

Agile People Strategy

Masterclass Report

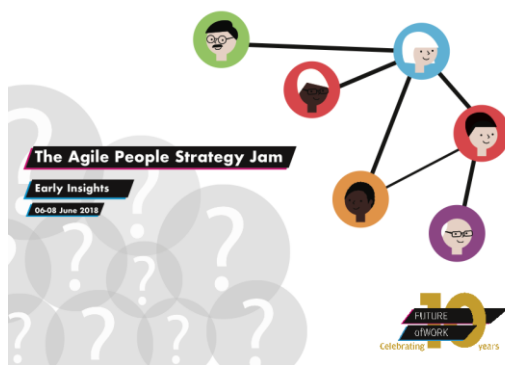


**FUTURE
OF WORK**

INTRODUCTION

For ten years, the Future of Work Research Consortium and our member companies have explored the trends shaping industries, organisations and careers. Our purpose has always been to enable organisations and their leaders to anticipate and respond to changes in the world around them and to do this in a way that creates thriving businesses characterised by a high-performing, engaged and energised workforce. This underlying message of the need to anticipate and adapt to change inspired our research into agile people strategy.

Agile strategies represent a new way of working for the whole organisation, enabling people to adapt to changing circumstances, speed up decision-making and reinvent themselves throughout their careers. Our aim with this research theme was to unpack how HR may become a strategic enabler of agility and explored what this road to agile may look like in practice.



Our primary research was conducted through the Agile People Strategy Jam, which ran for 72 hours from 6th-8th June 2018. 330 registrants from 34 countries wrote 1,000 comments and viewed pages over 12,000 times. Participants discussed a broad range of topics on agility, from the preparedness of leaders, to how technology can enable agility, to how agile can and should be defined. Our researchers analysed these comments and produced the Agile People Strategy Jam Report, which is available to all Consortium members on our FoW Library.

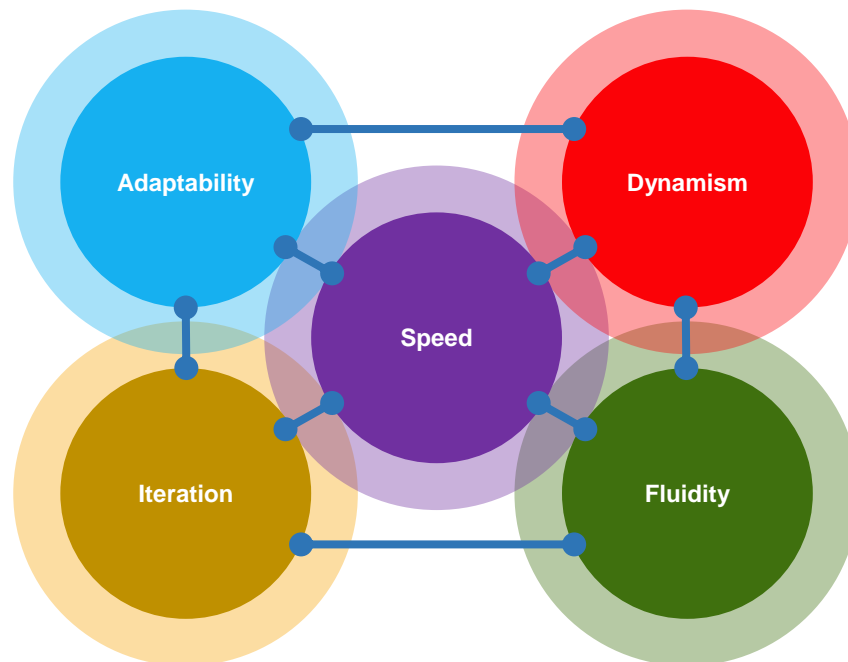
This FoW report reflects the insights of our multi-dimensional research approach, including Jam insights, an in-depth literature review, identification of case studies to provide practical examples of future-proofed practices, as well as the varied experiences and insights shared by our delegates and expert guest speakers at the Agile People Strategy Masterclass, which took place in London on 2nd October 2018.

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THE ROAD TO AGILE

Today, agile is no longer limited to software development. The shift in its scope from a methodology towards a mindset has enabled other functions, from product development to manufacturing to marketing, to apply the general principles without adopting all the tools and protocols from the tech world. Our research has revealed five key principles of agile: adaptability, speed, fluidity, dynamism and iteration. In this report we will illustrate the role HR can play in harnessing the principles of agile throughout the organisation. We will also highlight the profound changes some HR leaders are making in their people practices and processes to deliver on these principles.



