

THE ROLE OF HR IN AN OPTIMAL AGILE ORGANIZATION

Agile has proven its value, but at the same time it puts HR on the spot – What building blocks are needed to support and accelerate the Agile transformation of an organization? In this point of view, we explain these building blocks.





When an organization starts experimenting with Agile, they often start with teams close to the client. Immediate client value! Management sees Agile as a faster and more effective way to respond to the changing client demands and they often then start a large-scale rollout, and then: friction! The supporting organization, including HR, is not yet equipped for the Agile way of working: think for example of a reward structure that is not tailored to an Agile organization and all kinds of other practical and persistent problems.

HR plays an important role in overcoming these obstacles and setting the right conditions (flexibility, transparency, and trust) to enable and accelerate the Agile transformation. We distinguish five building blocks within the HR domain that are crucial for a successful transformation in an Agile organization: Agile people growth, Agile Learning & Development, Agile recruiting, Agile Leadership and Agile teams.

01 | Agile people growth

One of the first areas where friction will occur when Agile spreads throughout the organization is in the area of performance management. There are several shortcomings in the traditional annual performance review and the processes built around it. The Agile way of working painfully exposes these shortcomings. We distinguish three areas of attention, which help to shift the focus from traditional performance management to continuous employee development.

Process

Within the Agile way of working, an employee should initiate his or her own performance review. It goes without saying that the organization should make the right resources available to do so, but it is up to the employee to take the lead: when, and in which focus areas do I want to discuss my performance? And above all: what is important to me? In general, this means having more frequent conversations team leaders and team members, directly linked to the moment of performance.

Continuous feed forward

This is about both the action (giving forward-looking feedback) and the culture (accepting each other, and even expecting, that feed forward is given naturally). Only this way an organization can really improve and learn continuously. In addition, there should be no fear of the consequences when asking for- or giving feedback. Everyone should recognize it as a mechanism to learn and improve (instead of a blaming mechanism). Feedback must be shared with a focus on the future, with the emphasis on growth and “how to improve next time”, rather than discussing what went wrong. The impact of the cultural change will vary per organization, but the following applies to all organizations: Lead by example (Agile leadership) is crucial. So Agile leaders - be open about made mistakes, be vulnerable and show what you have learned from it!

Rewards

Within the Agile way of working, the individual bonus that is paid annually can be replaced by a ‘spot bonus’. A spot bonus is a bonus for the entire Agile team paid directly when an achievement has been accomplished, in order to link the reward directly to the performance. In truly mature Agile organizations, the team can distribute the bonus among themselves at their own discretion. Furthermore, there should be complete transparency about the individual rewards (and their rationale). In an organization where the performance and value of people are openly discussed, there should also be an open salary culture in line with this.





02 | Agile learning & development

An Agile organization responds rapidly to the changing market. This requires a certain level of flexibility from employees in adopting new skills and knowledge where HR can support by adjusting the learning & development accordingly. Within the organization, a flexible development plan is needed as well as a platform that covers all learning needs for individuals to develop both vertically and horizontally. Agile learning and development places less emphasis on formal learning and more on creating a learning culture. The focus is on flexible learning, by which we mean to learn what is needed at a specific moment, preferably directly from colleagues.

Learning culture

The Agile way of working offers numerous opportunities to learn from colleagues. A culture of learning should continuously drive the eagerness to learn. Employees have a constant need for new knowledge that allows them to respond to changing market demands. To foster this learning culture, the right development platforms must be in place within the organization with opportunities for employees to develop their skills and knowledge. HR can support by offering the right content for this purpose, setting up guidelines and by offering the train-the-trainer concept which enables colleagues to learn from each other. This way, the informal knowledge networks within organizations are activated because colleagues are learning from each other.

Learning agility

The new way of working does not necessarily require employees to learn 100% new knowledge, but a high level of eagerness to learn (in Agile terms: learning agility) is important. When Agile teams are formed, HR increasingly focuses on roles in which skills are required rather than on traditional job profiles with tasks and

responsibilities. The changing world requires more project-based working, where eagerness to learn is an important characteristic where we look for in employees. This is characterized by: 1) willingness to learn new behavior and letting go of old behavior and 2) to be able to recognize patterns in one situation and to apply them in a new or an unknown situation. In other words: when you end up in a new and unfamiliar situation, you know what to do.

Flexible succession planning

The current form of succession planning is focused on long term and static skills sets. HR can accelerate the selection of employees with the right skillsets by implementing a flexible succession planning. A flexible planning contributes to the Agile philosophy by assuming that the required leadership skills within an organization are subject to change. By conducting more frequent skill analyses and going through the succession process more often, the organization works on T-shaped colleagues up to the top of the organization.

03 | Agile recruiting

Recruitment is an area in which HR can quickly experiment with the Agile ways of working within their department. Value can be gained by becoming more efficient and responding to HR's own internal clients, meaning the business. In addition, this way HR can better support Agile teams with their own agile experience.

