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Human Resources' Role in an Agile Transformation

− A Case Study at Volvo Cars

Master's Thesis in Quality and Operations Management

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ABSTRACT

The role of Human Resources (HR) varies significantly depending on company size, industry, and organisational structure. The traditional HR department found in many waterfall organisations get weighed down by administrative tasks, including general management of personnel and process follow-up. A trend within HR is identified where they take a proactive role in the organisation, aligning their work with the overarching goal and mission of the firm.

Today, organisations seek to reinvent their work methods by adapting an Agile philosophy to increase flexibility and meet the demands on an increasingly competitive market. The transformation means a shift from a rigid control structure, to a more flexible and adaptive process. This will imply cultural changes to support the structural changes. Volvo Car Cooperation (VCC) is undergoing an Agile transformation, creating turbulence across all divisions. The outcome will result in a major organisational change where the employees will be the enabler of the Agile philosophy. Thus, overseeing HR's contribution in the transformation is considered a necessity. Their competence with people and soft skills is of great interest in making the transformation smoother.

This thesis examines two aspects within an Agile transformation. Firstly, the main challenges with an Agile transformation regarding people in change. Secondly, initiatives where HR can increase their support within the transformation. A study of Volvo Cars combined with an exploratory literature study complements the scope of the thesis. A total of 17 semi-structured interviews at VCC and an additional three interviews with Agile experts were conducted.

The study results in four overarching discussion issues, addressed specifically to identify HR's potential contribution. This led to ten initiatives for HR: Map current competence to meet future needs within the organisation; Coach and train leaders within soft values including leadership-styles, group dynamics, and feedback; Create an information hub that is appropriate cross-sectional; Enable an information package process; Identify unspoken demands to predict future requirements; Facilitate knowledge-sharing events; Facilitate the creation and utilisation of education packages; Identify and eliminate governing control mechanisms; Lead by example through increased presence and visibility in the organisation; Identify and implement necessary rules to enhance desired behaviour.

Key Words: Human Resources; Agile Transformation; Change Management; People in Change; Teams; Leadership; Cultural and Organisational Change

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GLOSSARY

Agile	Referring to the Agile philosophy
ART	Agile Release Train
Big-Bang transformation/change	Transforming the whole organisation instantaneously, from one day to another
CoP	Community of Practice
Central HR	Back office expertise departments for the whole organisation that deliver a range of tools and processes that supports the organisation in all major HR areas such as leadership, competence culture etc.
Demo	Presentation of the product at the end of a sprint/iteration
Group A	Interviewees from the HR department
Group B	Interviewees within P&Q, non-HR
P&Q	Product and Quality Department at Volvo Cars
VCC	Volvo Car Corporation

1. INTRODUCTION

Volvo Car Corporation (VCC) is currently in a transformation, going from a waterfall structure to implementing an Agile philosophy. The organisational goal is to develop and launch safer car-models in a more time and cost-efficient manner to remain as a strong competitor on the automotive market (Pettersson, personal communication, 15 January 2018).

1.1 BACKGROUND

An organisation can in simple terms be described as a combination of different building blocks, where the interaction between these blocks determine the efficiency of the overarching system (Steiber, 2014). The people involved in the system have different synergies with the blocks, where knowledge is created specific to each block. Without focus on strengthening the interactions between the blocks, knowledge will be isolated and the power of innovation limited. Without innovation, it is difficult for firms to stay ahead in the rapidly changing markets and will risk losing its position. Stieber (2014) depicts the evolution of organisations, where adaptation is a requirement to meet customer demands and technological developments. She further claims that older organisations that relies on outdated management has more difficulties in adapting to the change that meets market demands.

In a study performed by Birkinshaw et al. (2008), three main areas of focus were identified to build an innovative organisation: the environmental context, the organisational context, and external and internal change agents. The model developed in the study explores the steps required to reach the desired level of innovation, where motivation, invention, implementation, theorising and labelling is essential. This highlights the focus on managing employees and their respective needs. Increasing pressure is put on the Human Resources (HR) department, where a re-evaluation of their role is a necessity to support the organisation in their transition.

Often found in older and established organisations is a management structure built on principles from Scientific Management, where power and control lies in the hands of the top management (Appelo, 2011). Scientific Management is based on Frederick Winslow Taylor's ideas on how to run operations and an organisation. Taylor's ideas are based on efficiency, eliminating waste and establishing strong work ethics (Medinilla, 2012). Management control was an efficient way to reach desired results, where the work followed a set standard and was thus easy to implement. From Scientific Management, complementary management styles have developed such as Six Sigma and Total Quality Management, all with the focus of maximising efficiency of the existing waterfall structure (Appelo, 2011).

The rise of Lean management challenged the beliefs of Scientific Management, showing that it was possible to work faster, more efficiently, and still produce better quality (Medinilla, 2012). A focus within Lean is to eliminate waste, where waste is everything that is none value adding to the customer. The philosophy focuses on continuous improvement and respect for people (Larman &

Vodde, 2009). The idea is to constantly challenge the status quo and find new and better ways to operate, thus embracing change.

As the market and organisations becomes more complex, the ability to respond quickly to market changes becomes increasingly important (Appelo, 2011). The concept of complexity implies that there is no longer a single solution to a system. Previous learnings might not solve future problems, and new knowledge needs to be attained quickly. Thereby, an organisation needs to be more adaptive and flexible, to avoid chaos when found in situations and problems that are unknown and complex. Market speed and complexity is the foundation of Agile development. It has become increasingly important to maximise employee potential and understand that real value is found in knowledge creation (Appelo, 2011).

"Agile means agile", a way of being, not just a management style where many practices and ideas from Lean management are incorporated (Larman & Vodde, 2009). The focus lies on the organisation being adaptable, through collaborations between different organisational levels. Concepts such as Lean and Agile has made organisations realise that a transformation is necessary as it entails a more complex structure (Appelo, 2011). When changing an organisation and adopting Agile methods, the current skills coming from a control and command environment must be adjusted, as they contradict to the autonomous environment required in an Agile organisation (Wise & Daniel, 2015). It is important to create a culture where the way of working and principles reflects a collective mind, illustrating the need of collaborating within the team.

Technology shifts and development of new and more complex products puts pressure on firms to stay competitive on the market and challenge competition with new innovations (Steiber, 2014). For an organisation to maintain a continuous innovation rate and shorter product cycles, collaboration between the organisation and management is required, where the focus lies on the human capabilities. The transformation from a traditional waterfall structure to a more Agile requires a change in thinking regarding the overarching areas of management, knowledge and culture. The change is not a one-time occurrence, but a continuous cycle of development which defines the core concept of Agile processes. Agile is a way of being, not doing, which implies flexibility and adaptability in the daily work (Larman & Vodde, 2009). However, adopting an Agile management style requires an initial transformation to ensure that the employees fully understands the new way of working. Here, HR should have a vital role in handling the coordination of the individual and intangible assets throughout the change process.

Changes within the traditional HR has led to the development of Human Resources Management (HRM), which specifically focuses on the integration of employees and the overarching strategic and operative vision of the organisation (Flach, 2006). A problem identified with rapid changes in the market, is the pressure for HR to deliver employees with the required skills for specific work tasks. To eliminate the knowledge gap between 'need identified' and 'learning deployed', learning strategies should be more responsive to change and thus adapt an Agile way of working (Miles, 2013). The existing workforce within the organisation requires a great amount of attention

throughout the transition phases. Kotter's 8 steps of change management direct focus to establish a safe environment through a clear direction of change, where HR practices should be focusing on creating motivation and empower the employees (Kotter, 1995; Alfes et al. 2013). To achieve a high performing operation, the governance of change should become the core focus in an operating process (Franklin, 2014).

Several modern Agile frameworks, such as SAFe (Scaled Agile Framework) and LeSS (Large Scale Scrum), has been developed, with a foundation based on the principles of Lean. SAFe focus on providing organisations with a clear roadmap and structure to embrace culture, people, innovation and continuous improvement to reach a more Agile way of working (Scaled Agile, 2015). LeSS is used to organise large product groups using a combination of Scrum, Lean and Agile principles focusing on flow (Less Works, 2018).

1.1.1   The Case Organisation

In the year 2013, a change initiative called PD-transformation was launched at VCC, focused on increasing the efficiency of the product development process (Volvo, 2018a). The foundation of the transformation is to attain knowledge-based product development, with a focus on trust, learning and the organisations ability to manage complexity. The VCC Agile Movement, is a new change initiative to transform the organisations way of working, from a conventional approach to an Agile mind-set. The belief is that the Agile Movement will assure a high development speed and enable quick responses to the market requirements and needs. Industries are starting to adapt to the Agile movement, where VCC is aiming to take the lead within the automotive industry (Green, personal communication, 16 April 2018). The formal framework that will be implemented at VCC is SAFe.

SAFe eliminates individual projects and shifts focus to product streams, and thereby on the end-product (Volvo, 2018b). To have a continuous flow in the product streams, hardware and software development needs to be in sync with each other. This will be a challenge since there are varying takt times in different departments. The Agile development methods can be used directly for software development in Product Creation, whereas for hardware relevant parts must be "cherry [picked]" (Green, personal communication, 16 April 2018). When working in product streams there is a focus on providing a continuous flow of value, with the goal of making VCC more successful. This will imply working in a better way with quality, software development, long-term strategies and customer value. The VCC goal is to create and maintain products that achieve the highest customer value.

The Agile Movement will give the development teams a sense of ownership and a clearer way of working (Volvo, 2018c). It will imply a focus on the organisational business values and the value to the customer. It will increase the speed of the development, increase the ability to react to market changes and maximise the created customer value. The organisational culture will focus on supporting the teams, not the individuals, which will challenge the way that the HR department is

working as well. It will change how VCC develops, integrates, and launches products with high quality.

1.2 PURPOSE

The purpose of this study was to investigate how Human Resources can support an organisation in an Agile transformation. An initial investigation was performed at VCC to determine the current role and responsibilities of HR in their current structure. Additional activities and responsibilities were explored, aiming to identify new ways in which HR can provide insight to the organisation and become a key driver of the transformation. The findings in this report provides a toolkit, based on the current situation VCC, with recommendations for the HR department to expand their role when supporting the organisation in the transformation. The outcome identifies current challenges with the transformation and related initiatives for HR to facilitate the transformation. These include, establishing a learning culture, creating commitment and trust, nurturing existing knowledge, as well as determining future competence requirements.

1.3 PROBLEM ANALYSIS

One of the main obstacles found with any change process is gaining the support of the employees. John Seddon (2005, chap. 6) claims that "people follow because what is talked about makes compelling good sense". This emphasise the need to provide a clear direction and motivation for the change. In a successful Agile transformation, the philosophy must be acquired by everyone, where this type of learning occurs through a change in behaviour and belief (McAvoy & Butler, 2007). HR has the potential to take on a more active role in a transformation due to their strategic positioning in the organisation. Peoples' behaviour is a result of the system, which is derived from the organisational culture (Less Works, 2018). Thus, when changing the system in an Agile transformation, peoples' behaviour must change to define a culture that fits the new structure. They have the potential to coordinate the flow of information and track the progression of the transition with focus on the employee. The following research question aims to identify the current overarching challenges met by an organisation with an Agile transformation, and in what ways HR can facilitate with these.

How can HR facilitate the challenges an organisation face with an Agile transformation?

1.4 DELIMITATIONS

The study will be based on an investigation limited to the division of Product and Quality (P&Q), at VCC in Torslanda, Sweden. P&Q is currently working with the transformation and is therefore a relevant division to conduct this study at. The conclusion presented at the end of the report will be based on the information gained from interviews conducted with employees from various levels in the hierarchical structure. HR responsibilities outside the area of management, related to Agile transformation, will be excluded. The conclusion should also be used as a recommendation to gain inspiration from as it will have to be adjusted depending on the user and their specific area.

As the study performed takes an outside perspective at an industry, the information accessible will be limited due to privacy policies of the firm, which impacts the depth of context. Additionally, having a set time constrain for the report also reduce the alternatives of research methods. As the report is academic, the validity of the results must be considered. Mason (2002, pg. 39) clarifies validity as "observing, identifying, or 'measuring' what you say you are", which includes both internal and external validity. Internal validity measures the match between observation and theory, and external validity regards the applicability of the findings in a general setting (Bryman & Bell, 2011). Thus, to ensure both internal and external validity of, conducting and transcribing semi-structured interviews combined with a literature study are considered the best alternative to reach a valid conclusion in this study. Other possible research methods that could be applicable to this type of study will be excluded as they cannot be performed in a way to ensure a valid result.

2. THEORETICAL FRAMEWORK

This chapter presents the material explored during the literature study. The overarching areas of human resources, change management, organisational culture, knowledge management, leadership styles and the Agile philosophy are explored. Within each area, sub-categories are derived to create a broader knowledgebase to support the investigation.

2.1   HUMAN RESOURCES

The following section depicts how the role of HR has developed and their fundamental principles in a traditional organisation. Also, the difference between HR and HRM will be defined, and how this change advanced the responsibilities of the HR organisation.

2.1.1   The Evolution of Human Resources

Market changes and disruptive events test the response rate of organisations, assessing the level of flexibility of their actions (Steiber, 2014). Integration and collaboration between all business units become increasingly important to maximise utility of internal knowledge. Looking back at the history of personnel managers, their status within the firm has been relatively low (Bartiz, 1960; Legge, 1978). They had little engagement in the strategic planning as their contributions to reach the organisational goals has generally been difficult to establish. Developments within the HR's department has focused on overcoming their poor reputation and label as welfare officers and employment administrators (Wright, 2008). HR has tried to specify their added value to reach organisational goals as "servants of power" and making sure their work becomes aligned with business strategy (Baritz, 1960).

The fundamental principle of the HR function is to provide a healthy relationship between the employees and the organisation, where each party can benefit from the other without a hidden agenda (Flach, 2006). Traditionally, the HR function is known to be responsible for the following tasks: requirement of new talents, maintaining and nurturing existing employees, investing in the employees' well-being, and ensuring that the voice of the personnel is heard throughout the organisation (Bolman & Deal, 2005). Many of these responsibilities are still managed by an HR department, however redistribution of tasks has led to increased responsibility placed on team leaders to decrease HR's costs (Petersson, personal communication, 7 February 2018).

2.1.2   Introducing Human Resources Management

The introduction of Human Resource Management (HRM) gained a greater importance during the 1980's, where the key focus was to connect the three building blocks of human, resource, and management (Saha, Gregar & Sáha, 2017). The 'human' element focused on identifying ways to enhance the individual contribution and how to best 'manage' this asset in a professional setting. Thus, the focus on the employee as a 'resource' bringing value to drive business, became a central aspect for HRM (Flach, 2006).

HRM can also be a strategic step, "responsible for obtaining, retaining, and maintaining qualified employees" (Saha, Gregar & Sáha, 2017, p. 327). The overarching goal was to bridge the human asset with the organisation's strategic and operative management. Essentially, HRM became a movement away from the traditional HR, directing focus from administration and control of personnel systems, to the strategic vision and goals of the firm (Flach, 2006). The HRM approach therefore acted as a key to enhance the effectiveness, awareness, innovativeness and competitiveness by aligning the HR strategies with organisational learning (Saha, Gregar & Sáha, 2017).

2.1.3 Redefining Human Resources

A potential renewal of the role and responsibilities of the HR department might be necessary in the contribution of organisational change within a firm (Wright, 2008). HR has the opportunity of becoming less of an administrative function and take the role as internal consultants. Jonkman (2017) argues that the traditional HR needs to reimage itself, to better represent the role that they intend to have. Jönsson & Starendal (2015), argues that thinking of humans as 'resources' is not supported by healthy organisational values. Instead, 'People and Organisation' or 'People and Culture', gives a more accurate representation of where value adding work should be focused on (Jönsson & Starendal, 2015; Peterson, personal communication, 7 February 2018). HR should take a leading role in informing and coaching employees in the direction of a change initiative which requires a broad knowledgebase of the organisations business areas (Petersson, personal communication, 7 February 2018). This might demand an additional skillset from HR, where they must engage proactively to understand the depth of the organisational current and future needs. Wright (2008) findings support this argument, as the emerging HR managers are coming from different backgrounds such as information technology, marketing and sales, and operations. They can expand the traditional boundaries of HR and take a more active contributing role as a strategic change agent.

Depending on the size of the firm, HR has the possibility of splitting their focus to target each business area and become more accessible for the organisation (Ulrich, 1997, 1998; Ulrich & Brockbank, 2005). HR's new potential roles are: to be a strategic partner to senior and line managers, improving the organisational efficiency, ensuring that the employees are involved and engaged in the organisation, and being a change agent. Reilly et al. (2007) suggests a restructuring of the HR function around the key groups of: shared services, HR business partners, and centres of expertise. The administrative HR functions should be delivered from shared services, HR business partners (HRBP) should stay closer to operations and collaborate with the senior manager, and lastly the centres of expertise focus on activities within recruitment and remuneration, acting as an additional specialist supporting team to HRBP and shared services. This restructure can become one of many initiatives that contributes to a larger change movement within an organisation.

2.2 CHANGE MANAGEMENT

The following section presents change management theories, including Kotter's 8 Steps, Kurt Lewins 3-step-model, the ADKAR model, and change curves. These theories are used by organisations undergoing change initiatives to predict and facilitate the reactions of the employees within the process.

2.2.1 Kotter's 8 Steps

For change to occur, the current state must be altered and become something different (Kotter, 1995). Change can be used to alter any state, being a physical object or an intangible asset. Kotter's 8 steps of change (see Figure 1) is a well-known step-by-step framework that guides an organisation through the process of making 'something different' to a familiar and better state.
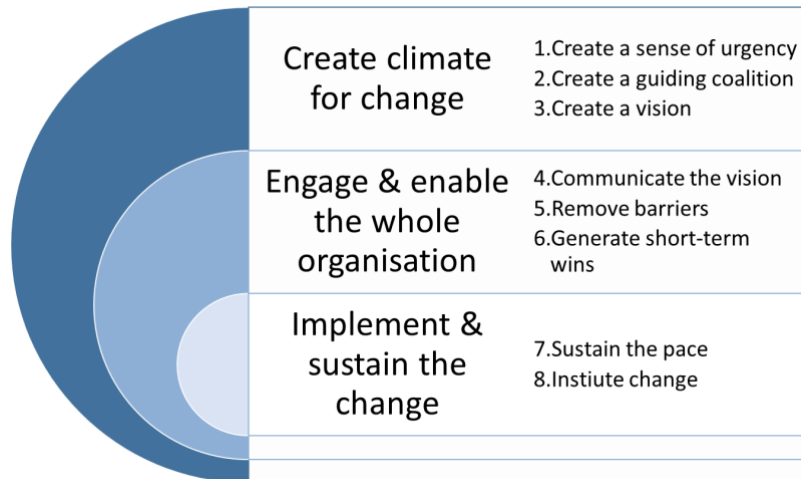
Figure 1 - Kotter's 8 Steps (Kotter, 1995)

The first phase in Kotter's (1995) framework is spreading awareness of the change and creating a sense of urgency to prepare for the coming process. This is a crucial step to be able to create the mass-support required from the employees. Without their support, the change process will be difficult to complete. An initial guiding team is established with key people that are positive toward the change, and the team are intended to influence their colleagues towards the coming phases. The next phase emphasises the importance of communication throughout the change, where all parts of the organisation are included. Additionally, celebrating the short-term wins is essential to increase motivation among the employees. The final step focuses on consolidating the wins, making sure that the new state becomes the only way of working.

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2.2.2 Kurt Lewin's 3-Step-Model

Kotter's 8 steps are similar to Kurt Lewin's change model of 'unfreezing', 'changing' and 'refreezing', Figure 2 (Schein, 1996). This 3-step-model explores the human behaviour and reactions in each phase, where it is possible for the change agents to exploit this knowledge, to make the change process appealing and accepted by the individuals involved.

Figure 2 - Kurt Lewin's Change Model (Schein, 1996)

In the unfreezing stage, the initial obstacle is to overcome a 'quasi-stationary equilibria' (Schein, 1996). The natural human reaction when dealing with a large driving force, is to oppose with an equally large restraining force, to remain in equilibrium. To control this sense of 'survival anxiety' (the realization that a change is unavoidable to survive), a change process must start with the creation of dissatisfaction with the current state. New norms will transform 'learning anxiety' (the fear of trying something new) to 'psychological safety' so that the driving force will be accepted and not rejected.

Opposed to Kotter's model, Lewin focus more on managing the change process through learning, specifically by redefining the cognitive ability of the employee (Appelo, 2011). In a change process, everyone's contribution is essential. The success of a change initiative comes from adaptation and daily change to make the new way of working stick (Franklin, 2014). Thus, change cannot only be an initiative presented by top management, but requires a vision and a detailed roadmap with steps involving all parts of the organisation. Among all models that exists, the key is not to find the 'right' model but to rather focus on how well it is applied by the change agent (Boca, 2013).

2.2.3 The ADKAR Model

The ADKAR (Awareness, Desire, Knowledge, Ability, and Reinforcement) model, see Figure 3 is widely known to measure the effectiveness of the change and determine if the resources available in the organisation is sufficient (Boca, 2013). Similar to Kotter's 8 steps, ADKAR aims to understand change at a personal level. To access the inner motivation by understanding the level of knowledge needed, and how that knowledge can be utilised to turn this into action by altering internal and external factors (Boca, 2013).
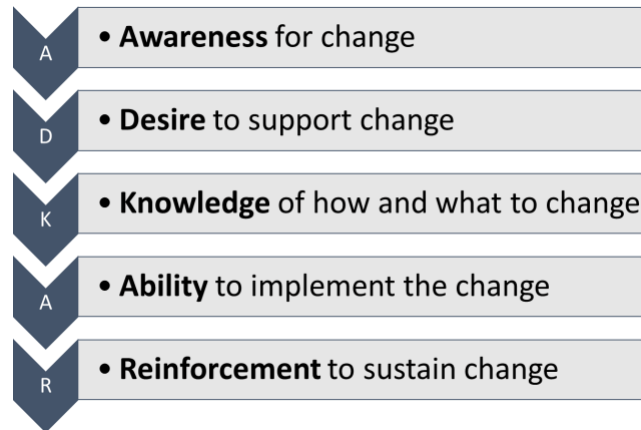
Figure 3- ADKAR model (Boca, 2013)

The first obstacle to overcome is spreading awareness, where Appelo (2012) stress the importance of leading by example, as 'seeing is believing'. Secondly, the aspect of desire will have to be accessed through emotions, since *stressing* the importance in a change initiative will not persuade the majority, only a sense of *urgency* will. Knowledge is achieved by removing the necessary obstacles hindering learning and development. Lastly, and perhaps the most important step, is reinforcement, where the change is anchored within each employee. This can be attained through appealing to 'addictive dimensions' as within any social system "behaviours spread through an organisation like viruses" (Appelo, 2012, p. 6).

