

FRAMEWORK FOR ADAPTING AN AGILE WAY OF WORKING

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ABSTRACT

This paper aims to propose a multilevel theoretical framework and a set of value propositions to reflect on the adoption of agile working.

We construct a multilevel framework for an agile working adoption strategy by examining the most important internal and external variables.

Results find that four components composed of contextual, structural, social and individual variables are able to influence the adoption of agile working. In addition, a number of factors that can facilitate or prevent change are presented.

This paper aims to provide a valuable contribution to the adoption of agile work, which has increased dramatically during Covid-19 and the lockdown but is still under-explored.

We propose a framework and set of propositions, but we do not test them. More research should be conducted about this framework.

INTRODUCTION

Digital Transformation (DT) involves adopting new agile working models at the expense of those now deemed archaic (Suseno, 2018). Agile working can be conceptualised as the possibility to work more flexibly in space (where work gets done) and time dimension (when and how long workers engage in work-related tasks).

Although the Literature has defined the contribution of environmental, technical, organisational and personal elements in adopting agile work (Lyytinen and Newman, 2008)(Ales et al., 2018), insights into its adoption are still missing.

By starting from the literature gap, we aim to understand the primary variables organisations should consider for an Agile Working adoption strategy.

We first describe the contextual factors of the environment, and the different approaches organisations can undertake for facing change. Then we describe the organisational and group variables related to agile adoption and individual factors enabling it.

THE ENVIRONMENTAL LEVEL: DYNAMISM

Literature has described the environment as stable or dynamic.

A stable environment is characterised by underlying static demand because of entry barriers or limited technological or regulatory change that keep the competition stable and predictable, arising development and innovation, with moderate but constant growth.

Conversely, a dynamic environment is characterised by uncertainty, a high rate of change and variability, quite similar to a crisis context in which the need for change is continuously requested.

ORGANISATIONAL APPROACH: REACTIVE VS PROACTIVE

Reactive organisations adaptively respond to a pressing external demand for change that might involve responding to a new strategy adopted by a competitor or to a new environmental issue, as regulatory or technological change.

Differently from reactive organisations, the proactive ones actively seek information and opportunities to improve the situation (Kung and Kung, 2019).

The different intensity of environment dynamism (static vs dynamic) and organisational proactivity (proactive vs reactive) framed four different environment-organisations combinations in the matrix in figure 1. Following, we fully describe all the quadrants of the matrix.

Quadrant I: this quadrant represents reactive organisations that fit with a stable environment.

Quadrant II: this quadrant represents reactive organisations that are unfit for the dynamic environment. Despite dynamic environment being a very frequent contingency, reactive organisations are not always able to survive and will be selected out;

Quadrant III: this quadrant represents proactive organisations that fit with an unstable environment. Such contingency is quite frequent in today's dynamic scenario, and organisations are perfectly able to survive and prosper: they will be selected in;

Quadrant IV: this quadrant represents proactive organisations that are unfit with a stable environment. Such contingency is relatively infrequent in today's dynamic scenario, and organisations cannot always survive and will be selected out.

We suppose that agile working adoption is associated with high dynamism of the environment and high organisation proactivity.

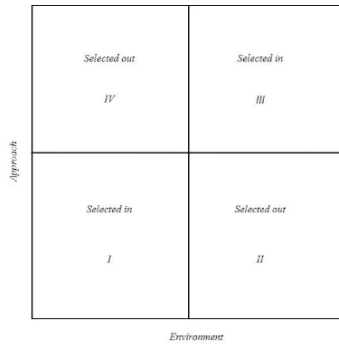


Figure 1. Context and Agile Work Adoption

However, such a macro-organisational perspective and the cause of inertial forces should also be analysed into a micro perspective that considers the main variables for a pro-active organisation related to an agile perspective.

ORGANISATIONAL VARIABLES: TECHNOLOGY, STRUCTURE AND CULTURE

The different intensity of technology adoption and cultural and structural redesign (high or low) framed four different situations in the matrix of figure 2. Below, we fully describe all the quadrants of the matrix.

Quadrant I: Status quo: it is plausible in those business environments that tend to be stable, where no significant changes are expected. Whereas, on the other hand, the environment is turbulent and unstable, the status quo will not hold up in the face of dynamism: in this case, companies that do not 'reinvent themselves will fail.

Quadrant II: Automation is defined as the performance of tasks by machines rather than human operators (Barley, 2015). Automation results in reducing operator workload, errors and labour costs (Barley, 2015; Parker, 2014).

Quadrant III: Agile Working and technological advances freed business activity from a focus on place. Both work activities and markets have been able to harness information and communication technologies to operate remotely (Bednar and Welch, 2020; Trabucchi *et al.*, 2021).