1. Building Adaptability

Adaptability is the ability to respond quickly and flexibly to your environment. Adaptable companies are resilient; they can predict market shifts, adjust their strategies in real-time and respond proactively to change.

By 2027, it is predicted that the average company will last just 12 years on the S&P 500.ⁱ Although there has always been some fluctuation in the companies that make up the S&P 500, by way of mergers, acquisitions or contracting, alongside inevitable business failure, what has changed significantly is the pace of the list's reconfiguration.

However, adaptability is a strength only up to a certain point, as too much adaptability can lead to a company operating without a real sense of direction. If the company's goals and ways of working are repeatedly changing, people may lose sight of the company vision or feel less confident in committing to it. To adapt efficiently and effectively, companies need to maintain a clear narrative for their employees and identify their non-negotiables, for people to be aware of where the company's pivot points are.ⁱⁱ

"It is not the strongest of the species that survives, or the most intelligent, but rather the one most adaptable to change."

– Charles Darwin

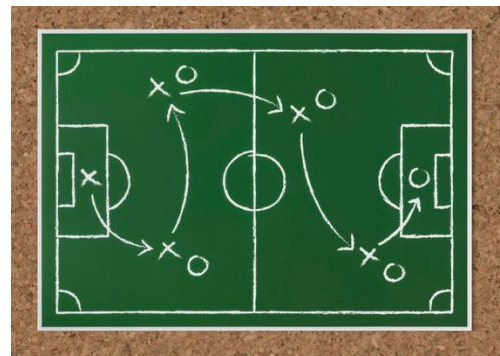
The role of HR leaders in building *adaptability*

Every individual within the organisation will need to develop the capability to adapt quickly and confidently. Those most likely to make successful transitions will be the people that focus on diversity of experiences and life-long learning. Employees themselves have recognised this need and are pushing for continuous learning and development opportunities.ⁱⁱⁱ According to a recent study that surveyed over 1,000 full-time US office workers, 95% of younger workers and 73% of older workers say lifelong learning and professional development are critical to their long-term success, and 42% of all workers are willing to spend their own time and money on further training, demonstrating the extent to which they perceive it as a priority.^{iv} However, it is not just younger workers who want to build adaptability; in an environment where the shelf life of skills is shorter than ever and employees are staying in their careers longer, the oldest workers are equally keen to prioritise learning and growth.^v

Our research indicates that HR leaders can build adaptability through four main components: preparing people for the future of work; giving people responsibility to craft their future; enabling the exploration of new opportunities; and helping people to shift to an agile mindset that will give them the confidence to overcome potential barriers.^{vi}

1.1 Preparation

Insights from neuroscience indicate that we are hardwired to resist change. The brain has set neural pathways and, when people are required to think differently, they can react negatively and are fearful of what is new. Some people prefer that their world and environments are predictable.^{vii} Therefore, for an agile transformation to be successful, people need to fully understand the change, what it will mean for them and how the company will support them.



People look to HR leaders to provide a sense of clarity and purpose in times of disruption. A successful narrative on the future of work does not need to be precise, but it does need to be honest and transparent. The very act of acknowledging ambiguity gives a narrative power, as it demonstrates that leaders are considering the future and seeking to engage with people on how this might look. HR leaders may also think about what their non-negotiables are and include these in their narrative, as non-negotiables signify the core elements of the organisation's culture and identity. Narratives can assuage anxieties by supporting people in navigating the trends shaping work, giving the future meaning for people, and signalling that people are part of an ongoing dialogue on what the future may hold. A narrative need to, therefore, be transparent, co-creational, enduring and composed.^{viii} (*To learn more about Building Narratives on the Future of Work, please refer to our FoW Report on this topic in the FoW library*).

1.2 Responsibility

HR can give people responsibility to craft their future through adopting the new data-driven career development tools. Such tools are now empowering individuals to reinvent themselves within the company. When people have access to the latest technology, friction is reduced when switching jobs and it becomes far easier to upskill or transition. These tools can now identify the best next move for employees and allow them to self-assess whether this move is right for them.

Furthermore, a vast array of new self-directed learning tools has entered the market, enabling a shift from just-in-case learning, characteristic of university programmes, towards an approach to agile learning that has been described as ‘just enough, just-in-time, and just-for-me’. For HR, it means transitioning from providers of learning to enablers of learning. The shift emphasises personalised, concise content that is accessible as and when needed across devices. In this context, employees have ownership of their learning and are empowered to define their skill gap and choose when, how and what they want to learn. Our Masterclass delegates recorded that their organisations were already considering how to make their Learning and Development processes more agile and were making great progress in this area, developing self-directed learning tools and platforms in response to employee demand (see Appendix). *(To read more about new learning tools, please refer to our FoW Report on Employability and Learning in the FoW library.)*

Case Study: Myca at IBM

The HR team at IBM is utilising Myca, a cognitive career coach that understands the skills and interests of an employee and matches them with in-demand jobs, learning and career opportunities. Myca is split into three categories: ‘Ask Myca’ – a chatbot able to answer career-related and HR-related questions; ‘Job Opportunities’ – which enables employees to be matched with internal opportunities; and ‘Career Navigator’ – which empowers employees to explore potential new career paths and next steps.

