

The Agility Agenda:  
Synthesizing and Integrating the Emerging Response to Dynamic Change

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**Introduction:**

No one doubts that the world around us is changing, seemingly faster than ever and often fueled by ongoing technological innovation. It makes sense that the ability to adapt to rapid change has become a key success criteria for both individuals and organizations. So, it is not a surprise that HR professionals need to master change to be successful.

The need to master change to succeed as an HR professional (or leader) is not new. In 1987, The RBL Group did the first round (of 7 rounds) of the HR competency study. When we analyzed 100 or so basic competencies (be, know, and do) of HR professionals, the ability to “manage change” was one of three domains (along with know the business and deliver HR). When we tested the extent to which each of these three domains predicted business performance, we were surprised that “managing change” had the most impact. Again, in 1987 (thirty years ago), “change” was a key factor for HR professionals to deliver business performance and it continues to be so today (we think “paradox navigator” the round 7 competence most predicting business performance is highly related to the ability to manage change).

Much of the change literature grew out of a field called “organizational development (OD)” where colleagues studied how to build sustainable personal change and systematic organizational change. In fact, in my PhD program (many decades ago), for my qualifying exam, I had to write an essay on the “state of the OD field” in 24 hours. I recall the title of the essay, “when, why, and how will OD OD?” I thought it was clever; my committee did not, and I got to do the exam over again six months later.

So, managing change has been around the management and HR fields for some time. There is a vast literature on personal, leadership, organization, and strategic change. In recent years, people have been using the word “agility”<sup>1</sup> and it is showing up in books, HBR articles, and company programs.<sup>i</sup> As we approached this RBL Institute think tank session, one of our primary questions was: Is the current focus on agility reinventing or rediscovering principles of change that have been around for decades (what we call circular thinking in HR) or is this renewed focus on agility adding some unique perspectives on traditional change insights (what we call spiral thinking) (see <https://www.linkedin.com/pulse/living-up-our-potential-how-make-progress-hr-dave-ulrich/>)?

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<sup>1</sup> Other words are consistent with the “agility” concept, including: disruption, learning, transformation, responsiveness, adaptation, flexibility, reinvention, and so forth.

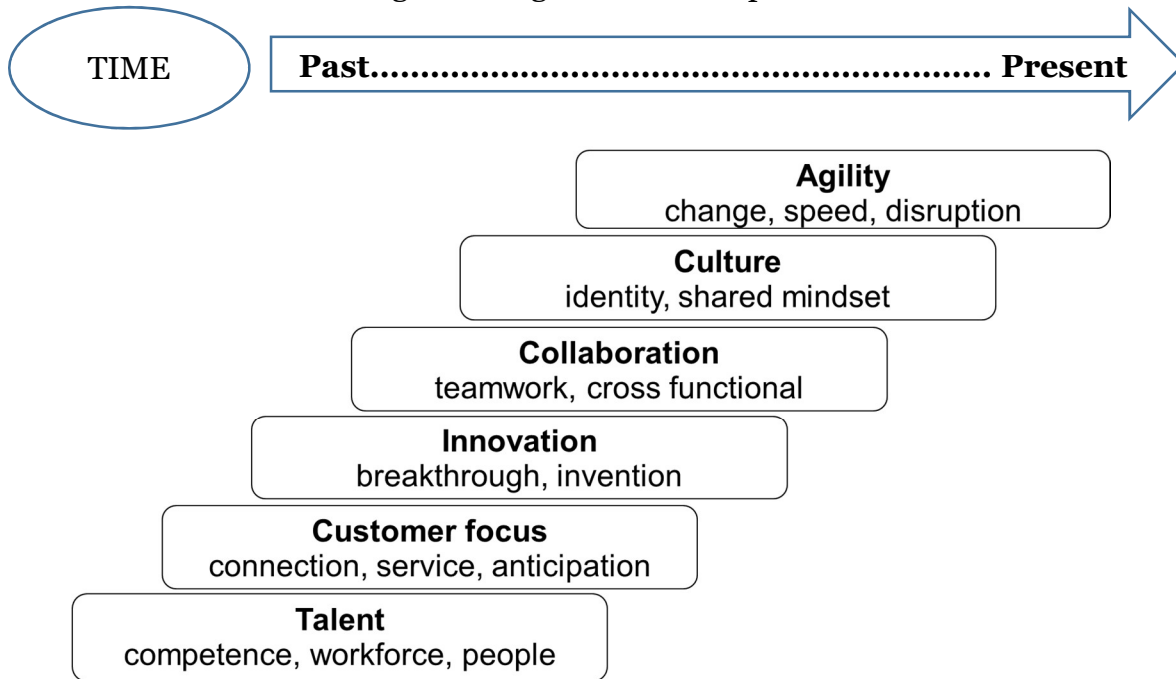
After reviewing the latest agility literature and working with organizations engaged in agility efforts, we believe that this new attention on agility spirals (pivots, adds to, and furthers) a traditional change agenda. In this playbook we want to synthesize this burgeoning agility agenda to help HR professionals and line managers appreciate and manage agility. To do so, we will [1] provide a context for what is new about agility, [2] share why agility matters ever more to individuals and organizations, [3] offer a framework and assessment for what agility means, [4] propose specific insights and tools for how to build four types of agility: strategic, organizational, leadership, and individual, and [5] suggest implications for human resource agility both within the HR department and for HR's contribution to business agility.

## **[1] Context for Agility**

Over the last 30 years, my colleagues and I have worked to identify key capabilities an organization must possess to succeed. We have defined the concept of [organization capability](#) as what an organization is known for and good at doing to deliver value to its key stakeholders. Having the right organizational capabilities leads to *investor confidence* and we have created a [Leadership Capital Index](#) to define them as intangibles that investors value over time. Having the right organizational capabilities leads to improved *customer commitment* and revenue per customer and we have worked to define the [right internal culture](#) and [leadership behavior](#). Having the right organization capabilities also leads to *employees* having greater personal well-being and work productivity and we have worked to define how to increase [personal meaning](#) at work.

The critical organizational capabilities to win have pivoted over time, as shown Figure 1:

Figure 1: Organizational Capabilities over Time



Agility has become the “capability du jour.” Agility, loosely defined (more below) is the ability to anticipate and/or quickly respond to emerging market opportunities. Agility combines being able to change, learn continually, and act quickly and with flexibility for both organizations and individuals. In a world of unrelenting change, agility seems to matter.

## [2] Why agility now?

As everyone knows and experiences first hand, the world around us is changing. The most dangerous place to be today and going forward is believing oneself to be utterly competent and confident in a world you do not recognize as outdated. Consider the framework in Figure 2:

Figure 2:  
Understanding Environmental Change

|                 | We Do the Right Thing | We Do the Wrong Thing |
|-----------------|-----------------------|-----------------------|
| We Do It Well   | 1                     | 2                     |
| We Do It Poorly | 3                     | 4                     |

Of course, we all want to be in Cell 1: doing the right thing well. Which is the most dangerous cell to be in? Most say Cell 4 (doing the wrong thing badly), but, in fact, the place of greatest peril in a changing world is Cell 2 ... doing the wrong thing well. Why? Because it is a trap of misguided excellence that once-successful companies like Kodak and Nokia fell into, and never found their way out fast enough. Or, when individuals continue to pursue the same agenda with increasingly bad results (some call this insanity: doing the same thing over and over again and expecting different results). The external pace of change guarantees that the right thing will *inevitably* become the wrong thing sooner or later. To be in Cell 1, we must never be comfortable, never be complacent, never be too sure of ourselves – and never be in Cell 2.