2.2.4   Change in Complex Systems

Regardless of the similarities and differences within in each model, there exists no 'one-model-fits-all', which makes the change process, connecting the states 'before' and 'after', look different for each case (Appelo, 2012). Appelo (2012, p. 7) points out that "people's behaviours depend on their environment, if you change the environment you change the people" which requires continuous adaptation to see how the people responds to the changes made within the environment. The more complex the environment is, the more unpredictable the change process becomes, making it increasingly difficult to pinpoint a plan at the very beginning. Thus, Franklin (2014) mentions 5 guiding principles that can be used within a change process:

1. Recognise that there is a deadline for making the change and respect it
2. Allow details of the change to evolve
3. Ensure that the change meets a business need
4. Work collaboratively across a wide spectrum of interested parties
5. Balance time and resources across all phases of the change

Within a change process, a detailed plan is difficult to establish due to the uncertainty in key parameters. Instead a prediction of the processes should be presented, such as a roadmap, where continuous enhancements and alterations to the direction are welcomed along the way (Franklin, 2014).

2.2.5   Change Roadmap

A roadmap over the change process can be used to establish the approach and stakeholders that are involved, see Figure 4 (Franklin, 2014). The roadmap becomes both a guideline for the direction of the process and a measurement tool of the organisations actions in the transformation.
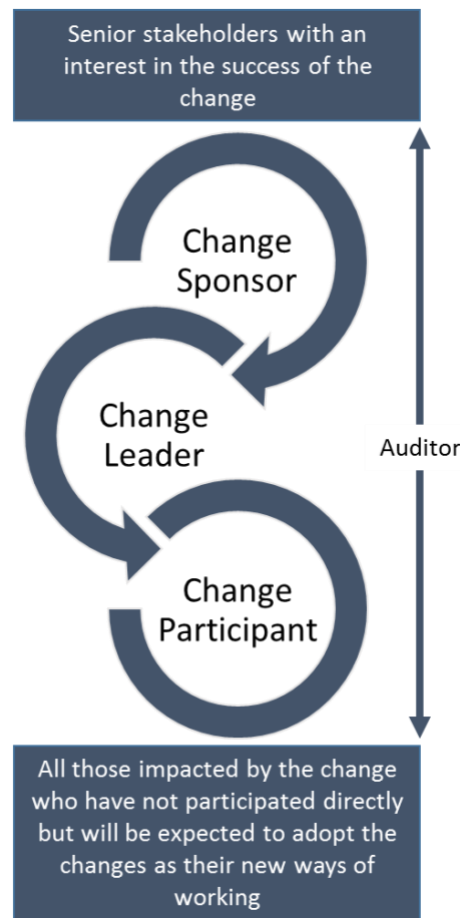
Figure 4 – Roadmap of how the change impacts involved stakeholders (Franklin, 2014)

 "No one can predict the future, but effective leaders can influence it" (Kormanski, 2005, p. 6). Once able to continuously review that the decisions follow the intended direction, it can increase the level of confidence for all parties involved. Appelo (2012) highlights the difficulty in changing people's behaviour in dynamic organisations. This does not only mean adapting to the system, since then the system will lead the people. Instead, taking the front seat allows you as a change agent, to lead with anticipation and exploration (Appelo, 2012).

2.2.6   The Six Stages of the Change Curve

The change curve, created by Elizabeth Kubler Ross, derives the process of an individual experiencing a process of grief (Wilson, 2014). Kubler Ross' research revealed a common pattern of reactions occurring in a sequence, which is illustrated in the change curve in Figure 5. It is important to recognize that people move through the different stages in the curve at different paces,

and that each stage initiates different emotions (Wilson, 2008). Today the curve is used within organisational change projects to relieve tension regarding the emotional roller coaster connected to larger change initiatives (Wilson, 2014). It can be used to create a perspective of the change process and make it possible for people to control their reactions and give them a sense of control (Wilson, 2008). Kormanski (2005) states that individual development occurs more quickly in times of conflict. It challenges the individual to go through the phases and take care of the situation. Conflict can bring out the best in an individual if the individual is ready for the challenge (Kormanski, 2005).
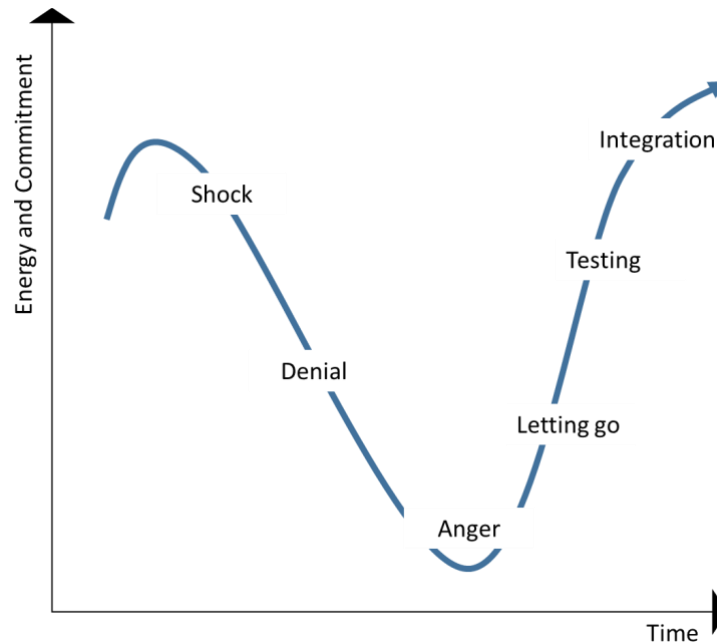
Figure 5 – Kubler Ross Change Curve (Wilson, 2014)

Shock

The first stage in the change curve is the feeling of shock (Wilson, 2008). People will most likely feel shocked and overwhelmed when first being informed about a change. In this stage, it is important to let people process the information as it suits them. Everyone in the organisation should be aware of the timeline of the change and what it will imply for them.

Denial

Next comes the stage of denial, where the idea of the change takes up most of the employees focus and energy (Wilson 2008). People do not really know what the change will imply and it is important to let people talk about their anxiety and what the change will mean.

Anger

The third stage is the feeling of anger, where people might feel angry about the fact that they are in this situation (Wilson, 2008). In this stage of the change curve it is important to still hold people accountable for their actions and performance.

Letting go

At this stage, people have accepted that the change will be implemented, and have started to let go of the past to instead think about the future (Wilson, 2008). People are also in the process of letting go of old habits and are learning new ones.

Testing

The organisation gives support to their employees and lets them test the new ways of working (Wilson, 2008). People have the mandate and support to make the best of the current situation. At this stage it is important to validate positive attitudes and behaviours to reinforce the change.

Integration

The last stage of the change curve is integration (Wilson, 2008). The old situation does no longer exist and the new way of working have been established. Energy and performance are very high. At this stage it is important to reward everyone that have reached this stage and recognise what they have gone through.

During each phase of the change curve, previously mentioned methods dealing with change can be utilised to facilitate the emotions of each individual. Research on the individual development within a change process does however vary compared to the individual in teams.

2.3 TEAMS

Attracting the right skills and putting together effective teams is becoming a requirement for the survival of firms (Kormanski, 2005). To create learning organisations, there needs to be a skilled and flexible work-force acting as a strong backbone. This section discusses theories of group development and dysfunctions of a team.

2.3.1 Tuckman's Stages of Group Development

Forming functioning teams is a challenge as it requires different personalities, norms and behaviours to align in a common direction (Wilson, 2014). To explain the development of group dynamics, Bruce Tuckman's model (see Figure 6) shows the different relationships between people functioning in a team setting. Tuckman's stages of group development are widely used to predict the behavioural patterns when new groups are formed. The stages can be summarised in the following categories: forming, storming, norming and performing (Kormanski, 2005).
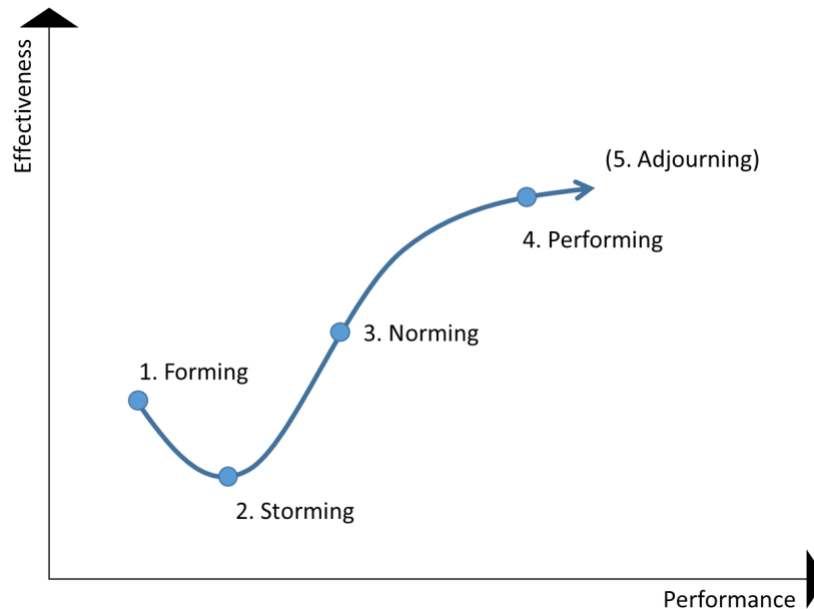
Figure 6 - Tuckman's Stages of Group Development (Wilson, 2014)

Forming

The first stage is recognised by the extensive dependency on the leader to establish an initial sense of inclusion and provide a clear direction (Wheelan, 2009). The team explores each other at a shallow level, thus productivity at this stage is generally low (Wilson, 2014). None wish to take commando or action as the members focus on the tasks provided by the leader.

Storming

The second stage, storming, explores more sensitive areas to create conflict. There is a need to progress through a phase of chaos, to move closer to the state of awareness within the group in phase three (Kormanski, 2005). Members tend to focus on exploring each other instead of completing the task (Wilson, 2014). Conflict at this stage should not be neglected, instead the leader should encourage the team to manage it. If a team does not learn how to manage conflict, this will act as a bottleneck for progression in the future stages (Kormanski, 2005).

Norming

In stage three, commitment has been built within the group and more effective collaboration between members is established (Wheelan, 2009). The group becomes task oriented and can start producing value adding work (Wilson, 2014). The group structure is also developed at this stage, together with norms, goals and values.

Performing

Lastly, in stage four, the group can start to perform. It is within these last two stages that the group maturity enables the team to build knowledge (Pinto, Lourenço & Mónico, 2018). The open climate in the team enables them to operate in more complex environments as they can utilise the groups' knowledge in an effective manner. As the team has resolved the conflicts, the energy can be directed to maximise productivity (Wheelan, 2009).

2.3.2 Conflicts within Teams

Conflicts will be both necessary and unavoidable when building teams as it is a natural pattern of behaviour (Kormanski, 2005). Conflicts are used to challenge one another, so that boarders and guidelines are formed, making it clear within the team what is required and how to act accordingly. It is an essential stage to enable group development, which should be facilitated by leaders. Peters (1987) believes that leaders should be a support to the team, in providing internal stability as this will foster the change process. Groups not able to get through the storming stage of group development, have significantly less synched behaviours and attitudes within the group (Wheelan, 2009). This makes it more difficult to communicate as members of the team are more reluctant to trust others, leaving issues unattended and decreasing overall productivity.

2.3.3 Five Dysfunctions of a Team

The five dysfunctions of a team introduced by Lencioni (2010) are widely used to spread awareness of common traps when forming new teams, see Figure 7. Lencioni stress the importance of addressing the issues as a model and not in isolations of each other.

Figure 7 - The five dysfunctions of a team (Lencioni, 2010)

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Absence of Trust

The base of the model makes up the most essential parameter for a team to function (Lencioni, 2010). This can be a result of the member's unwillingness to show weaknesses and failures (Wheelan, 2009). Without an openness to talk about 'sensitive' topics within the team, it is essentially impossible to build trust.

Fear of Conflict

Without trust, there is a tendency for teams to avoid situations of conflict (Lencioni, 2010). This becomes an issue as conflicts is required to trigger discussions leading to problem solving and idea generation. Without conflict, the team will have difficulty in proceeding to effectively produce good results and deliveries (Kormanski, 2005).

Lack of Commitment

The two previous dysfunctions lead to a lack of commitment within the team (Lencioni, 2010). The members will not feel a sense of belonging since they are not emotionally attached to the other members. Thus, none will be interested in investing time and effort in driving discussions, making meetings end in vague agreements.

Avoidance and Accountability

Due to lack of commitment within a group, team members will avoid correcting counterproductive behaviours of another member (Lencioni, 2010). No internal learning will be generated and the plan of action will become even vaguer.

Inattention to Result

Inattention to result implies that members will priorities the needs of the group lower than their individual needs or division's needs (Lencioni, 2010). Thus, decisions made by each member might result in sinking the team rather than lifting it to meet the set goals.

The climate within the group is essential for the well-being of each member. As mentioned above, it reflects on the productivity of the group, enhancing the outcome and value added to the business. Creating functioning teams is closely interlinked with the culture, where the behaviour established within the group must be aligned with the desired organisational culture.

2.4 CULTURE

Establishing a unique and functioning culture within an organisation, that both reflects intended behaviour and is aligned with the vision of the firm, is a challenge (Hofstede, 1998). Culture is intangible and can therefore be perceived as diffuse. Essentially it should be found within each employee and be reflected within each of their decisions. The following section presents the

different levels and dimensions of culture, as well as influencing factors that affect the direction of organisational culture.

2.4.1 Organisational Culture

"Culture is a characteristic of the organization, not of the individuals, but it is manifested in and measured from the verbal and/or nonverbal behaviour of individuals" (Hofstede, 1998, p. 479). Migliore (2001) defines the organisational culture as the characteristics that are unique and special to the specific organisation, and members of a culture internalises group-like characteristics. Organisational culture is most commonly identified through case-studies, attitude surveys and employee observation (Hofstede, 1998). However, this is a subjective analysis as it is believed to be the 'behaviours' of the firm, and thus a difficulty to measure quantitatively (Hofstede et al., 1990).

Culture was previously known as organisational climate (Hofstede, 1998). However, climate has its roots within sociology, where behaviour and motivation of the employee is focused on, compared to culture which is found on an organisational level. Culture can be predetermined as it is significantly affected by nationality, type of industry, the structure, and control system within an organisation (Hofstede et al. 1990). The organisational culture should be representative for the entire organisation, not of the individuals, but it is the individuals who shape the levels of culture.

2.4.2 Levels of Culture

Culture is described as "the collective programming of the mind that distinguishes the member of one group or category of people from another" (Hofstede & Hofstede, 2005, p. 400). There are three levels of culture: artefacts, espoused beliefs and values, and basic assumptions (Schein, 2010). Artefacts are behaviours that you can see, hear, and feel when joining a new group. These are the visible products of the group, all observable behaviours. Espoused beliefs and values are shared assumptions of the group, a reflection of the group learnings. A belief or value of a group member that has been tested and continuously proven to be successful, is then transformed to a shared belief or value within the group. The group adjusts their own personal values and beliefs according to the shared assumption. Beliefs and values can also be confirmed through social validation, by an example a shared experience of the group. Basic underlying assumptions are in example solutions that have been repeatedly successful and are thereby taken for granted. These assumptions have become reality and a part of how nature works.

2.4.3 Hofstede's 5 Dimensions of Culture

The research by Hofstede et al. (1990) found that qualities that shape organisational cultures can be explained and quantified using five to seven different dimensions. The purpose is to make an otherwise "fuzzy" field more tangible and thus apply and use it more extensively. It is first when merges between different organisations creates constrains, due to cultural differences, where it can be extremely useful to be able to map the cultures of the organisations to solve the differences

(Hofstede et al. 1990). Hofstede's 5 dimensions is not intended to rank between worse or better, only to determine the culture based on a dynamic framework.

"What is good or bad depends in each case on where one wants the organisation to go, and a cultural feature that is an asset for one purpose is unavoidably a liability for another" (Hofstede et al. 1990, p. 30)

1. **Individualism vs. Collectivism**

The first dimension presents the level of integration within a group (Hofstede & Hofstede, 2005). This measures how much the members act individually compared to as a united team. Society with a stronger individualistic tendency see to the closest family, whereas societies with stronger influences on the collectivist side has loyal lifetime bonds with the group.

2. **Power Distance**

This dimension sees to the extent where members less powerful accepts the criteria set by more powerful members within an organisation (Hofstede & Hofstede, 2005). Thus, it measures the inequality in power distribution and balance within a firm.

3. **Masculinity- Femininity**

Masculine societies tend to separate the two qualities of masculinity and femininity, where men take the role of being assertive and tough (Migliore, 2011; Hofstede & Hofstede, 2005). Women on the other hand have more modest qualities. Feministic societies merge the two gender roles and see that both men and women share the same qualities.

4. **Uncertainty Avoidance**

Uncertainty avoidance measures the degree that a group avoids situations that are not totally clear or tasks not tackled before (Hofstede & Hofstede, 2005). Lower scores in this dimension are societies with less laws and regulations, and high scores signify societies with stiff rules and guidelines that tend to only follow status quo.

5. **Long- vs. Short-term Orientation**

The time dimension regards how a society deals with future needs in terms of social, emotional and materialistic (Hofstede & Hofstede, 2005). A society with low ranking, short-term orientation, values traditions, whereas societies with high ranking, long-term orientation, sees it as a necessity to change and adapt to future needs.

2.4.4 Influencing Factors

There are different factors that influences the nature of the organisation, such as geography, functions of the organisation, and management (Oliver, 2011). The geography of the organisation determines what language is used among the employee and customers, if the organisation is international or national, regional etc. The functions of the organisation are determined by the

legislations and standards that the organisation should adjust to, where management decides what actions to prioritise. These factors influence each other and affect the organisational culture.
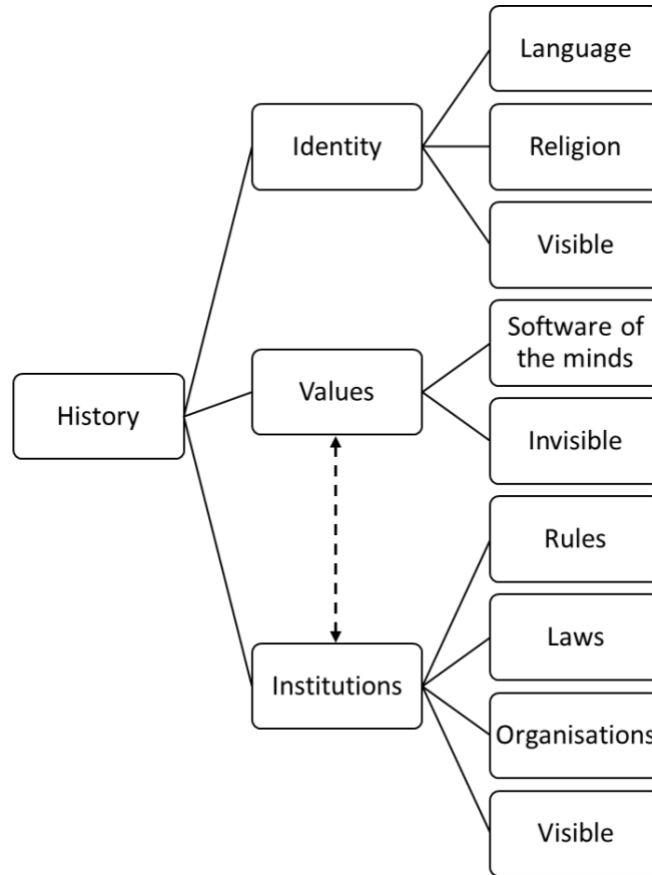
Figure 8 - Differences in cultural factors between countries and groups (Hofstede & Hofstede, 2005)

Figure 8, by Hofstede and Hofstede (2005), illustrate the differences between countries and groups which can also be applied to organisations. From the figure it becomes evident that culture is deeply rooted in the organisation. When initiating a change in the organisational culture, all aspects presented in the figure should be considered. The value in identifying the origin of what shapes the culture is an essential part of the overall knowledge of the firm.

2.5 KNOWLEDGE MANAGEMENT

In this section, different areas of knowledge, both at an individual level and as an organisation, is explored. First introducing methods of attaining new knowledge, which is followed by organisational complexity, the issue of ambidexterity, and lastly feedback.

2.5.1 The Process of Learning

Learning implies a change in behaviour and beliefs (Levinthal & March, 1993). It is a balancing act between developing new knowledge and utilising current competences. Learning is the result of an experience together with the reflection made on this experience (Freeman & Knight, 2011).

Learning can be divided into single and double loop learning (McAvoy & Butler, 2007; Freeman & Knight, 2011). Single loop learning occurs when an action is changed according to the outcome, based on the difference between the expected and the actual result without questioning the underlying reasons of the result. Double loop learning, occurs when the reasons of a result is questioned and examined. During double loop learning, values, assumptions, and policies are questioned and created, to improve decisions and actions in the future. Double loop learning enables integration of knowledge into actions, which leads to new learning opportunities.