Access to this technology means that employees can obtain career advice 24/7 and better navigate their firm’s resources. People can autonomously craft their own career path, as Myca helps to link competencies and skills to job roles.

1.3 Exploration



Diverse experiences and skill-sets will be critical for individuals in order to successfully transform and adapt over their working life. HR can enable and support this by providing opportunities for employees to try a new role in a different function or in a different country. Job rotations and secondments broaden an individual’s skill-set, making them more resilient to future change.^{ix} They also create adaptability within the organisation, making it easier for people to move out of roles that are no longer required and into new and more value-adding positions.^x

IBM’s HR function, for example, encourages internal mobility through its Blue Matching tool, which uses artificial intelligence to connect employees to relevant internal job opportunities. The software analyses data specific to each applicant and then recommends suitable job openings that fit the employees’ experience and location, allowing them to sample different opportunities and experiment in new roles.^{xi}

1.4 Adoption

To be truly adaptable, people need to adopt an agile mindset. At our Agile People Strategy Masterclass, Dr Lisa Shu, Assistant Professor of Organisational Behaviour at London Business School spoke about the implications of nudge theory, and how nudges can be used to promote an agile mindset within organisations. Lisa defined a nudge as a way to steer behaviour without coercion and thus influence organisational culture. To illustrate the significance of nudges, Lisa gave the example of signing our names on formal documents. She highlighted

that encouraging people to sign at the beginning of a form encouraged people to be more truthful about what they wrote down, as signing our name brings our moral standards to the forefront of our minds. Lisa noted that nudges can similarly be used to promote agile ways of working. She suggested that, to use nudging effectively, leaders may consider how to make agile ways of working Easy, Attractive, Social and Timely (EAST).

The New South Wales (NSW) government's Behavioural Insights Unit, for example, used the following three nudges to encourage people from eight different organisations to take a more adaptable approach to their working hours.

- **Nudge #1:** Allowing employees to change the default start and finish times in their Microsoft Outlook calendars from 9am-5pm to times of their choice.
- **Nudge #2:** Using buildings' entry card data to show managers that their teams were mimicking their starting and leaving behaviour.
- **Nudge #3:** Using a competition to encourage teams to arrive and leave out of peak times.

The results showed that not only did behaviours shift due to these nudges, but that those new behaviours were sustained.^{xii} Although this NSW example focuses on flexible working, it demonstrates that nudges can help to shift people's mindsets and encourage them to adapt their ways of working for the long term. Small actions from leadership can have a large impact and encourage people to 'be' agile, rather than to 'do' agile.

Masterclass Insight: Learning Agility from Improv

At our Masterclass, Hoopla, a company specialising in improvisational theatre (improv) guided delegates through a number of improv-inspired activities to show people that improv can be a perfect metaphor for the lived experience of agile. They described improv as yoga for the mind, making us more flexible and agile, and spoke about the three key principles of improv.

The first principle, 'powerful presence and full body listening', highlights the importance of being able to pay close attention to your environment and learn from it.

The second principle, saying 'yes, and', recognises that, to be agile, people should be able to not only listen well to their peers but build on their ideas, responding swiftly and positively to change.

The third and final principle, 'give and take', signified that when people are willing to change or adapt their own perspectives and delay their judgement of other people's ideas, they promote a culture of agility and creativity.



2. Fostering *Speed and Dynamism*

Consumers increasingly want solutions to be brought out to them faster. According to Google, search interest for “open now” has tripled in the past two years while searches for “store hours” have declined, emphasising that consumers expect companies to be able to cater to their immediate needs.^{xiii} These new, demanding expectations mean that companies that do not move at the speed of the consumer risk missing competitive solutions.



According to our research, network of teams can play a crucial role in designing the organisation for speed. In this model, employees switch between projects and move around the organisation to the places where they can provide the most value. In such teams, there is a focus on convergence of disciplines to foster diversity of thought and innovation. Simply put, organisations need to be continually on the lookout for new market developments and competitive threats and, by dynamically forming and disbanding teams, they can tackle those issues quickly and effectively.

