

# How to make agility more than a buzzword

**Empower your teams, deal with  
disruption and drive productivity**

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The pandemic has highlighted just how uncertain the world has become. Complexity and the pace of change facing organisations will only grow – and with it the need for increased organisational agility.



**Warwick Hunt**  
**PwC UK & EMEA**  
**Managing Partner & COO**

# How to make agility more than a buzzword

Empower your teams, deal with disruption and drive productivity.

As organisations reflect on how well they responded to the disruption caused by COVID-19, “agility” has been a common theme: from those who “showed great agility” to those who “lacked the agility to react quickly”. And as they take stock of what they have learned and how they can prepare for further disruption, it is likely increasing agility will be near the top of the ‘to do’ list.

But stagnating workforce productivity<sup>1</sup> had already made agility one of the business buzzwords of the 21st century, long before the pandemic struck.

And with buzzwords come risks. For some, the hype proves justified when agile initiatives are done well. They lead to greater innovation, reduced costs and increased speed to market – boosting productivity and the ability to adapt quickly to change.

For others, the hype over-promises and under-delivers. When the right conditions are not in place and agile initiatives are executed poorly, they cause confusion, disillusionment and create apathy within an organisation.

However, bad experiences should not detract from the fact that every organisation can become more agile and create value by doing so, providing they have clarity of the means available for doing so.

This paper explores how organisations can develop that clarity through outlining three related routes to agility: organisational agility; agile delivery methods (sometimes written as Agile); and the agile mindset.

<sup>1</sup>[https://www.g20-insights.org/policy\\_briefs/delivering-workforce-productivity-growth/](https://www.g20-insights.org/policy_briefs/delivering-workforce-productivity-growth/)



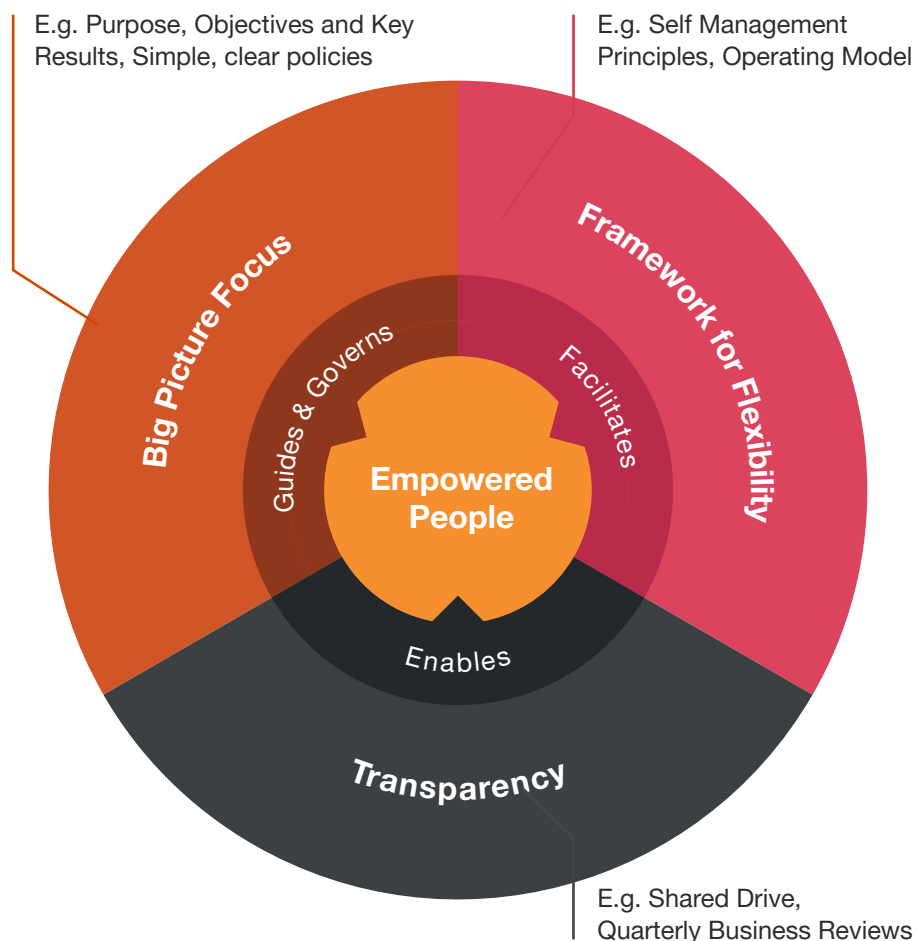




# Organisational agility

Organisational agility is the ability to continuously evolve and keep pace with changing customer demands and changes in the external environment.

