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**Organisational agility and its
perceived benefits from Australian
perspectives**

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May 2018

Paper presented at PMI National
Conference 2018

Nick Hadjinicolaou

PMI ADELAIDE CHAPTER JUNE EVENT

Assistant Professor and Program Director

BSc, MBA, MPM, TAA, PgMP, PMP, AgilePM, MIMC, CMC

2013 – Present Torrens University Australia, part of Australia's newest University (2016 – Present PhD Student)

2010 – 2013 Program and PMO Manager (3 Year Program of 12 Projects) PgMP Certification, (Infrastructure, Agile development, Portal, Legacy Business Transformation)

2007 – 2010 IT and Program Manager BusinessSA (3 years) (MPM Adelaide University (Infrastructure upgrade, CRM Upgrade, ACCPAC, Timesheets, Web Site)

2005 – 2007 IT Manager SA Government (2 years)

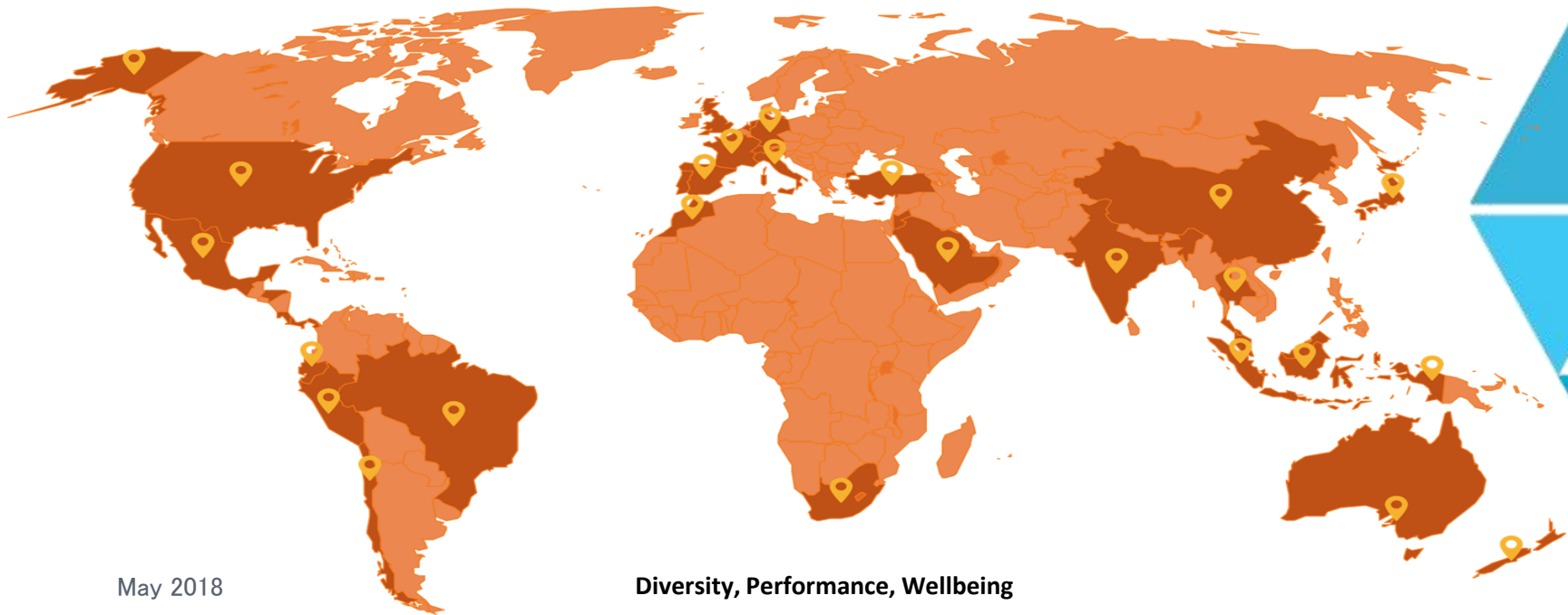
1997 – 2005 Project Manager IBM (8 Years)

1989-1997 Telstra Team Lead and Project Manager (8 years)

Torrens University Australia



- Torrens University Australia is Australia's newest University and part of [Laureate International Universities](#).
- The first University to be built from the ground up with growth organic and through acquisition with campuses in Adelaide, Melbourne, Sydney and Brisbane as well as online.
- Part of the international network comprised of 60 universities across 20 countries and Laureate International Universities have over 1,000,000 students around the world – also a certified public benefit corporation.