2.5.2 Managing Organisational Complexity

It is essential for an organisation to adapt and learn from its experience and understand the full complexity of its environment (Steiber, 2014). To attain the correct information regarding the environment, it is up to the individuals to discrete experiences producing the underlying facts to determine the overarching situation of the organisation (Holmqvist & Spicer, 2013). This puts pressure on the individual to become aware of the experience, and 'select' relevant information. This enhance the importance of reflection to create awareness of the gained knowledge and learn from it. March (1991, p. 73) claims that an organisation is shaped through their "procedures, norms, rules, and forms", in which knowledge is stored and accumulated. Rules and routines can be argued to benefit the organisation as it guides the individual through complex situations and eliminates potential learning anxiety. Thus, organisational rules and routines can be necessary 'coordinating mechanisms' to facilitate a shared understanding of the employees (Holmqvist & Spicer, 2013). They enable organisations to handle the overwhelming amount of information to direct attention to the effective actions bringing value to the business.

2.5.3 Dealing with Ambidexterity

A potential drawback with organisational constraints is that they can lead to behavioural traps (Hedberg, 1981). It closes the system and neglects outside influences, creating an isolated environment inside the organisation. A blind organisation can also miss potential innovative ideas that will cut them short in their development process. A recurring challenge discussed is the trade-off between exploration and exploitation, an issue of ambidexterity (Holmqvist & Spicer, 2013). An organisation demands employees to follow rules and procedures specific for their role, and at the same time break the rules to experiment with new innovations. Steiber (2014) identifies six management principles that are used to support the organisational system to operate unitedly and exploit their full potential.

1. Dynamic capability
2. Renewal organisation
3. The individual in the centre
4. Dual organisation
5. Transparency and networking with the outside world
6. System Asset

These principles highlight the dynamic capability of the organisation when combining the daily activities with the innovative and flexible structure (Steiber, 2014). This is achieved by being aware of the complexity of the interactions between each building block within the organisation, and maintaining an open network to allow for both internal and external knowledge transfer.

2.5.4 Feedback within Performance Management

Traditional performance management is commonly based on ranking and rating of the employee achievement, without taking the workers knowledge and skills into account (Moreira, 2017). In traditional performance management, timing is a crucial aspect. Giving and receiving feedback months later is not useful for the employee. Periodic feedback is a more effective evaluating method compared to a single yearly assessment session (Pettersson, personal communication, 15 January 2018). Firstly, a single assessment will not give a realistic picture of the overarching performance of the employee as it is difficult to follow-up on actions over a longer period. Secondly, a periodic feedback system will give the employee immediate response to their actions which gives them the opportunity to improve continuously and be willing to take more risks. Giving feedback becomes a vital part of the leader's role which can be seen in all types of leadership styles.

2.6 LEADERSHIP STYLES

Different leadership styles are explored in this section, including: behavioural theory, situational theory, servant leadership, T-shaped leadership, transformational and transactional leadership, and lastly, theory X & Y.

2.6.1 Definition of Leadership

"Without followers, there can be no leaders" (Seddon, 2005, chapter 6). Leadership can be identified as the facilitator of the interaction between the two parties. Tannenbaum et al. (1961, p. 24) defines leadership as the "interpersonal influence exercised in situations and directed, through the communication process, toward the attainment of a specific goal or goals". According to Cutler (2014, chapter 1), "the act of leading people involves influencing them to undertake a course of action that contributes to an objective defined by the leader: his or her vision". The emergence of leaders often occurs in times of change, when people seek to move from one place to another. Several leadership theories have emerged over time, where each leadership style adapts to the situation the group is exposed to. Flach (2006) claims that a leadership style can be determined through the interaction between the three overarching variables: the personality of the leader, the environment of the organisation, and lastly the skills and motivation of the employees.

2.6.2 Behavioural Theory

A first leadership theory, also known as the 'great man theory', states that a leader is born with the required set of qualities and cannot be made through practice (Cutler, 2014). Kurt Lewin opposed this idea through the 'behavioural theory' where three different leadership styles were identified

reflecting the behaviour of the leader. The *Autocratic* leader makes decisions without consulting the team, the *Democratic* leader seeks team consensus, and lastly the *Laissez-faire* leader leaves the decision-making power to the team. The appropriate type of leadership style is derived from Lewin's equation (see Equation 1), where the behaviour (B) of the leader is dependent on the person (P) and the environment (E).

Equation 1- Lewin's Equation for Leadership Behaviour (Cutler, 2014)

$$B = f(P, E)$$

This type of leadership style is intended for situations which can clearly be distinguished and where the leadership style is relatively static.

2.6.3 Situational Leadership

Situational leadership (SL), on the other hand, highlights the dynamic and adaptive dimension of the leader to enhance the effectively of the individuals work (Tortorella & Fogliatto, 2017). Hersey and Blanchard's model is based on matching the leadership style to the followers 'readiness level' so performance and outcome can be maximised, see Figure 9. The leadership style is decided depending on the balance of the two dimensions: relationship behaviour and task behaviour (Tortorella & Fogliatto, 2017). Initially, each of the leadership styles (S1-S4 in Figure 9) are derived from the development of group dynamics, where the group proceeds through the stages of orientation (getting to know each other) and dissatisfaction (identifying the challenges of team work) and lastly resolution (solving the task at hand) (Hersey & Blanchard, 1996).

Hersey and Blanchard (1996) further examined the terms of readiness, willingness, and ability, which are the three classifications made on the follower. Readiness can be measured by determining the readiness and ability of an individual performing a task. Willingness is made up of confidence, commitment and motivation where the main goal is to eliminate the feeling of insecurity to perform a certain task. This will otherwise limit the progression to full readiness. Ability measures the level of knowledge and experience of the individual which determines the extent to which the follower can complete the task.
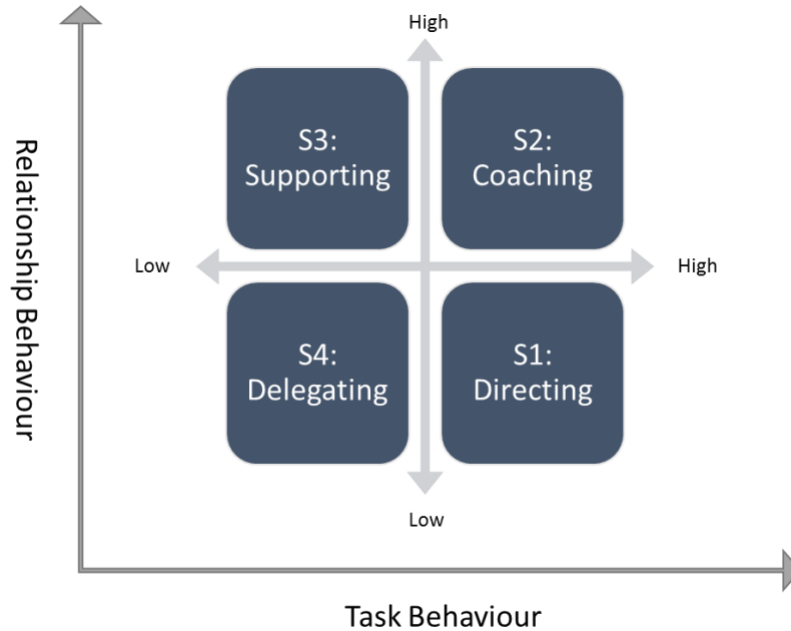
Figure 9 - Situational Leadership Model (Hersey and Blanchard, 1996)

Directing

The leader within the first quadrant is assertive and gives clear directions to the follower (Wilson, 2014). The follower is low on experience but is high on motivation to learn, thus the leadership only needs to provide relevant guiding for the follower to complete the task at hand. A typical employee requiring this type of leadership is a trainee or entry level.

Coaching

The coaching leader will still need to provide a clear direction; however the follower is starting to take ownership of the task and requires less guidance (Wilson, 2014). The type of follower in this quadrant is typically a team member.

Supporting

The leader will shift focus away from directing but continue to motivate the follower to act by themselves (Wilson, 2014). The follower has the required knowledge to complete the task but needs the extra motivation to gain confidence in themselves. The type of follower is typically a supervisor or manager.

Delegating

The follower is now ready to both drive the project by themselves and does not need further motivation from the leader (Wilson, 2014). The leader will act more as a side-support in certain instances. The type of follower requiring this leadership is at a department head level.

2.6.4 Servant Leadership

Servant leadership is similar to situational leadership theory, taking a step away from the command-and-control hierarchical principles, and supports the team from behind (Moreira, 2017). Giving instead of taking control supports the idea that leadership is done *with* people, not *to* people (Hersey & Blanchard, 1996). This can only be achieved when the needs of the employees are identified. Servant leadership is common within the Agile philosophy, where the leader takes the role of a coach who serves the team in decisions making, establishing a safe environment, eliminating barriers, and enabling a flow of work (Moreira, 2017). The first step in deciding what style to proceed with is to learn about the system and thereafter take relevant action. For example, a dynamic leadership style is preferred to match a flexible work environment.

2.6.5 T-Shaped Leadership

T-shaped or T-type leaders are both specialists (root) and generalists (top) which makes up the t-shape seen in Figure 10 (Appelo, 2011; Liker & Convis, 2011). A T-shaped leader have deep understanding and knowledge within a certain area and possess the ability to apply it to different situations (McIntosh & Taylor, 2013). These leaders can operate across functional and organisational boundaries, making them able to solve larger and more complex problems with cross-functional teams (Appelo, 2011; Liker & Convis, 2011). T-shaped leaders thereby lead the team in areas where they do not possess deep knowledge or have formal authority, and contribute with technical competence within their area of expertise.
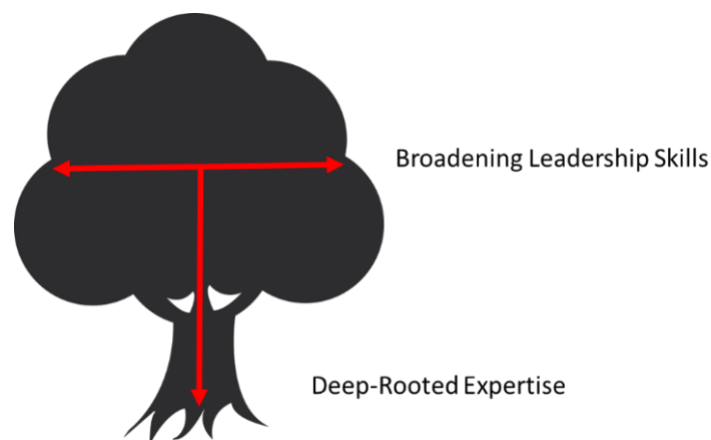
Figure 10 - T-Shaped Leadership model (Liker & Convis, 2011)

2.6.6   Transformational versus Transactional Leadership

The difference of the two leadership styles, transformational and transactional, stress the importance of matching the leadership style with the organisational structure (Birasnay, 2014). The suitable leadership style should be transparent throughout all levels, involving top- and middle-level leaders as well as manufacturing to increase efficiency and business opportunities. Transactional leadership is often found within a waterfall structure, relying on command and control where the employees are rewarded only upon completion of their work tasks and achievement of set goals (Bass & Riggio, 2006). Transformational leadership, on the other hand, is most commonly found in a change process as this style supports the employees to set individual visions for the future, as well as encourage risk taking and alternative problem solving (Birasnav, 2014).

Transformational leadership (see Figure 11) includes four dimensions: idealised influence, inspirational motivation, intellectual stimulation and individualised consideration (Transformational leadership, 2015). Idealised influence is enacted when the leader becomes a role model, leading by example to establish the ethical behaviours and standards. Inspirational motivation is exemplified by setting a clear direction through communication and encourage employees to act. Intellectual stimulation directs focus on employees questioning the current processes and enable experimenting with new ways of working. Lastly, individual consideration reflects the leaders' participation with the team where empowerment and creation of a supportive culture contributes to the overall performance of the team. This type of leadership style is meant to create future leaders of the followers and therefore aims to create valuable change by developing skills of the leader (Kendrick, 2011). Thus, the leader is the 'end result', who's skill-set and behaviour will be adopted by the followers.
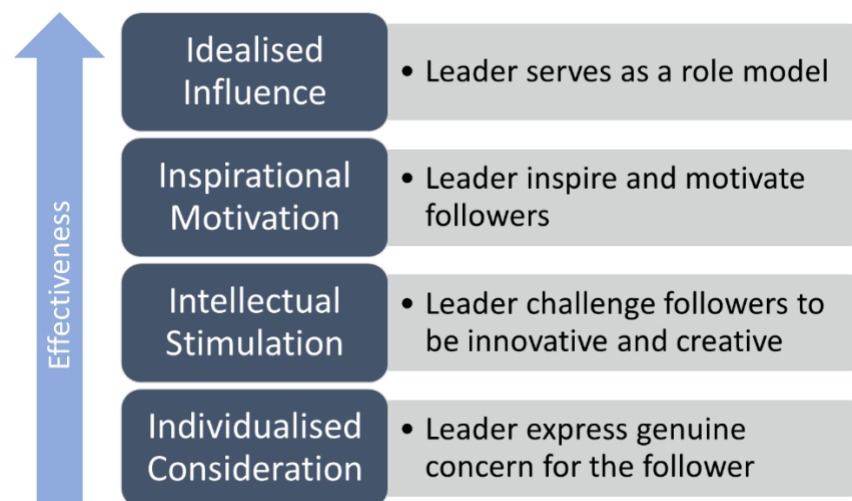
Figure 11 - Transformational Leadership (Transformational leadership, 2015)

2.6.7   Theory X & Y

The foundation of theory X and Y is what motivates people to do their work and how well they do it (Appelo, 2012). Theory X believes that people does not want to work, and needs to be motivated through extrinsic factors such as incentives and other finical benefits. There is a need of using a 'carrot' in order to get people to complete their work. Management must direct, motivate, and control their employees, according to this theory (McGregor, 2000).

Theory Y, on the other hand, believes that people enjoy working and sees it as a natural part of life (Appelo, 2012). This theory states that people are motivated to do their best through intrinsic motivation, that there is an inner desire to perform their best. People are not passive or resistant to the organisation's needs (McGregor, 2000). Theory Y is a foundation within many new organisational forms, such as the Agile Philosophy.

2.7   THE AGILE PHILOSOPHY

In this section, the Agile philosophy will be described in its separate parts including: Agile Manifesto, SAFe, and Scrum. The section ends by identifying qualities regarding an Agile transformation, Agile driving organisational development, and lastly mentioning Agile in relation to HRM.

2.7.1   Introduction to Agile

"Agile means agile – the ability to move with quick easy grace, to be nimble and adaptable" (Larman & Vodde, 2009, p. 140). To be able to deliver and develop products and services more efficiently and with better quality (Comell-Dorda, Lohiya & Speksnijder, 2016). Petterson (personal communication, 15 January 2018) claims that an organisation that adopts the Agile philosophy and becomes fastest in realising an opportunity and connecting it to a customer need wins, and will also become a leader on the market. Thus, this organisation will control the market and be able steer it in a preferred direction, instead of lagging behind and risk falling out. The Agile philosophy is built upon the Agile Manifesto, which was a response to the complexity and challenges that the traditional waterfall development process was faced with (ScaledAgile, 2017). The idea is to be more light-weight and develop new products and services in an iterative process.

2.7.2 The Agile Manifesto

The Agile Manifesto is based on four values as seen in Figure 12, where the qualities on the left should be valued over the methods on the right (Larman & Vodde, 2009).

Figure 12 - The Agile Manifesto (Larman & Vodde, 2009)

The development process, within software, should be based on the following cycle: first design and build new features, and then test them in collaboration with customers (Comell-Dorda, Lohiya & Speksnijder, 2016). Based on the customer feedback, the features are refined and refreshed. This cycle is performed in rapid and quick iterations to maintain flow in the development process.

2.7.3 The SAFe Framework

SAFe is a framework that can be applied to transform an organisation to the Agile philosophy (ScaledAgile, 2017). It is a scalable framework that delivers solutions with high quality and value in the shortest sustainable lead-time. Organisations needs to learn how to quickly adapt to changing technological and economic conditions, to stay ahead on the market and survive (ScaledAgile, 2018). SAFe combines alignment, collaboration, and delivery for Agile teams. The framework improves the organisations business alignment, productivity, time to market, quality and employee engagement. It is about decentralising decision-making to avoid expensive delays, which comes from information and decisions having to go up and down the command-chain. The framework needs to be adapted to the specific organisations business goals to enjoy the full benefits of it. The base of the framework is the Lean-Agile principles and values (see Figure 13).
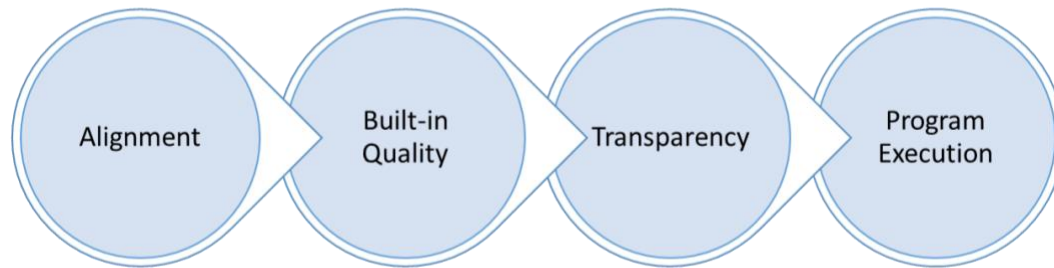
Figure 13 - Lean Agile Values

Alignment regards management and the teams' alignment towards a common goal and mission (ScaledAgile, 2018). It is important that the energy in the organisation is directed and focused on helping the customer. Once the organisation's mission is defined it makes it possible for the teams to focus on how to achieve the goal. This alignment ensures a common understanding of the organisational strategy, and each individual contribution in delivering the strategy.

Built-in quality ensures increased customer satisfaction and faster delivery with a higher customer value (ScaledAgile, 2017). This also supports the ability to be innovative and take higher risks.

Transparency is a way of building trust in the organisation, and trust is essential for performance (ScaleAgiled, 2017). Transparency also makes the level of innovation, risk-taking, and continuous improvement higher.

Program execution, "to achieve broader change, the entire development value stream – from concept to release – must become leaner and more responsive to change." (ScaledAgile, 2017, p. 6). Traditional organisational structures are built upon control and stability which does support innovation, speed and agility.

2.7.4 Agile Teams

In a traditional waterfall organisation, the project manager coordinates the different tasks among the teams (Comell-Dorda, Lohiya & Speksnijder, 2016). With an Agile approach, there is not as much need for coordination since each product owner handles the different tasks or Agile team. In an Agile organisation, development is carried out in small cross-functional teams which are co-located to collaborate together (Appelo, 2011). The teams are self-organising and possess the knowledge of how to best develop a product or service (Comell-Dorda, Lohiya & Speksnijder, 2016; Appelo, 2011). The teams are responsible for identifying and assigning different task within the team, where the tasks should increase the knowledge and collaboration within the team (Comell-Dorda, Lohiya & Speksnijder, 2016). The teams have enough knowledge and decision-making power to be held accountable for the result (Comell-Dorda, Lohiya & Speksnijder, 2016; Appelo, 2011).

One of the Agile management principles concerns the delivered product, which should be what the customer values and is asking for (Larman & Vodde, 2009). Management is responsible for organising competent and collaborative teams, and enable the teams to have the power to make decisions. The manager should have deep technical knowledge and expertise, but should focus on the delivery activities rather than the development processes itself.

2.7.5 Scrum Structure

Scrum is a work-method within the SAFe structure, which focuses on iterative product or service development, commonly used within software (Larman & Vodde, 2009). There are three central roles in Scrum: *product owner*, *scrum master*, and *the development team* (Sims & Johnson, 2012; Larman & Vodde, 2009).

Product Owner

The product owner's (PO) role is to maximise the return on the investment (Sims & Johnson, 2012; Larman & Vodde, 2009). The PO should identify the product features, prioritise the work of the scrum team, and oversee the teams' results. The role is different from a traditional product manager, since it entails active interactions with the team. The product owner represents both the interests of the business and the customer.

Scrum Master

The scrum master's role is to coach the development team and help the team be successful (Sims & Johnson, 2012; Larman & Vodde, 2009). The role is not to be a manager, it is a servant role that should facilitate the team. The scrum master has the same rank as the other team members and should support the scrum team to become autonomous. The deliverable of a scrum master is a high-performing and self-organising development team.

Development Team

The development team is responsible for building and developing the product (Sims & Johnson, 2012; Larman & Vodde, 2009). The team consist of members with different skills and knowledge, a cross-functional team that is required to deliver the product. It is a high performing and highly collaborative team that have the authority of taking decisions. All members of the team contribute and are committed to the development process. This means that traditional roles such as tester, analysts, and developers will be eliminated, since all team members are needed to deliver the product. The team members will have to learn new skills and gain new knowledge from other team members. The focus lies on the team performance rather than on the individual achievement. The teams are self-organising and are not lead by a team manager or project manager. A scrum team works together in short sprints and focus on continuous improvement (Sims & Johnson, 2012).

Scrum Values

The scrum framework consists of five values: commitment, focus, openness, respect and courage (Larman & Vodde, 2009). The values are described in Table 1.

Table 1 - Scrum Values

Commitment
• Teams' dedication to a specific goal

Focus
• Effort and skill that is required in a project and deliver what is asked by the PO
• Sole focus on the goal of the sprint

Openness
• Visual management and with daily team meetings
• Building trust within the team by sharing strengths and weaknesses

Respect
• Accepting all of the team members, regardless of background

Courage
• Have the courage to follow the other four values
• Follow the scrum rules and solve complex problems

2.7.6 Qualities in an Agile Transformation

According to the Agile philosophy, an organisation should have a structure that focuses on the product, and have stable teams that are dedicated to a specific outcome (Comell-Dorda, Lohiya & Speksnijder, 2016). When transforming to an Agile organisation the interactions between different departments and units should be improved with close collaboration among development and the business unit. The development team is focused on the product and delivery, while the PO should have deep knowledge of the product, the customer, and has the authority to make decisions. The transformation is more than just implementing new skills and processes in the organisation. The Agile philosophy is built upon values and principles, and a transformation requires people's behaviour as well as the organisational culture to change (Moreira, 2017). The organisation's operations must be aligned with the principles and values of the Agile philosophy.

