From Traditional to Agile

An exploratory study of how large companies can achieve Organizational Agility

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- An exploratory study of how large companies can achieve Organizational Agility

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Abstract

Background and Purpose: Today's business environment is exposed to rapid changes, why companies must obtain the ability to be flexible and respond quickly to changing circumstances. Consequently, organizations are increasingly realizing the need of becoming agile. Organizational agility encompasses agility across the whole organization, meaning that the agile transformation process affects all levels of the company. Because of this, the process of achieving organizational agility is highly complex, particularly for large organizations. However, there is yet no model or framework in existing research outlining the transformation process and little research has addressed the key success factors and challenges of organizational agility that are specific for large companies. Accordingly, there is a clear need for further research within the field. The purpose of this thesis is therefore to explore how large companies can achieve agility on an organization-wide level by investigating the main key success factors and challenges of organizational agility, as well as the process of becoming an agile organization.

Methodology: The research was conducted through a qualitative, exploratory study. The result is based upon an extensive literature review of the concept of organizational agility and how it can be achieved. The findings were extended by conducting semi-structured interviews with respondents possessing relevant knowledge about organizational agility. The findings from the literature review and the empirical results were thereafter compared and analyzed in order to deepen the understanding of how organizational agility can be achieved by large organizations.

Main Findings: The result shows that organizational agility is characterized by five attributes: adaptation, changing environment, flexibility, responsiveness, and speed. Furthermore, there is a large number of key success factors and challenges of organizational agility, where the main ones were identified. The findings also reveal that large organizations go through two main phases of the agile transformation process, referred to in this study as exploring and progressing. Finally, the findings of the study show that organizational agility affects five core organizational areas: strategy, process, structure, people, and technology. Consequently, all five areas must be reconfigured to fit an agile environment, and thus to be able to achieve organizational agility.

Keywords: *Organizational Agility, Agile Transformation Process, Achieving Organizational Agility, Key Success Factors, Challenges*

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1. Introduction

This chapter starts with describing the background and problematization of the topic to be studied in this thesis. Thereafter, the purpose and research question along with the delimitations of the study are presented. The chapter ends with a disposition providing the structure of the following chapters of the thesis.

1.1 Background

Rapid changes in customer demand, a constant introduction of disruptive technology, accelerating digitalization, and the war among companies for new talent are transforming the business environment (Aghina, De Smet, Lackey, Lurie & Murarka, 2018; Appelbaum, Calla, Desautels & Hasan, 2017). This creates new challenges for organizations, where the ability to be flexible and quickly respond to change are key for sustaining competitive advantages (Ahlbäck, Fahrbach, Murarka & Salo, 2017). The traditional organization with a static, structural hierarchy, designed primarily for stability, lacks dynamism and tends to be rigid and slow moving. Thus, to be able to survive in an increasingly complex and volatile business environment, firms are forced to transform their ways of working and must be able to balance stability with dynamism (ibid.). Accordingly, in order to be flexible and adapt quickly to changes in the business environment, organizations are increasingly realizing the need of becoming agile (Metcalf, 2018).

The concept of agility was first introduced in the early 1990s as a way to improve quality and performance in software development processes (Javdani Gandomani, Zulzalil, Abdul Ghani, Md. Sultan, & Meimandi Parizi, 2015; Jovanović, Mas, Mesquida & Lalić, 2017; Tolfo, Wazlawick, Ferreira & Forcellini, 2011). As an alternative to traditional software development methods, such as the Waterfall model, agile methods enabled companies to tailor their products and services, enhanced flexibility, and allowed for adaption to current dynamics in the market (Campanelli & Parreiras, 2015; Jovanović et al., 2017). Thus, agile methods made it possible to handle unstable requirements and deliver working software within tight time frames and with high quality (Campanelli & Parreiras, 2015). Furthermore, one of the most important characteristics of the agile approach in the software development process is the fact that it gives priority to people and interactions rather than processes and tools (Javdani Gandomani & Ziaei Nafchi, 2016). Since their introduction, agile methods and approaches have been widely used in the software development industry (Campanelli & Parreiras, 2015). In recent years, agility has also been implemented in other industries (Denning, 2018b). Furthermore, the concept of agility is spreading to new parts of organizations (Baškarada & Koronios, 2018). In order to survive and be competitive in today's dynamic business environment, companies are starting to observe the importance of implementing agility across all functions of the enterprise (Muduli, 2016). Thus, they are increasingly striving toward adopting agility as an organizational-wide strategy (ibid.).

Organizational agility is the capability to flexibly respond and adapt to changes in the business environment by rapidly adjusting product and service offerings (Baškarada & Koronios, 2018).

An agile organization is designed to balance stability with dynamism and consists of a network of teams in a people-centred culture, enabling the company to adapt quickly in response to change in turbulent environments (Aghina et al., 2018; Cegarra-Navarro, Soto-Acosta & Wensley, 2016). Such an organization has the ability to efficiently and rapidly reconfigure processes, strategies, structures, technology, and the people within the company toward value-creating opportunities and activities (Aghina et al., 2018). However, organizations do not become fully agile simply by implementing agile methods and practices. An agile transformation process toward achieving organizational agility requires a change in how the entire workforce operates (Korhonen, 2013), necessitating changes in processes, management styles, and attitudes (Gandomani, Zulzalil, Ghani, Sultan & Sharif, 2014). A global survey made by McKinsey demonstrated that only four percentages of the respondents had yet managed to complete organization-wide agile transformations (Ahlbäck et al., 2017). Thus, it is a journey that takes time and effort and involves challenges and barriers that companies must overcome to be able to successfully become agile organizations (Appelbaum, 2017; Javdani Gandomani & Ziaei Nafchi, 2016).

1.2 Problem Discussion

The process of becoming agile affects all aspects of the organization (Campanelli, Parreiras & Bassi, 2017; Gandomani et al., 2014). Consequently, it implies changes across all levels of the company from structure, through leadership and decision-making dynamics, to knowledge and interpersonal relationships of the people implementing the transformation (Wahyono, 2018). Thus, due to its complexity, there is a need among companies to be guided through the transformation process (Campanelli et al., 2017). However, there is yet no model or framework encompassing such transformation (Wahyono, 2018) and the concept of organizational agility has not been sufficiently addressed by previous research (Baškarada & Koronios, 2018). While most research has focused on specific aspects or perspectives of agility, there is a lack of literature in the field of agility on an enterprise-wide level (Wahyono, 2018). Hence, further investigation is needed in the area of agile implementation in a broader organizational context (Jovanović et al., 2017).

Having knowledge about the key success factors and challenges associated with the transformation process is crucial for achieving organizational agility (Campanelli et al., 2017). This since it helps to prepare the organization, including the people involved, and facilitates a successful transformation (ibid.). However, although literature on agile success factors do exist, there are no direct guidelines for how to use them in specific organizational contexts. Consequently, research on key success factors for achieving organizational agility is not yet conclusive (ibid.). Challenges associated with agile transformation process and achieving organizational agility are many and complex (Gandomani et al., 2014). Furthermore, researchers agree that existing studies do not address the concept of organizational agility and the challenges that practice faces sufficiently (Baškarada & Koronios, 2018; Campanelli et al., 2017; Gregory, Barroca, Sharp, Deshpande & Taylor, 2016). Moreover, as companies adopt new approaches and push the boundaries of existing techniques, the nature of challenges related to organizational agility is changing (Gregory et al., 2016). The focus on existing challenges is

therefore shifting as new ones are emerging (ibid.). Accordingly, there is a clear need for further research in the field of how to achieve agility on an organization-wide level and to address the key success factors and challenges related to the agile transformation process.

Although achieving organizational agility is challenging for all companies, it is often particularly difficult for large organizations as they tend to be traditionally managed (Ahlbäck et al., 2017; Denning, 2018b; Kalenda, Hyna & Rossi, 2018). Such organizations are typically process driven and designed primarily for stability. Consequently, they are usually static with a structural hierarchy, making it a bigger struggle to become dynamic than for smaller, younger companies (Aghina, De Smet, Murarka, & Collins, 2015); Aghina, De Smet & Weerda, 2016). Since there is yet no such framework, further research on specifically how large organizations can become agile is needed (Jovanović et al., 2017).

1.3 Purpose and Research Question

The purpose of this thesis is to explore how large organizations can achieve agility on an organization-wide level. In order to do so, the main key success factors and challenges of organizational agility, as well as the process of becoming an agile organization, will be investigated. The process will be explored by investigating the phases organizations go through in the transformation as well as the different organizational parts of a company that must be adjusted to fit an agile environment. According to the above background and problem discussion, the following research question has been formulated:

How can large companies achieve organizational agility?

Due to the fact that agility is a highly circulated and discussed topic nowadays, both the academic and practical relevance are considered to be justified. Since the concept of organizational agility and how it can be achieved is relatively unexplored, the theoretical contribution of this study consists of providing new and deeper insights within the field and thereby filling the gap in existing research. Furthermore, the study contributes practically by providing insights for large organizations striving to become agile throughout the organization. More specifically, by exploring the process of achieving organizational agility and the key success factors and challenges related to it, such companies can get a deeper understanding of how to succeed in the process and consequently how to achieve organizational agility.

1.4 Delimitations

Since the concept of agility is broad, this thesis focuses on organizational agility which concerns agility across the whole organization. Hence, agile approaches for specific areas within organizations and single agile methods will be excluded from the scope of this thesis. The research will therefore have an organizational perspective, and will not study the topic from a societal, customer, or supplier perspective. Furthermore, as large companies experience

a higher degree of complexity when becoming agile compared to other organizations, the focus of this research is to investigate the transformation process specifically in large organizations. Large organizations have been defined using the European Commission definition, where large organizations are considered those who contain more than 250 employees and have a turnover exceeding EUR 50 million (Region Västernorrland, n.d). Accordingly, organizations outside of these criteria will not be studied.

1.5 Disposition

In order to provide a clear structure for the reader, the chapters of this thesis are specified in the disposition below.

Introduction
- Presents the field of research through a background and problem discussion, followed by the puspose and research question as well as academic and practical contributions and delimitations of this study.

Theoretical Framework
- Describes the literature relevant for this study, including the concept of organizational agility, key success factors and challenges related to the transformation process, as well as how organizational agility can be achieved.

Methodology
- Presents choices made regarding research strategy and approach, research design, research methods, and data analysis, followed by a discussion about the research quality of the study.

Empirical Findings
- Presents the findings from the primary data collection consisting of semi-structured interviews.

Analysis
- Analyzes the connections between the empirical findings and the theoretical framework.

Conclusion
- Answers the research question of the study and discusses recommendations and opportunities for future research within the field.

Figure 1.1: Disposition of the Research Process

2. Theoretical Framework

The following chapter presents the literature relevant for this research, starting with an introduction of the concept organizational agility through a discussion of how it differs from the concept of agility as well as how it is being defined in this study. Thereafter, the main key success factors and challenges related to organizational agility are identified and grouped into categories. Lastly, theory regarding how to achieve organizational agility is presented.

2.1 What is Organizational Agility?

2.1.1 Agility versus Organizational Agility

The concept of agility dates back to 1991 when it was first introduced in the report *21st Century Manufacturing Enterprise Strategy: An Industry-Led view* (Dove, 1999; Goldman, Nagel & Preiss, 1995). At this time, the rules of competition had just been rewritten through the introduction of lean manufacturing. Believing in the value of looking ahead and building competence for the next competitive focus to come, four researchers at the Iacocca Institute wanted to identify what would become the successor to lean. Everywhere they could see evidence of the accelerating pace of change in the business environment and the fact that the future survivors would be those organizations that had the ability to be flexible and keep up with constant and unexpected change (Dove, 1999). Consequently, the concept of agility, what they predicted to be the next competitive focus, was born and defined as the following:

The ability of an organization to thrive in a continuously changing, unpredictable business environment (Dove, 1999, p. 19)

Since then, the concept has gained extensive attention from both industry and management academia (Nejatian, Zarei, Nejati, & Zanjirchi, 2018). The work of the original authors has been advanced through discussing, conceptualizing, and conducting empirical studies from different perspectives (Tolf, Nyström, Tishelman, Brommels & Hansson, 2015). Over the years, the concept has spread to new fields, industries, and parts of organizations, and can therefore be seen from different perspectives (Nejatian et al., 2018). Because of this, agility can be applied to companies, individuals, processes, or projects and therefore has a number of different meanings. Agility can consequently be defined from a number of different perspectives. Hence, although the concepts of agility and organizational agility are commonly used synonymously in management literature, they can be distinguished from each other. More specifically, agility can be used as a term for different forms or perspectives of agility, whereas organizational agility is a concept that specifically emphasizes agility on an enterprise-wide level (Nejatian et al., 2018).