Many companies are now moving towards network of teams. According to a recent survey of 11,000 HR and business leaders, 91% say that their organisations’ employees spend time on projects beyond their functional area, and 35% say that those employees do so on a regular basis, demonstrating the continuation of the trend.^{xiv}

The role of HR leaders in fostering *speed and dynamism*

HR has a key role to play in managing the power shifts within these dynamic team models and equipping the teams with the necessary tools and processes:

2.1 Managing power shifts

In a network of teams, each team will contain people from a range of functions and from a range of hierarchical levels in order to expand the team’s diversity of thought and increase their access to knowledge and resources. For leaders participating in these teams, their formal hierarchies are left at the door until the project or task is completed. For some leaders, it may be challenging to relinquish their authority at certain times. However, successful HR functions are balancing agility with stability and operating their networks of teams against the backdrop of a more formal hierarchy, which enables employees to have a home base to return to between projects. In this context, HR will need to draw clear distinctions between two necessary roles and types of management: the talent manager reflecting the traditional, formal power structure and the project manager representing the new network of teams (see Figure 1 below).^{xv}

Talent Manager	Project Manager
Focuses on the individual’s career and development goals	Focuses on the aim and objectives of the project
Measures an individual’s achievement against individual goals and capabilities	Measures an individual against contribution to team and project

Listens to individuals' long-term career goals and helps them reach those goals	Listens to individuals' desires for that project and helps align them with the project
Gives the individual coaching and development toward their career goals	Gives the individual coaching and development toward their role in the team
Takes care of the 'return trip' after each project completes	Focuses on getting the right people into the project
Tracks and monitors the individual's career progression	Tracks and monitors individual's contribution to the project and team

2.2 Managing collaborative overload

When agility is viewed through a network of teams' lens, we typically see that 20-35% of valuable collaborations come from only 3-5% of employees.^{xvi} HR needs to actively manage collaboration to ensure that certain individuals are not burdened or overloaded and that, instead, this crucial skill is learned by all employees. Any effort to increase organisation's collaborative efficiency needs to start with an understanding of the existing supply and demand. Employee surveys, electronic communications tracking, and internal systems such as 360-degree feedback can provide valuable data on the volume, type, origin, and destination of requests, as can more in-depth network analyses and tools.

2.3 Investing in platforms

HR may utilise and embed platforms deep into their work processes as they provide an opportunity to ease the pressure of agile ways of working within this network of teams, through offering a fast and simple means of collaborating with colleagues. Instant, direct messaging on these platforms allow teams to operate faster, facilitating knowledge-sharing and co-creation. A recent survey of 11,000 HR and business leaders indicated that 44% believe that face-to-face meetings will decrease in the future and 30% believe that phone and text usage will decrease, to be replaced by collaboration platforms, "work-based social media" and instant messaging.^{xvii} To learn more about designing and embedding platforms, please refer to our FoW report on *The Collaboration Imperative*.

Good Practice Exchange Speaker: Sarah Bampton, Fujitsu

Sarah Bampton, Head of Leadership Capability at Fujitsu Global, spoke at our Masterclass about Collaboration Jams. In December 2016, Fujitsu launched a Jam which brought together nearly 2,000 employees from over 40 countries on a crowdsourcing platform to unleash diversity of thought and discuss themes such as *Innovation and Agility*, and *How to Become Fit for Digital*. The Jam engaged in employees in an agile way, by encouraging them to collaborate with their colleagues across functional and geographical boundaries, by enabling them to co-create and refine new solutions in the moment with an open mind, and by allowing colleagues to communicate with each other instantly to share ideas, make suggestions and witness the reality of iterative product development.

Fujitsu colleagues made 12,000 comments during the Jam and leaders used the main themes that emerged from the report to inform the organisation's new projects. For example, Fujitsu now has three innovation hubs to give employees space to develop new ideas and turn them into actions.

Case Study: The ING Way of Working

In 2015, ING developed the ING Way of Working. The new structure involved the creation of tribes and squads with the aim of making ING more dynamic and able to innovate and deliver faster.

ING's squads are self-steering and cross-disciplinary. Squads with interconnected missions are grouped into tribes. Because squads are autonomous, decisions can be made closer to the customer, making these decisions timelier and more relevant. Squads disband once a project is complete, meaning that people can move onto new projects and into new areas faster.

Additionally, issues that might once have bounced between siloed departments can be resolved by the squad. Daily stand-up meetings facilitate this, as they increase the pace of knowledge-sharing and enable employees to solve problems as soon as they arise. Employees are encouraged to solve problems on the ground as opposed to passing them through the hierarchy and onto other people.