2.7.7 Organisational Agility

Organisations nowadays relies on their human assets, as these possess the knowledge and talent that creates competitiveness (Flach, 2006). The individuals in the organisation becomes the backbone of the business, where their collaboration creates value to drive the business forward. It is therefore vital to understand the value of the work forces' core competences to maximise utility and increase efficiency. Van Hoek Harrison and Christopher (2001, p. 146) defines organisational agility as an "emerging management concept" that prepares the organisation to make rapid decisions in the dynamic and unpredictable market dominating today. Primarily, flexibility and responsiveness are the overarching qualities sought for, where agility will help a firm sense and seize opportunities and challenges to tackle these in the best possible manner.

2.7.8 Agile and Human Resource Management

An approach to help organisations improve their agility is through the HRM strategy (Saha, Gregar & Sahá, 2017). It combines of organisational performance, organisational learning and organisational agility. The HR department provides the foundation of the 'technical infrastructure' that gathers and allocates knowledge to the organisation. Figure 14 presents the overarching impact of HRM on the organisational agility, where the central aspects of speed, adaptability and execution becomes a prerequisite to reach sustainable competitiveness.

Figure 14 - Model of HR's impact on Organisational Agility (Saha, Gregar & Sahá, 2017)

The employees are central in an Agile organisation, and one of HR's roles is to support and improve their situation (Larman & Vodde, 2009; Moreira, 2017). HR can take part in the creation of an environment where employees are motivated and productive (Moreira, 2017). HRM can also result in an organisation achieving its goals, through motivating and rewarding its employees (Saha, Gregar & Sahá, 2017).

2.7.9 Performance Management within Agile

To maximise the individual performance in an Agile organisation, it is important that the organisational strategy, personal objectives, and actions are aligned (Holbeche, 2015). The employees should be recognised and rewarded through investment in their individual development. Instant feedback is something that should be present in an Agile organisation, where feedback is given horizontally regardless of hierarchical position (Trost, 2017). The connection between the overall organisational purpose, strategy, and the individual employees work needs to be strong in an Agile organisation to align employees work to the organisational goals (Holbeche, 2015). Employee goals are essential when successfully running an organisation, where focus should be on how the goals should be achieved rather than why (Trost, 2017). The performance management system needs to be designed in a way that ensures that the employees continuously improves and encourages people to work (Holbeche, 2015). In an Agile setting, traditional performance management with yearly follow-up meetings does not work (Trost, 2017).

3. METHOD

The following chapter presents the research strategy and design, as well as the trustworthiness and ethics of the research. The research process is summarised in Figure 15, showing how the research question is connected to the goals of the research, the methods, the analysis framework and the trustworthiness of the research.
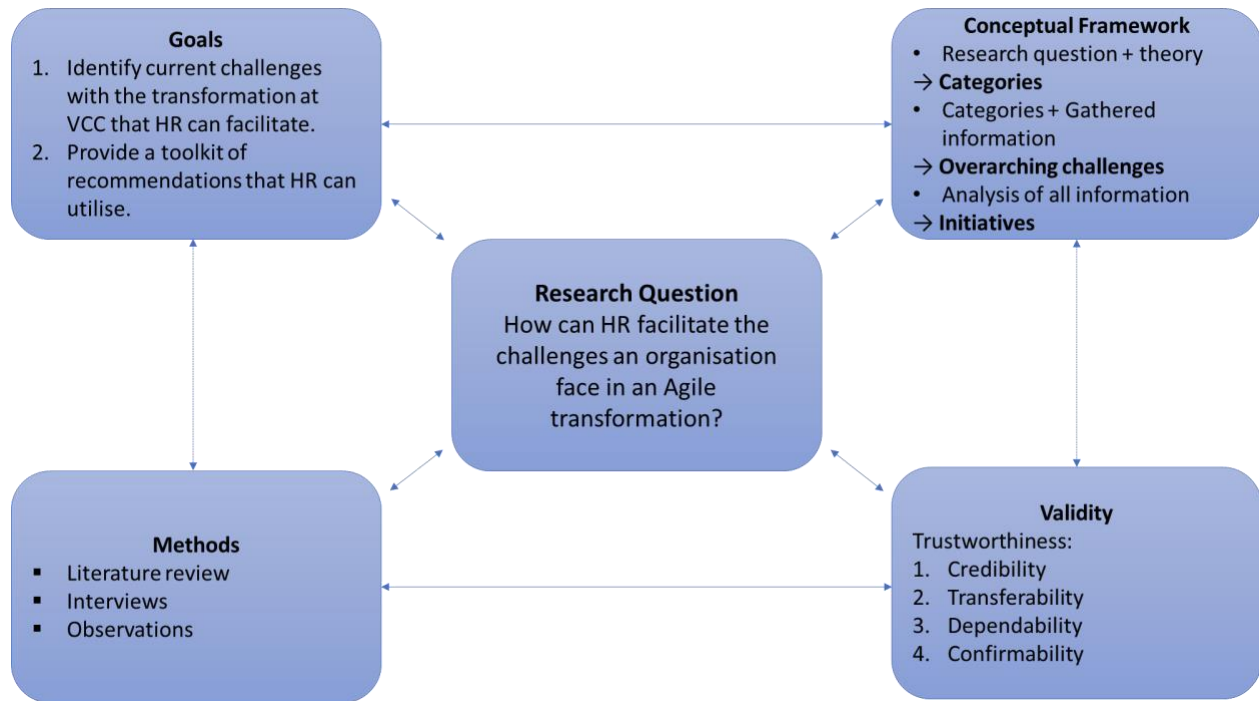
Figure 15 - Summarised research process (Maxwell, 2012)

3.1   RESEARCH STRATEGY & DESIGN

There are two different possible research strategies suggested by Bryman & Bell (2011), quantitative and qualitative. Based on the nature of this research, which regards a study of people in a transforming organisation, the main strategy is qualitative which emphasises the understanding of people's behaviour. The gathered data and information is based on people's experiences and the organisational culture. Quantitative research on the other hand, concerns the aspect of creating theory and patterns. To be able to apply this strategy the data should be observable and measurable, which makes it inappropriate to use in this case.

A research approach can be abductive, deductive or inductive (Bryman & Bell, 2011). The context of this thesis is that empirical data is combined with theory, to create a deeper understanding of HR's role in an Agile transformation. The approach is also exploratory, thereby letting the findings guide the research. This makes an inductive approach suitable, which implies that a research begins with observations and data collection, which is later combined with theory to draw conclusions. With an abductive approach, available theory and empirical data are mixed and used in an iterative

process to further develop theory. This aspect makes it an unsuitable approach for this research. A deductive approach on the other hand starts with a hypothesis taken from established theory, which is then tested with a new set of collected data, to either confirm or reject the hypothesis. This approach is usually appropriate to use in combination with a quantitative strategy, which also makes it inappropriate to use in this thesis.

The case should be representative, and the result of the research is presented in such a manner. The primary unit of measurements and analysis is the HR department and P&Q department of the organisation, which is further explained in the research process.

3.2   RESEARCH PROCESS

The steps of the research process are illustrated in Figure 16, where the first step was to design the research, which starts with the research question. The final research question, *"How can HR facilitate the challenges an organisation face with an Agile transformation?"*, was at first explored through a literature review, to get a better understanding and knowledge about the subjects of Agile and HR. This knowledge also gave a foundation of the areas that could be interesting for the interviews with both representatives from VCC and external experts. When the different areas of interest were developed, more specific questions were created to capture the ideas and thoughts of the interviewees.

In the developing step, more specific research material was gathered through data collection from interviews at VCC and with external experts, meetings, and training programs. This is further explained in section 3.3. The last step, define, combined the material from the literature study with the interviews to reach challenges and specific initiatives for HR. In this phase, the research question is answered and a final recommendation provided on the topic.
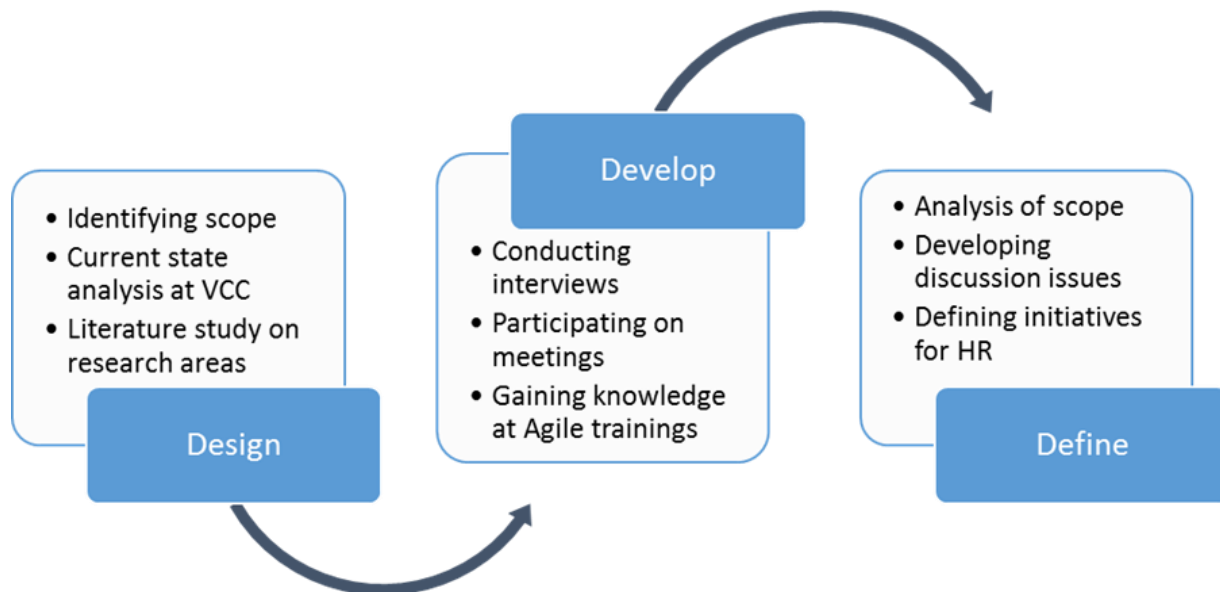
Figure 16 - Research Process

3.3 DATA COLLECTION

The following section presents the data and information collected during the research, and consists of interviews, observations and secondary data.

3.3.1 Interviews

The research is qualitative, and the methods thereby needs to be both flexible and appropriate to social settings (Hox & Boeije, 2005). The primary data was mainly collected through interviews, which were both unstructured and semi-structured. With qualitative interviews there is more focus on including the interviewees' own perspective (Easterby-Smith et al., 2015).

The main body of interviews were semi-structured, which implies that the researchers have developed and created an interview-guide (Bryman & Bell, 2015). An interview-guide consists of a list of different areas and topics that the research wants to investigate. The questions allow the respondent to answer in different ways, but are still focused enough to provide insight to the subject of interest. A semi-structured approach allows the interviewers to change the questions and direction of the interview, if necessary, according to the answers provided. There were three unstructured interviews conducted in this study, which means that fewer questions were asked, allowing the interviewee to respond freely (Bryman & Bell, 2015). The unstructured interviews in this study were held during the first phase and were used to gather more knowledge about the subject and create an interview-guide for the questions at the case company (Brewerton & Millward, 2001).

The questions that were asked during the semi-interviews can be found in Appendix A. Three experts were interviewed, and these interviews was conducted with an unstructured approach. The areas that were focused on during these interviews can be found in Appendix B. The first expert interview was used as an inspiration and as an opportunity to gain more knowledge of Agile HR. This interview also confirmed that the research areas were relevant. The purpose of the two final expert interviews was to gain further knowledge about experiences about Agile transformations and the associated challenges.

All interviews were performed with two interviewers, where one was taking the lead in asking questions and the other one had more of an observational role. However, the observer could at any point add a clarifying question if thought necessary, which falls in line with Bryman and Bell's (2015) recommendation. All the interviews were recorded and then transcribed as soon as possible, to have the interview fresh in mind. This also added to the validity of the conducted data by avoiding a subjective interference. Additionally, direct citations could be recalled from the transcribed material to strengthen the arguments in the report. Bryman and Bell (2015) mentions that it is useful to record the interviews to capture the setting and the language used. The authors also state that it is important to have the interviews in private, to make it possible for the respondent to answer freely. Thus, the interviews for this study were all held in rooms isolated from the rest of the employees.

3.3.2 Sampling

At VCC a total number of 17 employees was interviewed (see Figure 17), where eight of the interviewees were from Group A, from the HR department, and nine from Group B, from the P&Q unit. All representatives are part of the Agile transformation but with varying knowledge of the topic. This was essential to ensure that the sample was a representative of the whole unit (Bryman & Bell, 2015). Representatives from Group A and B are found at different hierarchical levels in the organisation. This provides are more realistic picture of all challenges the organisation is facing.
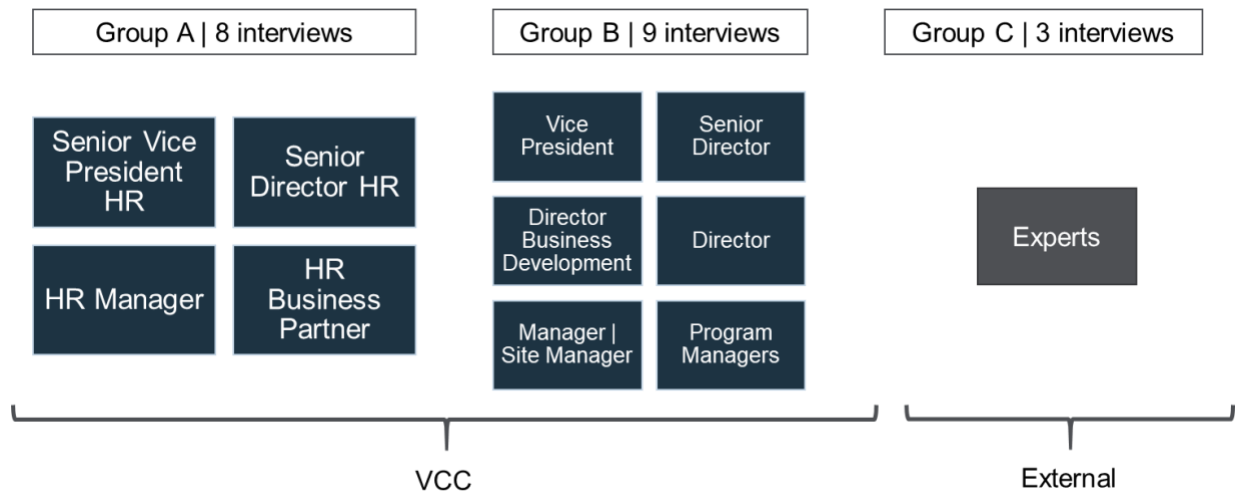
Figure 17 - The sample of interviewees positions

Three representatives from Group C (see Figure 17) were selected based on their knowledge and experience of Agile transformations, specifically within HR. They all had different backgrounds working at different organisations, giving a broader perspective to the topic.

3.3.3 Observations

Observations were performed during the research during meetings and an Agile course. Access to these observations were given from key-persons related to the study. During these observations, it was clearly stated that external researchers were present and were taking part as observers. As described by Bryman & Bell (2015), there are different roles that the researcher can take during observations. The role at these events was: participants-as-observer. This implies that the researcher is talking part of the situation, but it is known by the other participants that the researcher is there to observe. During the observations, field-notes were taken of reactions and statements during the occasions. These notes were not full field-notes, but rather scratch-notes that were made during the observed events. These notes were later used to describe of the current situation at VCC.

3.3.4   Secondary Data

According to Bryman & Bell (2015) a literature review is a suitable way of investigating the existing knowledge regarding the subject. It gives significance to the research and points out a direction of where it will lead. A literature review is also an appropriate way to establish an understanding of relevant concepts and theories to the area of interest. Bryman & Bell (2015) mentions two main types of literature reviews: systematic review and narrative review. In a systematic review the researchers use explicit procedures and research a specific area. A narrative approach is used to gain an understanding and initial impression of the area. This approach is more suitable for qualitative research.

This research is based on a narrative approach, since the review was used to gain a first understanding of the topic. The literature review was conducted in two phases, where the first phase was initiated to gain an understanding of the subject of Agile and Agile HR. This understanding was then used to develop the subject and create questions for the interview guide. The second and final phase of the literature review was used to support and analyse the findings from the gathered primary data. The literature study consists of books, journals and websites, collected and found at Chalmers Library and Google Scholar. To find suitable information, key phrases were used, including: *HRM, Agile HR, Agile development, Organisational Culture, Servant Leadership, Change Management, Managing Complexity* etc. These findings shaped the framework later used in the data analysis.

3.4   DATA ANALYSIS

The data was analysed within the categories shown to Figure 18. The research question was combined with the theory, which resulted in four categories. The categories developed were based on the literature found regarding change management as well as input from an expert interview. These categories were then used to methodically analyse the material through all steps of the research. The categories were combined with the gathered data and resulted in twelve challenges. These challenges were then summarised in four overarching areas (Communication, Empowerment, Trust, and Commitment), based on the similarities between them. The challenges were further analysed and resulted in ten possible initiatives for the HR department. This step by step process ensured that a desired research quality was attained.

Figure 18 - The analysis process

3.5 RESEARCH QUALITY

To ensure validity and reliability, it is important to establish trustworthiness of the data in a qualitative research. According to Bryman and Bell (2011), there are four criteria for trustworthiness: credibility, transferability, dependability and confirmability (Figure 19).
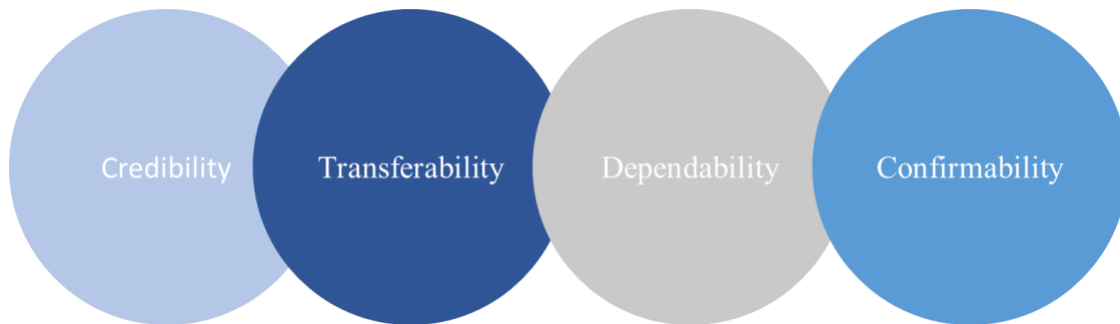
Figure 19 - The four criterias of trustworthiness

Credibility

Credibility regards the trustworthiness of the findings and that the research performed is in good practice (Bryman & Bell, 2011). To ensure credibility, researchers can apply respondent validation and triangulation. By repeating the respondent answer and thereby validate that it has been correctly understood, respondent validation can be assured during the interviews. Triangulation implies that more than one method has been utilised during the data collection. During this research, different sources was used, such as theory from literature, internal documents and interviews, both external and internal at different departments.

Transferability

Transferability concerns if the research can be applied in any other setting or context, that the research can be useful in other setting than the case organisation (Bryman & Bell, 2011). The research should be described in detail to make it possible to apply the findings in other settings. The result of this thesis is described in general, to ensure transferability. The case organisation was compared with experiences from other organisations, and the findings are thereby general and not only connected to VCC.

Dependability

Dependability handles the aspects of consistency and repeatability, that research can be performed at another time and the same result will be found (Bryman & Bell, 2011). To ensure dependability an auditing approach should be applied, that records are kept from all the different phases of the research. To ensure dependability during this thesis records was kept, with rich and thick descriptions of the phases.

Confirmability

Confirmability considers that the researchers acts in good faith and are objective (Bryman & Bell, 2011). The researchers own personal values should not affect the research and the result of it. Both researchers had very limited knowledge of Agile frameworks and organisations, as well as of the case organisation, thereby ensuring confirmability.

3.6 ETHICS

When considering ethics in a research, Bryman and Bell (2011) mentions four criteria's; harm to participants, lack of informed consent, invasion of privacy and deception. To ensure that the research was performed in an ethical manner, each interview was started with an explanation of what the goal and purpose of the interview was. All the respondents were given the option of declining an interview and recordings were only made with full consent. The interviewees were informed about that they would be anonymous in the result of the research. If specific quotes from an interviewee were used, the quote was emailed to the interviewee for approval, to be able to ensure anonymity.

4. EMPIRICAL DATA

The following chapter presents empirical data gathered from interviews held with representatives from VCC and external experts, as well as internal information provided at the case organisation. The overarching areas are summarised in Figure 20.

Figure 20 - Categorical overview of empirical data

4.1 CASE ORGANISATION

The following section presents the organisational culture at VCC, the concept "Bringing out the best", and lastly the salary and compensation system at VCC.

4.1.1 Volvo Cars Culture

The Volvo Cars culture is based on the philosophy that the organisational strength comes from the people in it (Volvo, 2018d). Volvo considers itself as a human-centred company, where the open-minded culture unites the employees and gives the organisation its competitive edge. The organisation focuses on collaboration and achieving the set tasks to achieve excellent results. The culture aims to improve employee's engagement, development, and performance, leading to business success and being an attractive workplace. The VCC culture is focused on performing as 'WE', within three main areas as shown in Figure 21.
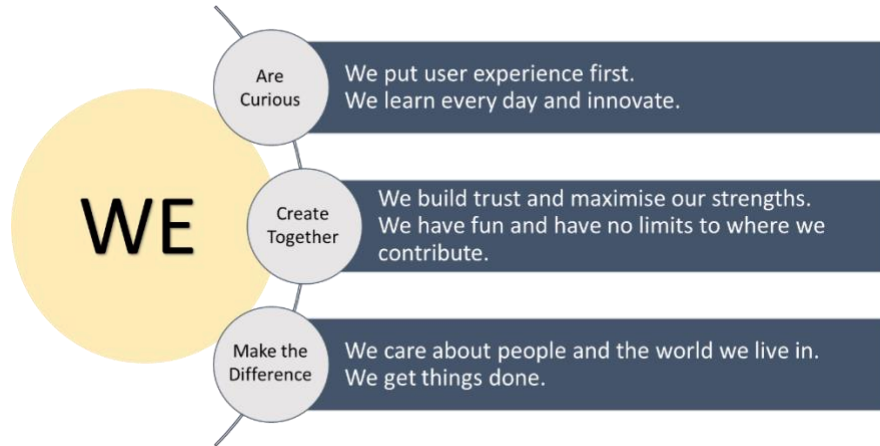
4.1.2   Bring out the Best

The Volvo Cars culture includes the concept of 'Bring out the best' (Volvo, 2018e). It consists of five statements: 'Building on each individual's strength', 'Purpose and mission-based leadership', 'Group people to work around missions', 'Product focus with passionate ownership', and 'Reward value of achievements'.

