

AGILE ORGANISATIONS IN HUMAN RESOURCE MANAGEMENT

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ABSTRACT

The high performing organisations today operate as empowered networks, coordinated through culture, information system and talent mobility. Companies now are focussing on redesigning their organisations by developing new organisation models. And many organisations are not only designing but building new organisations. As networks and ecosystems replace organisational hierarchies, the traditional question “for whom do you work?” has been replaced by “with whom do you work?” The managers are realising that building the right organisation structure is crucial for their organisation. The article aims to provide a brief picture about the transition in organisations from hierarchy and beurocracy based organisation to modern open and network-based organisation structure.

Keywords:

INTRODUCTION

The way high performing organisations operate today is radically different from how they operated ten years ago. Yet there are several organisations which tend to operate with models that are hundred years or more, weighed down by legacy practices, systems and behaviours that must be confronted and discarded before true change can take hold. In the past organisations were designed for efficiency and effectiveness, leading to complicated and siloed organisations. The resulting business models, which were based on predictable commercial patterns, are unsuited to an era of unpredictability and disruption. Instead of mere efficiency the organisations must be designed for speed, agility, and adaptability to enable them to compete and win in today’s global environment.

An important part of designing for adaptability is shifting from hierarchical organisational structures to towards models where work is accomplished in teams. The leading companies are pushing towards a more team-centric and flexible model. As organisations make this transition, they find that small teams are a natural way for humans to work. Research shows that people spend more than two orders of magnitude more time with people near their desk than those who are fifty metres away from their desk. The real day to day work is being done in the form of networks. This is why organisation of future is a network of teams.

The top companies are being built around systems that encourage teams and individuals to meet each other, share information transparently and move from team to team depending on the issue to be addressed. Different networks can have different specialities, such as innovation and getting to markets, however, their principle is same.

For a company to be agile, teams must be formed and disbanded quickly. High performing companies today build a “digital customer experience” group, select individuals for the team and ask them to design or build a new product or service in a year or two. Afterward, the team disperses as team members move on to new projects. This ability to move in teams without risk is a critical attribute of today’s high performing companies.

Recently, a North American Bank undertook an initiative to design a new way of working to deliver solutions faster while competing with the fintech and other unconventional players that compete on the basis of customer experience, digital interfaces and rapid time to market in product delivery. The proposed operating model focussed on embedding agile practices and using network crossed functional teams of developers, coders, business analysts, and user design experts to focus on specific product outcome. After finishing work in one area, teams would be redistributed and the next project will begin.

STARTING AT THE EDGE

Nearly all surveyed companies (94 percent) report that “are critical to their organization’s success, yet only 6 percent say that they are “highly agile today”; 19 presents describe themselves as “not agile”. Fortunately, there is tremendous progress in this area. Among this year’s survey respondents, 32 presents say that are now designing their organization to be more adaptable and team-centric.

High-performing companies often first develop these flexible models at the “edge” of the company. To make further progress, they focus on building a new leadership mind-set that reward innovation, experimentation, learning, and customer-centric design thinking. In short, if what a company needs to know and do is constantly changing then the organization’s structure must change as well.

NEXT STEP: BUILDING THE ORGANISATION OF THE FUTURE

Many new tools and techniques offer valuable contribution to building the organisation of the future. One promising technique is organizational network analysis (ONA), which uses specialized software and methodologies to help companies' study "who is talking to whom." This type of analysis, which can use patterns in emails, instant messages, physical proximity and other data, allows leaders to see quickly what networks are in place and identify the connectors and experts.

Simplification of work practices and new work tools are critical as well. While a networked organization makes sense for agility and responsiveness, it also increases the need to coordinate teams and can lead to an overwhelming number of meetings, emails and communications channels. Cognitive overload can dramatically reduce productivity.

New organisation models also require a new approach to leadership. Leader of networked teams in agile organization, resilience and systems thinking. In some cases, the most experienced leader and business until heads may be the wrong people to take charge of digital, agile, networked teams. As we discuss in our chapter in leadership, effective leaders in a networked environment must have a high degree of network intelligence, getting to know what's going throughout their company, throughout their industry and throughout the customer marketplace.

As networked organizations continue to emerge, new tools are starting to make collaboration easier. Facebook's workplace, slack, google team drives, Atlassian confluence, Microsoft skype and hundreds of other are helping to facilitate the transition to networks of teams. Nearly three-quarters of companies (73 percent) are now experimenting with these tools- and benefiting in unique ways. For instance, a public museum in Sydney now uses Jira, an agile management tool, to keep track of burned-out light bulbs. An auto distributor in Maine uses hipchart to monitor tire pressures and repair items in its warehouses.

BUILDING IN ACCOUNTABILITY

Empowering people to make decisions and relating in networks of interactions does not mean that people are no longer accountable for results. In fact, one objective of an agile network is to use goal-setting to support success.