As a result, ING now releases software on a two- to three-week basis, rather than the previous five to six times a year.

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Guest Speaker: Vincent Howell, Mars

At our Masterclass, Vincent Howell Global Vice President of Talent, Learning and OD at Mars shared insights on how Mars have built an effective agile people strategy.

Vincent stated that Mars had to be very honest with themselves about what needed to change. Mars has a strong culture and a number of traditions and beliefs that were preventing them from adapting and moving forward. Lynda Gratton, alongside other key leaders in the management practice and HR field, played a pivotal role in getting Mars started on this journey and familiarising them with current trends. Through multiple strategy meetings in which leaders shared open, frank and objective feedback, the company was able to develop a clear framework for fundamental changes to their agile people strategy.

These changes included greater investment in more objective tools in the recruiting process to help HR make fairer decisions and improve the level of diversity at the company. Another positive outcome of Mars' self-assessment was a renewed focus on creating a culture of health and well-being.

3. Enabling *Fluidity*

Globally, there are approximately 77 million formally identified freelancers in Europe, India, and the United States.^{xix} In the US, more than 40% of workers are now employed in “alternative work arrangements,” which include contingent, part-time and gig work, and this percentage is steadily rising.^{xx} These workers are people of all ages and skill levels, ranging from light industrial to highly skilled IT, engineering, accounting and HR professionals.^{xxi} These climbing numbers suggest that the traditional employer-employee relationship is being replaced by a fluid workforce – a varied portfolio of workers, talent networks and service providers – that offers employers flexibility to engage on an as-needed basis to fill skills gaps.



The role of HR leaders in enabling *fluidity*

HR has a key role to play in optimising the entire talent mix which ranges from full-time workers to freelancers, gig workers, and, to a certain extent, crowds:

1. Identifying the talent on the periphery

For HR, identifying the talent on the periphery means identifying talented people who may never have considered working for their organisation or within the industry but have valuable skills, experience and insight to offer. HR will be instrumental in educating these workers on how their particular expertise will contribute to the organisation. A recent study that surveyed 11,000 business and HR leaders from around the globe found that 39% of HR functions are not involved in sourcing contract employees and 35% are not involved in any related hiring decisions as these selection decisions fall instead to Procurement functions.^{xxii} The distance of contract employees from HR suggests that they are not subject to the cultural and skills assessments used for full-time employees. The disconnect between HR and Procurement means that some organisations are left without a clear perspective or strategy regarding their total talent and cannot appreciate the full size of their talent pool.^{xxiii} Collaborating across these functions may make it easier for HR to understand talent gaps and plan a people strategy accordingly.

2. Integrating and socialising

When people with alternative work arrangements are categorised as different to permanent employees, they are alienated and less engaged as this labelling suggests that the organisation values them differently. Using a common language to refer to employees will make it easier for contingent workers to integrate with the existing workforce, thus facilitating collaboration and knowledge-sharing. Cummins, for example, considers its contractors “a part of the family,” and tries to give them the same focus as full-time employees.^{xxiv}

HR teams can work with legal and IT teams to give people with alternative work arrangements clear performance goals, secure communication systems, training and support to help them become more aligned with the company’s strategy. Furthermore, when defining their people strategy, HR may benefit from including contingent workers in the overall learning and development framework. Learning and development opportunities are a key aspect of ‘good work’, benefitting employers and employees alike. Yet, while work has become more fluid,

learning and development in most cases do not match this fluidity. Encouraging learning has been proven to increase productivity and reduce turnover, even among short-term employees.^{xxv}

3. Building social resilience

One downside to a more fluid way of working is the potential for loneliness. One might presume that interaction with a wide variety of people would drastically increase the size of someone's network and their level of social interaction. However, continuously meeting brand new people in fact reduces our willingness to invest in the relationships as we are aware that our contact with those people will be limited and brief.^{xxvi} Too much fluidity, without a home base to return to, can reduce the size of people's support networks and the strength of their friendships with colleagues, creating feelings of isolation in the workplace. To overcome this – and help employees



build social resilience – HR could encourage networking and informal social gatherings and allow all employees from their talent ecosystem to maintain stable connections with some individuals (such as development managers), or perhaps allow them to choose their own team members on certain projects to build familiarity and good working relationships with others.