"Picking the right people is absolute key for success"

– Green, personal communication, 16 April 2018

Building on each individual's strength is key to identify strengths and utilise the existing skills to maximise output quality (Volvo, 2018e). Employees working within their areas of expertise results in a better outcome and satisfied employees. Manager's needs to know their team members capabilities to understand their strengths and weaknesses, allowing the team to focus on completing their tasks.

Volvo Car Cooperation's goal is to be a place for talented people who wants to make a difference (Volvo, 2018d). This implies that leadership needs to move away from managing details and instead focus on clarifying goals and purpose of the assignments. The manager must trust the team that they will deliver to the best of their ability. On the other hand, the employees must also be ready to handle such a responsibility of driving an autonomous team. Sandberg (personal, communication, 16 April 2018) mentions a two-part strategy to best manage and utilise the current knowledge within VCC:

1. "Identify people that can and want to contribute"
2. "Be transparent with what we do so that 'smart brains' can take contact"

Aligning people to work towards a common mission emphasise VCC's want for their employees, to take responsibility and collaborate. To avoid being limited to their role description and instead utilise their competence in a broader sense. Sandberg (personal communication, 16 April 2018)

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claims that "people can understand and contribute better when they target broader knowledge areas". Thus, it is important to create a good match of the employees within teams so they can collaborate on assignments they are passionate about.

There needs to be a focus on the whole product rather than individual projects, and have a long-term commitment and feeling of ownership. It is essential to create an Agile and collaborative organisation for the future, and thereby the organisation must reward and recognise relevant achievements and learnings. Mindfulness should be used as a tool to teams and ARTs (Agile Release Train) to create good practice, where CoP (Community of Practice) is a forum that can be used to initiate these types of discussions (Sandberg, personal communication, 16 April 2018). This transformation will create a good incentive for collaborating in cross-functional assignments to make the best results for the company.

4.1.3 Salary and Compensation at VCC

The salary and compensation process at VCC is based on the level of responsibility, complexity and individual performance (Volvo, 2018f). To have a salary based on performance is a fundamental aspect in the compensation philosophy at VCC. The salary-level is linked to the degree of responsibility, technicality of the job, and the market value of the role. Other factors considered include: the required knowledge, the previous experience the employee has, and how much work effort the employee is showing. Additionally, there is a long-term performance aspect regarding how well the employee follows the aspired VCC culture.

The salary is performance driven, and it is important to drive sustainable improvements regarding performance, connected to both the company and the individual (Volvo, 2018f). The salary structure is a vital component in creating an effective compensation program within the organisation. There is a job library that is connected to the salary structure, where the job function, job family, job name, job codes and salary range is described. The salary should also be aligned to the market-based salary to be competitive and attract relevant competence required in the transformation process.

4.2   TRANSFORMATION PROCESS

The following chapter concerns the information gathered during the interviews regarding the transformation process. The answers present both Group A's and Group B's view on how the transformation effects the different levels within the organisation. The goal is to establish a current state analysis regarding employee awareness of the transformation and reactions of the present and future changes.

4.2.1   Reactions from Employees Regarding the Transformation

All interviewees recognise that it will be a turbulent change processes, where roughly half of the employees feel excited and the rest concerned. There is an overload of questions remaining within the organisation that will remain unanswered. An interviewee from Group B explains that this is

incredibly stressful for the employees who are used to a system with clear directives and paths to follow. The interviewee claims that it is essential to keep an open dialogue, where everyone must acknowledge that the change is necessary. All parts of the organisation are going to get involved sooner or later, where software is the first department going fully Agile. A representative from Group A claims that it is important for the employees to understand why the transformation is being done. This will increase their motivation to contribute with the transformation. Another interviewee from Group A feels that there is a bottom-up force that wants to drive the transformation, especially within software. The response from hardware has generally been more negative, where they find it difficult to understand how and why Agile should be applied to an already functioning system.

"There has always been weight, prestige and importance in hardware, now focus will be on software. An earlier department with little influence will now dictate other 'powerful' departments"

– Interviewee from Group A

There is a human instinct that an individual remains within the change curve too long, as they are wondering what everyone else is doing, explains an interviewee from Group A. The interviewee believes that a lot of energy and time is spent on factors that cannot be affect. This issue is something that the organisation unitedly will have to work together on, and to actively support individuals through.

4.2.2 Informing about the Transformation

Representatives from Group A states that most of the communication regarding the transformation is one-way through the intranet, and that there is lack of communication from the management team. This is something that interviewees from Group B also mention, where most of the information is easy to access as a manager, but their communication with the team is generally insufficient. One interviewee from Group B mentioned the need of creating a single forum where all information is available, that is constantly updated.

As one Group B interviewee mentions, the information and communication can be experienced as somewhat disorganised, with many different share-points and information hubs. However, the managers try to work across the departments to make sure that the same document is not available at different places. Software and Electronics, being the first department going Agile, have a continuous flow of information through SharePoint, management forums, and weekly up-dates. This is something that both Group A and B confirm. But as another Group B interviewee mentions, there are still employees that are not aware of what is going on in the organisation.

There is a strong commitment from top management level and there are weekly mails about the vision of the transformation, but many of the employee's question how the vision will be transformed in to reality. One of the representatives from Group A mentioned that this transformation is different than previous organisational changes, since there are no clear

milestones or gates. It is an investigative process that is performed through pilots to find issues and adjust accordingly. An explorative approach is more difficult to communicate as no-one has all the answers. However, communication should be used to raise interest through engagement and curiosity, which requires a different form of information sharing.

"*The most important part about communication is that everyone understands that you need to actively seek the information that is available***"**

– Group A representative

An initiative led by some of the top managers, that many of the interviewees expressed their appreciation for, are the events 'Meet your management'. This event was initiated by top management to the deal with knowledge and information sharing. Some of the top managers within the units undergoing a transformation, showed their commitment to the newly defined culture by dedicating an hour every week to inform the organisation through an open meeting. However, from several interviewees there seemed to be a lack of continuance in information sharing from top management.

4.2.3 Time Plan for the Transformation

Both interviewed members from Group A and B mentions that there have been strong reactions from individuals, both positive and negative. A common worry is the time for completing the transformation, where many employees are stressed and afraid they will not stick to the scheduled time limit. An interviewee from Group B expresses the concern that there is a risk for rushing into the new structures due to the time pressure. This will result in the Agile philosophy only being true on paper and not truly adopted in the way of working.

Generally, for a transformation of this size to be taken seriously, top management must have higher ambition than what the organisation can achieve. The result will most likely land somewhere in-between top management's vision and what the organisation believes it can achieve. An interviewee from Group A explains that there is a crucial limit when setting a target higher than what is achievable. It must be set so that there is a healthy balance, where the gap should be challenging but engaging, and not challenging and destructive. In the end, the goals are set to compete against the competitors around us and not to against ourselves.

"If we do not run faster than we think we are capable of running, there might not be a race to run in the end"

– Interviewee from Group A

4.2.4 Introducing and Mapping Roles in the Organisation

The transformation will imply a change of the roles and positions in the organisation. One change mentioned by Group A is that the managerial and leader roles will be focused on either personnel development or making technical decisions, which is currently combined. Interviewed

representatives from Group B points out that there is currently a traditional role where the manager is quite operative in making decisions to others. This implies that employees are used to delegating the decision-making to their manager, regardless if they are competent enough to make the decision by themselves. The employees closest to the process usually have the best possibility to make informed decisions.

Group A also mentions that management will not be allowed to have control on a detailed level during the product development phase, which will be a challenge since they are used to getting their way and to making detailed decisions. According to several interviewees from Group A and B, this change needs to be done in a respectful way to preserve the competence available in the organisation. This puts a demand on HR, not only to recruit the right people but also keep and motivate people already in the organisation.

4.2.5 Progression on the Change Curve

Both Group A and B mention that there are many teams in different phases of the change curve and that it is important to be aware of this to understand the current situation. One member from Group B explains that the change curve can be used to create a discussion and an understanding within the group of how to deal with each phase. The manager should focus on the people at the end of the curve, so that they can help others proceed through the curve. Otherwise there is a risk of wasting energy on people in the beginning, who might need more time to adjust to the change. Group A states that there are units/departments that have been working Agile for over a year, which puts pressure on the other departments to also adapt to the change.

"Lessons will be learnt along the way, where we pull and push each other depending on where you stand on the change curve"

– Interviewee from Group A

4.2.6 Changes at Managerial Level

A major difficulty faced by VCC is that roughly 90% of employees are not managers. A Group B interviewee explains that a rigid communication plan is required to spread the information to the entire network of employees. In combination with the changing structures, the individual will have to take a lot of responsibility and learn to think by themselves, since the reporting system will be discarded. An interviewed Group B strongly believes that the central idea around the Agile philosophy, to create long-term bonds within the teams, will make individuals more outgoing and curious. At a managerial level, there will be a stronger focus on coaching. However, there are still many of the traditional managerial tasks that needs to be accounted for, such as: keeping track of the team in terms of collaboration, competence, and being a servant leader, which can become a conflict with the new servant role.

An interviewed Group A mentions that the changes in roles can be positively welcomed by some managers who does not want the responsibility over people, and only deal with the technical role.

The two parts of the managerial role still needs to be synched in their work and communication. In the end, it is still the individual that is producing the technical outcome. Several from Group B are worried that line managers will lose their contact with the teams when they lose their technical responsibility. They will drift away from the teams and act more as a bystander to the team, supporting them passively from the side-line.

4.2.7   Changes within Teams

For the individuals within the teams, an interviewee from Group A is certain that there will be major changes, especially regarding working time and the reporting system to the responsible manager. A shared response from all interviewees concerns the fear of leaving a role, a place of safety, for something unknown. A representative from Group A highlights a worry within the organisation that good competence can be lost if the employees wait too long before applying for a role.

A member from Group B interviewed employees working within the traditional system to establish knowledge of the current state. A common response from the employees was that they felt lonely with their to-do list, chased by managers, and little time left to complete their tasks due to an overbooked schedule with follow-up meetings. Thus, these individuals believe that the Agile system will be a positive change in terms of the structure with teams and a common backlog. The teams will become long-term investments, where the members create shared knowledge pool to achieve better results as a team. A challenge will be for the specialists to widen their T-profile by sharing tasks with people less experienced. Several Group A and B interviewees mention that the biggest challenge for some employees will be to share a title with someone lower 'ranked'. Group B all agree that an enormous amount of work and training needs to be dedicated to group dynamics to get the teams to function as intended.

"The people that succeed best in all types of change are the ones that knows themselves, and are good at building networks. They know what they can affect and what they have to align themselves to."

– Group A interviewee

4.2.8   Creating Empowered Teams

Several from Group A states that the Agile way of working will remove the organisational pressure from the development teams. It also creates an opportunity of autonomy where the teams can decide themselves how they should organise their work. This also implies that there will be a higher level of transparency within the team, which can be a challenge since it makes employees feel insecure. One of the Group B interviewees mentioned that the organisation should not underestimate what the transformation will imply for the development teams. It can be very difficult to establish self-organising teams as there is a tendency today to look at the team-leader when times get tough.

The same interviewee continues to highlight the importance to make sure that the teams are ready and have the right prerequisites to take the responsibility of decision making, otherwise management is setting the teams up to fail. Interviewed from Group B mentioned that there are many employees afraid of losing their specialities and their specific area of expertise. The least appreciated part of the transformation, stated by a member from Group B, is the ambiguousness. When there are no clear answers, the reaction from many employees is frustration.

"Somebody in the team stated that: the leaders told us to speak Chinese, and then they walked away, and came back after two weeks and wondered why we did not speak Chinese?"

–   Group B interviewee

4.2.9   Matching Tasks in Changing Systems

"It is an integrated element in our daily operations, to continue to develop. So, it is necessary that we build a support-structure for the transformation in the daily operations."

–   Representative from Group A

One of the representatives from Group A stated that it is the manager's responsibility to deliver as agreed and still develop their team and their department. As a manager you need to continuously look towards the future, to be able continuously improve the work process, and still manage the daily operations. Another interviewee from Group A mentioned that the work with the transformation goes hand in hand with the daily work, but that there is a tendency to do what is urgent right now and prioritise matters not related to the transformation. Managers have a high workload already, and the tasks regarding the transformation are added to their already filled to-do lists. The extra work is a concern raised by some of the interviewed from Group B, where they believe that there is general overload in scheduled time. As stated by one of the interviewees from Group B, there needs to be an acceptance from the organisation that this transformation is an investment and that there is a need to release time to work with it.

An interviewee from Group B mention that it is not the workload itself that is stressing the employees, they are stressed about having tasks that they do not know if they can handle. In the start of the pilots, the co-workers are very anxious as the teams are not functioning, which leads to poor deliveries. However, when issues and problems are visual, it is easier to fix them. The same interviewee from Group B experienced that the employees working in the developing teams become calmer and calmer as the pilots proceed. Another Group B representative mentioned that the transformation is creating anxiety in those areas that are affected, people feel anxious due to the level of uncertainty and ambiguity. The reactions from employees lies within the responsibility of the HR department, where their existing role in the transformation is explored in the following section.

4.3   HUMAN RESOURCES' SUPPORT WITH THE TRANSFORMATION PROCESS

The following section focus on responses from interviews that regards HR's contribution with roles description, support to managers, communication, and HR's general presence in the organisation.

4.3.1   Human Resources' Response to Employee Reactions

Several from Group B mentions that HR have the knowledge of how to support the teams, whereas the teams themselves and managers knows how the organisation will work with the Agile journey. The interviewees believe that HR should be more involved in the human and motivational aspect of the transformation, to anchor the Agile mind-set within the organisation. HR should also have the possibility of talking to employees about their experience of the transformational journey. They can explain that there is a current state of uncertainty, and that it is alright for people to feel insecure. A representative from Group A states that it is a part of their profession to support change management in an organisation.

Group B mentions that it is important for HR to notice what is happening on both an operational and managerial level, to be able to understand the change and be part of the everyday work. Group A representatives agree with this, and states that they need to work closely to where the transformation is implemented. Another member from Group B points out that HR could be an objective party that can support the line organisation from an external perspective. HR could potentially be a place where one can ask questions or talk about how one feel in the transformation without involving the manager.

4.3.2   Human Resources' Guidance with the New Roles

The roles need to be adjusted according to the SAFe structure which is adapted to the VCC structure. Group A representatives claim that they can assist with the new roles regarding content, salary, and the structure. Group B interviewee's mentions that HR can be a major support to individuals currently feeling lost in the system, finding a place where they can contribute and feel satisfied. An interviewee from Group A does not believe that all current roles will match the SAFe structure, and that this should be ok as well. The risk when taking away roles is being left with people feeling as if they have lost their identity, claims an interviewee from Group A. An important aspect mentioned by HR is to make sure that the expertise and experience found within the organisation today is not lost due to confusing processes.

4.3.3   Human Resources' Contribution to Enable Communication

Group A representative's states that HR can have a great impact on the departments that have yet to start their transformation. They can support through communicating how the transformation is being implemented in other parts of the organisation, to create an understanding of what the future will look like for coming departments. Interviewed from Group B mentions that if HR was not a part of the transformation, there could be HR mechanisms that would go against what the line

organisation is trying to communicate and implement. The interviewees also believe that strong HR personnel could put pressure on the line organisation and project managers to communicate the vision of the transformation and make sure that the correct information reaches all employees. HR personnel can make sure that the transformation is discussed and talked about in the management groups. A few representatives from Group A agree that they can inform and communicate the transformation to employees, since much of the resistance is rooted in that employees not having the correct information or any information at all.

4.3.4 Human Resources' Presence in the Organisation

A Group B interviewee mentions that HR closer to the line has not been present in situations related to the Agile transformation. Central HR, on the other hand, has been more involved with the transformation through trainings and has shown greater interest in supporting the organisation within more areas than today. The interviewee was impressed by central HR's interest which differs from earlier change projects, where HR has only been present with their standard support. A Group B representative mentions an HR representative in their core team that plays an active part in the change process. The HR is responsible for determining how the communication will be towards the employees. The interviewee also adds that they are unaware of the general HR-perspective on the transformation as this is nothing that is spoken about. An interviewee from Group A mentions that it is important that the HR department works quickly and closely to the organisation to be able to identify needs and deliver according to these.

"I believe that there is a magical point to how long you can work with a change without experiencing that the change is actually leading to something concrete that is much better"

– Group A interviewee

The Group A interviewee claims that when employees witness the positive effects relatively early, it will motivate them to continue with the change. Living in a constantly changing environment without any signs of progression can become destructive. Thus, the interviewee claims that slow progression will also allow time for continuous adjustment to the new system.

4.4 REDEFINING CULTURE

The following section concerns answers gathered from the interviews regarding the cultural aspect. The responses have been further divided into categories that highlight recurring themes found within their responses.

4.4.1 Cultural Change

The overall change process will trigger curiosity among the employees. There are many initiatives and statements, where a strong influence comes from top management who wish to reshape the culture. Several interviewees, both from Group A and B, agreed that a cultural change is required for a transformation to occur, where the transformation will by itself initiate a change in culture. The culture must change as it is closely interlinked with structure, however a tendency is to focus

primarily on structure. One interviewee from Group B states that culture remains in the current way of working, thus before establishing the Agile way of working, it is difficult to change the culture.

According to a Group A interviewee, there has always been a core focus within the VCC culture to care for the individual. Regardless of geographic placement, this should be found throughout the firm. A Group A interviewee claims that VCC has never believed in strict command and control hierarchical structures. Instead, communication and letting the teams have the power of decision-making has always been highly valued. One interviewee from Group A stated that the culture cannot disappear, but it can always have a better or worse growing-ground. A common belief among both Group A and B is that the transformation will enable these core values that VCC stands for, which has at times been undermined depending on the controlling influence of the firm.

Several from Group A believes that the new way of defining the culture is easier to grasp and gives a clearer direction. It does, however, require effort from the managers to define the culture at a team level. The new focus within the culture is going to be gradually implemented with the transformation, by talking about it through different forums. By directing a focus on the 'we' part of the culture, it can seem too overwhelming for some employees as they believe it is a change to a completely new culture instead of a reshape of the existing. An interviewee from Group A was concerned that the employees will feel as if all safety fences are eliminated at once, if the new focus of the culture is implemented too forcefully.

4.4.2 Culture within an Agile Organisation

Several interviewees, both from Group A and B, believe that the organisational culture will fit with the Agile philosophy. The focus on 'we', where achievements are done as a team and not to full-fill the tasks pre-defined in the role-descriptions, will be a step in the right direction for VCC. An interviewee from Group A expresses a relief that the organisation leaves the mind-set of 'my place, my title, my box' which is steering the current way of working. However, there is also a common understanding that the organisation is not ready for this transition yet.

"Culture is everyone's responsibility, it is something that sums up how we do things"

– Group A interviewee

HR is facilitating workshops within each division that ties culture together with the Agile way of working. The interviewee from Group A mentions that HR's intention is to show how culture can be found in the daily work, as culture is strengthened by letting it influence every action and reaction. With the transformation, there will be a new focus on the individual's importance, achievements, competence, skills and behaviour. It will take a new focus on what each team member 'brings to the table'. Part of Agile includes working in smaller teams, which means that the members will work more efficiently and thus see results faster. Group A believes that HR can be a supportive hand for managers, to be role models connected to the culture, as this will be important to reach the set goals. One Group B interviewee expressed the difficulty of a team-leader

to say no to managers, and that HR could potentially be an objective party that can remind the manager of the new standards.

4.4.3 Transparency as a Part of Culture

Of all interviewees, there was a strong belief in the importance of transparency to succeed with the transformation and the intended direction. An interviewee from Group A quotes a top management: "winners loose more than losers", implying that they must dare to take risks. By being transparent with the work and personal priorities, teams will gain a greater understanding of each other's capabilities and goals, and thus create a climate that enhance trust. A Group B member points out that the traditional system lacks insight in the work process. Thus, when deliveries are not met, trust is lost. However, when the work process can be visually tracked, and a potential error easily traced, it will contribute to build trust.

Of the interviewed from Group B, all believed that transparency must start with the leaders and managers within all levels. Understanding that their presence should not be to control, only to support and gain information of the status through the visual backlog. Through the backlog, the tasks to be completed are clearly defined together with the quality. A Group A interviewee believes that this will relieve the organisation from searching for errors in each delivery. It will create a sense of safety as everyone will know exactly what is required of them. However, a few of the interviewed representatives from Group B express a worry that transparency will be difficult for some employees as there is nowhere to hide in the new system. One interviewee from Group B believes that individuals within the teams will feel more pressure to deliver. The interviewee sees this as something positive as today the consequences are not severe enough, creating unnecessary bottlenecks.

4.4.4 Trust within Culture

All interviewees considered trust as a requirement for the transformation, as it is a foundation within Agile. Some from Group B believe that there is trust in the organisation and emphasise that with the transformation, trial and error must be accepted. Leaders has not been trained to trust, instead their role as a leader has been to control the output and the employees. One member from Group B explained that there are two theories regarding trust: either the leader decides to give trust, or the individual must earn trust. In both cases, it is important to give the individual the right prerequisites.