Almost every dimension of the “environment” of business is changing, and changing fast. We have used a relatively straightforward framework (Figure 3) to capture the dimensions of business context. We have found it helpful to organize and prioritize these contextual trends into six categories:

1. *Society*: Personal lifestyles are changing with respect to families, urbanization, ethics, religion, and expectations of well-being.
2. *Technology*: New devices and concepts enable access and transparency not only through information but also in relationships, and they can destroy whole industries while bringing new ones to life.
3. *Economics*: Economic cycles shape consumer and government confidence; create new competitors; allow freer flow of capital across economic boundaries that leads to more granular, or precise thinking about investments; and shifts risk taking that gives rise to some industries.
4. *Politics*: Regulatory shifts change the expectations of government in corporate and personal lives; political unrest often signals a loss of confidence in government institutions.

5. *Environment*: The earth's resources that provide energy for growth are limited and need to be managed responsibly; in addition, social responsibility shapes how people behave.
6. *Demographics*: Changing birth rates, education, and income levels affect employee and consumer behavior.

Each of these trends is magnified as it interacts with the others on the global stage. Using this framework, leaders can better diagnose geographic or industry trends. Because of trends in these six categories, assessments can be made about how the business context is changing and how HR can and should respond. For example, an HR leader in a beverage company facilitated a team discussion about how the environment would shape their business in the future (see Figure 3):

Figure 3:  
External Content Trends, Strategic Opportunities and Threats, and HR Implications

| <b>Trend</b>  | <b>Strategic Opportunities</b>                               | <b>Strategic Threats</b>   | <b>HR Implications</b>   |
|---------------|--|--|--|
| Social        | Emerging economies eager for western products                | Healthy eating trends reduce soda consumption by 25% in US/W Europe            | Source talent in emerging markets; Consider talent for adjacent businesses             |
| Technological | Mobile computing offers new marketing opportunities          | Increased threat of hackers or other corporate piracy/threat                   | Build a culture of information privacy and access information talent                   |
| Economic      | New middle class in emerging economies                       | Recession has impacted sales   | Create a change plan to adapt to changing market conditions; move quickly              |
| Political     | Emerging economies increasingly open to trade and investment | More pressure to eliminate unhealthy drinks e.g., NYC                          | Prepare an organization innovation strategy for new business opportunities             |
| Environmental | Reduced cost of packaging/garbage by increasing package size | Reaction against environmentally difficult packaging e.g., plastic, metal cans | Ensure that corporate social responsibility is embedded into culture and key decisions |
| Demographic   | Growth markets in LATAM, India, China and SE Asia            | Aging population in most mature markets reduces % of target customers          | Build a country strategy of how to do business in emerging geographies                 |

These six (STEPED) trends capture the increased pace of environmental change that calls for more agility to respond to them. They can be a useful discussion tool to diagnose external trends that create both opportunity and threat.

### [3] What is agility? Framework and Assessment for Agility

*Definition of agility.* Agility is one of those concepts we intuitively grasp, but sometimes have a hard time specifically defining. As we worked with RBL Institute participants in our Agility Think Tank session, we defined agility through four characteristics (with a clear outcome), the ability to...

- **Create a future:** agility focuses on shaping something new in the future more than revising or updating the past
- **Anticipate opportunity:** agility emphasizes opportunities more than evolutions; it disrupts and envisions what can be
- **Adapt quickly:** agility has a sense of pace or speed, to move quickly or to act fast and encourages adaptation or tweaking
- **Learn always:** agility implies learning so that events become patterns that are sustainable over time

SO THAT... one will survive and thrive (win, have well-being, compete).

We appreciate that there may be other dimensions of agility, but we think these 4 capture the essence.

With these four dimensions, we can identify four stakeholders of agility, or where agility may occur in a work setting (strategic, organizational, leadership, and individual). They are captured in Figure 4. The four agility principles in the center of Figure 4 may apply to each of the four stakeholders and the HR practices may influence how these stakeholders define, create, and sustain agility.

With this framework in mind, we may then do an agility assessment for any organization unit level: corporate, business, division, facility, or plant (Figure 5). We have seen business leaders doing this assessment (coached by HR advisors) to identify gaps where agility becomes more important. Generally, we find that the environmental context for pace of change scores high (8 or 9), then strategic agility often scores higher than the other three (organization, leader, or individual). Organizations are often more able to envision a strategic future than to actually create the disciplines to make it happen. For example, in our Agility Think Tank, the scores were:

- |                        |         |
|------------------------|---------|
| • Environmental change | mid 9's |
| • Strategic agility    | 5.6     |
| • Organization agility | 5.2     |
| • Leadership agility   | 5.6     |
| • Individual agility   | 4.5     |

These scores indicate that the pace of external change is greater than any internal response to the change, with individual agility being the greatest gap between pace of change and response to change.

We now turn to the specific actions to improve agility gaps between the environmental demands and the stakeholder realities.

Figure 4:  
Framework for Agility



Figure 5:  
Framework for Agility Assessment

|  |     |   |   |   |   |   |   |   |   |   |    |      |
|--|-----|---|---|---|---|---|---|---|---|---|----|------|
| <b>Environmental change</b><br>What is pace of environmental change? | low | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | high |
| <b>Strategic agility:</b><br>Where and how do we compete?            | low | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | high |
| <b>Organization agility:</b><br>How agile is our organization?       | low | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | high |
| <b>Leadership agility:</b><br>How do leaders show agility?           | low | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | high |
| <b>Individual agility:</b><br>How do individuals learn and grow?     | low | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | high |

#### [4.1] How do we build strategic agility?

Strategy (at a high level) is about making choices that create a unique position for an organization's future. Strategy has been captured by many terms: mission, vision, goals, objectives, intent, themes, priorities, plans, values, purpose, kernels, and so forth. While there are nuances of these words (some focused on why vs. what vs. how), they all point to uniquely differentiating the firm from competitors in the future.

We have identified four phases of doing strategy work (see Figure 6). At the base, strategic planning was setting direction, then executing through a SWOT analysis; then strategy moved into a systems logic where alignment among systems merged formulation and implementation; followed by a strategic capability logic where core competencies drove future investments. We see strategic agility as a next wave in this strategy thinking.

Figure 7 captures the elements of strategic agility where winning strategies create a future, anticipate opportunities, adapt quickly, and learn always (definition of agility). Strategic agility is less about what an organization does to win now and more about how to build a capacity for continual strategic change. It means continually and rapidly updating choices about where to play and how to win. Strategically agile firms are industry leaders who shape the agenda that others follow. They gain first mover advantage as they redefine competitive rules. They co-create with customers to anticipate what's next.

We have found that there are two key roles HR can play in creating strategic agility (see Figure 8). On one axis, the "content" of strategy needs to go from broad to narrow. Strategy often starts with a broad overview of the environmental trends that may create opportunities (see Figure 3 with STEPED analysis). But to be strategically agile, this broad set of opportunities needs to focus on a few key priorities. We have found that if

a company has 10 investment options and 100 points to allocate, the wrong allocation is 10 points per option. This generic allocation follows the adage, “good is the enemy of great”; so to be strategically agile, a firm needs to focus its attention on a few priorities. The 100 points might be allocated 40, 30, 20, 10 on the top 4 (out of 10) options.

The second axis represents the “process” of strategy and needs to move from few to many people. Strategic agility often starts with a small select group of individuals who anticipate a future. As they focus content, they have to engage others so that strategy becomes real to many. Without wide-ranging buy-in to a focused direction, strategy discussions may fall prey to endless loops not forward-looking choices. This process includes shaping and sharing messages through a host of communication devices (town hall meetings, social media, one-on-one sessions, videos, and so forth).