Candidate fit & journey

The biggest challenge for recruitment is to create a process that selects the right employees who fit the Agile organization. The focus should be more on the candidates' learning agility and the Agile mindset that allows them to develop quickly within the organization. A clear value proposition that defines the 'candidate journey' and a suitable assessment ensure the selection of the right employees.

Agile recruitment

Recruitment is well suited for using the Kanban methodology. Kanban is used in Lean to identify bottlenecks and signal when action is required. By using Kanban you can quickly identify bottlenecks and inefficiencies in the recruiting process and identify where a candidate is in the recruitment process. On the one hand, candidates can be recruited and selected faster for the internal client and on the other hand, it ensures that candidates have a positive first experience with the company, improving the employer branding.

Ownership team

Moving all recruitment processes from HR to the business would be too much to ask. This is dependent on the maturity of teams and even then, it requires a lot of time from team members. Nevertheless, it is important to achieve good collaboration between HR and the business because the business can best determine what is needed to fit within the team. Setting up a virtual recruitment team facilitated by HR can help with this ensuring a recruitment responsibility in the business.

04 | Agile leadership

Although experimenting with Agile often starts in the teams closest to the client, the support for a complete and successful Agile transformation must come from leadership who sets the example, supported by HR. We identify three pillars that successful Agile leaders should pay attention to: defining your purpose, facilitative leadership, and leading by example. These pillars are critical for the success of the Agile transformation and must therefore be addressed first.

Defining your purpose

Having a 'purpose' for the organization is the start of everything. It is the dot on the horizon, which ideally combines the 'what' and the 'why'. The purpose of this dot on the horizon is to provide direction, without being prescriptive. It should be inspiring and appealing, easy for teams to base their own purpose on, in which they also answer the 'how'. It is crucial within the Agile way of working that the 'how' is determined by the teams themselves. After all, they are the experts on the floor, and on top of that it is also a proven way to strengthen employee engagement.

Lead by example

"Leading by example" refers to setting a good example. This is not only the 'visual' aspect (a scrum board in the board room is not enough), but it is mainly about the values of Agile: does management convey the Agile values of flexibility, transparency and trust to each other and the rest of the organization?

Facilitative leadership

A different style of leadership is required within the Agile way of working. Leadership is still needed (e.g. for defining the 'purpose'), but it must shift from directive to supporting or facilitating. It is up to the leader to enable the team to get the most out of themselves. In other words, to remove barriers that are hindering delivery. If you still want to call yourself "Chief", then choose "Chief Impediment Remover" - and act accordingly!

05 | Agile teams

Where many organizations are still organized in traditional hierarchical structures, an Agile organization is flat in terms of structure, the reporting lines are shorter, and the teams are centered around the client. This ensures there is a lot of autonomy and focus within the Agile teams that together form the Agile organization. At the same time, this comes with various challenges where HR has a role to facilitate.

Network of teams

In an Agile organizational structure with autonomous Agile teams, the main pitfall is that teams work in silos. This means that a lot of potential for knowledge sharing and collaboration is lost. HR has a crucial role in providing the right tools and structure that help guarantee a network of teams. Within teams the power of so-called 'network centers' can be exploited; people who by nature or because of their expertise play a connecting role between teams. On the other hand, there are 'network edges'; people who, for example due to their type of work, have little dependency or collaboration with other teams. HR can support by creating a network of teams and connecting these people in the right way and the right place to the benefit of the organization. In addition, it is important to set up so-called guilds to ensure knowledge sharing and connection between teams. This way, people from different teams with similar interests are connected to share knowledge and jointly develop further in their area of expertise.

Ownership & autonomy

When teams are expected to deliver added value for their clients quickly, a high degree of autonomy and ownership is required. To promote both ownership and autonomy, it is important that multidisciplinary teams are end-to-end responsible for their product. Eliminate as many handover moments as possible and link a team directly to the client. This way, the team experiences the impact of their work directly, which ensures a greater level of ownership and autonomy. By means of a 'team manifesto' the team determines their own purpose which contributes to the purpose of the organization.

High performing teams

In a mature Agile organization, new teams are likely to be formed for new projects. In order to deliver value quickly, the teams are required to become effective and mature rapidly. Teams go through Tuckman's well-known norming, forming, storming and performing stages when they are formed. In the Agile way of working, "retrospectives" ensure an acceleration of this process, since teams continuously reflect on dynamics and the process with each other. As a result, teams grow quickly to the performing stage, but the team cohesion is promoted as well. HR can facilitate this process by increasing the quality of retrospectives and constructive feedback with the right support, training and tools.



Conclusion

It is evident that there is work to be done by HR if it wants to make the Agile transformation a success. HR should seize the opportunity as an accelerator and supporter of the transition to an Agile organization. However, this comes with many challenges! Putting self-organizing teams at the center requires a re-evaluation of HR services, structures and systems. Where to start? Adopt a client centric approach and consider where the most value for your client as HR lies. Start small and start experimenting as an Agile team!



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