

## CHAPTER 3

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# MODERN AGILE

*“Make everything as simple as possible, but not simpler.”*

—ALBERT EINSTEIN

The original Agile Manifesto was born in 2001. Although its four core tenets remain true to this day, the philosophy has evolved over time. True to Agile’s nature, it will always change and adapt to remain viable and relevant in today’s workplace.

According to Joshua Kerievsky, CEO of Industrial Logic, an Agile consulting firm, “The Agile Manifesto was great when it was first drafted. It had a wonderful lifespan and it is a distinguished part of our history, but it deserves

an honorable retirement.”<sup>5</sup> For example, Agile doesn’t apply exclusively to technology departments anymore. Today, those same principles can be woven into an entire organization.

The four founding principles are:

1. Individual interactions over processes and tools
2. Working software over comprehensive documentation
3. Customer collaboration over contract negotiation
4. Responding to change over following a plan

Kerievsky cites limitations within the original four pillars. Specifically, he feels they fail to consider the entire ecosystem of a project. The manifesto should encourage ongoing experimentation as well as foster a healthy and vibrant work environment.

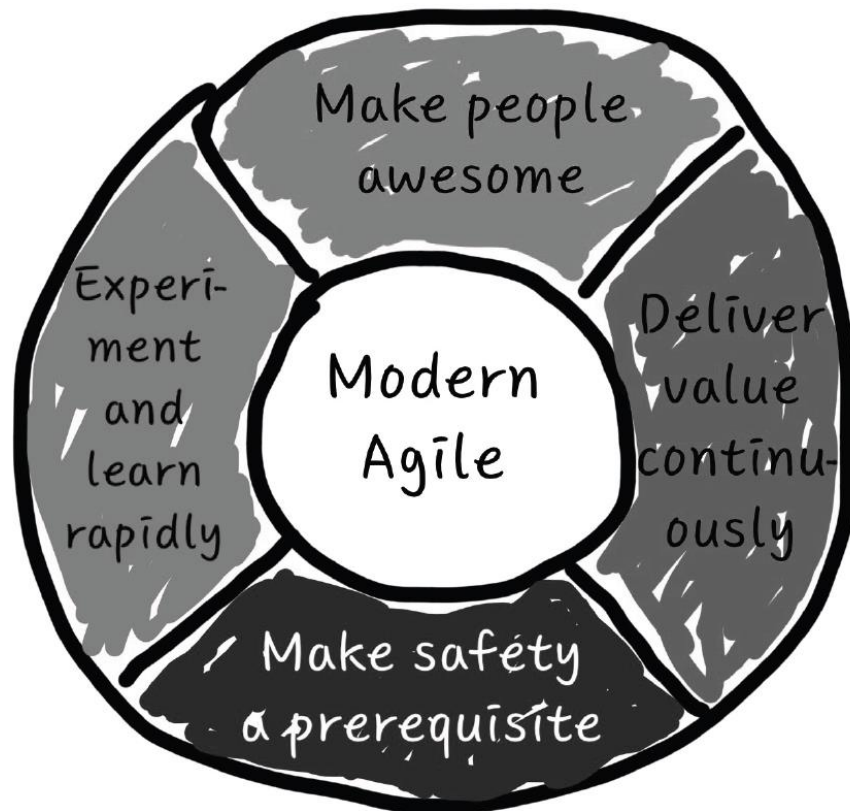
The end goal of any organization should always be to deliver value continuously, not just as it relates to software. To that end, Kerievsky proposed four new principles for modern Agile:

- Make people awesome
- Make safety a prerequisite

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5 “Joshua Kerievsky,” Industrial Logic, accessed September 10, 2017, <https://www.industriallogic.com/people/joshua>

- Experiment and learn rapidly
- Deliver value continuously



The new pillars are better suited to organizations as a whole. They're more specific to today's challenges and are inclusive. "Making people awesome" doesn't apply to customers exclusively. It applies to everyone in the entire ecosystem: the employees, suppliers, vendors, investors, owners, and partners. It includes all the stakeholders who participate in devising, creating, developing, buying, selling, marketing, and funding a product or a service.

Everyone has value within the ecosystem and everyone needs to function at their personal peak.

“Making safety a prerequisite” means creating a culture of safety in order to unlock high-performance behavior. Fear is the greatest roadblock to creativity. The idea is to create an environment where people feel comfortable enough to make wild suggestions, to say what’s on their minds, and to experiment without judgment or penalty. A psychologically and physically safe environment is a prerequisite for performance and engagement.