Outline

- Research Topic and background
- Definitions
- Interest in Organisational Agility
- Literature Review
- Research Methodology
- Research Findings
- Conclusions
- Implication for future research
- Questions

Research Topic and Background



Organisational agility and its perceived benefits from Australian perspectives

Past Associated Papers and Presentations

Hadjinicolaou, N. & Dumrak, J. (2016). Mapping project success to benefits and barriers of project portfolio management in Australia. *Procedia Engineering* (September, 2016), for the 7th International Conference on Engineering, Project, and Production Management Conference, EPPM2016, 21-23 September 2016, Bialystok Poland.

PMI 2016 – Adelaide, Managing organisational disruption through the application of Project Portfolio Management in Australia: Benefits and Barriers

Hadjinicolaou, N. & Dumrak, J. (2016). The status quo of project portfolio management practices in Australian sector. *Proceedings of Australian Institute of Project Management*, for AIPM Inaugural Regional Conference 2016, 16-19 October 2016, Sydney Australia.

Research Topic and Background

Past Associated Papers and Presentations (Continued)



Hadjinicolaou, N. & Dumrak, J. (2017). The study of association between organisational portfolios and project portfolio management practices, *Project Management Research and Practice Journal*, UTS ePRESS (2017 PMI National Conference, Sydney, Australia)

Hadjinicolaou, N. & Dumrak, J. (2017) Improving project success with project portfolio management practices, Springer (*September, 2017*), for the 8th International Conference on Engineering, Project, and Production Management Conference, EPPM2017, 21-23 September 2017, Jordan, Amman

Hadjinicolaou, N. & Dumrak, J. (2017). Investigating the functions and benefits of project portfolio management offices. *Proceedings of Australian Institute of Project Management*, for AIPM Inaugural Conference 2017, 22-24 October 2017, Melbourne Australia.

Definitions

Agility—often referred to as organisational agility—is the capability to **quickly sense and adapt to external and internal changes** to deliver relevant results in a productive and cost-effective manner.

Agile is a **mindset** based on a set of **key values and principles** designed to better **enable collaborative work and deliver continuous value** through a “people-first” orientation.

Agile transformation is an **ongoing**, dynamic effort to develop an **organisation’s ability to adapt rapidly** within a fast-changing environment and achieve maximum business value by engaging **people**, improving **processes**, and enhancing **culture**. (PMI, 2017)

Interest in Organisational Agility

Organisational agility helps businesses to **sustain their competitive advantage, improve performance and contributes to business success.**

With 30 years of industry practical experience I have very much become a “pracademic”

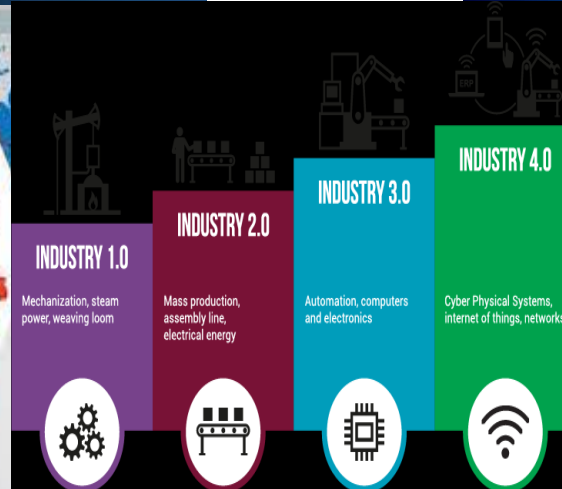
Change and the **rate of change continues** to be a part of **our every day world.**

