



Agile ways of working:  
**The Great Leadership Disconnect**

While the majority of senior managers are keen on the idea of boosting organisational efficiency and improving customer focus by restructuring the way teams work, very few are doing so. But why?

Agile ways of working:

## The Great Leadership Disconnect

**There is currently a huge disconnect between how the average office is structured and how senior business decision-makers believe they should be organised in order to ensure maximum staff productivity.**

In fact, a massive 94% of the 750 leaders questioned in recent research undertaken by digital consultancy **Red Badger**, were certain it would be possible to boost organisational efficiency significantly simply by rearranging their office seating plans to promote better cross-departmental collaboration between team members.

But despite these views, just under two thirds (64%) of the senior executives surveyed, who ranged from board members to departmental leaders in organisations with more than 500 employees, indicated that their offices are still structured on a traditional departmental basis. Around one in five (21%) organise workers based on their position or status within the company, while a mere 13% bring suitable employees together in project teams.

To make matters worse, it seems that things are unlikely to alter any time soon. Indeed, the median length of time before transformation is expected to take place is a substantial two years and eight months from now.

So what is going on here? If so many leaders can see the significant benefits to be gained from making simple organisational changes, why is such a big majority failing to implement them? We probe deeper into the findings here in a bid to understand the underlying dynamics, which should, in turn, help us to uncover some answers:

### 1. Benefits of creating multi-disciplinary, cross-departmental teams

#### 1a: The view of senior decision-makers

An overwhelming 97% of senior decision-makers recognised that breaking down department silos would have some sort of impact on the organisation. Moreover, most of them felt that this impact would be positive.

Some three in five (58%) of the leaders surveyed believed that breaking down functional silos would enable greater levels of efficiency. Two in five (42%) felt it would result in more organisational trust, while 38% said it would foster a less hierarchical approach.

Red Badger is a digital consultancy working with large corporations to help them with digital transformation. Their clients include Fortnum & Mason, HSBC, Tesco, Sky and Financial Times.

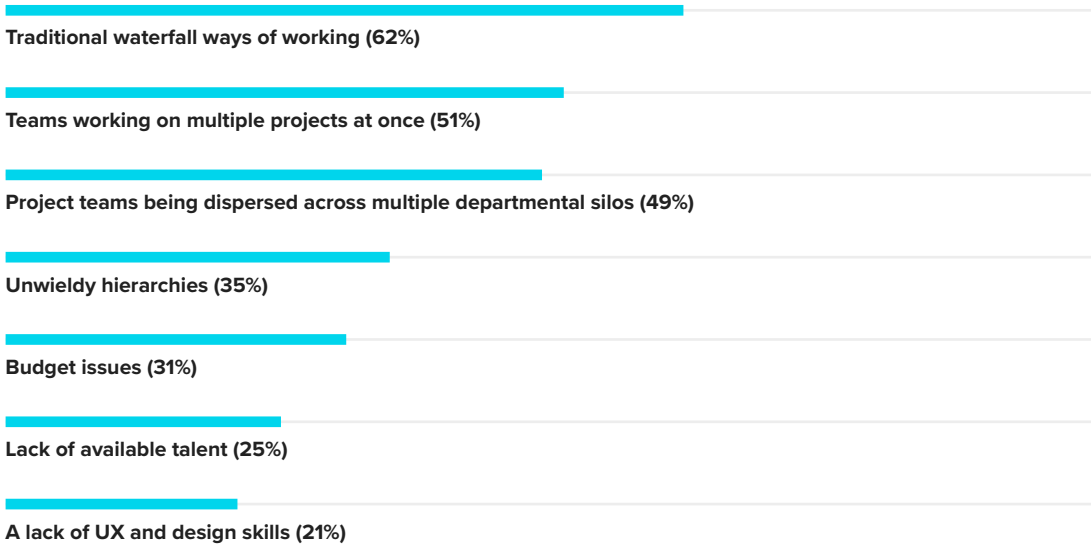
Cain Ullah, CEO, commissioned the report to gain insight into where businesses are in their transformation journey to help with his strategic planning. He found the results have identified a disconnect in the market and uncovered the barriers to change.

