

Deloitte.



The Adaptable Organization
Harnessing a networked
enterprise of human resilience

The Adaptable Organization

is a fundamental shift in operating and management philosophy that enables large-scale global organizations to operate with a start-up mindset and drive modern people practices that enable enterprise agility through empowered networks of teams

The team

Conventional wisdom believes that high-performing individuals deliver organizational performance. Adaptable Organizations place greater emphasis on the team and help unlock individual performance through team composition and new ways of working.

Individual performance is intrinsically linked to team composition.

This logic around high-performing team development has been clear for some time, but many earlier team-based designs failed because the organizations put individual performance ahead of team and did not account for instability in the external environment.

A high-performing team is always worth more than the sum of its parts and radiates resilience which resonates throughout the organization. Three distinct components mark a diverse, high-performing team:

1) a shared outcome, 2) iterative and empowered execution, and 3) a climate or culture promoting fairness, constructive conflict and psychological safety, (see figure 7 for more details). Teams that have deliberately moved into the rhythm of trust, clear mutual accountability, and

transparency have constructed a safe climate that celebrates diversity of thought and anchors team members in the social purpose of the organization.

With each member bringing diverse perspectives, unique skillsets, and broad experiences, an organization's potential grows.

In this landscape, an uninterrupted dialogue connects individuals and teams to overall

mission, objectives and priorities to align activities to target outcomes. Tasks assigned to team members should be meaningful to maintain commitment while simultaneously driving collective team ownership. Team members are empowered to make decisions and free to take on new roles as needed to achieve the mandate.

A cohesive team of average players can easily outperform a team of dysfunctional star athletes.

Figure. 7: High-performing teams should meet three broad conditions



Our research shows ideas developed by teams with three or more members have 156 percent greater appeal with customers, than teams with one or two key contributors¹⁰

Clear focus unites the team to the organization's purpose.

In an Adaptable Organization, a network of teams centers upon a clear purpose and a set of core values. While this common purpose provides guidance and direction for individuals and teams, each team has its own clear focus on one mission or outcome. The number of desired outcomes sets the number of teams, and as outcomes change, teams shift to meet the new demands.

Iterative and empowered execution with transparent decision rights is critical.

The principles of agile software development and agile management have succeeded in many business contexts. Such principles put the customer and outcomes at the center of every decision. They are able to achieve adaptability by failing fast and delivering work frequently, stressing collaboration over individual contribution, promoting frequent face-to-face meetings to identify issues and make decisions, and reflecting at regular intervals on how to be a more effective team. All these elements are key factors in adaptability.

Many of our clients (beyond the IT function) have been adapting components of agile methods to keep teams aligned including daily stand-ups, iteration reviews, cross-team planning to handle more complex problems and retrospectives that offer a safe place to discuss problems and improvements. Taken together, these methods help connect teams and support the right environment for accountability and autonomy.

The adaptable environment helps create a safe place for collaboration and connected ways of working.

Many organizations believe that their teams already practice effective collaboration, but most do not. What teams label

'collaboration' usually is not; instead many people work with who and what they know, taking a 'low risk' approach to getting work done. As organizations embark on the adaptability journey it is important to consider what tends to hold most teams back from true collaboration:

- No universal understanding or definition of collaboration
- Confusing collaboration with consensus-building, where consensus can be used to avoid accountability
- Preference for face time, even where video conferencing exists
- Formality. When people resist showing their "human" side, it can take longer to build a safe space for team rapport
- Too much focus on the immediate team, in lieu of a deeper understanding of how the broader organization works

No single, prescribed methodology makes teams great, but effective organizations always take time to build collective understanding to work in this new way. They invest in workplace environments that enable true collaboration. Leaders also become a linchpin for modelling new ways of working.

The team is a core element of the Adaptable Organization and can only be as successful as the leader who empowers and enables it. Teams cannot thrive in new environments if leaders are stuck in old mindsets and ways of working.

True collaboration can unlock latent productivity and inclusion, and can realize higher employee engagement and agility to help accelerate execution of the business strategy.

End notes

1. Salim Ismail, *Exponential Organizations* (New York: Diversion Books, 2014).
2. Hopkins, Christopher D. "Dow Jones Drops GE, A Member Of The Original Industrial Average In 1896" NPR, Aug. 23, 2018 AD, www.npr.org/2018/06/19/621659846/dow-jones-drops-ge-a-member-of-the-original-industrial-average-in-1896
3. Deloitte, *The Fourth Industrial Revolution is here—are you ready?*, Deloitte Insights, January 2018.
4. Edelman, *2018 Edelman Trust Barometer: Global Report*, 2018.
5. Deloitte, *2018 Deloitte Global Human Capital Trends: The Rise of the Social Enterprise*, 2018.
6. Deloitte, *Culture of Purpose—Building business confidence; driving growth: 2014 core beliefs and culture survey*, 2018.
7. Josh Bersin, *Bersin by Deloitte, Deloitte Consulting LLP: Becoming Irresistible: A New Model for Employee Engagement*, 2015.
8. Deloitte, *Human Capital Trends 2016: Out of sync?*, 2016.
9. Deloitte, *Diversity's new frontier: Diversity of thought and the future of the workforce*, 2013.
10. Deloitte, *Digital collaboration: Delivering innovation, productivity, and happiness*, 2013.
11. Deloitte, *The six signature traits of inclusive leadership: Thriving in a diverse new world*, 2016.
12. Marcus Buckingham and Ashley Goodall, *Reinventing Performance Management*, Harvard Business Review, 2015

Authors

This paper has been developed through a global open network of cross-functional Deloitte team members.

