

Building and Scaling a High-Performance Culture

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Successful companies
need to be able to

- Build a Product
- Sell a Product
- Get Along



Background

wework



STITCH FIX™

Google™

ebay

Culture eats strategy for
breakfast.

-- Peter Drucker

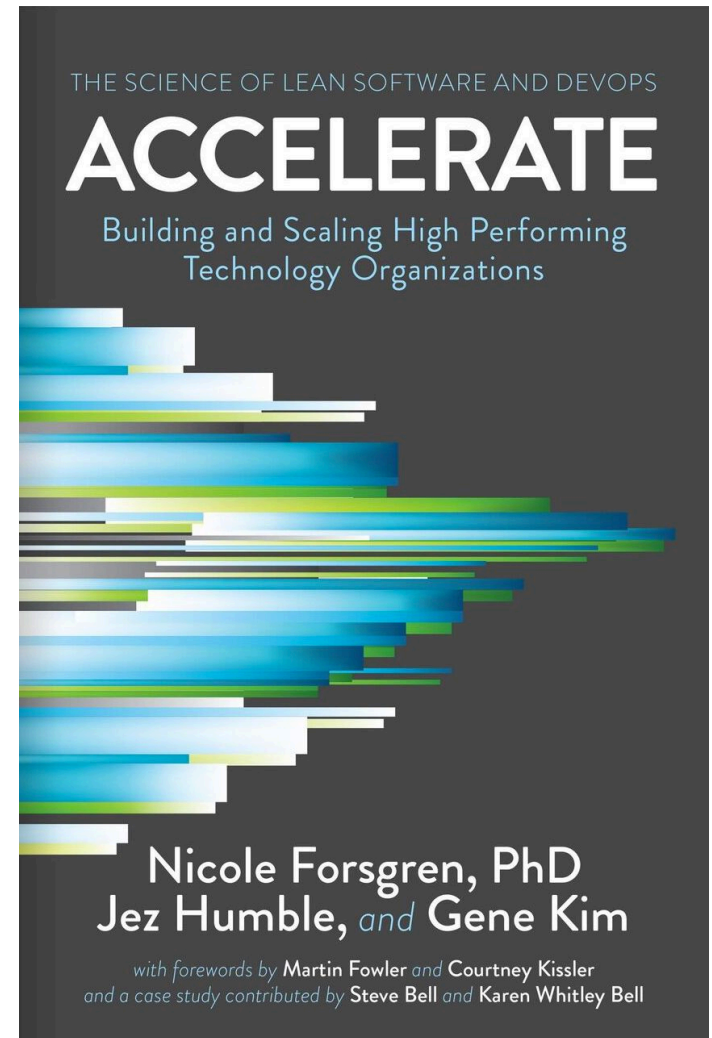
Culture eats strategy *and*
organization and technology and
process and ... for breakfast.

-- me

Westrum Model of Organizational Culture

- Generative Organization
 - Trust and Sharing
- Bureaucratic Organization
 - Rules and Processes
- Pathological Organization
 - Fear and Threat

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Elite vs. Low



46 TIMES MORE
frequent code deployments



2,555 TIMES FASTER
lead time from commit to deploy



7 TIMES LOWER
change failure rate
(changes are 1/7 as likely to fail)



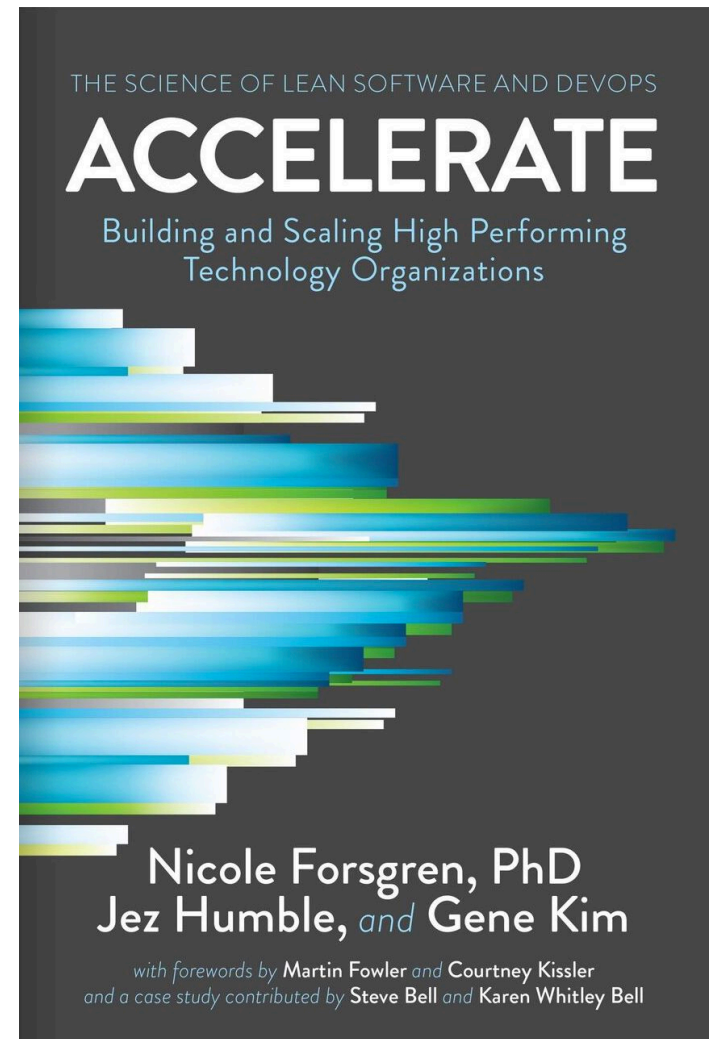
2,604 TIMES FASTER
time to recover from incidents

