



# IPMA Reference Guide ICB4 in an Agile World

Version 2.3

IPMA<sup>®</sup>  
International  
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# Introduction

## A changing world needs a new kind of leadership

The world is rapidly transforming and a new breed of leader is required to meet its needs. The world needs individuals that are competent in many emerging new areas so that they can respond swiftly to technological innovation, changing social relations, new divisions of labour and new approaches of working.

The challenges humanity faces are more complex than the those that previous generations had to endure. Adaptation to climate change, large scale conflict, inequality, poverty, food and water scarcity are just a few examples and all of them impact the way we work. In order to succeed in this age of disruption and rapid change, organisations must assess, react, and adapt to change faster than ever. There is a perspective that the tried and tested application of what we in the project management world see as “best practices” are losing significance and a more agile approach to change is viewed as the way forward. Agility, however, is not the goal in and of itself, but rather as a means to an end. Agility is about focusing on what is valuable to customers using an iterative approach to planning and guiding project processes.

The complexity and uncertainty the world is facing also calls for a different form of control. Greater responsibilities will now be held across all levels within the organisation. Decision-makers will increasingly entrust responsibility to those with expertise and the authors see a shift from pure management towards greater levels of leadership embedded vertically and horizontally across all levels of the organisation.

## Working both lean and agile

A solution to these challenges is lean-agile working, this approach is an essential part of the way teams organise work. This approach makes use of an iterative development process, quick feedback loops, and disciplined management processes for review and adaptation. Using this approach, organisations learn to make distinctions between what is valuable and what is irrelevant. There are already a number of organisations that have taken the first, sometimes bold, step toward a lean-agile transition in order to become more adaptive to their changing environments. Organisations that have experience working with agile know that it takes

more than just sending people to a training course to learn a particular framework. They undoubtedly have realised that agile working is easier to understand than it is to implement and use. In order to implement and maximise the benefits of agile, individuals are needed that can lead the way using a common learning process that inspires other employees within the organisation to adopt an agile mindset. An agile mindset can best be described as the harmonisation of the following attributes: respect, collaboration, making use of improvement and learning cycles, pride in ownership, a focus on delivering value, and the ability to adapt to rapid change.

## The need for Agile leaders

In the last section, we defined what the agile mindset entails. In light of this, there is a great need for competent Agile Leaders. This does not necessarily require a new formal role. Someone can be a release train engineer, tribe lead, agile coach, scrum master, product owner, or agile pm, but one is only a true Agile Leader when they are able to inspire others to put the agile mindset into practice. This can enable the organisation to deliver valuable results to both their customers and stakeholders. The Agile Leader, therefore, can have a huge impact on the organisation's agility and responsiveness to change.

Leaders that make an impact by bridging the gap between aspiration and reality are true Agile Leaders. The role of an Agile Leader is more of a phenomenon than a defined job specification.

## How one demonstrates good leadership

IPMA's *Individual Competence Baseline (version 4)* describes competences (not roles) required by individuals working in the field of project/programme/portfolio management. This reference guide, ICB4 in an Agile world, describes how the different competence elements can be interpreted in an agile environment.

There are three areas of competence: perspective, people and practice. Each area has a number of competence elements, in total there are 29. Each competence element (CE) contains lists of the knowledge and skill required to master the CE. Key Competence Indicators (KCIs) provide the indicators of successful Agile Leadership. Measures exist that describe highly detailed performance points within each KCI, those that are essential for Agile Leaders are marked **(A)**.

# Perspective

## Perspective 1: Strategy

### Description

Leaders within Agile organisations embrace rapid change which has consequences on the way they create and execute their strategy to achieve the organisation's vision. By adopting an agile strategy, the organisation can seize opportunities and respond quickly to threats. Agile leaders must understand that strategy is emergent and not set in stone. Those that create and ultimately adapt the strategy do so as part of a learning process, which is an instrument for giving additional meaning to the work the organisation does.

### Knowledge

Affordable loss; Agile performance management; Business model canvas; Core values; Economic viewpoint; Impediments; Lightweight business case; Mission; Strategy; SWOT; Vision.

### Skills and Abilities

Contextual awareness; Entrepreneurship; Mission and vision; Reflection on organisational goals; Strategic thinking.

### Key Competence Indicators / Measures

#### **Perspective 1.1 Align agile teams with the organisational mission and vision**

- Reflects the mission and vision of the organisation.
- Interacts with the environment to align the agile work with mission, vision and strategy. **(A)**
- Facilitates that the agile work's objectives and benefits are in sync with the mission, vision and strategy. **(A)**
- Develops and implements measures to make the strategic alignment of the agile teams transparent. **(A)**
- Checks whether the agile work is delivering benefits to the organisation and value to its customers. **(A)**



## **Perspective 1.2 Identify and exploit opportunities to influence organisational strategy**

- Knows and understands the strategy development process.
- Identifies new opportunities and threats which could alter the strategy. **(A)**
- Uses insights from the community to enrich the organisational strategy. **(A)**
- Influences the strategy development process by suggesting improvements to strategy.

