Thawing the “Frozen Middle” to Accelerate Agile Transformation

By Analysts PMO Research Team

Initiatives: Program and Portfolio Management Leaders

Failure to change middle management mindset undermines an organization's potential to reap the full value of adopting and scaling Agile. PMO leaders can support Agile transformation by encouraging mindset shifts and behavior changes toward servant leadership, collaboration and experimentation.

Overview

Sixty-seven percent of organizations fail to realize the expected value from Agile methodologies due to difficulty in adopting a culture that supports Agile. In a recent Gartner survey, it became evident that enterprise leadership often buys into Agile as they are repeatedly exposed to the value that it can provide. Additionally, though delivery teams need upskilling to become comfortable with Agile methodologies, they often are more willing to embrace the change due to the career growth potential and opportunities for new and exciting work it presents. However, the middle management (e.g., product line managers, business unit heads and portfolio owners) face most challenges in adopting Agile methodologies as they rely on traditional command-and-control structures and practices and hence need the most support to transition to a culture that supports Agile.

PMO leaders can help the organization/enterprise reap faster results with Agile by enabling a shift in middle management toward a culture that supports Agile methodology implementation.

Key Findings

- Truly traversing from waterfall to Agile isn't just about switching a method of delivery of work and implementing the underlying processes; it also requires a significant shift in culture across the organization.

- Progressive PMOs play an important role in transitioning to Agile by enabling mindset shifts and driving behavior changes that address underlying root causes for resistance to adopting Agile methods.

- Without necessary support, middle management is unable to create the team engagement necessary to support Agile goals, and can unintentionally act as an obstacle for delivery teams to reach higher productivity.
To support Agile ways of working, middle managers must themselves adopt and encourage their teams to adopt three traits — servant leadership, collaboration and experimentation.

**Recommendations**

To drive a successful cultural change needed to support implementing or scaling Agile, PMO leaders should enable middle managers to:

- Break away from a command-and-control mindset by building mutual trust between them and delivery teams, and setting the right expectations early on.
- Avoid the dangers of siloed work by encouraging collaborative behaviors.
- Overcome traditional risk-averse mindsets and practices by promoting a culture of experimentation that incentivizes employees to try new ways of working.

To enable greater flexibility and faster speed to market, organizations have increasingly adopted Agile methodology over the past few years, with 87% of organizations using some form of Agile methodology. Additionally, the pandemic has been this century's single most significant driver of digital transformation, as organizations want to ensure business continuity, meet customer demands in new ways and support remote working. This acceleration to digital platforms has only further led to organizations wanting to transition a more significant part of their application development portfolio to Agile.

While the immediate shift to Agile methodologies produces temporary productivity gains, resulting in early indications of progress on Agile goals, it often fails to deliver the anticipated results of faster and more flexible delivery in the long run. This is because truly traversing from waterfall to Agile ways of working isn't just about switching a method for delivery of work and implementing the underlying processes; it also requires a significant shift in culture across the organization.

**The Frozen Middle Management Layer**

To drive increased value from Agile methodology implementation, it is important to get the middle managers on board because they are the linchpin between the executive's vision for Agile and the team's ability to apply Agile to work. Middle management's willingness and efforts to adopt Agile can help make it flourish or fail for the enterprise. However, in a recent Gartner survey of 130 PMO and other IT leaders, over 56% of participants confessed that the top challenge to transition to a culture that supports Agile is shifting middle management mindsets away from command-and-control.

Agile transformation is felt most palpably by middle management (see Figure 1), such as product line managers, group product managers, portfolio managers and senior applications managers, who are often ignored or underemphasized in an organization's Agile adoption, change management or training efforts. In reality, middle management needs the most attention because
they are the ones that often need to make the biggest changes in their day-to-day role to support the shift toward Agile. This is because, traditionally, middle managers have been held responsible by the leadership to implement heavy compliance and governance processes that are necessary to succeed in a waterfall model. Hence, the lack of focused efforts leads to them being ill-prepared and nonincentivized to reflect changed behaviors during the course of Agile transformation.

