

CULTURE & ENGAGEMENT

Accelerate or Get Left Behind

Unlock Growth with an Agile Culture

By Ken Oehler, Todd Mathers, Bria Knorr, and Christopher Adair

KINCENTRIC A Spencer Stuart Company

The Challenge to Innovate and Grow

Organizations face a challenge to **innovate** and **grow** in an exponentially changing environment of disruption and digitization – and to do it quickly. Sitting still is not an option, while running one-time projects to catch up is expensive and fleeting. Leaders can endure and lead in this environment by building lasting organizational agility.

Established business models are being turned upside down by global socio-economic and business trends including the digital revolution and exploding gig economy. Growth and harnessing disruption are on every executive's mind as new competitors and new technologies shorten business cycles and create new customer demand and new ways of reaching customers.

Large complex organizational structures, embedded processes and cultures of past success exacerbate the challenges by slowing down the rapid innovation or reinvention needed to prosper in this new world. Quite simply, organizations must be able to assess and adjust more quickly if they are to survive.



70% Of Fortune 1000 companies have ceased to exist in the last 70 years

68% Of business and HR executives say rapid technological advancement is a significant force impacting their business¹

326 Estimated unicorn companies in 2019²

100 Tech unicorns could IPO in 2019³

\$1B Unicorn company is a privately held start-up valued at over \$1B

1. Culture & Engagement Practice 2019 webinar Get Your People Ready to Adapt and Transform
2. <https://www.cbinsights.com/research/unicorn-startup-market-map/>
3. <https://www.businessinsider.com/over-100-unicorns-could-go-public-2019-ubs-report-2019-4>

The Agile Culture Growth Opportunity

Companies with top quartile levels of organizational agility have more than double the three-year average growth rate of the average organization (15%⁴ vs 7%). “Agile” techniques like design-thinking, sprints and rapidly iterating, minimally viable products have shown remarkable results for technology product development.

Leaders have taken notice and are asking how **agile principles** can be used across many aspects of the organization to **accelerate speed to value** – more than eight out of ten (84%) HR and executive leaders say that becoming agile is an important business priority.⁵

Behind the successful deployment of agile software techniques are **cultural mindsets, decisions and behaviors that focus on customers, collaborative interactions, iterative development and responsiveness to change**.⁶ In order to successfully create organization-wide agility, people must work and behave in line with many of these cultural attributes.

Successfully creating an agile culture requires a cultural convergence of:

- **Intense empathy for customers:** Leaders and employees have the means to listen to, understand, internalize, anticipate, work with and design around customer needs – often before customers have articulated these needs.
- **Co-operation to generate the best ideas:** Leaders and employees have to break down silos and embrace diverse perspectives – openness, candor and psychological safety are key. But, the balancing act is not to have so many people and ideas that nothing gets decided or accomplished, so you also need ...

- **Fast and iterative mobilization:** Leaders and employees need fast decision-making, fast investments and enablement to work and deliver value as fast as possible. This means adoption of an “80% right/100% fast” mindset to take decisions, start and enable work that allows for adjustments, redirection, rework or even stopping – which is often very difficult for many leaders.
- **Openness and readiness to change:** Leaders and employees need to be prepared to leave old ways of doing things behind and focus on the end goal and the best way to get there – even if that feels uncomfortable. A shift to greater cultural agility represents a significant change. As we discuss in our research paper *Continuous Change Requires New Ways of Thinking*, helping leaders and employees become change-ready is key: they need to understand why becoming more agile matters; they need to be emotionally ready to make the change; they need to feel enabled to support the change; and they need to have the intent to embrace becoming more agile.

81% Of employees in high-performing organizations say their companies are responsive to changing customer needs⁴

2X Growth rate for companies with top quartile organizational agility levels⁴

82% Of employees in high-performing companies also say their companies are quick to invest in future ideas⁴

4. Best Employers Study 2018

5. Culture & Engagement Practice 2019 webinar Get Your People Ready to Adapt and Transform

6. <https://assets.uits.iu.edu/pdf/Agile-Manifesto.pdf>

Sprinting Toward Organizational Agility

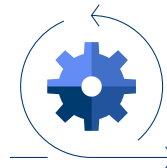
Creating organizational agility represents a significant culture shift for many companies. And, culture change can take time – but it does not have to be that way. In their book, *Sprint*⁷, Knapp, Zeratsky and Kowitz of Google Ventures suggest sprints work best in situations where there are high stakes, not enough time, or where you are just plain stuck. If you are reading this, maybe you are experiencing one or more of these and there is no time like the present to get started.

Here are some sprint ideas to accelerate progress in building agile culture.



The leader as visionary and decider

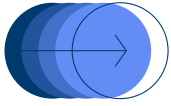
There must be a leader who sees the advantages of becoming more agile, has a vision for how it will help the company flourish and can make the tough calls on what will be done and when to move things forward. You must have this. The CEO as a visionary for organizational agility is a great place to start. The ability to take fast decisions to move groups forward and focus action is a key leadership attribute in agile organizations.