## **Perspective 1.3 Develop and ensure the ongoing validity of the business / organisational justification**

- Reflects and defines the business and/or organisational justification.
- Identifies objectives needed in agile working to generate the planned benefits.
- Validates and champions the justification to the sponsors and/or owners of the agile work.
- Re-assesses and validates the justification within a strategic and holistic perspective.
- Defines and manages the prerequisites in order to fulfil customer needs. **(A)**
- Facilitates quick deliveries to check whether the work is generating customer value. **(A)**
- Determines whether there is a need to stop the agile work because of redundancy or obsolete strategic importance.

## **Perspective 1.4 Determine, assess and review critical success factors**

- Derives and/or develops a set of critical success factors (CSFs) for the strategic objectives.
- Uses formal CSFs for strategic alignment, but also identifies their informal context.
- Involves team members to enrich the organisation strategy while developing CSFs. **(A)**
- Makes CSFs transparent for strategic alignment of the agile work. **(A)**
- Uses the CSFs for managing stakeholders.
- Uses the CSFs for developing incentives/rewards and a motivating culture.
- Re-assesses CSF realisation within the long-term strategic context.

## **Perspective 1.5 Determine, assess and review key performance indicators**

- Develops information systems, including channels and formats, for each critical success factor. **(A)**
- Decides on the use of value based KPI development. **(A)**
- Uses information systems for strategic performance. **(A)**
- Uses information systems to influence stakeholders. **(A)**
- Uses information systems for developing development plans. **(A)**

- Uses information systems for developing reward systems. **(A)**
- Re-assesses outcomes by employing KPIs and empowering benefits realisation management. **(A)**

## Perspective 2: Governance, Structures and Processes

### Description

An increasingly complex and uncertain world presents organisations with immense challenges. On the one hand they must reduce waste as much as possible (lean philosophy), and at the same time they need agility. The latter is only possible if the individuals within organisations are also versatile.

There are new ways of working whereby decision-making takes place as close as possible to the people involved in execution, and as late as possible where justifiable. The focus of control is oriented to creating customer value through an iterative approach instead of the traditional plan being developed at the start. In an agile approach, work is carried out in short cycles in favour of a linear approach, and there is continuous attention paid to feature development and quality in each cycle.

Although there are frameworks which provide some guidance on new agile ways of working, organisations often have their own interpretation of what this means in their context. Agile working is best viewed as a philosophy with frameworks that support this new approach. Therefore, instead of implementing agile in a top-down manner, people should become agile which requires a fundamental change in thinking. This applies to all types of project approaches, whether they are iterative, linear or a combination of both.

The way in which organisations structure themselves has evolved greatly in recent years. Many modern organisations no longer share power top-down in favour of a flat organisation, void of a formal hierarchy, linking authority and autonomy to roles in such a way that a significant level of self-learning and adapting exists. One of the challenges to this organisational model is that it can be difficult for people from different areas of the organisation or different groups to exchange ideas and work collaboratively with each other. An Agile leader must be able to work effectively between different structures/groups and processes.

## Knowledge

Agile frameworks; Agile manifesto and principles; AgilePM<sup>1</sup>; Agnostic Agile; Circle Structure; Developmental stages of an organisation; Lean concepts and principles; Lean Start-up; Modern Agile; Power of attorney; Segregation of duties; Self-steering concepts; Systems approach/thinking; Tribal organisation; Value Stream.

## Skills and Abilities

Agile Mindset; Design Thinking; Lean attitude; Servant leadership; Understanding for Decision Making; Understanding Value Streams; Vision on Waste Reduction.

## Key Competence Indicators / Measures

### **Perspective 2.1. Know and apply the principles of agile work**

- Has knowledge of agile principles and recognises its application. **(A)**
- Explains characteristics of different agile frameworks and recognises them in practice. **(A)**
- Explains and practices the agile way of working. **(A)**
- Perceives and imparts agile concepts within the organisation. **(A)**
- Explains and identifies the current level of agility in an organisation. **(A)**

### **Perspective 2.2. Know and apply the principles of agile programme management**

- Explains the characteristics of the scaling framework that is used. **(A)**
- Explains the concept of scaling agile. **(A)**

### **Perspective 2.3. Know and apply the principles of agile portfolio management**

- Explains characteristics of an agile portfolio – critical success factors (CSFs) and key performance indicators (KPIs). **(A)**
- Knows the concept of managing an agile portfolio (organisational structures and processes). **(A)**
- Sets up a portfolio system to assure that demand is matched to both the value stream and the capabilities of the organisation. **(A)**

### **Perspective 2.4. Align the agile work with the supporting functions**

- Knows the people, processes and services of supporting functions.
- Bridges the gap between the parent organisation and the agile teams. **(A)**
- Establishes and maintains relationships with the supporting function.
- Bridges the gaps between the reporting standards of the parent organisation and the agile way of working. **(A)**

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1 AgilePM is a registered trade mark of the Agile Business Consortium Ltd.

