

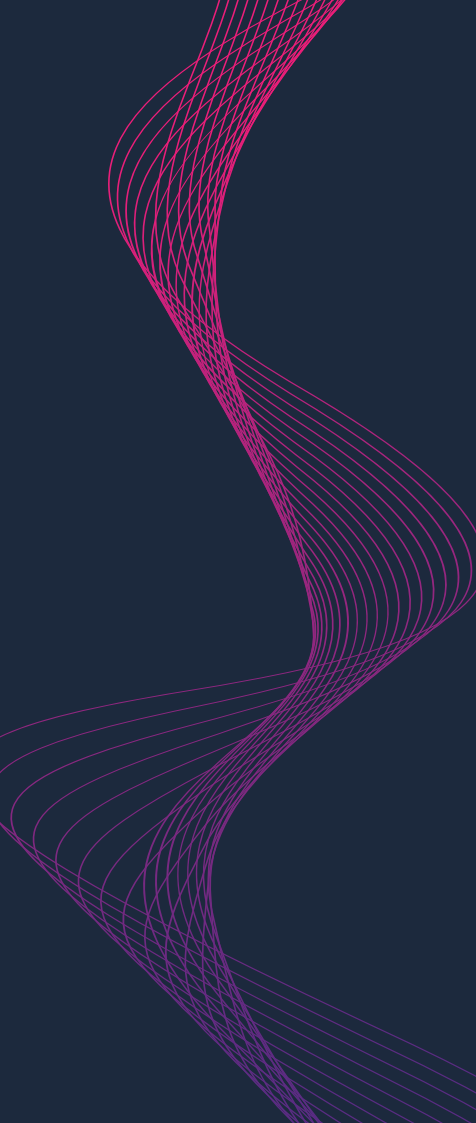
English

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INTERNATIONAL

**State of
Agile HR**

2022

organize
agile 



Agile is no longer a buzzword in the world of HR: it signifies a long-term commitment to the flexibility of people, organizations and HR itself. But what does Agile HR actually look like in practice? That is what this research report is all about.

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Introduction

We are proud of this second edition of our State of Agile HR series, and it is the best one so far! When comparing it to the [State of Agile HR 2020](#), everything is bigger: more respondents, more in-depth interviews and more global coverage.

As HR transformation consultants at [Organize Agile](#), we are committed to changing the future of work. That is why we believe that this report will greatly contribute to the Agile HR community, and that is why we are so invested in making this report a reality.

As the past year has been a tumultuous one for many, this report includes a special chapter on the impact of the pandemic on the agility of HR. You may find the potential long-term consequences on the agility of HR striking.

If you are unfamiliar with Agile HR and the way in which it impacts people, organizations and HR processes, please watch our video about Agile HR: [Agile HR - The new role of HR in agile organizations](#). And if you want to get a thorough understanding of the topic, you can either sign up for the [Agile HR e-Learning](#) or a class-room [Agile HR training](#).





We want to thank all HR leaders and professionals that have contributed as respondents, interviewees and supporters. And of course our amazing international partners that co-create this report and open it up to the world: [JP Coutinho](#) (Brazil), [SOOM, Personas & Organizaciones](#) (Peru), [Haga Business Consultancy](#) (Turkey), [Ministry of People](#) (New-Zealand) & [DecodeHR](#) (Singapore).

How to read this report

Over the coming pages, we will provide insights into the following themes of Agile HR in 2022:

- A** The agility of organizations as a whole, including the state of their agile transformation ([page 10](#))
- B** The adoption of Agile HR by the HR department and the transfer of HR responsibilities to multidisciplinary teams ([page 16](#))
- C** The impact of the COVID-19 pandemic on the complexity and agility of HR ([page 33](#))

In addition, be sure to read the Knowledge Bits for ideas on how to make Agile HR come alive in your organization:

-  **Modern Agile** ([page 13](#))
-  **Kanban for Recruitment** ([page 20](#))
-  **Obeya - Make the strategy tangible and collaborative** ([page 28](#))
-  **Hybrid working using Virtual Reality** ([page 38](#))



Executive summary

An Agile HR strategy is essential for achieving results

An increasing number of HR departments (42%) has formulated an HR strategy that specifically addresses Agile HR principles and practices. By making their vision and implementation of Agile HR explicit, they achieve results on a number of fronts. This includes facilitating the success of multidisciplinary teams, increasing employee satisfaction and attracting new talent. HR departments that are not aware or not able to translate Agile HR into an applicable strategy, lag behind significantly.

HR is taking a more active role in organization-wide agile transformation

In comparison with the State of Agile HR 2020, respondents indicate that HR is involving itself increasingly in agile transformations: up from 53% to 62%. Where in the previous report there was a noticeable sentiment that HR is often on the sidelines of this broad organizational change, this has now lessened. It is encouraging to see HR take on a role, although challenges remain. A significant problem for HR departments that have been facilitating an agile transformation for the past 3 years or more, is the rigid organizational structure. HR has not yet garnered either the knowledge or executive support to increase the agility of these structures.

Strategic Workforce Planning is a growing challenge for agile organizations

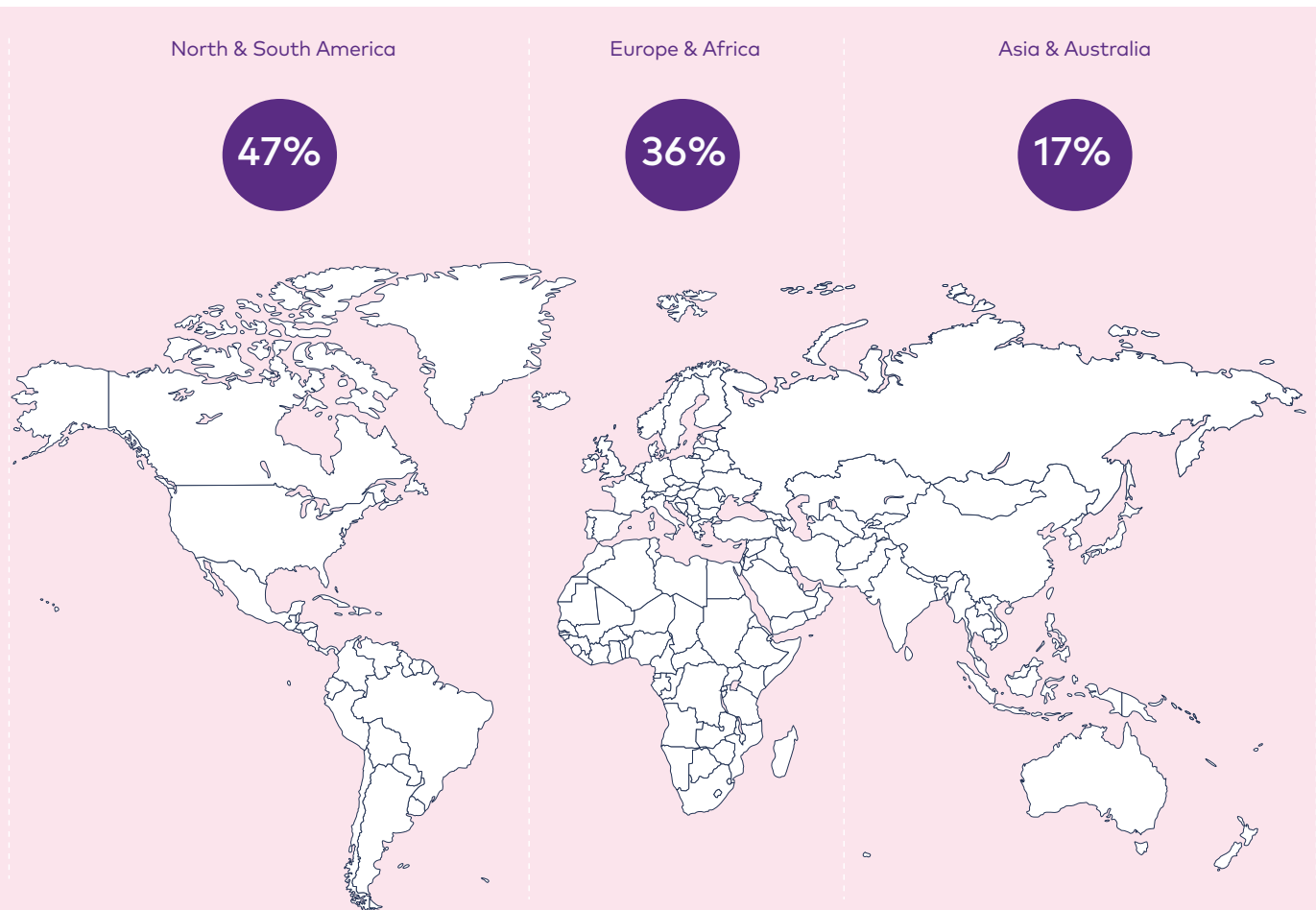
In regard to the uncertain context of organizations today, including the shortage of certain competencies and talent, nurturing a future-proof workforce is indispensable. That is why Strategic Workforce Planning (SWP) is mentioned by respondents as the biggest challenge for HR, second only to the pandemic influenced challenges. And HR departments are designating SWP as the number one responsibility they want to transfer to teams. Both facts point to the need for reinventing SWP for the age of agile.

The COVID-19 pandemic demonstrates the need for Agile HR now and in the future

The respondents agree that the pandemic has strongly increased the demands placed on HR. Not only in terms of crisis management and servicing employees, but also as a strategic partner of management. Indeed, HR has become a more complex field. At the same time, the organization and its people expect a high degree of agility from HR. This was true at the peak of the pandemic, and remains true afterwards. Thus underscoring the continuous and increased need for an Agile HR.

1. Participants of the State of Agile HR 2022

In this report, we have controlled for the differing backgrounds of the participants, so that the results represent the global HR community at large.



Respondents

414

Countries

34

Continents

6

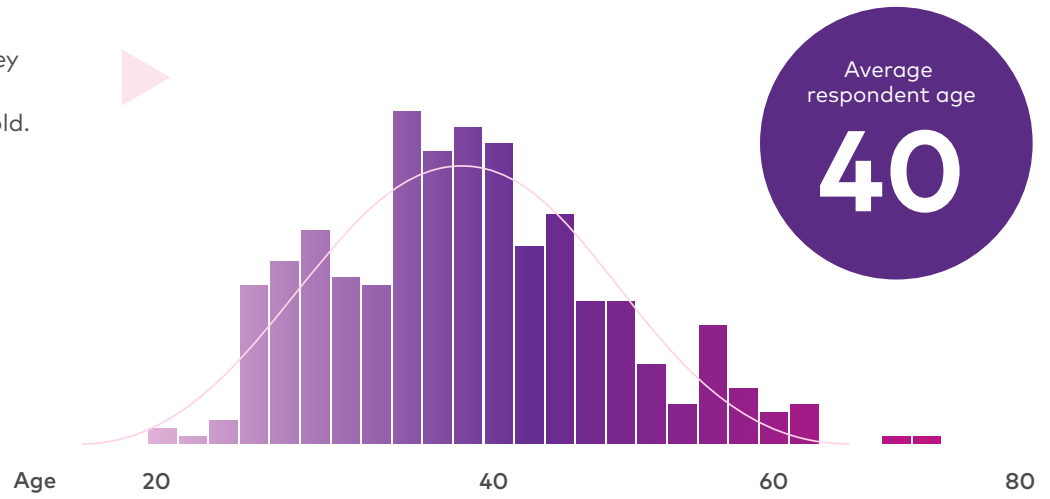
Argentina
Australia
Azerbaijan
Brazil
Brunei
Chile
China
Colombia
Costa Rica

Denmark
Germany
India
Indonesia
Italy
Kenya
Malaysia
Mexico
Netherlands

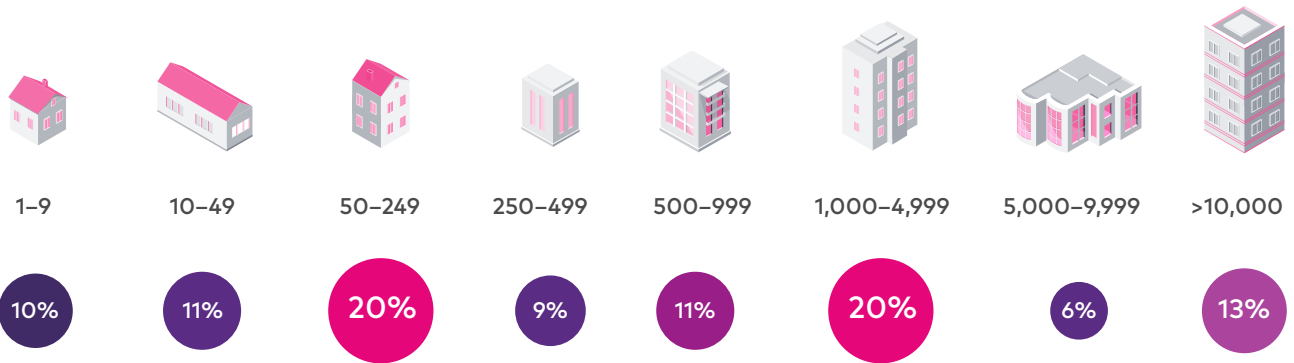
New Zealand
Norway
Peru
Poland
Portugal
Romania
Singapore
Slovenia
Spain

Sweden
Turkey
Ukraine
United Arab Emirates
United Kingdom
United States
Uruguay

Fun fact: The youngest survey respondent is 19 years old, while the oldest is 73 years old.