2.1.2 Defining Organizational Agility

Despite the massive attention that has been provided to the concept of agility during the last two decades (Harraf, Wanasika, Tate, & Talbott, 2015; Nejatian et al., 2018), there is yet no generally accepted definition or consensus of its meaning (Razmi & Ghasemi, 2015; Wahyono,

2018). Similarly, there has not been many attempts to define agility on an organization-wide level (Gunsberg, Callow, Ryan, Suthers, Baker, & Richardson, 2018; Razmi & Ghasemi, 2015; Wahyono, 2018). Instead, due to the fact that organizational agility is a complex and multidimensional concept, existing literature has developed a number of different frameworks for establishing a definition (Appelbaum et al., 2017; Tolf et al., 2015; Yang & Liu, 2012). Definitions vary from features focusing on the internal context to be an integrated part of the external context (Tolf et al., 2015). Consequently, grasping the whole meaning of what constitutes organizational agility is challenging.

In order to better understand the concept of organizational agility and to be able to define it for this thesis, the main definitions of the concept that are to be found in existing literature have been gathered. These are presented in Table 2.1. Four recurring attributes were found among the definitions: changing and unpredictable environment, speed, responsiveness, and flexibility. Considering the fact that the terms enterprise agility and business agility are recurrent in the literature, definitions of these two terms have also been gathered. In existing literature, they are used synonymously to organizational agility, and therefore also represent agility on an organizational level (Nejatian et al., 2018). However, in order to be consistent and avoid potential confusions, agility on an organizational level will in this thesis only be referred to as organizational agility.

Authors	Definition	Changing and unpredictable environment	Speed	Responsive-ness	Flexibility
Appelbaum et al., 2017	The ability to function and compete within a state of dynamic, continuous and often unanticipated change.	X			
Baškarada & Koronios, 2018	The capacity for rapid, continuous and systematic evolutionary adaptation and entrepreneurial innovation directed at gaining and maintaining competitive advantage.		X		
Cegarra-Navarro et al., 2016	The capability of a company to rapidly change or adapt in response to changes and requires firms to quickly manage their knowledge when responding to a changing environment, and the market environment in particular.	X	X	X	
Felipe et al., 2016	The response capability that the organization develops to enable efficient behavior in a highly turbulent environment, not only by reacting rapidly to change, but also through the organization's potential of action in anticipating and seizing opportunities, in particular through innovation and learning.	X	X	X	

Kryvinska, 2012	The ability to achieve competitive advantage by reconfiguring resources in response to business opportunities and threats.			X	
Lu & Ramamurthy, 2011	A firm's ability to cope with rapid, relentless, and uncertain changes and thrive in a competitive environment of continually and unpredictably changing opportunities.	X	X		
Razmi & Ghasemi, 2015	The ability of every organization in sensation, and prediction of available changes in the business environment.	X			
Sull, 2009	A company's ability to consistently identify and capture business opportunities more quickly than its rivals do.		X	X	
Tolf et al., 2015	Agile organizations are designed to work in an uncertain environment and use flexible capacity to meet urgent unplanned demand.	X	X		X
Van Oosterhout et al., 2006	The ability of an organization to develop and exploit its knowledge structures to compete successfully in uncertain and unpredictable environments.	X			
Yang & Liu, 2012	A complex, multidimensional, and context-specific concept, comprised of the ability to sense environmental change and quickly respond to unpredicted change by flexibly assembling resources, processes, knowledge, and capabilities.	X	X	X	X

Table 2.1: Definitions of Organizational Agility

The first attribute, changing and unpredictable environment, was the most recurring one and could be found in close to all of the definitions. Hence, being an agile organization is a way to observe changes in the business environment and to have the ability to cope with uncertainty, being necessities for organizational survival and success (Felipe, Roldán & Leal-Rodríguez, 2016). Speed, being the second attribute, was also found in a majority of the definitions. The attribute is expressed as a way for organizations to react quickly to changes in the environment and to rapidly be able to change according to the changing circumstances. The third recurring attribute that could be found, responsiveness, represents according to the authors the ability to respond to changes, opportunities, and threats that occur in the business environment. Hence, responsiveness is, according to the definitions, also a key feature of organizational agility. The fourth attribute that recurred among the definitions, although not to the same extent as the ones

described above, is flexibility. Tolf et al. (2015) state that agile organizations are flexible in order to meet urgent, unplanned demand. Furthermore, Yang and Liu (2012) mean that by flexibly assembling resources, processes, knowledge, and capabilities, agile companies are able to sense environmental changes. Thus, flexibility is crucial for being able to rapidly adjust product and service offerings in order to respond to changes in the business environment and is therefore also an important part of organizational agility (Baškarada & Koronios, 2018). Hence, following the main definitions of organizational agility found in existing literature, four important characteristics of an agile organization were found and are presented in Figure 2.1.
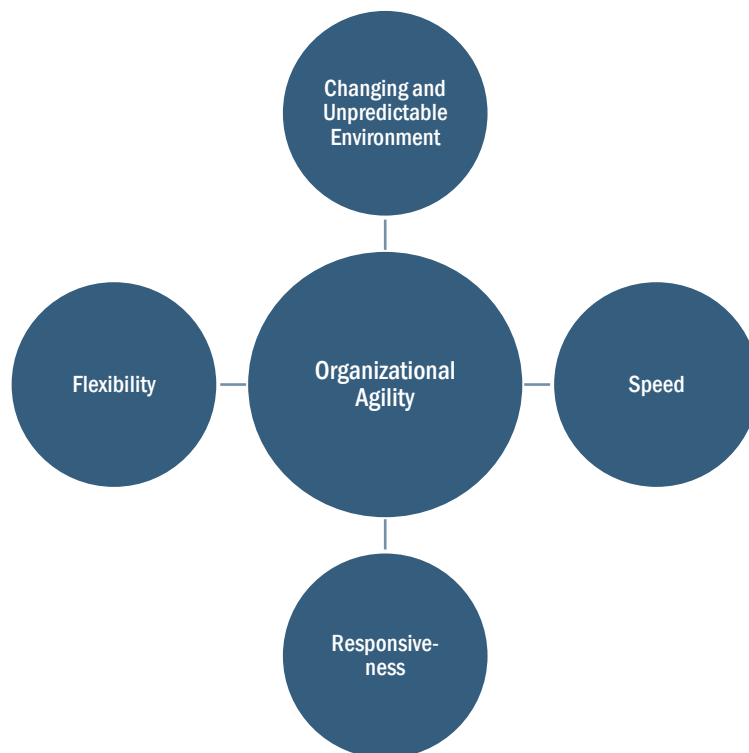
Figure 2.1: Attributes of Organizational Agility

To be able to use a definition of organizational agility that covers all crucial aspects of agility on an organizational level, the authors of this thesis developed a definition consisting of each of the four characteristics. Therefore, in this thesis, organizational agility is defined as the following:

The ability of a company to embrace a continuously changing and unpredictable environment by being flexible and assembling resources and capabilities in order to respond quickly to new conditions.

2.2 Key Success Factors of Organizational Agility

In order to gain an understanding of the key success factors of achieving organizational agility, a review has been made on existing literature within the field of key success factors and components that are crucial for achieving organizational agility. Since becoming agile on an organizational level implies that companies go through an agile transformation process (Campanelli et al., 2017; Gandomani et al., 2014), key success factors related to both organizational agility and agile transformation process were investigated in this research. 43 different key success factors were found and grouped together into categories. Altogether, eight categories were identified and are presented in Table 2.2. In the following sections each category is presented.

Category of Key Success Factors	Key Success Factor	Author
Organizational commitment	Commitment to change	Dikert et al., 2016
	Incentives and motivation to adopt agile methods	Campanelli et al., 2017
	Organizational Commitment	Pikkarainen et al., 2012; Razmi & Ghasemi, 2015
	Strategic commitment	Appelbaum et al., 2017; Harraf et al., 2015
	People commitment	Gandomani et al., 2014
Communication	Communicate the change intensively	Dikert et al., 2016
	Communicate positive experiences in the beginning	Dikert et al., 2016
	Communication flow in the organization	Campanelli et al., 2017
	Communication	Harraf et al., 2015
	Discussing and reflecting	Nijssen & Paauwe, 2012
	Continuous meetings and face-to-face communication	Gandomani et al., 2014
Involvement and motivation of employees	Engage everyone in the organization	Dikert et al., 2016
	Concentrate on agile values	Dikert et al., 2016
	Knowledge sharing	Campanelli et al., 2017
	Team involvement	Campanelli et al., 2017
	Employee participation	Nijssen & Paauwe, 2012
	People involvement and motivation	Gandomani et al., 2014

Training and coaching	Provide training on agile methods	Dikert et al., 2016
	Coach teams as they learn by doing	Dikert et al., 2016
	Coaching and mentoring	Campanelli et al., 2017; Gandomani et al., 2014
	Training	Campanelli et al., 2017; Gandomani et al., 2014; Javdani Gandomani et al., 2015
	Competence-based training	Nijssen & Paauwe, 2012
	Broad skillset training	Nijssen & Paauwe, 2012
	Organizational learning and training	Muduli, 2016
Decentralization of decision making and power	Allow teams to self-organize	Campanelli et al., 2017; Dikert et al., 2016
	Decentralized decision making	Campanelli et al., 2017
	Decentralization of power	Denning, 2018a; Harraf et al., 2015
	Flat hierarchy	Nijssen & Paauwe, 2012
	Minimal formal authority	Nijssen & Paauwe, 2012
Culture of change	Cultural changes	Campanelli et al., 2017
	Culture of innovation	Harraf et al., 2015
	Culture of change	Denning, 2018a; Nejatian et al., 2018; Sherehiy et al., 2007
	Company culture	Tolfo et al., 2011
Change in mindset	Mindset and alignment	Dikert et al., 2016
	Arrange social events	Dikert et al., 2016
	New mindset and roles	Campanelli et al., 2017
	Creating a shared mindset	Nijssen & Paauwe, 2012
Management support and leadership	Recognize the importance of change leaders	Dikert et al., 2016
	Engage change leaders without baggage of the past	Dikert et al., 2016
	Ensure management support	Dikert et al., 2016
	Make management support visible	Dikert et al., 2016
	Management support	Gandomani et al., 2014; Pikkarainen et al., 2012
	Agile leadership	Denning, 2018a

Table 2.2: Key Success Factors of Organizational Agility

Organizational Commitment

A large change within an organization, as moving to agile is, requires extensive commitment from the firm, not least from management as it demonstrates to the employees that the change is the right way to go (Dikert, Paasivaara & Lassenius, 2016; Gandomani et al., 2014; Pikkarainen, Salo, Kuusela, & Abrahamsson, 2012). It is crucial that management is committed to adopt agile across the whole organization and the commitment must go far beyond simply presenting new policies and procedures (Appelbaum et al., 2017). Instead, the commitment requires management to rethink organizational structures, functions, and other management practices such as planning and measurement systems. However, commitment is not only needed from top management but from the entire organization, thus from all people involved (ibid.). Gandomani et al. (2014) found in their study that people commitment helps facilitate change in organizations and therefore increases the chance of success in the agile transformation process.