High-Performing Organizations

→ **2.5x more likely to exceed goals**

- Profitability
- Market share
- Productivity

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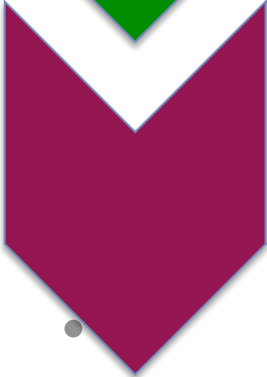
High-Performing Culture



• Trust and Collaboration



• Autonomy and Accountability



• Pragmatism and Progress

High-Performing Culture



• Trust and Collaboration



• *Autonomy and Accountability*



• *Pragmatism and Progress*

•

•

Psychological Safety

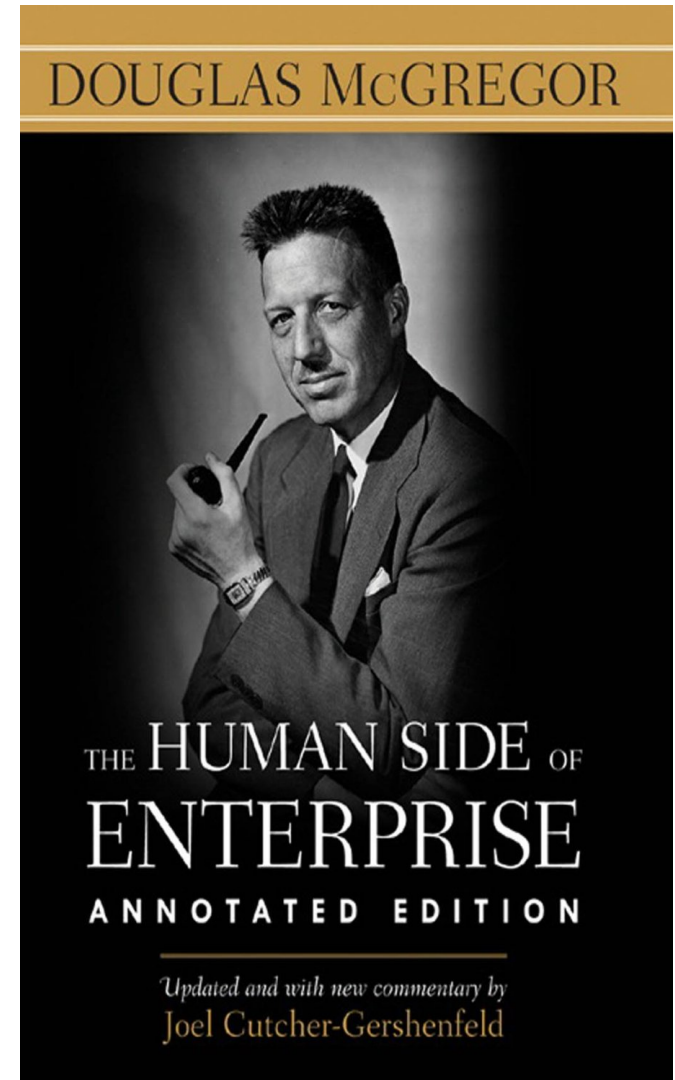


- Team is **safe for interpersonal risk-taking**
- “Being able to show and employ one’s self without fear of negative consequences”
- More important than any other factor in team success

Theory X vs. Theory Y

- Dr. Douglas McGregor, 1960
- Leadership's beliefs about what motivates employees