**Based on proprietary research and our work enhancing agility with clients around the world, we have identified four characteristics of agile organisations:**



## A big picture focus:

A clear sense of strategic purpose – a north star – is essential: 90% of companies<sup>2</sup> with a well-defined purpose outperform their industry average in terms of growth and profitability.

While the importance of purpose is clear, a big picture focus can manifest in many ways across organisations, such as visionary leadership behaviours focussed on inspiring teams around outcomes, rather than the steps to get there. This approach may be underpinned by targets based on objectives and key results (OKRs), rather than more prescriptive key performance indicators (KPIs). Simple, clear and outcome-oriented policies are another hallmark of organisations with a big picture focus. A famous example is the five word expenses policy at Netflix: “Act in Netflix’s best interests.”<sup>3</sup>

Organisations with a big picture focus are better able to deal with complexity. Having that clarity of the end goal enables them to more rapidly determine the right course of action in the face of disruption and to see beyond distractions that could derail less visionary competitors. Alignment behind common, overarching goals also makes it easier to prioritise actions and allocate resources more efficiently. It increases the return on investment from employees, who are likely to feel more empowered and inspired to bring their own thinking and creativity to the big pictures in which they work.

<sup>2</sup> <https://www.strategyand.pwc.com/gx/en/unique-solutions/capabilities-driven-strategy/approach/research-motivation.html>

<sup>3</sup> <https://jobs.netflix.com/culture>

PwC helped one of the world’s largest insurers identify and articulate their purpose. Through employee workshops, interviews and crowdsourcing, PwC co-created and refined a compelling purpose and set of associated values. It provided the big picture focus and guiding light required to efficiently navigate complex challenges through a major transformation.

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Our work set the platform for deep cultural and operational change at a crucial crossroads for the business.



**Wallace Rosenberg,**  
PwC Purpose Client Lead



### Does your organisation have a big picture focus?

- How aligned are your actions with your purpose?
- How clear are your people on the ultimate goals of their work?
- How effectively do your policies achieve their aim?



## A Framework for Flexibility

A clear and coherent operating model provides the framework within which teams can efficiently emerge, evolve or disband in line with demand. It brings the clarity and connections that enable effective collaboration and seamless movement of talent across teams.

While there is no “one-size-fits-all” for an agile operating model, common rules of thumb include; the simpler and clearer, the better, more focus on horizontal team-to-team integration, instead of top-down integration and funding is allocated more fluidly than traditional annual budgeting processes. However, organisations considering any transformation of their operating model to enhance agility must develop something that suits their own unique circumstances.

For example, PwC has helped several major European financial services organisations identify and implement operating models to increase agility.

While their customers and markets were similar, each outcome was unique – reflecting their own particular circumstances.

PwC applied our proven agile transformation methodology and engaged at all levels to facilitate the translation of their unique strategies, capabilities and challenges into bespoke, agile operating models. Common benefits have included significantly increased flexibility, speed and reduced operating costs, ultimately enhancing bottom line performance.







## Empowered people:

To adapt to evolving customer needs or other internal or external factors, employees need the freedom to apply their own judgement and react appropriately.

Such empowerment means more decision-makers and fewer decision-making bottlenecks – increasing speed of delivery and improving customer service. It results in greater discretionary effort as employees are more engaged within more rewarding roles. However, such empowerment does not mean a “free for all”. It should be guided and governed by the “big pictures” in which people operate, facilitated through a common organisational framework and enabled through transparency.



