Editorial: *Leadership in the Era of the Agile Revolution. Driving Transformational Change:*

Awareness, Acceptance and Progress

Six years ago we underlined that making change (organizational, operational, commercial) happen is not an easy matter because it depends on how receptive the organizational environment is to this idea of change as a two-way process, considering many aspects, including the development of the necessary skills and knowledge, and building hope and conviction, transforming customers (putted at the center of the organization) in team members (with the leaders at the second inner circle, and with the employee at the first inner circle). (Purcarea, 2012) Three years before that, in 2009, a director in McKinsey's San Francisco office emphasized the role of CEO in determining the members of the top team to embrace the need for change, making them to adapt quickly to changing conditions, including working through fear, denial, and emotion. (Dean, 2009)

In June this year, 2018, other McKinsey's representatives brought to our attention the priority of the hard work of implementing and sustaining change in an organization, which is considered to be crucial for both top-level executives and frontline managers, considering that this implementation – defined as "the ability to achieve a desired result and sustain that result and continue to improve upon it" – exceeds change management (which is a core part of implementation). (Lindsay et all., 2018)

Next month, in July 2018, two experts in leadership from Florida International University expressed their opinions in the European Business Review, arguing that a vital role in driving transformational change is now played by agile and strategic leaders recognizing their opportunities, thinking and acting beyond a static rule book, considering the impact of new technologies, markets, and business models, attempting to find divergent viewpoints. (Beers and Hiller, 2018)

Today, within the context of the digital revolution, there is no doubt that the old paradigm of the machine model ("the management century" - from Taylor on, 1911 to 2011) is shifted by the current disruptive trends identified as by McKinsey (*quickly evolving environment, constant introduction of disruptive technology, accelerating digitization and democratization of information, the new war for talent*), the agile organization (seen as *adding velocity and adaptability to stability, and creating a critical source of competitive advantage in* so-called *VUCA conditions*) appearing as the new dominant organizational paradigm, as living organism. (Aghina et all., 2018) As we can see from the figure below, leadership shows direction and enables action, while teams are built around end-to-end accountability:
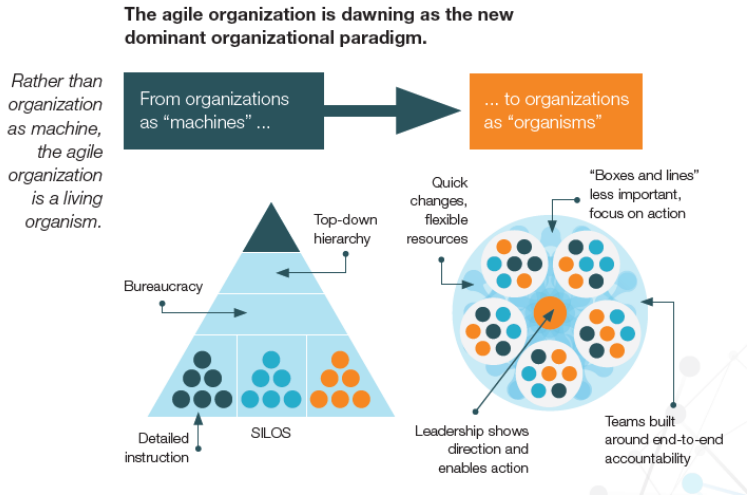
The agile organization is dawning as the new dominant organizational paradigm.

Rather than organization as machine, the agile organization is a living organism.

From organizations as "machines" ... → ... to organizations as "organisms"

- Top-down hierarchy
- Bureaucracy
- Detailed instruction
- SILOS

- Quick changes, flexible resources
- "Boxes and lines" less important, focus on action
- Leadership shows direction and enables action
- Teams built around end-to-end accountability

Figure 1: The agile organization is dawning as the new dominant organizational paradigm

Source: Aghina, W. et all. (2018). The five trademarks of agile organizations, written collaboratively by McKinsey Agile Tribe, December 2017 (work cited)

McKinsey experts also described the five trademarks of agile organizations (which enable them to balance stability and dynamism and thrive), as shown in the figure below:

There are five trademarks of agile organizations.

Trademark		Organizational agility practices[1]
STRATEGY	North Star embodied across the organization	• Shared purpose and vision • Sensing and seizing opportunities • Flexible resource allocation • Actionable strategic guidance
STRUCTURE	Network of empowered teams	• Clear, flat structure • Clear accountable roles • Hands-on governance • Robust communities of practice • Active partnerships and eco-system • Open physical and virtual environment • Fit-for-purpose accountable cells
PROCESS	Rapid decision and learning cycles	• Rapid iteration and experimentation • Standardized ways of working • Performance orientation • Information transparency • Continuous learning • Action-oriented decision making
PEOPLE	Dynamic people model that ignites passion	• Cohesive community • Shared and servant leadership • Entrepreneurial drive • Role mobility
TECHNOLOGY	Next generation enabling technology	• Evolving technology architecture, systems, and tools • Next-generation technology development and delivery practices

Figure 2: The five trademarks of agile organizations

Source: Aghina, W. et all. (2018). The five trademarks of agile organizations, written collaboratively by McKinsey Agile Tribe, December 2017 (work cited)