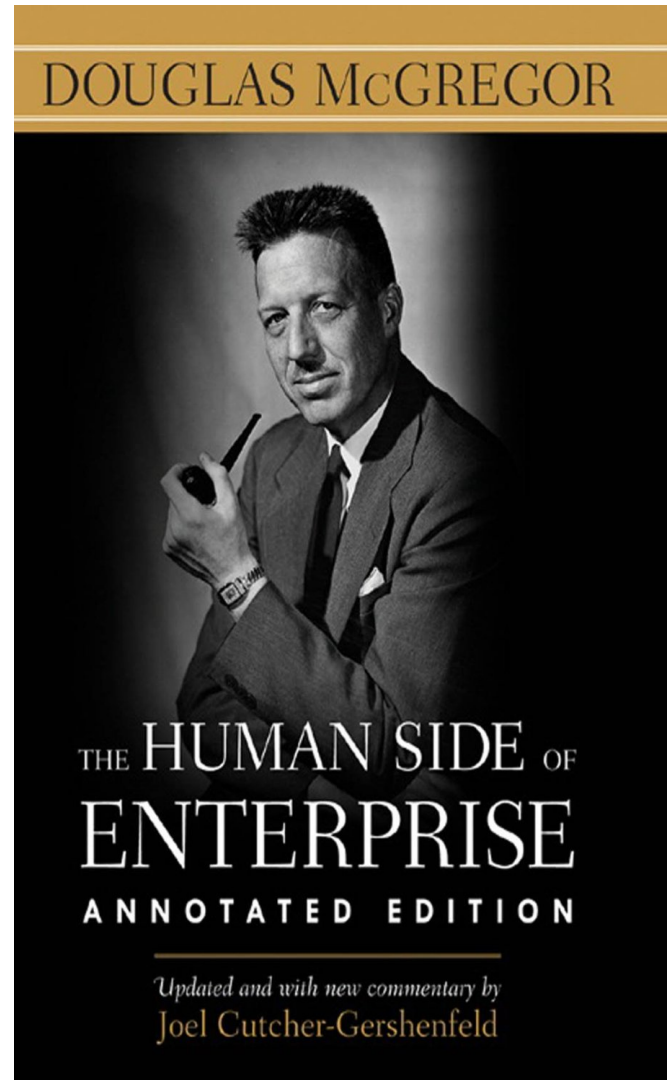
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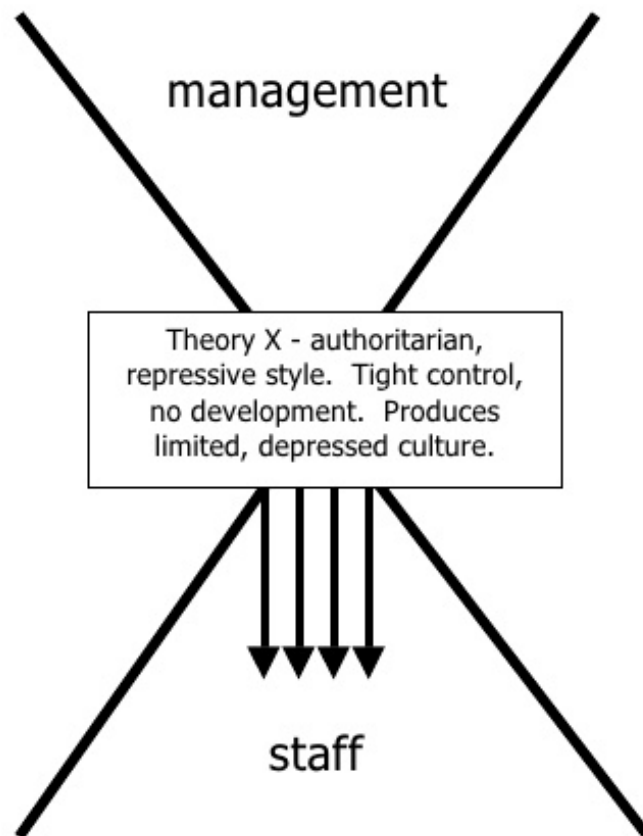
Theory X vs. Theory Y

- **Theory X:** people are inherently lazy, avoid responsibility, require extrinsic motivation
- **Theory Y:** people are intrinsically motivated, seek ownership, want to perform well

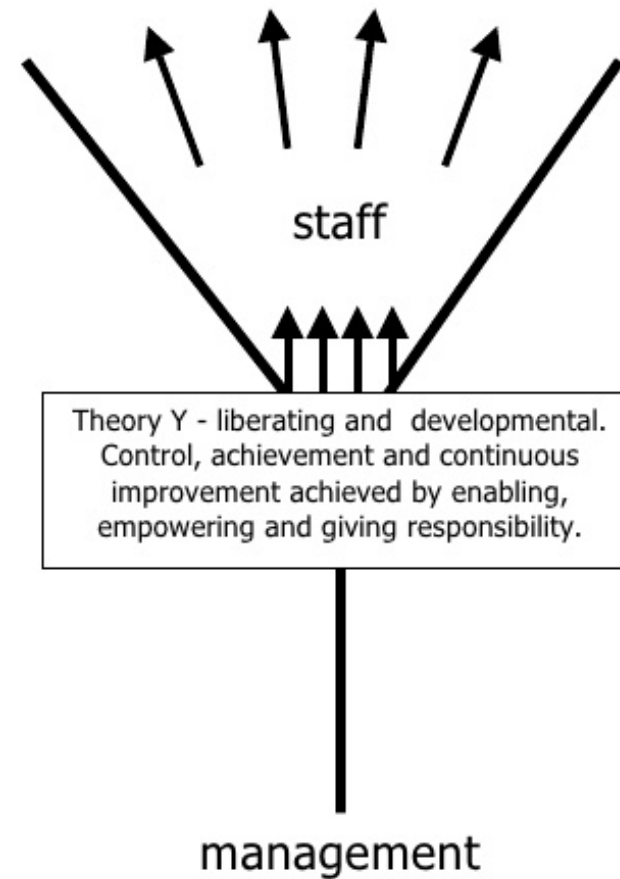
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'Theory X'



'Theory Y'



Cross-Functional Collaboration

- Open communication
 - Individuals encouraged to work directly with each other
 - Prefer informal cooperation over formal channels
- Best decisions made through partnership
 - Agreement on goals and priorities makes it easier to agree on tactics
 - Given common context, well-meaning people will generally agree
- “Disagree and Commit”

None of us is as smart as all of us.