Communication

The fact that clear communication is key for succeeding with becoming agile has been stated in a number of different studies. Denning (2018a) highlights the importance of communication in the way that corporate managers are the ones leading the agile transformation through their words and actions, affecting everyone in the organization. Dikert et al. (2016) emphasize in their research the importance of reaching out to as many people as possible throughout the organization since without communication, the new way of working will not take root. They found that clear communication of the goals and expectations of the agile transformation is vital to reduce confusion among employees and to help people grasp the purpose of the transformation. Activities such as workshops, coaching sessions, and one-to-one discussions are suggested as suitable communication formats. Furthermore, the authors found that through positive word-of-mouth, agile transformation spread effectively across organizations. They therefore highlight the importance of creating and communicating positive experiences of the transformation already from the beginning. Communication, both on the strategy and the context in which the company operates, is also crucial for creating the right mindset in the organization, helping employees to get a sense of direction in the dynamic environment (Nijssen & Paauwe, 2012). Communication, particularly face-to-face, has further been stated as an important success factor as it can make people feel positive about change and accept it with less resistance (Gandomani et al., 2014).

Involvement and Motivation of Employees

The fact that not only managers must be involved for an organization to successfully achieve organizational agility but that it is highly crucial to engage all employees is stated by numerous authors. According to Campanelli et al. (2017), agile environments are all about the people. Hence, achieving organizational agility requires people to be involved and to participate in the transformation process. Not only can employees who are involved help in the transformation, but they can also manage to attract others within the organization to be part of it. Incentives represent an important part of engaging employees in the agile transformation process. Managing to provide the right level of incentives to the people involved in the process increases the chances of getting motivated teams and of succeeding with recognized goals (ibid.).

Dikert et al. (2016) found that involving everyone in the organization and make them feel motivated is important in order to get acceptance of the transformation. They state that one way to make people feel involved is to perform regular feedback meetings so that everybody feels that they are included in the transformation process. Other ways can be to implement employee participation groups with the purpose of suggesting improvements to work related problems, or suggestion systems for mobilizing ideas from employees on improving the work environment (Nijssen & Paauwe, 2012). It is also important to show progress and celebrate success since it makes people positive to changes (Gandomani et al., 2014). Furthermore, focusing on agile values can be another way to motivate employees since acknowledging the values will lead to an understanding of why the change is needed which consequently leads to higher motivation (Dikert et al., 2016).

Training and Coaching

Another crucial factor for succeeding with achieving organizational agility is training and coaching of people in the organization. The research made by Dikert et al. (2016) shows that training increases the chances of accomplishing the transformation to agile. They also highlight the importance of coaching teams as they learn by doing since an agile way of working can be difficult to explain by theory and rather needs to be learned in practice. According to the authors, coaching comes with a number of benefits. Firstly, a coach can observe and adjust problems as they occur. Secondly, a coach helps draw attention away from focusing on tools to instead put focus on understanding the principles and values of agility. It was also stated that using both internal and external coaches can be beneficial. Using external coaches has the advantage of providing an objective view of the organization while internal coaches can be more accessible and have knowledge of the specifics of the organization (ibid.).

Training is also an important success factor since it can help people in the organization to become more positive toward the new way of working, help create the right mindset, and at times even make employees enthusiastic to change (Campanelli et al., 2017; Dikert et al., 2016). Campanelli et al. (2017) state that because an agile transformation process encompasses many human factors and due to the fact that the people are at the center of the process, the coach role becomes a highly important part in the transformation process. This is particularly crucial in organizations that are moving from traditional structures (ibid.) since people within such organizations must leave and forget their previous roles and mindsets and instead embrace new responsibilities (Gandomani et al., 2014).

Decentralization of Decision Making and Power

Because achieving organizational agility is a large-scale transformation, it cannot be led from the top alone (Denning, 2018a). Instead, the company must identify champions of the change throughout the whole organization. Denning (2018a) means that for an agile transformation to be successful, it can neither be led top-down or bottom-up but should rather be a combination of both. Dikert et al. (2016) found in their research that allowing teams to have the power to decide over themselves is an important part of succeeding in the transformation process of becoming agile. The authors also discovered that giving teams full control to self-organize

creates commitment and motivation to the change and acceptance increases when teams are provided with the authority to decide on development quality and speed.

Additionally, Harraf et al., (2015) found that when authority is given to lower-level employees, responsiveness to changes in the environment is faster and more accurate. They mean that although an upper-level decision typically can be made and executed faster, allowing for a quicker response to an instant problem or threat, a decentralized decision making has the advantage of being more effective. The authors further state that the benefits and effects of decentralized decision making and the responsiveness of the organization as a whole lead to increased effectiveness and employee morale.

Culture of Change

Becoming agile is a paradigm shift that requires a new and different organizational culture (Denning, 2018a). Thus, the culture of a company plays an important role in being able to achieve organizational agility (Tolfo et al., 2011). Such culture, what according to Sherehiy, Karwowski and Layer (2007) is named a culture of change, should provide an environment supportive of experimentation, learning, and innovation and should encourage positive attitudes to change, new ideas, people, and technology. Denning (2018a) means that companies trying to keep their former hierarchical culture during the transformation will likely not be able to achieve organizational agility. Harraf et al., (2015) found in their research that organizations need to have an innovative culture since it implies that companies constantly evaluate their procedures, systems, structures, teams, and other organizational components. A culture of innovation is one that is characterized as opportunity-seeking and alertness, which therefore is of great importance (ibid.).

Change in Mindset

An agile transformation process does not only require a cultural change but also changes such as operational and technical, which in the end will necessitate a change in the way people think (Campanelli et al., 2017). Accepting a new mindset requires involvement and participation of all levels in the organization to engage people in the change process and to provide knowledge about agility. Involvement and participation are also important in order to develop a secure company environment and to encourage employees to acknowledge the new way of thinking and working (ibid.). Nijssen and Paauwe (2012) further emphasize the importance of a shared mindset across the entire organization. They state that communication of the strategy, which involves to constantly keep all employees informed and updated, becomes a crucial factor for creating a common mindset, providing people with a sense of direction in the change process. According to Dikert et al. (2016), one way to build a shared agile mindset is to arrange social events through which employees receive information and get the possibility to be part of shaping the new way of working.

Management Support and Leadership

Management support plays an important role in managing the transformation process of becoming agile (Dikert et al., 2016; Gandomani et al., 2014). Pikkarainen et al. (2012) state that management support is vital in any big change in an organization, not only at the initial

phase but throughout the entire transformation. More specifically, the role of top management during an agile transformation is to inspire and encourage agile leadership across the whole organization (Denning, 2018a). Moreover, in addition to the leadership provided by coaches and mentors, having specific change leaders during an agile transformation is critical (Dikert et al., 2016). Such change leaders can for instance be project managers (ibid.). Campanelli et al. (2017) found that in order to achieve agility, the role of the project manager must change from planner and controller to facilitator.

Dikert et al. (2016) further found that management support must be visible in the organization since visual involvement of management can lead to motivation and encouragement among employees to adapt the new way of working. The authors mean that to be able to provide accurate management support, educating and training management on agile is necessary. However, providing sufficient management support will be truly challenging if management is not committed enough, why strong management commitment is crucial for being able to deliver the right leadership needed for succeeding with the transformation (Gandomani et al., 2014).

2.3 Challenges of Organizational Agility

The challenges of achieving organizational agility are complex in nature, since they often are situational based and highly related to the surrounding environment (Jovanović et al., 2017). Gregory et al. (2016) further mean that as agile approaches mature and become more widespread the challenges are changing, which increases the level of complexity. In addition, since new challenges emerge, the focus on existing challenges shifts which reflects the current state of practice. The challenges are also often interlinked, which means that they should be studied in their context, rather than in isolation as they are highly contextual and complex. The challenges have therefore been hard to address successfully in previous research. Consequently, known challenges still pose problems in practice, along with new challenges that are emerging as organizations push the boundaries of existing techniques, try new approaches, or move into unknown territory (ibid.).

In order to understand the challenges of organizational agility better, a literature review was conducted out of previous research in the field. As with the case of the key success factors, challenges related to both organizational agility and agile transformation process were investigated in this research. Altogether, 34 challenges were identified and grouped into eight categories. The identified categories and challenges are summarized in Table 2.3 and are afterward presented one by one.

Category of Challenges	Challenge	Author
Change resistance	Resistance of change	Campanelli et al., 2017; Dikert et al., 2016; Gregory et al., 2016
	Skepticism and distrust	Dikert et al., 2016
	Top down mandate create resistance	Dikert et al., 2016
	Motivate individuals in all parts of the organization	Gregory et al., 2016
	Fear of the unknown	Gregory et al., 2016; Paasivaara et al., 2008
Mindset shift	Change in mindset	Campanelli et al., 2017; Gandomani et al., 2013; Pikkarainen et al., 2012
	Reverting into old ways of working	Dikert et al., 2016
	Transformation of roles	Dikert et al., 2016; Jovanović et al., 2017
Organizational culture	Collaboration	Campanelli et al., 2017; Gandomani et al., 2013
	Trust	Campanelli et al., 2017; Gregory et al., 2016
	Culture affects change initiative	Campanelli et al., 2017; Gandomani et al., 2013; Gregory et al., 2016; Holbeche, 2018; Tolfo et al., 2011
	Nationalities and geographical distances	Gregory et al., 2016
	Informal culture	Gandomani et al., 2013; Holbeche, 2018
Lack of investment	Time requiring	Denning, 2018a; Gandomani et al., 2013
	Lack of training, coaching, and mentoring	Campanelli et al., 2017; Gandomani et al., 2013
	Too high workload	Dikert et al., 2016
	Rearranging physical space	Dikert et al., 2016
	Cost cuttings	Denning, 2018a; Holbeche, 2018
Distribution of power	Hierarchy hinders agility	Dikert et al., 2016
	Hierarchical structures create organizational boundaries	Holbeche, 2018
	Senior management can cause implementation gaps and bottlenecks	Dikert et al., 2016; Holbeche, 2018
	Decentralize power	Campanelli et al., 2017; Denning, 2018a; Gandomani et al., 2013; Gregory et al., 2016; Holbeche, 2018; Pikkarainen et al., 2012
New type of leadership	New type of management required	Denning, 2018a; Gregory et al., 2016; Holbeche, 2018
	New mindset of leaders	Denning, 2018a; Gregory et al., 2016; Holbeche, 2018
	Shared leadership	Holbeche, 2018

Coordination of collaboration	Coordinate teams	Dikert et al., 2016
	Manage global distribution	Dikert et al., 2016
	Achieving technical consistency	Dikert et al., 2016
	Knowledge sharing	Campanelli et al., 2017; Gregory et al., 2016
	Duplication and inefficiency	Dikert et al., 2016; Holbeche, 2018
Misinterpretation and lack of understanding	Lack of strategies and guidelines for agile adoption	Dikert et al., 2016; Gandomani et al., 2013; Jovanović et al., 2017
	Misunderstanding agile concepts	Dikert et al., 2016; Gregory et al., 2016
	Agile poorly customized	Dikert et al., 2016; Gandomani et al., 2013; Jovanović et al., 2017
	Confusion of old and new approaches	Dikert et al., 2016

Table 2.3: Challenges of Organizational Agility

Change Resistance

For people to be willing to change, the change must be perceived as easy enough and the reasons for change must be reasonable and comprehensible (Dikert et al., 2016). However, one cannot expect everyone to be willing to change, even though good and understandable reasons might exist. Resistance of change can be caused by various reasons where skepticism and distrust in new ways of working are two recurrent examples in previous research (ibid.). Since change often implies disturbing the status quo, it is also common that employees worry about new roles and responsibilities that the change might bring (Paasivaara, Durasiewicz & Lassenius, 2008). In addition, Gregory et al. (2016) argue that fear of change and the unknown is a usual reason behind resistance.

Furthermore, the way the transformation is initiated affects how change resistance will show. Dikert et al. (2016) noticed that top down mandate created resistance in several cases. Change initiatives typically come from management, and when it is presented in a bad way, people are not receptive. If management does not define clear goals for using new methods, employees may feel that the new agile methods can be replaced by something else at any time (ibid.). Many are failing with explaining the holistic use of an agile approach and to make it understandable at an individual level in all parts of the organization (Gregory et al., 2016).