Initiative Leads and Co-Authors

The Adaptable Organization initiative was guided under the leadership of Amir Rahnema and Tara Murphy who co-authored and edited the perspective.

Amir Rahnema | Deloitte Consulting BV

Amir is a Canadian Partner based in Amsterdam. He is Deloitte's global head of Organization Design. He is focused on working with organizations as part of large-scale transformation typically tied to shifts in strategy, new technology implementations and complex workforce transitions. He has spent the last few years working with consumer business companies, retailers, banks, energy companies and governments in exploring adaptability in leadership teams and operations.

Expert Advisory Group and Co-Authors

An Expert Advisory group of cross-functional leaders from around the world co-authored the paper and brought their client experiences on Adaptable Organizations.

Dimple Agarwal | Deloitte MCS Limited

Dimple is a Partner in the London office and is the Global Leader of Deloitte's Organization Transformation & Talent practice. She has over 23 years of experience in organization and people consulting. Her functional expertise includes leadership, cultural change, talent strategies, change management, capability development, designing and implementing operating models and workforce transition in the context of large scale business transformations primarily in the consumer business sector.

Don Miller | Deloitte Consulting LLP

Don has more than 16 years of industry and consulting experience. In his current role, he serves as the US Analytics leader for Deloitte's Human Capital Organization Transformation & Talent practice and also serves on Deloitte's Global Organization Design and Decision Solutions Leadership team. Don is focused on helping clients improve performance by building operating models and organization structures to execute new capabilities through their people, aligning the capabilities, metrics, processes, and culture of a business to its structure, leadership, roles, and talent. Don also helps clients solve some of their top business challenges by creating tailored culture, leadership development, and employee engagement solutions to better execute organization transitions as well as mergers, acquisitions, and divestitures.

Tara Murphy | Deloitte Canada

Tara is a Manager in Deloitte Canada's Human Capital consulting practice. She focuses on helping clients architect new organization designs to adapt to changing markets and shifts in business strategy. Tara has a keen interest in understanding and developing methods to help large organizations inject agility into their designs, capabilities and processes. She has worked on reorganizations and major operating model transformation initiatives across industries and leads Deloitte's global Adaptable Organization methodology development.

Jessica Eden | Deloitte Canada

Jessica is an expert in agile organizational transformation and a leader in Deloitte's Canadian organization design consulting practice. Her work focuses on helping clients decide on and implement organizational changes that elevate the customer experience and address the pressures of disruption. She has extensive experience bringing together leaders at all levels to re-imagine and transform how work gets done, by addressing customer, talent, process and technology issues from an integrated perspective.

Kat Lee | Deloitte Canada

Kat is a subject matter expert in Transformational Change, specifically in designing and sustaining Agile and Digital leadership, learning culture, mindsets and new ways of working within Financial Services in North America. She is also an accomplished business author and was the lead writer for the NY Times/USA Today Bestseller on leadership and culture, *As One: Individual Action, Collective Power* published in 2011.

Persis Mathias | Deloitte MCS Limited

Persis is part of Deloitte's Human Capital Practice in the UK and has over 20 years of in-depth experience consulting with organizations across the globe on various areas of Organization Design, Leadership and Talent. She has led large scale transformation projects for organizations going through mergers & acquisitions, organizational & cultural transformation. Persis is passionate about helping organizations explore and leverage opportunities presented by Future of Work to build and maintain adaptable, nimble and sustainable organizations that will enable them be better positioned to drive exponential growth, value and impact

Peter Sloan | Deloitte MCS Limited

Peter heads up the Deloitte Leadership practice in the UK and works with large global organizations to ensure leadership is a key enabler of organizational performance. A chartered psychologist, he helps clients to ensure they have the leaders they need to deliver their strategy and he advises on succession planning, executive talent programs and leadership development. Peter's current focus is on supporting organizations to develop 'future leaders' for a disrupted world, and on the pivotal role leaders play in enabling transformation.

Robert Myatt | Deloitte Canada

Robert is a chartered business psychologist with over 20 years' experience of enabling global companies to build the leadership they need to transform and achieve their strategic goals. He possesses a deep expertise leadership strategy, assessing leadership potential and developing leadership expertise for a wide range of organizations including financial services, public sector, utilities, construction, retail, pharmaceutical, technology and manufacturing companies.