Let's take a look at some examples from the world we live in

External Technology Drivers and Rate of Change and Digital Disruption



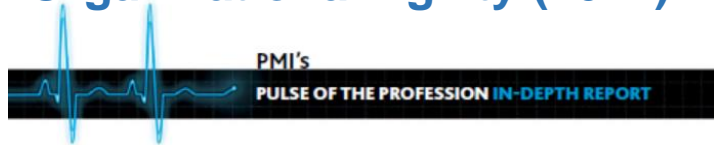
3D Printers



PMI Pulse of the Profession



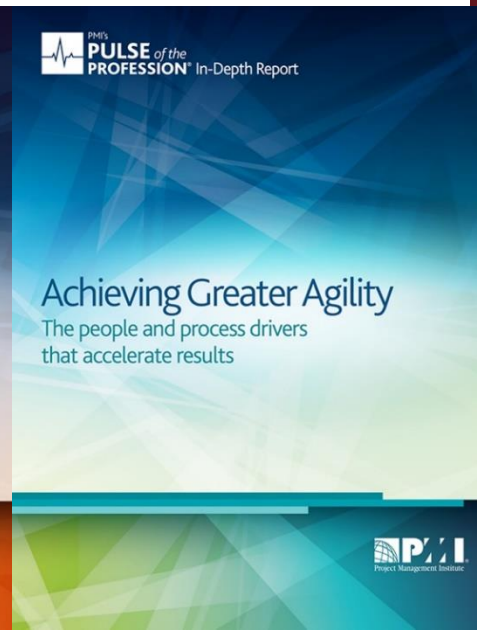
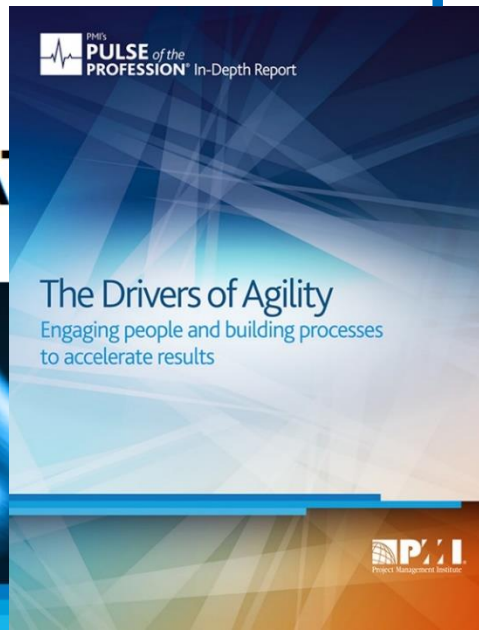
PMI Pulse of the Profession
Organizational Agility (2012)



Capturing the Value of Project
Management through Organizational
Agility (2015)

September 2017

ORGANIZA
AGILITY



* Significant research completed by PMI into Organisational Agility over the last 5 years

Exploring Organisational Agility

- Having an **understanding of which characteristics to put effort** into within an organisation can **greatly improve the level of benefits and contribution to business success.**
- This research explores relationships between **20 agile characteristics and 15 perceived benefits** from the perspectives of Australian industry sectors.
- Results showed that **some characteristics were more important than others**

Literature Review

Meredith and Francis (2000) - Agility reference model demonstrates **16 interdependent components of agility for organisations to retain competitive advantage**. These components are grouped into four dimensions – *Agile Strategy, Agile Processes, Agile Linkages* and *Agile People*.

