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Gartner for HR

Demystifying Agile HR

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The concept of agile is relatively new in the context of HR and many HR leaders lack clarity on how to apply it effectively within the HR function. This research provides an overview of the origins of agile, its core values, and how it can be applied to HR processes.

More on This Topic

This is part of an in-depth collection of research. See the collection:

- Applying Agile to HR Projects — An Introduction

In today's fast-paced and ever-changing business environment, HR leaders are considering new project management approaches that keep pace with rapidly evolving employee needs. HR leaders are looking to agile, a project management methodology from the world of IT, to enable HR to consistently deliver relevant and useful products to its customers — employees, managers, and leaders.

However, many HR leaders are only at the beginning stages of their agile HR journey; and hence, struggle to determine where to start and how to implement agile in their HR functions. Though originally designed for software development, agile represents a set of values that HR hopes will enable the function to quickly provide more relevant support and better solutions and processes to the organization.

Understanding an "Agile" Approach

Agile approach: Definition

At its simplest, the agile approach is a collaborative way of working that embraces change, drives efficiency through iteration and customer testing and measures success through outcomes rather than inputs. In practice, agile principles grant teams more flexibility to make decisions about how best to work to achieve their goals, which is especially important in today's rapidly changing business environment.

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Evolution of agile

Before agile, the software development industry was organized in a fairly rigid and hierarchical way. Senior leaders set organizational goals, structure and strategy, and shared this information with their direct reports and teams, who in turn shared it with their direct reports and teams and so on. This approach to organizational management was called the "waterfall" model — given the typical cascade of information that would flow down the organization. While this model provided structure, it was overly regulated, planned and micromanaged.

In response, several software development teams began to change their approach to planning and delivering new products throughout the 1990s. This period saw the introduction of lightweight software development methods like Scrum, Rapid Application Development, Extreme Programming, DSDM, Feature-Driven Development and Pragmatic Programming.

In 2001, a small group of seventeen software industry leaders met in Snowbird, Utah, to discuss these new lightweight methods and penned the "Agile Manifesto." The Manifesto articulated four key values defining criteria for improving the software development process:

- Individuals and interactions over processes and tools.

- Working software over comprehensive documentation.

- Customer collaboration over contract negotiation.

- Responding to change over following a plan.

These values — outlined in the Agile Manifesto — promoted a software development process that focused on quality by creating products that met customers' needs and expectations.

In recent years, agile has emerged as a potential management strategy for functions other than IT— including HR. Agile in HR is gaining recognition as a means of helping the organization stay current and aligned with today's talent requirements. In a recent Gartner survey, 63% of HR leaders reported the use of agile methods and principles in some capacity within their HR functions.

However, despite the growing consensus among HR leaders that agile is a worthy endeavor for HR to pursue — and HR is doing a number of things — they lack clarity on what agile means for HR.

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Applying Agile to HR

Today, HR is charged with redefining the workplace experience and engaging employees like never before while grappling with the many rapidly escalating people challenges — acquiring and retaining talent, complying with labor laws, developing employee learning and development programs, capturing and reporting accurate data — all while helping the business manage and predict people strategies that align with strategic business objectives. In the current scenario, agile HR has emerged as a popular tool that can empower HR professionals to better manage volatility, enhance adaptability and strengthen the organization by applying Agile methodologies to their talent management processes.

Agile HR approach: Definition

In essence, agile is a project management methodology that HR can apply to its own work. But, more importantly, agile represents a set of values that HR hopes will enable the function to quickly provide relevant products and support for its customers — employees, managers and leaders.

The mechanism to deliver and apply agile values to HR is twofold:

- **HR Projects —** Individual projects that create a new, or improve an existing, HR solution (e.g., process, tool, policy) and solve a problem for employees, managers or leaders.

- **HR Operating Model —** The formal and informal ways in which the HR function works to deliver value to the business quickly and with greater impact.

Translating agile value to HR

Agile methodology is best thought of as a set of guidelines rooted in the 4 original values as defined in the Agile Manifesto for software development. We at Gartner translated the core values of original software manifesto, which guides agile teams, into 4 HR values:

- **Value 1: Individuals and interactions over processes and tools —** HR should facilitate and make it easier for people to collaborate within the organization. That means not only fostering a culture that allows collaboration to emerge and flourish, but also rewarding it. In addition, HR must radically shift its focus from enforcing rules, policies, processes and systems, to ensuring that employees have the best experience at work. For this to happen, HR needs to move from a compliance-oriented function to a more strategic, developmental one. Furthermore, HR also needs to move from a function of "service delivery" to a driver of strategic talent and business outcomes. To achieve this, HR's operating model needs to undergo transformation — which will enable strategic thinkers to focus on solving customer problems, and not get distracted by transactional, operational work.

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- **Value 2: Working software over comprehensive documentation —** "Working software" in HR can be easily translated to "working processes". In an agile framework, the primary goal of HR is to create relevant products and solutions, not a 50-page document describing what they intend to produce or how it will be implemented. However, HR's desire to design and implement "perfect" processes end-to-end without testing any of the assumptions of those processes along the way results in most solutions becoming obsolete or overly generic by the time of completion or rollout. For example, in performance management, most business leaders acknowledge that annual-review rating-based performance management doesn't deliver any real value. However, the question always comes to "what do we do then?" To solve this situation, HR should test and deliver the new process in iterative steps rather than driving to deliver them as fully designed products through rigid rollout procedures.

- **Value 3: Customer collaboration over contract negotiation —** Customer collaboration can be easily translated into HR collaborating with employees and business leaders on a continual basis. HR needs to co-create with their customers — employees, managers and leaders —continuously during the design of a product or solution and release a working prototype at set intervals. These releases enable customers to give regular feedback, increasing the likelihood of meeting customer needs. In addition to co-creating, HR should also create a proactive, customer-sensing HR operating model — a shift from the existing service-based model — to better understand and serve its customers.

- **Value 4: Responding to change over following a plan —** HR is not only slow to change, but it seems to be stubbornly focused on creating long-term strategic plans that make people processes difficult to adapt and change. People change their priorities for a variety of reasons. Change is a reality of product and solution creation, a reality that HR processes and structures must reflect. HR needs to quickly and easily respond to change.

Overall, the Agile Manifesto values for software development when translated into HR values, provide useful direction to HR on the design and delivery of high-quality HR processes. Furthermore, these values enable HR to transform into a function that is more responsive and adaptive to business and customer needs.

Conclusion

Proven as an effective software development methodology, agile has become a common working method for functions throughout the organization. With this rise in popularity, HR leaders are considering agile HR as a new way to make a strategic impact. To successfully adopt Agile methodologies, it is essential for HR leaders to clearly understand the agile approach, its core values and how the agile values can be applied to HR processes.

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Recommended by the Authors

Agile HR Process Redesign (CSR)

CSR created a methodology rooted in agile principles to innovate various business processes and challenges. Use this case study to identify opportunities to apply agile concepts to HR processes.

Agile HR 101: A Guidebook for HRBPs

From its origins in software development, "agile" has become a popular work management option for business functions outside of IT, including HR. This guide helps HRBPs understand what agile is, how other HR organizations are applying it, and how to apply it in their own work.

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