

# AGILITY IN ACTION

## BUILDING A THRIVING WORKFORCE FOR THE DIGITAL AGE

Mercer

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# AGENDA

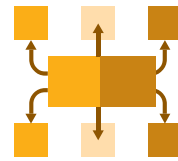
01



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Why

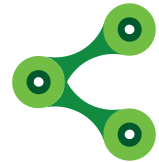
02



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What

03



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How

# 01

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## Why



## **Agility** *noun*

**- the ability to move quickly and easily in response to changes in your environment**



How are you agile in your life outside of work?





IBM System 360





**Research**

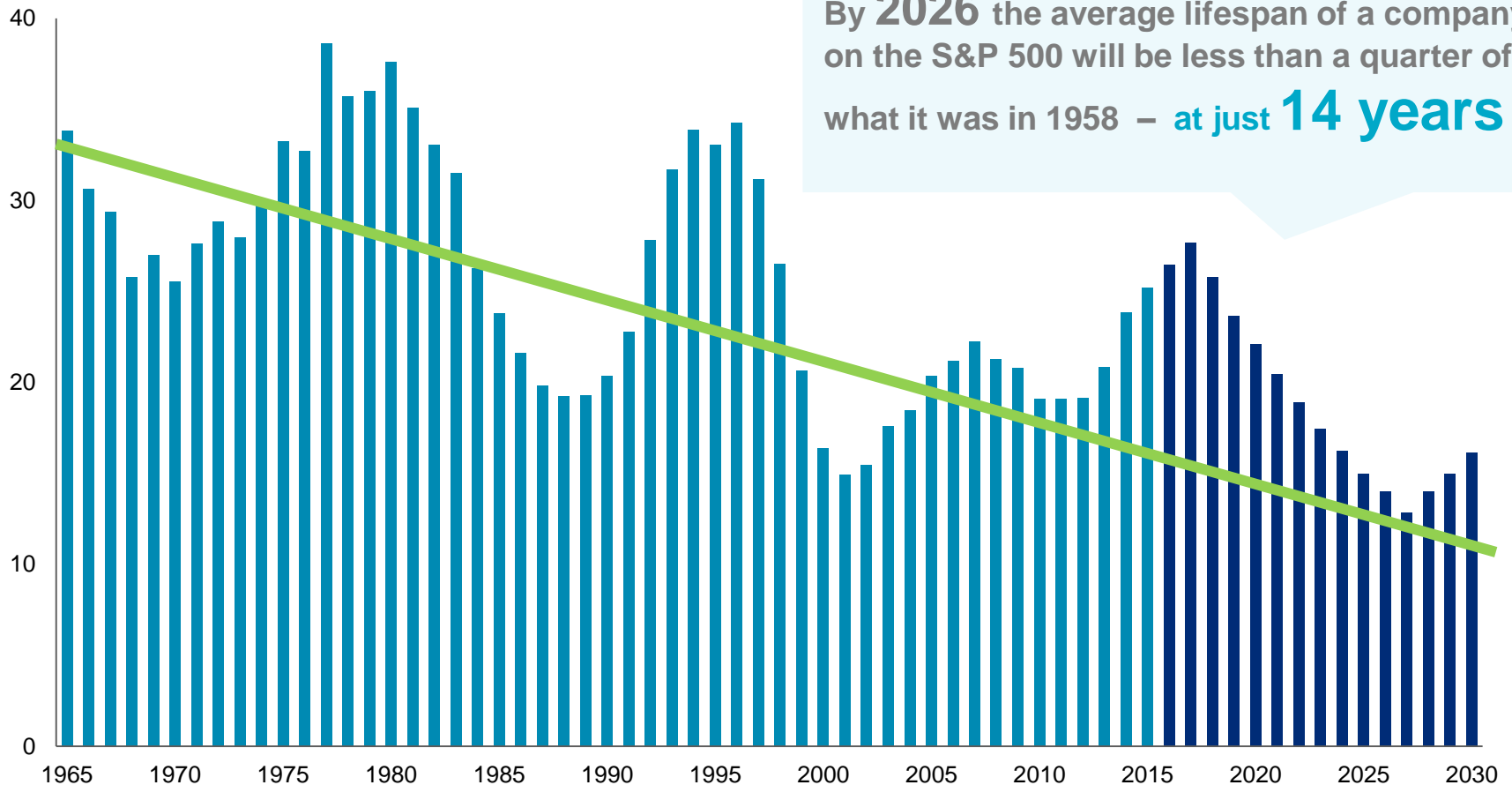
**Capabilities & Skills**

**Customer Relationships**

**Technology**

# 50% OF S&P 500 WILL BE REPLACED IN NEXT 10 YEARS

Average company lifespan on S&P 500 (in years)<sup>1</sup>



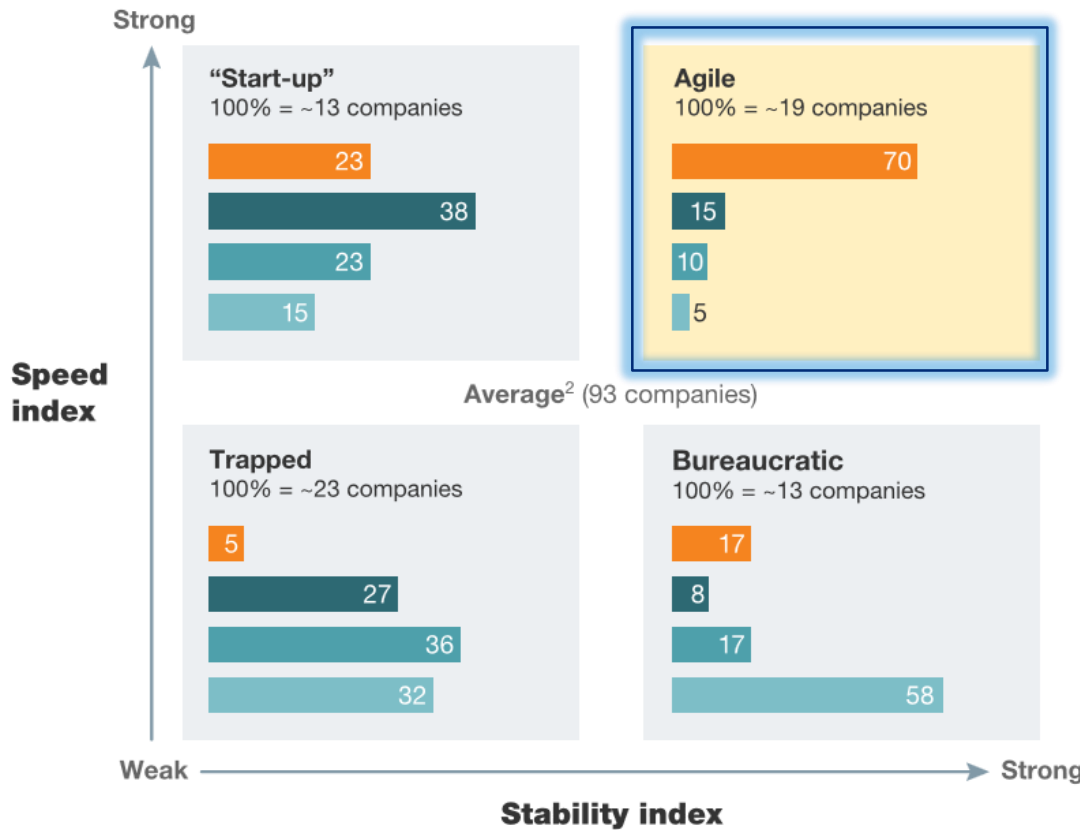
1. Innosight analysis based on public S&P 500 data sources Source: Creative Destruction Whips through Corporate America, INNOSIGHT, 2015