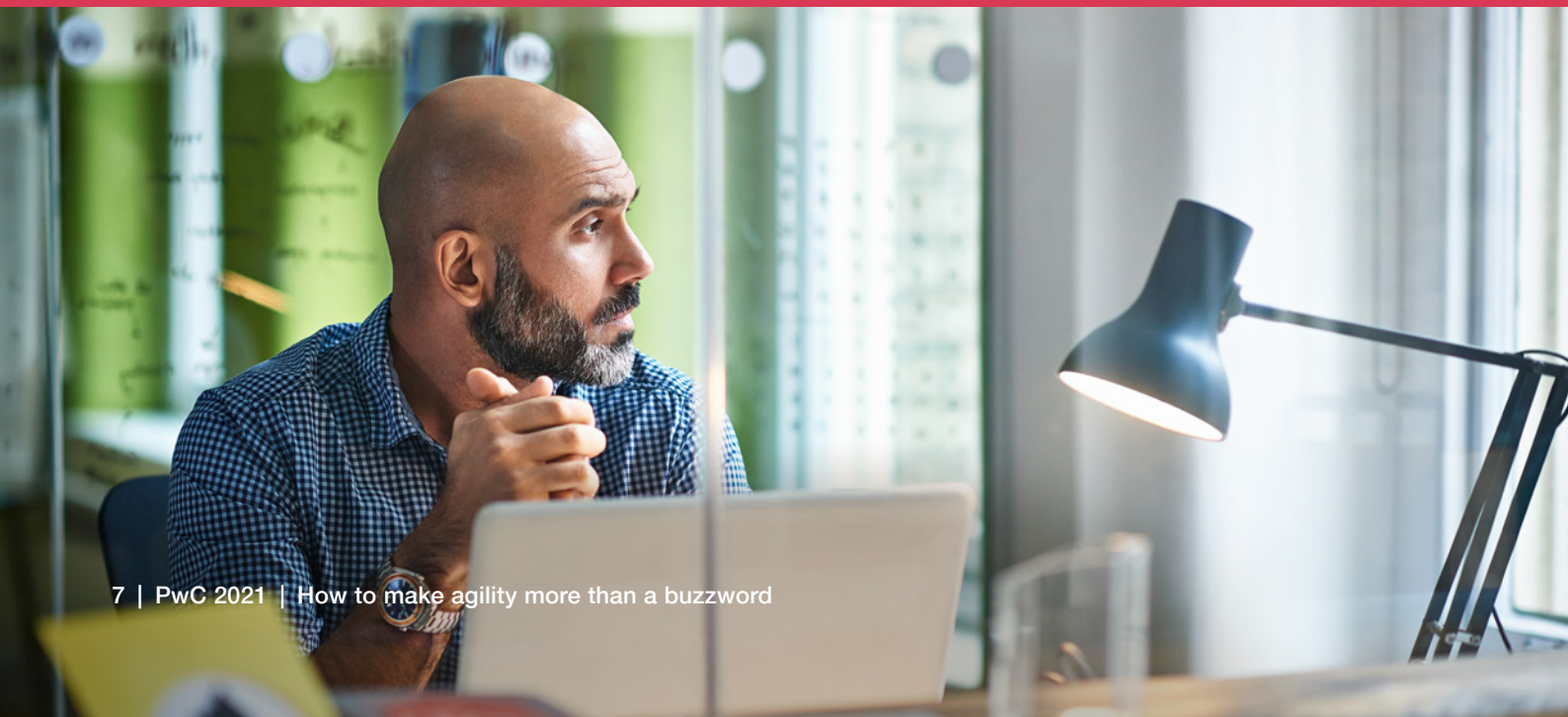
### Empowering employees at North Bristol NHS Trust (NBT)

North Bristol NHS Trust (NBT) needed to meet a 12% increase in demand and wanted to put their people at the heart of the solution. PwC partnered with them to introduce and embed Perform.

A joint PwC-NBT team of over 30 people, aligned to each of the 26 wards, site and discharge teams supported staff at all levels and helped them understand the key role they each play in patient flow, the digital tools they have to help them and worked with them to redefine roles and responsibilities to ensure impact across the whole site.

