Agility for the long term

As leaders seek to manage the uncertain, hybrid future of work, many will strive to sustain the agility that was crucial to their organizations over the past 12 months. Leaders who understand the behaviors that underlie agility, how to measure their agility today, and how to develop agility as part of new ways of working will build a long-term advantage.

Agility is becoming only more important as leaders, teams, and organizations focus on thriving in the still-forming new world of work. This is true not only in terms of strategy and operations but also in terms of leading people. Indeed, 93% of executives we recently surveyed said agility is critical to business strategy, and 94% to new ways of working. Leading hybrid teams, developing people remotely, seeking out the best talent from all corners of the globe, and retaining high performers who now want to work from anywhere are all areas in which senior leaders will need to be increasingly agile.

But even though most leaders, teams, and organizations know they need to be more agile, just under half of senior leaders who responded to our survey think they can spot people with the potential to be agile. Most leaders don't have a precise definition of "agility" or know for certain how to build the behaviors and mindsets that lead to sustained agility. However, what it takes to be agile *can* be clearly defined and *is* clearly measurable and learnable. For most leaders, the crucial step toward agility is shifting mindsets—toward being curious and willing to step back from the day-to-day work in order to think about challenges in new ways. That takes exact measurements of agility, embedding new thinking in real work habits, and ongoing support.

What agility is and where it falters

In general, agility is the ability to pivot quickly with an open, flexible mindset to be able to respond rapidly, in real time, to changing conditions. Because agility is both a mindset and skill set, it is tricky to define or measure exactly. Over the past several years, we have come to the conclusion that the best approach is to identify, define, and assess the underlying traits that predict individuals' potential to act with agility. We looked at the behaviors that demonstrate agility, such as learning and resilience. Then, using our own data and other psychological assessments, we determined which underlying ways of thinking people who act with agility most often demonstrate.

Based on our work and research,[1] we define "agility" and the underlying traits that allow leaders to behave in a more agile way as the following:

Foresight: Leaders must be able to anticipate change and be prepared to pivot, while balancing the long-term impact of change with an immediate response. The underlying trait that indicates leaders' ability to have greater foresight is thinking dexterity, which refers to a leader's ability to solve complex problems, think logically, and develop effective solutions.

Learning: Successful leaders acknowledge what they don't know so that they can learn faster. Instead of blaming other people or circumstances, they try things quickly and test novel solutions, with speedy reviews to see which answers work best. To enable a culture of learning, leaders need curiosity, which, in this context, we define as the extent to which they seek new experiences, opportunities to learn, and alternative ways of thinking, as well as how significantly they pursue the mastery and application of new skills and knowledge.

Adaptability: To pivot fast and with precision, leaders need to become aware of—and change—old mental models and biases that pervade their organization, stifling thinking and constraining creativity. In order to do this, leaders need to have good social agility, by which we mean the extent to which they demonstrate assertiveness and self-confidence alongside empathy and warmth toward others. Fundamentally, this hinges on how effectively leaders understand and adapt to different social contexts.

Resilience: To bounce back from setbacks and failures, leaders need to take accountability and refocus their organizations on moving forward. Leaders who do this well have tenacity, by which we mean the extent to which they strive for achievement, self-discipline, focus, and emotional control, as well as how well they persevere and remain composed in the face of challenges or setbacks.

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This understanding of the different facets of agility helps us see how many executives typically have those underlying traits and where the largest gaps are. Our assessments of leaders' agility potential[2] over the past year—using a video- and game-based methodology that allows assessment of people's behavior in real time[3]—show that fewer than half are strong at any of those four traits—and fewer than 10% are strong in curiosity and thinking dexterity.

Leaders who demonstrate more agile traits

Social agility	Tenacity	Curiosity	Thinking dexterity
41%	29%	10%	8%
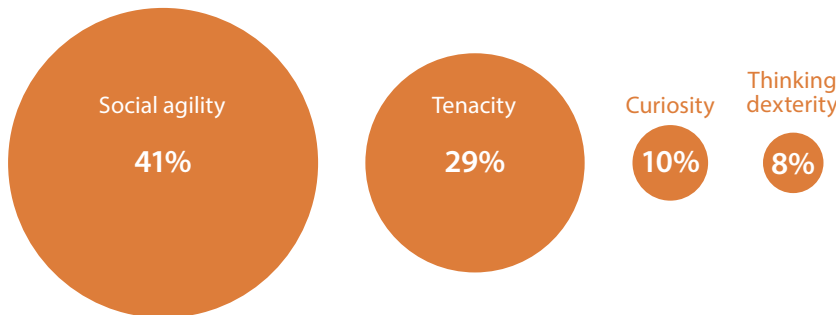
A lack of these underlying traits makes agility falter. For example, a multinational package delivery and supply chain management company recently rethought its business model. Leaders wanted to better understand the strengths and development gaps of their 25 most senior leaders in the context of driving change to implement the new model. They found that two-thirds of their leaders had some traits associated with agile behaviors but that they were not always actually acting with agility. One barrier, it became clear, was thinking dexterity: 45% of the company's leaders had a more static thinking style, and only 4% had a more fluid style. Their static approach meant that too many leaders were continuing to do low-value tasks they'd done in

