



# Developing the agile, engaged organisation

Linda Holbeche PhD

# Session outline

- Why 'agile' and what is 'agility'?
- Taking stock: how agile is your organisation? The 'Agility Reference Model'
- Barriers and enablers of agility and resilience
- Building an agile and engaged organisation

# Change as a constant



# In this context, changes become...

**Broad Based**

(systematic and require  
broad support)

**&**

**Fast Paced**

(speed and lack of time)

**with**

**Unpredictable outcomes because of**

**Constant Turbulence**

(past experience is insufficient to guide us)

“The ability of a business to adapt rapidly and cost efficiently in response to changes in the business environment in productive and cost-effective ways.”

“The organisation’s capacity to gain competitive advantage by intelligently, rapidly and pro-actively seizing opportunities and reacting to threats”

# What is 'agility'?

## *KEY CONCEPTS*

- Organisation-wide
- Integrated
- Competitive advantage
- Customer-driven
- Intelligent
- Rapid
- Proactive
- Innovative
- Strategic and operational

**Agility alone is not enough**



# Agility and resilience



# Change-ability = agility + resiliency

- **Agility**

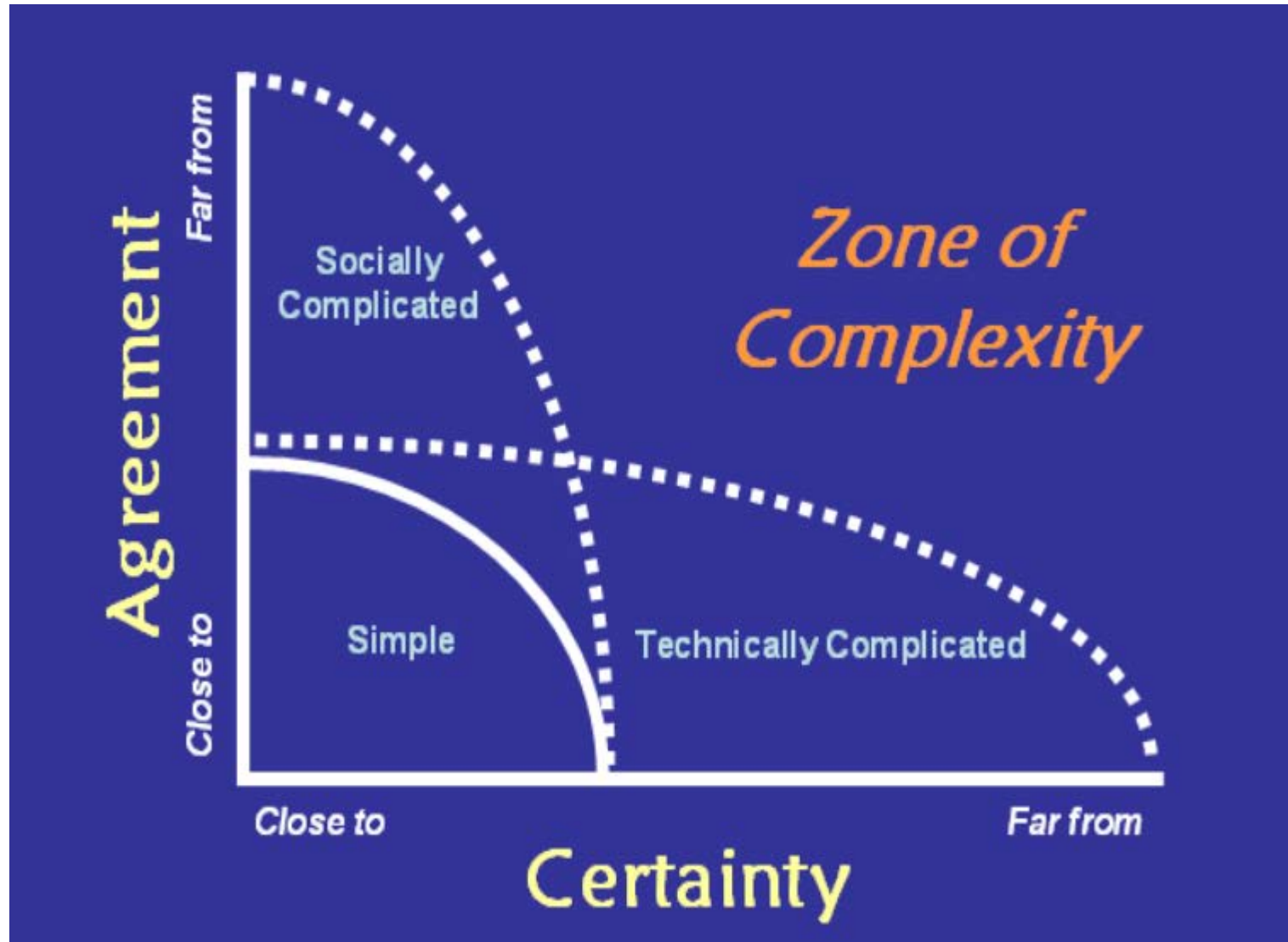
The capacity for moving quickly, flexibly and decisively in anticipating, initiating and taking advantage of opportunities and avoiding negative consequences of change.

- **Resiliency**

Is about robustness of systems. The capacity for resisting, absorbing and responding, even reinventing if required, in response to fast and/or disruptive change that cannot be avoided.