#### Results achieved:

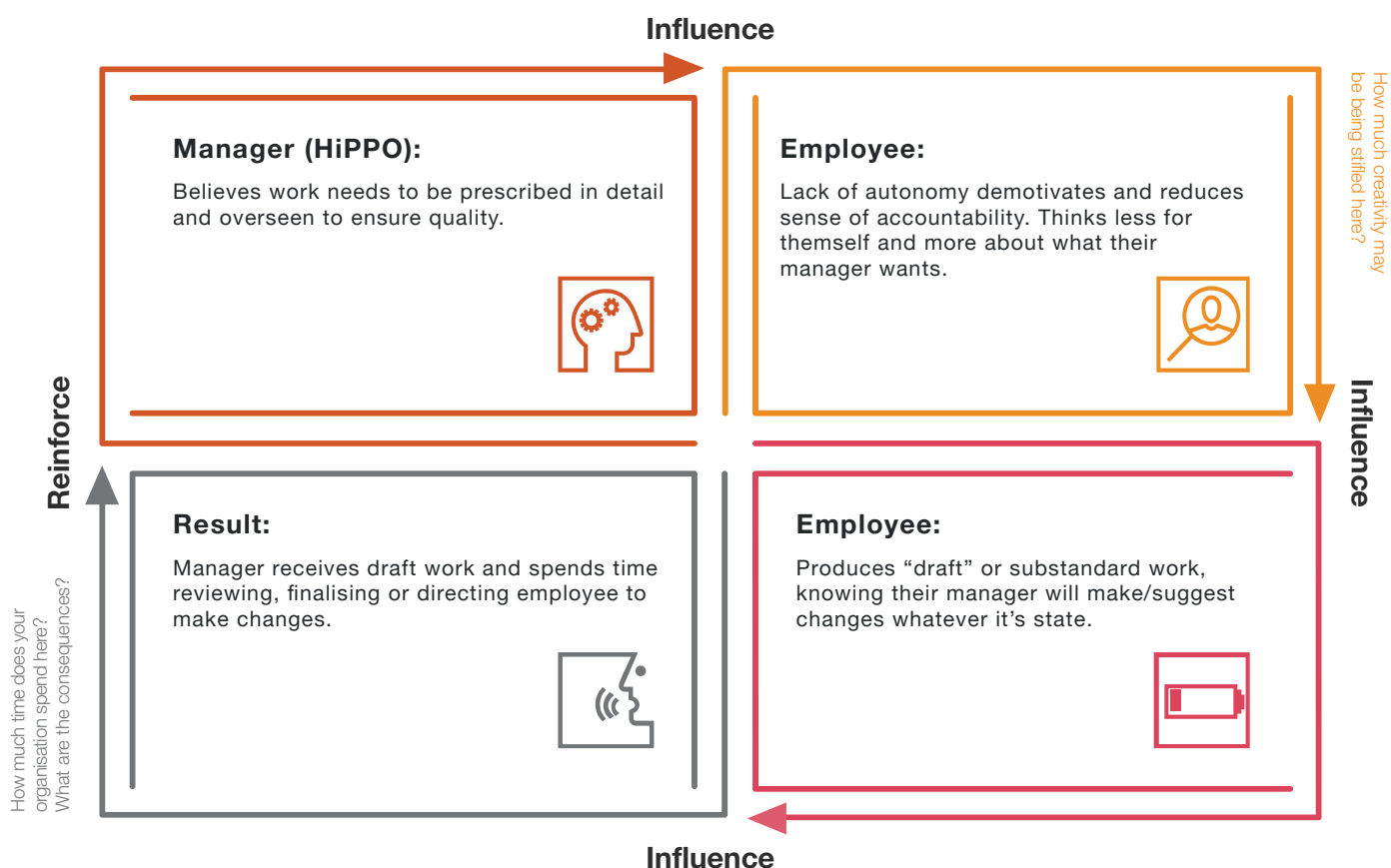
- Reducing length of stay by 13%
- Releasing 50 beds
- Enabling a 10% increase in four hour performance
- A 6% increase in elective activity
- Improving patient experience and valuing patient time.



Many organisations mistakenly believe they've empowered their people, without having the right conditions in place. There are many cultural and organisational derailers, including overly prescriptive processes or policies, micromanagement and command and control behaviours, and repercussions against employees when experiments or adaptations don't pay off.