Mindset Shift

Campanelli et al. (2017) found in their study that one of the most challenging aspects of an agile transformation is to change the mindset of the employees, especially project managers. Unwillingness to change among managers creates problems since the agile way of working cannot spread beyond teams when the managers are not involved in the transformation (Dikert et al., 2016). Thus, managers are in a position to undermine the transformation and may do so

if they do not participate in, or understand, the agile approach. Agile transformation therefore requires changes in management roles (ibid.).

Another challenge regarding mindset shift concerns reverting into old ways of working (Dikert et al., 2016). Dikert et al. (2016) identified that barriers in the transformation process can result in people reverting to their old habits. In some cases, it is only a temporary struggle to learn agile practices, but in other cases, the old way of working displaces agile. The authors found stress as a common aspect that brought back old routines, which therefore implies a hinder. In addition, a decrease in performance during the transformation process also affects the adoption of new ways of working. When new practices are introduced and the benefits are not immediate, employees tend to go back to the old way (ibid.).

Organizational Culture

Many researchers agree that organizational culture is one of the greatest challenges associated with agile transformations. However, little has been said about what the main barriers of organizational culture really are in an agile perspective (Gregory et al., 2016). Holbeche (2018) means that agility is a wide phenomenon that typically requires a major culture change in order to be adopted in organizations. A cultural change also includes the informal culture, making the challenge across the organization more immense. Furthermore, Tolfo et al. (2011) mean that organizational culture can accommodate a new agile method in a positive or negative way. Thus, the current company culture plays an essential role for a successful or flawed agile implementation (ibid.).

In addition, Gandomani, Zulzalil, Ghani, Sultan and Nafchi (2013) explain that an organizational culture including structure has been necessary in the traditional approach, making a transformation where it is less included problematic. Gregory et al. (2016) further argue that a beneficial culture for organizational agility has proven to be difficult to achieve since it requires a philosophical belief in people over process. Differences between nationalities and geographical distance also magnify the barriers. In addition, if the culture does not contain trust among the employees, achieving agility can be problematic (Campanelli et al., 2017; Gregory et al., 2016).

Lack of Investments

Gandomani et al. (2013) mean that moving to agile activities from rigid, adequate, and planned activities is not possible without spending enough time, effort, and investment. Furthermore, Campanelli et al. (2017) argue that training, coaching, and mentoring of the employees are among the hardest challenges when going through an agile transformation. When going through a change toward becoming agile, lack of enough investments in these areas is therefore a critical issue (Campanelli et al., 2017; Gandomani et al., 2013). Similarly, Dikert et al. (2016) found that common reported challenges related to lack of investment concerns lack of training and coaching, too high workload, and rearranging physical space. Thus, if these investments are not made, it could hinder the development of the agile transformation.

Distribution of Power

Hierarchical structures can create hinders in agile organizations since such organizations increasingly operate as networks with open boundaries and multiple connections based on trust, rather than hierarchy (Holbeche, 2018). Regarding organizational effectiveness and agility, Holbeche (2018) further means that a lack of capacity to act on lower levels in an organization can be institutional as rigid bureaucratic practices and routines offer little support for experimentation and learning. Thus, Holbeche (2018) argues that a hierarchical structure counteracts organizational agility since it tends to result in hierarchical practices, unwillingness to collaborate with others, and interpersonal conflicts. In addition, senior management is traditionally responsible for developing strategies whereas the pace of change sometimes can be too slow and lead to implementation gaps. Regarding agility, strategic work should be an ongoing process which involves employees to contribute in various elements of the strategic work in order to achieve multiple innovative advantages (ibid.). If not, involvement of middle management can become bottlenecks in the agile transformation (Dikert et al., 2016). Thus, decentralization of decision making is needed and the required change of power balance from managers to individuals or teams has proven to be particularly difficult (Campanelli et al., 2017; Gandomani et al., 2013; Pikkarainen et al., 2012). Some managers are unwilling to give up their previous authority in order to encourage more group decisions and self-organizing teams (Campanelli et al., 2017; Gandomani et al., 2013).

New type of Leadership

Compared to traditional approaches, organizational agility requires a new type of leadership (Denning, 2018a; Gregory et al., 2016; Holbeche, 2018). Holbeche (2018) means that many leaders today lack the skills of dealing with complexity, and particularly of leading people through change. The leadership should develop a new mindset that encourages an alternative economic logic instead of striving for cost cuttings to be able to lead the company into organizational agility. Common barriers are therefore to focus on short-term execution, risk-aversion, politics, and top-down leadership that ignore voices from below. Thus, managers need to lose the mindset that efficiency, differentiation, or growth are competitive advantages and instead put focus on the capability of change (ibid.).

Furthermore, Gregory et al. (2016) explain that traditional project management approaches of 'command and control' need to be replaced by a facilitating style of leadership. Holbeche (2018) means that agile organizations do not have day-to-day management control. Instead, a shared leadership within all levels of the organization should be encouraged, which means that decisions are supposed to be based on dialogue and consensus rather than authority. Such leadership should stimulate empowerment and develop team capabilities rather than command and control. However, many old-style instrumental ways of managing and leading still prevail in practice, and this new type of leadership can be complex to obtain (ibid.).

Coordination of Collaboration

Agility poses many problems concerning coordination of the work within organizations (Dikert et al., 2016; Gregory et al., 2016; Holbeche, 2018). These coordination challenges can be of different characters, and Dikert et al. (2016) identified four of them in their study. The first one

involved difficulty of interface between teams (ibid.). The authors noticed that many organizations are struggling with coordinating the work of several agile teams simultaneously. The problems were more extensive in larger companies and in organizations where teams needed to work together with other teams. In some cases, the teams had developed an agile way of working that the rest of the organization lacked, in which flexibility and dependencies became problems. The second challenge concerned autonomous teams. For example, a balance between the teams' own goals and the broader goals of the organization as well as respecting the larger context were difficult to manage. The third coordination challenge was to manage global distribution. As organizations were scaling up agile over many geographical sites, the distribution could have negative effects such as reduced feeling of proximity, difficulties of having meetings, and to supervise different projects in a way that did not prevent an agile way of working. Lastly, the fourth coordination challenge involved achieving technical consistency. During an agile transformation, many different types of technical problems such as integration, lack of standardized processes, and synchronizing made coordination of the work more difficult (ibid.). Furthermore, Holbeche (2018) means that lack of coordination and synchronization between project initiatives can lead to duplication and wasted effort.

Misinterpretations and Lack of Understanding

Dikert et al. (2016) noticed in their study that there is a grave misunderstanding of agile concepts among businesses which can be problematic since not having sufficient knowledge of what agile is can make the implementation complicated (ibid.). Gregory et al. (2016) also mean that there is a hype around agile which creates misleading or excessive claims about agile approaches. They noticed that traditional management often sees agile as just another IT method that can be implemented and structured to fit existing organizational norms. Furthermore, there is regularly not enough understanding of how thoroughly and comprehensively the implementation must be in order to obtain a proper outcome. Hence, the multi-faceted aspects of agile are open to many different interpretations, which makes it complex (ibid.).

Furthermore, there is a lack of complete strategies and guidelines for agile adoption (Jovanović et al., 2017). Agile is also poorly customized (Dikert et al., 2016), meaning that agile practices often have to be tailored in order to be incorporated into companies' existing processes (Jovanović et al., 2017). Hence, standardized processes and structures are not suitable (ibid.). In addition, although much literature exists about the concept of agility, there is limited evidence available about the failures (Gregory et. al., 2016). Thus, the concept of agile can seem fairly easy to adapt because of the successful examples. However, in practice, it can be more difficult (ibid.). In addition, Dikert et al. (2016) observed that during an agile transformation, the transformation proceeds gradually. Thus, it is common that new agile methods are used in parallel with old methods throughout the process. This aspect causes problems such as tension and confusion on all organizational levels. Furthermore, due to misinterpretations of the concept, employees may use different approaches (ibid.).

2.4 Achieving Organizational Agility

In the following sections, the different phases companies go through in the process of achieving organizational agility are presented. Thereafter, important core organizational areas that needs to be adjusted for becoming agile are discussed.

2.4.1 Phases for Achieving Organizational Agility

As stated in the problem discussion in Chapter 1, a clearly defined framework for how to achieve organizational agility is missing in existing literature. Furthermore, few researchers have focused on identifying the specific steps a company goes through in the process of becoming agile seen from a time perspective. However, one study presenting different phases for achieving organizational agility is one by Denning (2019). The author is mapping the agile transformation journey by identifying three phases that an organization must go through in order to obtain organizational agility: exploring, progressing, and mastering.

The initial phase, exploring, begins with absorbing some of the latest literature of the concept of agile while taking into accountant the current state of the firm (Denning, 2019). One should prepare for the process that lies ahead by visiting similar organizations that have already become agile and learn about key practices and challenges to avoid. Denning (2019) further states that top management needs to start by considering whether the firm's own management is up for the challenges that the transformation implies. It is important in order for top management to realize that an agile transformation is more than a new process or practice, but rather a new way of thinking requiring a different approach than the traditional top-down hierarchy. Moreover, in this phase the team that will lead the transformation should be formed, ideally consisting of individuals from every level of the organization. Denning (2019) also discusses the importance of forming cross-functional teams and networks within, as well as outside, the company. To minimize resistance of change within the organization, the firm needs to grow the change organically and have reasonable motives (ibid.).

The second phase, progressing, is the one initiating the agile transformation, typically starting with providing the concept in one or several small teams (Denning, 2019). Thereafter, it is gradually adapted by the rest of the organization through spreading successful examples and inspiring others. It is important to recognize that the transformation is not a mechanical program consisting of a number of steps that must be completed. Instead, it is a process that requires testing, continuous improvement, and adaptation. In addition, it is also important to understand that even successful organizations encounter setbacks, particularly in early stages of the transformation. It is therefore important to remember that the transformation will require much time. Once progressing the change, the idea of agile must continue to evolve, which means to continuously adapt the idea to the circumstances of the organization. Furthermore, each individual within the organization needs to embrace the agile approach. Thus, it is one thing to create agile teams, but another to make the whole organization agile. Denning (2019) further states that the struggle with changing people's behaviors as well as accomplishing collaboration between teams rather than within teams is particularly critical in this phase.

Moreover, the author expresses the commonness of "fake agile" as a consequence of the fact that agile has become a highly diffused concept and many organizations proclaim it to be their top priority nowadays. Hence, "fake agile" causes confusion around the concept which can make organizational agility difficult to achieve (ibid.).

The last phase, mastering, concerns normalizing the change (Denning, 2019). More specifically, once agile teams are entirely established as the normal way of working, the effort needs to turn into transferring all the back-office functions in the organization. Thus, it is important to make functions such as accounting, budgeting, and audit in line with agile goals. Furthermore, the mastering phase implies that the new agile mindset has increasingly become more fluid in the organization and the new principles and practices are starting to become normality to everyone in the organization. The transformation process can be considered as completed when everyone in the organization has embraced the agile practices and continuously keeps developing them on their own. At that point, agile thinking has become fully internalized (ibid.).