# WHAT CAN HR DO? ...TOP 10 MANAGEMENT PRACTICES OF AGILE ORGANISATIONS

Company Performance

■ Top quartile   
 ■ Second quartile   
 ■ Third quartile   
 ■ Bottom quartile

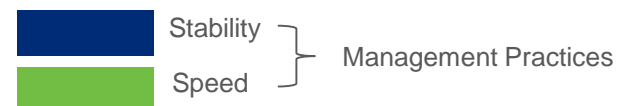
Rank for most agile



- | Rank for most agile | Management Practice        |
|---------------------|----------------------------|
| 1                   | Ongoing role clarity       |
| 2                   | Focused innovation         |
| 3                   | Capturing external ideas   |
| 4                   | Process based capabilities |
| 5                   | Operationally disciplined  |
| 6                   | Compete for best ideas     |
| 7                   | Meaningful values          |
| 8                   | Knowledge sharing          |
| 9                   | Inspirational leaders      |
| 10                  | People performance review  |

Source: Adapted from McKinsey, (2015) Why agility pays (2015)

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# CHANGING STRUCTURES IS TOP OF THE PRIORITY LIST OF EXECUTIVES



**Executives: 2 in 5** have transformation metrics on scorecard



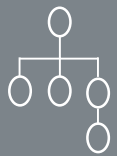
**HR: 1 in 5** have redesigning structures as a 2018 priority

## Top changes being planned by the C-suite

1. Combining support functions within shared services
2. Augmenting certain roles / functions / departments
3. Increasing regional control
4. Building internal / external networked communities
5. Flattening org structure
6. Forming self-driven, holacratic work teams
7. Decentralizing authority

## Reasons cited for these changes

1. Greater efficiency
2. Increased automation
3. Reduced costs
4. Increase agility
5. Increased innovating
6. Increased digitalization
7. Increased speed to market
8. Greater customer intimacy



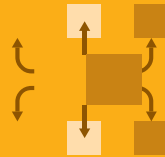
96%

of executives are planning structural changes this year

# 02

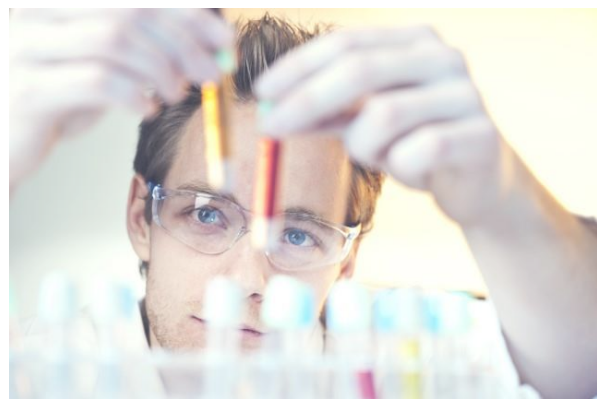
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## What





***“Agility is the ability of an organisation to anticipate and respond to relevant changes in its environment quickly and effectively. ”***





## Bezos' Principles

1. A **customer-first** mindset
2. Turning institutional skills into **new businesses**
3. A focus on the **road-map for the future**
4. Creating multiple paths to **yes**
5. Continuous **creation** of new businesses
6. Acting as “**chief slowdown officer**” for big bets
7. A willingness to take **risks** and **acquire** new institutional skills