In teams, accountability becomes more transparent. Individual and team goals and metrics should be shared for everyone to see, the sense of accountability this can create is critical to team and corporate effectiveness. Indeed, among 17 top practices in high-impact leadership, an organization's ability to clearly define decision-making practices and clarify accountability featured among the top drivers of outstanding financial outcomes.

For instance, a large telecommunications company in Asia has embraced real-time dashboards that measure customer acquisition, customer satisfaction, hiring, employee satisfaction and financial profitability across all 1,000 of its small business teams. This infrastructure, built on the top of its SAP backbone, gives the entire company transparency, accountability and the ability to adapt quickly.

Philips lighting conducted a series of workshops around the world to help the company identify its traditional current and future values in order to build alignment around a new, more innovative culture. The company created a common manifesto around four new culture. The company creates a common manifesto around four new culture values (pioneering, caring, fast and external focus) to help the company empower teams. Rapidly innovate and move into lighting services and new market for internet-based lamination.

CASE STUDY: THE NEW ORGANISATIONS ARE NETWORKED

One key capability of the organization of the future is the ability to form teams rapidly. This requires a clear understanding of each employee's skills. One huge organization that has mastered this capability is the US Department of Defence (DOD).

DOD's military population includes over 7 million personnel on active, guard and reserve duty, including Retired/Ready Reserve personal subject to call back – and, despite its massive size, has created one of the most complete, detailed views of its workforce that any organization has achieved. For every soldier, DOD grades his or her leadership experience and skill; captures occupational specialties with details on levels of experience; and compiles a complete services history that encompasses both DOD and non-DOD skill, including degrees and certifications.

With this information, DOD can make agile, highly targeted deployments- in essence, teams or networks of teams-from its population of 7 million. Over the last decade, DOD has developed the capability to deploy either a single individual or a specifically chosen group anywhere in the world with relative ease.

For business, DOD's example offers clear lessons. Organization should create a basic framework for understanding and measuring its complement of skills across the enterprises. Most organizations have not invested in a common framework' without it, a clear understanding of capabilities is impossible. But a framework alone isn't enough. The system only works if the data are current and easily accessible.

Another example of organization agility is a leading North American insurance provider's creation of a digital insurance platform that allows consumers to buy policies online in a few simple steps.

Aside from the legal and regulatory challenges to deploying such a platform, the company had no experience with agile programs. It had to transform itself and learn new ways of working at the same time. Most fundamentally, the organization had to restructure itself to enable greater collaboration, communication, employee empowerment and information flow.

The structure of the legacy organization, composed of over 2,200 employees under a traditional command-and-control model, was not right for the new venture. The company set up a separate entity of about 700 employees and contractors that reported directly to the senior vice president leadership team and CEO. The entity both hired new talent and assigned current employees to the program, empowering them to make decisions in the best interest of the program with little or no influence from the legacy organization. It also established a flexible organization and governance structure centred around the agile methodology: a network of teams grouped by product functionality, technical domains and operational readiness, reporting to program leaders with the authority to approve final decisions.

The programs entity set up a variety of ways to enable anyone to raise and view issues, escalate decisions when required and ultimately facilitate a collaborative environment. From a talent perspective, continuous coaching, learning and teaming employees with other types of workers (such as contractors) allowed for a diverse and collegial environment, increasing agility and removing decision roadblocks.

The legacy organization was engaged with the program team to support the design and delivery of the program. The interaction between the legacy organization and the new entity were defined in advance, and while it took effort and time to reach the point where the model worked effectively, this was critical to the success of the program.

The digital platform that grew out of this work transformed how people purchase insurance and is setting a new precedent for how insurers should do business. Now the company is working to bring key components of this flexible organisation structure into the entire enterprise to change how it does business daily.

TRADITIONAL ORGANISATIONS vs MODERN ORGANISATIONS

The traditional organisation structures were organised for efficiency and effectiveness while the modern organisations aim at continuous innovation and learning. Hierarchy of relationships which was a prominent feature of the traditional organisations has been replaced by agile and modern structure of organisations fuelled by collaboration and knowledge sharing. The traditional structure of organisation was based on functions being performed by functional managers, roles and responsibilities were defined wherein the modern organisations only have the work and objective defined. The roles and responsibilities keep changing from project to project. In the old organisation structures people become leaders by promotion whereas people in modern organisations "create followers" to gain influence and authority. Thus, the old system of organisation which was rule based has been replaced by a playbook system of dealing with organisational challenges wherein the works are not process based rather they are project based.

CONCLUSION

As the new type of organization takes hold, working in teams will likely become the norm in business and dynamism will become an organizational hallmark. Building and supporting teams will be leader's principal tasks. Software to help companies benefit from teaming may also become standard.

Leading organisations will offer dynamic developmental opportunities for employees to build their careers, while companies that continue to operate in the old manner will likely struggle to keep up. In this new world, more nimble organizations will have certain advantages, but successful large organizations will keep pace by building stronger ecosystems and partnerships that broaden their workforces and capabilities.

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