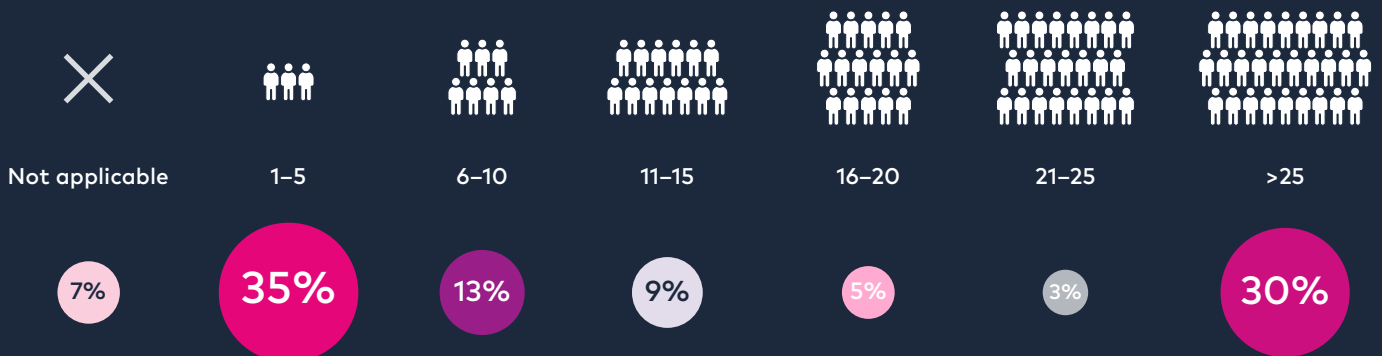


^{1.1} **What is the size of your organization?**

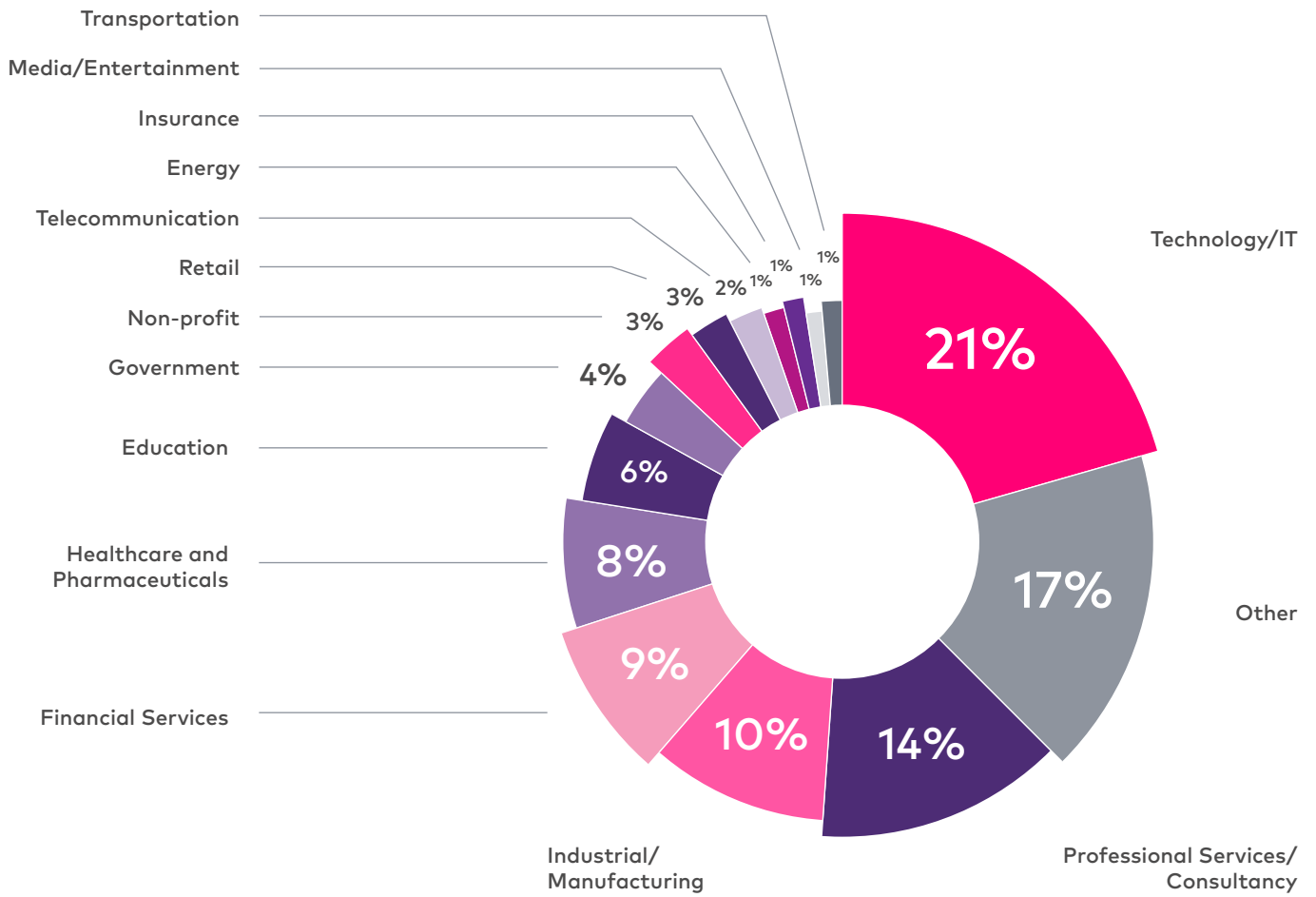


Focusing on organizational characteristics we noticed that most organizations are in the 3rd (**50-249 employees**) and 6th (**1,000-4,999**) category with an overall average of **500-999 employees**. This enables us to compare relatively small organizations with larger ones.

^{1.2} **What is the size of your HR department?**



Which industry does your organization operate in?



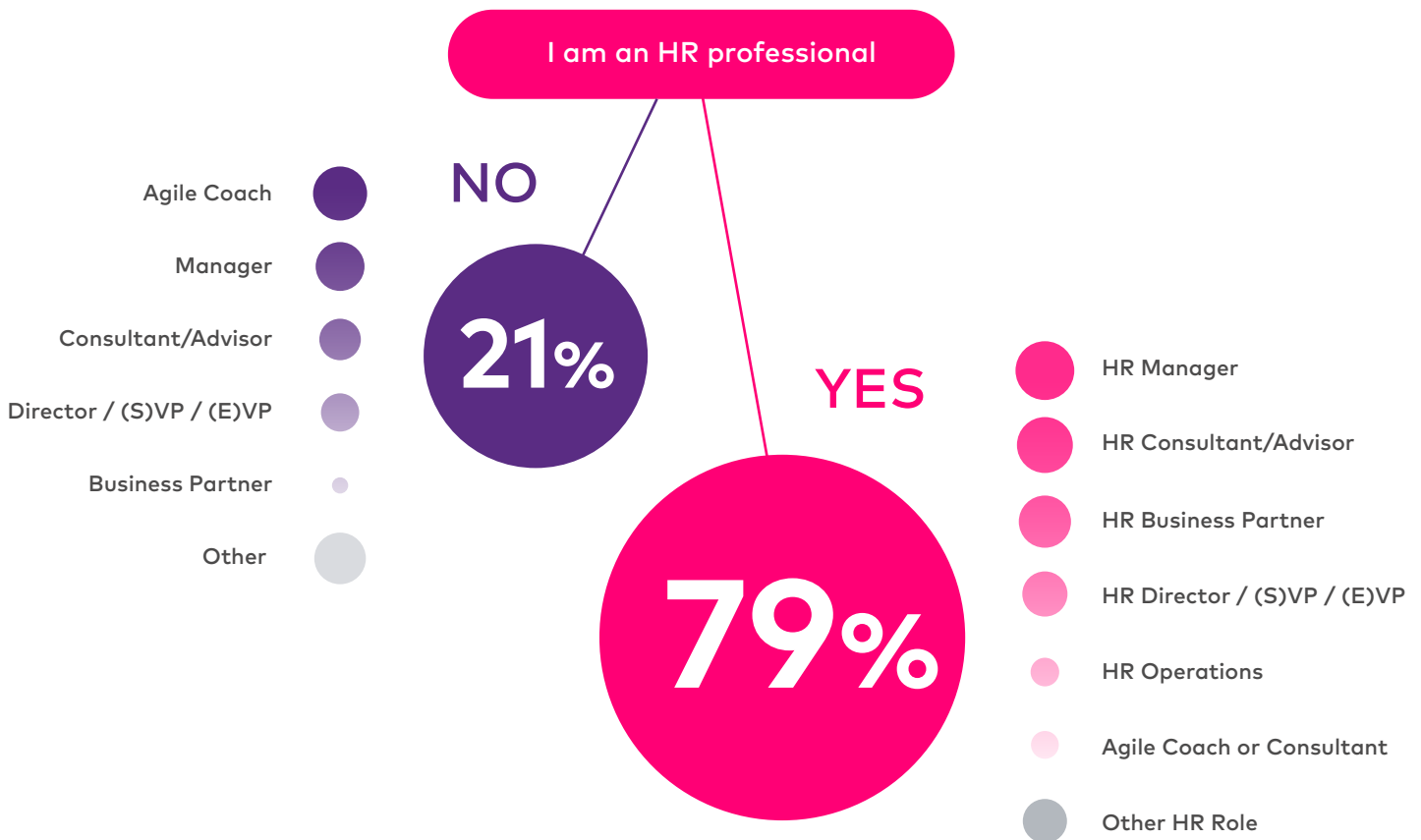
▲ Not surprisingly, IT is still the most well-known industry where Agile ways of thinking, working and organizing take place. However, other industries are catching up.



Within the Dutch Police the Agile way of thinking, working and organizing started as a bottom-up movement. However, at this moment we are stuck on a beginner's level. We need to consider agile coaching or mentoring to grow to the next level.

Koen Robben – Senior HR Advisor, Dutch Police

Are you an HR professional? What is your job description?



Out of the 414 respondents, only 21% were non-HR, mainly operating as **Agile Coach** (26%), **Other** (23%) and **Manager** (21%).

79% of the respondents indicate that they are active in human resources, mainly as **HR Manager** (23%), **HR Consultant/-Advisor** (21%) and **HR Business Partner** (18%). From these statistics we can say that the larger part of the HR respondents are operating on a strategic level in the organization.



I enjoy spreading the Agile Mindset from within the organization and not as an external coach. I get a tremendous amount of freedom and responsibility. I'm the first Agile Coach and I've been able to build it up all the way.

My Pham – Agile Coach, Luxury Retailer Bijenkorf

Why could I not be an HR advisor and an Agile Coach at the same time? It touches so many elements that are already covered within HR. I think that's a missed opportunity.

Koen Robben – Senior HR Advisor, Dutch Police

I get a lot of energy from brainstorming on topics with colleagues. I really see the added value of working with a team. I can hardly imagine it any other way.

Mariëlle Jansen – Agile Coach, Municipality of Amersfoort

We brought the Agile coaches to HR. Both of us are very happy about this move. It allows us to properly support the entire organization on the Agile way of working.

Andrea Pierik – Team Lead and Product Owner, HR Randstad

High Agility

Struggling with Agile

Average size of organization

250–499



500–999



Average size of HR department

11–15



11–15



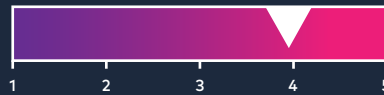
The Agile mindset is part of the organizational culture (average answer on a scale from 1 to 5)

4 (Somewhat agree)

2 (Somewhat disagree)

Agility in the HR department

3.91



2.72



Industry

22% Technology/IT

17% Industrial/ Manufacturing

15% Professional services/ Consultancy

14% Technology/IT

10% Financial Services

12% Healthcare & Pharmaceuticals

Based on how successful respondents assess their organization in embracing Agile, we have distilled common characteristics of these organizations. Then again, these characteristics alone are not enough to forecast a successful adoption of Agile HR.

2. Agility in the organization

Just like in the previous report, all respondents were asked about the level of agility within their organization. This year with more in-depth questions about culture and leadership.

2.1

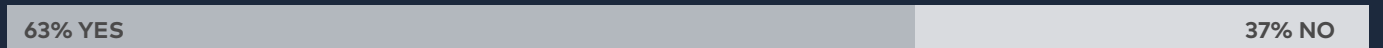
Does your organization use agile ways of thinking, working and organizing, outside of software development?

YES

NO

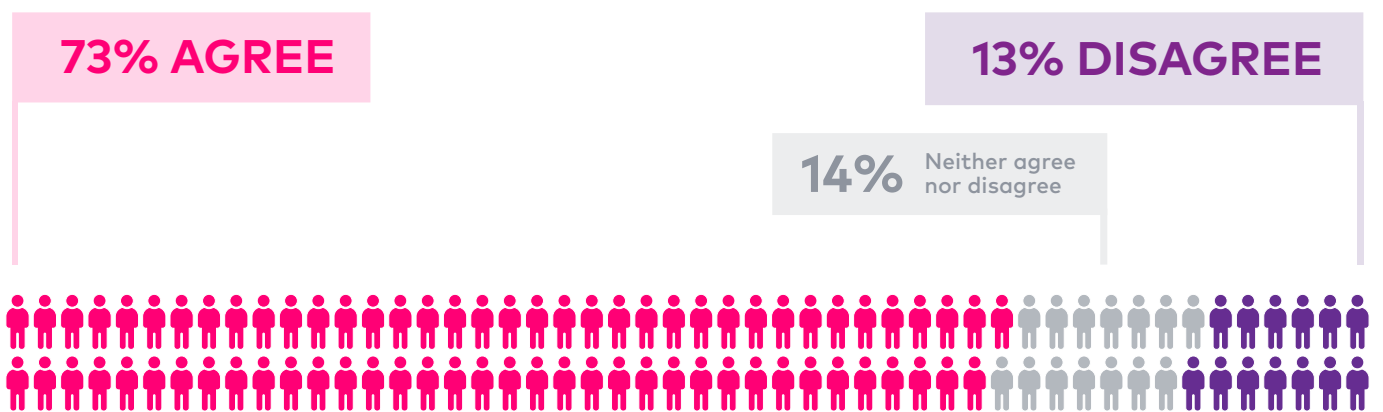


Previous report (2020, 206 respondents):



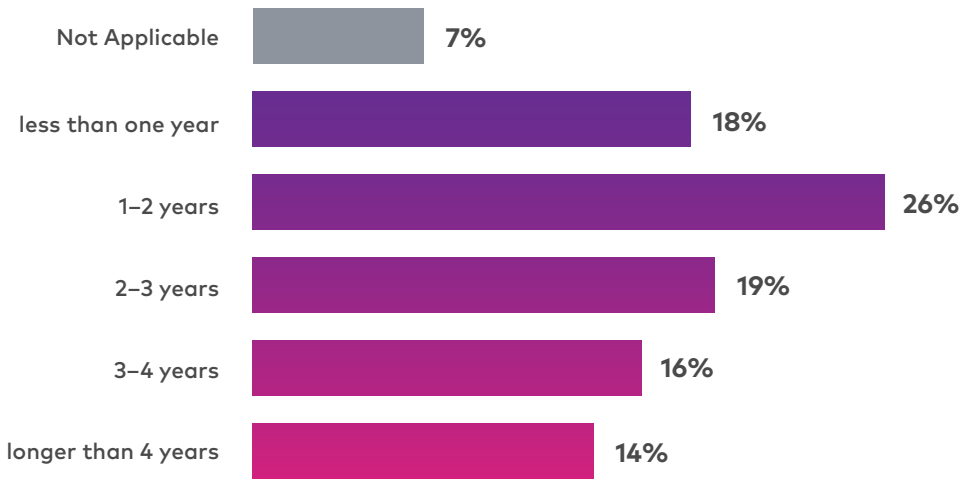
2.2

Your organization is engaged in a transformation towards agile thinking, working, and organizing.



73% of the respondents indicate that they are engaged in an organizational transformation towards agile thinking, working and organizing, with an average duration of **2-3 years**.