# Stacey matrix



# Working with paradox and ambiguity

short-term - long-term  
business driven - people driven  
formal - informal  
**compliance - enterprise**

# The shadow system

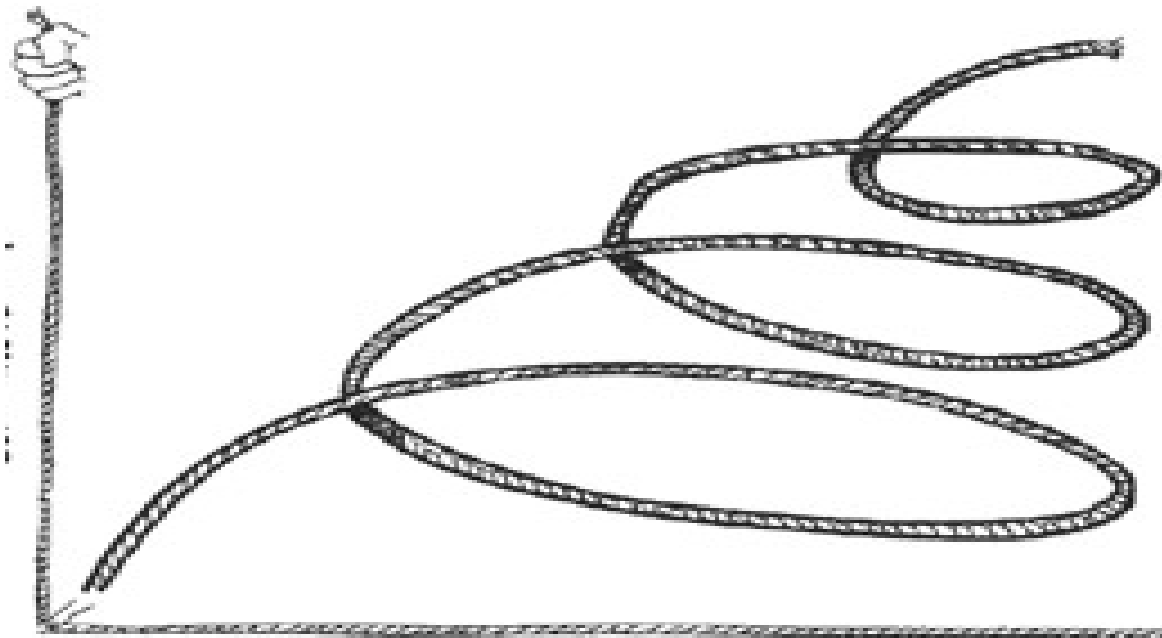


# The shadow system

- Because the shadow system harbours such diversity of thought and approach, it is often the place where much of the creativity resides within an organisation
- While the legitimate system is often focused on procedures, routines and the like, the shadow system has few rules and constraints.
- The diversity, tension and paradox of these two organisations that coexist within one can be a great source of innovation if leaders can learn to listen to, rather than battle against, the shadow

# Reconciling dilemmas

Planning change



Adapting/letting  
change emerge



# ‘Clockware’ and ‘swarmware’

## Balance data and intuition, planning & acting

- **Clockware** (Kevin Kelly) that describes the management processes we all know that involve operating the core production processes of the organisation in a manner that is rational, planned, standardised, repeatable, controlled and measured.
- In contrast, Kelly’s term “**swarmware**” refers to management processes that explore new possibilities through experimentation, trials, autonomy, freedom, intuition and working at the edge of knowledge and experience.



# ‘Clockware’ and ‘swarmware’

- In an informed approach to complexity, it is not a question of saying that one is good and the other is bad. The issue is about finding an appropriate mix for a given situation. Where the world is certain and there is a high level of agreement among agents **clockware** may be appropriate..
- In a **clockware** situation, agents give up some of their freedom and mental models to accomplish something they have collectively agreed upon. Behaviour here becomes more ‘machine’ like.
- Where the world is far from certainty and agreement (near the edge of chaos) **swarmware** is needed with its adaptability, openness to new learning and flexibility.