Firms with strategic agility generally lead their industry, not as an event, but a long-term agenda. They continually reinvent industry norms and set new industry standards. They anticipate market opportunity and become iconic trailblazers that others follow.

Figure 6:  
Evolution of Strategy Towards Strategic Agility

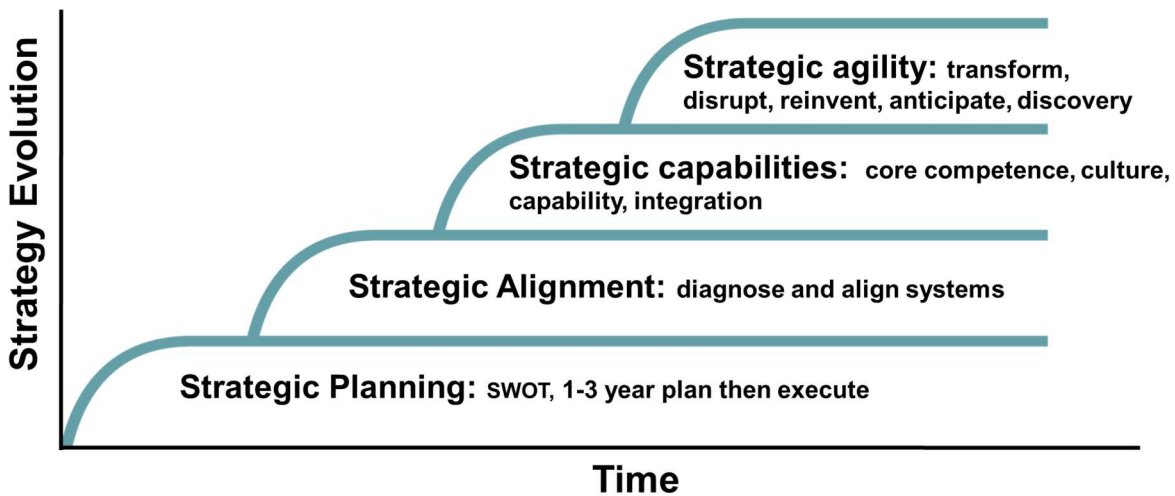
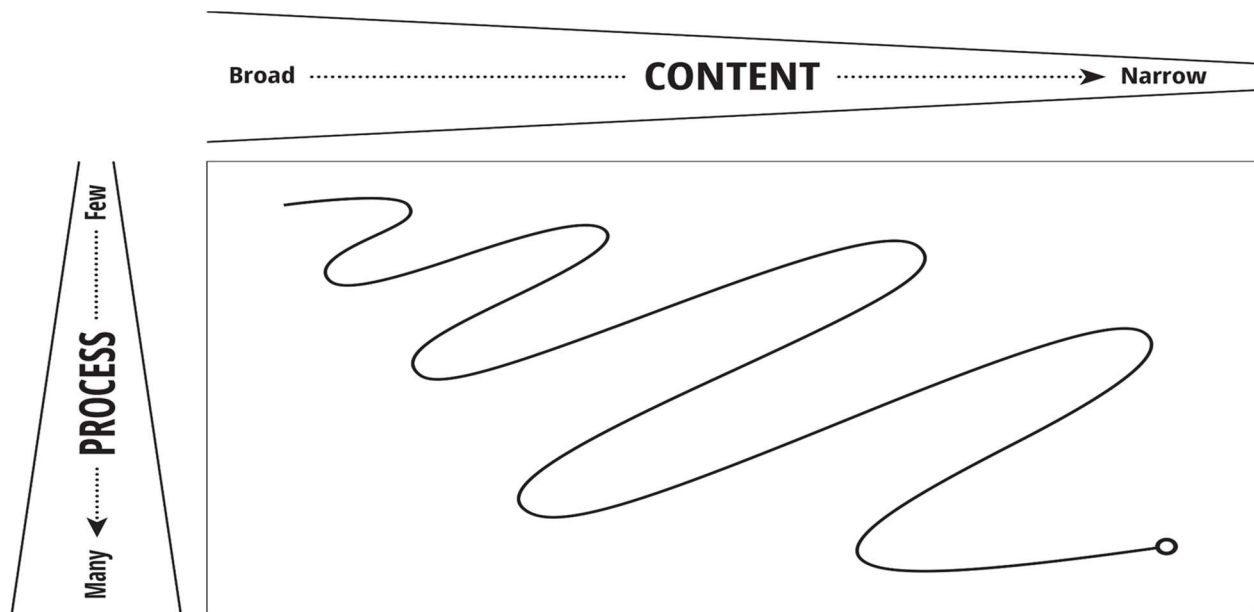


Figure 7:  
Shifts towards Strategic Agility

| <b>Shift From</b>                                     | <b>Shift To</b>                      | <b>How to do it</b>  |
|---|--------------------------------------|--|
| Industry expert                                       | Industry leader                      | Create reputation as the innovator (not follower) in the industry                                |
| Market Share  | Market Opportunity                   | Appreciate and act on trends in the environment  |
| Who we are  | How we are known by future customers | Define internal identity (reputation, values, culture) through eyes of future customers          |
| Our goals   | How customers respond to our goals   | Co-create with targeted customers goals and outcomes   |
| Penetrating existing markets                          | Creating new uncontested markets     | Experiment often with new ideas  |
| Beating competition                                   | Moving ahead of competition          | Benchmark to leap frog competitors; worry less about competitors and focus more on opportunities |
| Blueprints for action (SWOT analyses, vision/mission) | Dynamic processes for agile choices  | Assume strategic agility by not locking into a definitive agenda                                 |

Figure 8:  
HR Role in Strategic Agility



#### [4.2] How do we build organization agility?

*Organizational agility* enables the organization to anticipate and rapidly respond to dynamic market conditions. More agile organizations win in the customer and investor marketplaces. At times organization agility has been defined as a “scrum” which draws on a rugby metaphor for high performing teams. Hirotaka Takeuchi and Ikujiro Nonaka used the scrum analogy in their Harvard Business Review paper in 1986 on new product development. Since then, scrums, or high performing teams, have been applied to technology arenas and are a part of organization agility, the concept of organization agility has broadened beyond teams.

At its simplest, organization agility means that organizations that cannot change as fast as their external environment demands are doomed to quickly fall behind, never catching up. Rapid response to future customer opportunities and fast innovation of products, services, and business models differentiate organizations that win.

Traditionally, organization was conceived as a hierarchy of knowledge, power, and control: what became the traditional organization chart (see “A” Figure 9). These organizations focused on morphology with an emphasis on roles, rules, and regulations. Improving efficiency in these organizations came from layering levels, clarifying roles, and working to remove boundaries across silos. They became bureaucracies that focused inside more than outside, engaged in political squabbles, and were slow to change. The organization logic shifted to systems that operate in a more inter-

connected way. With roots in disciplines as varied as biology, cybernetics, and ecology, this organization model emphasized systems. A systemic perspective is an important complement to the analytic thinking of efficiency and bureaucracy because it encourages an examination of interdependencies. While a conceptual advance, powerful then-new ideas like the McKinsey 7S or Jay Galbraith's STAR model gave greater relevance and credence to aligning strategy, structure, people, rewards, and processes (see "B" in Figure 9). While this alignment of organization systems helped organizations operate better, they were still slow to respond to external disruptions and may not have fully engaged people.