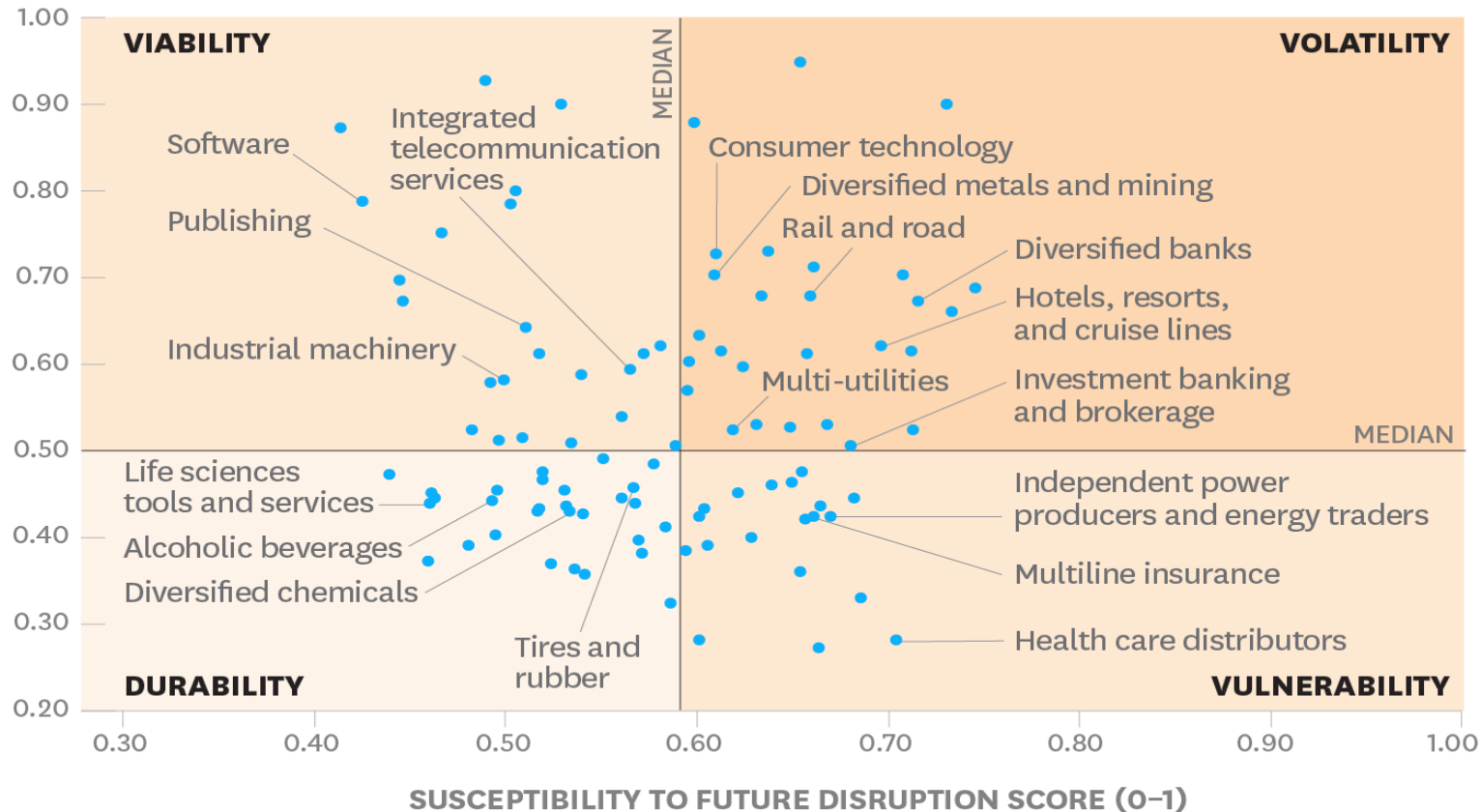


# WHERE IS YOUR INDUSTRY?

## The Four States of Disruption

How susceptible is your industry?

CURRENT LEVEL OF DISRUPTION SCORE (0-1)