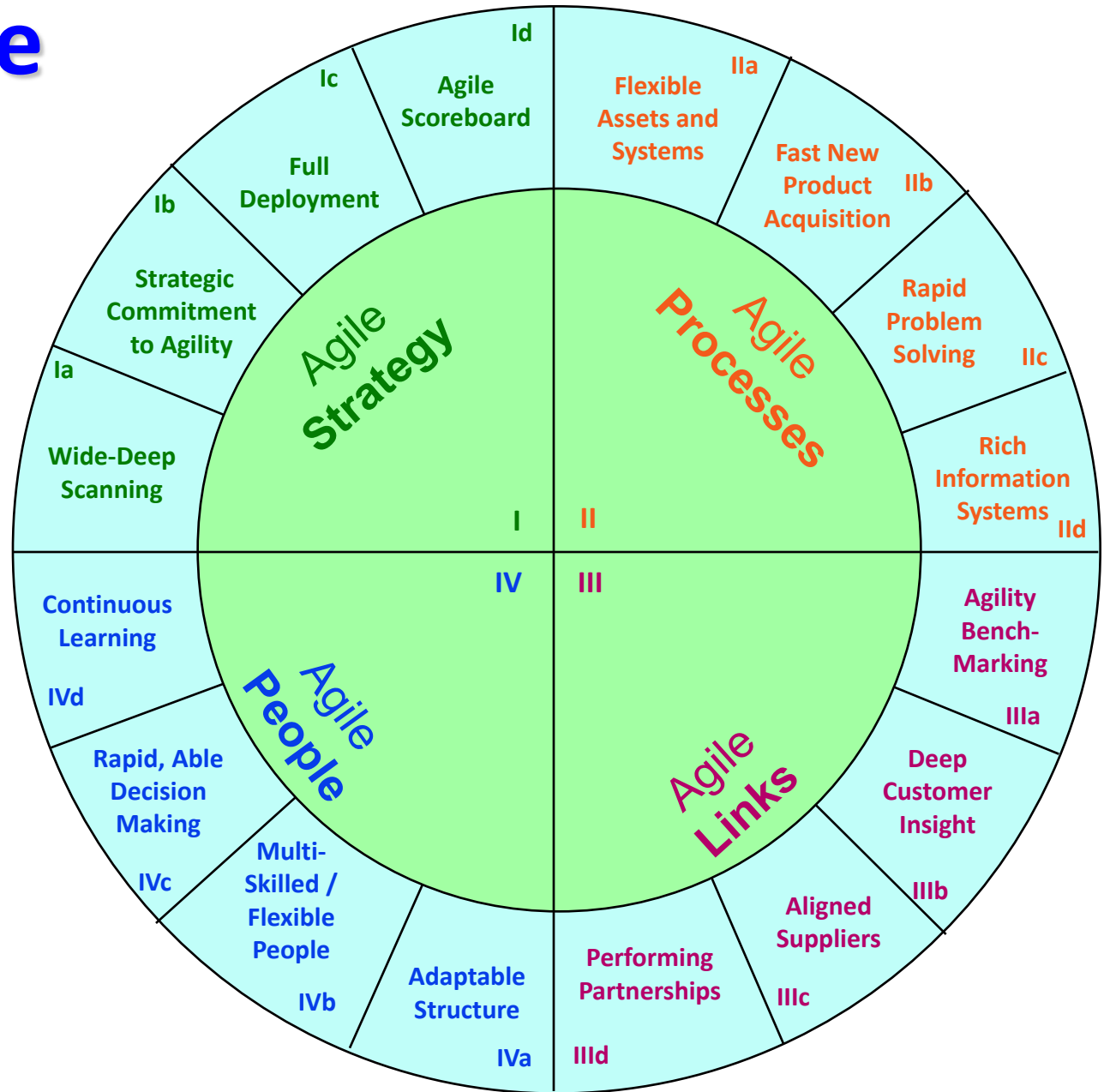


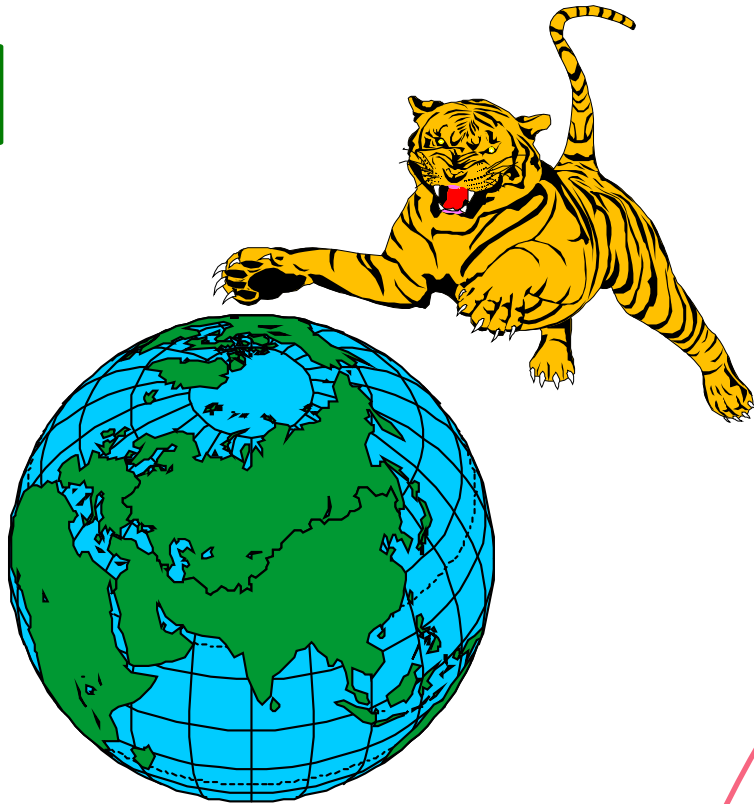
# Emerging principles of complexity

- View your system through the lens of complexity
- Build a good enough vision
- When life is far from certain, lead from the edge with clockware and swarmware in tandem
- Tune your place to the 'edge of chaos'
- Uncover and work paradox and tension
- Go for multiple actions at the fringes, let direction arise
- Create strategy and new sources of value through generative relations
- Listen to the shadow system
- Grow complex systems through chunking
- Nice, forgiving and tough
- Build a space, a community, to convey, concentrate, co-create and learn together.