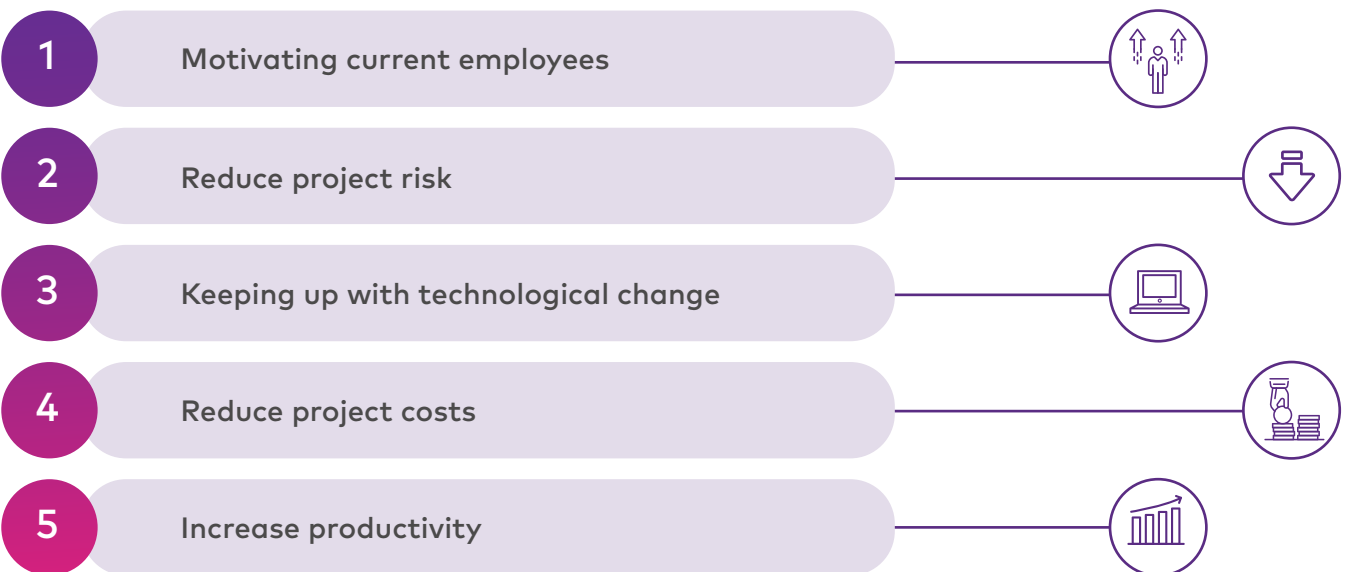
For how many years has your organization been in the process of an agile transformation?



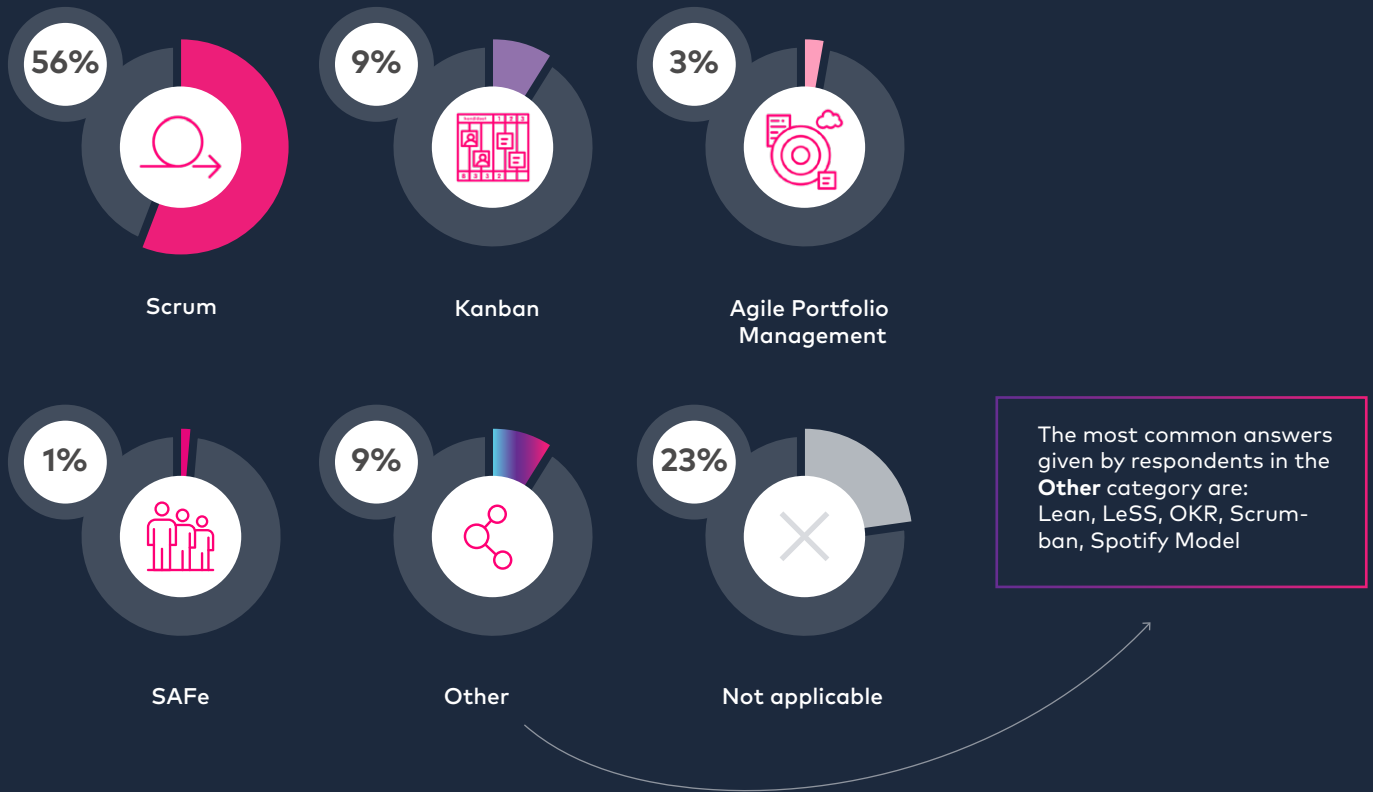
Relatively speaking, we can conclude that the transformations the respondents are engaged in are relatively young, where a full cultural transformation takes many years to accomplish.

See blog post: [Breaking the habit: Why is agile transformation so hard?](#) – Organize Agile.

The top 5 reasons for adopting Agile within the organization



Which agile frameworks does your organization work with?



Interview with Oktai Gasjimov

Associate, DecodeHR

An Agile culture at Decode HR, Singapore



Does culture matter when it comes to agile practices?

Yes. Cultural differences may hinder agile teams due to its American origin. Agile started in the USA, including their norms and values, which doesn't fit in all cultures. That's why recognizing unique cultural characteristics is critical for agile project success.

MIT Sloan research on agile project teams in China, India, and South-Korea found three areas where cultural scripts created challenging situations: maintaining flexibility and speed, building an effective agile team, and creating accessible communication channels.

The Indian cultural norm is to solve problems through improvisation with limited resources. Although this aligns with agile's flexibility, it is essential to streamline improvisation by setting up formal engagements to minimise inconsistencies. In cultures like China and India, employees expect supervisors to make decisions and instruct them, which counters the self-organising element of an agile team. A best practice of building agile teams is the distribution of authority across multiple individuals by creating subteams where each team makes its decisions and communicates it with other groups.

What would you say is a critical element to trying to overcome these challenges?

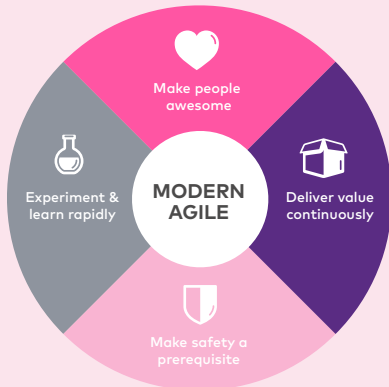
Open communication, which is a critical element to agile practices. Cultural norms can have a restrictive effect on interpersonal communication. For that reason, promoting an open communication environment is necessary.

Read the full article: [Why you should consider culture in agile practices](#)



Knowledge bit: Modern Agile

Joshua Kerievsky, 2016



When we talk about Agile ways of thinking, we often talk about the underlying Agile values and principles. One of the best known Agile sets of values is the **Agile manifesto**, written by Jeff Sutherland, Ken Schwaber, et al. Written in 2001, the Agile manifesto can however feel quite IT oriented, with values such as 'Working software over comprehensive documentation'. **Modern Agile**, created by Joshua Kerievsky in 2016, is often presented as a more broadly applicable, simpler and streamlined evolution of the Agile manifesto, which places more emphasis on people and growing an outstanding culture.

Modern Agile is a value set consisting of 4 values:

Make people awesome

What can you do to make the people in your ecosystem awesome? By people we mean both the customer and your colleagues/partners. You can try to learn about their situations, their wishes and their constraints; what is holding them back and what do they want to achieve? You can make people awesome in many different ways. Whether this is as a trainer by asking for personal examples from participants in a workshop, as an IT manager by prioritizing automated testing, as a scrum master by bringing the right people together for an important conversation, as a department head by making information transparent in an Obeya (see page 27-28) or as a colleague by simply checking up on a fellow colleague who was having a hard day. Facilitate people when necessary (make them awesome!) and trust them to get the job done.

Make safety a prerequisite

Safety, not just physical but also psychological, is a basic human need. How do you make safety a prerequisite? By establishing safety before engaging in any potential dangerous situation. You are not just protecting the physicality of people in your ecosystem; you are protecting people's information, reputation, (mental) health, money, time and more. If you wish to be able to give and receive constructive feedback so you can, for example, improve the quality of your product, safety must be made a prerequisite.

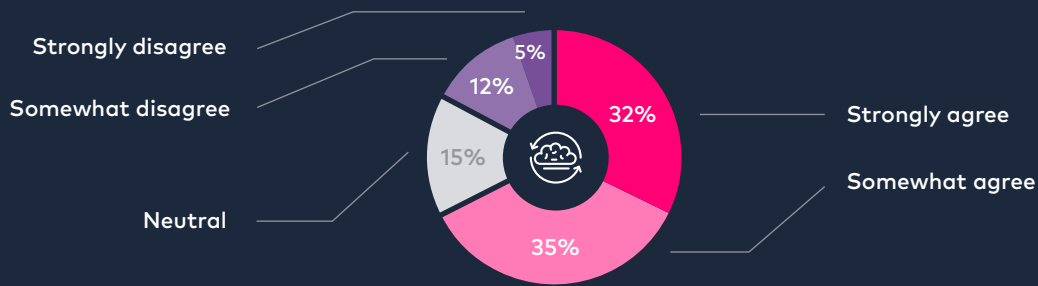
Experiment and learn rapidly

The world seems to be changing faster every minute. Whether this is due to new competitors, changing technology, increasingly empowered customers or a combination of these things, it is now more important than ever for you as an organization to offer the most suitable product or service. This means that you have to experiment (more) to keep up. Which service is the customer most looking forward to? Which approach is most effective in the field of poverty reduction? We can learn much faster through an experiment – or rather a series of small experiments – than we could ever do at the drawing board. To experiment successfully we must feel good enough to give it a go and we must feel safe enough to fail, thus bringing together the two previously discussed Modern Agile values in this third one.

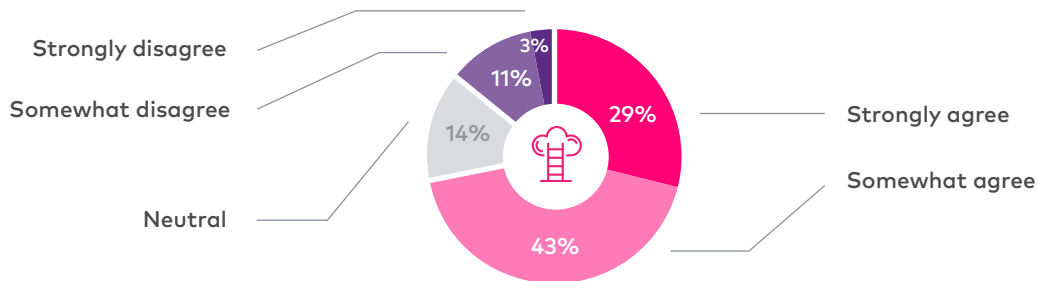
Deliver value continuously

In the end, there is only one group that stands at the centre of it all; the customer. Whether they are called users, residents, customers or sometimes even victims, everything that Agile stands for is aimed at continuously delivering value for them. 'Continuously' is the key word in that sentence. We don't deliver value at the end of a journey, we strive to deliver value at the earliest possible stage, continue to do so at every stage and improve learning through feedback. This may feel uncomfortable, presenting something that feels like it has been tied together with string and is barely operational. But this also means that you are delivering something early on in the process that may very well already be a solution to a problem. And thus, delivering early also provides you with the opportunity to adjust your course, based on the feedback received. This way you also limit eventual risks.

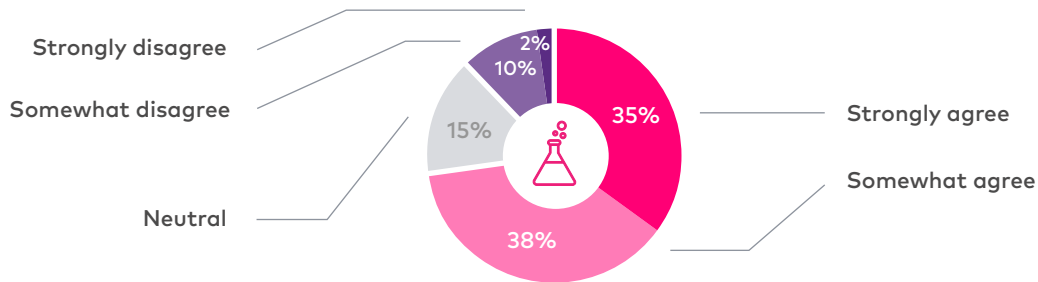
The agile mindset is part of the organizational culture



Leaders provide trust and space for teams to function autonomously



Leaders encourage learning and experimentation within the teams



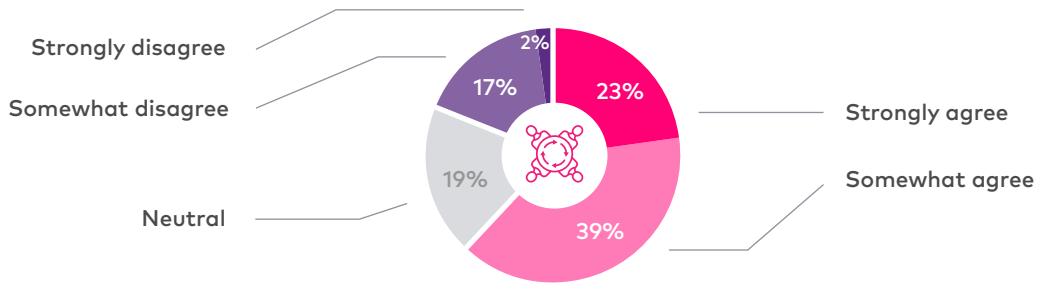
We have managers with the right mindset. They are open and adaptive. However, there are still many pitfalls for old management behavior such as solving the problem yourself instead of letting the teams solve it.