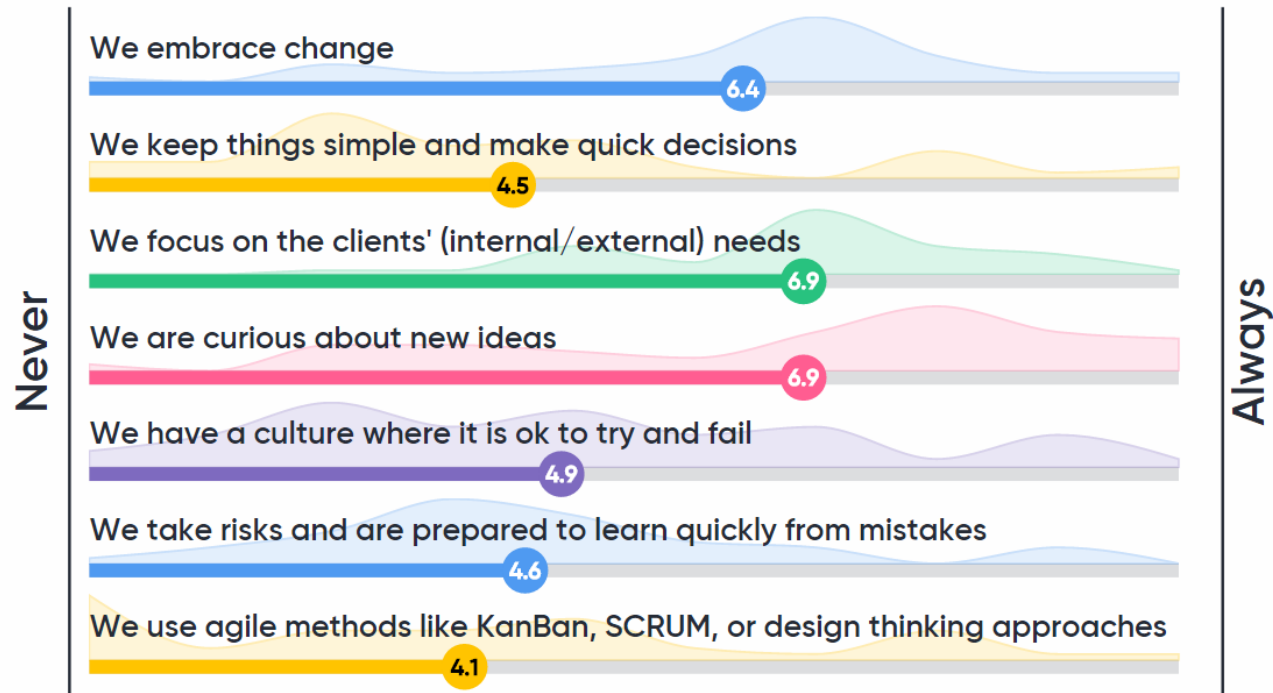


SOURCE ACCENTURE RESEARCH'S DISRUPTABILITY INDEX, SEPTEMBER 2017

© HBR.ORG

Source: HBR, 2018 How Likely is your Industry to be Disrupted? Link: <https://hbr.org/2018/01/how-likely-is-your-industry-to-be-disrupted-this-2x2-matrix-will-tell-you>

# How often does your organisation do the following?<sup>\*</sup>



 41

# HR CAN TAKE A LEADING ROLE IN ENABLING IN ORGANISATIONAL AGILITY



**Purpose: Learning Agility Campaigns to Accelerate Rates of Learning**



**People: Shift to On-the-Job Leadership Development**



**Process: New On-Demand Workforce to Assemble Furniture**

**Swedish made simple.**

Furniture assembly just got easier with TaskRabbit.