**Figure 1: The Frozen Middle**

Three Traits of Agile Culture That Middle Management Must Adopt

A key first question that leaders need to answer during any large cultural transition is, “What traits would enable us to drive results in the new environment?” For Agile, this means adopting three traits that enable flexibility and innovation through greater mutual trust and visibility: servant leadership, collaboration and experimentation (see Figure 2). PMO leaders must encourage middle managers to adopt these traits and develop them within delivery teams to ensure a successful transition to a culture that supports Agile methodology.

**Figure 2: Three Traits of Agile Culture That Middle Management Must Adopt**
Progressive PMOs play the role of a “promoter” during the transition to Agile to increase adoption by advocating and supporting the changes needed across the organization. They use their neutral, cross-enterprise perspective, which makes it easier for them to pitch and influence these changes (see Table 1).

### Table 1: PMO’s Opportunity in Thawing the Frozen Middle

<table>
<thead>
<tr>
<th>Challenges Middle Management Faces</th>
<th>How PMO Leaders Can Address the Challenge</th>
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<tbody>
<tr>
<td>Overcoming traditional command-and-control mindset</td>
<td>Support the transition to a servant leadership mindset by:</td>
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<tr>
<td></td>
<td>■ Defining and setting expectations</td>
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<td></td>
<td>■ Building mutual trust between middle managers and delivery teams</td>
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<tr>
<td>Supporting coordinated delivery workflows and shared business outcomes in Agile</td>
<td>Beyond coaching and tool implementation, encourage collaborative behaviors by:</td>
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<td></td>
<td>■ Focusing rewards and appreciation based on achievement of enterprise outcomes</td>
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<td>■ Providing visibility in solution delivery handoffs to identify and resolve project risks</td>
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<td>■ Aligning team and enterprise outcomes to empower teams to prioritize work</td>
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No. 1: Encourage Middle Management to Adopt a Servant Leadership Mindset

Successful Agile implementation requires middle managers to adopt a servant leadership mindset where they guide, motivate and enable delivery team autonomy. This is a major transition in the traditional working style for middle managers and they often need support with this transition. The two ways in which PMO leaders can help facilitate this shift are:

- **Incrementally build two-way trust between middle managers and delivery teams.** Even after the transition to Agile, most middle managers struggle to let go of waterfall-related governance deliverables and processes, hampering delivery team speed and autonomy. This continued need for governance is typically due to a lack of trust between the middle managers and delivery teams. Progressive PMOs help middle managers become more comfortable with the idea of "letting go" by taking small steps to build their trust, while avoiding cultural shock.

**Case in Point: Standard Bank**

Standard Bank gradually empowers delivery teams with greater autonomy as they demonstrate readiness to successfully self-manage governance activities, starting with change and release. To do this, Standard Bank assesses each team’s readiness to self-manage and allocates them governance activities with safeguards based on the maturity of a team’s engineering practices and its historical performance. A team’s level of readiness is determined by its level of autonomy in change and release activities. This not only builds initial comfort for middle managers, but also helps them progressively trust teams and provide higher levels of autonomy to conduct governance activities on their own.

**Case in Point: Microsoft**

Microsoft builds mutual trust between middle management and delivery teams by conducting trust ideation workshops that objectively analyze the root cause of what erodes trust in an innovation setting. They create a safe, impersonal environment for peers to collectively...
identify common drivers of trust and trust-eroding behaviors in day-to-day interactions. These are then mapped to actionable guidance for individuals to adopt trust-building actions and enable better synergy within their team.

- **Set clear expectations from new servant leaders.** A side effect of Agile adoption is the confusion regarding the new roles and responsibilities, particularly for middle managers. Agile methodology documentation and industry guidance typically do not do a good job at specifying a role for middle managers, focusing instead on the activities needed to be done within the delivery teams. However, middle management has an important role to play in Agile transformation, even if it is from the sidelines, and in encouraging the right behaviors and getting the resources and support the delivery teams need to get work done. Progressive PMOs must help IT, business and HR leaders to define the role and responsibilities of a servant leader, and then ensure that the new servant leaders have visibility and clarity into what is expected of them and feel supported.

