

Organisational agility: a holistic approach

The last 12 months have seen dramatic change in all aspects of our lives. Organisations everywhere have had to respond to survive and many haven't succeeded. Everyone who runs an organisation (a grouping of people who are offering a form of service or product) has heard the term organisational agility and are aware of the expectations the term raises. But what does organisational agility actually mean and how is it achieved and demonstrated?

This article explores three dimensions that offer a basis for organisational agility. These dimensions are:

1. Rationale: understand why change is needed.
2. Context: evaluate the organisation and what it offers.
3. Approach: decide on how to act.

The article also introduces four key elements that underpin organisational agility and discusses an approach applied by a case study organisation in response to the global pandemic.

Rationale

There are many factors that cause an organisation to change how it is organised and operates. These drivers for change may be apparent and readily identified, or may need to be sought through business research. The impact caused by change drivers ranges from localised change to extensive organisational transformation. It is possible to consider three types of change driver, as follows:

- Extreme drivers such as a global pandemic where change is inevitable.
- Identifiable drivers such as regulatory change or technology development where change is manageable
- Subtle drivers such as emergent consumer preferences where change is optional (although often advisable).

Identifying and evaluating the drivers are critical first steps. While most organisations are able to do this, they often miss – or elect to miss – some of the more subtle drivers. Sometimes, they may choose to ignore change drivers, even those that are extreme. The ways in which an organisation seeks out and responds to the change drivers, says a great deal about an organisation and its ability to respond with agility.

Context

Analysing the context focuses initially on the different types of organisational leadership. It is also possible to consider three types of leadership styles, as follows:

- Static, head in the sands: trying to ignore what is happening even where the drivers are extreme, or sometimes particularly where the drivers are extreme. Often comfortable with identifiable drivers.
- Aware, waiting for the data to make the decision: deferring action until a business case tells decision makers what to do; always insisting on a business case showing a return on the basis of predictable, financial benefits before approval given.
- Ambitious, focusing on the outcome: assessing each situation at the required pace; forward thinking; acknowledging ambiguity; making decisions using the available data and accepting uncertainty.

The leadership style has an impact on those working within the organisation and is manifest in two key elements for organisational agility: motivation and mindset.

- Motivation is concerned with whether or not there is a drive and acceptance of the need for change. Are the outcomes in view? Is the motivation focused on achieving outcomes?
- Mindset is concerned with whether there is a problem-solving mindset in place. Is there a willingness to uncover the root causes of the problem and move towards the outcomes that will resolve them?

Organisational agility requires positive motivation and a problem-solving mindset. These characteristics must be demonstrated and communicated by the leaders of the organisation and must also be supported at all levels.

Approach

The approach is concerned with deciding how the work to change the organisation will be done. Dave Snowden (BA Conference Europe, 2020) said ‘we need chefs not recipe books’ and this is a critical element for organisational agility. Where organisational agility is the aim, toolkits, approaches and frameworks are needed, defined methods are less helpful so should be avoided or applied advisedly.

Approach covers two further elements required for organisational agility: customer centricity and capability leverage.

- Customer centricity is at the heart of organisational agility and is concerned with ensuring the focus is on meeting customers’ needs rather than achieving internal objectives. It must be based on a clear understanding of the different levels and types of customer, and their value expectations.
- Capability leverage requires the existing and required capabilities for organisational change to be known, developed (if necessary) and leveraged. Applying capability in different contexts or to deliver new or enhanced services enables organisational responsiveness and adaptability.

The elements required for organisational agility are summarised in Figure 1.



Figure 1: Elements required for organisational agility

Case study: AssistKD

Like many other companies offering training services, AssistKD was facing a complex and problematic situation in March 2020. The global pandemic was imposing constraints on physical interaction that were likely to prevent the delivery of many of our services. With venues closing and most travel prohibited, my colleagues and I faced a potentially bleak future. At an early stage, the leadership team were in agreement that this was an extreme situation and an immediate response was necessary. Motivation to take action was very high.

Fortunately, our team included specialists in business analysis, digital technology and business change, expert problem-solvers who used every analytical tool in our collective toolbox to deal with the situation. Perhaps even more fortunately we had a highly motivated, skilled and dedicated team, a robust and adaptable technical infrastructure, and many customers who willed us to succeed and helped where they could. There was a palpable sense of goodwill and collaboration.

We ensured we understood the **rationale** and the issues we were facing. We thought about our organisational **context**, our desired outcomes and our willingness to take action. Finally, we decided on how we were going to **approach** the situation.

There were six key steps we carried out to respond to the situation. These steps are summarised as follows:

1. Ensure leadership and team commitment.
2. Set up the team to do the work. Empower everyone as much as possible. With transformational change, organisational agility is key and control over every element is not possible. Trust must be explicit and real.
3. Apply service thinking. Analyse the service offering to be delivered, the value proposition, the activities and the intended beneficiaries. Consider the value expectations of the beneficiaries, including financial, functional and experiential needs. Ask how it would be possible to collaborate with customers and co-create value. Understand the outcomes all parties want.
4. Apply design thinking. Use the Design Council's double diamond and encourage divergent and convergent thinking to explore and define the problem before exploring and formulating the solution. Apply iterative processes to generate ideas, build prototypes, obtain evaluative feedback and learn. Explore customer experience requirements. Keep in mind that people are people not machines.
5. Understand and leverage capabilities. True enterprise architects are vital and should be supported by business, data and infrastructure architects. Use their skills but direct where they are needed. Evaluate the capabilities to identify where new skills, tools, techniques and equipment are needed.
6. Deliver incrementally where possible. Strive for continuous improvement and value co-creation. Request feedback from customers and everyone in the team. Look for new opportunities for further collaboration and value realisation.

One year on, we look back on the work we did as a team and are amazed at what we have achieved. The three tenets of organisational agility – rationale, context, approach – provided

a strong foundation. The four elements for organisational agility – motivation, mindset, customer centricity and capability leverage - were applied holistically across every part of our service delivery. Everyone learned a lot and continue to do so. Organisational agility doesn't fit a time frame, it is embedded in continuous effort.

Conclusion

While the phrase 'change is constant' is often uttered, some organisations fail to act. Many people talk about 'organisational agility' and fail to appreciate that this requires leadership, trust and holistic action. Along with so many other concerns, last year highlighted where organisational agility really exists and where it is just a convenient tag line. In a world where global change can emerge so quickly, organisations need leaders to understand the essence of organisational agility and the responsibilities this confers upon them. This has never been more important and relevant.

Debra Paul, March 2021



Debra Paul is the Managing Director of Assist Knowledge Development. She is the co-author of Business Analysis, Delivering Business Analysis, Business Analysis Techniques and Agile and Business Analysis.

Debra was a founding member of the BA Conference Europe and the BA Manager Forum.

This article was published in SQ Mag, issue no. 9