Exploring
Preparing for the agile transformation

Progressing
Implementing the agile transformation

Mastering
Turning agility into normality
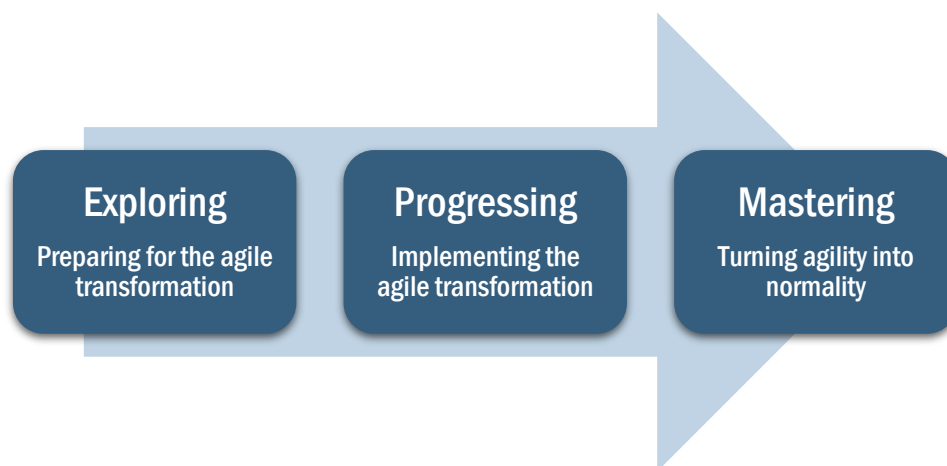
Figure 2.2: Phases of Organizational Agility

2.4.2 Core Organizational Areas for Achieving Organizational Agility

According to Baškarada and Koronios (2018), agility requires a stable backbone, comprising relatively fixed structures to define how resources are distributed, as well as dynamic elements to leverage the stable backbone. Thus, in order to achieve organizational agility, the ability to be both stable and dynamic is needed (ibid.). Ahlbäck et al. (2017) emphasize this by highlighting five core organizational areas where balancing the tension between stability and flexibility is critical for achieving organizational agility. These organizational areas are strategy, process, structure, people, and technology. Each area will be discussed below.

The first core organizational area, strategy, involves the strategic guidance that leaders within the organization must provide (Ahlbäck et al., 2017). Leaders should provide frequent feedback and coaching to enable people to work autonomously toward their team outcome. It is important to establish a shared vision and purpose where people feel personally and emotionally engaged in the strategic direction. People within the organization should also proactively be observant for an act upon changes in customer preferences and the external environment. Thus, the strategic work should also focus on developing capabilities of sensing and seizing opportunities on an organizational level. Furthermore, there should be a flexible resource allocation where resources are deployed to initiatives based on their progress against defined milestones since some units within the organization will be further behind the agile peers (ibid.).

Regarding process, agile units should have standardized ways of working including the use of a common language and common tools (Ahlbäck et al., 2017). To strengthen the different units, there should be an information transparency where useful knowledge is made available to all employees which also encourages the spread of new ideas. To be able to operate fast cycles of field testing and learning, which is key for innovation, it is important with rapid iteration and experimentation. New knowledge and capabilities that co-workers develop should thereby be accessible in order to encourage a continuous learning within the whole organization (ibid.).

The organizational area of structure concerns the composition of units which should be fit for their purpose and have full end-to-end accountability (Ahlbäck et al., 2017). The teams should be small and self-managed with an action-oriented decision architecture, enabling fast decision making. That means that leaders closest to where the work happens should have the authority to make decisions that affect the implementation of their day-to-day activities. There should also be an ecosystem of partnerships with customers, vendors, and other partners to codevelop products and services. The work environment should be open and designed so that people communicate and collaborate with each other, either in person or virtually (ibid.).

The fourth area, people, focuses on the mindset that people within all levels of the organization should obtain (Ahlbäck et al., 2017). The authors mean that people should have an entrepreneurial drive which includes having an intrinsic passion for the work and aim to perform beyond expectations. Furthermore, the agile units must have a shared and servant leadership where leaders inspire employees through coaching and development. It means that leaders involve employees in strategic and organizational decisions and invest in the employees' development as well as encourage team-oriented behavior. Agile units must also have a cohesive community, implying that people across all levels and teams trust each other to act in the best interest of the organization and its key stakeholders. Additionally, there should be a mobility of roles which means that people should move regularly between roles and teams based on their personal development goals (ibid.).

Considering the area of technology, agile units should be able to roll out suitable technology, systems, and tools that support the organization's agile ways of working (Ahlbäck et al., 2017). Technology involves architecture, infrastructure, practices, and tools and should therefore be

integrated with internal key processes. Thus, business and technology should not be regarded as separate units. Instead, there should be a collaboration between cross-functional teams working with both business and technology in order to reach desired outcomes (ibid.).
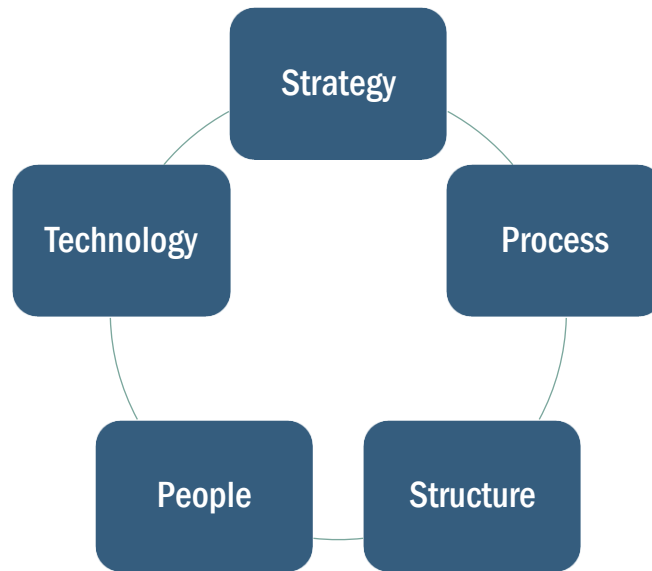

Figure 2.3: Core Organizational Areas of Organizational Agility

3. Methodology

In this chapter, the applied research strategy and approach followed by the chosen research design is presented. Thereafter, the secondary data collection, as well as the primary data collection consisting of semi-structured interviews, are described. This is followed by a presentation of the method used for analyzing the collected data. Lastly, the quality of the study is elaborated on and chosen quality measurements are explained.

3.1 Research Strategy and Approach

A qualitative research strategy has been used in this study. While quantitative research tends to focus more on numbers, qualitative research usually focuses more on words and on showing the social world from the perspective of the people being studied (Bryman & Bell, 2015). Thus, focusing on what the participants find as important and significant is highly crucial in qualitative research (ibid.). Since this study aspires to investigate how large organizations can achieve organizational agility, which implies viewing the world from the perspective of the participants, a qualitative research strategy was seen as most suitable. Additionally, a qualitative research strategy has been chosen since the objective of this study is to fill a gap in existing literature in a yet rather unexplored field of research. Some literature already exists; however, existing research is limited regarding how large organizations can achieve organizational agility. By conducting a qualitative research, the authors could thereby explore the concept by gathering relevant data and consequently contribute with new insights. Hence, a qualitative research strategy was seen as most relevant for this study.

Concerning the approach to the relationship between theory and research, an abductive approach has been used. The topic of this study is an unexplored field of research. Accordingly, the nature of the research is of exploratory kind. Applying an abductive approach allows to explore a phenomenon, identify themes, explain patterns, and thereafter generate new or modify already existing theory within the field (Saunders, Lewis & Thornhill, 2012). In the inductive approach, usually applied in qualitative research, the starting point is the conducted research with an aim of at making generalizable conclusions (Bryman & Bell, 2015). However, this study does not move strictly form data to theory, which is why the abductive approach was more suitable. Instead, this research has used a combination of deduction and induction, being in line with the abductive approach (Saunders et al., 2012). This since the purpose of the study is not only to generate theory from gathered data but also to test already existing theory within the field. More specifically, the study initially took a deductive approach by gathering already existing literature within the field of organizational agility, being the basis for the primary data collection. Thereafter, more of an inductive approach was applied as the empirical findings were combined with the findings from the literature review in order to generate theory.

3.2 Research Design

The chosen research design for this study has an exploratory approach. The main rationale behind this choice relates to the fact that the thesis covers an unexplored field of research. More precisely, because the topic of how large companies can achieve organizational agility lacks both academic research as well as practical examples, using an exploratory approach was seen as suitable. Furthermore, the chosen research design goes in line with the exploratory research question of this study. As explained in section 3.1, elements from both a deductive and inductive approach were used to explore the topic. Through the literature review, the authors aimed at mapping out existing research within the field of organizational agility and how it can be achieved. The literature was thereafter used as a base for exploring the topic further through interviews with the aim of investigating the subject from a wide range of different perspectives.

3.3 Research Methods

The research methods used for collecting data in this study is based on a secondary and a primary data collection process, which are presented in this section. The initial data was collected through a systematic literature review based on secondary data. Thereafter, the primary data was collected through interviews with respondents possessing relevant knowledge within the field of organizational agility.

3.3.1 Secondary Data Collection

Before the focus of the thesis was completely determined, the authors started the study by collecting and interpreting secondary material about relevant subjects. Thus, the secondary data collection was initiated through searching for information about the topics of agility, organizational agility, achieving agility, and key success factors and challenges related to this. The search was made on the web in order to find the most relevant materials. The findings, and lack of findings in some specific areas, resulted in the purpose and research question of this thesis. The purpose and research question thereafter became the foundation of the systematic literature review which is presented in Chapter 2.

3.3.1.1 Literature Review

The systematic literature review was conducted before the primary data was gathered since it enabled the authors to collect relevant materials upon which to build the empirical findings. A systematic literature review can be made in a number of different ways (Bryman & Bell, 2015). In this case, it was conducted using key search words for browsing different databases. In addition, the keywords that resulted in most findings were combined with additional search words in order to find as much relevant material as possible and systematically go through the findings. Thus, the method enabled the authors to review previous literature in an organized way, which made a thorough and comprehensive collection of previous research within the field possible. The used key search words and additional search words are presented below in Table 3.1.

Key Search Words		
Organizational Agility		
Agile Transformation Process		
Agile Organizations		
Becoming Agile		
Additional Search Words		
Organizational Agility	*and*	Achieve
Organizational Agility	*and*	Framework
Organizational Agility	*and*	Key Success Factors
Organizational Agility	*and*	Challenges
Agile Transformation Process	*and*	Framework
Agile Transformation Process	*and*	Key Success Factors
Agile Transformation Process	*and*	Challenges

Table 3.1: Key Search Words and Additional Search Words used in the Literature Review

3.3.1.1 Databases and Other Sources

To make sure that reviewed and relevant literature was used in the study, recommended databases were used for the secondary data collection. Therefore, the utilized databases were Supersearch and GUPEA at the School of Business, Economics and Law at Gothenburg University, as well as Google Scholar. The choice to include several databases was made to ensure that a sufficient number of articles were found. Furthermore, a combination of older and newer sources was used since this makes the systematic literature review more extensive and increases the trustworthiness (Bryman & Bell, 2015). However, since previous research within the field of organizational agility is rather thin, additional material was included in the secondary data collection consisting of a study made by the global management consulting firm McKinsey & Company.

3.3.1.2 Inclusion and Exclusion Criteria

The literature that was found as a result of the search words was examined and chosen by the authors based on a number of inclusion and exclusion criteria, which are presented in Table 3.2. The first inclusion criterion involves literature regarding the topics of agility and organizational agility. More specifically, literature regarding the topic of agility was only included in order to describe the way in which the concept of organizational agility differs from the general concept of agility. Thereafter, only literature regarding organizational agility, thus agility on an organization-wide level, was included. Furthermore, with regard to the purpose and research question of this study, literature concerning how organizational agility can be achieved, as well as key success factors and challenges related to the concept, was included. Moreover, the selection of articles has been limited to be only peer reviewed articles in order to ensure legitimacy and quality of the literature. Furthermore, because the concept of agility was introduced for the first time in 1991, earlier conducted research was not seen as relevant for this study. Thus, the choice was made to only include literature published after 1990.

Because the aim of this research is to explore how companies can become agile across the whole organization, literature regarding other aspects of agility has been excluded, such as literature on specific agile methods and practices, since it is seen as not relevant for this study. Furthermore, as the purpose of the thesis concerns large companies, previous research that only includes startups or small enterprises has been excluded. Finally, since the language of the thesis is in English and the mother tongue of the authors is Swedish, articles published in other languages have been excluded.