"If we would notice that this does not work, there needs to be trust in the organisation to state this, and then we need to change the direction"

– Interviewee from Group A

The traditional organisation is based on a community of not trusting the employee's skills and judgement. Generally, one does not risk doing wrong which was a common answer by many of the interviewees, both from Group A and B. Specifically, one from Group B claimed that "*it is*

easier to ask for forgiveness than for permission", where a test and trial period is not generally appreciated. A Group A interviewee also express the varying level of trust within the organisation depending on the hierarchical level. There is a general trust in the individual and their willingness to produce the best. However, the lack of trust leads to an extensive amount of rework and check-ups to secure every decision made.

The project management structure is based on control and continuous work shadowing. It will be essential to build trust in the new organisation to let go of the old control mechanisms and delegate the decision-making power to the team, claims several Group B representatives. All interviewees in Group A were positively hopeful that the continuous work with culture will help build the level of trust required for the Agile philosophy. Both Group A and B believe that this is an important question for HR, where they must actively teach old managers new behaviours.

A concern expressed from both Group A and B, regards the top management level being too interested and involved in changing details at project-level. Their interference sends a message to the engineers that they are not trusted by the top management to perform at the required level. A time span must be left for the team to prove that undisturbed work will give better results. The interviewees was concerned that managers would not have enough patience for the test period and would interfere with the team too early.

4.4.5   Areas of Application

Group A believes that the culture should not be used for rating achievement. Instead, the culture should be a guiding tool for decision-making. Additionally, Group A is aware that it will be a challenge for managers to concretise vaguely defined behaviours compared to the earlier detailed statements that defined the VCC culture. Interviewees, from both Group A and B, also mention that the previous culture was easier to use in measuring performance. The new definition of the culture will be more difficult to apply directly and requires individual and team interpretation, which was a concern expressed by many from Group B.

"We have to change because if we have the same person at the same place doing the same job, we cannot expect that the result becomes that much different."

– Group A interviewee

The Group A interviewees all believe that the culture will influence the salary structure. The current system allows employees to 'relax' once placed in a salary-box, whereas the culture will be used to set team goals and individual knowledge paths that will continuously be follow-up. An interviewed representative from Group B was certain that the culture will be used as a performance indicator in reaching the teams goals. An interviewee from Group A explains that the new criteria of measuring individual's achievements will become a challenge for some to adjust to, especially on a team-level. The box system matches perfectly with the roles, which is a safety that is now being taken away. The representatives from Group A all agree that HR's work, in helping leaders coach the team in creating a new safety, is essential for the wellbeing of the individuals. Team and

individual performance can be a challenge to measure, which is further explored in the following section.

4.5 MEASUREMENTS

The following section concerns the interviewees view on the different aspects of measurements, both in the traditional organisation and in the transformed organisation. The different areas include performance management, measuring with KPI's, salary system, and measurement of knowledge.

4.5.1 Performance Management

Traditionally, individual employee goals are set at the beginning of the year at VCC, and later followed up in the middle and end of the year. Something that both Group A and B representatives mentioned was that the yearly goals were rarely relevant at the end of the year. Representatives from Group A also mentioned that a new process-model for performance management will be implemented that measures performance, expectations, and goals. There will be an individual development plan connected to the goals, that the employees will be measured and evaluated upon. Several Group A interviewee's mentions the importance of creating the right priorities for each individual and the right conditions to make sure that everyone can deliver to the best of their ability. The performance process is highly connected to the behaviours that the employees are showing, how well they are living according to the Volvo organisational culture.

Group A states that the transformation will imply that goals no longer will cascade down from top management level, instead each department manager will have their area of focus, which will be decided and discussed with their management team. This way of working will make the purpose of each department clear. Depending on the focus area of the department, each development team can priorities their goals and activities, to reach the departments purpose. An interviewee from Group A explains that there will be a need to continuously evaluate the teams, to make sure that they follow their goals and that the goals are clearly connected to the organisational goals and strategic line.

4.5.2 Measuring with KPI's

An interviewee from Group B mention the need for measuring and using KPI's, but also states how difficult it is to measure softer values. One representative from Group B claims that KPI's should be used to allow teams to evaluate their own status, and not as a tool from managers to measure team performance. The same interviewee also believes that the teams should perform assessments three times a year, with a focus on the softer values, such as how they work together within the team. During these assessments, the team can also evaluate their weaknesses to continuously develop and improve their performance. But the teams must also work with the technical KPI's, such as having a clear definition of 'done'.

According to several of the interviewed from Group B there is always a risk when using KPI's, since it can easily become a focus to just full fill the criteria to score well on the KPI. This factor

is something that is very important to be aware of when measuring people, making it essential to understand the purpose of the measurement. As one from Group B mentions, if the purpose of the measurement is a factor that the employee's salary is based on, the employee probably only wants to show the best aspects of themselves. But if it is used to continuously improve and learn, there will be a different focus.

Another member from Group B mentioned that performance management and KPI's is something that HR needs to focus on, since it is an area that needs to be changed to match the intentions of the transformation. The current performance system is optimised to measure individuals and not team level, which implies that the organisation is measuring the wrong qualities. It is important that VCC's measurements are matching what the organisation wants and needs regarding the structure and culture. According to the interviewed from Group B, it is important that HR takes part of this work and takes a greater responsibility in correcting it within the Agile structure. The organisation need to foster the focus on 'we' instead of 'I'. It is important to have clear team-goals instead of individual goals, since the opposite can have a contradicting effect on the organisational goal of the transformation. The goal should be to optimise the team performance and not the individual.

4.5.3 The Desired Salary System

Most of the interviewees, both from Group A and B, agreed that the salary system should be changed to match the Agile transformation. According to a Group A interviewee, the salary will be adjusted to each division. Some parts of the organisation, such as software, have based the salary level on the T-shape of each team member. Other parts of P&Q have chosen other competences to be used to determine the salary. They have also implemented a new tool for managers to use in meetings with employees regarding their careers and individual goal setting. This is used to identify the employee's inner motivation as this will hopefully initiate a new way of thinking.

A Group A interviewee describes the current system as an easy tool for the leaders and individuals to use, however it is not the most accurate. The box system is a way of calibrating employees' salaries against each other. One of the HR interviewees stated that in the current system it is the individual, their delivery, and their priorities that are most important. After the transformation the hope is to have an individual based salary system, which is not connected to a specific role.

A Group A interviewee mentions that it is important to focus on the individual's contribution and personal development, and that there should be a focus on the process rather than on the final delivery. One of the members in Group B believes that it is crucial to think less of the boxes and more on what the person adds in value to the team or the organisation, to get a salary based on how the employee performs and not depending on their box. As the same interviewee mentioned, the current system will be difficult to change, since it is connected to bonuses and other benefits as well.

4.5.4 Measuring Knowledge

We measure for the sake of measuring, I am allergic to that!

– Group A interviewee

Today, measurements are made based on what your deliver in a project. The Group A interviewee states that it would be more effective to measure employee and customer satisfaction. Different surveys have been used to measure different aspects, but these have now been eliminated due to the abstract level of the questions. The Group A interviewee explains that employees could not relate to the questions, and that they were highly affected by the mood of the person at the time they took the survey. Additionally, the test was held once a year which also contributed to them being considered as an inaccurate measurement. A different tool will take the surveys place, and will focus on the all-around performance of the individual. A common discussion within top management was to leave the 'one-size-fits-all' questions and make them more adapted to each division and team.

One Group B interviewee raised a concern of the criteria's managers will use to assess their employees, since the managers in the Agile organisation will no longer work within the team. This is a concern that representatives from Group A also raised, that employees in the organisation will only be in contact and collaborate with co-workers who does not decide their salary. Thus, a change in the evaluation system is required to collect the feedback from the team on each member contribution. Another aspect that was stated by an interviewee from Group B, is how technical specialist will be valued in the future. Due to the Agile transformation, they will be asked to change their very specific I-shaped competence to a T-shaped profile. The specialists will be asked to share their knowledge with their team members, making the organisation less dependent on an employees' specific knowledge. Managing knowledge within the organisation is further discussed in the coming section.

4.6 KNOWLEDGE MANAGEMENT

The following section depicts the areas within knowledge management including: training and learning, feedback systems, HR's knowledge within Agile, career paths and role descriptions.

4.6.1 Level of Training and Learning at VCC

An interviewee from Group B believes that it is a prerequisite for managers to go through training to build knowledge around the Agile philosophy. However, the interviewee also states the importance of accepting the concept before training. Otherwise the training will not contribute to the intended level of learning. There is a tendency today that trainings are booked but not followed up on. A Group A interviewee believes that it is the responsibility of the manager to make sure that each training is noted and reflected on by each employee. Also, the attitude and mind-set of the managers are especially important when the new roles are assigned. The managers should work closely with each team member and establish specific trainings to reach their personal goals. An

interviewed member from Group B agree that this is something HR can take responsibility for when supporting the managers.

One of the interviewed from Group B mentions the new cross-functional teams where the individual will have to be open for learning and teaching, to build knowledge within the teams. A difficulty with the new teams will be to motivate specialists to do tasks they normally do not do. The interviewee stresses the importance of both maintaining a deep specialist knowledge but also complement the knowledge base by broadening their T-profile. This is to understand all members within the team and enable knowledge sharing to increase the overall level within the team. One member from Group B mentions the combination of younger and older employees, where the mixture of enthusiasm and experience is important to drive the transformation.

4.6.2   Knowledge within HR

There is a general agreement from all Group A interviewees that it is important for HR to have an overarching business knowledge of the division one belongs to. They all agreed that this type of knowledge strengthen the relationship between managers and HR, as they could participate in the discussions during meetings. However, none of the interviewees saw it necessary to have in-depth technical knowledge. Their motivation followed that their expertise was within the HR profession and that they could coach with leadership and team development without technical knowledge.

An area where HR sees potential to develop their own knowledge regards organisational development, organisational structures, and change management. According to an interviewee from Group A, this knowledge cannot be gained from attending a course, and requires special in-depth understanding that one must gain from experience. An interviewee from Group A also mentions the possibility for the division Software and Electronics, being a leader in the transformation, to have a day per week talking about their needs including feedback, having effective one-to-one meetings, making development plants, and other good know how's.

Several interviewees from Group A mentioned the importance of HR being present to listen and integrate with the business unit. This included pro-actively asking for invitations to meetings and booking one-to-one meetings with managers. Individual responsibility is required from HR to get the information and building up a network to gain access to the knowledge-sharing-pool. Among others, HR has an overarching responsibility to make sure employees have the required skills and prerequisites to complete their work task.

"The drive has to come from the people that are affected now within HR, and that they seek the nutrition necessary to survive"

– Group A interviewee

The Group A interviewee mentions the importance of best practice and to be able to absorb good examples and apply them to the VCC structures and processes. It is about finding the right methods and tools for all types of situations. The interviewee would like to see a greater interest from HR

in learning about theories through an academic perspective. Especially concerning leadership, as this is a major part of HR's role, coaching managers to be good leaders. All types of learning also require continuous updating to ensure that HR takes an active responsibility in delivering the right type of support.

4.6.3 Knowledge about Agile

Regarding knowledge within HR and Agile, one Group A interviewee express that there is more to learn within this area. A difficulty mentioned by several from Group A was to learn about Agile since HR have nothing to apply it to, since they do not work within the processes. During a test case, one from Group A had been involved to act as a Scrum Master, which was found incredibly useful in terms of knowing what challenges this role face. Group A suggested that this might also be a role that HR could potentially take in the future, since it will include a greater focus on the human factors and not the technical. Another Group A interviewee finds that the best way to learn about the new organisation is to participate in all different forums, training programs, and ask colleagues. Further, the Group A interviewee explains that focus should not be on 'how to work', but on 'how to change' the organisation from a project focus to a product. This has also been mentioned several times by Group B as a big challenge, as it is a shift in both work methods and a mental turnaround for many specialists.

Agile leadership courses are held once a week and are fully booked with 30 employees at a time. This is specifically made for managers at P&Q, but it requires them to have the motivation to be curious and participate. Here, Group A mentions that they have a role in the training, which they believe will contribute to their individual learning as well as send a message to managers to ask for HR's help in the transformation process. An interviewee from Group A mentions that they have participated in a crash course of train-the-trainer regarding pedagogy, which is essential for HR when they are taking a coaching and teaching role. Questions during the train course directed at HR concerned team building, situational leadership, and acting in the moment. One from Group A reflected that they must grow closer to the organisation, more than today. Even if they do not understand everything talked about during the meeting, the Group A interviewee means that being present sends out signals to the leaders that HR is willing to be there and contribute.

4.6.4 Feedback to Increase Learning

Feedback becomes an essential part of team development, where an interviewee from Group A points out that it all starts with getting to know yourself. Everyone within a team should be able to show their weaknesses and be able to talk about what they find challenging. There is a general request from Group B to have more workshops, focusing primarily on working actively with giving and receiving feedback. HR is willing to have these workshops, and tries to incorporate teaching these skills at different forums to bring awareness of the topic. An interviewee from Group A discussed the necessity to give employees and managers the right prerequisites to give feedback if the new processes demands it. Group A sees themselves acting as role models in giving feedback,

where they can get better at giving feedback within the HR team. Additionally, living as they teach will increase credibility of their work.

One of the interviewed Group A representatives' states that yearly follow-up meetings are being replaced by instant feedback loops. It will include a continuous dialog within and between the teams, as well as one-to-one meetings with the team leaders. It will be a challenge for the leaders and managers, to learn from the new emerging generation. Additionally, they will have to give feedback based on both performance and behaviour, where it should not only handle 'what' they do but also 'how' they do it. In a traditional setting, the manager takes part of the technical work together with the team. Thus, it is easier for them to see and lead the employees, and thereby provide feedback continuously. This is something that will be a difficulty in an Agile organisation, as the manager will not be involved in the technical work.

4.6.5 Knowledge Paths

Among all interviewees, there is an awareness that the career paths have changed to match the new Agile processes. However, there is little knowledge of how these will be planned out since the organisation has not reached this phase yet. Today, the same career steps are used as in the traditional system. A Group A interviewee confirms that there is currently no plan regarding managers career paths, however the new paths will look differently depending on the individual motivation. The new generation on the labour market has higher demands regarding flexibility and knowledge usability. An interviewee from Group A states that the organisation will have to adapt the firm's structures to meet these demands to make VCC an attractive choice for new talents. The Group A interviewee is aware that it is part of HR's responsibility to make the roles as attractive as possible, to gain the emerging competence from the new generation.

An interviewee from Group B believes that it will be more of a knowledge career in the future, where titles becomes unimportant. A Group A interviewee mentions that for now there will be different salary levels depending on the role, which will not be changed if one expands their knowledgebase. A common wish expressed by both Group A and B is that the careers will be valued from the individual's impact and not from the title. One interviewee from Group A mention that the cultural behaviour, individual competence, and personal delivery will come secondary to the achievements and contribution of the team. This requires new performance processes where the existing processes hinder development and the transformation. As with many other processes, it builds on trust, which goes further away from the existing processes built on control. The Group A interviewee emphasises that this shift will require a lot of time and support.

4.6.6 Role Description

One Group B member mentions a group that works with adjusting the roles from the SAFe structure to fit the organisation. However, employees will still interpret the roles differently and will need a lot of coaching to open-mindedly discover the new roles. Employees are not forced to apply for the new roles. It is therefore important to ensure that the employees have enough support

with their new roles so the firm does not encounter loss of personnel due to a mismatch. One Group B interviewee explains that it differs from manager to manager how they introduce the new roles to the employees, where some are more encouraging than others. For some employees, it will be the first time applying for a new role, which should be taken into consideration when introducing the roles.

The Group B interviewees are aware that the roles will affect everyone. Several express their concern regarding the role for developers and architects, and how their future in terms of 'next step' will look. One Group B interviewee mention that it will be a challenge to get employees to mentally go from today's strict title-based system to the new SAFe roles, and not see it as a degradation. Also, there are major concerns if their existing role or function does not fit in the SAFe structure, where one will be placed. These challenges mentioned by VCC interviewees are also common within other transformation projects, as mentioned in the following expert section.

4.7   EXPERTS WITHIN AGILE TRANSFORMATION & HR

The following chapter contains empirical data from interviews held with experts within Agile and change management. The three experts interviewed all have extensive experience from implementing and working with Agile and SAFe. Two of the experts has worked at large software companies going from a traditional waterfall structure to implementing SAFe and adopting the Agile philosophy. One has focused especially on the culture and people aspect within the transformation. The third expert has worked as an Agile coach, helping several firms during different phases of their transformation and has also held training courses within Agile. This expert has also focused on HR's role in the transformation and has extensive knowledge within this area. The same overarching areas used at VCC are presented in the following sections, including the transformation process, culture, measurements, and lastly knowledge management.

4.7.1   Transformation Process

The following section presents the experts' view of the transformation process. The areas depicted includes the Agile concept, organisational structures, enabling change, and HR's role in the transformation.

The Agile Concept

"Agile is about how we can control the organisation based on how we see the individual"

– Expert interviewee

Agile is about letting go of control and ownership, to give others the opportunity to rise and take a place on the stage. An expert describes this process as difficult for management groups who enjoy sitting on the power. Another expert mentions that organisations who choose to go Agile has understood the importance of the soft values, by being transparent and live the way you teach.

One of the experts explains that Agile can support the process of being the quickest in connecting a possibility with a customer need. Agile is a radical mind-set which makes the organisation flexible and adaptive from the bottom. The Agile mind-set will come after hand, the most important aspect is to dare to change. Everything will be questioned and challenged, especially the method of what is required to achieve the goals made. A challenge is overcoming old habits and behaviours, where external experts/consultants can make a significant impact to establish new ways of acting and thinking. The expert explains that it is a maturing phase for everyone within the organisation.

An expert describes theory X and Y, which depicts the fundamental differences in the view of the human. The expert continuous to explain that it is impossible to believe in theory Y and have financial methods that reflects theory X. Thus, firms must eliminate hindering processes that are based on theory X. An expert believes that HR has the potential to identify the most harmful processes. Creating time for the new concepts to set is criteria for employees to start adopting the Agile mind-set. One expert working as a team leader, dedicated one day per week to the team, where they had the chance to ask questions or ventilate any troubles.

Organisational Structures

Most organisations are controlled from a perspective that top management knows best. An expert depicts these types of organisations as having slow moving processes, where questions and decisions are moved up and down the hierarchical ladder. Politics and decisions made for an individuals' own success slowly breaks down the firm. The interviewee strongly believes that these organisations will not exist in a few years, as the average age within the firms is dropping, and the new generations demand a certain type of fast moving organisational structure.

Decisions must be taken closest to the customer where trust will be an enabler for quicker decisions. The teams strive to become more autonomous which cannot be supported by rigid budgeting processes and portfolio controlling processes. An expert claim that a total re-structuring of the organisation is the worst to do. Focus should instead be aimed at filling the existing organisational 'boxes' to support the direction the organisation wants to go. Regardless of organisational structure, there is a human instinct to belong. An expert finds that it is about combining the three areas of *control*, *controlling systems* and *leadership* to make the individual perform at their best.

An expert mentions the importance of a change initiative bring top-driven, so no one can avoid the change. However, general boarders need to be established relatively early to create a form of safety-net in the beginning. By starting simple and after some time give the employees more freedom as they mature and grow comfortable in the new structure. The expert mentions that employees must have the right prerequisites to find themselves in the new structure. The interviewee claims that this can be enabled through a flow of information. Both in terms of updates of the transformation and being clear with them that it is ok if it is chaotic. By spreading this type of information early, it will make employees feel more at ease when it occurs.

Enabling learning through each other became a major success factor for one of the experts who helped an organisation go through a Big Bang transformation. A Demo-week was held where all teams visited each other's demos to learn more about their product stream. Managers made sure to physically visit the different geographical sites to understand their reality and not draw conclusions based on a report. Another expert found it most efficient to make some material mandatory to read where it was the managers' task to make sure that everyone took part of the information.

Enabling Change

For change to occur, the organisation must hurt. An expert explains that it is most effective to push on the weakest parts, as these will fall first. Thereafter, a domino effect will shatter other parts and force them into the change process. It is a push and pull process, where small steps are taken to continuously collect reactions and proceed forward. The expert stress the importance of not looking blindly at the individuals and the management but also the controlling structures which affects the processes significantly. It is important to evaluate the small wins to indicate what is valued.

Within the change processes, there is a common wish expressed by two of the experts, that HR steps in the front seat to help drive the transformation. They need to define what is left to do, be a role model coach and T-shaped leader. HR needs to understand the areas within the organisation affected by the changes and be an internal consultant. An expert believes that HR generally lacks the competence to act in this new role, for which they receive a lot of critique for. The traditional HR processes are established based on what we are motivated by, and HR's role is to make sure that the organisation follows these processes. However, as previously mentioned, there is a need to identify what triggers the inner motivation within the employees working in autonomous teams, which means that HR processes must adapt to these changes.

An expert who has been involved in several Agile transformations mention that there were no difficulties for managers to let go of their mandate. The old way of working was unsustainable due to the overload of work. The expert explains that leaders think they have control in a traditional organisation, when in fact this is only fake-control. Control comes with the Agile organisation, since everything is transparent and everyone has knowledge of all details in real-time. The expert states that a transformation requires commitment from the whole organisation as the control-systems varies between Agile and traditional. One expert explains that it can be difficult for some managers to let go of the control and mandate, when other parts of the organisation is not going through the transformation.

The best and most efficient way, according to an expert interviewee, to implement an Agile philosophy is through a Big Bang. There should be an end-to-end flow, thinking about competence as a whole, which requires participation from all parts of the firm. Organisations risk staying in the old without a Big Bang change. Some parts will not find a place within the SAFe structure at once, they will act as support for the Agile trains in motion. The expert predicts a minimum of a

year to roll out the transformation, regardless size, and an additional year to make it stick. If the processes are cancelled before, all changes will be undone. Firms rolling out the change in silos will face challenges with the interactions between other functions, due to differences in formatting of input and output.

Human Resources in the Transformation

According to an interviewed expert, HR should be involved in the work to identify new roles and help individuals from the traditional structure to coach them in the new dynamic landscape. One expert was highly involved together with HR in defining the career path within a flat organisation without losing competence. They were involved in getting employees to feel safe without the support from rigid processes and managers.