Mariëlle Jansen – Agile Coach,
Municipality of Amersfoort

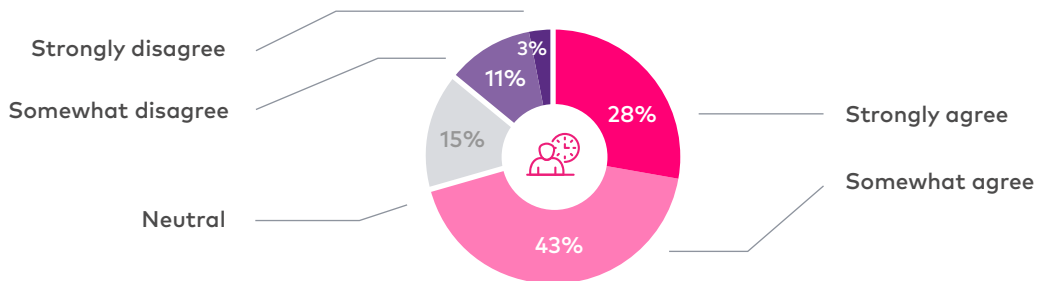


As we look at the evolving role of leaders and managers towards agile leadership, we see very promising outcomes. We can conclude that **they provide trust and space for teams to function autonomously** (72% agrees) and **they encourage learning and experimentation within the teams** (73% agrees). However, as the the State of Agile HR 2020 pointed out, Leadership Development is a key challenge for HR and is likely to remain so in the future.

Employees share their experience (successes, mistakes) and knowledge and do so in a transparent manner



Employees also work outside their own job description



I would like to see a single backlog at the board level, so that they jointly determine what the focus is going to be and have the same goals. You literally notice that directors are not aligned with each other.

Anonymous – Agile Coach, Major Retailer

During Covid we see managers scheduling a lot more bilateral meetings to talk to their people, they don't trust the self-organizing ability of the teams.

Anonymous – Agile Coach, Government

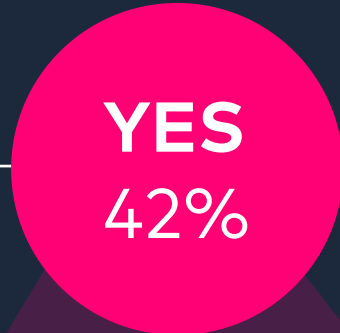
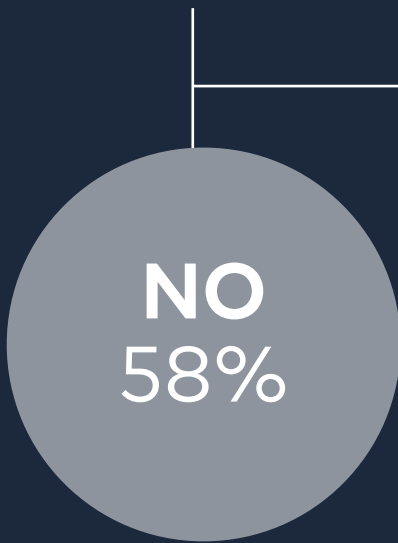
The more experience you have as an agile team with this way of working, the easier it becomes to talk about it. Where previously people often said 'yes, that's the way it is, that's how I've always done it', you now see that colleagues talk to each other about the value of that work and investigate whether there is still room for improvement and acceleration in those processes.

Andrea Pierik – Team Lead and Product Owner, HR Randstad

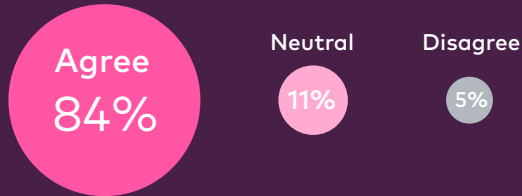
3. Agility in HR

3.1

We have an Agile HR strategy



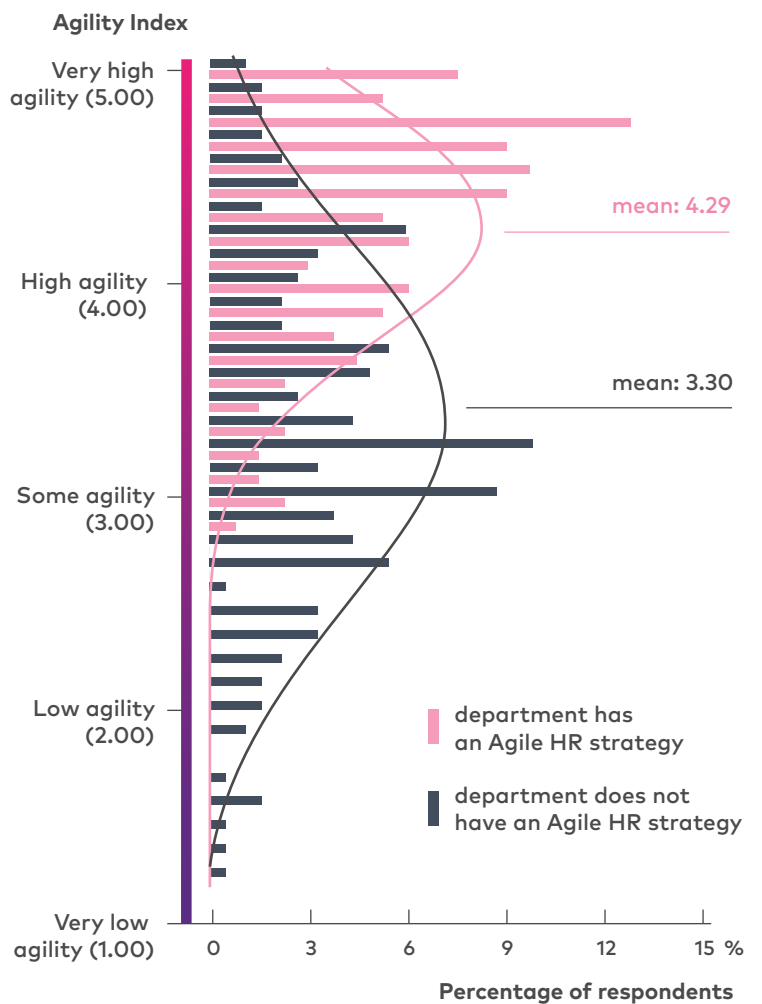
Our Agile HR strategy is clear



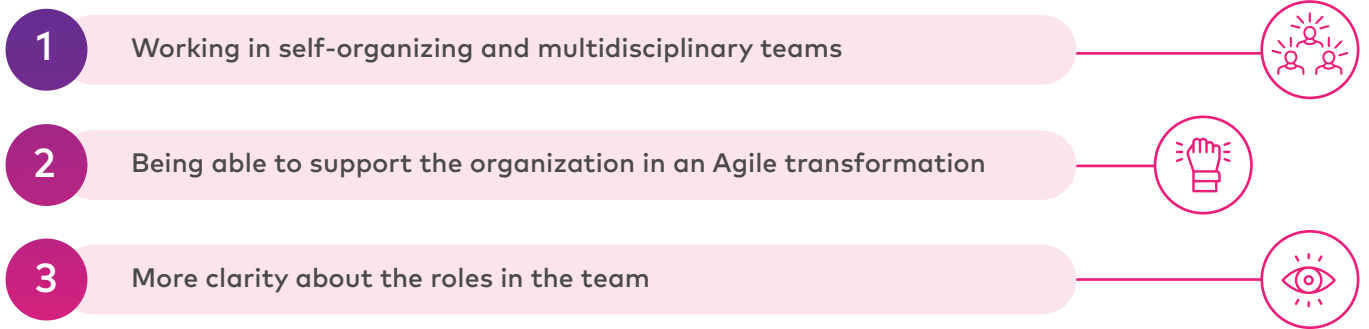
In this chapter we zoom in on the Agility of HR as a department including the roles and responsibilities.



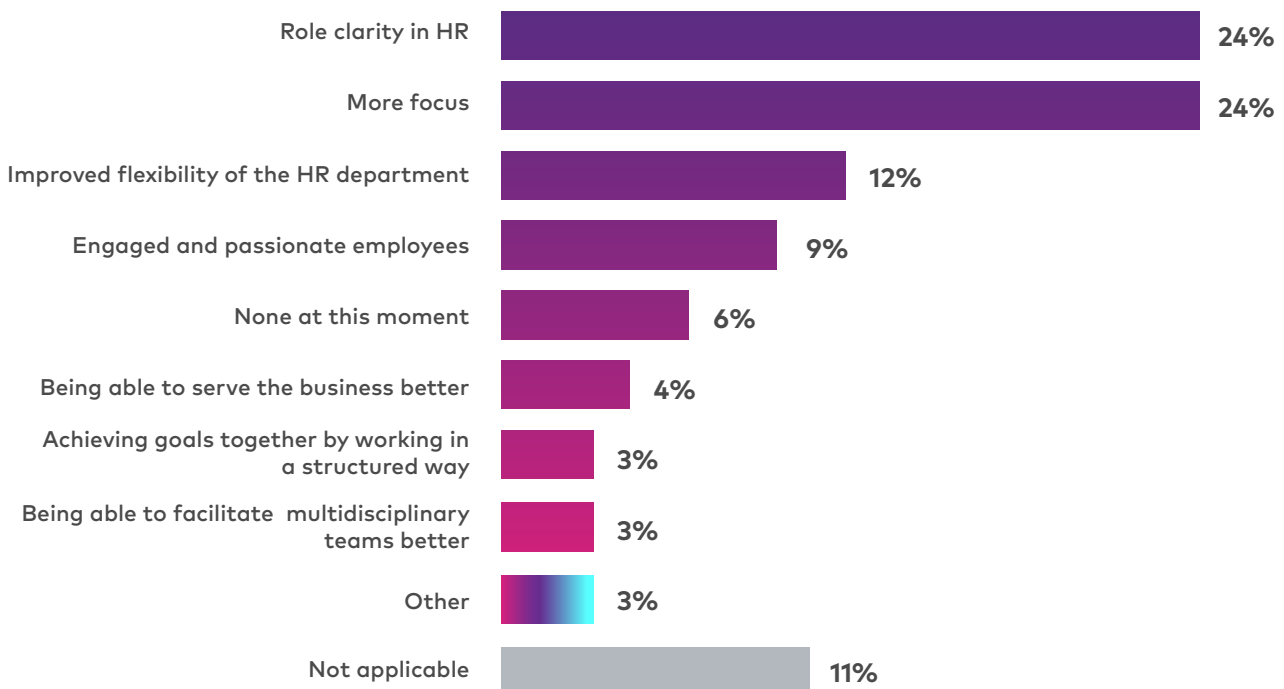
By integrating the results of multiple questions on the agility of the HR department, we arrived at an **index** of HR departmental agility, measured on a scale from 1 to 5. An Agile HR strategy is a clear and explicit set of choices on how to stimulate agility of people and the organization, including HR itself. As can be seen on the right, formulating such a strategy significantly correlates with a higher level of agility overall. As we often see in practice, a lack of awareness, formal training and coaching in Agile HR bars organizations from formulating concrete Agile HR strategies.



The top 3 reasons for the HR department to start working Agile



What are the benefits of working Agile for the HR department?



I would like HR to be organized differently. That an HR consultant is responsible for his own agile team. Acting purely on the desire of the customer.

Koen Robben – Senior HR Advisor,
Dutch Police

If there is a question, we usually work around six months on a solution. By the time we are finished, we often see that the problem or the urgency has already disappeared. It is important that we check in the meantime on whether what we are delivering is of value to the customer.

Anonymous – HR consultant, Non-profit

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Interview with Evelyn Chow

Managing Director at DecodeHR

Agile rewarding at Decode HR, Singapore



Evelyn Chow – Managing Director, DecodeHR

What is Agile Total Rewards?

It is designed to reinforce agile values such as 'learning' and 'knowledge sharing' to motivate people to perform their best without having to inflate financial rewards. The focus is on creating a culture that inspires people and stimulates creativity. More than ever before, progressive organizations have moved away from 'one size fits all' programs; and took the step to vary base salary with other ways of rewarding their people.

Why is it challenging to implement?

Rewarding is one of the most 'traditional' HR responsibilities. Most companies adopt an 'if it's not broken, don't fix it' approach towards this domain, for fear of touching something almost sacred in an organisation. Thankfully, some companies like Bosch have blazed the trail in innovating their rewarding system.

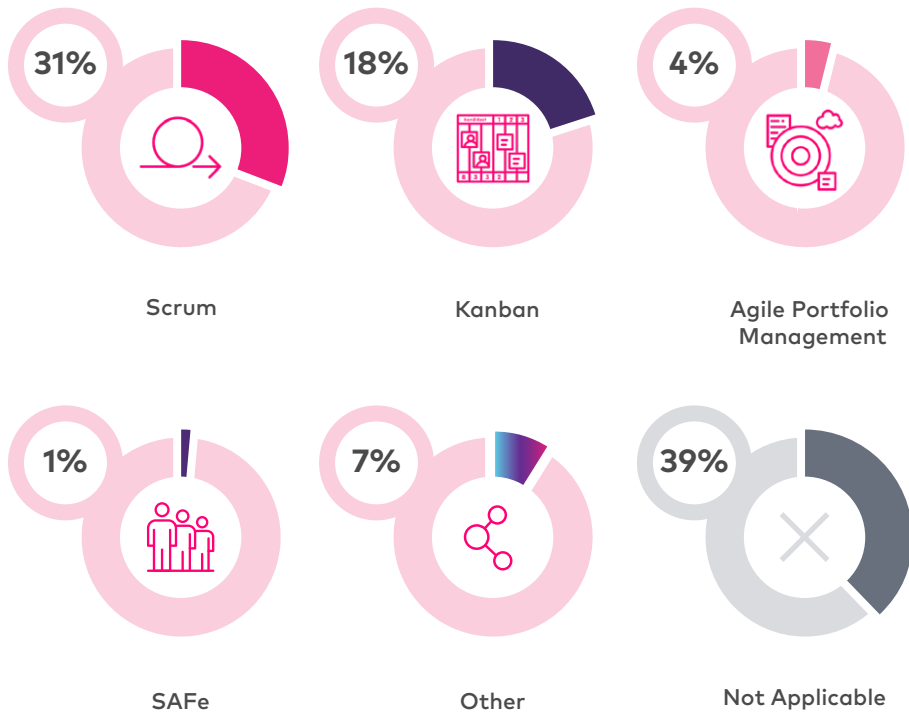
Organizations should consider extending into employees' individual health, wealth and financial security needs.

A more 'differentiated' yet pragmatic approach would be to consider 'pay-for-skills' philosophy. Instead of the standard annual increment exercise-based purely on employee performance rating and the company's general financial performance, it might be worthwhile paying attention to critical skills that are needed for the organisation to succeed.

It also pays to conduct compensation modelling to optimize compensation structure and budgets.