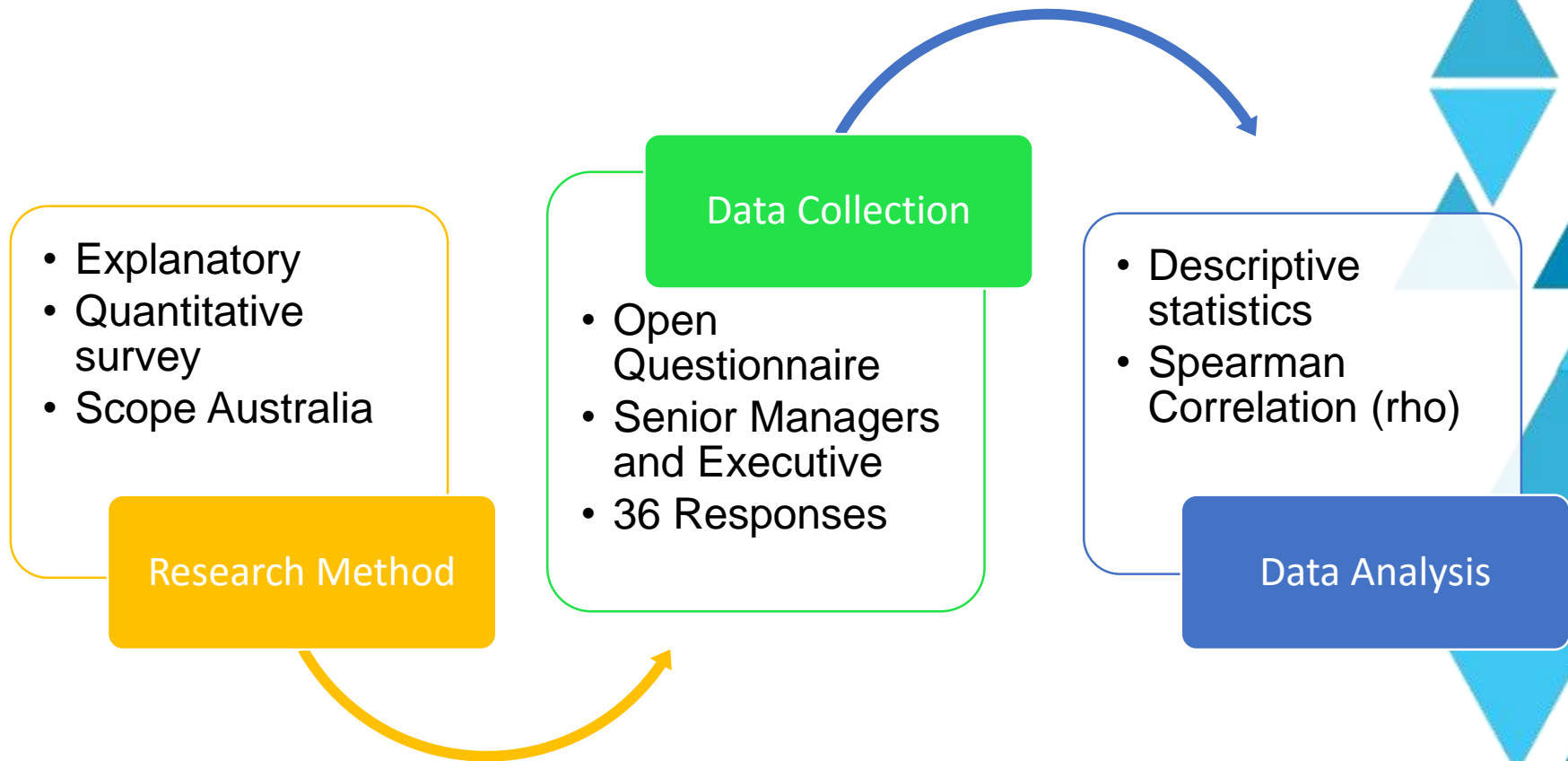
Najrani (2016) discusses the **three dimensions** of organisational agility: *Reactive Agility, Proactive Agility* and *Innovative Agility*.

PMI (2017) categorises two groups of drivers to create high agility for organisations. These **two groups are people and process drivers**.

Denning (2015) recommends **four different stages** including initiating experiments by enabling a team, leading **culture change** from the middle and top-down culture change.

PMI (2017) state organisations with high agility **deliver more projects successfully meeting original goals and business intent**. Aligns with previous study of Yauch (2011) that agile organisations **respond successfully in managing time, cost, robustness and scope**.