Empowerment is often stifled within "HiPPO" cultures; whereby the highest paid person's opinion (the HiPPO) carries such weight that others become demotivated and discouraged from sharing their own ideas. This creates a self-fulfilling prophecy, as the HiPPO's belief that work needs to be described in detail and scrutinised appears justified as demotivated colleagues put less effort into its production.

## The self-fulfilling HiPPO prophecy



## How empowered are your people?

- Do your managers coach and ask open, non-judgemental questions, or tell people what to do and how to do it?
- How widely does experimentation happen across your organisation?
- How much time do managers spend reviewing and/or amending work?





## Transparency:

Knowledge is empowering; any organisation attempting to increase agility without good information transparency will suffer with issues such as duplication of efforts, inconsistent customer experiences, stunted improvement as “best practices” sit in silos, and inhibited innovation.

The most agile organisations foster cultures that default to all information being open – only restricting access where there is an ethical, contractual or regulatory imperative to do so.

Collaboration tools such as Microsoft Teams or Google Drive enable continuous iteration and help make more information open to all. But transparency isn't about the tools we use, it's about a culture of sharing that maximises the volume and nature of information available. Wherever possible, business information, such as

financials, should also be accessible. Placing better information within reach of employees enables more effective, data-driven decisions that are aligned to organisational goals.

The importance of transparency is true even – or especially – in sectors where secrecy and a ‘need-to-know’ culture surrounding classified information has always been the norm. Lessons shared by US General Stanley McChrystal in his book *Team of Teams*,<sup>4</sup> powerfully demonstrate how people are better equipped to deal with complexity and the most extreme challenges when they have access to as much information as possible.

<sup>4</sup>Team of Teams: New Rules of Engagement for a Complex World by General Stanley McChrystal, 2015



At PwC we're using data responsibly to make informed business decisions and create more value for our clients. Making sure high quality information is in the right place, at the right time, with the right people is key to enabling this.



**Sunil Patel,**  
PwC UK Chief Data Officer



### How transparent is your organisation?

- How easy is it for individuals and teams to see what one-another are working on?
- How much meaningful business information does a typical employee have access to?
- How seamless is your view of your enterprise data?

# Agile delivery methods

Enterprise agile, Scrum, Kanban or any of the many agile delivery methods all tend to be derived from the following core values, first outlined in the 2001 'Agile Manifesto', with some minor adaptations to increase accessibility:

People	over	processes and tools
Working prototypes	over	comprehensive documentation
Customer collaboration	over	rigid requirements
Responding to change	over	following the plan

Agile teams are usually small (ideally five to nine people), multi-skilled, self-managing and work in short sprints to defined outcomes. No longer just the domain of IT, these delivery methods are increasingly widespread at various levels within functions and across organisations.