-- Japanese proverb,
as quoted by Bob Taylor

Google App Engine Reliability Fixit

- Problem: Reliability issues in production
 - 8-hour global outage in Fall 2013
 - Reliability issues had not been prioritized
- Step 1: Identify the Problem
 - All team leads and senior engineers met in a room with a whiteboard
 - Enumerated all known and suspected reliability issues
 - Consolidated into 8-10 themes

Google App Engine Reliability Fixit

- Step 2: Understand the Problem
 - Each theme assigned to a lead or senior engineer to investigate and learn more about
 - Timeboxed for 1 week
- Step 3: Consensus and Prioritization
 - Leads discussed themes and prioritized work
 - Assigned engineers to tasks

Google App Engine Reliability Fixit

- Step 4: Implementation and Follow-Up
 - Engineers worked on assigned tasks
 - Minimal effort from management (~1 hour / week) to summarize progress at weekly team meeting
- → Results
 - 10x reduction in reliability issues
 - Broader participation and ownership around the health of the platform
 - Improved team cohesion and camaraderie
 - Still remembered several years later

WeWork

Signup Retrospective

- *Problem: Signup issues in production*
- Step 1: Identify the Problem
- Step 2: Understand the Problem
- Step 3: Consensus and Prioritization
- Step 4: Implementation and Follow-Up
- → Results

High-Performing Culture



• Trust and Collaboration



• **Autonomy and Accountability**



• Trust and Collaboration

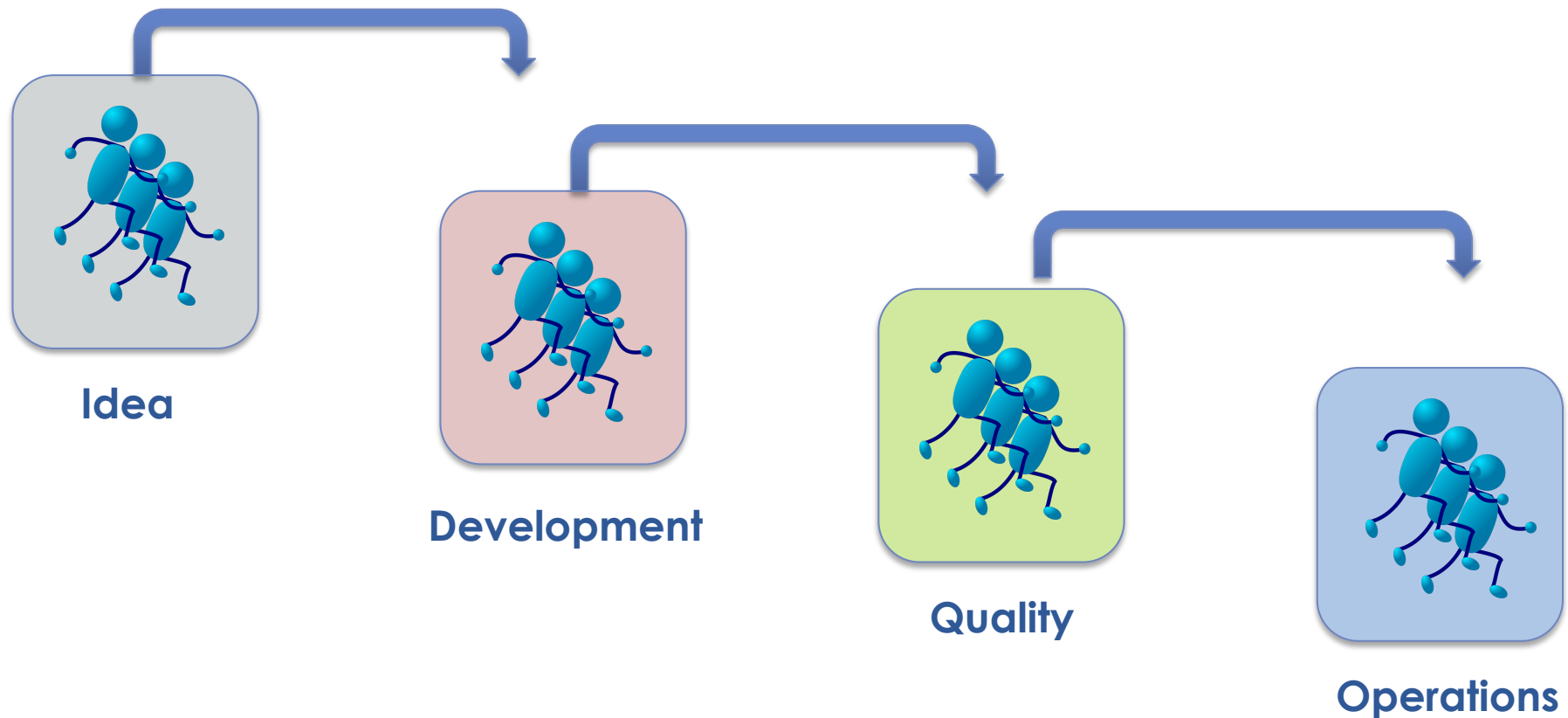
“It doesn’t make sense to hire smart people and then tell them what to do; we hire smart people so they can tell us what to do.”