Organization thinking evolved from morphology (efficiency and hierarchy) to system (alignment) to capabilities (identity) ("C" in Figure 9). Dale Ulrich, Dale Lake, and Norm Smallwood defined the concept of organization capability as what the organization is known for and good at doing; its identity.<sup>ii</sup> This organization capability logic advances work by Jay Galbraith, the father of organization design, who added to his STAR model the concept of organization design criteria, which lays out the capabilities required for the organization to win. Economists David Teece and his colleagues define organization capabilities as competitive advantage resting on distinctive processes (ways of coordinating and combining), shaped by the firm's (specific) asset positions (such as the firm's portfolio of difficult-to-trade knowledge assets and complementary assets), and the evolution path(s) it has adopted or inherited.<sup>iii</sup> Organizational improvements come from identifying and creating capabilities that shape an organization's identity and helps deliver its strategy.<sup>iv</sup>

Even with these innovations, organizations often remain too slow, too stodgy, too inefficient, too bureaucratic, too political, too silo'ed, too alienating, too cumbersome – in a word, too old-fashioned -- to meet the needs of a world of unprecedented change.

To create organizational agility, we see organizations moving to a new form ("D" in Figure 9). Arthur Yeung and Dave Ulrich call this the "market oriented ecosystem (MOE)" where an organization anticipates market opportunities as quickly as they exist.

Figure 10 visualizes this organization where there is a platform of key resources, that are then allocated to market opportunities in cells (or teams). Platforms provide best in class expertise (thought leaders) so that business teams use their services; they understand and respond to unique wants and needs of business teams (pull); they create core processes (menus of choices) that can be adapted to the business (push); and they share learning across business teams. Business teams (or cells) are then created to go after market opportunities. These business teams have clear accountability to achieve their KPIs without relying on or blaming other functions or teams (accountability); they have authority to make decisions and to invest resources to win in their market (authority); they create ownership to the team's business to have an owner's mindset (agency); and they develop business leaders who shape and deliver unique strategy, organization, and talent.

Figure 11 summarizes the unique characteristic (versus a traditional multi divisional firm or holding company) of the MOE logic that enables organizational agility.

Organizational agility is enhanced when organizations: create autonomous market-focused teams that can move rapidly to create and define new opportunities; allow values to evolve to match the desired culture and firm identity; and discipline themselves to make change happen fast. These organizations continually experiment, improve, remove boundaries inside between silos and outside with customers, and create networks or ecosystems for improvement. They recognize environmental uncertainty and build capacity to respond through a platform and cell logic, held together with six clear governance mechanisms that enable agile organizations:

- Culture: making the firm brand real to employees
- Talent: putting the right people in the right place
- Ideas: generating and generalizing ideas with impact
- Information: using data for impact
- Performance accountability: creating standards and allocating rewards
- Collaboration: sharing across business

This new MOE organizational logic is in its adolescence and while start up and leading firms are adapting its ideas, it will likely be refined to ensure organizational agility.

Figure 9:  
Evolution of Organization Thinking to Ecosystem

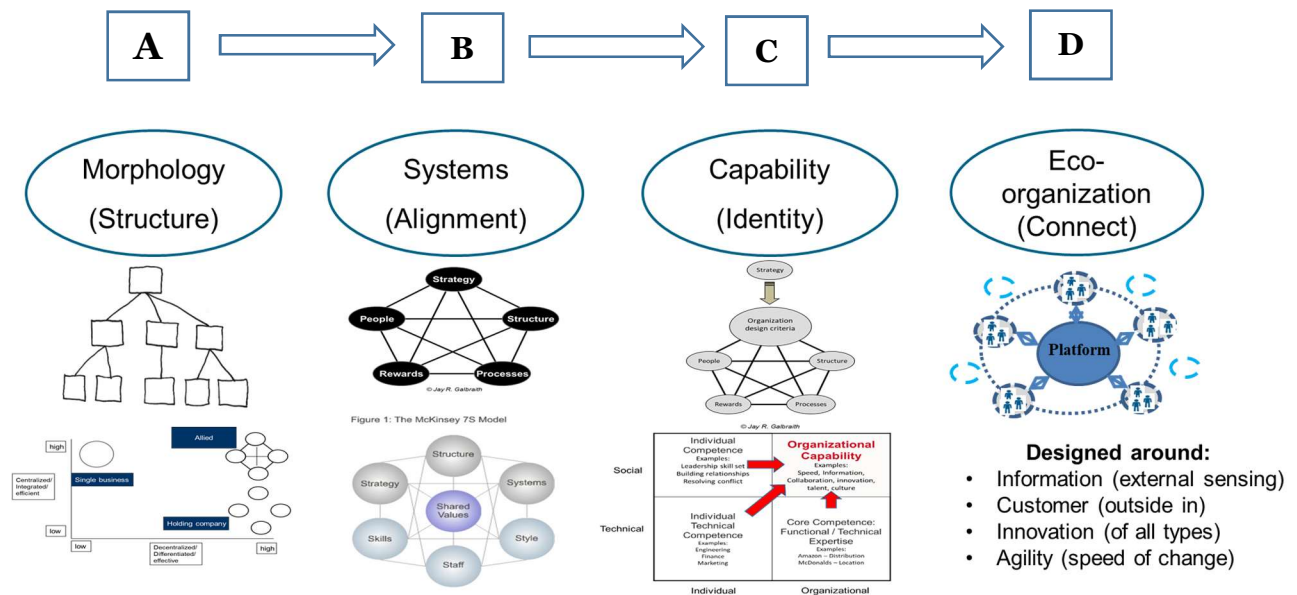


Figure 10:

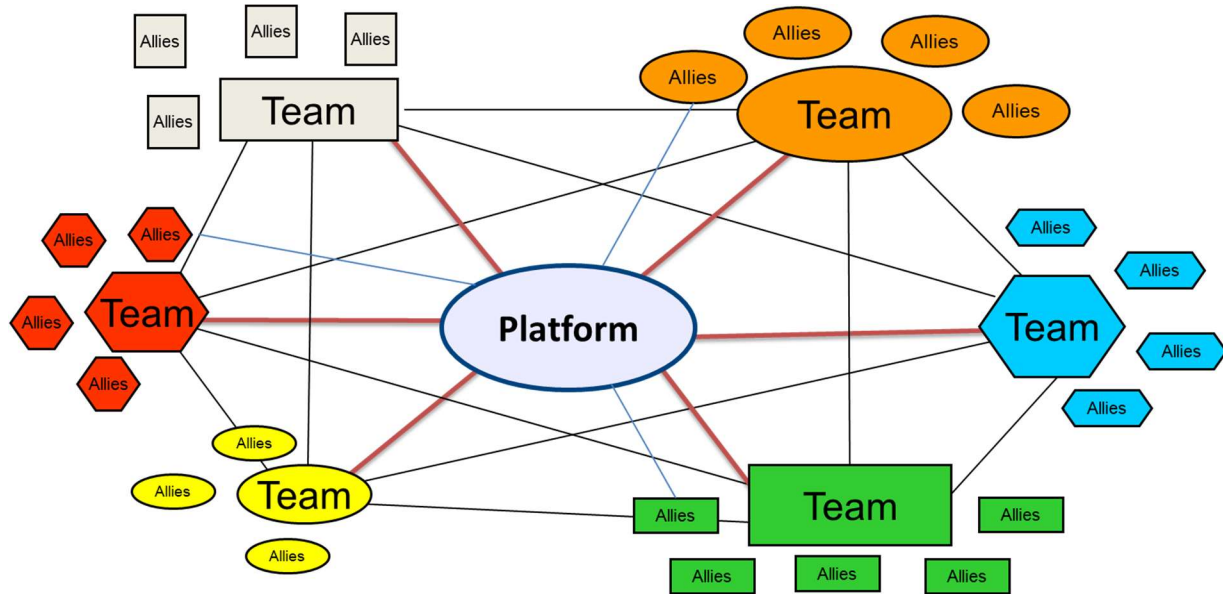


Image of the Market Oriented Ecosystem (MOE)