4. Embracing an adult-to-adult alliance

HR will benefit from embracing an adult-to-adult alliance with the talent. In the context of increasing fluidity, the talent relationship in many organisations will become more transient, moving away from the parent-child notion of a paternalistic employer and loyal employee and towards an adult-adult relationship, characterised by a lifelong alliance between employer and employee. This means accepting that good people will leave the organisation, either permanently or for a period of time, but knowing that they may return at a later stage as either a client, employee or contingent worker.^{xxvii}

Case Study: GigNow at EY

GigNow is an online portal that matches talent to relevant contract opportunities at EY. Launched in September 2017, GigNow is currently live in eight countries across four continents. The platform enables contractors to seek flexible, short-term employment arrangements and enables EY recruiters to onboard those contractors quickly so that successful applicants can begin making valuable contributions straight away.

GigNow has a dedicated recruiting team who review applications and assign candidates work, which prevents candidates from having to use multiple career sites to find opportunities at EY. Once a candidate has registered with the platform, EY recruiters can reach out to them directly. They will assess the match between a candidate's work experience, qualifications and the gig opportunity and, if there is a match, then they will contact the candidate to set up an interview. Contractor roles typically last between six to nine months, but can range from a few weeks to much longer, depending on the business' needs.

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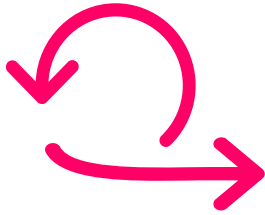
Case Study: Flexible Talent Network at PwC

PwC carried out a study showing that 46% of 2,000 respondents prioritised flexible working hours and good work-life balance the most when choosing a job. This prompted them to develop a Flexible Talent Network that allows skilled candidates to apply to relevant projects (not roles). The aim is to give more diverse talent a clear route into the firm, attracting those who don't want to be tied to a traditional 9-5. When candidates apply, they list their skills and preferred working pattern. Flexible options range from shorter working hours to only working for a few weeks or months each year. They aim to support people transitioning in and out of work throughout their careers. PwC has had over 2000 people register in the first two weeks since the initiative was launched.

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4. Supporting *Iteration*



As people increasingly work on fixed-term projects of various lengths, often run by different leaders and composed of diverse teams, the notion that performance feedback comes once a year and from one manager seems antiquated. As highlighted at the Masterclass by our guest speaker, Manav Mehan, Lead Partner in Enterprise Agility at Tata Consultancy Services (TCS), performance management approaches may benefit from adopting the agile principle of iteration which espouses real-time learning, continuous feedback and responsiveness. Since over 80% of learning occurs on the job, infusing continuous feedback into the workplace will help people to learn and grow more every day.^{xxx}

The role of HR leaders in supporting *iteration*

Delegates at our Masterclass highlighted Performance and Reward as their least agile practice area, highlighting that annual cycles still continued in their organisation (see Appendix). To support a more iterative approach, HR could consider redesigning their performance management systems to be multidirectional, continuous and real-time, and personalised.

1. Multidirectional

Creating a culture of mutual responsibility and feedback at every level of the organisation, and not at just prescribed moments between managers and employees, is critical in realising the benefits of iteration. Upward, downward and peer-to-peer feedback are all important in allowing employees to have multiple opportunities to improve and receive fair assessments of their progress. Research from Gartner shows that peer feedback can have a particularly strong impact, boosting employee performance by as much as 14%.^{xxxi} Similarly, when leaders are open to feedback from their employees, they role-model transparency, openness and a culture of continuous learning. It signals to employees that everyone needs to be responsive to feedback and see it as a development opportunity, rather than a critical evaluation.

Case Study: Multidirectional feedback at Zalando

Zalando, a European fashion e-retailer, has developed a new app which crowdsources performance data from its employees. Feedback from meetings, projects and campaigns can be gathered in real-time to provide employees with comments on their performance. Employees are also able to request feedback on the app, engaging with colleagues, managers and any internal 'customers'. This multidirectional feedback aims to be more engaging and playful in its delivery. The app weighs any feedback offered by how much exposure the provider has with the requestor to provide a fuller, more nuanced picture. To assist users, the app also provides a list of questions for people to answer via an easy-to-use slider, which are based on the particular subject or behaviour they seek feedback on.

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2. Continuous and real-time

Performance can now be given in real-time via online tech platforms. Feedback given immediately after a project or task may be more meaningful to the employee because the assessment has visible, empirical evidence tied to it. Real-time feedback allows employees to

respond instantly to any criticism and adjust their actions and behaviours and approaches accordingly. It enables continuous improvement and demonstrates transparency.

Case Study: Real-time performance management at GE

GE has designed and implemented a mobile app to measure performance, called PD@GE (Performance Development at GE). The app helps employees and managers to keep track of KPIs throughout the year, rather than solely at an annual performance review. Receiving both quantitative and qualitative feedback through the app enables employees to focus performance conversations around tangible results and real-time observations. The app allows employees to make real-time adjustments and fosters productive, trusting relationships between employees and managers. Because the data collected is higher quality and real-time, employees find the information more credible, and managers can use this data to deliver accurate, meaningful coaching.