“Red Badger are typically hired by the most ambitious and progressive thinkers looking for real change and an alternative to the status quo of choosing Tier 1 Consultancies. They are driven by delivering quality and value to their customers, of course, but often to achieve this, they need a partner for change to transform their culture, develop their internal teams, adopt cutting edge tech and adapt processes for efficiency.”

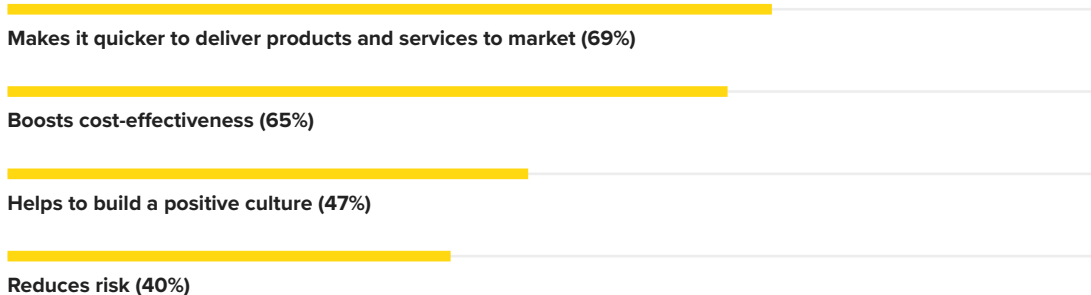
## 1b: The view of digital leaders

Turning this statement on its head, however, 100 digital leaders in organisations employing more than 500 staff were also asked whether they considered that an inflexible office layout actively led to delays in getting projects out of the door – and worryingly, four out of five (81%) strongly believed it did.

In fact, the main reasons for product or service delays were cited as being:



By way of contrast, the majority of digital leaders could see the advantages of using lean, agile ways of working instead, a central tenet of which includes creating multi-disciplinary, cross-functional teams. Advantages of this approach include that it:



## 2. Barriers to implementing change

Given the high perceived benefits of working in a lean, agile way and the acknowledgement that operating in multi-disciplinary, cross-functional teams significantly boosts organisational efficiency and increases customer focus, why is it that senior decision-makers are failing to grasp the nettle and introduce change?

## 2a: The view of senior decision-makers

Some 44% of respondents who did not expect to make any alterations to staff seating arrangements in the foreseeable future attributed their reluctance to an absence of suitable employee skills – a scenario that may imply leaders do not necessarily **trust** workers to get on with the job if they do not have line managers breathing down their necks.

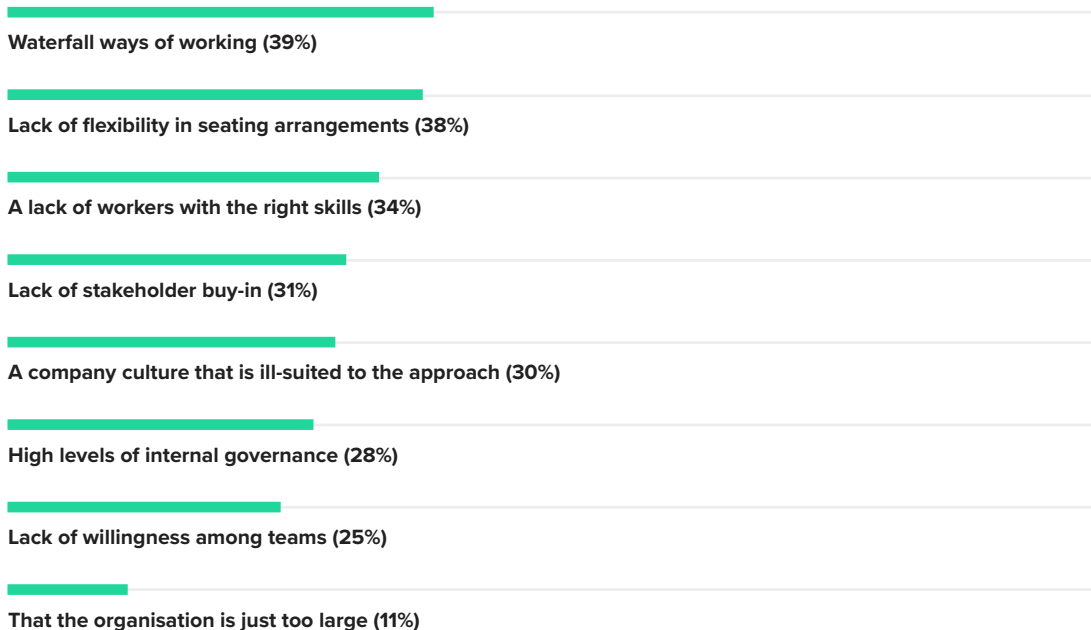
Just over a third (35%) of senior executives were also concerned that this kind of organisational shift would simply be too difficult to implement, while just under a third (31%) believed that their teams would not be enthusiastic about such a move. A further 22% respectively, meanwhile, acknowledged that their current company culture was unsuited to this type of approach and that it was unlikely to happen due to budget constraints.