Quadrant IV: Continuous improvement: it is particularly recommended for those companies that want to improve in small steps, continuously, without using the technology heavily, is mainly focused on the statistical process approach.

We suppose that agile working adoption is associated with the high intensity of technology adoption and cultural and structural redesign intensity.

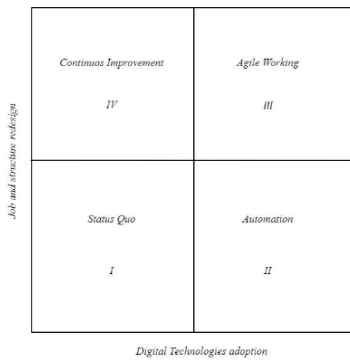


Figure 2. Digital Technologies and type of Organization structure

SOCIAL VARIABLES: TRUST AND EMPOWERMENT

Literature usually considers empowerment into two main components: structural empowerment and psychological empowerment. Structural empowerment is a set of practices, conditions, policies, and structures that enable the transfer of power and authority from higher levels of the organisation to lower levels (Bowen and Lawler, 1992; Laschinger *et al.*, 2004; Mathieu *et al.*, 2006).

From the other side, psychological empowerment is defined as an intrinsic task motivation reflecting a sense of self-control about one's work and an active involvement with one's work role (Seibert *et al.*, 2011).

Empowerment is directly proportional to the trust placed in employees (more trust equals more empowerment).

The different intensity of autonomy and discretion (high or low) framed four different situations in the matrix in figure 4. Following, we fully describe all the quadrants:

Quadrant I: the worker has no degree of autonomy in decision-making and has to follow the rules imposed by the leader as a daily work routine. The worker is subjected to strict control during the performance of his activities, because it is on the performance of each individual activity that the final result depends.

Quadrant II: The Top-Down Management approach places all decision-making power in the hands of the leader, who dictates the guidelines to his employees who are in charge of actually doing the work, reserving them work autonomy but carefully monitoring the end result to avoid errors that deviate from the decision-making policy.

Quadrant III: this quadrant highlights the agile approach that allows the employee to work with autonomy and discretion. The worker does not have rigid routines to follow and decides and takes responsibility for his actions.

Quadrant IV: this quadrant highlights a transfer of power from top to bottom in the organization. It's a framework in which the entire organisation participates in the decision-making process. Teams are self-contained and formed based on talents and experiences. Rather than receiving directions and then acting on them, these teams are self-directed and decide on the best approach to do their job.



Figure 3. Structural and psychological empowerment an agile working adoption

We suppose that agile working adoption is associated with high autonomy level and discretion.

IMPLICATIONS FOR FUTURE RESEARCH AND CONCLUSION

The framework developed in this paper (Fig. 4) takes its cue from an open socio-technical perspective. It considers a multilevel approach focused on context, organisations, teams and individuals' approaches to adopt effective agile working.

Our framework is not a universally applicable model because the effective adoption of an agile framework depends on the context in which the company operates (stable or unstable environment). This study aims to help describe the environmental, social and individual factors underlying the organisation and, for each hypothesised context, suggests a different approach for the organisation to adopt.

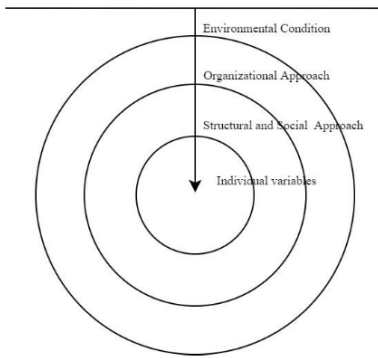


Figure 4. Agile working adoption framework

In drawing up this framework, the present authors made use of studies previously carried out in the literature. According to many authors, the Covid pandemic has accelerated a way of working -smart working- that can be exploited as an opportunity if the organisation adopts an appropriate open mindset (Langé and Gastaldi, 2020; Petrillo *et al.*, 2021). In contrast, specific sectors that necessarily require manual and physical labour (industrial sector, metal sector, etc.) can afford to adopt a status quo approach.

The quadrants can therefore serve as an aid to companies in deciding where to locate themselves.

Finally, we describe the limits of our research.

First, we do not analyse the impact of different contexts on agile working adoption.

Second, other variables should be considered on Agile working adoption, such as team maturity and digital skills, resilience and the ability to effectively address problems and challenges by acting with a creative response (Mendonça *et al.*, 2004). Finally, we propose a framework and a set of propositions but do not test them. Future research should be conducted about testing them in order to consolidate the framework.

Keywords: Agile working, Proactive approach, Trust, Culture, Empowerment, Change Management, Digitalization, Theoretical Framework

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