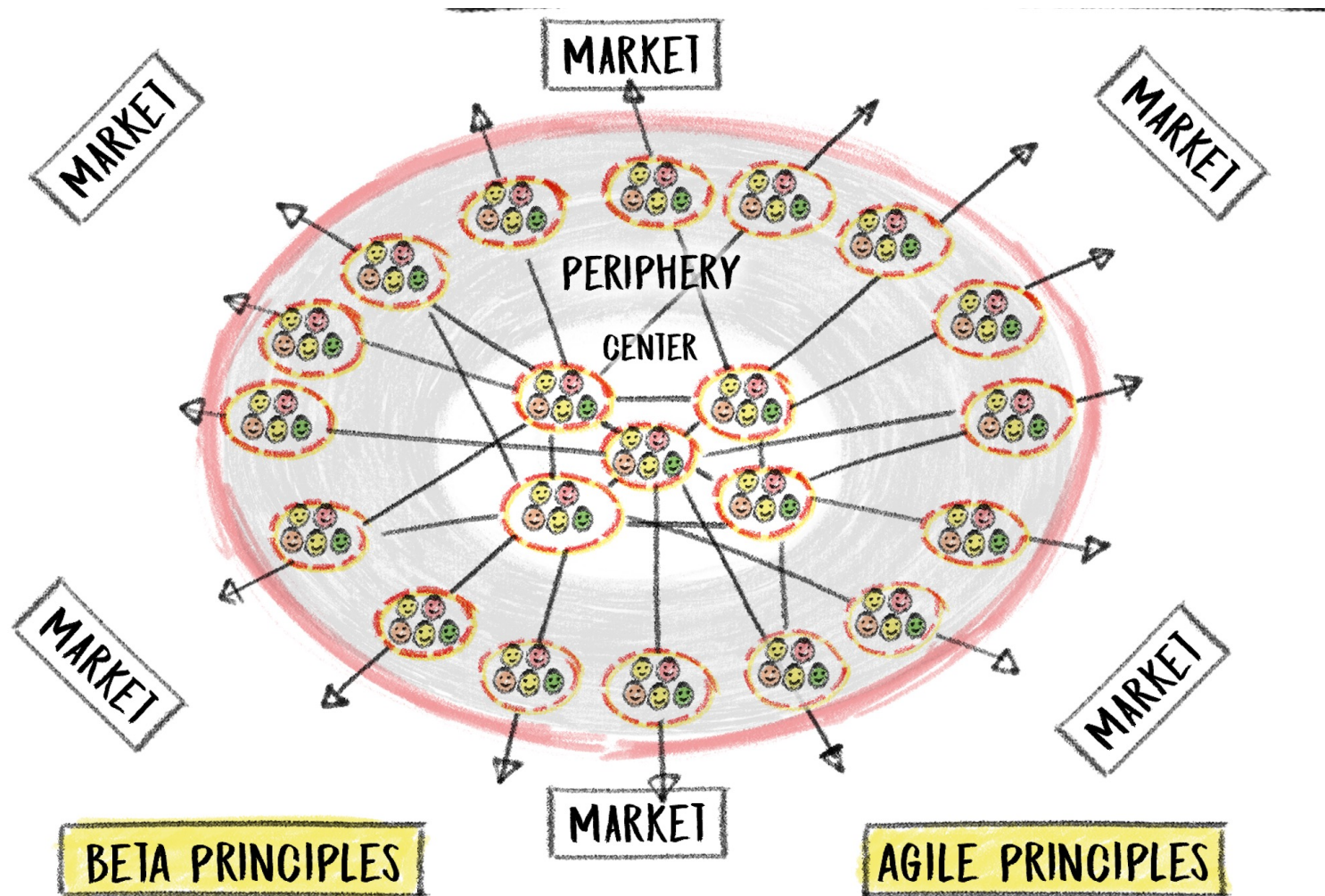
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Knowing the distinctions to have agile organizations. Mary Parker Follett vs. F. W. Taylor



Knowing the distinctions to have agile organizations.