And coming back to the fact that making change happen is not an easy matter, we also have to take in account that leadership transitions, which are significantly influencing the course of the businesses, are also difficult transformational changes, other recent McKinsey research revealing that closely half of these types of transitions fail. (Keller and Meaney, 2018) That is why McKinsey's experts recommend that every leadership transition should be organized and initiated in two equally important stages and considering five basic dimensions of leadership, as shown in the figure below:
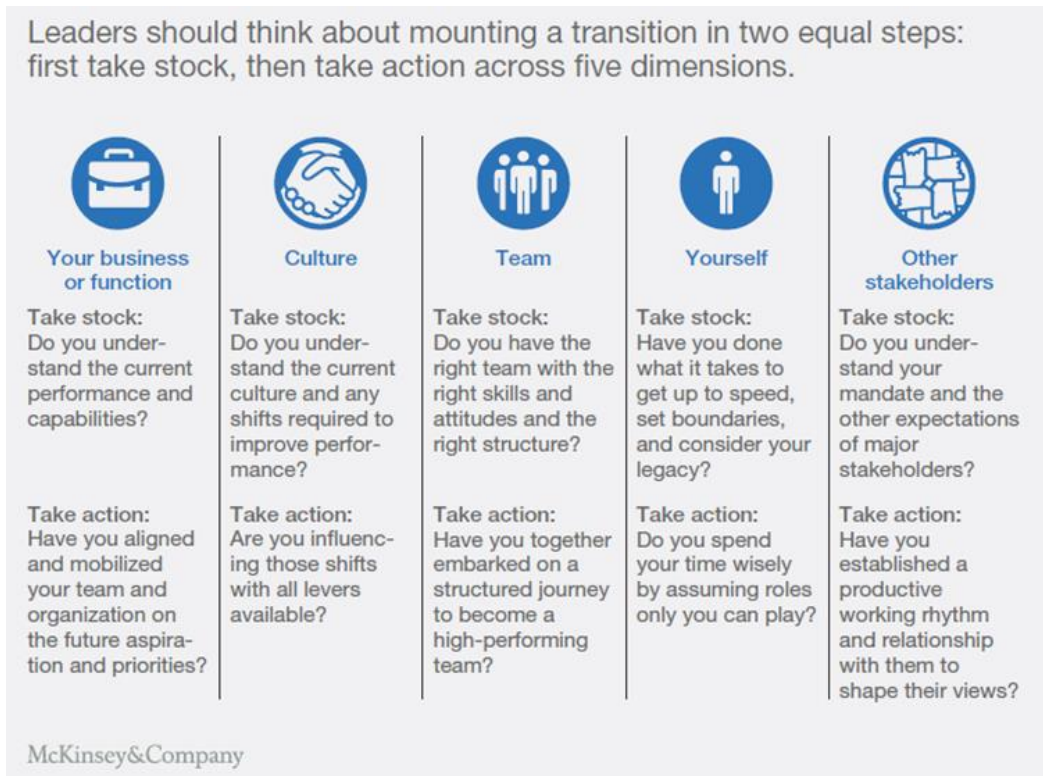

Leaders should think about mounting a transition in two equal steps: first take stock, then take action across five dimensions.

Your business or function	Culture	Team	Yourself	Other stakeholders
Take stock: Do you understand the current performance and capabilities?	Take stock: Do you understand the current culture and any shifts required to improve performance?	Take stock: Do you have the right team with the right skills and attitudes and the right structure?	Take stock: Have you done what it takes to get up to speed, set boundaries, and consider your legacy?	Take stock: Do you understand your mandate and the other expectations of major stakeholders?
Take action: Have you aligned and mobilized your team and organization on the future aspiration and priorities?	Take action: Are you influencing those shifts with all levers available?	Take action: Have you together embarked on a structured journey to become a high-performing team?	Take action: Do you spend your time wisely by assuming roles only you can play?	Take action: Have you established a productive working rhythm and relationship with them to shape their views?

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Figure 3: Leaders should think about mounting a transition in two equal steps

Source: Keller, S. and Mary Meaney, M. (2018). Successfully transitioning to new leadership roles, McKinsey & Company, May (work cited)

It is worth mentioning within this framework what two European experts argued in the European Business Review in March this year with regard to agile boards: "*Agility is the capability that board leadership is pursuing as a foundation for governance fitness and value creation… Agile boards must be more capable of changing the rules of the game ahead of their competitors and bring "first mover" advantages to their companies and shareholders*." (Dailey and Koblentz, 2018)

And as history has always offered us words of wisdom with regard to the need of making change happen, allow as finally to recall some of them: "*If you do not change direction, you may end up where you are heading*" (Lao Tzu); "*Progress is impossible without change, and those*

who cannot change their minds cannot change anything" (George Bernard Shaw); *"The first step toward change is awareness. The second step is acceptance"* (Nathaniel Branden); *"Change can be frightening, and the temptation is often to resist it. But change almost always provides opportunities - to learn new things, to rethink tired processes, and to improve the way we work"* (Klaus Schwab).

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