Research Methodology



Data Collection

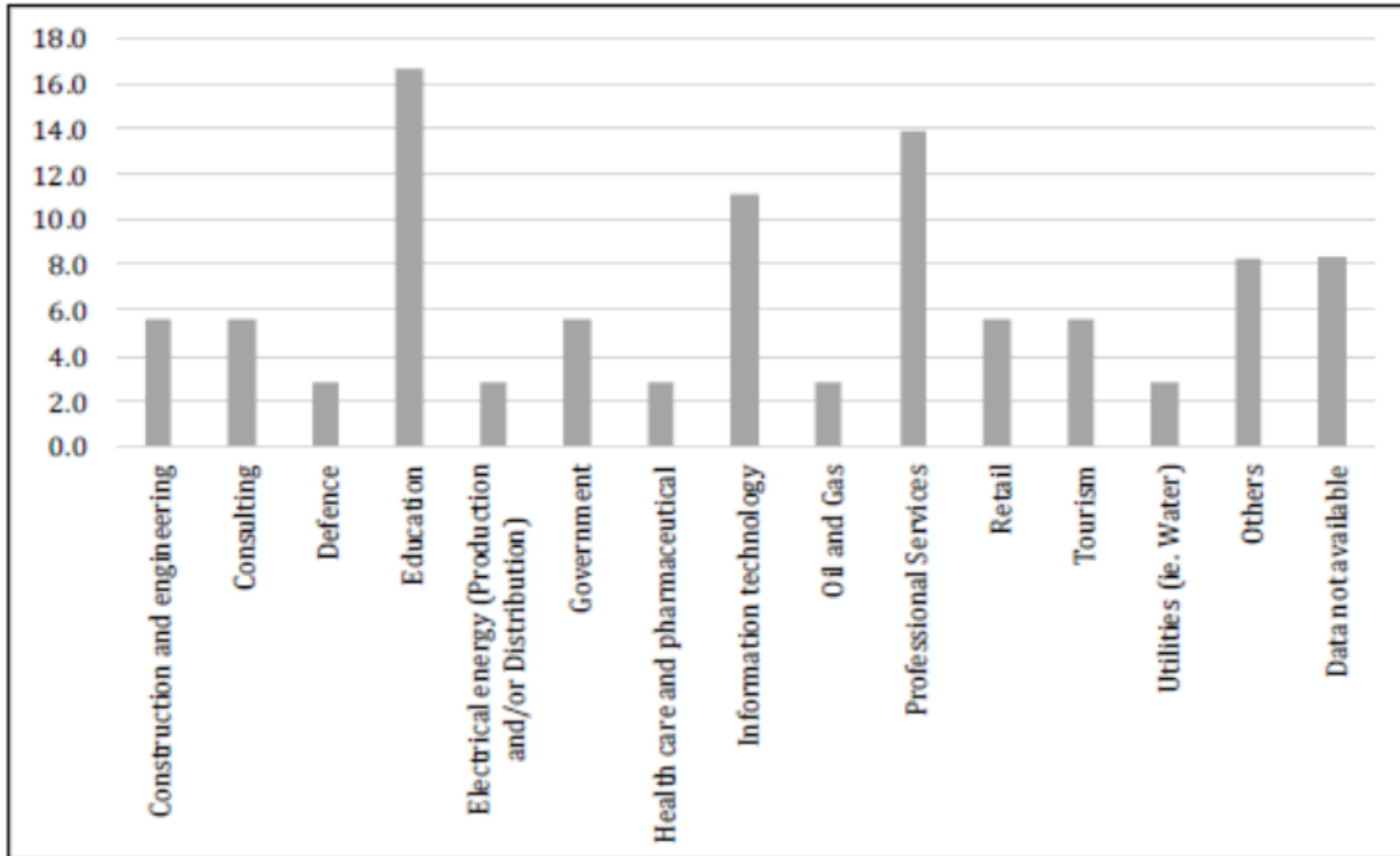
Data Collected January 2017 – December 2017 (36 responses)

Survey monkey instrument promoted through:

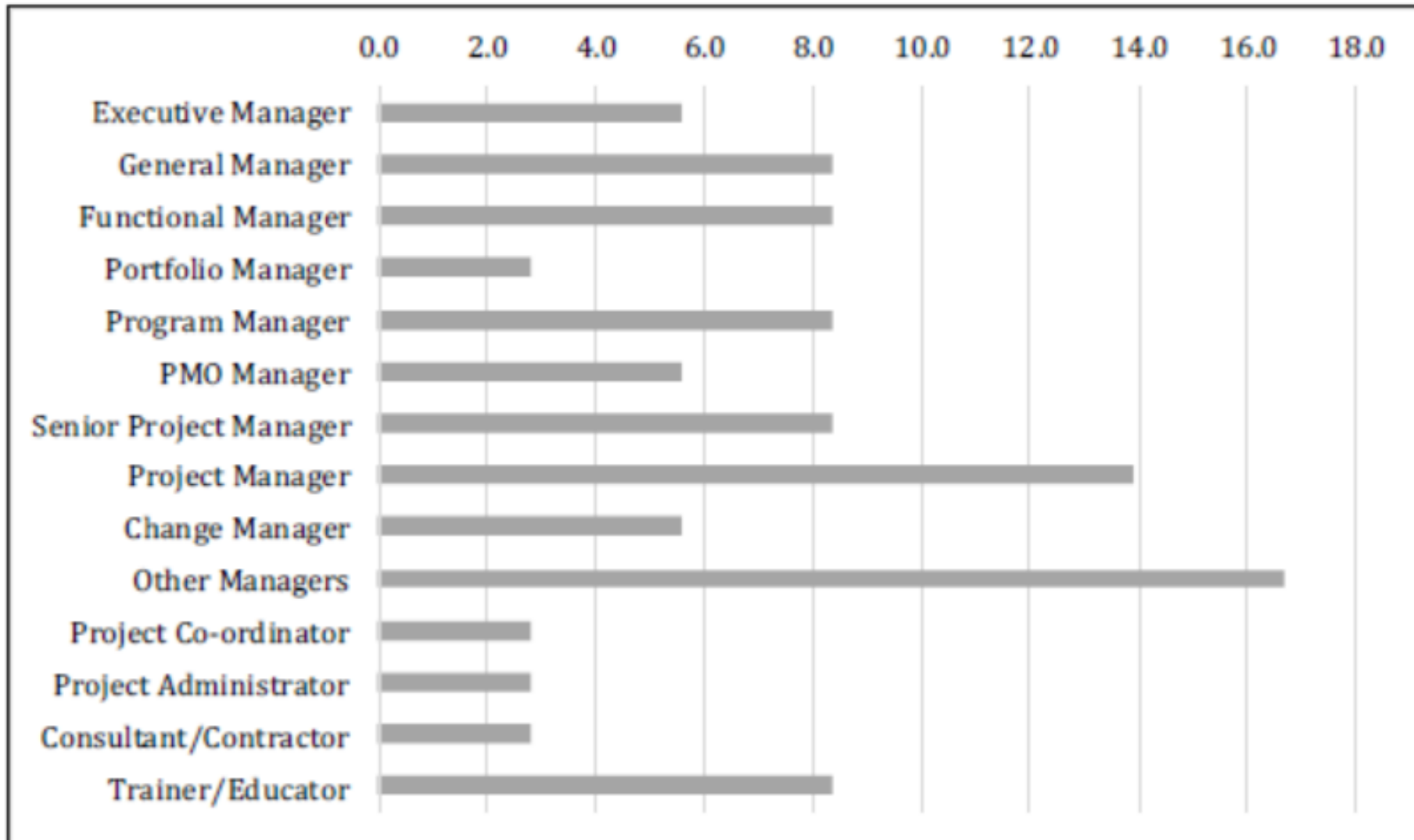
- ✓ PMI National Conference 2017
- ✓ Australian Institute Project Management (AIPM) Conference
- ✓ PMI and AIPM Industry Associations
- ✓ LinkedIn
- ✓ Torrens University Australia

Respondents from a number of different sectors in Australian organisations

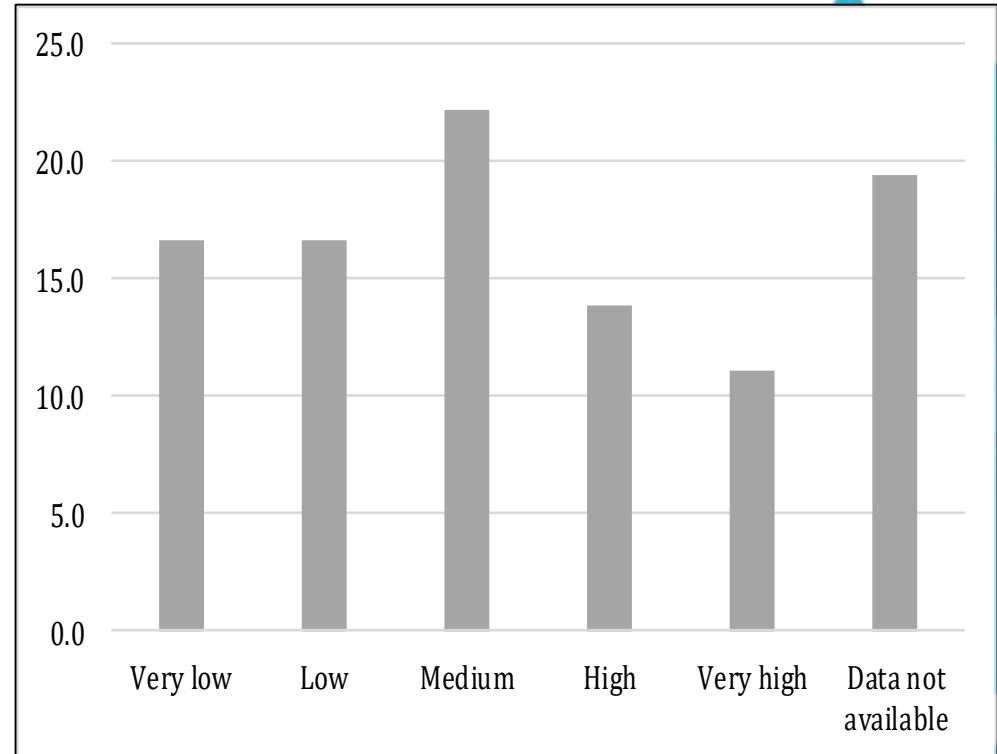
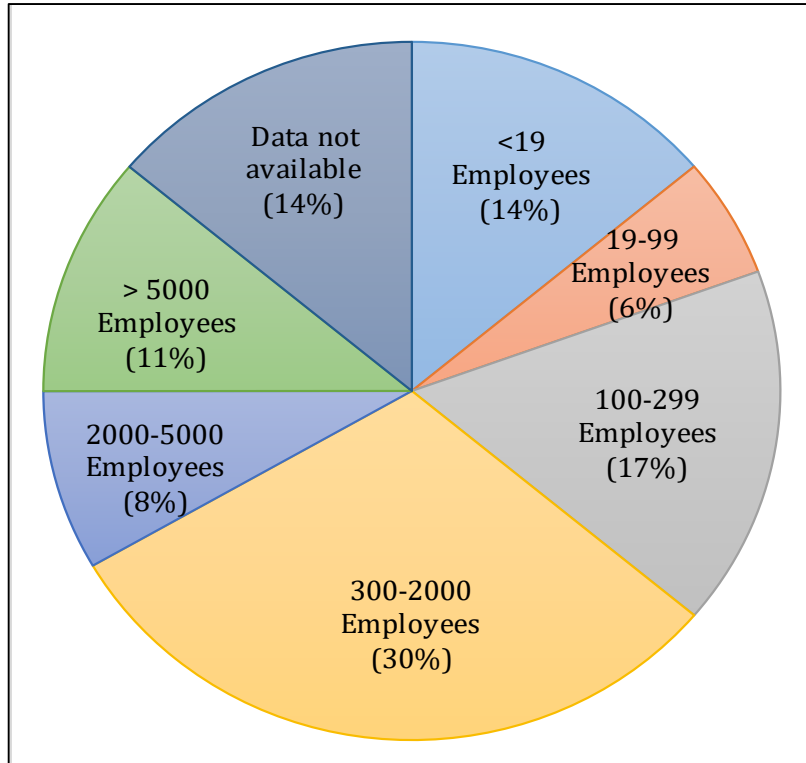
Industry Sectors