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3. Personalised



People today want a custom rewards experience that reflects their priorities, aspirations and motivations, rather than the one-size-fits-all approaches of the past. Organisations successfully making progress in this area are designing their rewards programmes to align more closely with individual preferences by considering the personalities of individual employees.^{xxxiv} For example, Patagonia has an innovative compensation and rewards model that caters to employees' lives both inside and outside of

work. This includes 26 three-day weekends per year, a surfing policy that allows employees to surf or do other exercise during work hours, and extensive family benefits such as on-site childcare to support parenting and breastfeeding.^{xxxv} Patagonia's approach recognises that individual employees have unique motivations and enables goals and rewards to be adjusted as needed. They have improved employee engagement by paying attention to their employees' health and wellbeing, reduced employee turnover, and given people a less frenzied work environment in which burnout is reduced and people have time to make higher-quality, considered, innovative decisions.

Finally, research indicates that employees respond favorably to agile compensation programmes that provide raises, bonuses, or other incentives more often than the traditional once-a-year rewards system. In fact, employees who receive regular small rewards, in the form of money, points, or thanks, are eight times more engaged than those who receive compensation and bonus increases once a year.^{xxxvi}

Guest Speaker: Nick Bridle, Microsoft

At our Masterclass, delegates heard insights from Nick Bridle, UK HR Line Solutions Lead at Microsoft. During this presentation, Nick explained how Microsoft are creating a culture whereby everyone can continuously learn to regenerate the skills necessary for agile working. He discussed how Microsoft sought to establish a growth mindset to develop their people's potential over time.

Performance management was useful in realising this growth mindset and was based on three goals: to deliver results differently through teamwork; to provide feedback that helps people learn and develop; and to reward contributions based on their business impact. This impact was assessed through people's achievements, how they built off the work of others and how they contributed to others' success.

Microsoft also transformed their annual appraisals by removing ratings, making them continuous throughout the year, removing the set timeframe in which managers had to report on their progress, and encouraging both manager and employee to adopt a more reflective approach. This new performance management system was designed to help bring employees and managers closer together by supporting greater co-creation, development and deepening people's understanding of what is expected of them. Individual roles were aligned with key priorities and managers could more easily assign rewards by assessing the impact of a person's work and utilising algorithms to calculate appropriate rewards for low and high impact work.

KEY MESSAGES AND CONCLUDING REMARKS

Building an agile people strategy will be crucial for organisations as they learn how best to mobilise their talent in today's changeable work environment. Our research has revealed four actions that we believe will help organisations to craft their own effective agile people strategy.

Identify and integrate all kinds of talent

A holistic agile people strategy involves identifying and integrating a diverse mix of talent, from permanent, full-time employees to gig workers to crowds. Expanding your organisation's talent pool will enable you to access more knowledge, skills and experience from people in diverse and perhaps unexpected fields. Integrating contract workers with permanent employees will ensure that every employee feels valued and supported by the organisation, helping to foster adult-to-adult relationships between employer and employee and to build lifelong alliances in which employees feel that they can return to the organisation at any time throughout their careers.

Strike a balance

We recommend that organisations learn how to balance the benefits of adaptability, speed, dynamism, fluidity and iteration with their potential consequences. Agile working is not a panacea, and organisations need to consider that what works for one company may not work for them. Designing an agile people strategy will involve understanding which parts of agile are appropriate and applicable to your organisation and which are not. The right approach for your organisation needs to draw on your history, context and culture, enabling you to pinpoint your key aspirations, your non-negotiables, and which of your current practices and processes can be adapted to support agile ways of working.

Make continuous improvement a core value

Working in a more iterative way enables people to respond in real-time to feedback and challenges. Through continuous, real-time feedback, employees can prioritise their development as, throughout the year, they are given opportunities to adjust their actions and behaviours to improve their performance and (re)direct their careers. Supporting continuous improvement empowers people to take responsibility for their own growth, to seek new challenges, to learn new skills and thrive in new environments. Change is more tolerable when it is viewed through the lens of improvement and can, as such, encourage people to adopt a more adaptable mindset and prepare for their future of work.

Learn from your natural experiments

The conversations we had with our Consortium members during the Agile People Strategy Jam discussed how some organisations felt that they were able to be agile in a crisis. They believed that when crises occurred, their teams were able to mobilise extremely effectively and dynamically, work collaboratively with each other and make faster decisions. Therefore, to enable agility, HR can learn from such natural experiments and harness what people may already be capable of and build upon their existing strengths.