Autonomy and Accountability

- Give a team a goal, not a solution
 - Measured by clear, customer-oriented metric(s)
- Give the team **autonomy**
 - Let team own the best way to achieve their goal
- Hold team **accountable** for *results*
 - Responsible for producing business value
 - Responsible for the results of their choices

Traditional Organizations

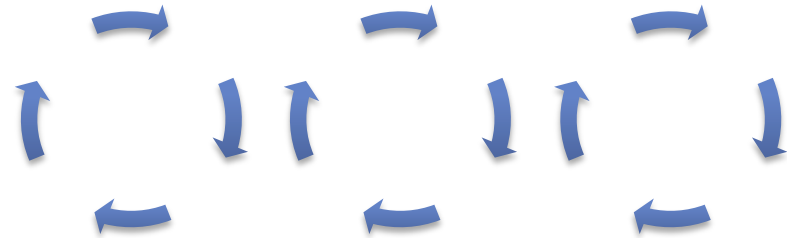


Full-Stack Teams

Real
Estate



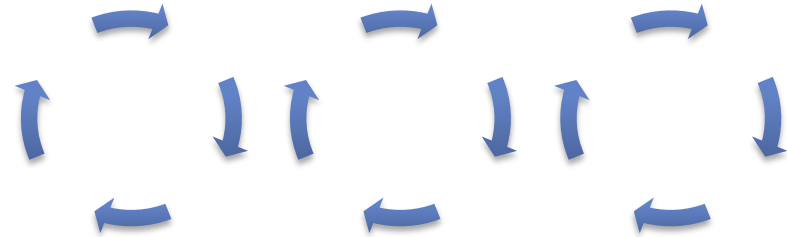
Idea
Development
Quality
Operations



Sales +
Growth



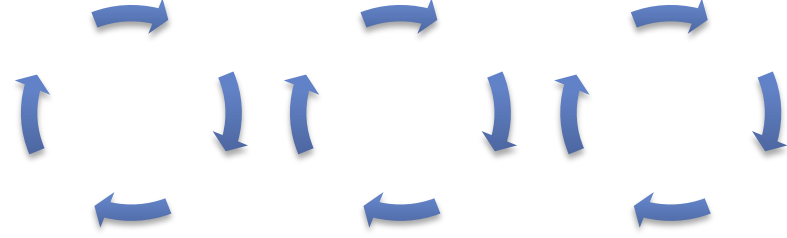
Idea
Development
Quality
Operations



Member +
Community



Idea
Development
Quality
Operations



Business / Domain Alignment



**<Business
Domain>**

- Aligned around a business problem
 - Clear goals and metrics ...
 - ... that matter to customers!
- Well-defined area of responsibility
 - Single application / service or set of related applications / services

End-to-End Ownership

- Teams own their roadmap
- Team owns service from design to deployment to retirement
- No separate maintenance or sustaining engineering team

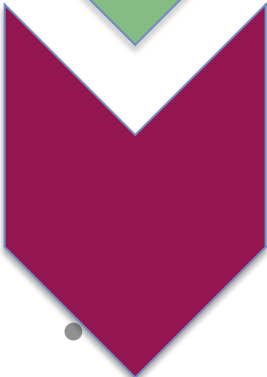
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• Pragmatism and Progress

What problem are
you trying to solve?

“A problem
well-stated
is a problem
half-solved.”

-- Charles Kettering,
head of research at GM



Engineering is about solving problems ...

... Sometimes we solve those problems by writing code.

Lean

Software Development

An Agile Toolkit



The Agile Software Development Series

Cockburn • Highsmith
Series Editors

- Adapting agile practices to your development organization
- Uncovering and eradicating waste throughout the software development lifecycle
- Practical techniques for every development manager, project manager, and technical leader

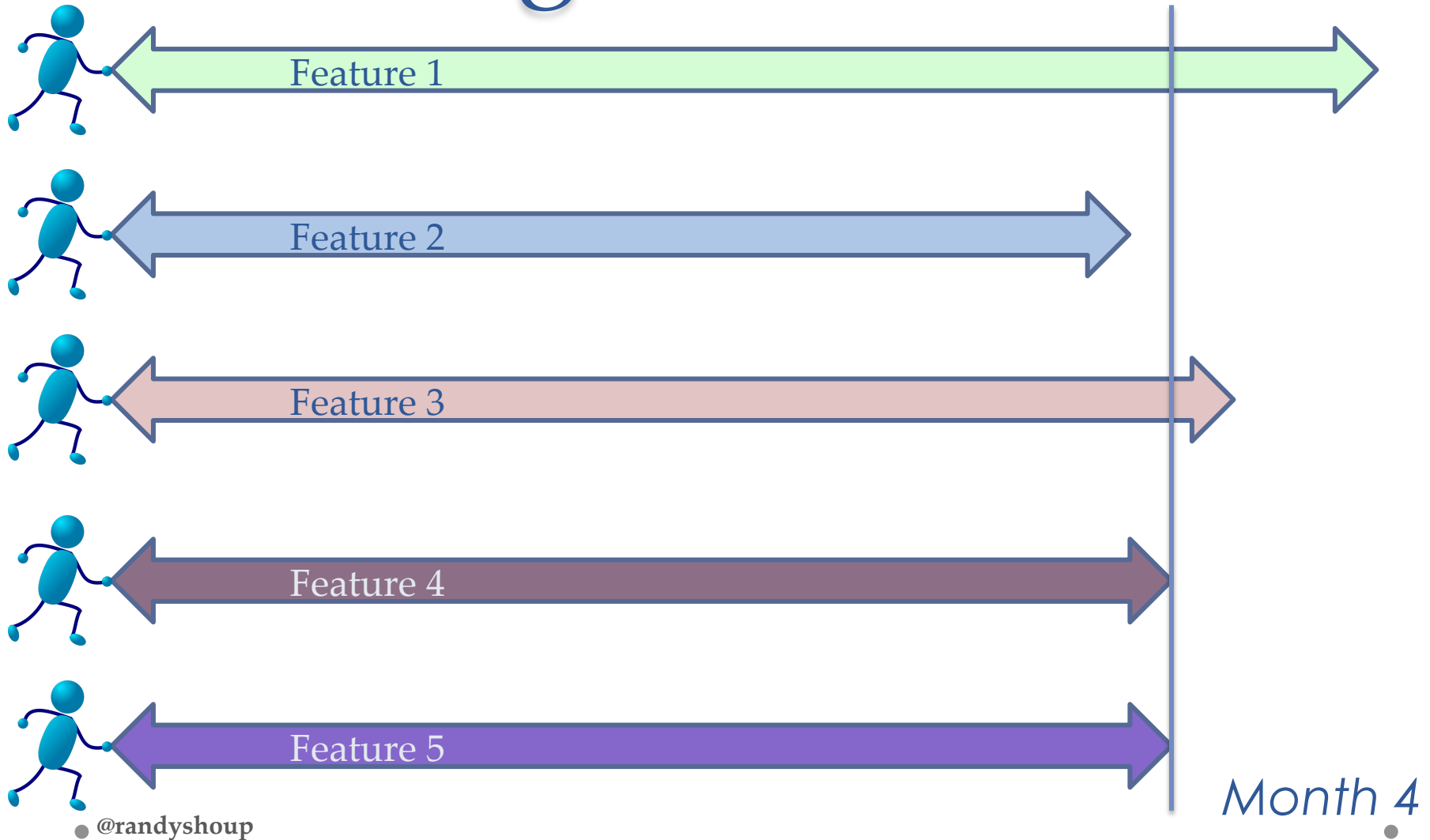
Forewords by
Jim Highsmith
and **Ken Schwaber**