**Case in Point: Intergraph**

When introducing Agile, Intergraph’s PMO focused on understanding the team’s perception of the change through surveys and experience-sharing sessions, rather than monitoring adherence to deliverables and methodology. It used the perceptions collected to develop and reinforce a two-way accountability through a bill of rights and a document of responsibilities (see Figure 3), so that middle managers not only know what to expect from delivery teams, but also what is expected from them. This enabled Intergraph to transition from no waterfall to complete Agile in less than two years.

**Figure 3: Document of Responsibilities and Bill of Rights**
No. 2: Improve Collaboration for Coordinated Delivery

Another challenge with Agile is that delivery teams are not used to a fast-paced environment, which calls for a lot of collaboration. This, coupled with middle management now forced to support them remotely due to recent disruptions, often leads to uncoordinated delivery of work. Introducing a multitude of collaboration tools, although helpful in principle, is not sufficient. Organizations with a culture of better communication and greater empathy show higher success rates in increasing collaboration. The three ways in which PMOs can help implement a culture of collaboration are:

- **Assist middle managers to align team and enterprise outcomes.** Middle managers often lose sight of overall enterprise goals due to their focus on localized, business unit or team objectives. Apart from a mismatch in enterprise expectations and delivery execution, this also leads to delivery teams failing to see how their efforts tie to the overall enterprise goals making them feel disengaged.

Our research shows that to truly deliver the value of Agile, both middle managers and delivery teams need to constantly keep in mind the overall enterprise strategy, as well as dependencies with...
other teams. One of the ways the PMO can support this is by providing a better understanding of enterprise goals and supporting mechanisms that allow middle management to find gaps between their execution plans and the overarching strategy and teams to adjust their execution in the moment.

**Case in Point: Nationwide Building Society**

Nationwide's value realization office (VRO) acts as the connective tissue between leaders and delivery teams to create a better understanding of the enterprise value for enterprise benefits realization. It does this by tracing product line work to enterprise outcomes and ensuring that the delivery teams understand their impact on business goals. As a result, delivery teams and middle managers are empowered to realign their priorities to better serve enterprise outcomes.

- **Operationalize coordinated delivery.** As Agile adoption increases within an organization, delivery teams often discover challenges in managing handoffs with other functional partners when delivering new solutions. This not only leads to delays in delivery, but also these delays are often unfairly accounted to delivery team productivity, leading to a greater trust rift between it and middle managers.

To overcome this challenge, PMOs must encourage middle managers to take an enterprise approach to monitor initiative health across the Agile portfolio and respond to performance risks, instead of tracking in silos. Having visibility into solution delivery through common metrics provides middle managers with a foundation to identify and resolve project risks and influence team members toward accelerated delivery.

- **Encourage middle management to become enterprise leaders.** With the adoption of Agile, middle manager effectiveness at key competencies remains relatively unchanged; however, the environment in which they must perform shifts significantly. Middle managers effective in today’s environment move beyond focusing on their own business unit outcomes to become enterprise leaders — along with leading their teams to high performance, they contribute to and leverage the performance of other units and teams.

Progressive PMOs encourage middle managers to become enterprise leaders by tracking enterprise-level metrics, and providing supporting processes for collaboration across organizational silos. They also act as advocates for enterprise leadership in conversations with HR and executive leadership to enable it as a longer-term goal. This organizational support incentivizes middle managers to promote greater collaboration between delivery teams and drive outcomes at an enterprise level.
Case in Point: Nationwide Building Society

Nationwide identified four metrics — Agile standards, team productivity, staffing and business input — that can be rolled up across teams to provide early warnings of portfolio risks across the Agile portfolio. By assessing Agile teams across each metric, Nationwide reinforces delivery teams to prioritize the right activities at the portfolio level, leading to increased collaboration and a 50% reduction in the number of defects introduced.