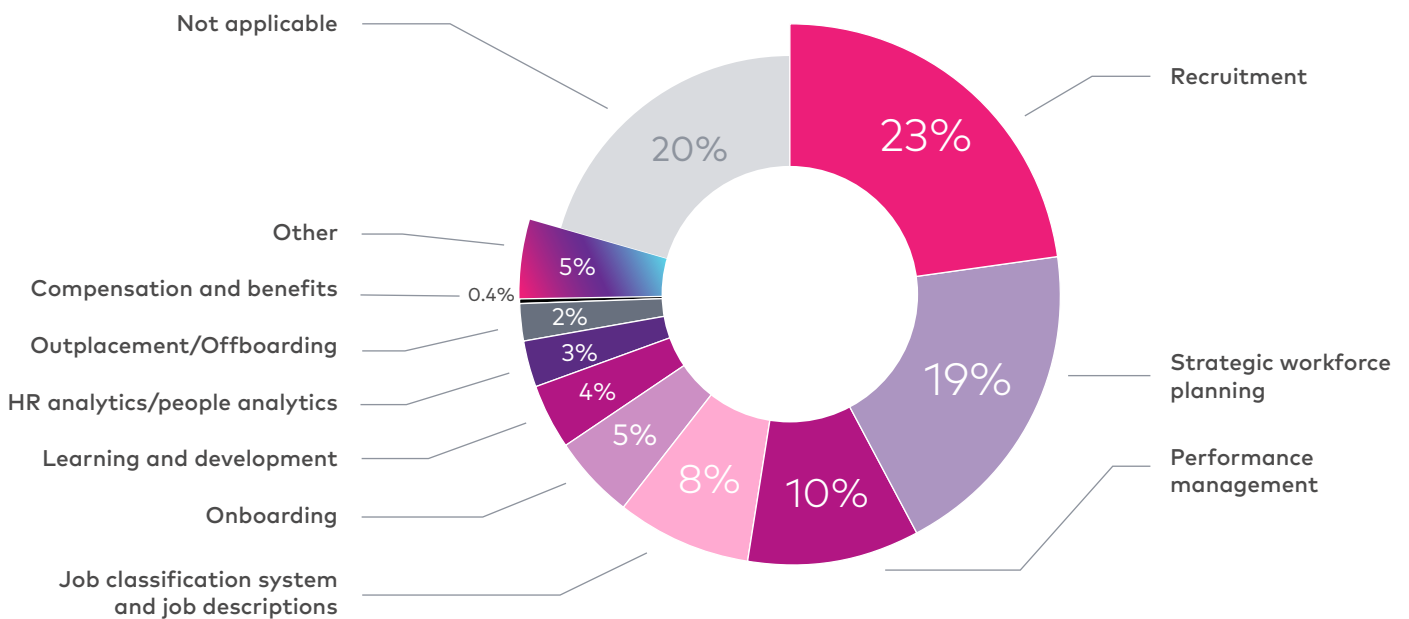
Read the full article: [Agile HR & Total Rewards Strategy](#)

Which agile frameworks does your HR department use?



As we saw in the previous year, **Scrum** and **Kanban** remain popular frameworks for the HR department. They are also relatively easy to start with, as is attested by the plurality of respondents that indicate that they have just started their Agile transformation (26% has been engaged in it for 1-2 years). As we often see in organizations, applying Scrum and Kanban are only a part of embracing Agile. The behavior, leadership, structure and processes that being Agile entails often require more change management than a framework by itself can provide.

Which HR instrument is influenced by Agile in your organization?





Knowledge bit: Kanban for Recruitment

Kanban is a popular method from the Lean philosophy that is often applied within the agile contexts. It is a framework that provides insight into the workflow of a team or project. Kanban is Japanese for 'visual board'; 'Kan' ('visual') - 'ban' ('card' or 'board'). Kanban is especially useful for problems and / or issues where the solution is already known, but the problem / issue itself can be different each time (see image for clarification). Continuously improving and optimizing the current flow of the process or solution is at the very heart of Kanban.

Kanban principles:

- Visualize the workflow
- Minimize the amount of 'work in progress' (WIP)
- Manage the 'flow' (left to right)
- Evaluate regularly and build feedback loops
- Make process agreements explicit
- Improve together

Within the HR department Kanban is most commonly used for the recruitment process. It is a great way to provide insight into the flow of candidates through the different phases of the recruitment process. Why Kanban and not Scrum? Kanban is preferable because recruitment doesn't entail much development/ change work. Recruitment mainly consists of repetitive activities (run), and Kanban helps you focus on efficiency, speed and optimization of the current process.

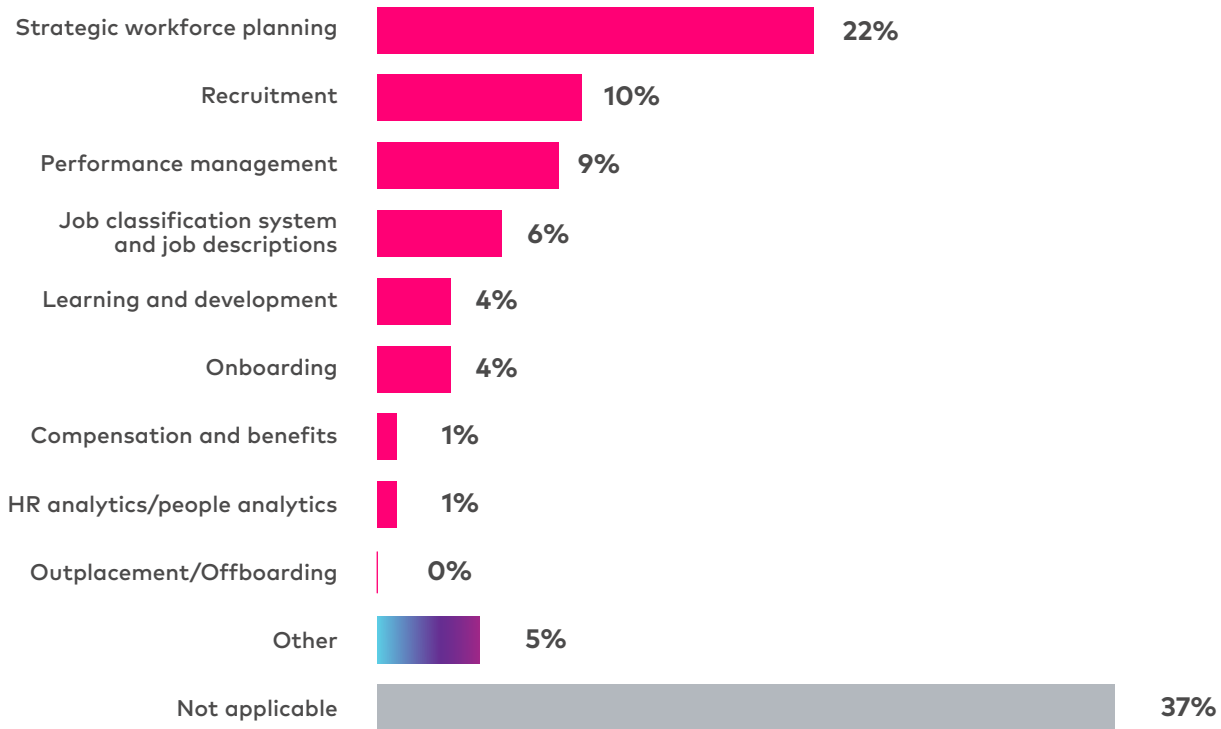
With Kanban for Recruitment, the solution (the process or 'flow') is known. Every applicant goes through a number of standard phases; CV and motivation check, a telephone conversation, 1st physical/online conversation, 2nd conversation with a possible case and a conversation about the contract details. (The different phases may vary depending on your organization.) However, the problem / issue, namely which vacancy will open and who applies to said vacancy, is not yet known in advance. But once this is known, the job or in this case the applicant, flows through a number of standardized stages. Everyone within HR has their own speciality. Visualizing the flow of work can lead to improvement in the collaboration between hiring managers and (internal) recruiters. Especially by bringing managers and recruiters together to collectively prioritize the acquisition of certain roles. And by optimizing the amount of work through a WIP limit at every phase, work and thus applicants can flow faster through the process, which will lead to a faster and more efficient hire.

candidate		face-to-face interview #1	face-to-face interview #2	hire
<p>pool</p> <p>Person X Expert in Strategic Workforce planning Experience with Agile and Scrum Organizational skills</p>	<p>cv check</p> <p>Person Z extensive knowledge of IT Experience with HR data analytics Planning skills</p> <p>VACANCY DEPARTMENT M</p> <p>Person A Knowledge of working with Obeya Experience with design thinking Good at writing blogs</p>	<p>phone interview</p>	<p>Person C Considerable knowledge of Enterprise resource planning Has executive experience Strong communication skills</p> <p>VACANCY TEAM A</p>	
wip-limit	8	3	3	2

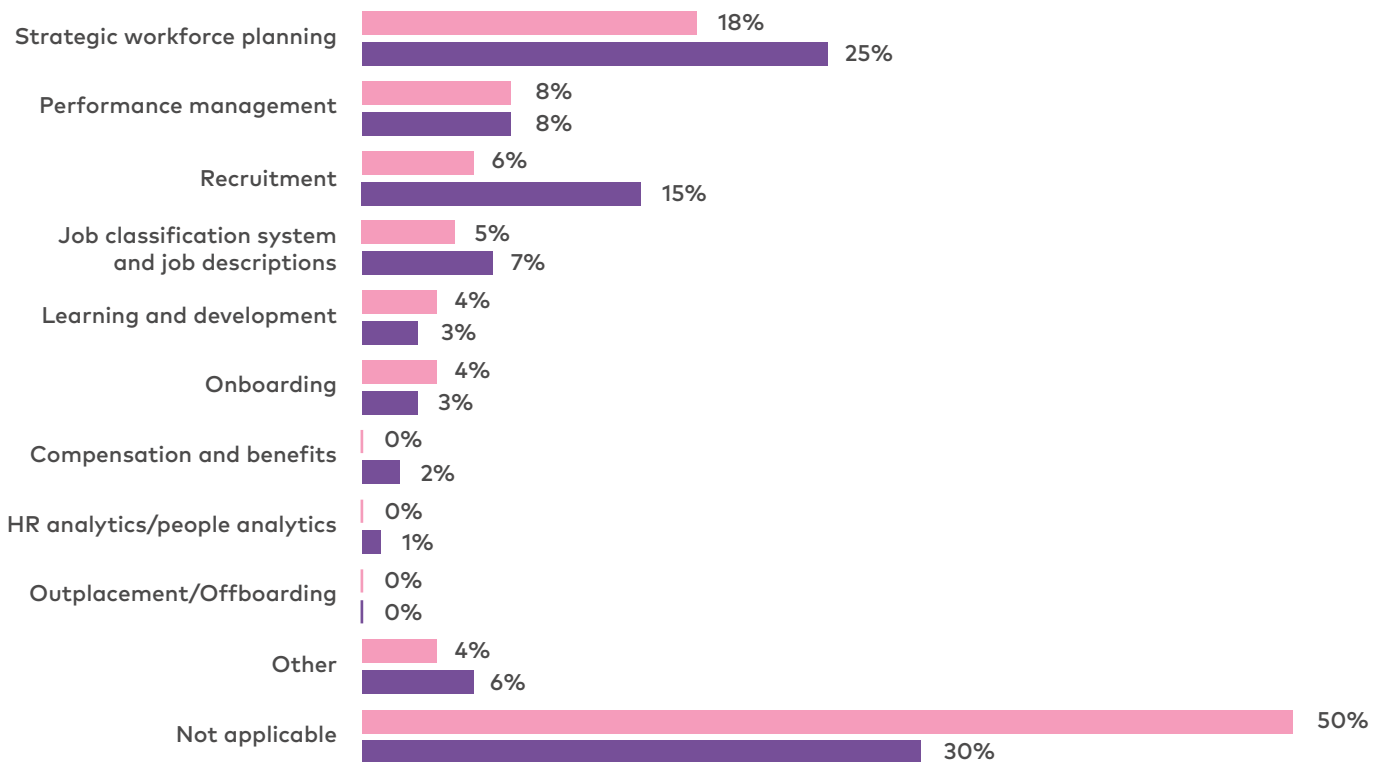
Would you like to know more about using Kanban within the HR department or how you can get started using Kanban? **Contact us!**

Which of the HR responsibilities that was previously the responsibility of the HR department is now the responsibility of the multidisciplinary teams in the organization?

Global responses



Europe vs Americas



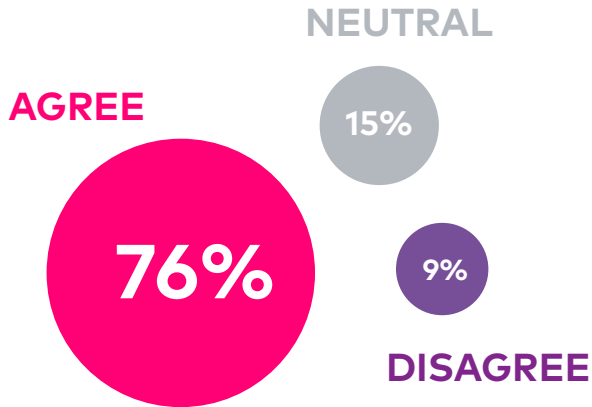


Anonymous – Agile Coach, Retail

We have a very old-fashioned HR department. They are fairly far removed from the organization. They have very little interest in what is really going on in the workplace and what is needed, they have no headspace for it and certainly no capacity.

3.7

It is clear who the primary customer of HR is.



3.8

Who is, according to you, the primary customer of HR?



Everyone seems very clear about this: every employee of the organization is a customer of HR. However, the external stakeholder (the customer) is also explicitly mentioned. Some distinction is made between groups of internal customers: these can be divided into management, current talent and future talent.



Interview with Andrea Pierik

Team Lead and Product Owner Agile HR – Employee Experience

The Agile HR department of Randstad Group Netherlands

The HR department of Randstad Group Netherlands has been undergoing an Agile transformation for almost two years now. The reason at the time to start working as an Agile HR department was that, in the ambition to add more value to the business and its end-users, they were reaching the limits of a compartmentalised HR. They were bumping their heads on the proverbial ceiling and wanted to do things differently; they wanted to work with multidisciplinary teams and work more data- and end-user focused.

Employee Journey as a new HR structure

The decision came to reorganize the HR department, which at the time consisted of approximately 65 colleagues. The four teams formed would cover the basis of the Employee Journey:

- Team 'I start at Randstad Group'; which includes everything from employee branding, marketing, the entire recruitment and selection process, etc.
- Team 'I have been working at Randstad Group for less than a year'
- Team 'I've been working at Randstad Group for more than a year'
- Team 'I'm not working for a while / I'm leaving Randstad Group'



Andrea Pierik – Team Lead and Product Owner, HR Randstad

All areas of expertise (HR disciplines) are represented in these teams. Each team has its own Product Owner and expertise groups (also known as chapters) were created for cross-pollination and further development of expertise.

My team, 'I have been working at Randstad Group for more than a year', consists of 15 people. That is too many people in a team, according to Agile thinking, but the advantage is that we have all areas of expertise represented; Reward, Learning, Talent Acquisition, Absence, and Analytics.