the past while also taking on new responsibilities related to the new business model, leading to overwork. Undertaking a business strategy simulation exercise helped the leaders understand what was driving the new strategic priorities, externally and internally, and articulate why these priorities matter to colleagues and team members. This resulted in far greater awareness and understanding of the priorities and, importantly, embedded the strategic pillars across the regional leadership team. This, in turn, helped teams at the company connect the dots between what they do operationally every day and what is driving their organization's strategic success.

Shifting mindsets: From agility as survival to agility as a long-term strength

Leaders may feel that, after having coped through 2020, many people will not engage with efforts to become yet more, or differently, agile. Indeed, many people's mindsets seem to be fixed in "what's working now," even as "now" is changing fast. In a recent discussion with about 75 corporate leaders, nearly twice as many pointed to shifting mindsets, more than anything else, as the biggest pain point in continuing to build agility.

Leaders may need to start with their own mindsets. We know of a CEO who was recently raising concerns about the return to work. The overwhelming majority of his team members wanted to continue to work remotely and have flexibility about where they work. Productivity metrics and engagement scores at the company have been up since the pandemic hit, and the team members were all confident they could stay connected and build culture even with more select interactions. Nonetheless, the CEO feared a loss of culture if people didn't come into their office every day. Though he understood that he might have to live with hybrid working, he was struggling to plan for it and maintain some structure for in-office connectivity. But the CEO did work to shift his own mindset and was then able to better meet his workforce where they were. That unlocked his ability to more effectively work with his team to plan for their future.

Leaders can start shifting others' mindsets by communicating widely about the specific business-critical need for agility. They can set the context of rapid change with facts such as these: 52% of companies in the 2000 Fortune 500 had gone bankrupt, been acquired, or no longer existed by 2017,[4] and 73% of workers want the option of staying remote.[5] Then, they should articulate what that means for their specific organization and make the business case for agility to reach their specific goals, as the leaders of the package delivery and supply chain management company did.

It also helps shift mindsets when senior leaders model developing greater agility themselves, as the CEO did, and actively sponsor others doing so. For example, one leading global manufacturer of textiles for apparel, footwear, and performance materials needed to determine which of its top 200 leaders had the potential leadership agility to manage through the COVID-19 pandemic and who would be able to drive critical changes to the business. Leaders were particularly concerned about being able to move quickly to capture new market opportunities while simultaneously overcoming the burnout many employees expressed feeling. The company found that its most senior leaders had higher potential to lead in a more agile way—based on survey input showing people did not want or need a central location—than lower-level executives, and tended to be more courageous and tenacious. But agile organizations need tenacity at all levels in order to innovate and keep up with competitors, and so it was critical for the top leaders to create a tone of empowerment in order to innovate, fail fast, and respond to changing circumstances. The most senior leaders at the company are now considering how to manage their finding that their level of tenacity could be causing burnout across the rest of the organization. Another company, a multinational retailer with products that require in-person contact, addressed similar concerns among its line managers by exploring options for more flexible opening hours and on-demand consultations, which allowed individual leaders to manage their time in ways that helped prevent burnout.

When leaders make the case well and are flexible in meeting their teams where they are, leaders will find themselves with teams open to new input and different perspectives and not locked in their own echo chambers. Teams will be willing to challenge assumptions, break out of comfort zones, try new ways of working, and learn from failure.

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Building agility now

Once mindsets have shifted, leaders can then usefully implement several proven tactics to develop agility. They will need to start with one more underlying mindset shift, about leadership learning. Typically, leadership learning has taken place outside the context of work, with the expectation that leaders will "go back and apply" what they learned. But now, given the pressures of COVID-19, digital transformation, and back-to-back virtual meetings internally and with customers, any kind of learning must be targeted, efficient, and embedded in work. In that context, leaders should take three iterative steps to build agility: take precise and regular measurements of agility, embed change in real work and habits, and create an ongoing support system.

Take precise measurements

Before the pandemic, the president of a pharmaceutical company's global manufacturing division undertook an effort to reduce the time for top leaders to become ready for larger, more complex roles from three to five years to just two years. The biggest challenge the baseline assessments showed was improving these leaders' agility. After a year of group and individual workshops (virtual and in person), coaching, mentoring, and direct work on real business projects, the entire group of executives had improved their overall agility scores by 24%. This led not only to greater enthusiasm for continued agility building but also to near-term promotions for almost half the group. In the longer term, the company has embraced the idea of building agility as a marathon rather than a sprint, has made dramatic transformations in strategy and structure, and has continued efforts to ensure its high-potential leaders are agile enough to adapt to constant reinvention, even during the pandemic.