Inclusion Criteria	Articles and books regarding agility and organizational agility
	Articles and books regarding how to achieve organizational agility and key success factors and challenges related to organizational agility
	Peer reviewed articles
	Articles and books published after 1990
Exclusion Criteria	Articles and books regarding other aspects of agility than organizational agility
	Articles and books only concerning startups or small organizations
	Articles and books published in other languages than English and Swedish

Table 3.2: Inclusion and Exclusion Criteria for the Literature Review

3.3.2 Primary Data Collection

The primary data collection in this research consists of interviews which is the most widely employed method for gathering data in qualitative research (Bryman & Bell, 2015). Interviews was seen by the authors as the most suitable option because of the exploratory nature of this study. In interviews, the interest lies in understanding the world from the respondents' points of view and the approach is flexible which is beneficial for exploratory purposes (Bryman & Bell, 2015). Interviews are also more or less exclusive which makes it possible to deeper connect with the respondents and understand their thoughts, opinions, and feelings (Alvesson, Deetz & Torhell, 2000). Moreover, the research was subject for time limitations and restraints in the number of respondents, whereby interviews was the most appropriate method to get the most out of the primary data collection.

3.3.2.1 Semi-structured Interviews

The interviews were conducted using a semi-structured interview approach. Thus, the researchers asked rather open questions in a systematic way that had been prepared in advance through an interview guide. According to Saunders et al. (2012), the semi-structured approach is suitable for exploratory studies. The choice to use this approach was also made because of the flexibility and possibilities it provides. Asking broad and exploratory questions that are in line with the exploratory nature of this study enabled the emphasis to be on the respondents' points of view. Thus, the semi-structured approach made it possible to obtain individual

perspectives which was seen as beneficial since the study aims at exploring the topic from as many viewpoints as possible. Furthermore, unlike the unstructured approach, the semi-structured approach enabled the interviews to have a clear focus since it allowed for a number of topics outlined in the interview guide to be covered during the interviews. Because the interviews aimed at addressing rather specific issues and at the same time encouraging the interviewees to talk freely from their own perspectives, the semi-structured approach was seen as appropriate. This because it allowed for flexibility in combination with a clear focus, which is suitable for the exploratory research design and the abductive approach of this study.

3.3.2.2 Selection of Interviewees

A purposive sampling, which is a non-probability form of sampling (Bryman & Bell, 2015), was used to select the interviewees. This means that the respondents were chosen based on their relevance for the study. Two different groups of respondents were identified in order to explore the topic from as many different perspectives as possible. Altogether, 11 respondents were selected (see Table 3.3).

For the first group, two criteria were formulated in order to find relevant people. Firstly, the respondents should be working in large organizations that are currently going through an agile transformation process or that are working toward becoming more agile. Secondly, they should possess knowledge about organizational agility and have insights in the ongoing changes taking place within the organization. Furthermore, because the study aims at investigating the topic from different perspectives, the researchers aspired to find respondents working at different types of positions. Consequently, respondents from two large organizations, working at a number of different positions, were identified. One of the companies is currently in the middle of an agile transformation. In the other company, a number of different large organizational changes are taking place, where one goal is to become more agile. Because of this, these organizations were seen as relevant for this study. Once having identified the two organizations, a contact person from each company assisted the authors in finding relevant respondents by providing the authors with contact details to people in the organization considered relevant for the subject. Thereafter, they were contacted directly by the authors with information about the thesis and a request for participation.

As for the second group, the first criterion was not to be working at a company going through an agile transformation but instead to be working with helping other organizations with such transformations, thus, working as consultants. The second criterion was, in line with the first group, that the respondents should have knowledge about organizational agility and agile transformation processes. Consequently, two management consultants, working specifically with agile transformations, were identified. Both respondents were contacted directly by the authors. Information about the respondents and the corresponding interviews are presented in Table 3.3.

3.3.2.3 Interview Guides

Before the interviews were conducted, interview guides were constructed to make sure relevant data was collected (see Appendix 1 and 2). Two separate interview guides were made for the

two different groups of respondents. Although most questions are the same in both, two interview guides were made since the questions regarding how organizational agility can be achieved had to be formulated in different ways depending on the perspective of the respondent.

To design a suitable interview guide, Bryman and Bell (2015) highlight the importance of keeping the research question in mind to make sure the interview questions will contribute to answering the research question. Furthermore, Bryman and Bell (2015) recommend excluding leading question, whereby more open questions were formulated. In order to ensure that the interviewees would not interpret the questions differently, they were formulated in an easy and direct way. As can be seen in Appendix 1 and 2, the interviews started with an introduction of the authors and the subject, as well as a few questions about the interviewee in order to create a more relaxed atmosphere. This also enabled the authors to get a better understanding of the respondents, their positions, and their perspectives. Thereafter, the interviews continued with more direct questions about how organizations can become agile as well as key success factors and challenges of organizational agility. Thus, the interview questions covered the same topics as in the literature review. Besides the questions that can be seen in the interview guides, space was left for asking follow-up questions in order to get a deeper understanding of the respondents' points of view and to discuss certain topics further. Once the interview guides were created, they were reviewed by the supervisor as well as two other students whereupon some changes were made in order to improve the outcome.

3.3.2.4 Conducting the Interviews

In order for the interviewees to feel comfortable in knowing what was going to be discussed in the interviews, an email was sent out to each interviewee a few days before the interview. The email contained a brief description about the themes that were going to be covered during the interviews, as well as to what degree the interviewees were expected to prepare. A majority of the interviews were conducted face to face (see Table 3.3). This was seen as preferable by the authors since it enables a deeper understanding and is considered to increase the interviewees' personal engagement (Bryman & Bell, 2015). However, due to large geographical distances, some of the interviews were conducted through Skype. For those interviews that were conducted face to face, all of them were held at the office of each respondent. The locations where the interviews took take place were decided by the interviewees since the location can affect the responses, why the place should be convenient and comfortable for the interviewees (Saunders et al., 2012). Consequently, all respondents chose the office of the organization as location. Both authors were present during all interviews.

All interviews were conducted in Swedish since this is the mother tongue of both authors as well as all the respondents. Conducting the interviews in Swedish was seen as a way to avoid misunderstandings between the researchers and the interviewees as well as to create a more relaxed atmosphere. Furthermore, all interviews were intended to be recorded since it helps correct the natural limitations of the human memory and allows for more thorough examinations of what people say (Bryman & Bell, 2015). Recording also helps to counter repeated examinations and accusations of bias (ibid.). However, due to ethical reasons, all

respondents were asked for permission to be recorded whereby one of the respondents declined. Therefore, instead of recording, detailed notes were taken during the interview by both authors. After the interview, the notes were compared in order to ensure that the authors had interpreted the answers in the same way. Furthermore, all interviews that were recorded were afterward transcribed. Since the interviews were conducted in Swedish, they were also transcribed in Swedish. Hence, the parts that were used for the empirical findings were thereafter translated to English.

The decision was made by the authors not to publish the names of the respondents. The reason for this is that the interviewees' identities are not considered relevant for fulfilling the purpose of the study. Similarly, it was decided not to point out who is working in what organization since the study does not aim at comparing the different organizations with each other, but rather to explore the topic from different types of perspectives. Hence, not connecting the respondents with the concerned organizations was seen as a way to focus on finding similarities and differences between the different perspectives of the interviewees rather than between the organizations. Therefore, the respondents are distinguished from each other based on their positions.

Respondents Group 1

Respondent (R)	Position	Date	Time	Interview Character
R1	Business Solutions Manager	2019-04-16	60 min	Skype
R2	Senior Director Purchasing	2019-04-17	30 min	Face to face
R3	Global Logistics Developer	2019-04-05	60 min	Skype
R4	Quality Engineering	2019-04-09	60 min	Face to face
R5	HR & Competence Manager	2019-04-15	35 min	Skype
R6	Global Business Area Manager	2019-04-15	60 min	Face to face
R7	HR Strategic Project Manager	2019-04-16	60 min	Face to face
R8	Process Developer	2019-04-16	60 min	Face to face
R9	Change Leader	2019-04-16	60 min	Face to face

Respondents Group 2

Respondent (R)	Position	Date	Time	Interview Character
R10	Senior Consultant	2019-04-10	50 min	Skype
R11	Agile Management Consultant	2019-04-12	45 min	Face to face

Table 3.3: Information about Respondents and Interviews

3.4 Data Analysis

To analyze the collected data, thematic analysis has been used since the method is suitable for qualitative research (Bryman & Bell, 2015). The method is also more flexible and less time-consuming than other methods that are suggested in qualitative research (ibid.), which was seen as suitable for this study. Moreover, by applying a thematic analysis, it was possible to identify and analyze patterns in the collected data to find major themes and concealed meanings. The method was therefore considered by the authors as appropriate to be able to contribute with new insights about how large organizations can achieve organizational agility.

The analysis process started with transcribing the interviews in order to get familiar with the data. The transcription was made along the data collection process since this provides a greater understanding throughout the research process, which is valuable for exploratory purposes and for generating new theory (Bryman & Bell, 2015). After transcribing, the data was color coded into commonly mentioned categories in the interviews. As for the interview that had not been recorded, the color coding was made based on the notes taken during the interview. Each interview was color coded by both authors whereupon the coding was compared as a way to make sure that relevant material was not missed. Through mind mapping, the categories were thereafter used to search for themes that would help answer the research question. Once the themes were identified, they were reviewed and discussed between the researchers to make sure the content of the respondents' answers was not lost or that the themes only reflected fragments of the answers. Thereafter, the themes were used to create the empirical findings as well as the analysis of the study.

3.5 Research Quality

In order to ensure the quality of a study, reliability, replicability, and validity are commonly used criteria (Bryman & Bell, 2015). However, there are authors who argue that qualitative research should be evaluated from other criteria (ibid.). According to Saunders et al. (2012), reliability and validity are associated with quantitative research and can therefore not be applied to exploratory studies. Lincoln and Guba (1985) have suggested two criteria for evaluating the quality of qualitative research as alternatives to reliability and validity: authenticity and trustworthiness. The latter consists of four subcategories, namely credibility, transferability, dependability, and confirmability. Since this thesis is of exploratory kind, it can therefore be argued that the criteria presented by Lincoln and Guba (1985) are more suitable, why these criteria have been used to ensure the quality of this research. In the following sections each criterion will be discussed.

3.5.1 Authenticity

Authenticity concerns whether the researcher manages to demonstrate a range of different realities in a fair and complete way and realistically convey the lives of the respondents (Connelly, 2016). To be able to provide a fair picture by presenting different viewpoints, respondents at different positions were selected, hence with different knowledge and perspectives. Furthermore, the semi-structured approach used for conducting the interviews

enabled the respondents to elaborate on what they found to be important and to add additional points. In that sense, the authors argue that the research is presenting the respondents' viewpoints in a fair way which increases the authenticity of this study.

3.5.2 Credibility

Credibility replaces the quantitative criteria of internal validity and emphasizes the confidence in the truth of the findings of a study (Connelly, 2016). The criterion of trustworthiness can be ensured by performing research according to good practice, that is to use procedures that are commonly applied in qualitative research study (Bryman & Bell, 2015; Connelly, 2016). In this study, procedures that are normally used have therefore been used, such as the creation of interview guides and transcriptions of interviews. In this way, the authors mean that the credibility of this study is increased.

Another way of ensuring credibility is to provide the interviewees with relevant information before the interviews, such as interview themes (Saunders et al., 2012). Hence, in order for the interviewees to be prepared, and to further ensure credibility of this thesis, interview themes of what was going to be discussed during the interviews were sent to the respondents in beforehand. The interviewees were further provided with other relevant information such as to what degree they were expected to prepare before the interviews. Moreover, the authors mean that because the interviews started with a brief conversation and introduction of the researchers in order to create a relaxed atmosphere, the credibility is further increased. This since the first minutes of conversation have great impact on the confidence of the respondents and consequently the outcome of the interviews (Saunders et al., 2012).

3.5.3 Transferability

The criterion of transferability, referred to as external validity in quantitative research, concerns to what extent the findings of a study apply to other contexts (Bryman & Bell, 2015). However, as stated by Lincoln and Guba (1985), transferability in qualitative research cannot be ensured in the same way as external validity can in quantitative research. Thus, unlike quantitative research, which aims at generalizing the findings to a broader population (ibid.), the aim of this study differs. More specifically, the focus of this study was rather to explore how large organizations can achieve organizational agility by focusing on the unique perspectives of the respondents. As described by Connelly (2016), in qualitative research the focus is on the respondents and their stories without declaring it as everyone's story. Therefore, to support the study's transferability, an extensive and deep description of the respondents, the gathered data, and the settings in which it was collected was made. This provides the readers with a vivid picture and consequently increases the possibilities for the readers to make the generalization themselves (Bryman & Bell, 2015).