Organisational Positions



Research Findings



30% of the respondents had 300 to 2000 employees.
The maturity levels of agility for most organisations were medium 22.2%, low 16.7% and very low 16.7% respectively

Characteristics and benefits of agility (20 Characteristics Agile Organisation and 15 Benefits)



Characteristics / Benefits	Faster response to changing market conditions	Improved customer satisfaction	More efficient ability to move from strategy to execution	Quickly adapt practices based on learnings from successes and failures	Improved organisational efficiency overall	Improved employee satisfaction	Faster completion of projects
1. Flexible and adaptable	.602**	.428*	.396*	.369*	.398*	.450*	.439*
2. Open communications	.	*381*	.	.	.406*	.	.
3. Transparency in decision making	.	.400*	.	.	.	.	.444*
4. Rapid decision making	.	.	.475**	.	.	.	.
5. Decentralised decision making407*	.
6. Open to change	.396*	.	.	.	.	.	.
7. Self-aware and honest	.	.613**	.446*	.480**	.366*	.	.428*
8. Customer orientated
9. Focused on talent development
10. Committed to agility
11. Empowered team members
12. Action based
13. Agility recognised as a team competence416*	.
14. Catalyst Leadership414*	.435*	.388*	.
15. Effective methods of rapid knowledge transfer
16. Continuous learning from experience	.	.366*	.	.	.	.	.
17. Clear guidelines for tailoring standardised processes	.	.398*	.379*	.	.463*	.	.
18. Effective environment scanning	.	.463**	.	.	.385*	.392*	.
19. Appetite for risk	.420*	.	.	.	.406*	.375*	.483**
20. Active Governance

*. Correlation is significant at the 0.05 level (2-tailed); **. Correlation is significant at the 0.01 level (2-tailed)

Characteristics based on PMI 2015 – Capturing the value through Org Agility

Further improvements with feedback on survey

Inclusion of Appetite for risk and transparency in decision making

reworded “Governance based on long term scenarios”, to “active governance”