No. 3: Establish a Culture of Experimentation

Historically, middle managers have been viewed as the stewards of product or delivery environments, tasked with controlling costs and protecting the business by avoiding risks and experimentation. However, in order to achieve digital business outcomes, it is vital that middle managers not only adopt, but also promote, a culture of experimentation for delivery teams. The two ways in which PMOs can help create such a culture of experimentation are:

- **Destigmatize failure within middle management.** Most middle managers and delivery teams have traditionally operated in an environment where they fear failure. This makes them focus on tried and tested practices, leaving behind valuable opportunities that could be successful experiments and failures that could have provided unique opportunities to learn and grow.

To drive a culture of experimentation within middle management, PMO leaders need to work with leadership to create an environment of psychological safety that drives experimentation. Organizations should reframe failure primarily as a “pivot” that is an opportunity to increase learning and development. One of the ways to overcome fear of openly sharing failures is by redefining core principles that describe the organization’s positive attitude toward failure and by asking senior leaders to take the lead in reflecting those principles. This must be supplemented with creating a safe platform to share these failures.

Case in Point: DIRECTV

To build its capability to innovate and collaborate across silos, DIRECTV gamified the process of experimentation by sharing and celebrating failures. It established a failure-sharing platform to help employees share and learn from failures. Senior executives then posted videos on failures and how to learn from them, sharing their own experiences. Moreover, employees who submitted or reviewed content were rewarded with points and prizes. As a result of this, DIRECTV saw an increase in employees willing to experiment, and observed significant improvements in quality, customer focus and delivery.
- **Encourage creative thinking in middle management.** Experimentation is based on the premise of solving problems creatively. While some middle managers are inherently competent at out-of-the-box thinking, most need some form of support to use creative problem-solving techniques. Organizations often help promote creativity through classroom training; however, these are often good for targeted problem solving and seldom have the long-lasting desired effects on creative thinking for individuals outside the workshops. This is because the key challenge here is that, in many cases, people would rather fail conventionally than succeed unconventionally.

Instead, PMOs should view this as an opportunity to bring in techniques such as design thinking through continuous coaching, and create mechanisms to enable a culture that helps middle management experiment effectively. For example, recognizing that its middle managers need to overcome a risk-averse mindset, the PMO of a large insurance organization designed a menu of experiments to help them conduct Agile and non-Agile experiments. These 10 to 12 categories of experiments guide middle managers to creatively think about certain areas of Agile delivery and provide them with reassurance that experimentation within these categories is encouraged. The PMO acts as a consultant to help managers select, design, implement and share their experiments with their peers, thus promoting a risk-taking mindset.

**Conclusion**

The frozen middle can often be the hidden resistance to adopting an Agile culture that is vital for any Agile transformation effort. PMO leaders are well-positioned to help their organization due to their comparative advantages of change management and coaching expertise, and their portfolio-level visibility. Beyond methodology definition and training, progressive PMOs must take up the role to enable this cultural shift by helping middle managers adopt a servant leadership mindset, increase collaboration and be open to experimentation to enable the behaviors necessary for Agile success.

**Recommended by the Authors**

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**About This Research**

This research draws on conversations with over 35 PMO leaders and their teams, as well as data from Gartner’s Agile in the Enterprise Survey, to determine the challenges they face and the progressive practices they implement when transitioning to a culture that supports Agile.

**Endnotes**

Gartner’s Agile in the Enterprise Survey was conducted online from 3 June through 25 June 2019 with 130 Gartner Research Circle Members — a Gartner-managed panel of IT and IT-business professionals. Qualified participants included business end-users with either an IT or IT-business focus as a primary role. Eighty-seven percent of participants use Agile for at least some of their application development.

The survey was developed collaboratively by a team of Gartner analysts, and was reviewed, tested and administered by Gartner’s Research Data and Analytics team, in collaboration with Gartner analysts.

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