An expert explains that Agile is about surfacing the problems as early as possible, compared to a traditional organisation where information is power and therefore held secret for as long as possible. It is a transformation in behaviour and the overall climate, which sets high demand on each employee to adopt and change themselves. The expert mentions positive experience with HR holding courses in working with feedback daily, and providing methods and tools which inspire to change.

One expert had experience from only working with HR towards the end of a transformation. They felt that HR could participate earlier to help the organisation to not get stuck in the old ways of working. Matching the individual with the new structure requires support with the soft values, where the expert wanted to see more initiatives from HR. Thus, the contact with HR should be close at hand so that the individuals do not get forgotten. Another expert mentions HR supporting in freeing time for reflection and training to increase collaboration. Where they can demand managers to reserve time for group dynamics or training programs.

4.7.2   Culture

The experts' view on culture and its importance within a transformation is described in the following section. Starting with the value of trust, the correlation between culture and structure, and ending with how to nurture learning through the culture.

The Value of Trust

Behaviour, values, and attitude is what shapes culture, claims an expert. It is nurtured through informal meetings between employees and managers, the better you get to know your colleges, the easier it will be to communicate and get answers to questions. One expert mentioned that the management team valued the importance of being synched, so the employees would feel comfortable with addressing any manager and receive the same information. They found this to be important to create trust for the organisation and their strategy.

If one can do a mistake, it is an indication that there is trust within the organisation, claims an expert interviewee. If trust does not exist, there is a tendency to pass the decision to someone else,

since there is a fear of the consequences of a wrongful decision. The expert further concludes that if there is no trust, the Agile philosophy cannot be implemented. Agile is built on full transparency, and that failure should be accepted to learn from one's mistakes.

Culture versus Structure

Another expert interviewee is determined that any Agile framework must be adjusted to the organisation and to the existing culture to build a new culture. Within this process, it is essential that top and middle management support exists, as the culture needs to be built from the bottom through leadership pursuance. When choosing which end to start with, culture or structure, the expert finds the culture to be the most important to establish before structure.

One expert mentioned the continuous work with 'levelling' the structure and aiming for a flat organisation. After some time, the employees will understand the importance of tight collaboration and establishing a commitment. The expert found that the structure will be able to 'level' more after time, as the teams becomes more autonomous. The aim is for teams to solve the problems by themselves and not require outside help.

Continuous Learning

Coaching requires a significant amount of time, specifically teaching employees how to 'sell' an idea to one another, giving feedback, etc. An expert mention that this will take both time and resources, however some of this cannot be taught from teaching, but will come from routines and experience.

> *"Imagine sailing in fog, you cannot see anything at first but after a time your eyes adjust to the situation, and suddenly you start to see through your ears. If you cannot see with your eyes, you have to start seeing with other senses to know what is happening around you"*
>
> – Expert interviewee

The expert points out that it will be uncomfortable for the employees at first, which makes an outside expertise critical. When the mandate and decision-making power is given to the teams it will come as a fear for some, as there is no manager to hide behind. This is a teamwork that needs to be established to create room for learning and teaching within the group.

4.7.3 Measurements

The expert interviewees all mention the difficulty in measuring knowledge and performance. Using KPI's and other methods to include the soft aspects when determining performance, is a challenge when shaping the salary structure in an Agile organisation. The following section depicts how the experts has worked with performance management and their thoughts on modifying the salary structure to fit the Agile organisation.

Performance Management

All three interviewed experts agreed that measurements and KPI's are something that needs afterthought before used. One of the expert stated that performance management and KPI's are factors that should be payed attention to last in an Agile transformation. When deciding KPI's, it can start to drive employees in different direction. If this is not managed, the KPI's can do more harm than good. An Agile transformation is a major change and it is important to get the right attitude and mind in place first, before introducing KPI's that measures possible areas of improvement. There is a trend to decide KPI's early since there is a tendency to measure everything. However, in most cases it is not clear why and what the KPI is measuring.

"You get what you measure"

– Expert Interviewee

Another expert stated that when goals are created for an employee, especially with a technical background, they feel at ease in knowing exactly what is required of them. At the same expert's firm, they had yearly goals for their employees, which was followed up twice a year. However, it was clear that the goals were not relevant at the end of the year compared to the beginning. The organisation started to work with short goals instead, where the employees themselves took part in setting these. The organisation also started to focus more on 'how' the employees should reach their goals, and this gave a different focus. This also added another aspect in the evaluation meetings. The expert also states that this is a question that HR could work with, 'how' something should be achieved.

The expert continuous to explain that the teams got to set their own KPI's and measurements, regarding specific areas that the management group had decided. The expert explained that if the managers decided the KPI's, these instantly became the focus for the team. Every team had their own scale, and the only requirement was that they could demonstrate an improvement in these areas. The expert stated that HR could do something similar, to let the line managers take full responsibility of the KPI's, since it is impossible to compare different departments as they work so differently.

The best measurement and KPI that HR should have, according to one of the experts, is that the organisation is satisfied with their efforts. HR is an internal service organisation, that needs to change their traditional way of working to match the Agile way.

Salary Structure

Regarding salary structure, one of the experts stated that they had used a structure that was visible and transparent for all employees. The organisation used a scale that reviled the quality of the work and how it is delivered (see Figure 22). The role of the employee is the base for the salary, but everyone had the possibility of reaching the highest part of the scale no matter starting position and role. This scale was used to create a dialog during the year, so that there were no surprises at

the end of the year when discussing the salary. A difficulty expressed by an expert when working in teams, is to differentiate who has done what, since the team owns the whole delivery.
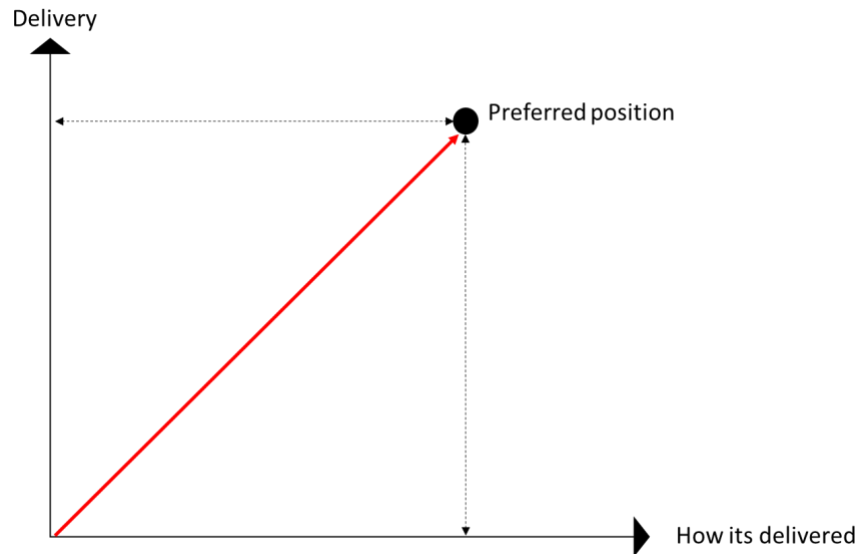
Figure 22 - Salary scale used to visualise ability to deliver as well as the factor of how something is delivered

4.7.4 Knowledge Management

The experts' view on knowledge management is presented in the following section. This includes how learning is created and sustained in a transformation processes as well as the specific tools required.

Tools for Learning

Longer training courses are becoming outdated claims one of the experts. The time is now, and there must be instant and continuous learning accessible for fast learning that is adjusted for each specific request. An expert feels that HR is behind on addressing this matter, where they should look ahead at various databases, where the employees can access the right type of knowledge quicker. One expert has experience of HR's support regarding different training packages. They must put the training in context and focus on 'what' should be accomplished in the daily work. HR can contribute by pushing the line manager to make more time for the employees in their team-work and giving them time for training courses.

For HR, it is important that they have knowledge about Agile, so they can contribute in making the framework more adjustable. An expert believes that HR can be out in the organisation more to listen, and conduct employee surveys to establish an understanding of how the organisation is feeling. The experts all agree that pulsing employee surveys should replace the yearly reviews, so that the needs of the employees and managers can be covered. A common point expressed by all experts is the focus on teams within the Agile philosophy. Tests are made to see how the individual fits within a team instead of focusing on the task to be performed. An expert explains the

importance when looking to recruiting talents, to find individuals who flourish in an Agile environment. This applies both to team members as well as leaders and managers.

Sustaining Knowledge in the Transformation Process

One expert explains that the change process they were involved in was initiated from a rough idea presented by top management. The rest of the work was up to the organisation to figure out, together with Agile coaches at all levels to help drive the transformation forward. The employees were all placed within the new roles and if the new role was not appreciated by the employee, they had the chance to change roles at a later stage. The expert explains that the roles were kept to a minimum and focus was put on the type of competence required for each team to fulfil the delivery. An expert interviewee emphasises that there is no quick fix solution or perfect recipe, and everyone must be open to proceed and work without having answers to all questions. This is where Agile coaches played an important role. The only training the employees had received was a one-day crash course before the transformation day.

Agile philosophy aims to increase performance from each individual as they get to work with what they are both good at and love doing, explains an expert interviewee. Thus, an important part of the transformation is changes within the salary structure which comes with the changes in roles. An expert claim that this is the most important, but also the most difficult aspect to change. The salary systems within a traditional structure is based on the thought that people are motivated by external factors. Thus, the expert argues that work must be done with leadership, together with other factors that triggers the inner motivation.

5. ANALYSIS

The analysis is created by combining the empirical data with the literature study to determine challenges that the organisation face. The structure of the analysis is derived from the initial categories, see Figure 18 (transformation process, culture, measurements, and knowledge management), where a summary of the identified challenges is shown in Figure 23. The outcome areas of communication, commitment, trust and empowerment highlights the areas where challenges can be identified within each initial category. Each challenge is stated as a question as there are no definite answers, leaving room for further discussion when generating initiatives for HR.

Communication	Trust	Empowerment	Commitment
Creating commitment	Nourishing desired behaviour	Matching structure and culture	Pre-requisites for learning
Sharing valuable information	Current and target ways of working	Management adjusting behaviour	Processes enhancing learning
Employees finding new roles	Culture in every action and reaction	Creating high performing teams	Individual development & motivation

Figure 23 - Summary of challenges found in the analysis

5.1 COMMUNICATION AS AN ENABLER IN THE TRANSFORMATION PROCESS

Communication can be used in different forums and forms, and act as a great enabling tool to make a transformation successful. In previously described change models, communication is a vital part in creating commitment to the transformation. Without an efficient information flow, the transformation will be difficult to complete successfully, where communication becomes a major barrier in the coordination of processes and people.

The transformation will imply a major change for the way of working and affect the whole organisation, and this will cause different reactions in the organisation. According to Wilson (2014) it is important to be aware of the emotional roller coaster that comes with larger change initiatives. Interviewed representatives from Group A states that is important that all employees know why the Agile transformation is implemented. There is an overload of questions from the employees, which will remain unanswered since no one has the answers. As described by Kotter (1995) the first step in a change process should be to spread awareness and create a sense of urgency. This is something that Appelo (2012) also mentions as crucial in a change process, spreading awareness

and creating a sense of urgency without stressing the change. The fact that there are questions regarding the transformation, could imply that there is an awareness in the organisation. There is a concern expressed by an interviewee from Group B that the organisation is rushing into the new structures due to time pressure, which could mean that the organisation will be Agile on paper but not truly having adopted the way of working.

Something that was mentioned by all the interviewees at VCC, was the anxiety of leaving a role in the traditional organisation, a place of safety, for something unknown. Group A expresses a worry that the organisation will lose good competence, if employees wait too long to apply for a new role. All employees need to be well informed and pushed to take a step into the unknown. Thereby, Kotters (1995) sense of urgency, is not in place in the organisation.

Today, according to Group A, there is a lot of energy and time spent on factors that employees or anyone cannot affect. Franklin (2014) describes how it is difficult to establish a detailed plan when changing a complex system or organisation, since there are uncertainties in many significant parameters. The author states that a prediction of the process should be presented instead, and that enhancements and alterations can be made during the transformation. "No one can predict the future, but effective leaders can influence it" (Kormanski, 2005, p. 6).

Group A interviewees argues the importance of creating commitment among the employees, which could be created by keeping them informed and engaged throughout the transformation. The employees should be included in the transformation process to utilise their knowledge, which could create motivation and a way of concretising the vision set by top management. The interviewees also mention the importance of spreading awareness, so that everyone can prepare themselves. This is supported by Kotter (1995) that states the importance of identifying key persons that are positive to the change, which can influence the rest of the employees. Kotter also mentions the importance of communication during the change, to all parts of the organisation. By following Kotter's steps of change, the new state becomes the only way of working. This leads to the first challenge of creating commitment without a functioning path of communication.

Challenge 1: How can commitment be created to something that the employees does not have knowledge about?

To be able to create an awareness in the organisation the transformation needs to be communicated to all employees. As interviewed from Group B mentioned there needs to be a rigid communication plan in place to spread the information to the entire network of employees. Group A representative's states that most of the information about the transformation is a one-way communication through the intranet and that there is a lack of communication from the management. This factor is something that is confirmed by interviewed Group B, that the communication to the teams is not sufficient. Something that Group B interviewees mentions as important to communicate, is the purpose of the pilots that are executed. The first result of a pilot is often poor and thereby many employees believe that the transformation should not be implemented at all. The current channels of information and communication can be experienced

as somewhat disorganised. There are many different share-points and information-hubs available, and a continuous flow of information through different forums. A Group B representative states that there still are many employees that are not aware of what is going on in the organisation regarding the Agile transformation. An interviewee from Group A mentions that it is difficult to communicate an explorative approach, since nobody have all the answers. As mentioned earlier, Franklin (2014) states that a complex change is difficult to plan in detail since it is impossible to predict the future.

Interviewed Group B members mentioned the need of creating a single forum where all information is available, that is constantly updated. It is important to continuously communicate the change, and make the information easily accessible, to make the employees aware of what is happening in the organisation. There is a need of using many different communication channels since it is difficult to get information out in the organisation and reach as many people as possible. This is something that the experts also mention as important, to have a continuous flow of information including updates about the transformation and that it is ok that it feels chaotic. A Group B member mentioned that there is a fine line of what to communicate and not, since certain information can stress the employees. One of Kotters 8 steps, is the importance of communication through the whole change, to everyone in the organisation to make the change successful. This leads to the second challenge of prioritising quality over quantity regarding information.

Challenge 2: How can valuable information be shared and communicated in the organisation, to create motivation and energy to drive the transformation?

The Agile transformation will imply new and changed roles in the organisation, and thereby there will be a need of introducing and mapping these. In the new organisation, as mentioned by the interviewees, the managers and leaders will either be focused on personnel development or making technical decisions. In the current organisation managers are quite operational in the technical decisions, and in the Agile organisation that power will be lost for some management roles. Group A interviewees mentions that there will be a problem, when managers no longer have the detailed technical control during the development phase. Group A states that almost all the roles in the organisation will be changed, and this transformation needs to be done respectfully, to preserve the competence in the organisation. The experts state that it is necessary that HR is involved when identifying the new roles and helping individuals to find their way in the new organisation. It is crucial that the employees have the right prerequisites to find their new path in an Agile organisation. The experts state that it is important that HR takes the front seat and drives the transformation. In an Agile organisation, according to Larman and Vodde (2009) and Moreira (2017), the employees are the most important, and one of HR's tasks is to support and improve their situation. Thus, the third challenge address the difficulty for employees to find their match regarding the new roles.

Challenge 3: What support do the employees need in finding new roles and career in an Agile transformation?

5.2 USING CULTURE TO CREATE TRUST

As mentioned in the interviews with both Group A and B representatives, the new VCC culture aims at directing focus on 'we' and leaving the mind-set of 'my place, my title, my box' which is now steering the current way of thinking. This ties in with the three levels of culture, where the second layer states that the espoused beliefs and values are shared assumptions of the group, which reflects group learnings (Schein, 2010). Hofstede et al. (1990) also mention the importance of organisational culture being representative for the whole organisation and not only the individuals. However, the organisation must guide the individuals in shaping the culture in an intended direction.

The first dimension in Hofstede et al. (1990) model regards individualism vs. collectivism, which can be determined by the level of integration within a group. VCC is aiming to strengthen their abilities on the collectivist side but focusing on 'we' and thus acting unitedly within teams. A worry expressed by a Group A interviewee was the readiness of the organisation for the cultural transition as this will imply a major shift in behaviour. As one Group B interviewee expressed, there is a difficulty experienced by the team-leaders when saying no to managers. The previous culture was derived from a waterfall structure where the top managers delegated tasks. The new culture will require the team to take the responsibility and managers to let go of responsibility, which is going to be a challenge for both parties according to several from Group B.

A Group B member mentioned in the interview that leaders has not been trained to trust, as their role as a leader has always involved controlling the output of the employee. Letting teams have the decision-making power has always been valued at VCC was mentioned by a Group A interviewee, however a general understanding from other interviewees was that the level of trust varies within the hierarchical structure. An expert highlights the importance of being synched within the organisation when it comes to information and standards, which is part of the culture. The Agile framework must be adjusted to the organisation and to the existing culture to build a new culture. A worry expressed by Group B is that the tendency is to focus primarily on structure and less on culture. This becomes a balancing act in Hofstede et al. (1990) fourth dimension of uncertainty avoidance, where the rules should be visible and guide employees enough to make them feel safe, but also allow enough freedom to shape team values and make decisions. Thus, the following challenge focus on the merge between structure and culture.

Challenge 4: Does the structure support and nourish the intended behaviour that is aimed for in the VCC culture?

The new culture puts pressure on the team-leaders as it requires them to define the culture at a team level, which is a concern mentioned by a Group A interviewee. The intention is to let the culture influence the daily work and should be present in every action and reaction. Thus, each team is faced with challenges and should therefore construct a culture that creates a good climate within the group. However, Hofstede et al. (1990) explains culture to be a "fuzzy" field, making it a difficult for managers to be expected to use the new culture without guidance. Several

interviewees are aware of the difficulty in concretising the new culture when using it in employee evaluations, compared to the old.

As stated by a Group A interviewee, the new culture will be rolled out quietly, since they believe that a forceful implementation would make employees feel anxious. However, the culture will be spoken about in many different forums to bring awareness to the new way of thinking. This correlates with what a Group B member mentioned, who finds communication to be an essential tool to balance expectations with capability. Nevertheless, an issue remains in finding the healthy balance where the gap between challenging and engaging is just wide enough to encourage employees. As a Group A interviewee expressed, the target must be set higher than what is achievable without it becoming destructive. This ties in with the fifth dimension from Hofstede et al. (1990) of shifting from short term to long term orientation. Thus, the challenge becomes a balance between letting go of traditional ways of working to a culture and structure that support the future needs of the firm.

Challenge 5: How can the culture act as a bridge in the transition between the current and target way of working?

An interviewed expert mentions the importance of building the culture from the bottom through leadership pursuance. A response from an interviewee from Group A is to coach leaders to create a new safety within the team to ensure wellbeing of the members. Schein (2010) claims that the group will adjust their own personal values and beliefs according to the shared assumptions. Thus, the team itself will have to become stronger, where team leaders must have enough patience for the team to figure out their constellation. A Group B interviewee was worried that team-leaders would interfere too quickly, so the team would not be given the entire mandate and decision-making power. However, this can become a problem for some members who are not comfortable with the transparent work style, as mentioned in an interview with a Group B representative.

An expert also mentions that some teams will not be ready to get the decision-making power as they are used to constant support of their line manager. This becomes an issue regarding Hofstede et al. (1990) second dimension of power distance. The inequality in power distribution previously set by the old culture has led to instances where top management has interfered with details at project level. Several from Group B expressed their concern regarding the power balance, where it will be essential to let go of the old control mechanism to build trust and delegate decision making power to the teams. An expert mentioned their work with levelling the structure, giving employees a message of tighter collaboration and a stronger commitment. As seen in Figure 8, culture is highly influenced by the history of the organisation, where the governing institutions and values are closely connected. Thus, the existing behaviour found at VCC can be reasoned from the waterfall structure they now are aiming to make more flexible. This leads to the following challenge regarding power distance.

Challenge 6: What actions needs to be taken to let the cultural values be seen in every action and decision made at VCC?

5.3   EMPOWERMENT IS A KEY IN MEASUREMENT

Several of the Group A employees mentions that performance management and assessment will be a challenge for the managers that will handle them. Both Group A and B are concerned about managers not working as closely with the teams in the transformation, it will be more difficult to assess the team and the individual team members. As Holbeche (2015) states it is important that the employees are recognised and rewarded. The author also mentions that there is a strong need of aligning organisational strategy, personal objectives and actions in an Agile organisation, to make it clear of how the individual employee contributes to the organisational goals. This implies that there is a need of designing a performance management system that ensures that the employees improve continuously and that encourages people. The interviewed expert's states that performance management is something that an organisation needs to work carefully with, since it can do more harm than good if handled the wrong way.

It is important to measure knowledge in the organisation, but also to measure the right things as mentioned by both VCC employees and interviewed experts. The right questions need to be asked, at the right time. As both representatives from VCC and experts state the organisation needs to leave the 'one-size-fits-all' questions and make the questions more adapted to each department, division, and team.

The current system at VCC is, according to both Group A and B, optimised to measuring individuals and not team performance. In the transformed organisation the objective is to optimise the team performance and not the individual performance. Therefore, there needs to be a match between what the system offers and what the organisation wants and needs, to match the structure with the culture. Traditional performance management often relies on ranking and rating of the employee accomplishments, and does not take the personnel knowledge and skills into account (Moreira, 2017). Petterson (personal communication, 15 January 2018) states that periodic feedback is a more effective evaluation method compared to a single yearly assessment session. This makes it possible for the employee to improve continuously and be willing to take more risks.

As stated by Group B and supported by interviewed experts there is a risk of using KPI's as performance indicators, since it can make the employees focus solely on fulfilling these criteria's. The purpose of the KPI's needs to be made clear and should be used to highlight possible areas of improvement. As mentioned by a Group B interviewee at VCC, KPI's should not be the base for setting salary since that triggers people to highlight the areas where they excel, not the areas where they need to improve. The interviewees from Group B also stated that KPI's should be used to find areas where there are possibilities of improvement, which is supported by an interviewed expert as well. Another expert stated that the performance management system is something that an organisation should handle last in an Agile transformation, since when the organisation starts to work with assessment it drives people in different directions.