3.5.4 Dependability

Dependability, replacing the quantitative criteria of reliability, emphasizes whether the data and conditions of a study can be seen as consistent over time (Connelly, 2016). Since the social

settings of cases constantly change, as the ones in this study, it can be difficult to ensure that the same conclusions would be reached if the study was to be conducted again (Saunders et al., 2012). However, in order to increase the dependability of this research, the authors have clearly presented and motivated every decision made regarding research methods and have consequently been transparent throughout the research process. Moreover, all interviews in the primary data collection that were recorded have been transcribed in order to further ensure transparency and consequently increase the dependability of this study. The authors mean that this increases the dependability since being transparent about how the research was conducted can help others to understand the research process and findings, and thus, facilitate replication of the study.

3.5.5 Confirmability

Confirmability parallels objectivity, which concerns the researcher's ability to exclude personal values and opinions in the research process (Bryman & Bell, 2015). While recognizing that complete objectivity is impossible in business research, the authors of this study strived to stay objective to the findings and act in good faith. In order to do so, the interview guides were built upon the literature review, which was founded by published theories. Also, the questions asked in the interviews were formulated in an open and objective way in order to not affect the respondents with personal values of the authors. Furthermore, all the collected material presented in the empirical findings originate in the transcriptions of the interviews. As for the interview that was not transcribed, the material presented in the empirical findings comes from detailed notes taken during the interview. Hence, all material in the empirical findings is presented in the way it was expressed by the respondents. During the analysis of the collected data, the researchers discussed continuously and kept detailed notes of all progress since this prevent biases (Connelly, 2016). Hence, these methods are considered to reproduce a natural perspective of the collected data which increases the degree of confirmability in this research.

4. Empirical Findings

In this chapter, the empirical findings from the primary data collection are presented. The chapter is structured according to the order of the theoretical framework. The first part therefore concerns the findings related to the concept of organizational agility, hence, what an agile organization is. Thereafter, the findings on key success factors and challenges related to becoming an agile organization are presented. In the last section, the findings on how organizational agility can be achieved are presented.

4.1 What is Organizational Agility?

The following sections will present the empirical findings regarding the respondents' views of what an agile organization is and what reasons there are for becoming agile.

4.1.1 Defining Organizational Agility

When getting the question of what an agile organization is, the most commonly expressed attribute is speed. All respondents but one mention that an agile organization is one that is fast. R4 means that being agile is about getting products out on the market in a fast way. R10 mentions that being fast is about realizing customer value faster. According to R8, speed is about fast decision making and R2 means that agile organizations are able to respond quickly to changing circumstances. R1 talks about speed as connected to the external environment and describes it as the following:

To me, an agile organization is an organization that is fast enough to be able to respond to changes connected to the external environment.
R1

Another commonly mentioned attribute among the respondents is the ability to handle a changing business environment, as stated by R1, R3, R6, and R11. R10 further emphasizes this by mentioning that an agile organization is one that can navigate in a changing environment. R5 expresses it as having a tolerance for navigating in the unknown. R2 describes it in the following way:

An agile organization is [...] and has the ability to handle changing prerequisites quickly.
R2

Adaptation is another recurrent attribute among the respondents, where R3 and R7 argue that an agile organization is able to continuously adapt to new circumstances. R5 and R6 further mean that an agile organization dares to live in the unknown and has the ability to adapt along the way depending on the circumstances. R9 emphasizes this by mentioning that agile organizations are able to adapt according to the prerequisites.

Two additional attributes are recurrent among the respondents. R3, R6, and R7 mention flexibility as something that characterizes an agile organization. Furthermore, responsiveness is discussed by three of the respondents. R1, R2, and R3 all mean that for an organization to be agile, it must be able to respond to changes and new requirements that arise. R3 explains it by stating that:

Agility has to do with flexibility, and to have the ability to respond to changes in the environment or adapt to new circumstances.

R3

In the table below, the five attributes recurrent in the interviews of what characterizes an agile organization are presented.

Respondent	Speed	Changing Environment	Adaptation	Flexibility	Responsiveness
R1	X	X			X
R2	X	X			X
R3	X	X	X	X	X
R4	X				
R5		X	X		
R6	X	X	X	X	
R7	X		X	X	
R8	X				
R9	X		X		
R10	X	X			
R11	X	X			

Table 4.1: Attributes of an Agile Organization Identified by the Respondents

4.1.2 Reasons for becoming Agile

When discussing why it is important to become agile, a majority of the respondents (R2, R3, R4, R6, R7, R8, R9, and R11) mean that there is a need to become faster. R4 argues that faster product development is crucial because products must get out on the market in a quicker pace. R6 elaborates on this by saying that product development must become faster due to the fact that the society is changing so fast, making it a necessity to become agile. R2 states that because the conditions of the future are changing in such a quick pace, organizations must become faster to be able to react upon those changes. According to R11, speed is crucial in order for companies to stay relevant in the fast development of today.

Several of the respondents talk about speed in connection with being able to fulfill customer demand. R6 argues that customers' expectations are changing as they are increasingly looking for an experience rather than simply purchasing products. Hence, customers want a new type of shopping experience, why it is necessary to become faster in order to stay relevant and to be able to meet customers' expectations. R1 and R9 further emphasize this and mean that agility

is important for being able to meet expectations in the markets by delivering products faster. R3 talks about the fact that purchasing behavior is changing quickly, why organizations must be fast enough in order to meet new type of customer demand.

If we can work and organize ourselves in a way that makes us able to respond to these types of big changes that the purchasing behavior implies, then we are onto something. And that is the major purpose or reason for this change.

R3

4.2 Key Success Factors

In this section, the empirical findings of key success factors related to achieving organizational agility are presented. The section is divided according to the key success factors most frequently mentioned among the interviewees, meaning those that are discussed by at least three respondents. The findings are summarized in Table 4.3 below and each category of key success factors is thereafter presented one by one. A number of other key success factors were also mentioned in the interviews, however not to the same extent as each of them were mentioned by less than three respondents. These key success factors will therefore not be emphasized further in this section. However, a complete list of all key success factors mentioned in the interviews can be found in Appendix 3.

Key Success Factor	R1	R2	R3	R4	R5	R6	R7	R8	R9	R10	R11
Common vision and understanding	X		X	X	X	X	X	X	X	X	X
Communication	X		X	X			X	X			
Agile mindset	X								X	X	X
Decentralization of power and decision making	X	X			X				X		
Training and coaching	X									X	X
Agile leadership	X				X	X			X		X
Involvement of people						X	X		X		
Change management	X						X		X		X
Acceptance and commitment	X							X	X	X	X
Performance measurement							X		X		X

Table 4.2: Key Success Factors Identified by the Respondents

Common Vision and Understanding

All respondents but one mention that in order for an organization to become agile, there must be a unified vision and understanding of what the company wants to achieve with the transformation. R8 mentions that new concepts and terms are constantly being observed which can be confusing, why it must be decided and communicated what agility means for the specific company. R9 elaborates on this by highlighting the importance of management being clear with why the change needs to be done and what potential consequences there are to expect. Similarly, R6 stresses the importance of creating a collective view of why the change is needed. The respondent further states that to be able to create such a common understanding, it is vital that everybody understands what agility means to the specific organization. According to R1 and R8, creating a unified understanding must be the starting point of the transformation.

It probably must start with a common understanding and picture of what we mean, otherwise we will look at it in different ways. If you manage to do that, it will most likely be easier to start the journey.

R1

Furthermore, R1 discusses that it can be beneficial to bring in an external perspective since the organization itself does not always know the answers to all questions. R4 agrees with the fact that bringing in an external perspective can be key for gaining an understanding of agility. The respondent believes that bringing in people from another organization with knowledge about organizational agility and letting them affect the transformation was a great advantage for the organization when starting the agile transformation.

Communication

Several of the respondents mention communication as a key success factor for managing to become an agile organization. R8 talks about simplicity and means that in order to succeed with having continuous communication, the communication must be made in a simple way. R1 believes that communication regarding the change must be transparent and honest and states that this can be a way to get close to the employees during the transformation. R4 expresses that when creating new teams and implementing new roles as different departments gets integrated, it is crucial to constantly inform everybody in the organization about the ongoing changes. The respondent states that this is not only important in order for everyone to understand what is happening, but also why it is happening, and means that communication therefore is key. When getting the question of how they manage to make the communication work, the respondent answers that one way is to have meetings on a regular basis for everyone involved.

You can never get enough information. So, it is extremely important when you do big changes such as this one that you communicate, because we are changing the structure of the whole company in a way.

R4

Agile Mindset

Creating the right mindset is mentioned by several respondents as a key success factor for becoming an agile organization. According to R10, agile organizations have managed to create a mindset that differs from traditional way of working. The respondent further states that it can be a good starting point to begin the transformation in one part of the company and thereafter let the agile mindset spread across the organization. R10 further highlights the fact that everyone in the organization must embrace the agile mindset. R11 talks about the importance of an agile mindset in the following way:

One key success factor is to understand that agile is a mindset, a set of values and principles for decision making. If you buy in on that you have half the job done. Because when I ask about agility, I do not talk about what agile method to use, I talk about what mindset you should have.
R11

R11 further explains that the Agile Manifesto introduced in 2001, consisting of a number of principles, can act as a base upon which to make decisions. Thus, by using the principles as a checklist for making decisions, organizations can easier understand how to make decisions based on an agile mindset. Both R1 and R9 also highlight the importance of embracing an agile mindset and believe that the mindset needs to be spread across the organization.

Decentralization of Power and Decision Making

R5 discusses decentralization of decision making as a key success factor for becoming an agile organization and believes that courage from management is needed in order to manage the delegation of power. The respondent believes that teams must feel that they have the authority to make fast decisions, why delegation of authority is necessary. R9 agrees and means that giving higher mandate to teams and enabling them to make their own decisions is significant for being able to become agile. The respondent further believes it to be important to give employees the possibility to act more independently and handle changes themselves as they occur, instead of being dependent on their leader for making decisions. R1 and R2 also discuss the importance of delegating responsibility to teams where R2 believes that removing power from the traditional structure is key. R2 further stresses the fact that if providing teams with higher authority, including letting them budget their activities and providing them with resources, they are required to prioritize their own activities.

I would say that this is the absolutely biggest difference, that you must prioritize your activities in a way that you did not have to do before.
R2

Training and Coaching

To train and coach people within the organization is another key success factor mentioned. R10 explains that coaching can be a way to decrease resistance of change among individuals. R11 discusses the importance of training leaders about agility. The respondent means that the first step in the agile transformation must be for leaders in the organization to get an understanding

of what agility means, what the values associated with agility are, and thus how an agile mindset can be deployed. R11 means that having such an understanding is necessary for being able to become an agile organization.

We have to teach leaders and management about this, because they must understand it.
R11

R11 further explains that for those leaders who already have knowledge about the Agile Manifesto and its values, it will be much easier to understand what is required to manage the transformation than for those who do not. Therefore, training about agile principles must be one of the first steps. R1 agrees and believes that training leaders is crucial in order for the organization to be able to create a unified understanding of what agility means and what the goal is with becoming an agile organization.

Agile Leadership
According to R11, a new type of leadership is needed in agile organizations. R1 and R5 state that to be able to create a common understanding of the transformation, the leadership is key. R6 means that the more people in an organization feel part of the transformation, less control will be needed from the top. Consequently, traditional leadership, which the respondent associates with high control, will no longer work. R6 further states that what leadership the organization has plays an important role in creating a feeling of security among employees during the change. According to R9, a leadership that is coaching, listening and manages to deal with potential anxiety related to the transformation is important. R5 emphasizes the importance of having both formal and informal leaders and believes that to be able to lead in an agile organization, courage to let go of control is key. The respondent describes the importance of having a leadership that is prestige less, with leaders having enough faith in its employees to let go of control and include them in the decision making.