Figure 11:  
Unique Characteristics of the MOE

| <b>Dimensions</b> | <b>Traditional Multi Divisional Firm</b>  | <b>Traditional Conglomerate or Holding Companies</b>  | <b>Market-Oriented Ecosystem (MOE)</b>  |
|-------------------|---|---|---|
| Employees         | Are managed and assigned as agents of their organization to fulfill rules   | Work as employees in different companies  | Are agents unto themselves and have personal accountability and responsibility for their career choices and success   |
| Leaders           | Are the big brains at the top who set direction and tell others what to do; primarily concerned with creating shareholder value | Manage the portfolio, setting output goals and KPIs   | Platform leaders set the rules of market-based relationship and culture<br><br>Cell/team leaders define and probe market opportunities as entrepreneurs   |
| Strategy          | Decided from within the organization (either top team or some bottom up engagement, but still internal)                         | Portfolio strategy at holding company to decide which companies to invest and which to divest | Decided by market opportunity based on people's ability to anticipate what's next based on customer needs and technological enabling  |
| Headquarters      | A governing group who allocates resources and holds people accountable  | Primarily focus on financial leverage and control   | A platform of competencies and resources to enable teams to win in the market place rather than ensuring the compliance and control of teams.   |
| Divisions         | Corporate units that are organized around a product or service, industry, or geography, often leading to a matrix               | A collection of highly independent businesses acting on their own                             | Teams or cells act more like small businesses which respond to market opportunities, working according to market opportunity. Teams also connected to leverage within the network or ecosystem to grow faster and better. |

|              |   |   |  |
|--------------|---|---|--|
| Control      | Control through rules and policy and objectives (management by objectives, KPIs) “shackled” by rules and policy)        | Control from holding company primarily through financial return | Control through market (reward based on contribution) and mindset “unshackled and autonomous”                              |
| Coordination | Negotiate decision rights (RACI) often in a matrix; with time spent inside the organization to figure out who does what | Little coordination across companies                            | Clear roles of platforms and teams, loose coupling among teams to ensure cross-unit collaboration and network capabilities |

#### [4.3] How do we build leadership agility?

If strategic agility positions an organization to win and if organization agility enables sustained rapid resource allocation to market opportunities, then leadership agility models the ability to learn rapidly, anticipate opportunity, learn always, and adapt quickly (characteristics of agility in Figure 4). Leaders are often the bridge between the organization and individuals throughout the organization. How leaders think and act creates an organization culture and models accepted individual behavior.

We have suggested in our work that individual leaders matter, but that collective leadership shared throughout an organization matters even more. We have also identified in our work on building a *Leadership Brand* that there are six steps to creating the right leadership throughout an organization (see Figure 12). To increase leadership agility, we can identify specific agility-enhancing actions for each of the six steps.

Figure 12:  
Dimensions of Building Leadership Brand



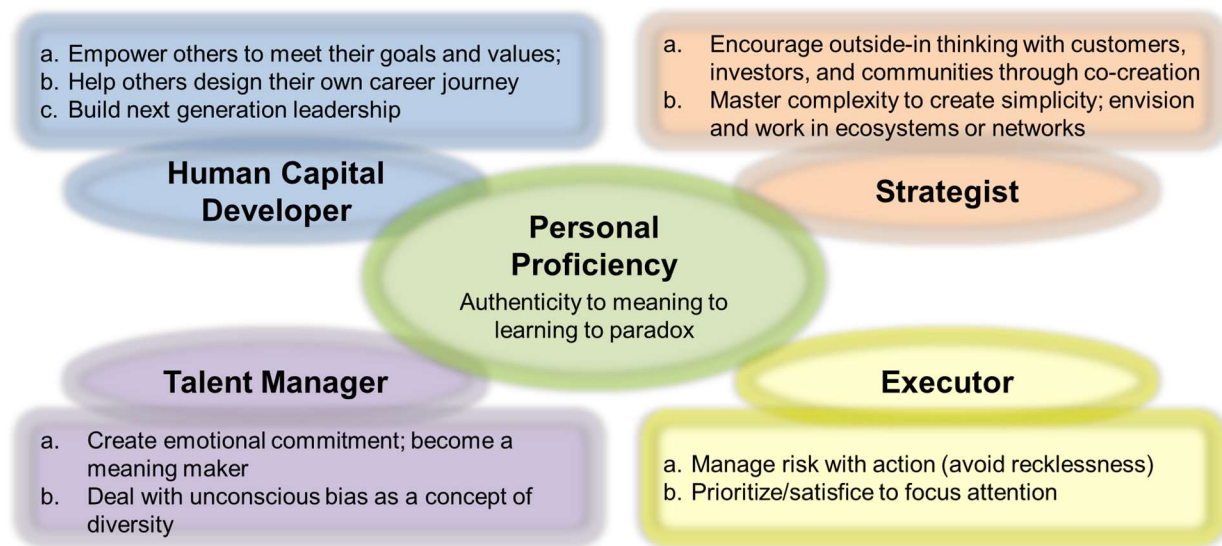
*Step 1: Build business case for leadership.* We found in our studies of Top Companies for Leadership, that the companies who had the best leadership had leaders who spent about 20% of their time building future leaders. Why? In these companies, senior leaders recognize that better leaders throughout the organization inspire employees (showing up in employee productivity and well-being), deliver on organizational strategies (as measured by capabilities and intangibles), enhance customer experiences (tracked by net promoter scores and customer share), increase shareholder value (showing up in price/earnings scores and market valuation), and build community respect (measured by firm reputation). Leaders who demonstrate agility deliver these important stakeholder outcomes.

In defining leadership competencies, we encourage the linkage between leadership attributes and stakeholder outcomes with two phrases: *because of* and *so that*. The five above outcomes (employee, organization, customer, investor, and community) occur

*because of* leaders who demonstrate agility. Or, effective leaders demonstrate agility *so that* these stakeholder outcomes exist. Leadership agility links to valued outcomes.

*Step 2: Agree on what leaders must do.* We have worked to define the leadership code or what effective leaders should be, know, and do (competencies or attributes). We have updated the leadership code to identify specific emerging skills for leaders in five domains (see Figure 13). Agility impacts each of these five domains. Strategists create a future. Executors adapt quickly. Talent managers learn always. Human Capital developers anticipate opportunity. Personal proficiency means that leaders model agility that others can observe and learn from.

Figure 13:  
Leadership Code 2.0



*Step 3: Assess leaders and leadership.* Quality of leadership occurs formally through positive performance conversations, coaching, or 360 assessments. Agility should be a consistent standard in each these settings. In informal settings, agility should also be considered. Leaders can constantly ask those they lead for their views of what is changing and how able they are to anticipate and respond to those changes. Leaders who act with agility move into formal and informal leadership roles, signaling the importance of agility as part of leadership evaluation.

*Step 4: Invest in leaders and leadership.* Improving leadership comes from work experience more than training activities. Increasing leadership agility may come when high potential leaders are given stretch assignments, work projects, or special tasks where they are encouraged, and even required, to act with agility. Giving aspiring leaders problems to solve enables them to gain agile skills more than asking leaders to implement existing programs.

*Step 5: Measure leaders and leadership.* Investments in leadership should deliver expected results. The business case in Step 1 should be realized by measuring not only leadership activities, but also the result of those activities. When agility is part of the leadership business case, it should also be part of leadership measurement: is our organization first (or fast) to market with new products or services? Are we disrupting and redefining our industry? Are we gaining a market value premium because of our perceived agility? Are we co-creating with lead customers? Do we have an internal culture and decision making process consistent with the pace of change in our marketplace? These measurement questions include agility as part of leaders' assessment.