Sarah Rogers | Deloitte Consulting BV

Sarah works with large global organizations to help them define and deliver their future workforce. She focuses on helping clients to define the critical capabilities and workforce investments required to deliver their business strategy in rapidly changing competitive environments. She works with organizations to ensure their talent system and enabling technology investments enable adaptability and responsiveness to future of work disruptors. Originally from Australia, Sarah has worked with clients across Europe and APAC regions, and currently leads the Netherlands Talent practice.

Contributors

We are indebted to a broad team of practitioners who contributed content and used their own Adaptable Organization experiences to help shape our thinking:

Ailish Kilmartin, Ally Hill, Corey Norman, Dale Camuyong, Damian Walek, Genesis Tang, Iksheetta Sha, India Mullady, Janette Yuen, Jared Simon, Jash Shah, Juliet Bourke, Justine Statham, Lindsay McCabe, Luisa Celis, Marc Abergel, Marie-Christine Joly, Mazen Maarouf, Michael Murphy, Natasha Abajian, Nate Paynter, Oliver Benton, Paula Nathwani, Sabrina Ling, Sebastien Gelus, Selina Facca, Sorubh Aggarwal, Stephanie Goyert, Tessa Van den Berg, Zach Fetters

Shivani Maitra | Deloitte MCS Limited

Shivani is a Partner in North West Europe's Organization Transformation and Talent practice. She leads the Organization Design practice in the UK and is the Life Sciences leader for Human Capital in the UK. Shivani is part of core team partners in Deloitte who are developing solutions for clients on Future of Work and impact of emerging technologies and ways of working on workforce.

Tiffany McDowell, PhD | Deloitte Consulting LLP

Tiffany has expertise in all areas of organizational behavior and leads Deloitte's Organization Strategies Market Offering. Tiffany focuses on delivering operating model, organization design, talent strategies, and global change management solutions for large-scale transformation projects. She has recently brought organizational network analysis and adaptable organization design thinking to help her clients build networks of teams and unleash their organizations energy.

Tom Alstein | Deloitte Touche Tohmatsu

Tom is a global thought leader on Next Generation organizations. He guided multiple organizations globally on their journey to truly anchor their organization in customer centricity, adaptability and a digital world. He has extensive experience in designing and implementing strategies and transformations, designing high impact business and operating models, building (new) business capabilities and innovation programs and successfully deploying improvements and solutions to bring strategies to life and to deliver business benefits.

Yves Van Durme | Deloitte Consulting

Yves is a global leader in Deloitte' Human Capital practice. He leads our global strategic change offering, EMEA organization transformation & talent practice and heads up the Belgian Human Capital team. After some 10 years of experience in high performance coaching in sports, he switched to consulting some 20 years ago to people & organizational matter where he built a track record on organizational and leadership development as vehicles for strategy execution with a specific affinity for a holistic approach caring for the balance between processes, structures and systems on the one hand and the more cultural and people-related elements on the other hand.

Leaders

Global Human Capital Leaders

Heather Stockton | Global Human Capital leader
Deloitte Canada
hstockton@deloitte.ca

Michael Stephan | Global HR Transformation Leader
Deloitte Consulting LLP
mstephan@deloitte.com

Jeff Schwartz | Global Human Capital Leader, Marketing, Eminence, and Brand
Deloitte Consulting LLP
jeffschwartz@deloitte.com

Darryl Wagner | Global Actuarial, Rewards, and Analytics Leader
Deloitte Consulting LLP
dawagner@deloitte.com

Dimple Agarwal | Global Organization Transformation and Talent Leader
Deloitte MCS Limited
dagarwal@deloitte.co.uk

Human Capital Country Leaders

Americas

Verónica Melián | Americas
Deloitte SC
vmelian@deloitte.com

Erica Volini | United States
Deloitte Consulting LLP
evolini@deloitte.com

Jeff Moir | Canada
Deloitte Canada
jmoir@deloitte.ca

Asia Pacific

Jungle Wong | Asia Pacific & China
Deloitte Consulting Co. Ltd, Beijing
junglewong@deloitte.com.cn

David Brown | Australia
Deloitte Touche Tohmatsu
davidbrown@deloitte.com.au

Kenji Hamada | Japan
Deloitte Tohmatsu Consulting Co. Ltd
kehamada@tohmatu.co.jp

Europe, Middle East, and Africa

Ardie Van Berkel | EMEA
Deloitte Consulting BV
avanberkel@deloitte.nl

Anne-Marie Malley | United Kingdom
Deloitte MCS Limited
amalley@deloitte.co.uk

Pam Maharaj | Africa
Deloitte Consulting Pty
pammaharaj@deloitte.co.za



About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the "Deloitte" name in the United States and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see www.deloitte.com/about to learn more about our global network of member firms.

This publication contains general information only and Deloitte is not, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte shall not be responsible for any loss sustained by any person who relies on this publication.