Mary Poppendieck
Tom Poppendieck

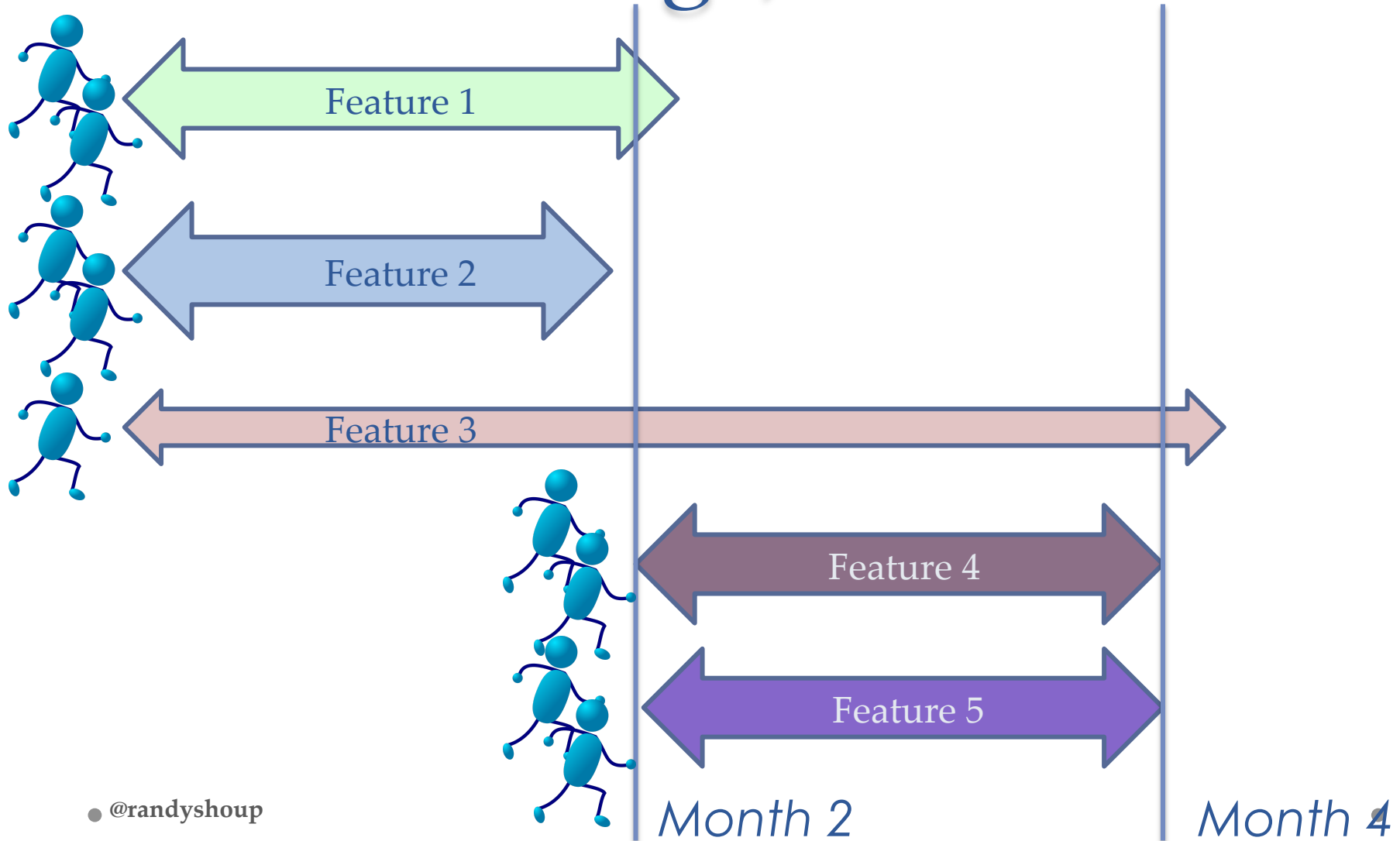
“Building the wrong thing is the biggest waste in software development.”