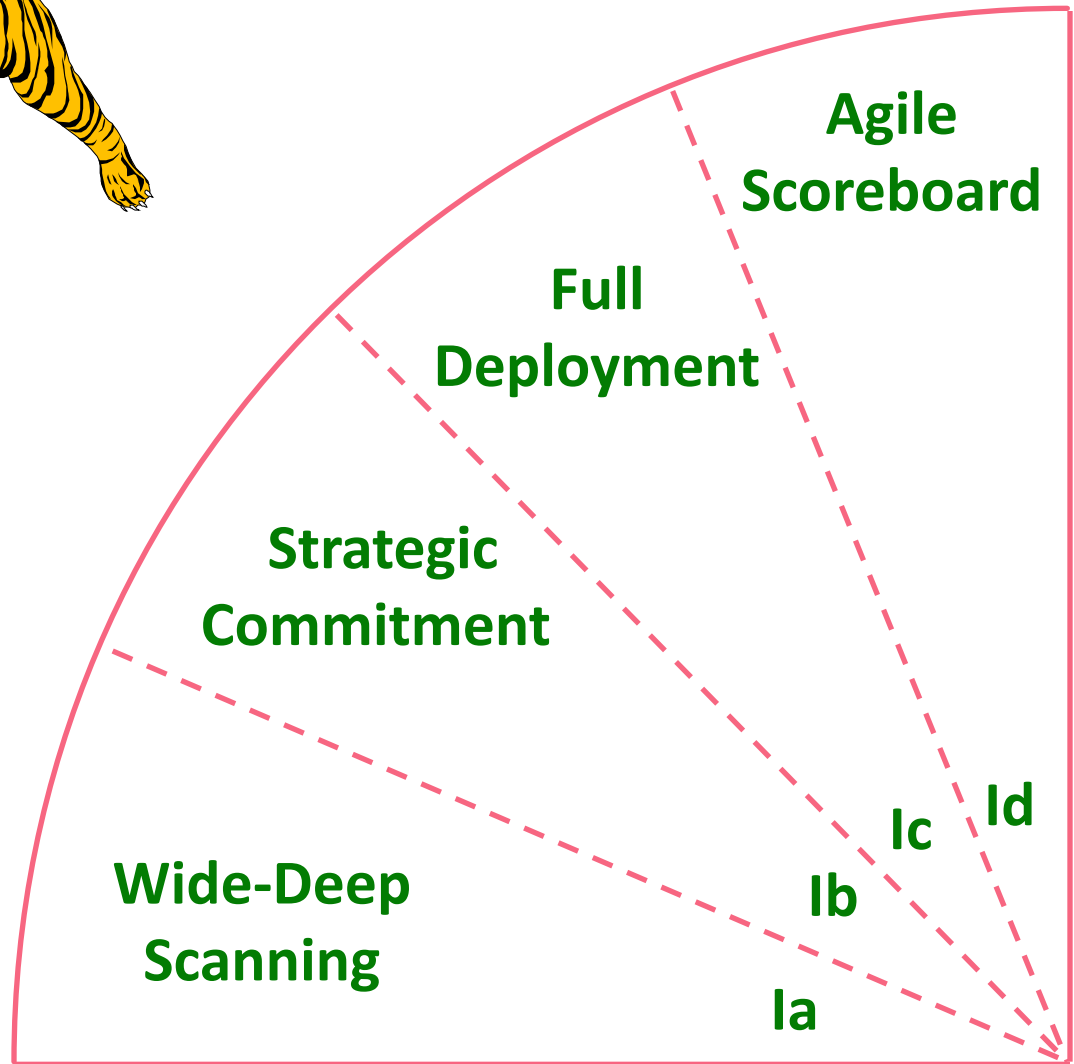


# The Agile Wheel

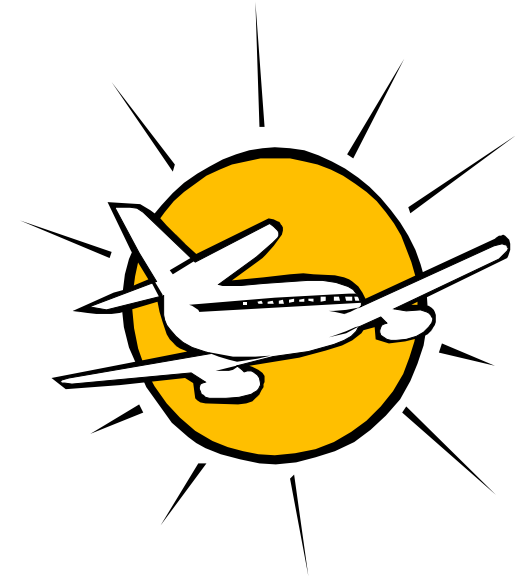




# Agile Strategy



# BA



## 20th Century Travel

- Washbags
- Incommunicado
- Plastic food
- Communal viewing

## 21st Century Travel

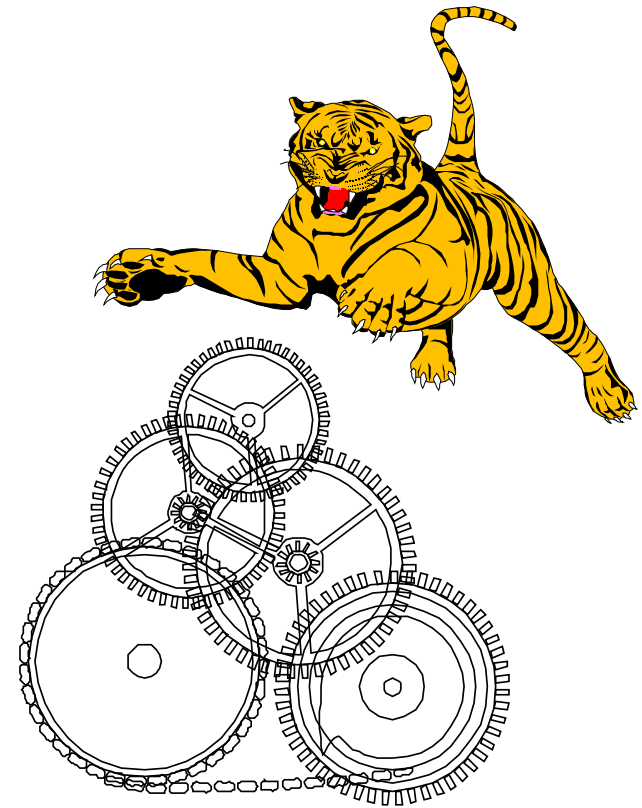
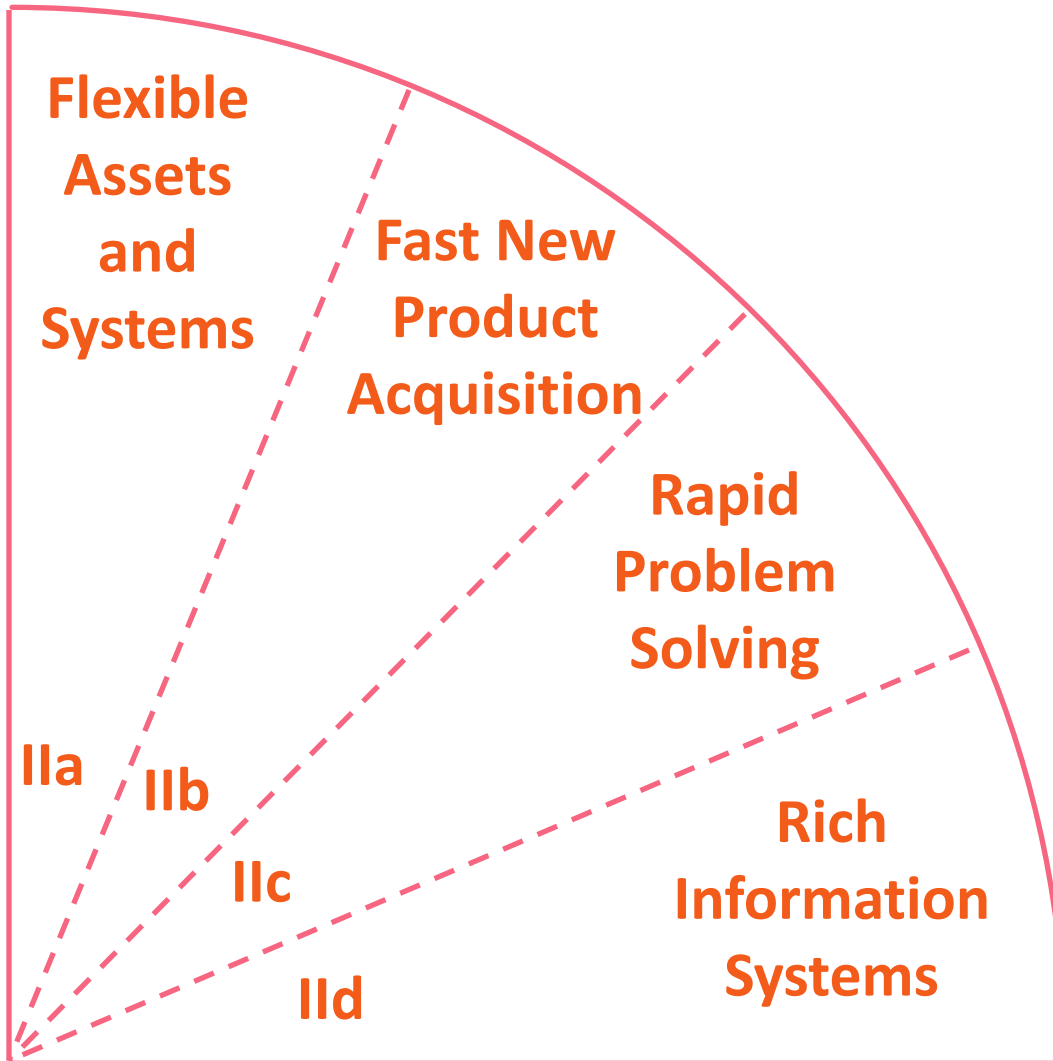
- Beauty regimes
- Accessible
- Flexible Dining
- Individual screening

***“a complete overhaul of services costing one billion dollars”***



# Strategy

- Describe the goals and strategy for your business, program or function. How does it respond to environment or customer ?
- Do the strategy and goals provide clear guidance about the priorities and success factors?
- What are the critical capabilities and technologies required for success? (Provide concrete examples)
- Is there a shared understanding of this strategy to guide coordinated activity across the business or functions?
- Is there enough direction to effectively leverage resources? (Provide concrete examples).

