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Additional Information:

- This conference paper was presented at the Loughborough School of Business and Economics (SBE) Doctoral Conference 2015 http://www.sbeconference2015.co.uk/

Metadata Record: https://dspace.lboro.ac.uk/2134/19949

Version: Published

Publisher: © The Author. Published by Loughborough University

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Please cite the published version.
Agile Organisational Transformation Paradigm

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Abstract

The terms 'organisational transformation' and 'change' have become an area of interest in the recent past, and to some extent have become buzzwords. This research seeks to build on the current body of knowledge to establish an understanding of Agile Organisational Transformation, beginning with understanding the motivation for change. The focus of the research is to understand the importance of a systemic approach towards Agile organisational transformation and thereby reflect what transformation truly means. An understanding of transformation within the context of this research will be defined, and the nature of transformation and how it applies to organisations at a systemic level will be discussed. In addition a crucial distinction will be made between organisational transformation and other forms of organisational change.

As an industry embedded researcher a unique perspective of the case under study is presented. While emersion in the case and working closely with the subject is an essential part of this research, being both an employee and researcher presents its own challenges, not least in finding the balance between the roles.

Keywords: Agile; Organisation; Transformation; Change; Systems Thinking, Embedded Researcher

The Problem

In a world where everything is available at the touch of a screen, organisations are under immense pressure to deliver. Over the past 50 years markets have changed dramatically with the growth of globalisation and significant developments in science and technology (Kose & Ozturk 2014). It is becoming necessary for organisations to learn, and learn quickly, to tolerate change. Those organisations who embrace rapid change and make it part of their culture will emerge with an important competitive advantage in an ever more competitive environment (Ewenstein et al 2015).

Traditional, tried and tested approaches are no longer delivering the results they once did (Pourdehnad & Bharathy 2004). Furthermore it is not enough for organisations to adapt to change, they must embrace it and influence it, in order to achieve sustainable success long term (Conboy & Fitzgerald 2004)

This study is based on a case within IS, however the problem is not industry exclusive. In 2014, Gen. Stanley McChrystal spoke of his time at JSOC (Joint Special Operations Command). He described them as a highly effective, incredibly efficient organisation whose elite members were rigorously trained and equipped with superior technology. Despite winning almost every firefight, they were losing the war. McChrystals instincts were telling him to push harder, to get better at what they were doing, and eventually they would succeed. He likened this to a thousand people chopping at a tree in an attempt to bring it down – none of them hitting the same spot and so not achieving their goal.

It was not until they transformed their approach, moved away from efficiency and towards adaptability, that they were able to defeat al-Qaida in Iraq. Organisations such as Blockbuster, Borders, IBM and Nokia have all been effected by fast changing markets and technologies. In some cases, an inability to respond to change has meant bankruptcy for organisations that once held prominence in their industry. When the market is rapidly changing, organisations must follow suit.
Change vs Transformation

Change within organisations is nothing new, within the context of this research it is therefore important to make clear that transformation is distinct from change. By basic definition, ‘change’ means;

“To put or take another instead of; to substitute another for; replace by another; to give up in exchange for something (the something else is almost always of the same kind as the thing it replaces)” (OED Online 2015).

A mechanic may change the tyres of a car, however the purpose of that car remains — to transport its occupants from A to B. Substituting the tyres for those of an F1 car will not change its behaviour — the vehicle could not win at Silverstone. Transformation requires something more — a change in purpose and behaviour that substitution of the parts cannot achieve, a systemic approach is required. Pourdehnad & Bharathy (2004) (citing Zohar (1997)) define transformation as

“a qualitative or marked change of form or condition. Such a qualitative change in organizations can come about only through fundamental, not cosmetic, transformation”

The transformation of a caterpillar into a butterfly illustrates these important characteristics. A caterpillar feeds on leaves, is land bound and its purpose is to store energy. A butterfly consumes nectar, has the ability to fly and its purpose is to pollenate. The purpose, function and nature of the two differ dramatically, and most importantly the transformation is permanent, the caterpillar is broken down in order for the butterfly to emerge. From this we can draw our definition of Organisational Transformation.

Organisational Transformation

The transformation of a system (the organisation) requires that a majority of its parts (the individuals) transform how they behave, think and act to such an extent that it causes an “irreversible discontinuity” and as such the system cannot return to its original state (Adams 1984, Blumenthal & Haspeslagh 1994). There must be a heavy focus on the cultural changes required to change “the way we do things around here” for this to be successful (Kotter 2007). As the butterfly cannot return to its caterpillar form, neither can the organisation. A destructuring of the former is required to build the new, the existing organisation must be broken down to allow a more agile organisation to emerge.

Agility

As discussed by Jiang & Eberlein (2009), popularization of the term ‘agile’ came about during the manufacturing industry of the 1990’s, along with lean development. The proliferation of what we now call Agile software development (SD) methodologies was in answer to a call from businesses and developers alike asking for processes with less overhead and bureaucracy, and for the rehumanisation of the software development industry (Abrahamsson et al. 2003, Boehm 2012).

The software industry sought to deliver faster results in a competitive environment of rapidly changing technology, problems organisations today know all too well. Therefore, this research asks whether organisations can build upon what the software industry has learned and apply these principles to build organisations that can not only adapt to change, but harness it to their advantage.

At its core, the agile philosophy demonstrates that change should be embraced, not fought, it embraces the fact that there are things we cannot control (Avison & Fitzgerald 2006). We do not know for certain today what will work tomorrow, so we must create environments in which we can experiment and explore effectively.

Highsmith and Cockburn (2001) assert that “to thrive in this turbulent environment, we must confront the business need for relentless innovation and forge the future workforce culture”. Together with leaders throughout the agile development community, they formed the Agile Alliance and published the Agile Manifesto. It is this set of values, commonplace in SD, which we seek to apply organizationally.
Agile Organisational Transformation (AOT)

In the context of this research, AOT is the transformation of organisations to embody agile values, harnessing unpredictable change to their competitive advantage.

“Agility is the ability to thrive and prosper in an environment of constant and unpredictable change. Agility is not only to accommodate change but to also relish the opportunities inherent within a turbulent environment” (Maskell 2001)

The research questions driving this study revolve around the viability of applying agile values organisationally, and in doing so, discovering the tools and approaches required for successful transformation.

A qualitative in depth case study using collaborative ethnography will be undertaken. Collaborative ethnography is particularly suitable for this research given the researcher has been an employee of the organisation under study for over five years. We seek not only to build on the body of knowledge in the academic community, or even the software industry, but importantly to serve the needs of the organisation under study by developing a research agenda based on their needs. It is this core principle of collaborative ethnography which drives the researcher and allows much needed collaboration with the individuals under study.

Soft methods will be used to collect data from multiple sources including interviews, photos and observations, with an iterative approach allowing the researcher to return to the source to build upon the data as more is learnt through the study. Thematic and chronological analysis will follow to illustrate the journey of the case under study. As an embedded researcher access to data is unparalleled and is complemented with a longitudinal perspective and deep understanding of the organisation, providing a unique viewpoint.

We hope to build a toolkit of philosophies and values, not just at the abstract level, but within the context of real organisational transformation, combining these with an understanding of organizational agility will form the Agile Organisational Transformation Paradigm.
References


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Alicia Parkes is a Scrum Master and Agile Coach for a leading commodities trading platform provider. She obtained her bachelor's degree in Forensic Science from the University of Lincoln and is currently an embedded PhD researcher under the supervision of Dr. Crispin Coombs and Dr. Guy Fitzgerald with Loughborough University’s School of Business and Economics and Center for Information Management.