At Red Badger we advocate building trust by creating autonomous teams. With a shared, aligned vision, small teams are empowered to get on with the job and deliver project goals. We co-locate with client teams so that we can help them change the culture and learn new ways of working which then become our lasting legacy.

## 2b: The view of digital leaders

As for perceived obstacles to collaboration between different departments, right at the top of the list for digital leaders was a lack of senior management buy-in (42%). In other words, despite senior executives' apparent enthusiasm for restructuring how employees work in order to help boost internal efficiency and customer focus, they are actually considered the biggest impediment to change, which implies some of their own fears around the subject may be misplaced.

Other barriers to cross-functional collaboration from the digital leader perspective include:



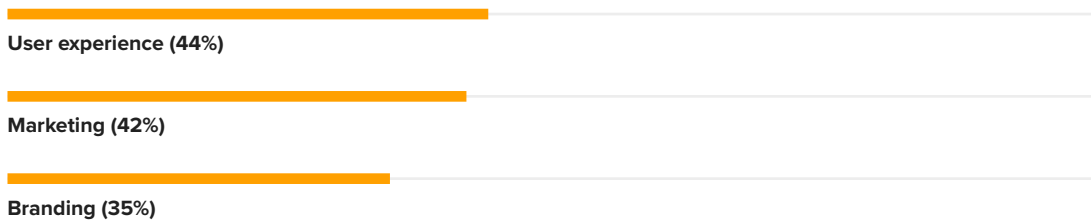
Interestingly, a lack of suitable employee skills and willingness among teams to accept change were seen by digital leaders as much less significant barriers to reorganising current ways of working than they

were by senior business decision-makers. This finding may suggest that digital workers, many of whom are Millennials, are more open and aligned to cross-departmental collaboration than their older colleagues.

### 3. Which teams are most suited to cross-departmental collaboration?

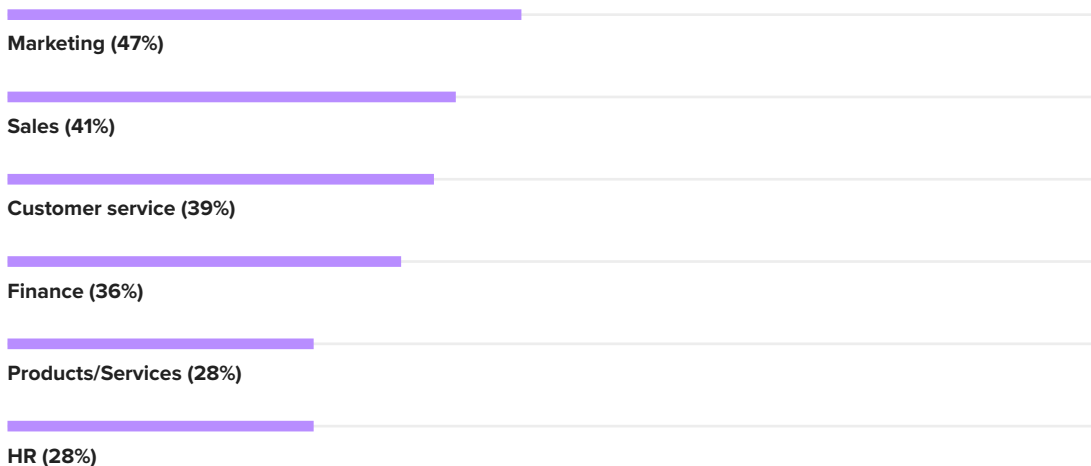
The view that digital workers may be best suited to working in multi-disciplinary teams, at least for the time being, appears to be reflected elsewhere too. Some 52% of the senior executives questioned indicated that, of all the departments, they believe the digital function is best suited to this approach. The figure rose to just under three out of five respondents in companies with turnover of £100m to £499.9m.