Creating a safe environment is key for all employees within an organization. When you’ve created a safe environment, your brain will have a lot of energy left over to allow you to think in new ways. It’s interesting. It’s in the small things: How is the air in the office? How does it look in the office? How important is it compared to the bigger and more psychological things, such as how we approach each other when we have a difficult situation?

—LEILA

Many organizations today are riddled with politics, backstabbing power struggles, and bureaucracy. People are afraid to speak their minds or share ideas for fear of punishment. Worse, they’re afraid to step out of line in case a

coworker has it in mind to throw them under the bus. The culture of fear needs to be abolished so that people have the energy and the brain space to focus on what matters, which is creating.

The Agile community has already been practicing “experimenting and learning rapidly” for years. It’s a behavior that encourages people to take risks and learn from their mistakes. Often, mistakes lead to the greatest discoveries or inventions. We’ll never be open to new experiences if we don’t try them on for size and test the waters.

“Delivering value continuously” requires breaking work down into smaller pieces. Smaller pieces means delivering faster and creating value as early as possible for the customer. It might require learning a new approach to doing things. The idea is to focus on the outcomes to uncover better ways of getting amazing results, which is essentially the modern interpretation of the Agile Manifesto.<sup>6</sup>

The most important aspect of the Agile principles is that they are an overview of the rules today’s companies should adhere to. They are like a lighthouse: they offer guidance and illuminate the path. The more the principles

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6 Christina Cardoza, “Agile 2016: Agile is old, we need to make it modern,” Software Development Times, July 27, 2016, <http://sdtimes.com/Agile-2016-Agile-old-need-make-modern/>

are practiced and absorbed, the better a company will function. There will always be obstacles, but when given the choice, it's preferable to speak face-to-face, rather than to communicate another way. It's preferable to trust coworkers and managers, rather than it is to live in fear of them. Likewise, it is better to try new things and see what works than it is to remain unchanged.

That being said, companies that use Agile principles don't follow a fixed recipe or prescription. There are no clear, best solutions. The principles can be used to the degree they are applicable in a given scenario. There are a variety of Agile tools that make the principles come to life, which I'll discuss in detail in the upcoming chapters. You can see a list of principles and tools at the end of the book.

### **HR'S NEW ROLE**

We have chosen to walk away from calling ourselves human resources. That is a very conscious choice, which reflects the kind of value we are actually creating. We are moving from HR to people in culture.

—LEILA

Although Agile philosophies can and should be applied across departments, the real push should come from human resources. HR departments are the architects of

organizations and their leaders need to take the wheel in the driver's seat. They need to lead the transition from traditional management practices to Agile, so that the company is prepared to compete in current and future business landscapes.

It's not going to be about benchmarking and doing the same as Deloitte or some other large company. You have to be creative for yourself, and also for your organization's benefit. I like how HR is working in different organizations; it will be totally different from one place to another. Every company needs to tailor-make their own HR.

—RIINA

When HR managers hold on to traditional ways of working, learning, developing, and planning, they are severely reducing the possibility for change. Those companies will be left in the old paradigm, which is rigid. Or worse, they will be outnumbered and outpaced by smaller, faster players in the market. Alternatively, if HR departments switch to a structure that focuses on customer value over rules and policies, they will be able to lead their companies through change in a way that no other department is capable of.

As the pace of change increases and competition becomes

more fierce, the importance of agility increases as well. Companies that are lightweight and flexible have a better chance of survival than old, bulky clunkers with layer upon layer of policy and process to navigate. This reality is helping more and more companies to understand the value of Agile organizations.

I try not to speak about HR processes. I don't succeed all the time, but I try. Basically, over the last three years, we have chosen the areas that demanded our attention and creativity. We communicated very clearly with the organization by saying, "This year, we're going to work with XYZ."

—CECILIA

I really try to move away from the focus of HR processes and move into the perspective of having the user in mind. By user, I mean the employee experience. Then, of course, we will have different parts of that journey that can be improved, but we're always striving for a better "people" experience.

—LEILA

HR departments tend to lean toward tradition. Their processes are inherently slow and perceived as ineffective. The word "process" alone indicates control. However, certain functions within HR are purely transactional or



administrative. Specific tasks, such as payroll, may require rigid processes. It's the kind of process that, if it does *not* work properly, people will be upset. However, it's difficult to perform the process better or worse—it either gets done or it doesn't.

If we have a process and we implement it in an organization and nobody's using it, does the process exist? No, in my opinion, it doesn't. On paper, maybe it exists; perhaps in a PowerPoint presentation, it exists. But in reality, it doesn't exist.