*Step 6: Ensure reputation.* Organizations have an identity, firm brand, or reputation that shapes the perception of all stakeholders. Leaders throughout the organization embody this identity as they turn external expectations into internal actions. Leadership reputation for agility implies that the leaders throughout our organization have a reputation for being agile --- disrupters to the industry norms, provocateurs who challenge status quo, pioneers who take risks, innovators who experiment discover new ideas, or trendsetters who move before others. This agile leadership reputation shows up in social media reports on the organization, investor reviews of the leadership team, and in becoming a differentiator for attracting top talent.

Leadership agility shows up in all six steps of creating a leadership brand. It implies that leaders throughout the organization recognize, act on, and model agility.

#### **[4.4] How do we build individual agility?**

Ultimately, strategic and organizational agility are sustained through individual agility. Leaders may model agility, but until it becomes internalized by each employee, agility is more an isolated event than embedded pattern.

*Individual agility* is the competence of an employee to learn and grow (often called learning agility). Individuals who cannot change as fast as their work demands have limited impact. Individual agility is a mindset (e.g., growth mindset, curiosity) and a set of skills (e.g., asking questions, taking appropriate risks). Therefore, individual agility comes in part from predisposition (nature)—which implies hiring individuals who are naturally agile with the ability learn, change, and act quickly. Individual agility may also be enhanced through training (nurture) by teaching people to ask questions, take risks, experiment with new ideas and actions, observe others, and so forth.

The concept of individual agility draws on research about learning agility. Learning agility refers to a person's desire and ability to learn from experience and to then apply

their learning to other situations.<sup>2</sup> Bob Eichinger and Mike Lombardo identified four dimensions of learning agility:<sup>3</sup>

- people agility (e.g., open minded, self aware),
- results agility (e.g., adaptable, flexible, and has drive to complete jobs),
- mental agility (e.g., curious, finds solutions to difficult problems),
- change agility (e.g., likes to experiment, tries new things),

Leaders most likely to succeed in upper-level management positions demonstrate these four [characteristics of agility](#) more than IQ or EQ.<sup>4</sup> In addition to being a primary predictor of leadership effectiveness, individuals with learning agility have higher rates of well-being and productivity.

As we try to identify specific behaviors of less and more agile learners, we have identified a number of specific actions that can be self-audited (see Figure 14). As discussed, some individuals have a predisposition to agility, but all can be tutored, through training and experience to increase personal agility. We have taught, coached, and worked to increase individual agility through four steps (see Figure 15).

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<sup>2</sup> See De Meuse, K. P., Dai, G., & Hallenbeck, G. S. (2010). Learning agility: A construct whose time has come. *Consulting Psychology Journal: Practice and Research*, 62, 119-130.

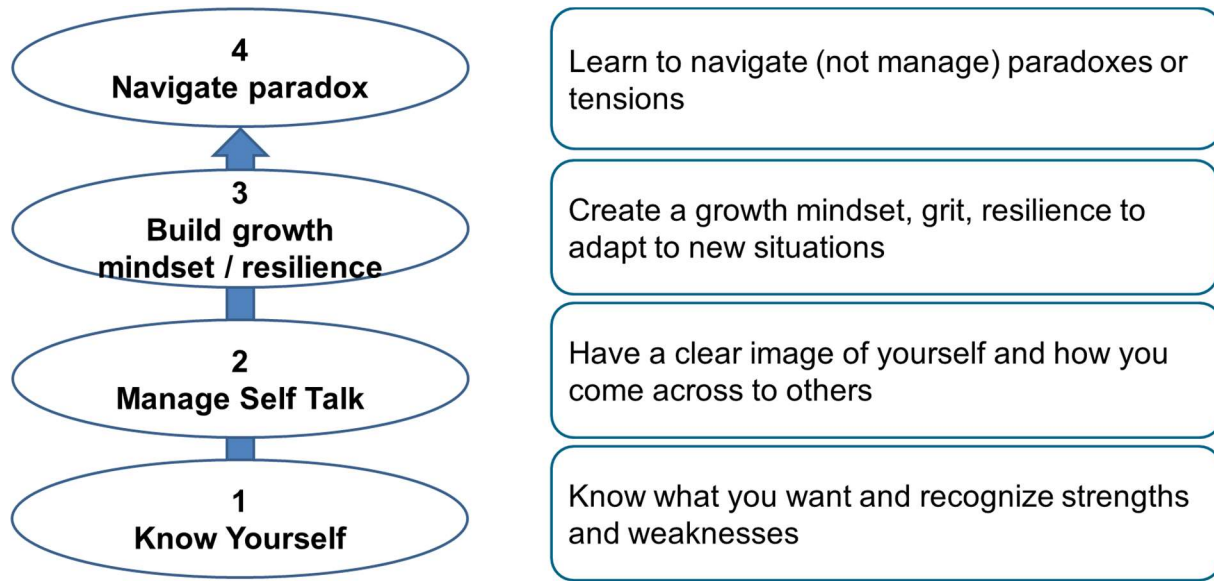
<sup>3</sup> Lombardo, M. M., & Eichinger, R. W. (2000). High potentials as high learners. *Human Resource Management*, 39, 321-330.

<sup>4</sup> De Meuse, K. P. (2018, April). *A meta-analysis of the relationship between learning agility and leader success*. Research paper presented at the Society for Industrial and Organizational Psychology Conference, Chicago.

Figure 14:  
Behavioral Indicators of Agile Individual Learners

| <b>Less Agile learners</b>                    | <b>Assessment</b>        | <b>More agile learners</b>                                  |
|---|--------------------------|---|
| Takes path of least resistance                | L 1 2 3 4 5 6 7 8 9 10 H | Likes challenges  |
| Closed/internal processor                     | L 1 2 3 4 5 6 7 8 9 10 H | Open to ideas of others                                     |
| General                                       | L 1 2 3 4 5 6 7 8 9 10 H | Specific/detailed   |
| Narrow in interests/resources                 | L 1 2 3 4 5 6 7 8 9 10 H | Many interests/resources                                    |
| Avoids risks; waits; prefers staying the same | L 1 2 3 4 5 6 7 8 9 10 H | Accepts personal risks; takes lead in first time situations |
| Cautious                                      | L 1 2 3 4 5 6 7 8 9 10 H | Energetic, experimental, high drive                         |
| Closed, low interest in feedback              | L 1 2 3 4 5 6 7 8 9 10 H | Asks for feedback, seeks improvement                        |
| Focuses on “what” answers and solutions       | L 1 2 3 4 5 6 7 8 9 10 H | Focuses on why and how, new approaches                      |
| Planful; follows steps and processes          | L 1 2 3 4 5 6 7 8 9 10 H | Resourceful; gets it done somehow                           |
| Lives in the present                          | L 1 2 3 4 5 6 7 8 9 10 H | Comfortable projecting into the future                      |
| Doesn't spot underlying patterns              | L 1 2 3 4 5 6 7 8 9 10 H | Detects essence   |
| Can't explain ideas/concepts well             | L 1 2 3 4 5 6 7 8 9 10 H | Makes the complex understandable                            |
| Likes his/her personal solution               | L 1 2 3 4 5 6 7 8 9 10 H | Helps others think through                                  |
| Status quo, likes to do the same things       | L 1 2 3 4 5 6 7 8 9 10 H | Resilience, interested in learning, tenacious               |
| Tends to be cynical                           | L 1 2 3 4 5 6 7 8 9 10 H | Positive optimism   |

Figure 15  
Steps in Individual Agility



*Individual agility step 1: Know yourself*

The ability of an individual to create a future, anticipate opportunity, learn always, and adapt quickly (definition of agility) starts with self-awareness. Knowing predispositions allows an individual to change where change is easiest. When someone wants or needs to become more personally agile, we advise them to ask themselves these questions:

- Build on your strengths: what comes naturally to me?
- Find your passion and act on it: what problems do I like to solve? If given a choice, what work would I choose to do?
- Define success for me: how do I measure my success?
- Be realistic: are my aspirations within my capacity?
- Accept consequences: am I willing to pay the price for my success?