Additionally, another issue mentioned by Group A and B at VCC is the salary system, which needs to change to match the Agile transformation. As stated by one of the representatives from Group A, no one really knows how the system will look in the future. The focus should be on the employee's competence and not the role description. This leads to the challenge of measurements and empowerment in the organisation:

Challenge 7: How should the performance management system be designed to match the organisational structure with the organisational culture?

As stated, the transformation will imply a major change for the organisation both on a managerial level and team level. Something that was stated by both interviewees from Group A and B is that the management role will have a stronger focus on coaching, but that there still will be more traditional managerial tasks to deal with. Group B interviewees express their concern that the line managers will lose their contact with the teams, if they lose their technical responsibility. There is a feeling that they will drift away from the team, and only be supporting them passively from the side. The Agile transformation will imply that the managers will be servant leaders to the teams, which is an area where Group B sees the potential of HR supporting leaders in. The leaders will help the team to be successful, and take more of a servant role (Sims & Johnson, 2012; Larman & Vodde, 2009). Moreira (2017) states that in the Agile way of working, the leader should serve the team in decision-making and creating a safe environment. Challenge 8 focus on the initiatives required for management to adapt their behaviour.

Challenge 8: What actions are required for the management team to adjust to a new behaviour?

As mentioned, the Agile transformation will imply a change for the employees that will work in development teams. Interviewees at VCC states that the teams will be a long-term investment, where the teams will build up shared knowledge and achieve better results as a team. Some of the technical-specialist in the traditional organisation will be challenged when widening their T-profile and when sharing their knowledge with people less experienced. This is something that both Group A and B mentions as a challenge, when employees will have to share a title with someone lower ranked, according to the traditional organisation. As stated by Lencioni (2010) there needs to be trust established in the team to create commitment.

A Group B interviewee mentioned that there will be a massive need of training and work with group dynamics to get the new teams to function as intended. In an Agile organisation, Group A states that much of the organisational pressure will be removed from the development teams. The teams will be autonomous and decide for themselves how to organise their work. This factor is something that, as an interviewed form Group B mentions, the organisation should not underestimate, since it is difficult to create and establish self-organising teams. Agile teams are high performing and highly collaborative teams, where all members contribute to and are committed to the development process (Sims & Johnson, 2012; Larman & Vodde, 2009). The authors also mention the need of the members having to learn new skills and gaining new

knowledge, so the teams can become self-organising. Wheelan (2009) states that smaller teams have better communication and collaboration making them more creative in problem solving. Kormanski (2005) and Wheelan (2009) both describes the different stages that a team goes through when a new group or team is formed and the importance of managing the different phases, to have a high performing team as fast as possible. This leads to the challenge regarding the specific support demanded from leaders to create functioning teams.

Challenge 9: What support do the team leaders need to create high performing teams?

5.4   KNOWLEDGE MANAGEMENT TO ENHANCE COMMITMENT

Part of a change process involves multiple initiatives to increase learning among the employees. As Levinthal and March (1993) describes, learning implies a change in behaviour and belief which is combined with the balance of utilising both new and old competences. At VCC there are continuous training programs, ranging from basic Agile courses to more in-depth trainings for managers. However, a worry expressed in an interview by a Group B is when the trainings are booked but not followed up on. Freeman and Knight (2011) argues that reaching a desired level of learning, reflection on the experience must be obtained. In the case of learning the concepts from the educations at VCC, double-loop learning is sought after as this will enable integration of knowledge to action. However, double loop-learning can only be achieved when reasons of a result is questioned and examined (Freeman & Knight, 2011). The existing processes can act as a hinder here, claimed one interviewee from Group A, since the time required for reflection is not prioritised in the current scheduling. This leads to the challenge of prioritising time for learning and reflection:

Challenge 10: Are all pre-requisites for learning provided, including training, reflection and knowledge sharing?

Also, an interviewee from Group A mentions that some types of knowledge cannot be gained from attending a course, but rather requires in depth understanding that is gained from experience. This is also supported by an expert who argues that training cannot act as a perfect recipe, where employees will have to proceed without having answers to all questions. Holmqvist and Spicer (2013) claims that it is up to each individual to attain the correct information regarding the overarching situation of the environment, by extracting facts from experiences. This correlates with a statement made by a Group A interviewee, that it is essential to absorb and apply best practice to the VCC structures and processes. An issue expressed from Group A is the difficulty in learning about the Agile structure since they have nothing to apply the theory to, since they will not go Agile themselves.

However, some HR-managers are taking an initiative to act as teachers at the training courses. They do it to increase their own learning, as well as show commitment towards the organisation and that they are willing to be involved. One of the Agile principles regards *Alignment,* which is enhanced by HR's behaviour where they try to direct the energy of the organisation to follow the mission of the transformation and encourage employees to deliver the strategy (ScaledAgile, 2018).

On the other hand, there is an indication of mistrust towards the transformation among the employees, expressed by an interviewed representative from Group B. Firstly, due to the strict time limit, where they see do not have time to 'accept the concept' before going to training and going put in pilot projects. And secondly, the difficulty in seeing the future regarding placement of personnel, the uncertainty in ones' personal responsibilities, and grasping the big picture of developing a car. Holmqvist and Spicer (2013) mentions the importance of organisational rules and routines acting as coordinating mechanisms to facilitate a shared understanding among employees. This leads to the challenge of structuring processes to enhance shared learning:

Challenge 11: Do the current processes hinder the attainment and sharing of knowledge?

The traditional structure and processes are based on theory X where external factors are thought to motivate employees. However, as an expert mentioned, financial incentives has been proven in multiple studies to impede on collaboration. Thus, as an interviewee from Group A believe, the ambition at VCC is to follow the concepts of theory Y, where inner motivation should be focused on. According to Holbeche (2015), the individual performance relies on aligning the organisational strategy, personal objectives and actions. Recognition and reward of the employee should be done in their personal development. This also ties in with Flack (2006) who highlights the importance of human assets as they possess the knowledge and talent that will make the firm competitive. From the interviews with Group A, they are aware of the high demands in flexibility and knowledge usability from the new generation on the labour market. The recruitment processes at VCC are now left to the managers as they have the knowledge of the required competence. However, from interviews with Group A, there is a wish for HR to be more involved in placement of personnel. Several from Group B mentioned a difficulty in finding roles applicable for their team-members in the SAFe structure. Also, the mental process of leaving a strict title-based system to a flexible and flat structure is believed by many of the interviewees to be a major difficulty due to a loss of identity.

From the interviewees, there is as a common wish that the individual's impact on the team would be valued more than the title. An expert mentioned in the interviews that this becomes a balance of changing the mind-set of existing employees and recruiting new individuals who will flourish in an Agile environment. However, an issue that an interviewee from Group A mentioned was the challenge VCC is facing in getting employees feeling attracted to the new roles enough to leave their existing role. Appelo (2012) makes an important note claiming that the system will lead the people, where it requires the change agents to take the front seat and lead with anticipation and exploration. Thus, this leads to the final challenge of recognition of personal development to match competence with role and responsibility.

Challenge 12: What changes are required for the processes to support individual development and trigger inner motivation?

6. CONCLUSION

The identified challenges found in the Analysis chapter is summarised in Table 2. Similarities were found between the challenges which resulted in four overarching concluding discussion issues. All four concluding issues take an HR perspective, where the conclusion will focus on how HR can take an active role in their support with the identified organisational issues. This will lead to answering the research question of the thesis.

Table 2 - The concluding four discussion issues

	Challenges	*Discussion Issues*
1	**Challenge 8:** What actions are required for the management team to adjust to a new behaviour? **Challenge 3:** What support do the employees need in finding new roles and career in an Agile transformation? **Challenge 12:** What changes are required for the processes to support individual development and trigger inner motivation?	**How can HR support employees in the process of finding their place in the transition from a waterfall structure to an Agile organisation?**
2	**Challenge 1**: How can commitment be created to something that the employees does not have knowledge about? **Challenge 2:** How can valuable information be shared and communicated in the organisation, to create motivation and energy to drive the transformation? **Challenge 5:** How can the culture act as a bridge and support in the transition between the current and target ways of working?	**In what ways can HR facilitate the information sharing process so that information is valuable and applicable to the receiver?**
3	**Challenge 9:** What support do the team leaders need to create high performing teams? **Challenge 10:** Are all pre-requisites for learning provided including training, reflection and knowledge sharing? **Challenge 11:** Do the current processes hinder the attainment and sharing of knowledge?	**In what ways can HR ensure that the structure and processes enable the right pre-requisites for increased learning and knowledge sharing?**

4	**Challenge 4:** Does the structure support and nourish the intended behaviour that is aimed for in the VCC culture? **Challenge 6:** What actions need to be taken to let the cultural values be seen in every action and decision made at VCC? **Challenge 7:** How should the performance management system be designed to match the organisational structure with the organisational culture?	**In what ways can HR encourage the behaviour that should be valued and recognised to transform an organisation?**

6.1 DISCUSSION ISSUE ONE

How can HR support employees in the process of finding their place in the transition from a waterfall structure to an Agile organisation?

A first initiative HR could make is *to facilitate the process of mapping current competence within the organisation* to support the Agile transformation. This could make it possible to find the employees with the right competence for the new Agile organisation. HR should facilitate this process in collaboration with managers and leaders in the organisation. By mapping the current competence in the organisation, it is possible to identify knowledge and competence gaps that will be essential in the future. The new roles and positions in the organisation needs to be clearly defined and should be described as competence descriptions rather than role descriptions.

A second initiative HR could contribute with in the Agile transformation is to *coach and train leaders within soft values, including leaderships-styles, group dynamics and feedback*. The managers and leaders in the organisation needs to be coached and educated in the Agile way of working, to understand their new roles in the organisation. They need to be trained in the concept of giving feedback, to facilitate both spontaneous and planned feedback sessions. The leaders in the organisation needs to be informed about what their new roles imply and what their responsibility will be. HR can contribute in giving the leaders the right prerequisites to act as valuable leaders in the new organisation. Due to the Agile transformation, new teams will be formed in the organisation, and there will be a need of working with the teams to make them high performing as quickly as possible. It is crucial in an Agile organisation that the teams work well together and that there is trust established as soon as possible, to make it possible for the team to deliver high value.

6.2   DISCUSSION ISSUE TWO

In what ways can HR facilitate the information sharing process so that information is valuable and applicable to the receiver?

An initiative that HR can contribute with is to *create an information hub that is appropriate across the organisation*. The hub should consist of information that regards the transformation and should be easily accessible to all employees. All information about the transformation should be shared from one place, to make it as clear as possible for the employees. It is important that the information that is being shared and published is valuable and applicable for the receiver. Currently the information regarding the transformation at VCC is connected to a specific department's share-point, even if the information concerns all employees at P&Q. This aspect is something that creates confusion, since employees at other departments does not fully understand that the information concerns them as well. At VCC, one of the forums where information about the transformation is spread is Town Halls. The information from the Town Halls that regards the transformation process should be available in the information hub as well, to make the information more accessible.

Another initiative HR could make is to *enable an information package process*. To spread awareness about the transformation in the organisation, the same information should be communicated. Thereby, all employees get the same information which should limit the level of confusion. HR can facilitate and enable a process where information is gathered, created and distributed to the organisation. All managers and leaders should have the same answer regarding the transformation regardless of who an employee chooses to ask. Additionally, the HR department could create a forum where employees can come and ask questions about the transformation. This implies that HR can take the role of making sure that information about the transformation is spread at all levels of the organisation.

6.3   DISCUSSION ISSUE THREE

In what ways can HR ensure that the structure and processes enable the right the pre-requisites for increased learning and knowledge sharing for teams and managers?

An initial initiative HR can contribute to is strengthening their awareness and *identify the unspoken demands to predict future requirements* of the transformation. Taking the role as an internal consultant, HR must combine their knowledge about change processes which lies in their profession, and apply the theory to the Agile transformation. They must predict future and unspoken needs to provide tools required by their customers at all steps of the change curve. HR should take the front seat to drive the organisation in the right direction regarding employee's mental attitude. This including continuous support and coaching for managers to handle their newly established teams through the stages of group development to reach the performing stage, where trust and commitment is established. A correct guiding from the leader will provide the pre-

requisites to become self-organising. HR can guide managers in becoming situational leaders, adjusting to the stage of the group, and thereafter supporting the team as a servant leader.

A second initiative that HR can enable is *facilitating knowledge-sharing events*. Today, 'meet your manager', is highly appreciated as it is an informal event where questions can be asked freely by anyone. This concept can be further developed by HR, where they allow teams take responsibility of the knowledge sharing. This type of event is useful for divisions that are at different stages of the transformation. For example, having a demo-day where the Agile teams talk about the barriers and solution of their Agile journey. It gives employees the opportunity to ask questions in a setting that is easily applicable to reality. This type of event is beneficial for teams further along the change-curve as they have the opportunity of teaching, which supports internal learning and reflecting over one's own knowledge.

A third and last initiative for HR is to *facilitate the creation and utilisation of education packages* that targets specific groups. Thus, they should be adjusted depending on where an individual identifies themselves on the change curve. The trainings can be a combination of internet based training programmes and live courses. HR should provide a platform within the previously mentioned information hub, where managers can upload relevant training material applicable both for a certain role and general training related to the Agile transformation. The education packaged will make sure that relevant training is provided for the employees, eliminate confusion and providing applicable for all levels. This material should be general to the extent that it can be accessed by all employees, giving them an opportunity to easily gain knowledge at any point of time. Within these packages, HR can initiate a reflection process, where questions regarding the trainings can be discussed within the group. This will enable double loop-learning and establish a culture of sharing knowledge within the group. Rolling out the reflection process requires HR to eliminate other hindering processes, such as removing non-value adding meetings to free up time in the schedules.

6.4 DISCUSSION ISSUE FOUR

In what ways can HR encourage the behaviour that should be valued and recognised to transform an organisation?

Firstly, HR can *identify weak areas that are governed by control mechanisms* and find alternative ways to steer the organisational behaviour to act according to the new culture. HR can utilise their neutral position and take an active role in distributing the power more evenly to create a flatter organisation. They can be a channel to present solutions from employees to top management. As the organisation is lacking answers to many questions, HR can give the employees an opportunity to commit and find the solutions. This will encourage employees to focus on solving issues instead of seeking problems. As the hierarchical boarders are torn and everyone becomes involved in the change processes, trust will be established between the layers and the behaviour of 'we' encouraged.

Secondly, HR *can increase their presence in the organisation and lead by example* through coaching instances and training programmes. During the training, HR can initiate mini-pilots and include more practical examples connected to team-development situation. Learning is enhanced when the individual can relate it to a situation. Initiating these types of scenarios will give employees the opportunity to 'hang up' the information about the Agile concepts more easily. HR should focus on guiding the managers in how to react in each situation, thus showing how the culture should be used in their daily routines. During the mini-pilots, the members can also rotate positions, letting them gain an understanding of the difficulties with each role.

Lastly, HR can facilitate so the standards are synched, thus making sure that culture match the structure. As a neutral party, *HR can identify areas where rules are necessary to enhance the desired behaviour.* They should guide the leaders in defining the culture and determine the aspects that are important for their team and work tasks. Since the current culture gave a finished framework to use, HR should facilitate the process of setting up a new and modified framework for the manager to use when assessing the softer qualities of the team. Additionally, HR should be more actively involved in the development of the new salary structure to ensure that the behaviours sought for in the organisation are also merited.

6.5 CONCLUSION OF THE DISCUSSION ISSUES

The focus of this research was to establish HR's role in an Agile transformation and how they can support the challenges that an organisation faces in that type of change process, which lead to the following research question:

How can HR facilitate the challenges an organisation face with an Agile transformation?

To answer the research question, the discussion issues and the connected HR initiatives are summarised in Table 3. The discussion issues summarise the identified challenges and the possible the initiatives for HR to facilitate with these challenges.

Table 3 - The discussion issues with the connected HR initiatives

Nr	Discussion Issues and HR Initiatives
1	**How can HR support employees in the process of finding their place in the transition from a waterfall structure to an Agile organisation?** 1. Map current competence to meet future needs within the organisation 2. Coach and train leaders within soft values including leadership-styles, group dynamics, and feedback
2	**In what ways can HR facilitate the information sharing process so that information is valuable and applicable to the receiver?** 3. Create an information hub that is applicable cross-sectionally 4. Enable an information package process
3	**In what ways can HR ensure that the structure and processes enable the right pre-requisites for increased learning and knowledge sharing?** 5. Identify unspoken demands to predict future requirements 6. Facilitate knowledge-sharing events 7. Facilitate the creation and utilisation of education packages
4	**In what ways can HR encourage the behaviour that should be valued and recognised to transform an organisation?** 8. Identify and eliminate governing control mechanisms 9. Lead by example through increased presence and visibility in the organisation 10. Identify and implement necessary rules to enhance desired behaviour

7. RECOMMENDATIONS FOR FURTHER RESEARCH

This thesis investigated HR's role in an Agile transformation, by studying the case organisation VCC. The transformation at the P&Q department was explored, which implies that there are other areas at VCC where a study regarding HR and the transformation is possible. The study was performed at a general level, which makes it possible to perform a study on a deeper level focusing on, in example, a specific role such as HRBP. Other areas that could be interesting to research, is to perform a benchmarking study, comparing different Agile organisations and how HR have handled the transformation process. By performing a benchmarking study, the findings could be even more general and applicable in more settings. Thus, the findings in this report is recommended for the P&Q department, but is potentially applicable in a wider setting if research is broadened.

Other interesting research within this topic is comparing the views of employees from the HR department with non-HR personnel. Also, to follow the development of the transformation to determine the relevance of the initiatives would be interesting for the study.

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Interview questions – 90 min

Ansvar och arbetsuppgifter

- Hur ser din nuvarande roll ut? Vad är dina arbetsuppgifter? Vilka divisioner är du ansvarig för?
- Hur påverkas din roll och ansvar av den Agila transformationen?
- Hur sker kommunikationen mellan dig och HR?
    - Hur ofta?
- Känner du att du har tillräckligt med kunskap om den dagliga verksamheten för att kunna stötta beslutsfattandet?
- Tycker du att namnet HR är representativt för den nuvarande och framtida rollen?
    - Om inte: vad skulle du föreslå som nytt namn, och varför?

Medvetenhet om förändringsarbetet

- Vilka förändringar kommer det Agila arbetssättet att innebära för organisationen på…
    - Individnivå
    - Ledarroller
    - Strukturmässigt
    - Kulturen
- Anser du att din roll behöver förändras för att möte de organisatoriska förändringarna?
- På vilket sätt blir du informerad om vad som sker med förändringsarbetet?
- Hur kan HR vara där för organisationen i den Agila transformationen?
    - Vad behöver ni för hjälp i stöttandet av transformationen?
    - Vilka utmaningar ser ni i transformationen om HR ej är med och stöttar?
- Hur bemöts förändringarna av de anställda? Är det vissa delar i transformationen som är mindre eller mer uppskattade?
- På vilka sätt tror du att de anställda behöver hjälp i den Agila transformationen?
- Hur stöttar du de anställda som du är ansvarig för? (Antingen som HR eller som chef?)

Mätning

- Vilka KPI/mätetal finns i nuläget för att mäta prestation hos anställda och chefer?
- Hur använder man resultaten?
- Kommer dessa mätningar förändras? Kommer KPI:erna omdefinieras?

Kulturen (Vad man gör and varför, hur man beter sig)

- Finns det ett aktivt pågående arbete till att förbättra/förändra kulturen?
- Finns det specifika aktiviteter för att utveckla kulturen?

- Kommer företagskulturen se annorlunda ut efter transformationen?
- Får man göra fel?
  - Vad är konsekvenserna och vem tar ansvaret för om en anställd tar ett felaktigt beslut?

Kompetensutveckling

- Tror du att rollbeskrivningarna kommer att förändras i den Agila transformationen? Hur?
  - Är HR delaktig i beskrivningarna av de nya rollerna?
- Hur arbetar HR med att beskriva och introducera nya karriärvägar?
- Hur ser lönestrukturen ut i dagsläget och tror du att den kommer förändras?
  - Vad kommer den baseras på?
- Tror du att ökad kunskap om den dagliga verksamheten hade hjälpt i stöttandet av varje business funktion?
- Finns information om verksamheten och transformationen lättillgänglig?
  - Använder du dig av detta material?

Arbetsbelastning under förändringsarbetet?

- Har du tid att lägga på förändringsarbetet och vilka uppgifter prioriterar du i så fall?
  - Går de nya arbetsuppgifter i konflikt med dina nuvarande uppgifter?
- Hur anser du att förändringen i form av arbetsbelastning har fördelats i de olika rollerna?
- Vem är involverade i beslutsprocessen om HR frågor?
- Hur delaktiga är du i beslutsfattande i de olika övergripande strategiska målen?

Discussion areas for expert interviews: HR in an Agile transformation

Summering av intervjufrågor 90 min

- *Ansvar och arbetsuppgifter*
- *Medvetenhet om förändringsarbetet*
- *Mätning*
- *Kulturen*
- *Kompetensutveckling*
- *Arbetsbelastning under förändringsarbetet*

Modeller
- o Lön
- o Målsättning
- o Kompetensutveckling
- o Uppföljning av mål och prestation
- o Bedömning mätindex utifrån mål
- o Performance
- o Olika mätningar och vad detta har för följder

Kultur
- o Vad skulle du säga är kultur?
- o Kultur eller struktur först?
- o Hur bygger man förtroende i en organisation?
- o Transparens

Feedback
- Jämförelse traditionellt HR med Agilt HR
  - o Kan man jobba på ett traditionellt sätt inom HR när man driver ett Agilt arbete?
- Vilka actions I en transformation är viktigast
  - o Vad är första steget
- Din kunskap om VCC och det Agila arbetet där
- Hur fungerar de olika disciplinerna inom HR?
  - o Hur har rekrytering, Performance management etc. förändrat
- HR's roll
  - o Hur inblandad var HR?
  - o Vilka ansvar tog HR?