Each team in the Employee Journey has written their own purpose. The purpose of our team is: 'We support you to realize your 'true potential'. Your best self.' We want to work towards a reality where you, as an employee, can be in control of your own development and career. Every sprint we work on 'Run' (aka running the business) and 'Change' (aka changing the business) epics. During the sprint planning, we look at how many hours we have available for that sprint to work on the prioritized epics (work items). This allows us to make timely adjustments to prevent stagnation of the 'change' work that needs to happen.

As a Product Owner (PO), I have weekly meetings with the other Product Owners. During this time we discuss our joint backlog. Are there any new ideas? And which team should be responsible for making these new ideas reality? Together with the other Product Owners, we estimate the work in the backlog and then prioritize it according to the WSJF method*. Lastly, we bring the estimated and prioritized work to the teams.

The Importance of the HR Review

We always involve end-users; this can be a director, a manager, an intermediary, or whomever is relevant. The business now knows our cadence of work better, but what also helps us a lot is the fact that we organize the HR review (online) every 6 weeks. During the HR review we show our progress on the epics, we ask for feedback from stakeholders and end-users, and we give demos of delivered solutions. What we do a lot less is immediately work on solutions instead of figuring out what the actual problem is beforehand. So, for example, 'we want training or job framework adjustment'. We focus more on questions such as 'which problem do you want solved?'. This not only often saves time and money, but by diving deeper into what the actual problem is, it also ensures a more effective and complete result that is delivered even faster.

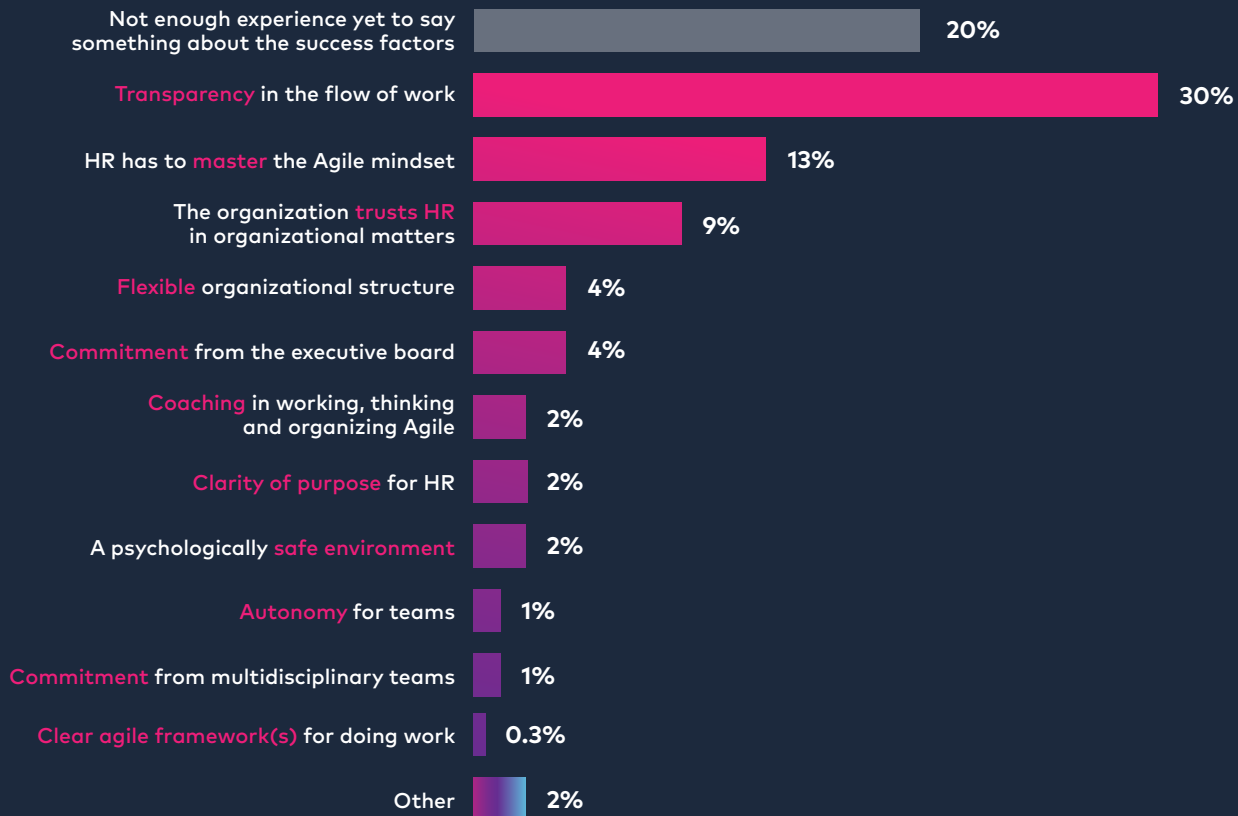
Learnings for others

Gather the right people. Form a coalition with people who can weather the proverbial storms, who understand what you're trying to achieve, and who really have the courage to make the change. This generates trust in the rest of the organization. Make sure you have the very best people in the key positions and invest time in developing an agile mindset and working method. This will help make you successful. Also, pay attention to the direction you want to go with each other, what are the most important strategic themes?

And finally, take your time to develop the new mindset. Make it transparent. Dare to say 'no'. Bring focus to your work and deliver value continuously.

** Weighted Shortest Job First (WSJB) is a prioritization model that is often used within SAFe (Scaled Agile framework). You can use it to order jobs/work items so you can achieve the highest business benefits.*

The key success factors for embracing Agile HR



HR advisors have a portfolio board, write user stories and look ahead every six months.

Mariëlle Jansen – Agile Coach, Municipality of Amersfoort



A major key success factor for Agile HR is **'Transparency of the flow of work'** (30%). This is in line with the result showing that Kanban is the most used agile framework at the HR department. It is followed by **'Not enough experience yet to say something about key success factors'** (20%), which indicates the premature phase some HR respondents find themselves in.

In the State of Agile HR 2020 we found that controlling the Agile mindset by the HR department is key. This clearly is still a matter respondents grapple with. Previous years' top three was **'Autonomy for teams'**, **'Self-awareness of teams'** and **'A psychologically safe environment where mutual trust prevails'**. This can be an indication of a shifting focus from team-based success factors for embracing Agile HR, to departmental factors.

9% of the HR respondents indicate that it is crucial that **'the organization trusts HR with organizational matters'**. This may indicate that HR does not fulfill the role of a strategic partner within the organization. The mirrored question about the threats to agile HR (see next page) verifies this outcome with 9% (**'The organization does not trust HR in organizational matters'**).

The key threats to Agile HR in your department



Because of the enormous compartmentalization, you take away the autonomy.

Anonymous – HR Advisor, Non-profit



In the previous report of 2020 we saw that the top three threats for Agile HR in the HR department were :

1. the transition from the current culture to the agile mindset,
2. underestimating the transition towards agile working, thinking and organizing and
3. the lack of commitment from the board.

This year we see a big change in threats to an agile HR. A new entrant in the top 3 is '**Lack of transparency of the flow of work**' (15,6%). At the same time a vast majority of the HR respondents is using Scrum as an agile framework (31%). This is curious, because of the fact that one of the main pillars of Scrum is transparency.

We checked on different variables whether people using Scrum also meet the most important characteristics — delivering value continuously in short cycles and continuously (re)prioritizing work. Derived from that test we can say it looks like that people who are using the framework Scrum are not working with so-called "**Zombie Scrum**" (the only outstanding outcome was '**2. Somewhat disagree**' on the statement '**HR delivers value in short-cycles**').



When we compare groups of professionals that have been engaged in an Agile transformation for a relatively short period of time (<3 years) with those engaged longer, there is at least one striking difference. The organizational structure becomes the main impediment for improving agility after the first years of transformation have passed.

As our experience shows, the question of structuring the organization in such a way that it allows agility to prosper is something that can not be left to linger too long. Bold leadership is sometimes required to make the structure truly enabling for agile people and teams.

3.11



< 3 years



3+ years

The top 5 threats to Agile HR for companies who have been in an Agile transformation for **less than 3 years**

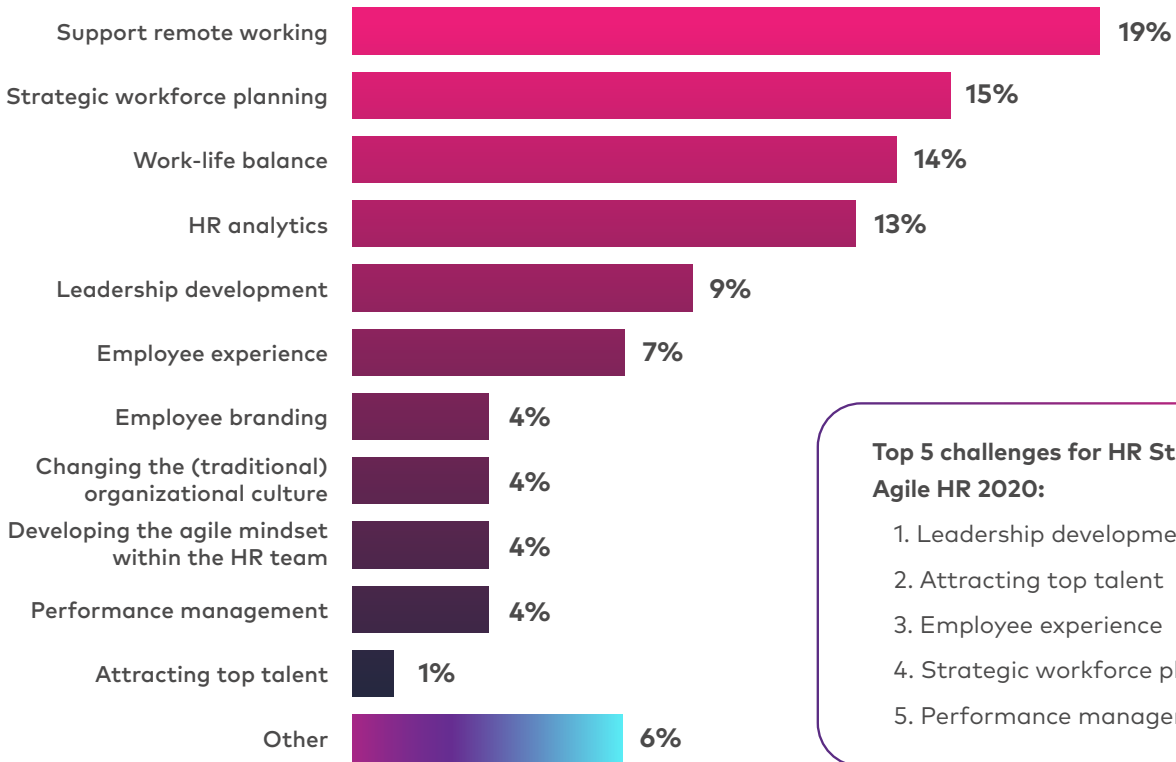


The top 5 threats to Agile HR for companies who have been in an Agile transformation for **more than 3 years**



The main challenge for the HR department is in the area of:

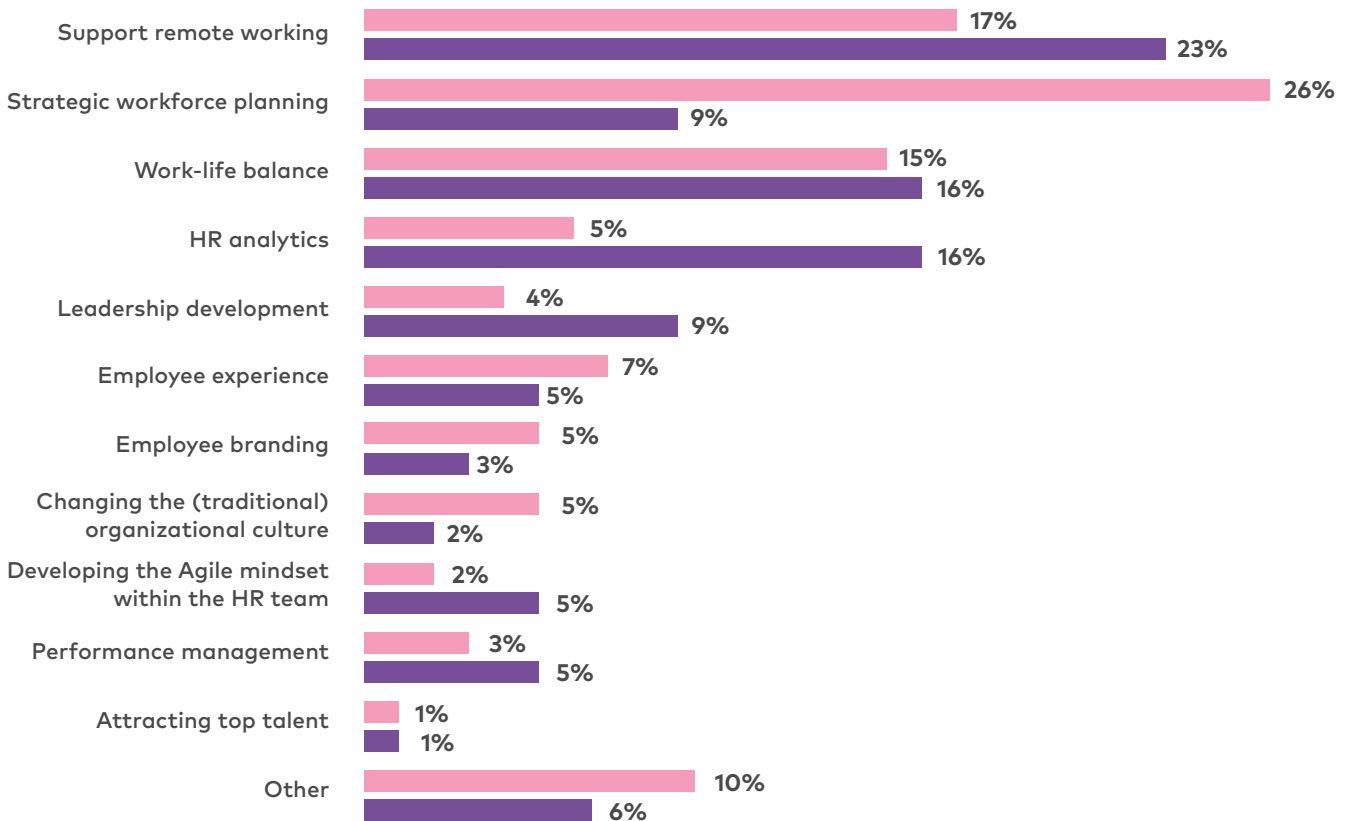
Global



Top 5 challenges for HR State of Agile HR 2020:

1. Leadership development
2. Attracting top talent
3. Employee experience
4. Strategic workforce planning
5. Performance management

Europe vs Americas



Open question: Trends in the HR department

There were an incredible number of different answers given to the open questions per country. Using data analysis, we extracted a top 5 of the most common HR trends.