Embed change in real work and habits

The traditional separation between work and learning means that executives often don't feel comfortable asking for help or honest feedback about their capabilities while getting work done. But given that learning now is much more effective when it is part of actual work, senior leaders should focus on creating a psychologically safe environment that encourages risk taking, asking questions, and discussing failures and what can be learned from them. For example, leaders can create tools and mini real-time experiences that address a particular learning and business outcome as part of the work plan. This could mean asking a team member who needs to build curiosity or thinking dexterity to study a nontraditional competitor that could disrupt the organization. And curiosity should go all the way to the boardroom: one company we know of recently invited seven diverse junior staff members to its management boardroom to discuss what it was like to work there—and what was said led to fast changes in ways of working that will be critical in post-pandemic work arrangements.

Last year, many companies benefited from instituting innovation tournaments or business challenges (virtual hackathons) to engage newly remote employees and address unforeseen issues created by the pandemic. Such efforts—particularly when they led to innovations actually adopted by companies—helped bolster the case for agility, and agility itself, in participants. Some companies, such as Google and Visa, have long made such efforts part of their regular annual work. When companies do this, they are fostering curiosity and social agility, in part because teams form spontaneously around specific parts of a challenge.

One feature of the pharmaceutical company's program that was particularly helpful to many participants was the ability to design at least part of their learning program themselves, connected to their individual work. One participant, for example, decided to mentor an up-and-coming leader who was very different in background, aspirations, values, and style in order to gain social agility by adapting to someone less familiar. A second volunteered to be on a D&I project team to get more exposure to the challenges of inclusion for those with nontraditional backgrounds. An executive at a different company who wanted to increase his curiosity decided to analyze net-promoter-score data for customers and employees, which he'd never looked at before, to better understand trends and correlations.

Perhaps even more meaningfully in terms of connection to business projects, senior leaders can encourage thinking dexterity with rotation or stretch programs, particularly on urgent challenges.[6]

Boldly embracing digital for learning

As leaders seek to engage their teams in building agility in a hybrid, ever-shifting set of workplace circumstances, using every communication channel will be important, and using digital tools effectively will be crucial. Leaders must ensure that learning sessions are not just another video call that people can tune out of but are instead interactive, dynamic, and even fun. Leaders who themselves embrace and experiment with a range of tools and support others in doing so will help ensure executives fully engage in learning programs. Even if a leader tries and fails at using a new tool—something as simple as staying on mute, for example—that fact can help create a safe space for others in the organization to fail fast and learn from it. Everything from breakout rooms, polling, virtual whiteboards and chat, and augmented or virtual reality all have good effect, in our experience. But tools alone aren't enough: specific learning experiences must be designed to be focused, tight, and compelling, creating real impact for participants, and packaged to optimize community building, engagement, and efficiency. Tactics such as blending the physical and digital—for example, by asking all participants to find and share an object or doing a drawing and sharing it—can be very helpful elements of program design.

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Create an ongoing support system
Agility, at the organizational level, is a team sport. This means not only ongoing sponsorship and role modeling at the most senior levels and making space for building agility in regular work, but also ensuring that there is an institutional support system for agility. An important part of this is building ecosystems of people who support agility and learning, both inside learning and HR functions and in lines of business. Diagonal coaching, offering support to executives from someone more senior but not in their reporting line, is something we have seen to be particularly effective. One company explicitly treated its most high-potential talent like Olympic athletes: just as a high-potential tennis player gets coaching for nutrition, strength, dexterity, and a winning attitude, high-potential executives at the company are surrounded and nourished by a variety of leaders who can help build the various necessary skills. Companies will also benefit from encouraging employees to connect with people who may do similar things but who think differently—for example, by forming learning circles. More broadly, everything from fireside chats by the CEO to mentoring can help build a learning organization, one in which curiosity is valued.

Resilience has gotten us all this far. Taken together with the other traits—learning, foresight, and adaptability—agility will help organizations of all kinds cope and even thrive in the unpredictable months ahead. As we return to work, our agility will face new tests. We will need to adapt to the next phase of hybrid or virtual interactions, both internally and with customers. The most agile leaders will see these new ways of working as laboratories for experimentation. Leaders who want to foster greater agility and innovation as a way of life can start with small pilots: identifying a group of future leaders, assessing their current agility, and picking one or two gaps to target. Leaders should support them in creating individual development plans and designing the future of work with their teams, nurture them with sponsors or mentors, and create time in their workdays to implement the plans, build additional skills with virtual coaching sessions, and then assess their agility again. The progress they document should build momentum for greater agility organization-wide.

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