Fewer Things, More Done

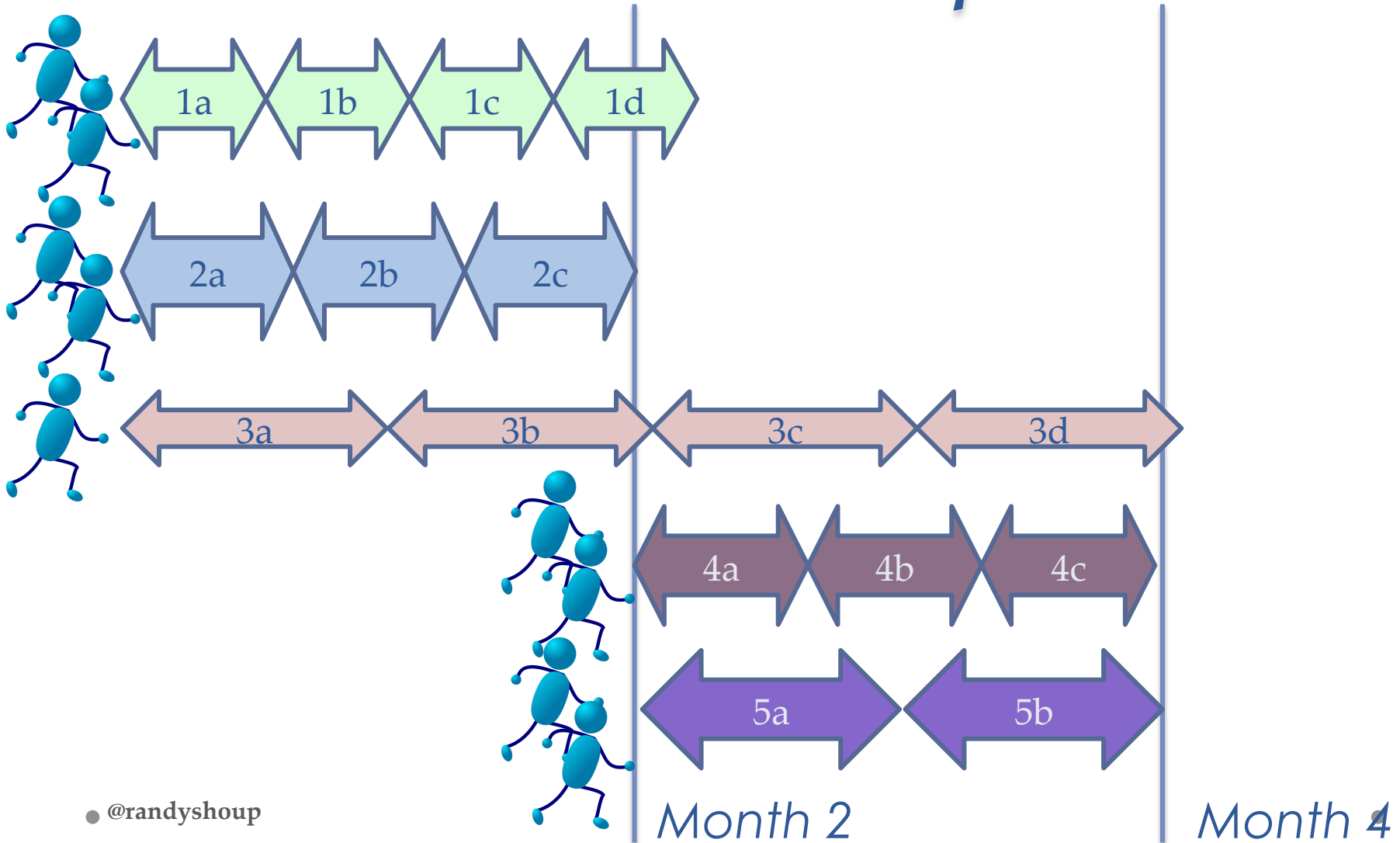
Traditional Organizations



Continuous Delivery: *Fewer Things, More Done*



Continuous Delivery: *Iterative Development*



**CHANGED
PRIORITIES
50 yds AHEAD**



MAXIMUM HEIGHT
4.75m

All vehicles and
cyclists must report
to traffic

TSAB

Quality Matters

“We don’t have time to do it
right!”