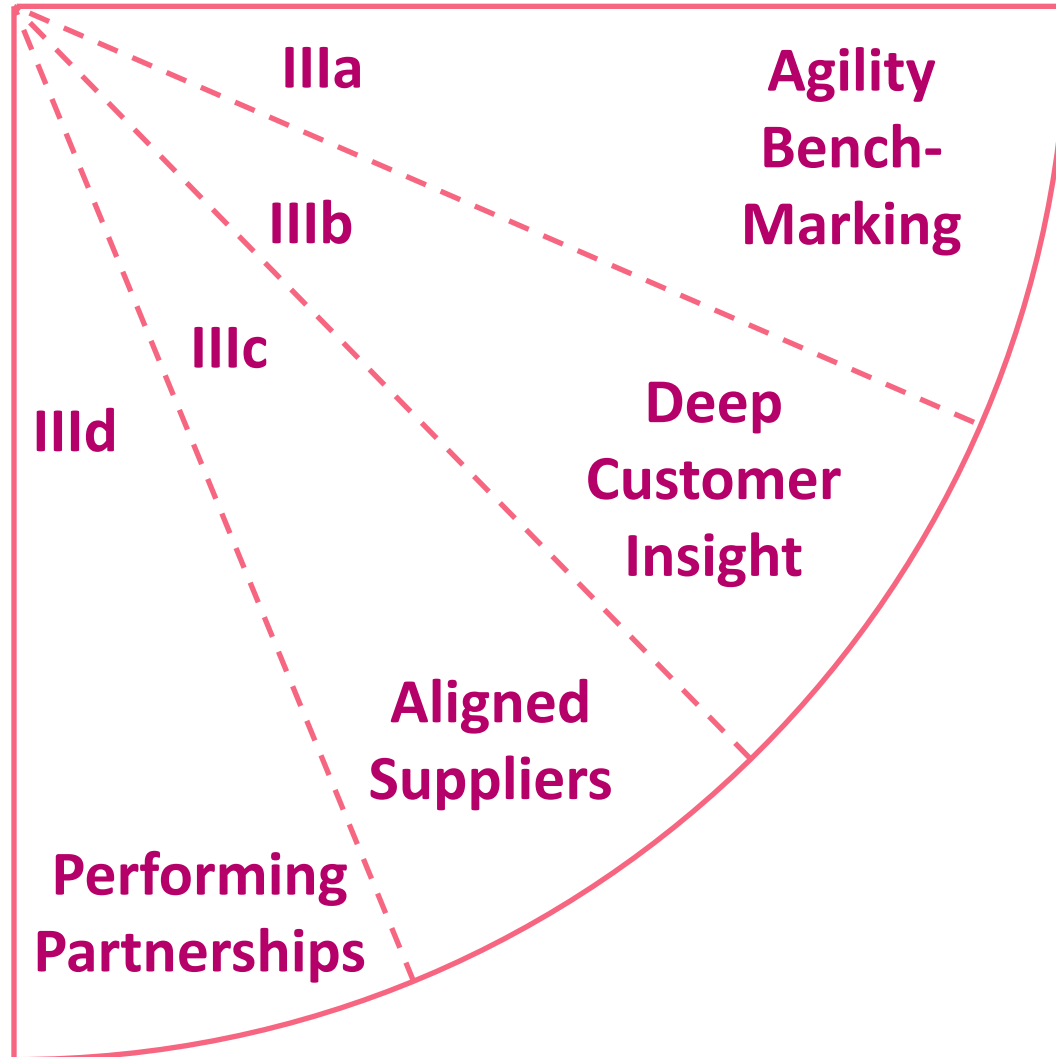


**Agile  
Processes**



e.g. Your management processes...

- Do they motivate and reward required individual team, and business unit performance?
- Does the performance assessment process focus on the key individual and collective performances?
- Does the reward system motivate the needed cooperation among individuals and across various teams and units?
- How quickly are decisions made?
- How well is information and knowledge shared across the organisation? What processes are in place to facilitate this?



# A knowledge-rich context for innovation

- High degrees of employee involvement and development
- Manages information effectively- provides information people need to do their jobs
- Encourages learning from mistakes