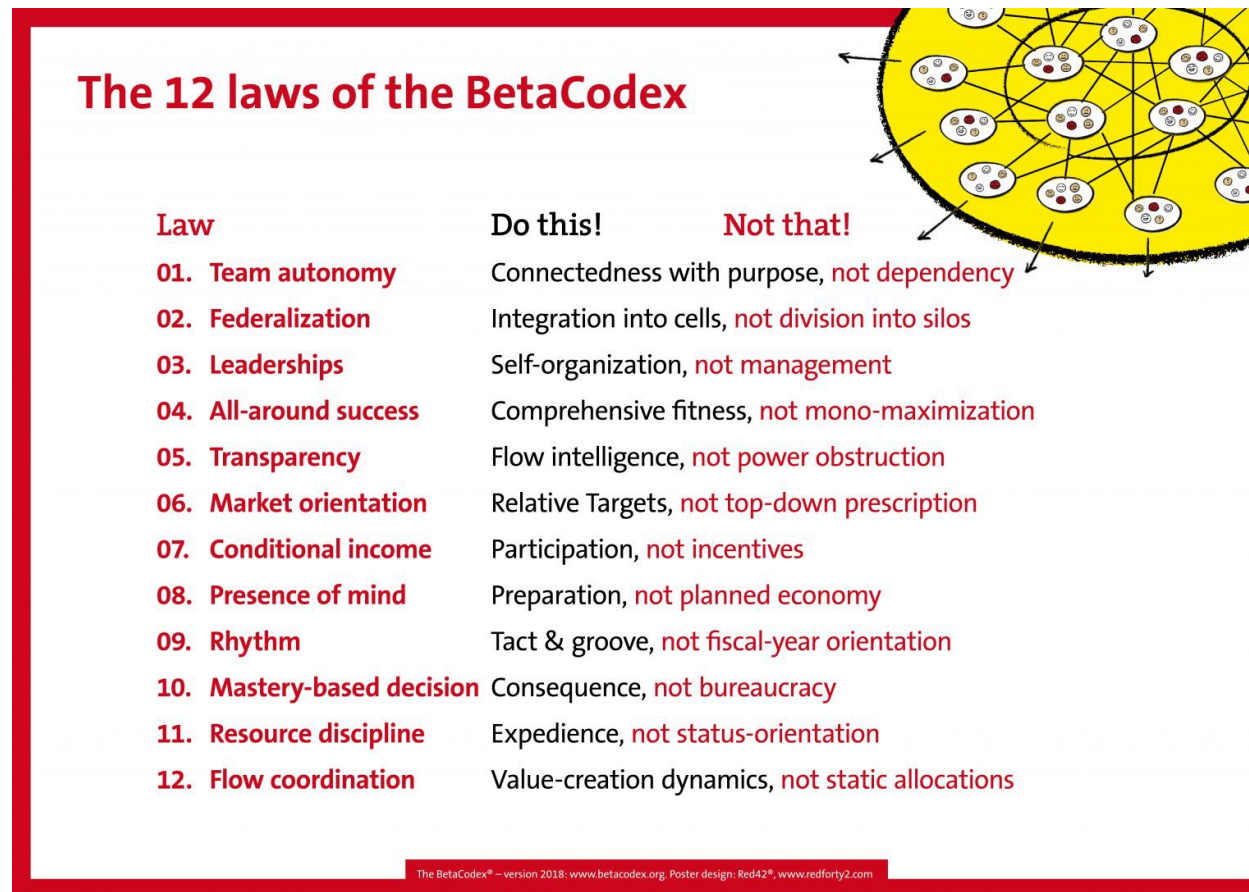
Value Creation Structure

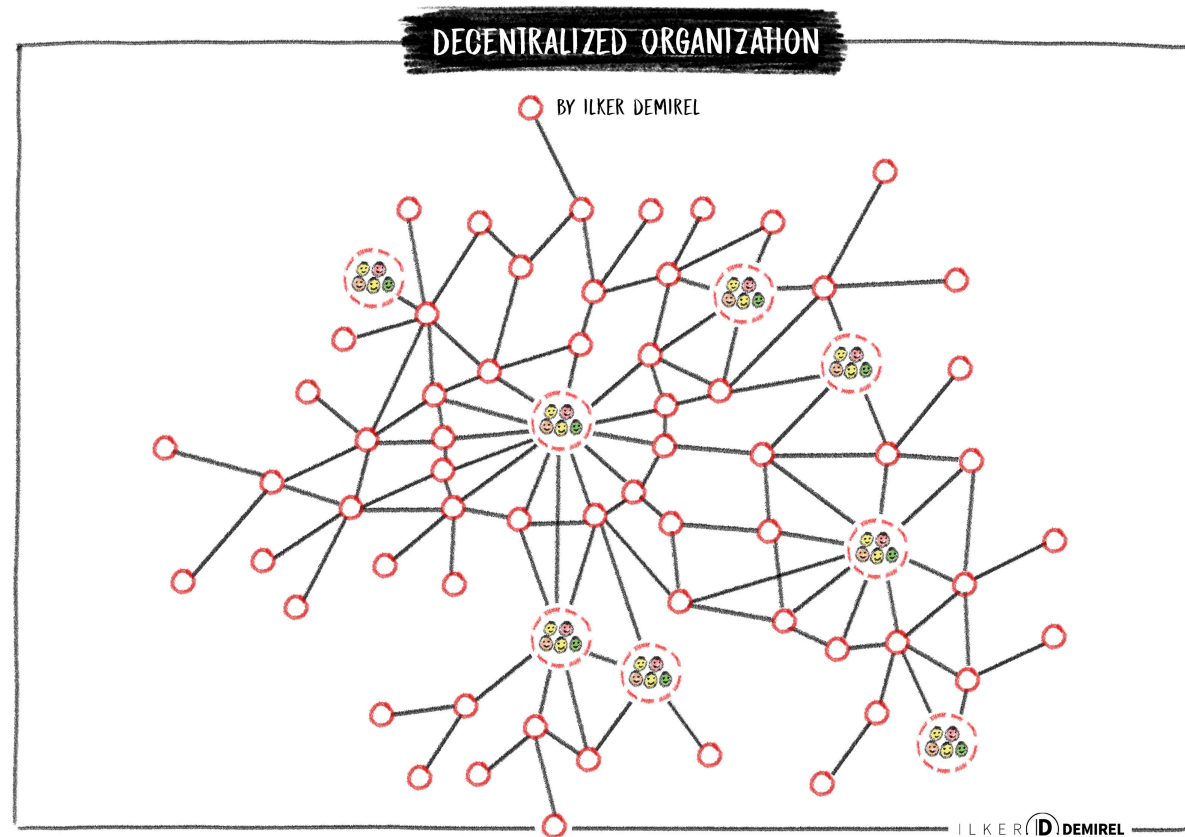


Agile organizations require

- **Removing** of all command-and-control practices (performance appraisals, annual budget planning, strategy plan, functional division,...)
- Mastery based *decision making*
- *Selforganization, Cells with P&L*
- *Outside→In* (from the market); market pull
- **Principles** to work in complex market
- **Decentralization**

Knowing the distinctions to have agile organizations. Command and Control vs. Beta





“It is probable that one day we shall begin to draw organization charts as a series of linked groups rather than as a hierarchical structure of individual reporting relationships.”

Douglas McGregor in „The Human Side of Enterprise“

Thanks!



Web: <https://en.ilkerdemirel.com>

LinkedIn: <https://www.linkedin.com/in/ilkerdemirel/>

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