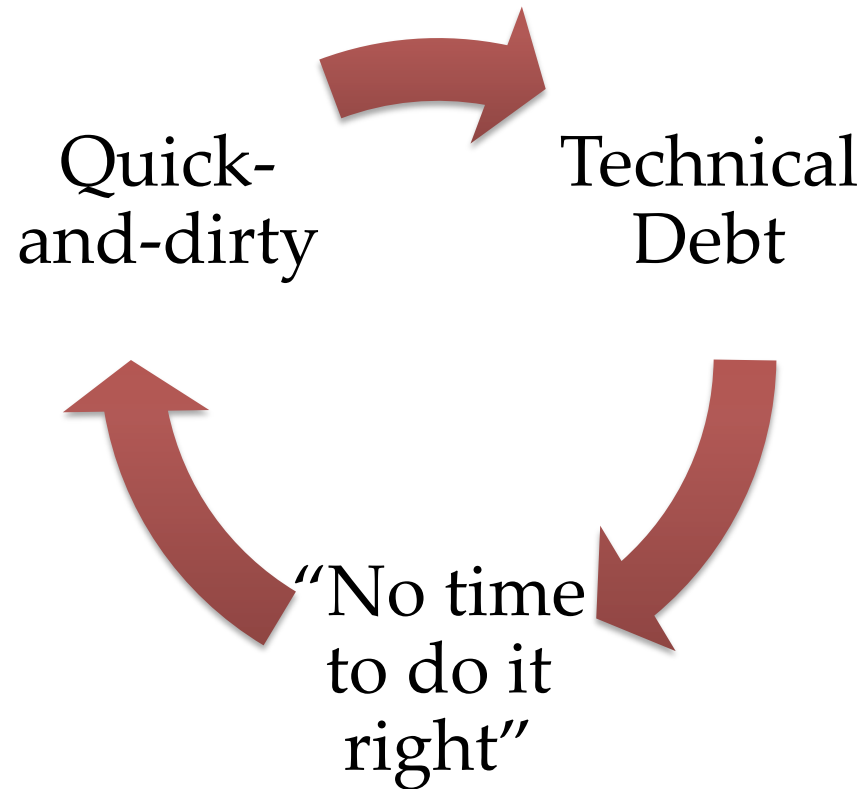
“Do you have time to do it
twice?”

The more constrained you are on time or resources, the more important it is to build it right the first time.

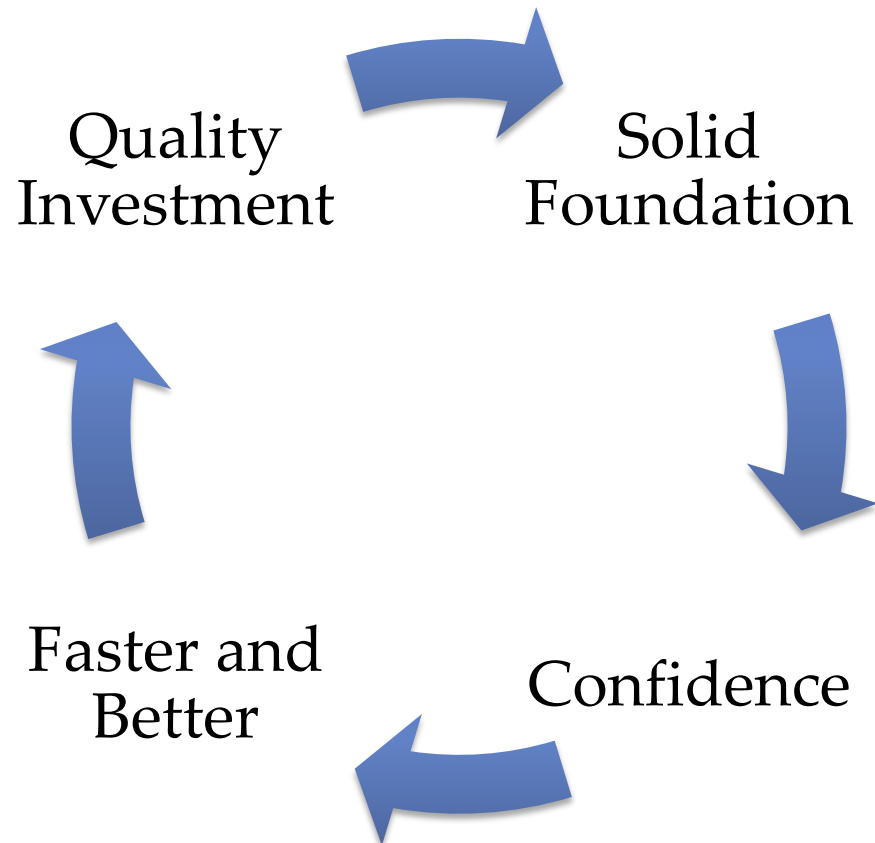
“Do not try to
do everything.
Do one thing
well.”



Vicious Cycle of Technical Debt



Virtuous Cycle of Investment



"Unlearn explains how to enter into a continuous cycle of replacing old ideas and models with new ones in order to adapt in an ever-changing world."

—ERIC RIES, Founder, LTSE, and author of *The Lean Startup*

UN LEARN

LET GO OF
PAST SUCCESS
TO ACHIEVE
EXTRAORDINARY
RESULTS

BARRY O'REILLY

FOUNDER AND CEO OF EXECCAMP AND
COAUTHOR OF *LEAN ENTERPRISE*

1. Unlearn behaviors and mindsets
2. Relearn new skills, strategies, and innovations
3. Break through old habits and thinking

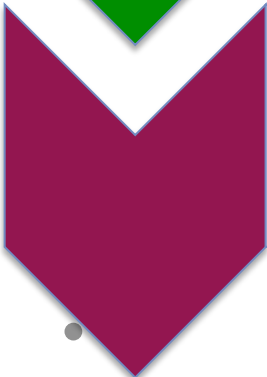
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“The culture of an organization is shaped by the worst behavior the leader is willing to tolerate.”

-- Gruenert and Whitaker,
School Culture Rewired

“If you can’t change your
organization,
change your organization.”

-- Martin Fowler

We are Hiring!



700 software engineers
globally, in

- New York
- Tel Aviv
- San Francisco
- Seattle
- Shanghai
- Singapore