



Performance Architecture

Roger Addison
Addison Consulting
rogeraddison@earthlink.net
Carol Haig
Carol Haig & Associates
carolhaig@earthlink.net



Are You Agile?

How Agile is your organization? How does your leadership view today's accelerating pace of business, the rapidity of technological development, the world's changing economic picture, international crises, challenging climate and weather changes, and volatile political situations in other countries? Organizations must be able to rapidly adapt if they are to survive and prosper. This is the age of the Agile enterprise, and organizations that are light on their feet and responsive to challenges are the ones that will prevail.

Agility Defined

To be Agile is to be "able to move quickly and easily; able to think and understand quickly. The power of moving quickly and easily; nimbleness, the ability to think and draw conclusions quickly" (Dictionary.com).

Agility includes the concepts of flexibility, balance, adaptability, and coordination. In business, an Agile organization is one that adapts rapidly, productively, and cost-effectively to market and environmental changes (Wikipedia.org).

Enterprises that view change as a constant rather than as an organizational trauma are able to nimbly adjust to and leverage opportunities as they emerge. By seeing itself as part of a larger system of internal and external change, the Agile organization is positioned for flexibility and rapid progress (Wikipedia.org).

The Agile Performance Architect

A quick search of recent literature reveals several lists that identify the Top Ten Characteristics of an Agile Organization. They typically include advice to senior leaders such as establishing an inverted management pyramid, being servant-leaders, or making a commitment to be great. As Performance Architects, we take a different perspective. We examine the culture of the organization to see if it is appropriate for its business strategy and adaptable to changing conditions.

In one study, an analysis of more than 200 companies over an 11-year period found that those with a culture that allowed them to quickly adapt to changing business conditions improved their net incomes by an average of 756%. Organizations that lacked such a culture only realized an average net increase of 1% (Kotter and Heskett).

A critical variable in the success of a business over time is the way its employees conceive of the business. Thus, we look at the Agile organization, or the creation of one, through our four-

organizational-levels lens: Worker, Work, Workplace, and World. We consider what should happen at each of these levels to create and maintain a culture of organizational Agility that immerses employees in Agile thinking and working.

Level I – Worker/Individual Team

At the Worker level, we look for Agile approaches to employee communication and learning and for solutions that can be quickly designed, developed, implemented and evaluated. Just-in-time training, such as eLearning modules, online assistants, and job aids are good illustrations of Agility at this level. At Lowe's Home Improvement, for example, employees can help customers in the store aisle describe their plumbing problem with the aid of a large-scale posted job aid of the parts of a toilet.

Level II – Work/Process

An Agile organization is responsive to its customers and designs its work processes for their convenience. These usually qualify as Agile processes. An example: a financial organization that wanted to help customers get in and out of the bank quickly researched the time customers spent waiting for service in the teller line. The analysis showed patterns of high customer traffic on specific days and at particular times throughout the year for each branch office. In response, teller staffing was adjusted to match the volume of customers for peak times each day, resulting in an unprecedented shortened teller line wait time of five minutes or less for customers.

Level III – Workplace/Organization

A colleague of ours made an Agile performance improvement at the Workplace level. During an audit to evaluate the performance of a client's building, he discovered that the safety doors were improperly installed, opening inward when they should have swung outward. The incorrect installation was a fineable safety violation, and in an emergency lives could be lost. It was a simple matter to re-hang the doors, immediately improving their intended performance. When an organization makes an Agile response to a hazardous situation, it sends a message to employees about their company's ability to act quickly and efficiently, and helps demonstrate a culture of Agility.

Level IV – World/Society

Hotels around the world are helping to raise the consciousness of their guests about current environmental challenges by letting them decide how green they would like their stay to be. Pre-printed cards in each room let guests elect to receive clean towels and sheets each day of their stay or to help save water and energy by re-using them.

Adaptive Practices Lead to Agility

Companies in any industry that can rapidly adapt to changing business conditions are Agile companies. Their *practices*, as we have discussed in a [previous column](#) describe the way work is done and become the norms to which high performing employees aspire. Adaptive practices build Agile organizations.

One interesting study of adaptive cultures identified the top ten practices of Agile organizations from a performance perspective. (Our thanks to D.T. Tosti for sharing his research). The practices:

1. People see their jobs in terms of the value they create rather than the tasks they perform
2. People have a sense of urgency and energy about achieving results
3. We are willing to make significant changes in the way we operate now to provide more value to our customers and our company
4. Meeting the needs of our business and of our customers is more important than meeting administrative requirements

5. Employees clearly understand how their efforts impact the satisfaction and retention of customers
6. Once we are committed to change, there is a sense of urgency and a high level of resolve to follow through
7. Employees see themselves as able to influence events rather than as victims of circumstance
8. People feel encouraged to make on-the-spot decisions when necessary, without waiting for full approval from higher management
9. At the end of a project, we identify lessons learned
10. People share a set of core beliefs about what is important in how the company operates

Two themes dominated these practices:

- Employees believe their individual job makes a difference
- Employees feel they have the personal power to make a difference

This suggests that all of these practices affect Agility, and that a focus on any one to the exclusion of the others is not likely to produce an Agile environment.

The Agility Quiz

So how Agile is your organization? How does it measure up against the ten practices above? Would employees agree or disagree with the practices? Where would the differences be? We offer an eight-item Agility Quiz, derived from the ten practices, to help you consider how well your client organization's key cultural characteristics are positioned for Agility:

1. *Commitment* – Do employees understand how their efforts contribute to the success of the organization? Does leadership think they should know this?
2. *Creating Value* – Do people look at their jobs in terms of the value they create rather than just the tasks they perform?
3. *Initiative* – Does initiative come from individuals, not from their bosses, and is it based on both self-confidence and the opportunity to take action?
4. *Leadership* – Are people typically comfortable that senior management is scanning the environment for possible opportunities (or threats) and making the effort to keep them up to date? Do leaders encourage everyone in the organization to make, or help make, tough decisions?
5. *Support of Change* – Has the organization dealt successfully with change in the past?
6. *Openness* – Is there open communication upward in the organization, with little information that cannot be openly discussed?
7. *Respect and Challenge* – Are people treated as adults who are capable of taking responsibility and thinking for themselves?
8. *Learning* – Is there a genuine focus on learning as an organization, not just on the learning and development of individuals? Is identifying lessons learned a standard part of every project or initiative?

Conclusion

From a performance architect's perspective, the Agile organization is characterized by 10 adaptive practices. These are seen at all three levels of the organization and also manifest at the fourth, or World, level. The Agile organization is both responsive and proactive. That is, it has an adaptive and Agile culture that supports and nurtures continuous improvement and learning. In addition to looking for gaps, leadership encourages seeking opportunities and quickly determines how to maximize them. The Agile organization adds value for its customers, employees, itself, and for society.

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