THE FUTURE OF WORK RESEARCH CONSORTIUM

Over the last ten years, the Future of Work (FoW) Research Consortium has, so far, brought together a global community of 108 of the world’s most influential companies, a number which keeps growing. By combining energetic live events with cutting-edge collaborative technology, we have connected more than 500 executives, all of whom are leading their organisations in preparing for the future.

Our Consortium is widely acknowledged as one of the most innovative and collaborative forums for exchanging insights, models and concerns about the future of work. Led by Professor Lynda Gratton, we unite academic research and organisational practice to deliver a unique multidisciplinary experience. Members of the Consortium benefit from access to the very latest academic research along with practical insights and have the ability to learn and develop in a way that is customised to their needs.

For more information on any of the topics explored in this report, please contact our research team: info@fowlab.com



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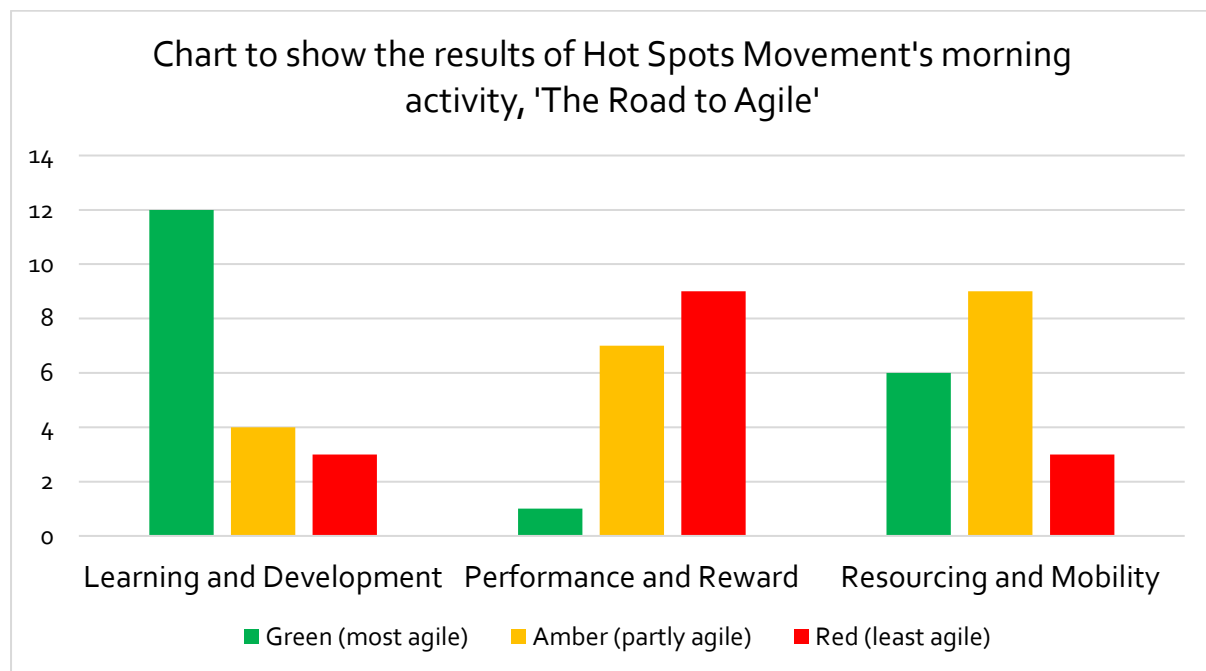
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APPENDIX

Activity: 'The Road to Agile'

At our Agile People Strategy Masterclass, we asked delegates from each member company in attendance to complete a poster in our morning activity session. This poster encouraged delegates to consider what factors were currently blocking or enabling agile ways of working across three practice areas: Learning and Development; Performance and Reward; and Resourcing and Mobility. During the activity, we asked delegates to rate each of these three practice areas from green (most agile) to red (least agile) and record their choice with a coloured sticker. The below chart displays these results.



The chart indicates that our delegates had most confidence in the agility of their Learning and Development practices and processes, citing a number of different tools and platforms that they use to enable self-directed learning, just-in-time learning and reverse mentoring.

Performance and Reward stood out as the least agile practice area, as identified by FoW member companies. Obstacles included yearly cycles, risk aversion, inconsistent leadership and a lack of flexibility, among others. However, delegates were highly proactive and co-created a number of intelligent solutions to make their Performance and Reward systems more agile. Delegates suggested evidence- or competency-based decision-making, celebrating quick wins, rethinking incentives, clarifying definitions of high performance, and integrating processes to make Performance and Reward more transparent.

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