- Builds in some slack for creativity
- Manages for diversity
- Rewards creativity and knowledge-sharing



# Lateral integrative mechanisms

**LINE ORGANIZATION UNIT**

**MATRIX ORGANIZATION**

**MANAGEMENT POSITIONS**

Dimension Champions, Project/Program Manager

**FORMAL OVERLAY TEAMS**

**LATERAL INTEGRATING ROLES**

Liaison Roles, Mirror Organizations, Overlapping Membership

**ELECTRONIC COORDINATION**

Project-Ware, Group-Ware, CRM Systems

**BUILDING INFORMAL LATERAL FOUNDATION**

Personal Networks, Co-Location, Rotations, Interdepartmental Events, IT Connections

**ORGANIZATIONAL PROCESSES**

More  
Robust  
Linkages

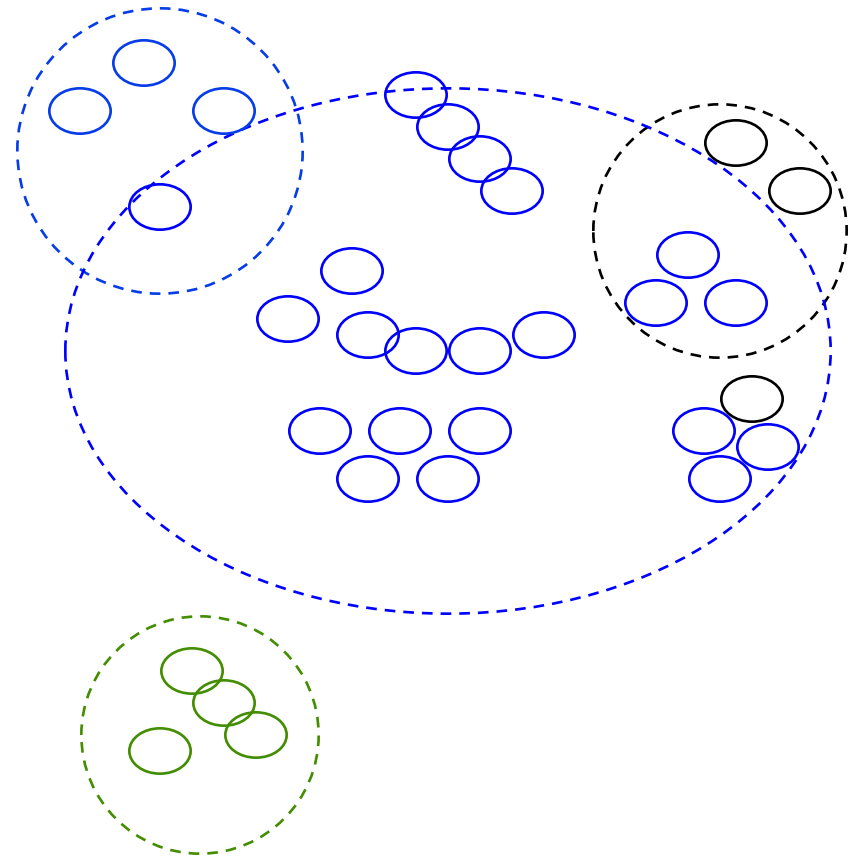
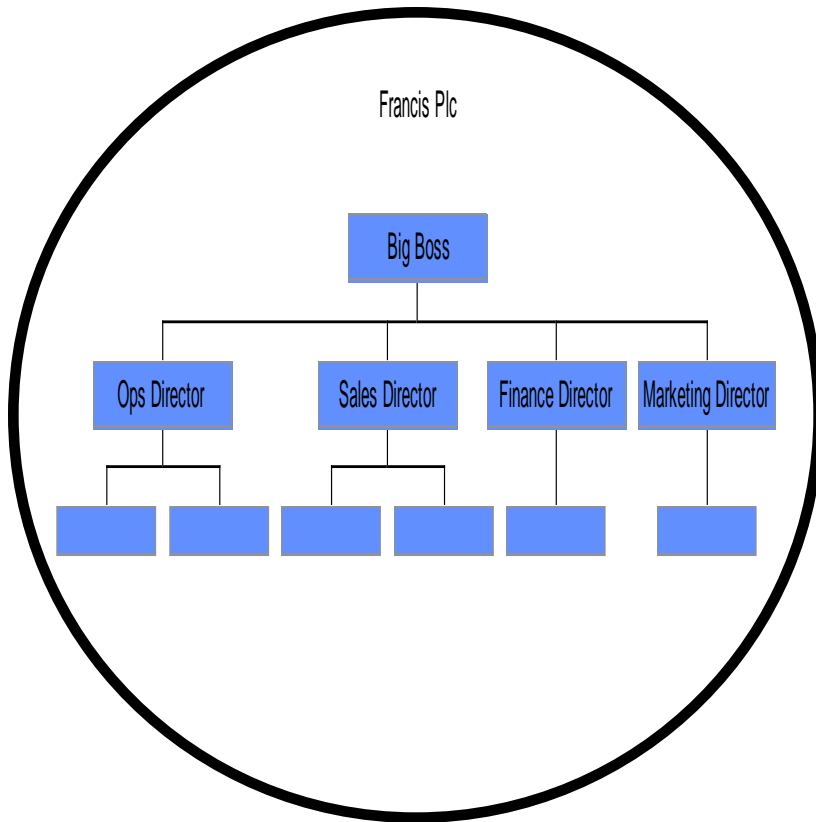
Increasing  
Decision-  
Making  
Power



