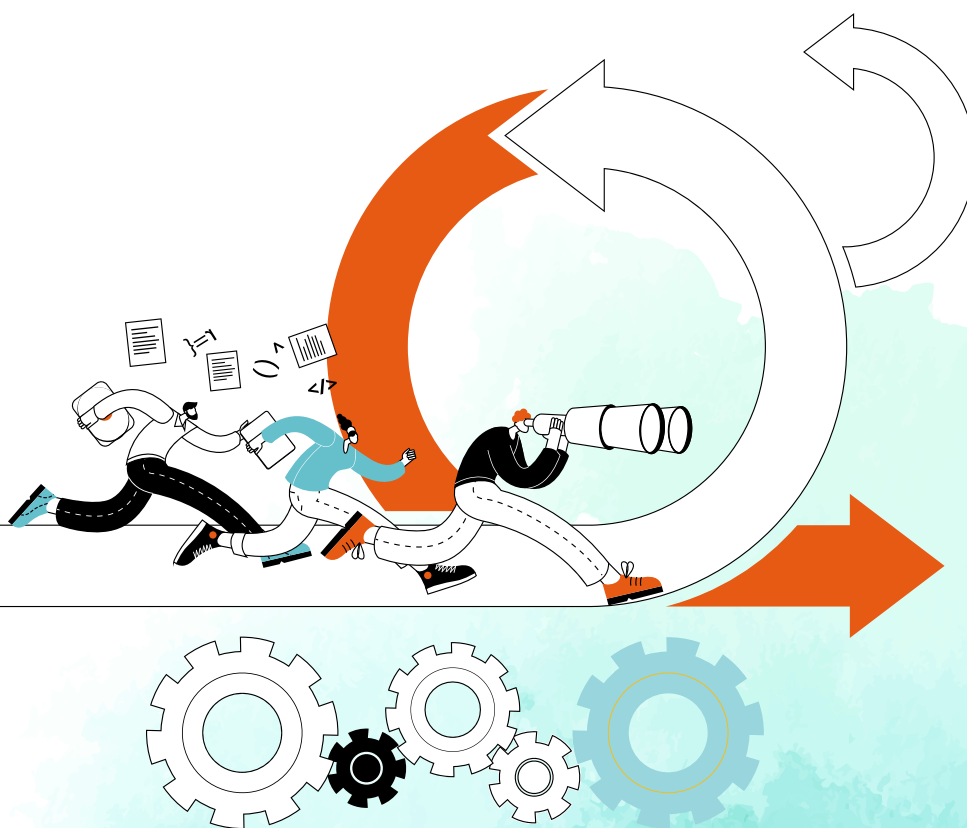![ALTIMETRIK®]

Psychological
Safety in AGILE

Overview

Psychological safety is a subtle but critical success factor in the operations of a 21st century organization. It is important for Agile organizations to be psychologically safe as the contrary can be likened to driving a vehicle without applying motor oil to the engine. Prior to the advent of Agile, command and control were the norm, but the volatility of the market has compelled businesses to respond accordingly. One of the goals of Agile is to accelerate time to market, but it is also crucial to ensure that the solution delivered in record time meets and exceeds customer expectations. This is where team creativity plays a critical role and the question is, can we create an innovative culture without keeping the environment psychologically safe? This white paper addresses psychological safety in Agile implementation.

Introduction

Organizations at times implement some and not all Agile principles but expect the full benefits of Agile. This is indeed an error. Agile methodology is a full package and every principle adopted yields some benefits for the organization. With that said, the question is, what exactly is "Psychological Safety" and how does it relate to Agile.

Psychological safety in Agile transformation means creating an ecosystem where team members are free to voice out their concerns and challenge the status quo without the fear of reprisal. Leaders empower team members to experiment with innovative ideas and accept failure as a learning opportunity for improvement. Psychological safety is also about leaders addressing the wellbeing of team members while protecting their vulnerability, for creativity to thrive.

Organizations have the flexibility of adopting one or a combination of Agile frameworks to deliver value, but the question is, do the teams have all they need to deliver value at a sustainable pace? It is only when teams are provided with all they need to perform at an accelerated pace that they can be held accountable for mediocre performance. An Agile team needs a psychologically safe environment to maximize potential for high performance. Some Agile organizations create individual incentives to motivate employees but one thing to be mindful of is that Agile teams are created to thrive on team effort, hence, creating an ecosystem that is psychologically safe will position a team better for high performance.