Digital leaders appear to agree, as some 59% felt that the project management function should report into them; 52% answered product management and 50% engineering, suggesting a cross-functional inclination. Other cross-departmental roles that digital leaders feel should report into them, include:



By way of contrast, some 53% of senior leaders said their user experience (UX) and design talent was currently not located in cross-functional teams at all, even though to put such skills into multidisciplinary groups would **improve customer focus** significantly. Instead these workers were still situated in siloed design teams. A further 39% of respondents said they reported into the marketing function, while nearly one in 10 indicated they had outsourced the department entirely.

Other functions that senior leaders believe are ripe for multi-disciplinary working, meanwhile, include:



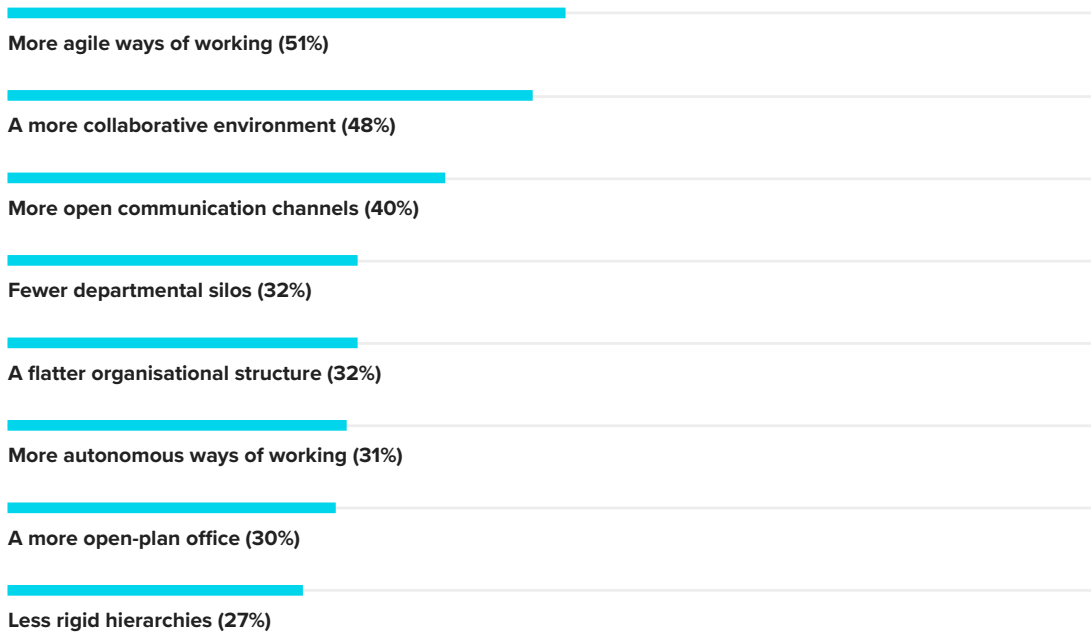
We embed our User Experience and Design Team in projects from inception to delivery to ensure the right decisions for the customer are made. Our designers are digital experts and pair with the software engineers to design with the right tech in mind. Too often designers work in isolation from software engineers which inhibits the ability to deliver quality products. Our clients, often sceptical at the start, reap the benefits and see outcomes faster. This helps put products live to the customer ten times faster than a segregated model.