# Your organisation's linkages

- Are there the right kinds of connections across units and/or with suppliers across units and/or with suppliers, customers and partners to be able to effectively and efficiently make decisions resolve issues and integrate work? Where does this break down?
- Are the various parts of the organization well linked through the information focus of management attention, activities that are clustered and/or integrated, key resources, technology system and decision-making power?"

# From Non-Agile to Agile



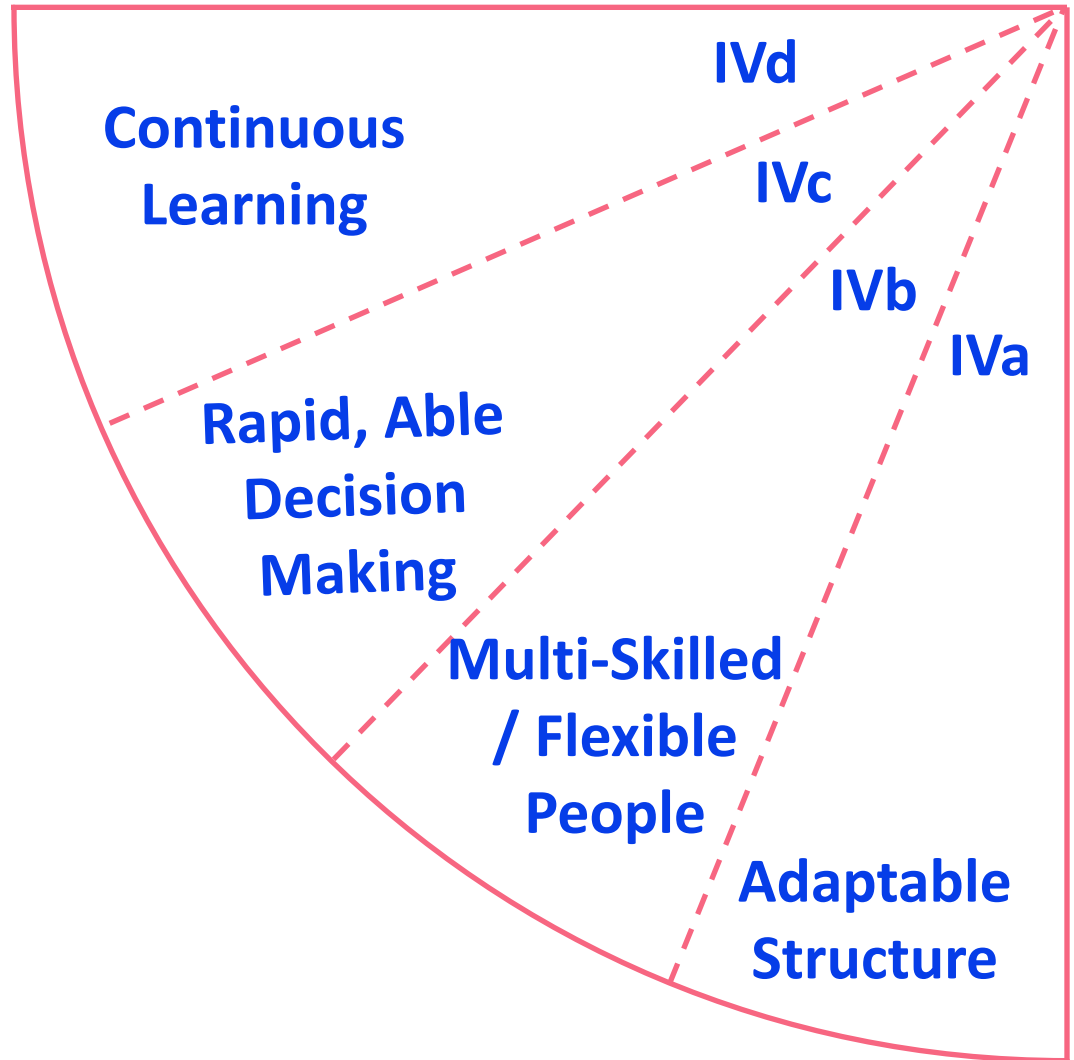


# Your organisation's structure

- How does the current structure facilitate or impede effective management of Work Processes/Capabilities, functions, products, programs, customers, geographies, or partners?
- How does the current structure impede or facilitate work effectiveness/mission accomplishment?

# IV

Agile  
People



# What is 'a resiliently agile workforce'?

“The ‘right’ people focused on the ‘right’ things and engaged in the collective effort”

“A workforce equipped with ‘change-able’ mindsets, skills and behaviours, able to deliver outstanding customer value in fast changing times

## *KEY COMPONENTS*

- Communication
- Structures
- Culture
- Engagement
- Empowerment
- Accountabilities
- Development and learning
- The ‘right’ management and leadership
- Mutuality



# **If organisations are becoming more flexible, process - oriented and complex**

1. What are the main barriers to agility and resilience?
2. What are the implications for organisational culture?
3. What are the implications for:
  - The skills and capabilities people will require?
  - Recruitment and training?
  - The way people will be managed?
4. What are the implications for the way change is managed?
5. How can OD help build agility and resilience?

# Barriers

- Structural
- Cultural
- Mindsets
- Short-termism
- Neglecting the human aspects of change



# A change-able culture ...

- Flexibility of response, structures, systems, roles, mindsets
- Strong connection through (customer) purpose and values
- Change as dynamic stability
- Balance of control and empowerment
- Employee engagement (communications, involvement, employee relations etc)
- Bureaucracy kept to the minimum
- Appropriate checks and balances

# Summary: implications for organisation

- **Everyone needs to be externally aware and savvy** – willing to voice and allow to act on such knowledge
- **Products and services need to be innovated continuously** - to meet the demands of the market place and customers
- **Organisations need to be flexible and adaptable** - in roles, responsibilities and structures.
- **Key staff –need to be able and willing to re-engineering themselves** – flexible sourcing and multi-skilling
- **Costs need to kept low on all fronts** – tapping into the goodwill of local staff to implement the cost cutting initiatives.
- **Organisations need to aim for high engagement with staff** - to tap into the discretionary effort of all their knowledge workers
- **Organisation culture needs to be highly adaptable, agile, organic** with everyone, regardless of rank, act like they are the owner of the business with commitment to invest and contribute to its success.

# Agility-building – key targets

- Improve “sense-making” skills— to better manage uncertainty and ambiguity
- *How?:*
  - Use scenarios to scan and build hypotheses and models about what is happening. Get people to read broadly and explore new ideas together.
- Create and sustain an openness to change
- *How?:*
  - Provide financial rewards and career incentives for innovation and continuous improvement.
- Efficiently and quickly acquire, build, share and apply knowledge to critical priorities
- *How?:*
  - Create a knowledge management process, but communicate clearly and consistently from the top about the big issues.
  - Form fast-response teams around issues.

*Based on McCann, Selskey, Lee (2009)*

# Agility-building: key targets

- Create an action bias throughout the organization
- *How?:*
  - Set clear priorities and deadlines and hold people responsible for meeting them
  - Avoid paralysis in decision making—work on streamlining and clarifying roles/responsibilities in decision-making process
- Develop the ability for quickly deploying and then redeploying resources, talent and skills
- *How?:*
  - Learn to hedge bets and avoid over-commitment. Cross-train and frequently move people around to broaden skill/knowledge base

# Resiliency- building: key targets

- Improve contingency planning and crisis response capabilities.
- *How?*
  - Take simulations, role-playing and scenario planning seriously and make certain the skills and competencies for surprises and crises are built.
- Engage in strategic (enterprise-wide) risk assessment.
- *How?*
  - Think about areas of greatest risk and exposure and develop plans to proactively manage each of them—focus on the higher-risk, under-managed relationships.
- Learn to deal with the consequences of failed plans—“take the hit” and react appropriately.
- *How?*
  - Minimize losses by avoiding escalation and learning from the process to anticipate it better the next time.

# Resiliency-building: key targets

- Develop assets and talents both inside and outside the organization that can be drawn upon to mobilize a response.
- *How?*
  - Alliances and partnerships are critical and need to be developed and sustained, whether financial or otherwise.
- Make it possible for everyone to have a deep, shared belief in your organisation's core values and beliefs.
- *How?*
  - Communicate often and sincerely about the organization's vision and values, making certain these are understood and truly hold meaning and value.
- Be prepared to rethink and redesign your own contribution if required.
- *How?*
  - Develop your transformation skills—know what to preserve that is part of your core identity and what can be given up.

# Kotter's 8 step process for leading change



- Transactional engagement
  - >A set of activities or targets
  - >Usually focussed around a survey
- Transformational engagement
  - >Employees integral to developing and delivering the business strategy
  - >Requires deep belief in the power of people to contribute
- - new and creative products/services
- - outstanding customer/client service and efficiency
- >A belief that our people are the solution, not the problem