

Agile Enterprise

High-Performance Capabilities

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THE ENVIRONMENT IS PREDICTABLY UNPREDICTABLE

Technology and human behaviors have transformed dramatically in the last ten to twenty years, but organizations have not kept up. The pace of disruption has become both overwhelming and unpredictable. Fueled by accelerated technological innovation and dense interdependencies, the world is increasingly interconnected and complex. Much of what was true yesterday may not be true today and almost certainly will not be true tomorrow. This newfound complexity has shaped the operating environment in ways we could not have previously imagined. Business agility is the new currency of sustained success.

Despite the growing uncertainty across industries, many companies are leveraging “business-as-usual” management systems that focus on reductionist practices engineered for a reality that no longer exists. Such practices assume that the best decisions are made at the top of an organizational pyramid, operational silos create efficiency, and plans are meant to be executed and not revisited. These assumptions may have held true in the more stable era in which they were formed, but today, they set us up to fail.

The 20th-century approach to management is no longer working. Maximizing efficiency, squeezing out every drop of productivity, and slashing costs are no longer sufficient. Simply being the biggest is not enough to guarantee victory. Siloes and bureaucratic processes slow you down. Carefully laid, detailed strategic plans are ruined by unforeseen variables, and organizations with rigid structures are too inflexible to adapt. In today’s fast-paced, interconnected world, efficiency is still necessary but no longer sufficient for success and effectiveness.

What organizations need to prioritize is agility. Agility enables some businesses to innovate continuously, seize new opportunities, and adapt to emergent threats. Of course, this is easier said than done. It requires revisiting our fundamental assumptions about management, asking teams to work together differently, and reframing the role of our leaders.

THE AGILE ENTERPRISE SYSTEM

The good news is this: an agile way of operating is better for everyone. When organizations accelerate their speed-to-market, their customer satisfaction improves, they can more predictably deliver their forecasted results, and their employees are more engaged in the work they do every day. Individual teams within an organization are often pockets of elite excellence and agility, but there is often a breakdown in teamwork and effectiveness at the enterprise level. Today's organizations must capture the agility of small teams at the organizational level, creating a large, nimble enterprise. Each function is empowered correctly and constantly adapting to the environment.

We call this new way of working CrossLead, where organizations must learn to operate like small teams to achieve agility at scale.

There are four fundamental capabilities of high-performance in CrossLead's Agile Enterprise system:



Trust



Common Purpose



**Shared
Consciousness**



**Empowered
Execution**

Organizations that can sustain agility have a tremendous advantage over their competitors. An agile organization is one that can respond to changes in the environment in real-time, responding to risks and making decisions faster than others, securing a competitive advantage in a rapidly changing environment. Consistently adapting to ever-shifting circumstances will guarantee increased value for your organization. Complexity will continue to grow – organizations must fundamentally transform the way they operate to keep up. The path forward is clear: become an agile organization or get left behind.

FUNDAMENTAL CAPABILITIES OF HIGH PERFORMANCE

Organizations that thrive in unpredictable environments make an unwavering commitment to the fundamentals of any high-performing team. **Four capabilities can summarize them:**

Trust

In an experiment-driven ecosystem, failure is inevitable. Individuals and teams will be unwilling to discuss their failures if they fear retribution; this denies the organization insight that will help it improve. Behavior patterns within and across teams must engender trust, or they risk undermining the ecosystem. At the organizational level, trust takes two forms: interpersonal trust between employees and faith in the fairness of the institution itself.

A supportive environment, or a culture of trust between employees, is foundational to an organization's ability to adapt to change. When teams believe that their colleagues have good intentions and are generally motivated to do the right thing, they are more likely to share information and engage in effective collaboration readily. This sentiment supports the cross-functional dialogue necessary to spread ideas throughout an organization. Similarly, if employees feel interpersonal trust with one another, they are less likely to fear social rejection when sharing creative, innovative ideas. This encourages employees to advance their teams and organization.

Operational objectivity enables high degrees of trust, where teammates perceive their leadership to be credible and fair. This means that employees have faith that decisions are made based on the best available information and reasoning, rather than arbitrarily or based on biases or favoritism. This type of culture motivates high performance and sharing ideas because individuals believe they will be rewarded and respected for their contributions. Both interpersonal trust and operational objectivity are required for an agile organization.

Common Purpose

A compelling vision focuses teams on the same objective. All adaptations should be in service of realizing that vision through relentless prioritization. Common Purpose is achieved when employees across teams have a shared understanding of the enterprise's goals and an emotional commitment to its success.