—RIINA

On the other hand, work tasks that involve creativity—such as performance management, goal setting, competency development, or learning—need to change as the world changes. Performance management and learning do not fit into a process. This is where HR managers need to shift their thinking. If a business demands change and adaptability to new customer needs, fixed processes are not the answer. Annual performance goals and ratings are often completely out of sync with Agile initiatives and goals. The dynamic creates internal conflict, especially within Agile IT teams.

The challenge, then, is for HR to adapt to systems and principles that allow for increased flexibility and auton-

omy. Agile is not a method or a formula that can be “implemented.” It is a mindset, a way of thinking, and a collection of values around how work should be organized in a complex and ever-changing world. The key to its success lies in an organization’s ability to adapt to change.

Some industries are developing so quickly into Agile that, in HR, you just have to know how to support them. The same thing is happening in industries now with the IOT (Internet of Things). The IOT is going full-speed ahead, because if you don’t have digital services to support your lamps, your cables, your roofs, your antennas, or whatever, you are immediately out of the game.

—RIINA

Many of Agile’s methods are derived from the manifesto and the principles that are linked to it. They also build on short cycles that involve frequent deliverables, continuous feedback, and cooperation throughout. By working this way, the products and services become better suited to the needs of customers and unnecessary work is minimized.

Running a business today is less about process than it is about people, teams, and relationships. There is a movement toward centralized decision making, which manifests through cross-functional, self-organizing teams.

The principle here is that the people closest to the information and who have the most knowledge about the issue should be the ones who make decisions about it. They have the greatest competence and insight, and therefore should be empowered to operate in accordance with their best knowledge.

When team members are allowed a high degree of autonomy, they become more motivated. Motivated team members lead to high-performing teams that push themselves to constantly learn and excel. Within a sustainable system, work becomes both a challenge and a reward. Every day is an opportunity for individual team members to push their limits because the focus is on speed. Accordingly, teams start to adapt their behaviors and work more effectively.

## **AGILE HR**

Is there a crucial role and demand for HR in an ultimate Agile organization?

—LEILA

HR's role is shifting from an administrative function to an internal contributor of high strategic value. Traditional HR focused on implementing standards, policies, and controls. Now the focus is on speed and internal customers.

HR should foster flexibility, adaptability, and innovation to support management and employees. The goal is to help people be more competent in their roles, to work better with one another, and to make faster decisions closer to the customers.

All HR does is make rules, tools, and processes telling everyone in an organization how things should be done. It would be better if HR offered a menu: “Dear leader, if you want to help your employees to grow, you need to do it in this way and have a dialogue around that.”

—CECILIA

The Agile HR Manifesto has been adopted from the Agile IT Manifesto presented in the previous chapter.<sup>7</sup>

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## AGILE HR MANIFESTO

We are uncovering better ways of developing an engaging workplace culture by doing it and helping others do it. Through this work, we have come to value:

- Collaborative networks over hierarchical structures
- Transparency over secrecy
- Adaptability over prescriptiveness

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<sup>7</sup> “Manifesto for Agile HR Development,” Agile HR Manifesto, accessed September 10, 2017, <http://www.agilehrmanifesto.org/>

- Inspiration and engagement over management and retention
- Intrinsic motivation over extrinsic rewards
- Ambition over obligation

That is, while there is value in the items on the right section of the sentence, we value the items on the left more.

Agile HR can be viewed from two perspectives: how HR should work internally and what HR should deliver to the business. We will discuss each of these processes and practices in depth in subsequent chapters. Because HR is the driving organizational force within businesses, our focus is on creating better workplaces through the development of individuals and teams across all disciplines. The trick is to start small where you are, and keep it simple.

HR really has to get rid of all the stuff that is not core competencies, like the entire HR administration. Payroll could be done by finance. They're dealing with that stuff anyway. Legal should do legal documents, and HR needs to focus on the people.

—FABIOLA

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## FROM→TO: AGILE HR

### THE TRADITIONAL WAY

Develop policies, rules,  
and standards

Deliver programs and  
processes to customers

HR specialists, OR HR  
generalists, OR HR admins

Individual work

Functional HR/specialist area

Jobs and positions

HR projects

Promotions and bonus programs

One size fits all

Having the “HR recipe”

Human View X

### THE AGILE WAY

Support flexibility, speed,  
and collaboration

Involve customers in delivery

T-shaped HR people who can  
take on many different roles

Teamwork (cross-functional)

Value stream-based HR

Playing many different roles

Stable, high-performing teams

Salary formulas and profit sharing  
(can be performance related)

No size fits all

Experimentation

Human View Y