Characteristics / Benefits	More effective targeting of innovation opportunities	Improved risk identification and mitigation	Faster/ more efficient organizational changes	More profitable business results/ higher revenues	Greater cost savings	Attracts good staff	Improve organisational sustainability	Improves chances of business success
1. Flexible and adaptable	.517**	.	.	.394*	.541**	.416*	.409*	.
2. Open communications	.	.	.	.	.	.	.428*	.
3. Transparency in decision making	.	.409*	.	.	.	.	.	.
4. Rapid decision making	.455*	.	.	.	.	.	.	.
5. Decentralised decision making	.	.	.	.	.	.	.	.
6. Open to change	.	.	.	.	.	.	.	.
7. Self-aware and honest	.	.447*	.	.	.	.	.	.
8. Customer orientated	.	.	.	.	.	.	.	.
9. Focused on talent development	.	.	.	.	.	.	.	.
10. Committed to Agility	.	.	.	.	.	.	.	.
11. Empowered team members	.	.423*	.	.	.	.	.	.
12. Action based	.	.367*	.	.	.	.	.	.
13. Agility recognised as a team competence	.375*	.391*	.	.	.	.	.	.
14. Catalyst Leadership	.	.	.	.	.	.	.	.
15. Effective methods of rapid knowledge transfer	.	.	.	.	.	.	.	.
16. Continuous learning from experience	.	.	.	.	.	.	.693**	.695**
17. Clear guidelines for tailoring standardised processes	.	.	.	.	.	.	.	.
18. Effective environment scanning	.433*	.	.	.	.462*	.	.	.
19. Appetite for risk	.422*	.	.	.	.	.	.	.
20. Active Governance	.	.	.	.	.	.	.	.

*. Correlation is significant at the 0.05 level (2-tailed); **. Correlation is significant at the 0.01 level (2-tailed)

Findings – Correlation Analysis

“Flexible and adaptable” was agreed to having the most benefits (12 benefits)

Top 3 Benefits

“Faster response to changing market conditions”, “Greater cost saving” and “More effective targeting of innovation opportunities”

“Self-awareness and honest” was another characteristic of organisational agility **that more perceived benefits (6 benefits) than other characteristics.**

Findings – Correlation Analysis

“Improved customer satisfaction” had a positive relationship at the moderate level ($r = .603^{**}$) with this characteristic.

“Continuous learning from experience” characteristic contained the two highest positive relationships with the **“Improved chances of business success”** and **“Improved organisational sustainability”** benefits ($r = .695^{**}$ and $.693^{**}$ respectively).

Findings – cont

Not all examined variables of characteristics were perceived as generating benefits.

“Customer oriented”,

“Focused on talent development”,

“Committed to agility”,

“Effective methods of rapid knowledge transfer”

“Active governance”

showed no relationship with any benefits examined.

Findings

Some characteristics indicated **minimal numbers** of relationships to the studied benefits. These included:

“Rapid decision making”,
“Decentralised decision making”,
“Opened to change” and
“Agility recognised as a team competence”.

Attaining perceived benefits resulted from different combinations of characteristics of organisational agility.

For example, to achieve “Improved customer satisfaction”, a combination of “Flexible and adaptable”, “Opened communications”, “Transparency in decision making”, “Self-awareness and honest”, “Continuous learning from experience”, “Clear guidelines for tailoring standardised processes” and “Effective environment scanning”

must at least be obtained and measured to ensure that relationships amongst them are established.

Understanding the Benefits

The **benefits** that **required the most combinations** of agility characteristics included **“Improved customer satisfaction”** and **“Improved organisational efficiency overall”** in which a minimum of seven characteristics were needed to attain.

Conclusion

This research provides insights into **relationships between characteristics of organisational agility and perceived benefits for competitive advantage.**

Having an understanding of this can help organisations **decide which characteristics to put effort into** to greatly improve the level of benefits and contribution to business success.

A **gap analysis** of characteristics and use of **change management** could be one approach to **improving organisational agility and business performance.**

Implications and Future Research



- The research found **no relationship indicated amongst some of the studied variables**. This will require **further research** to understand the **absence of relationship**.
- A study of **associations between benefits of agility and degrees of agility maturity** is recommended to extend investigation into **other dimensions of organisational agility**.
- A **case study of individual organisations** could also be performed to develop a gap analysis and a **roadmap** to help improve organisational agility.

Current open research survey

<https://www.surveymonkey.com/r/TUAPPMOrgAgility>

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Thank you...

QUESTIONS?

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To participate in future research.
Current open research survey

<https://www.surveymonkey.com/r/TUAPPMOrgAgility>