1. Remote working



2. HR analytics



3. Employee experience



4. (Leadership) Development



5. Agile ways of working



Knowledge bit: Obeya - Make the strategy tangible and collaborative

More and more management and executive teams are adopting Obeya as a strategic tool and way of working to help guide their organization from a joint strategic perspective. It allows them to align their strategy and operation in the moment, instead of having to rely on a bulky strategy plan that is outdated the moment it was created. Effectively realizing your strategy requires being in tune with what is happening in the outside world and adjusting accordingly in short cycles. Radical transparency and visual management allow all in the organization to understand the organization's strategy and act accordingly in their own work. A high level of information pervasiveness creates a sense of ownership and allows for rapid response times by transferring decision power to where the information is.

Obeya is a great tool in helping everyone in the organization know and understand the organization's mission, vision and goals. It can help an organization align around its strategic goals and change course together as they evolve. Making progress on key strategic initiatives transparent, allows management to support teams and individuals as they execute the strategy and assist them when required.

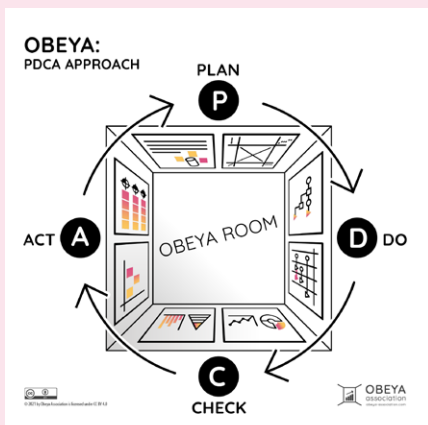
Obeya is Japanese for 'the great room'. It has its roots in the Lean philosophy and the Toyota Production System. The goal is to create a joint overview where each wall has its own function. It is a space where all information can be found about the vision, strategy, roadmap and goals of your organization and teams. From the front of the chain (signals, trends and developments from the outside world, i.e. 'early warnings') to the back (operationalization and KPIs). Compare it to a control tower: one room where all important information is visible.

In the Obeya one can clearly see where the organization stands in the realization of its goals and strategy. The performance criteria are posted on the wall and therefore accessible to everyone, and they are discussed and updated in a fixed rhythm.

What does it bring?

Radical transparency

We tend to keep a lot of information in our heads. More often than not,





Source: www.obeya-association.com

this only becomes valuable when we share it with each other. If we share information, we can include other people and you can steer towards goals and results together. The added benefit of radical transparency is the elimination of control. If everything is transparent, you can decide which direction to take based on trust, offer help and get it where and when it is needed. A frequently heard complaint from managers and directors is that the strategy is not alive amongst their employees, despite feeling like they themselves very often explain said strategy to the employees.. Obeya offers a helping hand: your mission, vision, the path towards it and the current state of affairs are transparent at all times. This way strategy becomes a conversation within the organization. A conversation where everyone is welcome to participate.

Alignment

An Obeya gives you the opportunity to link the strategic, tactical and operational levels together. The organizational purpose and goals are translated into programs, projects and activities, which in turn determine what happens on a daily basis in the workplace. As directors and managers, you have an overview of everything that is going on within the organization and you can connect this with each other. In addition, you get a better view of where dependencies and potential bottlenecks are located.

Short-cycle control

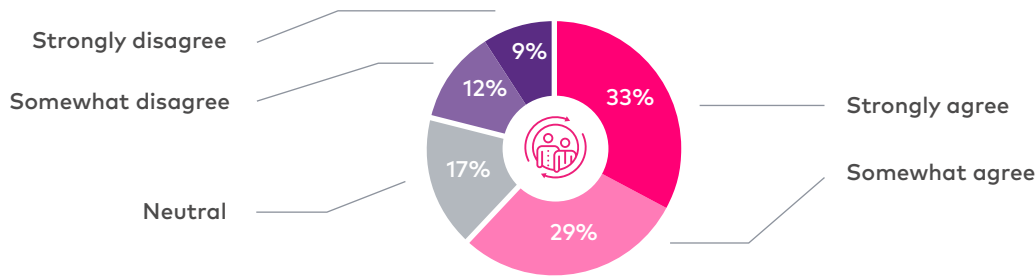
Because you have made all the work transparent and you know how the strategic, tactical and operational levels are connected, you have the opportunity to make choices and provide guidance. Every organization is faced with choices they need to make. Not everything can be equally important and/or urgent. An Obeya facilitates making these choices. Obviously, you still have to make said choices yourself. By conducting the strategic conversation in a short cycle, it becomes easier to make adjustments; after all, organizational course corrections tend to be smaller when corrections are done on a regular basis. In addition, you limit the risk that your strategy is out of step with what reality demands from your organization.

Obeya is quite compatible in combination with Big Room Planning and Agile Portfolio Management. Both resources help board and management teams to translate their strategy to all projects and activities in the organization and to prioritize them. Both tools require short-cycle adjustment of the strategy together with all necessary participants.

If you would like to learn more about our Obeya approach and coaching, get in touch with us @**Organize Agile** or our partners @**Obeya Association** or read the book '**Leading with Obeya**' written by our partner Tim Wiegel.

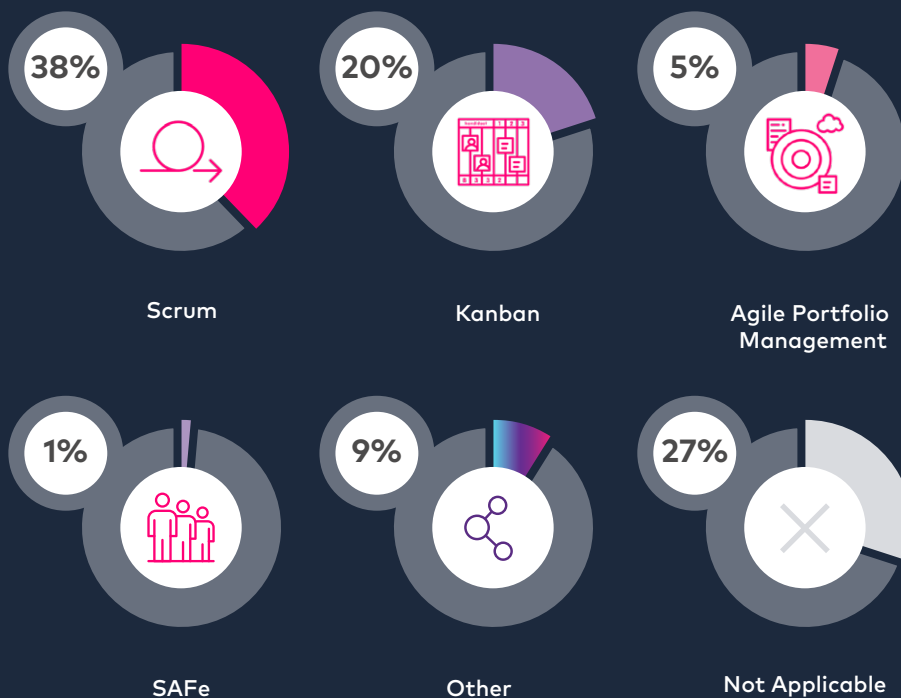


The HR department is involved in the transformation towards agile thinking, working and organizing

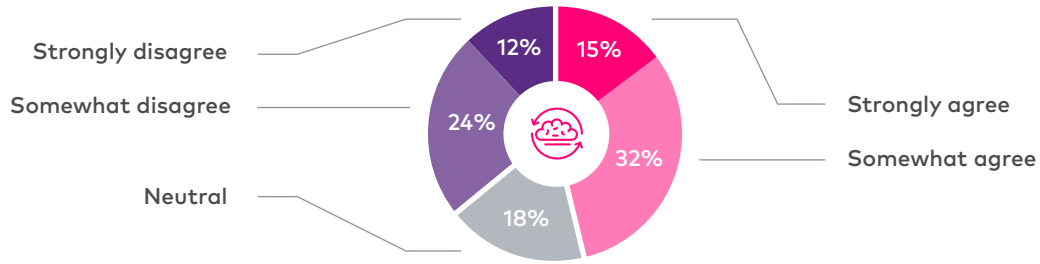


Maybe one of the most important roles HR can fulfill is being a strategic partner in an agile transformation. In this regard, 62% of respondents now indicates to be actively involved in such a transformation, up from 53% in the previous report of 2020.

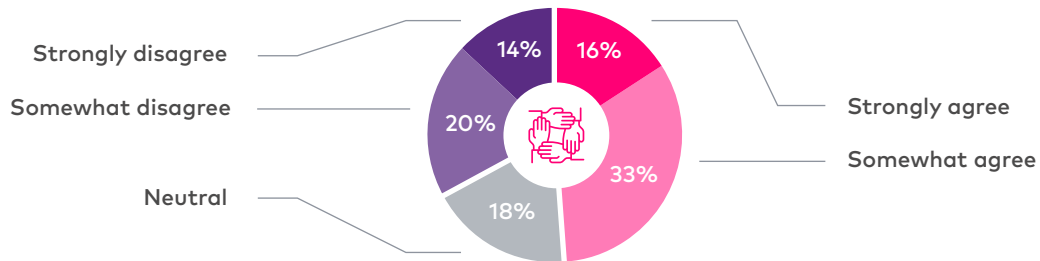
Of the respondents who agreed that HR is involved in the transformation towards agile thinking, working and organizing these are the agile frameworks that HR is using:



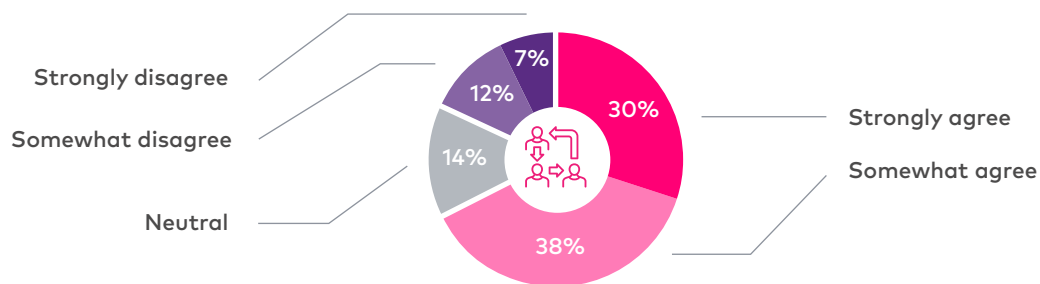
The HR department masters the agile mindset



The HR department is capable of transferring the agile mindset to other colleagues/departments

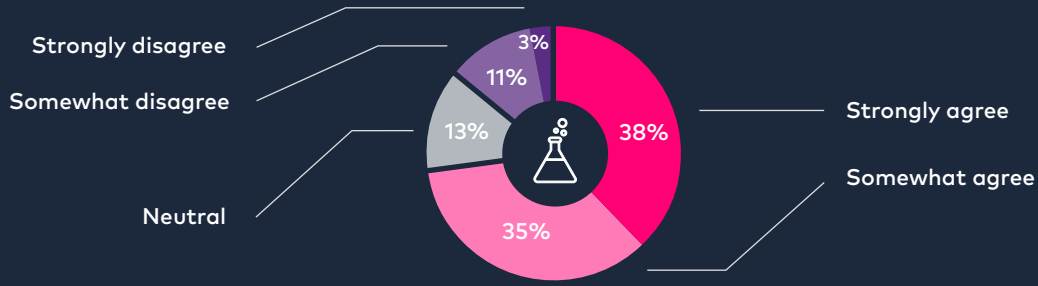


HR stimulates cross-departmental work (for example in multidisciplinary teams)



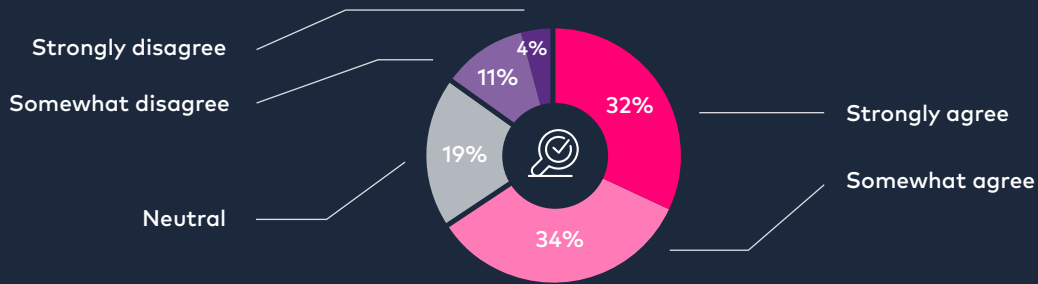
3.19

HR experiments and learns continuously



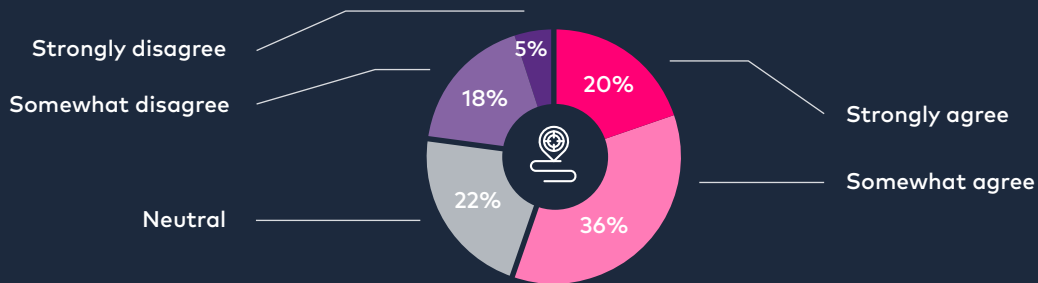
3.20

HR clearly prioritizes its work



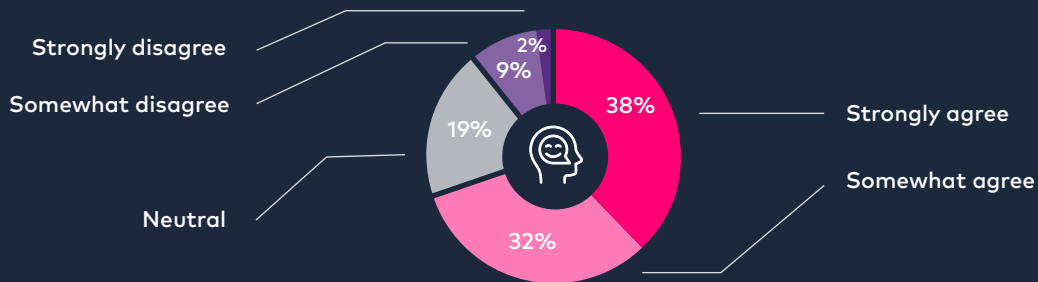
3.21

HR delivers value in short-cycles



3.22

HR creates a safe (psychological) environment for HR professionals



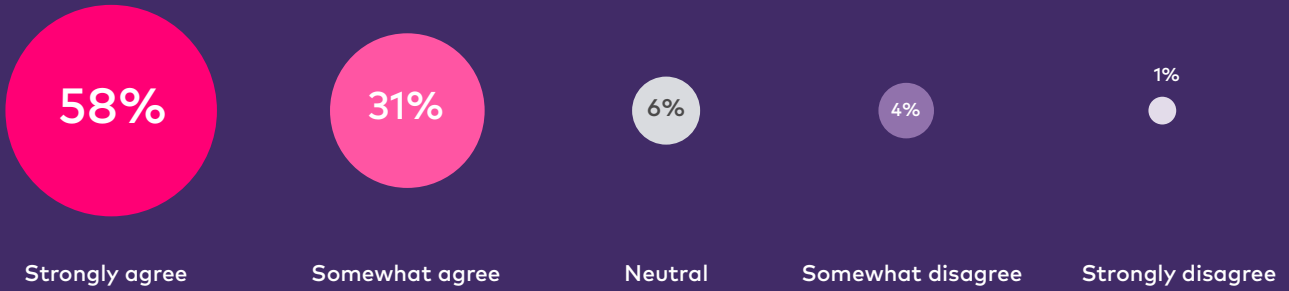
4. Pandemic



As the past year has been a tumultuous one for many, we have devoted a special section in this report to the impact of the pandemic on the agility of HR. You may find the potential long-term implications for HR agility noteworthy.