## 4. How long is it likely to be before cross-departmental collaboration becomes a reality?

### 4a: The view of senior decision-makers

While 44% of senior decision-makers expect to see a shift in their organisational structure between one and two years time, a further 28% anticipate it will take more like three to five years. A quarter of pioneering executives in the digital / technology department believe it could happen **in less than a year**, however.

Within five years though, a majority are seeking to implement some kind of change. This change includes introducing:



We advocate starting small, asking the difficult questions and determining both the right thing to do and setting about doing the thing right. Our validation process helps us to focus so we can prove concepts quickly, learning fast and testing with real customers as quickly as possible.

Once we have paved the way for doing the right thing, we can start to scale excellence sustainably, always focusing on quality.

### 4b: The view of digital leaders

A huge 94% of digital leaders believe that their function and/or company will work in a more collaborative and agile way over the next five years. Some 35% predict the shift will take place over the next one to two years, while a third (33%) think it will be more like three or four years. About 24% consider that it will happen **in less than a year**.

This data point that almost a quarter of digital leaders think change can be made within a year is consistent with our experience of working with ambitious clients. There can be many barriers to success and often businesses need a partner to help drive change. We often work with clients as catalysts to change culture, skills and improve processes.

## Conclusion



Despite the apparent eagerness of senior business decision-makers to move to more agile ways of working, it appears that, at the moment anyway, their fears over what such a move may entail are currently holding them back.

This disconnect was made plain by digital leaders, just under half of whom identified lack of senior management buy-in as the single biggest obstacle to change. Next on the list were waterfall ways of working, followed by lack of flexibility in seating arrangements.

But yet another disconnect also became apparent in terms of what senior business decision-makers and digital leaders – whose departments, coincidentally, were considered the most suited to introducing multi-disciplinary teams - believed were the main barriers to restructuring the organisation for the better.

Top of the list of senior executive concerns was a lack of suitable employee skills - which could imply that workers are simply not trusted to get on and do the job without line managers sitting beside them and keeping track. But many bosses were also anxious about how difficult such change would be to implement, while others attested that staff simply would not like it.

This situation suggests that to be true catalysts for change, senior leaders must get a good handle on their own company culture and find ways to take their employees with them - whether that involves learning to trust, securing their buy-in or simply ensuring the right training is in place to help them enable transformation.



## About Red Badger

Red Badger is a digital consultancy focused on the digital transformation of large companies predominantly in the Retail, Media and Financial Services industries. Founded in 2010 by Stuart Harris, Cain Ullah and David Wynne, Red Badger bring together the best in strategic services, customer experience and technical delivery using lean and agile processes.

They help large organisations improve their speed to market whilst focusing on delivering value to their customers. They work with clients to understand their problems and validate ideas in order to build new digital products or make significant improvements to existing ones.

They do this collaboratively to enable our clients to:

- Be more customer-centric
- Make bold technology choices to solve problems the right way
- Reduce waste with a leaner approach
- Improve internal capability and deliver lasting change

Independently owned, Red Badger rose to 31st place in the Sunday Times Tech Track 100, achieved 62nd place in the Econsultancy Top 100 Digital Agencies, were finalists in BIMA's Entrepreneurial Business of the Year and for their work with Fortnum & Mason, BIMA's Technology Impact and Technology Retailer of the Year in the Tech Awards by Retail Week, all in 2017.

## Notes to editors

The research surveyed 751 senior decision makers in organisations with over 500 staff and 100 senior decision makers in the technology / digital department in organisations with over 500 staff, in the UK.

The research was conducted in September 2017 by Censuswide.

## Definitions used in the survey

*Departmental silos:* When departments work independently of other departments without shared goals, objectives, priorities or processes.

*Waterfall ways of working:* A development method that flows downwards and is sequential. For example, one stage is completed before another takes place (e.g design is completed before coding).

*Agile definition:* A development method that is incremental and iterative. For example, instead of extensive planning and design up front, Agile methodologies allow for changing requirements over time by using cross-functional teams (incorporating planners, designers, developers and testers which work on success iterations of the product).

*Lean definition:* Minimising waste to maximise customer value.



## Our clients

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**TESCO**

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# Thank you

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