Agile transformation: How employee experience enables employees for change

Jörg Staff

Hardly any other industry has been subjected to such pressure to change as the financial sector in the last five years. In addition to the familiar VUCA (volatility – uncertainty – complexity – ambiguity) influences, FinTechs (companies that offer digital financial innovations) are attempting to substitute parts of the traditional banking value chain with easy-to-use solutions. . BigTechs (large IT-firms) are investing large sums in new financial services solutions, and companies from outside the industry are also trying to gain access to the financial market, e.g., through "embedded" financial solutions and customer data. The ongoing low-interest phase and inflation is additionally causing high efficiency and cost pressures on banks.

Due to these circumstances Atruvia AG, one of the largest IT companies in Germany, specialized in IT for finance, with approximately 8.600 employees in the group and 1.8 billion euros in revenue (2021), started a transformation journey in 2018 towards an agile collaboration model.

Enabling fundamental change

We decided to take a fundamental, disruptive approach, which required a general change in attitude on the part of all people – especially executives, starting with the Management Board - with the aim of clearly strengthening customer and employee experience. In a first step, we developed a cross-functional and cross-hierarchical team. Using the "Future Room" method, we developed an initial draft of a new vision for the future (>five years horizon). On this basis, action areas for our transformation journey were identified and made transparent for everyone. It was important to anchor the understanding within the organization that this transformation is not just another (time-limited) project or program, nor (just) a new organization, but a continuous, holistic journey that affects all employees.

The prioritized areas of action were processed in parallel initiatives through cross-functional, cross-site and cross-hierarchical teams, while all other topics were transparently parked in a newly created corporate backlog. The team members were largely released from their regular work for the duration of each sprint, which lasted two months. Coaches accompanied these sprints and taught the team members agile methods (Kanban, Scrum) and procedures. Regular reviews/retros to reflect on progress were trained in the teams.

After the first sprint, a self-sustaining motivation developed among all sprint participants. Their work was publicly acknowledged, and the results developed by them were approved and implemented by the Executive Board. As a result, the motivation of employees to participate in the sprints rose so significantly that from sprint two onward, the number of people interested in actively participating increased significantly and scaled. All

employees were regularly informed by internal communication about the working status as well as about the purpose and benefits of transformation and the running sprints.

Implementing an agile organization model

One field of action to be processed by the cross-functional teams was the development of an agile organization model. In addition to reducing hierarchy levels, teams of 40–50 people were formed with End-2-End accountability and new roles. We splitted traditional leadership between two people (Tribe and People Lead) and established specialist careers all the way up to below board level. It was a clear recommendation from our employees to split the leadership into technical and people leadership. While the Tribe Lead is responsible for the professional side of things, the budget and the customer solutions (customer experience), the People Lead is responsible for the employee experience and topics, such as the utilization rate, recruitment, skills and competency development, and performance dialogues.

The entire staffing process to fill these new roles was also developed in cross-functional sprint teams – there were no comparable best practices on this scale. The special thing about it: Employees and work councils sat together with the responsible service and business unit managers in the staffing conference for the selection of candidates.

After the new collaboration model was implemented and the new roles were filled, a learning journey has been providing the new role holders (Tribe and People Leads and experts) with professional and methodological support. The core of the learning journey is the so-called "learning journey principle": a continuous process of reflection in which the learning objectives are set and plans are made as to how these are to be achieved. All employees also have access to a comprehensive internal training offering that focuses on the various agile methods.

To introduce agile collaboration models in the company, the general conditions for work must also be flexible and equipped for more personal responsibility. We have therefore concluded corresponding work agreements in order to increasing flexible working conditions for employees in cooperation with the works councils and the union, e.g. flexible weekly working hours, flexible salary bands instead of rigid pay grades, team-oriented remuneration incentives and, in particular, hybrid ways of working. In addition to supporting agile forms of work, a company can be positioned as an attractive employer and, thus, help both to motivate the current team and to recruit the employees of tomorrow.

But the digital and physical workplace must also be adapted to the new requirements of flexible working. Therefore, Atruvia is working on building a new physical and digital working environment that reflects the new collaboration model and best supports cross-functional, agile and hybrid ways of working (activity-based working).

Sustainable transformation

We regularly measure the transformation progress via Pulse Checks. In an initial Pulse check two months after the start of our transformation journey almost 40 % of respondents were already able to identify initial benefits from our new collaboration model in their day-to-day work and in collaboration across the company. Today, we have a very high level of employee satisfaction, and the new cultural values such as transparency, independency, appreciation are largely lived.

Agility does not come about at the push of a button, but must be learned, exemplified and regularly reflected upon. The employee experience plays a special role in transformations. Classic HR work is not enough: In the future, HR needs to redesign itself into a cross-functional employee experience unit tocover all main touchpoints regarding employee's perfect (work) day.

Jörg Staff (Joerg.Staff@atruvia.de) is Chief People Officer and member of the Executive Board of Atruvia AG, Supervisory Board Member, and Investor and Advisor for (Tech-) Start-ups, and personalmagazin's CHRO of the year 2021. More than 50'000 people follow his Blogs "Logbuch einer Transformation" or "The Big Shift" in the Human Resource Management Magazine.