**What are your priorities for agility?**

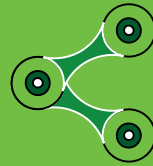




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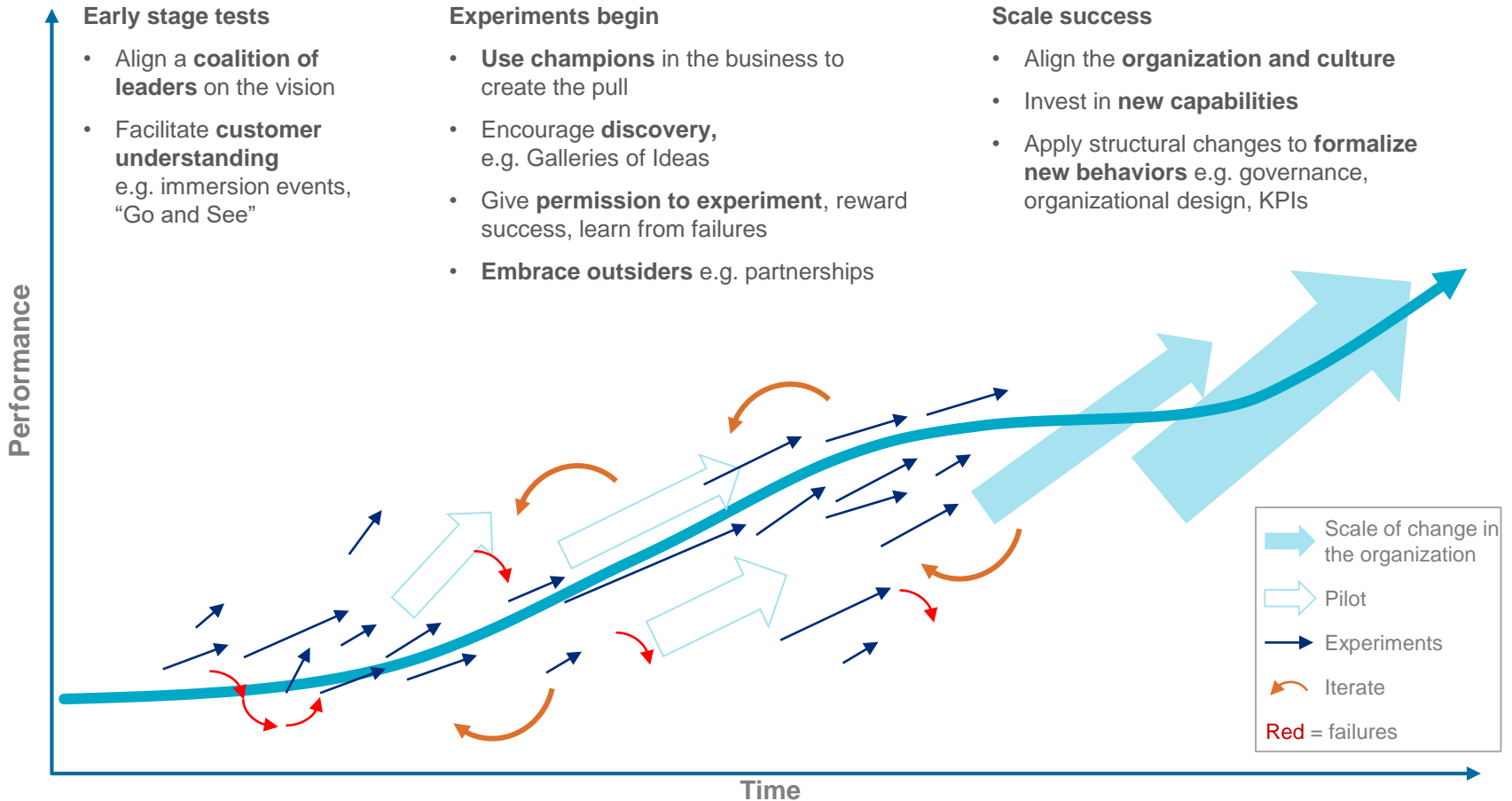
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## How



# START SMALL, COMPLETE EARLY STAGE TESTING, LEARN AS YOU GO AND SCALE UP.

## Test - Experiment – Scale



Source: Oliver Wyman

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What can HR do to support agility?



**01**

**PEOPLE**

*Building leadership for next generation agile organisations*

**02**

**PURPOSE**

*Evolving performance culture to accelerate agility*

**03**

**PROCESS**

*A radical new approach... the Agile Talent Company*





1. What was your biggest insight about agility for your organisation?



2. What will you do to increase your personal agility?

# AGILITY IN ACTION TAKEAWAYS

1. Companies seeking to increase agility as the desired “output” sometimes make the mistake of focusing solely on deploying Agile processes as their “input” to achieve it. **Agile methodologies and agility are not the same thing.**
2. **Agility is the ability of the an organisation to anticipate and respond to relevant changes in its environment quickly and effectively.** Outline what agility should look like for your **specific organisation** and industry context.
3. There is significant evidence that part of what makes agile companies special is their ability to balance **agility** and rapid change, on the one hand, with organisational clarity, **stability**, and structure, on the other<sup>1</sup>.
4. Change is required at both a **company and an individual level**; building one or the other will not achieve desired results.
5. HR can take the lead on building agility, and has three main levers for change: **people** (i.e. talent and leadership), **purpose** (i.e. direction and culture) and **process.**( i.e. structure, organisation, process and system).