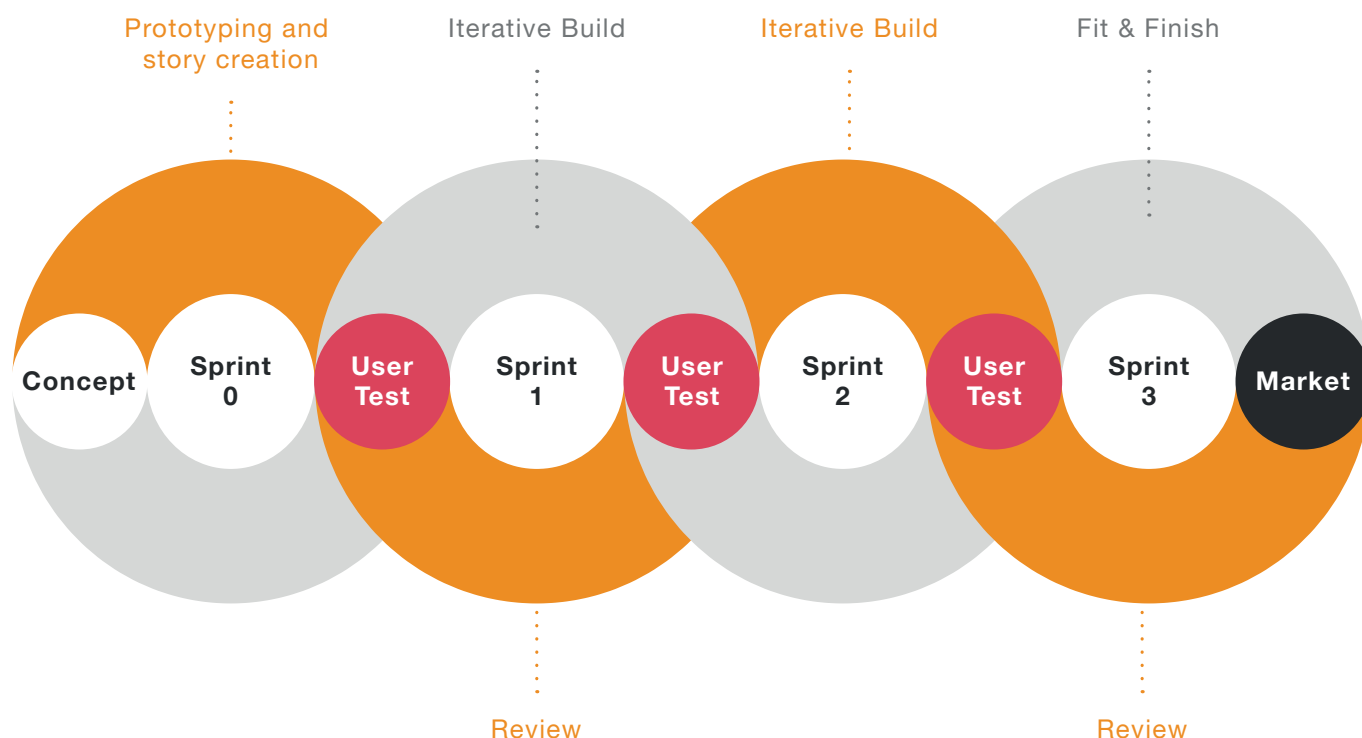
Agile delivery methods are increasingly popular because, given the right conditions, they deliver work faster than traditional teams. They are more likely to be successful within agile organisations and with careful implementation, can also act as a catalyst for improving overall organisational agility.

In a recent example, PwC embedded agile ways of working across the HR function of a global pharmaceutical company. They needed to modernise and enhance their employee experience across a major programme of work. Customer insights shaped the solutions, as over 1,200 employees provided input across three sprints.

The sprints achieved significant simplifications, removing 300 process steps and automating over 400 tasks. Service levels improved and significant savings were achieved within timescales that would not have been possible using more traditional delivery methods.



## An agile delivery example:



In another example, a consumer goods company's shared service centre (SSC) was struggling to keep pace following rapid organisational growth.

The existing role structure had resulted in narrow skill-sets, which led to multiple single points of failure. There was a lack of clarity around workload and significant amounts of rework required.

Through team leader coaching, we introduced agile practices that helped develop broader skill-sets among staff. Our PwC Perform Plus approach empowered employees to better track workload and performance. The results saw a 50% increase in productivity and boosted employee engagement up to 82%.



### Are you ready to adopt agile ways of working?

- How flexible are your planning and budgeting cycles?
- How detailed and specific are your contracts?
- Do your talent management practices help develop capabilities and teams or do they only focus on jobs and individuals?



# Agile Mindset

Less easily articulated, the agile mindset is best described as a set of core values and beliefs that are foundational to organisational agility and agile delivery methods. People with the mindset are more likely to thrive in agile organisations or teams. Conversely, leaders without an agile mindset can become significant barriers to agility.

There are many interpretations of what an agile mindset is, and it will vary depending on the individual or organisation. Some example characteristics of an agile mindset include:

- Adaptability to change, seeing setbacks as learning opportunities
- Trust that given the right circumstances, people are motivated to do the right thing and maximise their contribution
- Belief that momentum in the right direction is better than the pursuit of perfection
- Appreciation that organisations are complex ecosystems that require thoughtful interaction, not complicated machines that can be controlled
- Open-minded and inclusive – understanding the best ideas can come from anywhere.



## Do you have an agile mindset?

- How do you react to setbacks?
- How involved do you get when you ask people to deliver something for you?
- How open are you to adapting your approach according to other people's views?



# Getting started

As the world gets more complex and the pace of change accelerates, organisations who are not proactively enhancing their agility risk being left behind.

**If you'd like to explore how you can boost the agility of your organisation, contact:**



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