Agile principle #5 addresses psychological safety:

> **Build projects around motivated individuals. Give them the environment and support they need and trust them to get the job done.**

Concept

Agile transformation goes beyond adopting Scrum, Kanban, or any other Agile framework., It is about optimizing the whole. An effective way to check the boxes on a transformation roadmap is by looking through the lenses of People, Process, Technology and Tools. Psychological safety falls under the "People" category and so let us deep dive into how psychological safety flows through an Agile organization.

> Psychological safety is.
> "a condition in which you feel (1) included (2) safe to learn (3) safe to contribute and (4) safe to challenge the status quo – all without fear of being embarrassed, marginalized or punished in some way".
>
> -Timothy Clark

Challenges Creating Psychologically Safe Environment

The Old Order Syndrome

The success of an Agile transition to a considerable extent depends on psychological safety, but this aspect of the process is frequently disregarded. This omission leads some organizations to believe that Agile is ineffective. If the transformation plan is to put an old wine in a new bottle, it will obviously not work. Some of the anti-patterns found in organizations with this type of strategy are - command and control, teams are not cross functional, work is assigned to teams with instructions on how to execute, work is project and not product based, teams are not empowered but reprimanded for making mistakes, etc. An organization with a strong culture of command and control should not expect innovative ideas from team members because the work environment is not conducive for such.

Leadership and Culture

Every organization has its unique culture, however, some are easier to change than others. Make no mistake, culture is one of the most difficult aspects of any Agile transformation and leadership has a fundamental role to play in this regard. Psychological safety requires a culture change which leaders can easily influence. An Agile team cannot create a psychologically safe environment on its own without the support of management. Let's digress a little, in some Agile organizations, servant leadership cannot thrive because some managers are afraid of losing control. The question that rises - how would the teams be empowered for success? In a command and control environment, micromanagement would reign, and innovation should not be expected, hence such ecosystem cannot breed psychological safety.

At times, authoritarian leaders could solicit feedback from employees regarding the status quo. The truth is, in such situations, employees may not be willing to engage leaders in any meaningful discussion because of fear and this may be detrimental to the growth of the organization.

Hierarchy in Team Structure

An Agile team within an organization has a cross-functional structure. There are no hierarchies within an agile team as all team members are equal. Team effort with effective collaboration is the most effective way to achieve success on a team. When a team is structured to have hierarchies like seniors and juniors or leads within the team, this may hinder the existence of psychological safety. The basic assumption is that the seniors on the team are the experts and, as such, they give instructions on how work should be done and the juniors must comply.

Psychological Safety Considered Inconsequential

Organizations frequently ignore psychological safety despite how crucial it is to an Agile team owing to a lack of awareness. Most organizations prefer to focus on what they can easily see and measure, such as adopting Scrum, Kanban, or XP with metrics. This mindset can be attributed to the fact that psychological safety is usually not listed as a transformation backlog item and is prioritized to be created as part of the culture of the organization.

Creating Agile Ecosystem with Psychological Safety

An Agile environment without psychological safety is incomplete. It is crucial for an organization to be psychologically safe so it can maximize the potentials of its teams for better outcomes. The question is, how is a psychologically safe environment created in an Agile environment to maximize value? Few answers provided below:

Prioritize Psychological Safety

Most organizations do not prioritize psychological safety in the transformation backlog due to lack of awareness. Conscious efforts should be made to create awareness by providing training and coaching to leaders on the benefits of psychological safety. The various layers of management within the organization should be trained on the significance of psychological safety to the success of an Agile team.

In changing the culture, the adoption of a system thinking approach to maximize the whole and not just focus on the team level would be beneficial as only leaders can make the change. This would be a continuous effort and not a start and stop implementation. If an organization is aware of the tremendous benefits that can be derived from psychological safety, it would be much easier to absorb same into the company's culture. Without creating this awareness, the organization may lose out on these benefits.