Start with the desired agile employee experience

We suggest defining what agility will look like for you and measuring a baseline to build understanding of the customers of your agile organization – your employees. Previously we described the cultural attributes of agile organizations. We have an Agility Index that is used in pulses and is part of our Best Employer certification process (this is also the index that is correlated with double the growth rate for top quartile companies). Our Agility Index measures employees' perceptions of customer responsiveness, inclusiveness, cross-unit collaboration, decisiveness, accelerated innovation investments and enabling technology. Many organizations we work with supplement this index with defined agile behaviors for leaders and employees.

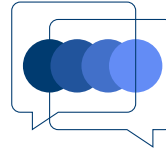
7. *Sprint. How To Solve Big Problems and Test New Ideas in Just Five Days*, J. Knapp, J. Zeratsky, B. Kowitz



Develop a prototype

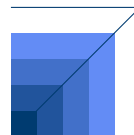
Once you have a vision, a desired experience and some baseline input from employees, it's time to start acting. We suggest starting in small teams or in pilot projects within your organization. We have seen organizations use design thinking for change management, invite cross-functional people from around the globe to week-long sprints for product designs, HR functions applying agile to their survey process, or companies that apply agile sprints to culture change.

The key is to have a well-thought-out idea of what will work and try it. Remember 80% right, 100% fast. We have also seen that success in small groups or pilot projects can quickly gain positive attention from the rest of the organization that kick off tipping-point change dynamics. We have also heard from employees that participating in these activities and being listened to are engaging and inspiring experiences.



Continuous dialogue

Because you have given yourself permission to be incomplete and imperfect, you also need to change the way you listen to your customers and adjust. In many cases, your "customers" will be your employees. Typical surveying and pulsing start by asking a lot of questions and then trying to analyze data and decide on a course of action (and by the way, speeding this process up is not agile). As you have already developed hypothesized outcomes and started acting (prototyping), gathering immediate feedback on what is working and what is not, and a deeper understanding of needs and suggestions to improve, you have made an allowance for quick adjustment. Successful continuous dialogue that has feedback loops to facilitate continuous improvement and accelerates behavior change is, in itself, agile. It requires a strategy and the capability and capacity to take action as we describe in our research,⁸ so spend some time, ask the experts and get this right!



Iterate and scale

As you continue to learn and adjust through continuous dialogue with employees, you can then start to scale the approach and learnings across the organization. Organizations sometimes fail to execute because of insufficient investment of time, resources and technology to scale and enable rapid adoption. Scaling will entail completely new behaviors and will also require leaving some old behaviors (and structures, processes and decision-making) behind.

8. *Continuous Listening* whitepaper, 2017; *Evolve to Continuous Dialogue*, 2018 Employee Experience Research Report, 2018

You are Never “Done”

HR plays a key role in the enablement of organizational agility through talent strategy, continuous dialogue and delivery of an agile employee experience — and through making the HR function itself more agile. As Josh Bersin points out, if agile has transformed software development, so it will transform — or it already is transforming — HR.⁹

One aspect of agile that is important to grasp is that you are never “done”. There is a constant feedback loop between customer and employee needs and the intersection of programs, technology and capabilities to deliver on the experience. With the right mindset, leadership and strategy, combined with continuous dialogue, you can unlock the organizational agility that will accelerate speed to value for employees and customers.

3.10

Employees do not think their organization values diverse opinions

5.10

Employees do not think high-quality decisions are made at the right speed

5.10

Employees do not think different units/ departments effectively cooperate

4.10

Employees think the company technology impedes productivity

What if one of these employees is the one who is ready to change the world?

9. Agile in HR Has Arrived: And It's Growing Fast, J. Bersin, May 2019

How We Can Help

With a long and successful track record of helping clients unlock their employee experience and organizational agility, we can help you measure across the employee lifecycle, from onboarding through to organizational and culture change, conducting regular surveys, as well as targeted pulses for specific events or experiences.

We can also help you assess and develop the leaders of tomorrow, working with you to build a strategic HR function that drives change and transformation.

Regular feedback and reacting swiftly to change are two essential pillars of business agility.

Our combination of Impactful People Solutions, Intuitive Tech Experience and Data-Driven Insight provides organizations with an exceptional competitive advantage.

If you want to know more about how we can help your organization become a more agile organization, please feel free to contact any of the authors of this paper.



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About Kincentric

Kincentric, a Spencer Stuart company, approaches human capital differently — we help you identify what drives your people so they can drive your business. Formerly a part of Aon, our decades of expertise in culture and engagement, leadership assessment and development, and HR and talent advisory services enable us to help organizations change from the inside. And our global network of colleagues, our proven insights and our intuitive technologies give us new ways to help organizations unlock the power of people and teams — fostering change and accelerating success. For more information, please visit kincentric.com.

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