### **Perspective 2.5. Align the agile work with the organisation's decision-making and reporting structures and quality requirements**

- Identifies the organisation's routine and special rules for decision-making in cases beyond their authority and responsibility.
- Aligns the communication in the agile teams with the reporting needs and standards of the parent organisation. **(A)**
- Applies the organisation's way of quality assurance when setting up a reporting system within the parent organisation.

### **Perspective 2.6. Align the agile work with human resource processes and functions**

- Uses the human resource function for acquiring staff with the required authorities.
- Deals with the boundaries between the Agile organisation and the human resource function.
- Establishes and maintains relationships with the human resource function. **(A)**
- Uses human resource processes to provide training and individual development.

### **Perspective 2.7. Align the agile work with finance and control processes and functions**

- Knows the processes of the finance and control function.
- Distinguishes between the compulsory and optional utilities of the finance and control function.
- Monitors and controls whether rules, guidelines and other financial utilities are effectively and efficiently used to the benefit of the agile work. **(A)**
- Communicates and reports the status and trends of financial tasks clearly and objectively.

### **Perspective 2.8. Bridges the principles of classical management and agile work**

- Understands the principles of classical, or traditional, management. **(A)**
- Expresses agile values and principles in a respectful and not in inflexible way. **(A)**
- Understands and can explain typical scenarios when classical management should be used and when agile is more efficient. **(A)**

# Perspective 3: Compliance, Standards and Regulations

## Description

The reduction of waste and the creation of value are objectives that should span across the boundaries of the team and the organisation. Agile Leaders are aware of the bigger context in which they function. Complying with laws and regulations and working to mandatory requirements is a must, as is the need to consider the purpose of their work as it pertains to sustainable development and the impact it has to environment and society.

Agile Leaders should facilitate a culture in their teams where the members reach consent on how they are going to work together to align to standards, regulations, and sustainability goals.

## Knowledge

Consent; Data Protection Regulations; Working Conditions Legislation; Economic capital; Corporate Social Responsibility; Natural capital; Norm; Agreement; Social capital; Standard; Triple Bottom Line; Regulation.

## Skills and Abilities

Adopting Frameworks and Standards; Benchmarking; Communicating Frameworks and Standards; Critical Thinking; Leading by Example.

## Key Competence Indicators / Measures

### **Perspective 3.1. Identify and ensure that the agile work complies with all relevant legislation**

- Acknowledges the legal context and its applications.
- Filters out and uses the relevant regulations.
- Identifies risks in the regulations in relation to the agile work and consults the experts.
- Acknowledges and manages the regulatory agencies as stakeholders.
- Aligns procurement routes with the regulations.

### **Perspective 3.2. Identify and ensure that the agile work complies with all relevant health, safety, security and environmental regulations (HSSE)**

- Identifies the relevant HSSE regulations for the agile work.
- Defines the HSSE context for the agile work.
- Identifies risks arising from implementing HSSE measures to the agile work.
- Provides a safe, secure and healthy environment for the agile team members.
- Applies HSSE for the sustainability of the agile work.

### **Perspective 3.3. Identify and ensure that the agile work complies with all relevant codes of conduct and professional regulation**

- Knows the appropriate codes of business conduct.
- Knows the appropriate professional regulation for the particular industry sector (public administration, civil engineering, information technology, telecommunication, etc).
- Identifies ethical principles.
- Identifies and uses the tacit trading laws not set by applicable codes of conduct.
- Aligns procurement practices with the codes of business conduct.
- Works to prevent violation of the code by the agile team members.

### **Perspective 3.4. Identify and ensure that the agile work complies with relevant sustainability principles and objectives**

- Identifies the social and environmental consequences of the agile work.
- Defines and communicates the sustainability targets for the agile work and its outcomes.
- Aligns objectives with organisational strategy for sustainability.
- Balances the demands of society, the environment and the economy (people, planet, profit) with agile way of working and products.
- Encourages the development and diffusion of environmentally friendly technologies.

### **Perspective 3.5. Assess, use and develop professional standards and tools for the agile work**

- Identifies and uses the relevant professional standards.
- Identifies the specifics of a framework and manages the risks arising from applying a framework to the agile work.
- Identifies and uses the best practice for organising an agile team.
- Develops and implements custom made standards for managing agile team members.

### **Perspective 3.6. Assess, benchmark and improve the organisational agility**

- Identifies and assesses the relevant deficient areas of organisational competence in working agile.
- Identifies and sets relevant benchmarks for the deficient areas.
- Identifies the benchmarking baseline and best practice.
- Benchmarks current performance against the best practice.
- Identifies measures for the needed improvements.
- Implements the identified measures and assesses the benefits gained.
- Disseminates the acquired know-how throughout the organisation.