These self reflection questions help an individual be self aware and more able to recognize how agility fits into a personal development agenda. For example, we were coaching a leader who had a job opportunity in a new company, industry, and country. As we reviewed the above questions, she recognized the amount of personal agility required in the new position. She also realized that she tended to be more comfortable in lower risk situations and that while she could technically do and learn from the new job, her personal agility quotient would make this a difficult challenge.

### *Individual agility step 2: Manage self talk*

Psychologists tell us we carry mental models (cognitions, automatic thoughts, scripts, schema) that shape not only how we think, but also what we do and feel. These cognitions often show up in self-talk, which turns our unconscious beliefs and biases into daily actions. Individuals' self-talk often reinforces self-defeating behaviors that inhibit agility. To enhance individual agility, these unconscious biases are made explicit and hopefully replaced with more realistic self-talk. Some of these message shifts are noted below:

- This always happens to me—This is happening.
- I will never get done—I will finish as much as I can finish.
- I am stuck—I can take the next step.
- I am ruined—This hurts but I can start over.
- It's just too much—I will do what I can do.
- I am overwhelmed—This is more demands than I usually handle.
- I am not enough—I can learn, a little at a time.
- Why did I think I could do this?—This should be interesting.
- I can't do this—I can do what I can do.

An individual's mental model that leads to self-talk that leads to self-defeating behaviors can often be consciously modified. Candid, realistic, and positive self-talk increases agility.

### *Individual agility step 3: Practicing a growth mindset*

Much has been written lately about creating a [growth mindset](#) (see RBL Playbook on Growth Mindset). At its essence, growth mindset exists when an individual believes that through individual effort, she can get smarter and stronger. For individual agility, this means exploring options, being curious, taking risks, learning from failures, and constantly improving. Individual agility grows when an individual reflects on the following questions:

1. What was hard today? How did I stick with it?
2. What bugged me today? How did I get around it?
3. What problem came up today? How did I try to solve it?
4. What tempted me today? What helped me resist it?
5. What did I experiment with today? What did I learn from trying it?

By managing the process of learning, this growth mindset encourages sustained agility.

### *Individual agility step 4: Navigating paradox*

Paradoxes exist all around us when two ideas that are seemingly contradictory are put together. Consider some classic sayings that reflect paradox:

- "Modern dancing is so old fashioned." –Samuel Goldwyn
- "No one goes to that restaurant anymore – It's always too crowded." –Yogi Berra
- "A joke is actually an extremely really serious issue." –Winston Churchill
- "You'd be surprised how much it costs to look this cheap." –Dolly Parton
- "It usually takes more than three weeks to prepare a good impromptu speech." – Mark Twain

In our research, we have found that when leaders or HR professionals can navigate (not manage) paradoxes, they deliver more business results. A number of paradoxes exist where an organization or a leader needs to simultaneously navigate two seemingly opposing agendas. A smattering of these paradoxes are highlighted below:

- Get work done through discipline/control AND through freedom/autonomy
- Operate (make decisions) centralized AND decentralized
- Emphasize or track cost/efficiency (denominator) AND growth/innovation (numerator)
- Think and act short term AND long term
- Respect the past AND create the future
- Think globally AND act locally

Individual agility is enhanced when someone becomes a paradox navigator. In our research, we have identified 10 specific skills of a paradox navigator and offer an instrument (Figure 16) to assess behaviors related to these skills.

Figure 16:  
Skills of a Paradox Navigator

| <b>Skills</b>                             | <b>Definition/behavior</b><br><b>What are specific behaviors associated with skill...</b>  | <b>Rate</b><br><b>(1 to 10)</b> |
|---|--|---------------------------------|
| 1<br>Deal with<br>cognitive<br>complexity | <ul style="list-style-type: none"> <li>• See different sides of an issue</li> <li>• Respect someone else's point of view</li> <li>• Learn new ideas (20 to 25% every 2 years)</li> <li>• See patterns in events</li> </ul>   |                                 |
| 2<br>Be socially<br>endearing             | <ul style="list-style-type: none"> <li>• Disagree without being disagreeable</li> <li>• Allow for tension without having contention</li> <li>• Listen to understand</li> <li>• Help others feel better about themselves after meeting with me</li> </ul>                           |                                 |
| 3<br>Be socially<br>connected             | <ul style="list-style-type: none"> <li>• Spend time with people who are not like me (e.g., visit shop floor))</li> <li>• Observe and learn from those not in your zone of influence (competitors, customers, leading players)</li> </ul>   |                                 |
| 4<br>Be personally<br>aware               | <ul style="list-style-type: none"> <li>• Know my predispositions (e.g., introvert vs. extrovert; judging vs. perceiving) or style</li> <li>• Not be bound by my predispositions and see beyond my biases</li> <li>• Judge myself less by intent and more by my behavior</li> </ul> |                                 |

|  |   |                   |
|--|---|-------------------|
| 5<br>Be grounded in a strong set of values                         | <ul style="list-style-type: none"> <li>Know my core values and act consistently with them even if behaviors vary</li> <li>Avoid pandering to different groups, while respecting their requirements</li> </ul>   |                   |
| Skills<br>To what extent am I able to...                           | Definition/behavior<br>What are specific behaviors associated with skill...   | Rate<br>(1 to 10) |
| 6<br>Surround myself with people better than and different from me | <ul style="list-style-type: none"> <li>Seek colleagues and friends who differ from me</li> <li>Ask opinions of people who may differ from me</li> <li>Access experts who know more than me, listen to their advice, and adapt my insights</li> </ul>  |                   |
| 7<br>Encourage divergence and convergence                          | <ul style="list-style-type: none"> <li>Encourage diversity of thinking if your team or organization tends to groupthink; generate options</li> <li>Encourage focus if your team or organization has too much diversity and no closure; ensure actions</li> </ul>                                      |                   |
| 8<br>Use a decision protocol                                       | <ul style="list-style-type: none"> <li>Clarify the decision to be made and who is ultimately accountable for making it</li> <li>Set a timeline for making decision</li> <li>Gather information to make the best decision</li> <li>Make decision and build in learning processes to improve</li> </ul> |                   |
| 9<br>Have a growth mindset   | <ul style="list-style-type: none"> <li>Take risks to experiment and try new things</li> <li>Constantly learn from what worked and what did not</li> <li>Be resilient when things do not work;</li> </ul>  |                   |
| 10<br>Zoom out and zoom in   | <ul style="list-style-type: none"> <li>Establish a vision and overall purpose</li> <li>Envision systems and how parts fit together</li> <li>Focus on the details when necessary</li> </ul>  |                   |
|  | TOTAL:  |                   |

Individual agility is ultimately the responsibility of each individual. Regardless of one's agility predisposition, an individual can become more agile. Increased agility becomes a predictor of personal well-being, work productivity, social connection, and overall emotional health.

### **[5] What are implications for human resource agility?**

We have built the case for agility, defined agility as four factors, and identified four stakeholders for where and how agility is enhanced. Clearly, agility is highly relevant in organization settings today. Our final comments are around the role of HR in generating agility, which implies [1] using HR tools to deliver agility to the four stakeholders in Figure 4 and [2] modeling agility within the HR community.