Shift from Authoritarian Leadership to Team Empowerment

As an organization undergoes an agile transformation, some of its previous organizational hierarchies are retained for support while others are flattened to provide teams the flexibility and nimbleness. They need to adapt to market developments with creative solutions. One of the keywords used in the earlier sentence is "nimbleness." It is almost impossible for teams to be nimble in responding to change if they must go through a bureaucratic approval process to deliver innovative solutions. Authoritarian leadership breeds micro-management, hence psychological safety cannot thrive in such an environment. If teams possess the required competence, they should be empowered to take certain decisions and ask questions that could challenge the status quo without losing sight of accountability or having the fear of reprisal.

Transparency & Inclusiveness at all Levels

Transparency and openness foster the trust needed in a psychologically safe environment. At the organizational level, change and decisions taken by leadership should be visible to employees. There should also be clarity of purpose which ensures proper articulation of expectations from teams by management. Leaders discuss expectations with employees to obtain feedback at the open forums or platforms created for this purpose. In addition, at these forums, ongoing consultations with employees occur by engaging teams with Q & A to learn and contribute to critical issues that will impact their work. This simple act of transparency and inclusiveness will give employees a sense of belonging, hence fostering psychological safety. As easy as this may sound, some organizations do not do this. For example, if a company is embarking on an Agile transformation initiative, it will make sense that this is clearly communicated to the teams through various platforms or forums created to engage employees. These forums will be where employees are encouraged to ask questions about the change so that leadership can provide answers to allay their fears. Some organizations do not take these extra steps but are quick to say Agile does not work when faced with significant resistance to change in their Agile journey.

Create a Safe-to-Fail Culture

This is one of the core aspects of psychological safety. Creating an environment where teams can experiment on innovative ideas by taking calculated risks without the fear of a consequence in case of failure. Some organizations, particularly those with authoritarian leadership will find it difficult to implement this because it requires team empowerment.

Agile promotes psychological safety as it entails team empowerment and a fail-fast approach. Teams should find it easy to experiment and fail as many times as they like without the fear of being reprimanded. Leaders need to ensure that teams have the required competence, sense of responsibility, accountability and, are trained to take calculated risks with a fallback plan before they are empowered. With this, teams are not just encouraged to take risks, they are also equipped with the required skills to make the right decisions, own their failures and consider them as opportunities to learn and improve.

Effective Communication and Respect for All

One cannot overstate how crucial it is for organizations to have effective communication at all levels. As the saying goes, if you talk about something long enough, it happens. Psychological safety is an intangible that requires conscious effort to thrive in any environment. Leaders need to walk the talk, and for them to do this, they need an understanding of the concept.

Training and coaching for leaders on psychological safety and servant leadership are important because these are cultural issues that leaders can easily influence. Effective communication in this regard would be to entail active listening in addition to empathy. Leaders need to open-up communication channels to continuously engage employees through direct and indirect channels for ideas and concern sharing.

As leaders continue to exhibit servant leadership traits to "walk the talk" while continuously engaging the teams through the various communication channels, trust will be boosted, and the desired culture shift will start manifesting. Furthermore, leaders need to make themselves accessible and approachable to teams on an ongoing basis to maintain an open, supportive and safe environment for team members.

Respect for people is part of the equation of psychological safety. When teams or employees are treated with respect, they reciprocate by putting in their best to achieve more for their organization. It is a known fact that the teams do the work while leaders provide direction, however, the teams can easily identify problems and make improvements because they are closer to the work. Engaging teams in the creation of a psychologically safe environment will have positive impact on performance.

Create the Right Team Structure

Agile teams are meant to maintain a flat structure for effective collaboration to leverage team effort for value maximization. Hierarchies within a team may lead to the creation of sub-teams within a team which is counter- productive. It is not unusual for some team members to be more experienced than others, but this should not be the basis for setting up hierarchies within the team. Irrespective of the disparity in experience among team members, they should learn from each other by asking questions, experimenting with new ideas and owning their failures and making improvements.

The advantage of the flat structure is that everyone on the team is equal and as such they treat each other with respect. Team members should be able to challenge status quo and exchange constructive feedback. In addition, ensure that team members feel valued by letting them know their contributions to the achievement of business goals are invaluable.