Goal alignment occurs when employees have a clear sense of how their responsibilities contribute to the goals of their team or department. Similarly, they understand how the goals of their department contribute to the larger mission of the organization. Keeping these cascading and interconnected goals in mind enables teams to understand how they support their objectives. It also gives them the appropriate context to know when it is necessary to subordinate their own team's goals to benefit the organization's mission. When the environment is changing quickly, goal alignment keeps the organization moving in the same direction.

Emotional connection to the organization's success and vision also creates a Common Purpose. If employees genuinely care about the organization's future, they are more likely to engage with its mission and work tirelessly to make it successful. Adapting to change can be an exhausting process and requires genuine emotional commitment and motivation from employees.

Shared Consciousness

The collective wisdom of the enterprise is one of its most valuable resources. Transparency should be the default setting – in meetings, document repositories, team communication platforms, and elsewhere. By creating network effects, you harness the enterprise's intellectual capital and accelerate the rate of learning.

Shared Consciousness is an emergent intelligence that stems from a high density of interactions between teammates; in other words, there is a high level of transparency so that employees know what challenges their teams are facing and the pursuits and challenges of other teams in the organization. Shared Consciousness is measured by the presence of three organizational characteristics: information sharing, collaboration, and situational awareness.

Information sharing means that all organizational knowledge is accessible for those who need it to succeed in their jobs; information is readily spread across silos, and team members are inclined to share, rather than withhold, information by default. Similarly, organizations that are strong in information sharing have systems in place for making the information public. Those who need it either for action or understanding can locate it easily. This is particularly critical for organizations operating in complex environments, where circumstances change frequently and information becomes outdated quickly.

Collaboration, both within and across teams, allows teams to leverage the necessary cross-functional expertise they need to make decisions and execute quickly. Cohesion between teams enables teammates to prepare for emergent opportunities and equips them with access to the resources they need to be successful.

Situational awareness, a shared understanding of the internal and external operating environments, indicates that teams acknowledge how their actions impact one another and share the same perspective on what external events are relevant to their industry. Interdependence between teams is healthy and necessary in an adaptive enterprise. Maintaining an appreciation for the interconnectedness of efforts across teams enables them to function more cohesively, without losing the autonomy necessary for quick action.

Empowered Execution

Those closest to work should have the most significant vote in how it's accomplished. Most agile organizations push decisions down to the lowest appropriate level, especially time-critical and recurrent choices. The team or person closest to a particular problem should be permitted to solve it with minimum interference from higher-ranking employees in the organization. There are three core elements to empowered execution: empowerment, guidance, and shared ownership.

Empowerment means that teams can organize their work autonomously and make the necessary decisions to accomplish their objectives without regularly seeking approvals from higher layers of management. This enables teams to work faster and adapt to new information more quickly, as they have more control over their planning processes.

Guidance from leaders must be given to frame limitations on a team or individual's decision space; for example, a team might know that it can self-organize its work but might have to ask permission before pivoting the core functionality of a product it is developing. Certain strategic decisions will inevitably be debated at higher levels of management or among other teams. Teammates need to understand which decisions fall outside the team's decision space scope.

Shared ownership is present if employees feel that leadership trusts them enough to make decisions and will respect their decisions. With shared ownership, employees are more likely to take responsibility for outcomes. In this environment, employees and teams can be held accountable for their actions and decisions and are thus more motivated to accomplish their objectives.

CONCLUSION

This is the CrossLead Agile Enterprise System. When organizations develop these fundamental capabilities, they can become a network of high-performing teams that continuously reinvents themselves to meet the demands of the realities in which they operate. The result is a more engaged workforce and in tune with external reality, teams that work together without falling apart, and leaders at every level making decisions that reflect a collective understanding of their impact on the enterprise.

The essential elements of an effective change management process are well-understood. Decades of management research support the thesis that transformation requires creating awareness of the need to change, building the skills necessary to implement the change, and positively reinforcing the desired behavior and outcomes.

Yet, until recently, this was a process reserved for “big” change efforts. Major policy rollouts, changes in strategic direction, or a new ERP system might trigger a change management effort. In an agile organization, all management is change management. The same phases occur but in a constant pattern. If change is painful, then everything will be painful. Leaders and teams must change organizational habits by continuously learning, adapting, and sharing their lessons.

Business agility is achieved by creating an ecosystem where information flows freely, and teams are empowered to adapt as they learn. Sharing is what scales agility across an organization. It isn't enough to learn as a team; teams must know as a collective enterprise.

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