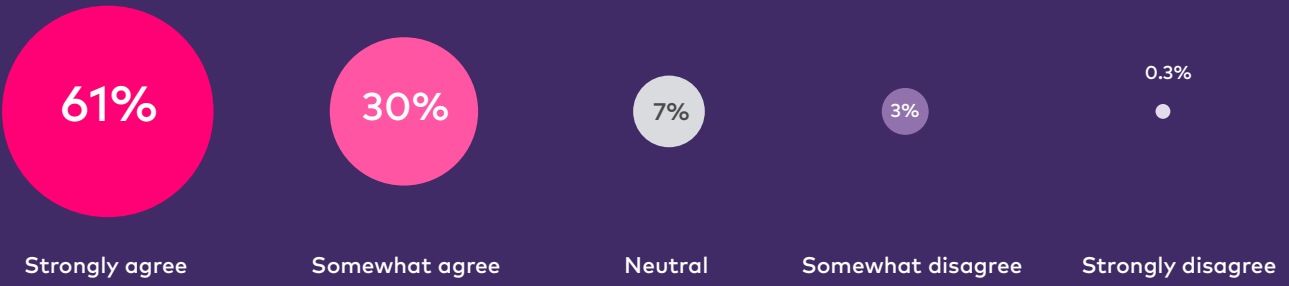
4.1

The pandemic has led to substantial changes in the way I execute and organize my own work



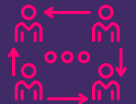
4.2

The pandemic has led to substantial changes in the way our team works and organizes

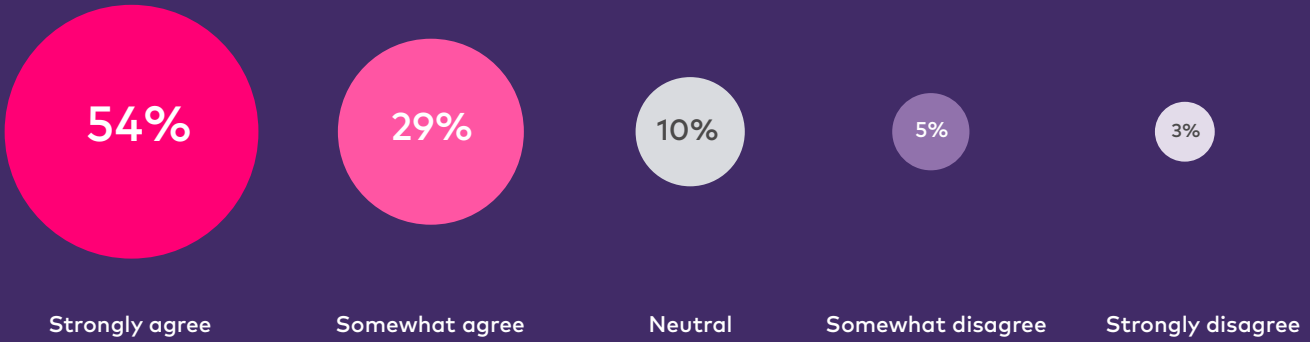


4.3

The pandemic has led to substantial changes in the way we execute and organize our business activities



During the pandemic HR reacted quickly (less than a month) to the changing circumstances



”

A corona-crisis team was installed immediately, communication was set up transparently, HR business partners were the linking pins from the crisis team to the business teams FAQs.

Andrea Pierik – Team Lead & Product Owner, HR Randstad

Influence of the pandemic on HR

Regarding the pandemic we also have some specific data gathered from the HR respondents about how the pandemic affected the functioning of the HR department in times where change and fast responding is required. We asked the HR respondents if the HR department acted fast (<1 month) on the changing circumstances where the mean score resulted in '4. Somewhat agree' (5-point scale) with more than half selecting '5. Strongly agree'! (54%).

It was mentioned that HR's ability to act quickly mainly lay in its ability to provide rapid support in digital tooling, the setting up of a special Corona crisis team and, finally, the adaptive capacity / agile way of thinking. This last segment was mentioned as an important influential factor.

Open question: HR acted fast – what helped and what hindered?



Installing a crisis team within HR



Being adaptive



Management supports working remotely



Interview with Alejandra Nadruz, CHRO Movidesk

Agile Mindset at Movidesk during the pandemic



Alejandra Nadruz – CHRO Movidesk

'I think future historians will see this as a turning point in the history of the 21st century. But which way we turn is up to our decisions. It's not inevitable.'

Writer Yuval Noah Hariri in an interview in the beginning of the Covid 19 pandemic.

One of the most influential changes in 2020 was the evolution of the structure of work management. In less than 30 days we transformed the way we organize our lives – a way that has been our *modus operandi* since the beginning of the 19th century, where we went to the office for our 8-hour workday. Now we accomplish our 8-hour workday from home.

The unknowingness of the scope and severity of the situation, our lack of skills to deal with it, and the misconception that it would be temporary (in 3 weeks or so we would be working at the office again), made it so that we really underestimated the complexity of the pandemic and what it entailed.

I'm certain that as HR professionals we were essential for the businesses and people. We took our place as leaders. We did so by adjusting communication appropriately, by reframing the role of leadership, by changing the work routine management and by monitoring the organizational environment. All this, in addition to paying attention to the emotional sustainability of employees.

We realized that having an agile mindset was the most essential asset one could have when facing all the challenges as we did. The ability to quickly adapt to changes.

At Movidesk, a Brazilian tech company, inspired by the agile mindset, we designed 'Homeholic' as a solution for this situation. This product works as a big umbrella that embraces different solutions, actions or initiatives in a model of '**remote-first culture**', in which the whole company structure is remote.

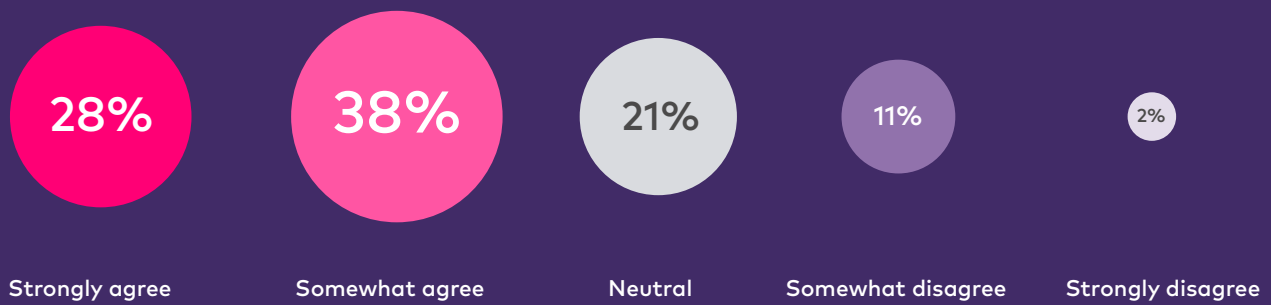
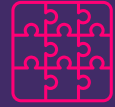
To build this product we used 3 principles of the Agile HR Manifesto:

- collaborative networks over hierarchical structures;
- transparency over secrecy, and
- adaptability over prescriptiveness

'Homeholic' intends to solve the big problems we are facing at this time; What will the new benefit and reward solutions be? What will the new work structures look like? How will the leadership development programs be handled? Or how can we make communication effective and clear to everyone? It's crucial to say that any actions that follow, should be succeeded by metrics, feedback and continual surveys.

To paraphrase Yuval Noah Harari from his book 'Homo Deus', the way we comprehend, build and solve the current challenges will dictate the future of work. We need to be wise and always put people in the first place.

The pandemic has made the role of HR more complex



Open question: Why did the role of HR become more/less complex?



Below is a range of beautifully phrased statements from our respondents.

You have to coach the managers and make them aware of the difference of working from home and managing and coaching your team.



More complex since it is hard to maintain a company culture with so many people working remotely, effective communication becomes more challenging.



The role is more complex because the pandemic brings up many cultural issues. You can't easily solve that with an instrument. Important issues are therefore being exposed, and even new issues related to Corona. That costs a lot of time and searching together.



Our teams in the primary process are more vulnerable to rapid disfunctioning due to infections or quarantine among members. Our primary process is in healthcare so teams cannot work from home. In case of infections or quarantine we have to provide support and additional staff for the team in matter of hours.



You have to think about an onboarding program and guiding new employees, and young professionals in particular. We have to make sure that there is a safe working environment while working from home, make sure employees stay engaged with the organization and their colleagues, etc.



You miss physical contact with the employee, which makes it difficult to perceive non-verbal communication.



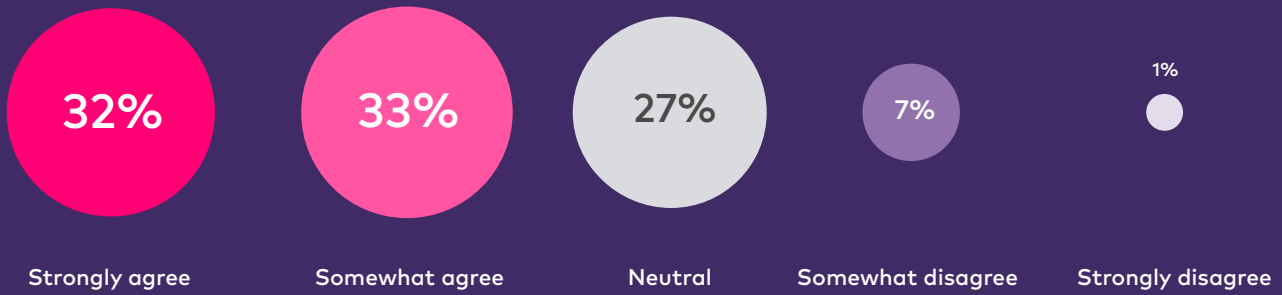
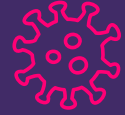
More complex on the 'human' side of our profession: less visibility of where support is needed; Less complex on the 'hard' side of our profession — systems/processes/analytics. During Covid-19 times, there was more understanding from the business to implement required changes, and it took less time to implement things.



The health and physical and mental problems of colleagues make it more complex.



The pandemic has influenced the transformation towards an agile HR positively



In summary, on average HR acted fast on the changing circumstances the pandemic presented. This underscores that HR has a certain natural agility when the environment radically changes. At the same time, the HR department has seen its responsibilities grow and become more complex in a (post-)pandemic world. This in turn requires discipline from HR to keep embracing agile principles and practices as it moves forward.

The influence of the pandemic on the organization

The pandemic has shown that some organizations already master the ability to change when confronted with unexpected external circumstances (42%). Additionally organizations recognize the need to further discover the possibilities regarding using Agile ways of working, thinking and organizing.



Knowledge bit: Hybrid working using Virtual Reality (VR)

One of the seemingly lasting effects of the Covid-19 pandemic is that people will continue to work more from home and meet digitally.

A space where people can collaborate, with the dynamics of a real meeting, without the need to be together, is Virtual Reality (VR). Virtual Reality (VR) is a technology that simulates an (visual and auditory) environment and provides the user the illusion of being in a different environment. This ensures that you see depth and can fully immerse yourself in a new world. Special sensors in the headset recognize when your head, body, hands and fingers move.

Virtual Reality was already widely used in the gaming industry, but nowadays there are also countless examples in the medical industry, real estate, car industry and even in the fire and police department.

Virtual Reality was already widely used in the gaming industry, but nowadays there are also countless examples in the medical industry, real estate, car industry and even in the fire and police department. However, as a part of the hybrid work revolution, organizations are relatively unfamiliar with the VR platform.

When using Microsoft Teams, Zoom, Google Meet or other video conferencing apps, users are restricted to a 2D space. By meeting in VR, it suddenly becomes possible to move around and to recreate the feeling of an actual meeting. This is especially noticeable when it comes to the auditory experience. Those that are close to you, can hear you louder, enabling groups to split up spatially and to have simultaneous conversations in one room.

Modern VR technology will actually take a user's physical appearance and animate it for virtual meetings. This means you can see your colleague's mouth, eyes, arms and body move akin to a real life meeting. In addition, the environment of the meeting can be completely customized. Instead of conventional meeting rooms, you can gather on a spaceship, a tropical island or in an ancient building. This all enables users to unleash creativity and to have richer interactions. Indeed, this is what some have dubbed the 'Metaverse:' an endless realm of connection and creation.

Organizations are still discovering the potential benefits of adding VR to their hybrid work mix. That is why we facilitate, consult on and organize VR-based team meetings as part of the hybrid work mix. For HR departments, this can also include experimentation with new modes of Learning and Development, Recruitment and Onboarding.

Feel free to **contact us** for a 'VR for hybrid collaboration' workshop.





Gidion Peters – Founder of Organize Agile, co-author of the book 'Agile HR'



Willemijn Dijk
Agile (HR) coach



Jochem Martens
Agile coach

We are an international team of coaches and consultants who believe that everyone can be a changemaker, stable teams are the engine of innovation and the future belongs to agile organizations. This is why we help business and government to organize agile. We are located in New York City and in the Netherlands. Our trainings in the Netherlands are provided by Scrum Company.

In 2017 we published our book '**Agile HR - the (un)missable role of HR in agile organizations**', nominated for Management Book of the Year 2018 and now in its 7th edition.

The second international State of Agile HR is conducted in collaboration with our partners **JP Coutinho** (Brazil), **SOOM, Personas & Organizaciones** (Peru), **Haga Business Consultancy** (Turkey), **Ministry of People** (New-Zealand) & **DecodeHR** (Singapore).

We want to thank all the respondents for sharing their experience with us. Without them it would never have been possible to provide a deep insight into the current status of Agile HR and we hope that the results help them on their journey towards an agile HR department and organization.

Special thanks to **Koen Robben, My Pham, Mariëlle Jansen-Adriaanse, Andrea Pierik, Alejandra Nadruz, Oktai Gasjimov** and **Evelyn Chow** for the wonderful in-depth interviews we had with you.

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