Discourage Negativity and Stop Buck Passing

Team cohesiveness is a major attribute of psychological safety. However, it takes only one team member to destabilize team cohesiveness by spreading toxicity across teams. It is therefore crucial to keep the team psychologically safe by promptly addressing any attempt by a team member to spread negativity on the team before it gets out control. Leadership needs to make conscious effort to discourage negative talks as this can destroy psychological safety faster than anything else.

Moreover, leaders should encourage team members to desist from buck passing and own their mistakes. They should view failure as a chance to get better. Leaders should discuss their prior failures and how they handled them for successful outcomes.

IMPACT

Psychological safety is an essential enabler for high performance, hence, it is critical for businesses to be aware of the immense benefits of this concept. Below are a few ways in which psychological safety positively impacts an organization:

Employee Happiness and Productivity

Psychological safety in an organization comes from the phrase - "Happy Employee Happy Customer". The goal of an Agile organization is customer satisfaction and of course the impact of this on the bottom-line is significant.

There is a correlation between happiness at workplace and productivity. Employees spend greater percentage of their time at work, and studies have shown that happy employees are more productive. In a psychologically safe environment, employees can reveal their vulnerability on the job freely without fear of reprisal. Leaders engage teams respectfully through various communication channels and pay attention to their wellbeing. Team members air their concerns, ask questions, and challenge the status quo without fear.

Promoting inclusivity and diversity with active listening to address concerns are ongoing. Psychological safety creates an enabling environment for teams to be happy.

Innovative Culture

Innovation is crucial to Agile practice as the client is at the core of what an Agile organization hopes to accomplish. The goal is to satisfy the customer, and this is done through an incremental, iterative process with a quick feedback loop.

Most organizations these days are set to achieve the same objective in terms of customer centricity. The question is, how do you, as an organization, set yourself apart from the rest? Innovation is at the top of the list of answers.

An organization cannot drive an innovative culture without creating an enabling environment for teams to explore their creativity. Psychological safety breeds creativity as it creates the cushion of safety that team members need for the freedom to explore their creativity and experiment on innovative ideas. When they fail, they own their mistakes, learn and improve as they continue to grow. It is only when ideas are executed that they become valuable, and psychological safety provides that safety for team members to turn their ideas into value.

Reduced Employee Attrition

It is a fact that if organizations treat employees well and make them feel valued, they hardly leave. By promoting a culture of inclusiveness and diversity across board, employees will have a sense of belonging as they see themselves as part of a larger purpose. This sense of belonging confirms to them that their contributions are extremely crucial to the success of the organization. Furthermore, the low rate of attrition can boost the reputation of the organization.

High Performance

There is a cascading impact from psychological safety at the team level. A team's morale will rise, knowledge sharing, and continuous learning will increase, creativity will be enhanced by a pool of varied ideas, teamwork will flourish, team members will be content, and productivity will rise due to higher-quality work. All these benefits come from unlocking psychological safety at the workplace. High performance will be encouraged in a psychologically secure setting.

CONCLUSION

There is no question that Agile is the most preferred choice for organizations in the 21st century. It is also a known fact that we are in a digital age where innovation is a tool utilized by organizations to gain competitive advantage in today's volatile, uncertain complex, and ambiguous market.

In considering the four focus areas in an Agile transformation namely, people, process, tools and technology, the "people" aspect is the most important. The rationale behind this is that how effectively the "people aspect is managed will determine whether the other three succeed or fail.

Psychological safety is one of the secrets for achieving high performance in teams, particularly in an environment where servant leadership is part of the culture. If we create an environment that is psychologically safe with transparency, inclusivity, diversity, openness, active listening, empathy, respect for people, continuous engagement of team members, openness and feedback, with supportive and consultative behaviors from leaders, then, higher performance in teams would be achieved faster.

About Altimetrik

Altimetrik is a data and digital engineering services company focused on delivering business outcomes with an agile, product-oriented approach. Our digital business methodology provides a blueprint to develop, scale, and launch new products to market faster. Our team of 5,500+ practitioners with software, data, cloud engineering skills help create a culture of innovation and agility that optimizes team performance, modernizes technology, and builds new business models. As a strategic partner and catalyst, Altimetrik quickly delivers results without disruption to the business.