*5.1 Using HR to deliver agility.* HR practices are often used to deliver strategy and sustain change. In our work, we have clustered HR practices into four domains: people, performance, information, and work (see Figure 17). Choices can be made in each of these four domains to foster strategic, organization, leadership, and individual agility (Figure 18).

People can be hired, promoted, and trained to signal and encourage organizational and personal agility. For example, agility can become a behavioral factor in talent choices. An executive told me once: “If I put the right person in the right place at the right time, I don’t have to worry about strategy because it will happen.” Putting learning agile employees and leaders into key roles fosters strategic, organization, and individual agility.

Rewards can be aligned to agility or the ability to change and adapt. Financial incentives can be predicated on agility skills like learning and change. Non-financial rewards can signal the importance of agility also. In one company, when they held their “top 100” leaders meeting, they invited ten employees into this leadership pool not by title but by recent contribution. As they introduced these employees to this important non-financial reward, they added that “five of these agile (or innovative or change or learning) employees are here because they succeeded in their initiatives; the other five failed but focused on the right priorities, and their lessons learned will also be valuable going ahead.”

Information can be shared about successful change efforts to illustrate both successful and unsuccessful change. The “after action review” (AAR) logic has become standard in so many companies to ensure that lessons learned from one setting can be generalized across boundaries of time and space to other settings.

Finally, work can be organized to foster agility (as discussed above). Agile firms are increasingly creating high-performing teams who focus on market opportunities, as previously stated; they also allow those autonomous teams to act independently to accomplish their goals quickly. But agile organizations go further to make sure that the independent teams are connected to other teams. The connection of independent teams into interdependent ecosystems institutionalizes agility.

To ensure strategic, organization, leadership, and individual agility, we have proposed that HR practices should be aligned to strategy, integrated with each other to deliver solutions, innovative to offer new ideas, and simple to be easy to implement.

Figure 17:  
HR Practices that Enable Agility

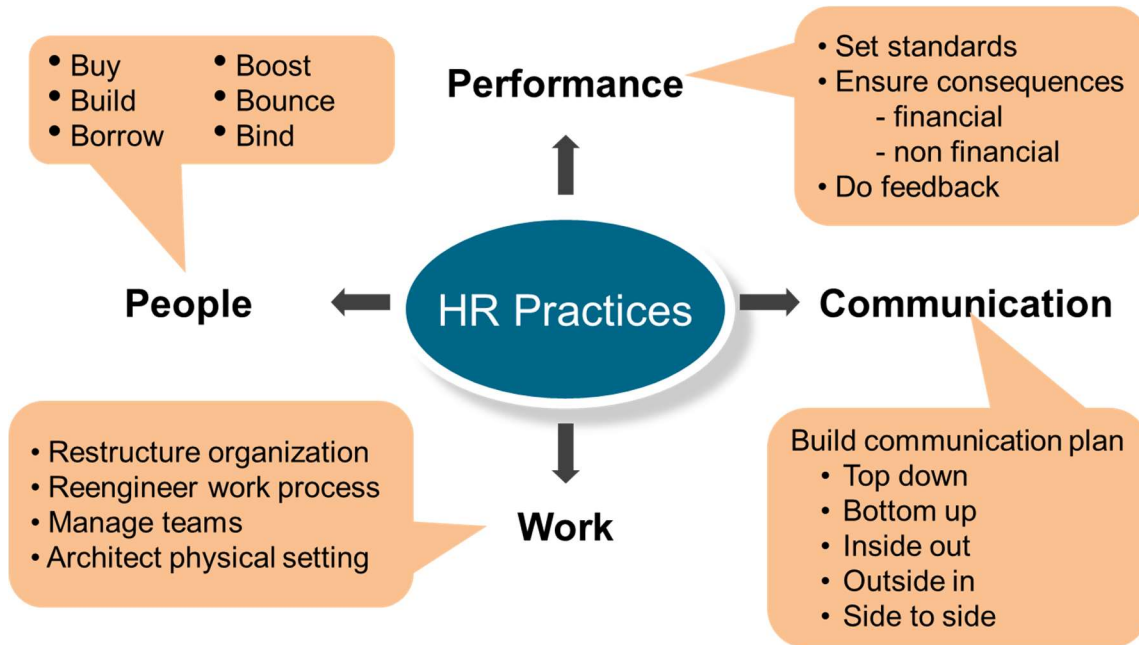


Figure 18:  
Aligning HR Practices to Agility

|              |               | Types of Agility |            |            |                |
|--------------|---------------|------------------|------------|------------|----------------|
|              |               | Strategic        | Individual | Leadership | Organizational |
| HR Practices | People        |                  |            |            |                |
|              | Performance   |                  |            |            |                |
|              | Communication |                  |            |            |                |
|              | Work          |                  |            |            |                |

### *5.2 Modeling agility within the HR community.*

In the HR community, many are calling on HR to be “more agile.” In addition to designing HR practices to instill and sustain agility, HR should be a role model for the rest of the organization. Historically, HR focused on terms and conditions of work and were essentially policy police who minimized risk by regulating behavior. HR moved into the business partner, strategic role to help organizations respond to articulated strategies. Increasingly, HR is moving to an outside in perspective where general market conditions and specific customer and investor expectations shape HR work. In this outside in world, HR departments and people need to respond with agility.

This means that HR governance adapts the ecosystem logic described above to move ideas with impact into businesses where they will have the most impact. HR should design and deliver insights on talent, leadership, and organization as quickly as required by external business conditions.

In addition, HR professionals need to acquire competencies to respond quickly to unforeseen demands and anticipated opportunities. Our HR competency model highlights specific skills HR professionals should know and do to add value to customers and investors and to deliver business value.

When HR both advocates for and models agility, they ensure that strategies, organizations, and individuals anticipate and adapt to dynamic change as fast as the change occurs.

## Conclusion

Agility has emerged as a hot topic. Business context requires agility. Agility matters (why) because almost all of the dimensions of the external business environment are changing dramatically. Agility has many definitions (what), but we can simplify this into four characteristics: create a future, anticipate opportunity, adapt quickly, and learn always. There are four stakeholders where agility characteristics apply (where): strategic, organization, leadership, and individual. HR provides tools for sustaining agility (how) within a company and models agility in how HR is organized and with competencies for HR professionals (see this summary in Figure 19).

We hope the ideas, frameworks, and tools in this playbook enable HR professionals to deliver on the agility opportunity.

Figure 19:  
Summary of Agility Issues



<sup>i</sup> Some of the thoughtful books and articles on “agility” include:

Christopher Worley, Thomas Williams, Edward Lawler. *The Agility Factor: Building Adaptable Organizations for Superior Performance*

Mario Moreira, *The Agile Enterprise*

Linda Holbeche, *The Agile Organization: How to build and engaged, innovative, and resilient business*

Pamela Meyer, *Agility Shift: Creating Agile and Effective Leaders, Teams, and Organizations*

Stephen Deming, *The Age of Agile: How smart companies are transforming the way work gets done*

<sup>ii</sup> Dave Ulrich and Dale Lake. 1990. *Organization Capability: Competing from the Inside Out*. New York: Wiley

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<sup>iii</sup> David Teece, Gary Pisano, Amy Shuen, 1998. Dynamic capabilities and strategic management. *Strategic Management Journal*. December 1998.

David Teece, 2007. Explicating dynamic capabilities: The nature and microfoundations of (sustainable) enterprise performance. *Strategic Management Journal*. 28: 1319 – 1350

<sup>iv</sup> Dave Ulrich and Norm Smallwood. 2004. Capitalizing on capabilities. *Harvard Business Review*. 119-128.

Dave Ulrich. 1997. What is organization? . *Leader to Leader*, 1997(5), 40-46.