I believe leadership becomes fundamentally important here. And I think it is important with trust between leaders and employees.
R5

Involvement of People
Another key success factor discussed by several of the respondents is making people in the organization feel involved in the transformation. R7 believes that making people feel involved is important in the way that it can motivate them to perform at their best. R6 means that the more people feel part of something bigger, part of a network that is going to accomplish something, the more these people will be willing to change. The respondent further believes that as people feel more included in the transformation, less control from the top will be needed. The respondent therefore believes that hierarchies should be avoided as it enables people to feel more involved. R9 also states that involvement of people is important and in line with R6, the respondent discusses that delegating responsibility is one way to make people feel more included. The respondent further describes the importance of involving and engaging people in the transformation in the following way:

I think involvement and participation is truly important in all types of change, that you engage people as much as possible. Because a change that you have been part of and that you have designed yourself is not perceived as a change in the same way as if someone just tells you what to do.

R9

Change Management

R9 means that to be able to succeed with an agile transformation, it is important to handle the human side of the change, thus work with change management. Both R1 and R7 agree with the fact that change management is a crucial part for succeeding with the transformation and R7 states that to be able to become agile, change management is essential. R11 talks about change management in the following way:

It is an extensive change management job that needs to be done in order for everyone in the organization to understand what it is that we are doing.

R11

R11 further discusses change management to be about supporting middle managers in their new roles. The respondent means that the transformation tends to be highly challenging for them since their roles have previously involved a high level of control which is taken away from them during the transformation. The respondent therefore means that it is crucial to consider how they can be supported in adapting to their new roles.

Acceptance and Commitment

Some of the respondents talk about organizational commitment as a key success factor for becoming an agile organization. R10 means that it is important that everyone in the organization is committed to the transformation in order to provoke resistance of change. R6 also believes a strong commitment from the organization to be important since it creates the power and drive needed for succeeding with this type of change. R1 states that full and transparent commitment from top down is crucial and believes that becoming an agile organization would not be possible without it. Both consultants, R10 and R11, state the fact that management acceptance is crucial for the transformation to be successful. R8 agrees by stating the following when getting the question of what key success factors there are for managing to become an agile organization:

[…] but I think commitment from management is a big part of it since it helps create the right conditions.

R8

Furthermore, R9 and R11 highlight the importance of creating a sense of urgency at management level in order for everybody to understand that there is no alternative but to realize that the transformation is inevitable. R11 further states that in order to get buy in from management on making the radical changes needed for succeeding with the transformation, they must feel a sense of urgency. R9 agrees by saying that managing to create a sense of

urgency is crucial for people to realize that these changes must be done and consequently for getting acceptance of the transformation.

New Performance Measurement

R11 discusses that succeeding with becoming an agile organization without having measurement and governance models in line with agility is very difficult. The respondent means that traditional companies tend to evaluate performance based on sub-optimized goals that aim at maximizing individual performance or specific parts of the organization rather than emphasizing what is best for the entire company. The respondent therefore means that in order to become agile, organizations must find other ways to measure performance. R7, R9, and R11 mean that the way an organization is measured affects behavior and R9 agrees with R11 about the fact that measurement is an important part for succeeding with becoming agile. The respondent further believes that having a holistic view and emphasizing what is best for the whole organization rather than individual performance is vital. R7 agrees and discusses that the KPIs an organization chooses to use affects the company's culture and has a large impact on how the employees act and behave on an everyday basis. The respondent therefore means that deciding what to measure the organization based on is important, thus, whether it is the individual performance that matters or the performance of the organization as a whole.

If being measured on silo-based KPIs, that is what you get. If I am being measured based on what I deliver as an individual, then I will make sure I deliver that. But if I am being measured based on what we deliver as a team, then we make sure we collaborate with each other to make everyone look better.

R9

4.3 Challenges

In the following section, the empirical findings regarding the respondents' perspectives of challenges of achieving organizational agility are presented. The structure of the section applies in the same order as for the key success factors. For that reason, the challenges are divided into categories according to the most frequently mentioned ones. Hence, the challenges presented are those mentioned by at least three respondents. The categories are summarized in Table 4.3 and are thereafter presented one by one. As in the case with the key success factors, additional challenges were brought up during the interviews. However, since these were mentioned by less than three respondents, they will not be emphasized further in this section, but a complete list of all challenges identified in the interviews can be found in Appendix 3.

Challenge	R1	R2	R3	R4	R5	R6	R7	R8	R9	R10	R11
Integration of departments	X	X		X			X	X	X	X	
Dissolvement of old structures	X	X	X		X	X	X		X		X
Decentralization	X	X		X	X	X		X	X		X
Cross-functional teams	X	X	X	X			X				
Agile leadership	X				X	X					X
Resistance of change	X	X	X	X	X	X	X		X	X	X
Lack of common understanding	X		X		X	X		X			X
Information sharing		X						X	X		
Performance measurement					X	X		X	X		X

Table 4.3: Challenges Identified by the Respondents

Integration of Departments

R4 explains that integrating different divisions with each other is complex. R8 states that a common understanding of different parts of the organization can be hard to obtain in large organizations. Moreover, R7 and R9 express the complexity of understanding how everything is connected in the organization and mean that without such understanding, less agile departments can slow down others.

How can one allow different parts of an organization to cope with development at different pace, to learn from each other, and at the same time keep the organization together? Well, that is the challenge.

R7

Furthermore, R1 and R2 explain that before departments have been successfully integrated, it can be challenging to deliver in the high speed they aim for. R1 and R9 also describe that when integrating different parts, resource allocation can be problematic. R9 means that there often is a high workload which makes priorities between different projects challenging and time-consuming. R10 explains that another challenge related to this concerns the company's culture as it governs the values of the organization. The respondent means that in this way, culture can become an obstacle if the company's values collide with agile values. If certain parts of the company are more agile than others, this becomes particularly critical as it can be difficult to integrate and manage a combination of traditional and agile.

Dissolvement of old Structures

Many respondents mention that breaking previous structures is a critical challenge for large companies. R6 means that organizational structures can be deeply rooted in organizations and are therefore difficult to change. The respondent clarifies that traditional structures, which many large organizations have, originate back to the industrialization which makes the heritage massive and difficult to overcome. R1 states that over time, and as the company has grown, more bureaucracy has emerged. The respondent means that because of this, large organizations can be hard to maneuver. R3 agrees with this and mentions that big organizations often have quite established ways of working. Therefore, it is hard to move away from old structures. Moreover, R3 and R9 describe that success can slow down important changes. R9 means that with a great deal of success, some sort of satisfaction is created among people in the organization which can make it difficult to realize that things need to change. R9 further means that is hard to drive changes if not managing to create seriousness around the problems that the organization faces. R3 states that because of a long time of success in the company, a certain resistance toward trying something new has emerged.

If you have a long period of success within something, I think it is difficult to shift direction or to change.

R3

Furthermore, R11 explains that various problems linked to the organization's structure typically occur when undergoing changes. These can for example be obstructing routines, processes, or governance models. In addition, R1 means that they have different types of innovation teams that have to be able to make fast decisions. However, the respondent states that organizations' structures, such as budget processes and financial processes which usually are of more traditional character, can put obstacles to being agile and fast in decision making. Hence, old structures can be problematic.

Decentralization

Many of the respondents mention that decentralizing responsibility is necessary for becoming agile but is difficult in practice. Both R6 and R9 argue that allocating decision making to where it can be most beneficial for the organization is challenging. R5 and R9 mean that if management is used to having control of decision making, changing that structure and decentralizing power can be difficult.

R4 explains that the organizational culture can be quite set up on having coordinators who check that you do things right. Now, as the organization is removing more and more of these controllers and making teams more responsible for their own monitoring, the culture faces difficulties. The employees have been used to being told what to do, but now they need to make these decisions themselves, which the respondent means is complicated. R2, R9, and R9 further express that there are no straight answers of how to decentralize power to a high extent. R4 means that in order to succeed, trust is crucial and R11 adds that organizations only feel a need to control what they do not trust. R4 explains that trust is something that must be built over time and that it can be difficult to achieve.

The teams shall now monitor themselves more, but they must also complete their deliveries. It is no longer someone else who makes the setup of what to do, and this is one of the toughest challenges.

R4

Cross-functional Teams

R3, R4, and R7 mean that staffing cross-functional teams can be challenging. R3 means that in order to work in an agile way, high competence is required. R7 states that finding such skills and allocating it to the right place is difficult in practice as reality is complex. The respondent clarifies that within cross-functional teams, people can be involved in several collaborations simultaneously which can be difficult to coordinate. Thus, priorities are needed, but can be challenging when help is needed to a high extent in many areas at the same time. Furthermore, R7 also discusses that being flexible is desirable when creating cross-functional teams since it enables the exploitation of competence but means that it can be difficult to obtain. R1 further mentions that in flexible cross-functional teams, it can be a struggle to ensure focus since the employees involved might work within several other functions simultaneously. Furthermore, R2 describes the difficulty of dividing responsibilities and tasks among people as new team constellations arise.

The challenge is to make it work when we do not know each other, which becomes more difficult the larger the organization is.

R7

Agile Leadership

Several of the interviewees agree upon the fact that something else than traditional leadership is required in agile organizations. R6 describes that a new type of leadership is essential but difficult to establish. R5 states that if the leadership is not clear enough, not encouraging, or not leading by example, there is a risk that employees will revert into old ways of working. R11 expresses that many leaders today are used to having positions where they are in control. The respondent therefore means that it can be struggling with managers who are not ready to give up their former positions of power. The respondent has many times experienced an intrinsic resistance among managers that makes it difficult to move forward in the transformation process. The respondent also explains that when moving toward becoming more agile, middle managers get an impossible role since they often function as control systems.

Our traditional leadership is much about control, managers are after all control systems in the form of people, and such leadership does not work so well if you are to move mandates at the very end of the organization.

R11

R1 also discusses leadership in relation to control and explains that the most difficult part out of personal leadership experience has been to lead in a change without having control of it. The respondent describes that it is easier to be in charge of changes in areas where one possesses greater knowledge and expertise. Thus, R1 states that not having the same influence or

knowledge but still being in charge and being expected to make reasonable decisions is truly difficult.

Resistance of Change

Resistance of change is something that all respondents but one mention to some extent as a challenge. Both R4 and R9 talk about the discomfort that arise through not fully knowing what will happen to one's job in the future. R9 believes that in their organization, some jobs will remain the same, some will change to a certain extent, and some jobs will disappear completely in the long run. The respondent means that this fact causes anxiety which everybody may not handle easily. R4 also means that it is important to have respect for the fact that employees have a certain resistance for the unknown. Furthermore, R3 and R10 express that unwillingness to change is a human factor and thereby something that can never be prevented. R5 states that the resistance of change can be bigger if people do not understand the change, but simply have been told to act in a new way. R1 means that most people are probably not against change initiatives, but to change themselves, that is the biggest challenge.

When it comes to changes, I believe one challenge is that people put on defense mode which can be expressed in different ways.

R2

Lack of Common Understanding

R3, R5, and R6 mention that agile to some extent could be perceived as a buzzword. R3 describes that buzzwords are created of something that is trendy at the moment, and that such words can spread quickly. The respondent further means that this can result in multidimensional meanings as people are interpreting the concept in different ways. R3, R5, and R6 therefore express a concern of these buzzwords. Furthermore, R1, R5, R8, and R11 explain that a common understanding of what agile means can be problematic to acquire within a large organization. R11 explains that a general understanding of the concept is challenging in itself as the phenomenon is complex. R1 and R5 describe that people in the organization might have different perspectives of what agile implies which makes it hard to ensure that different change initiatives lead in the same direction. R5 therefore means that there could be downsides with lack of repetition or sufficiently clear information. R8 agrees on this and means that another challenge is to have the ability to spread and communicate a shared perception.

I think that a big challenge is to have a common vision and a common perception to what we mean by agile because we receive so many different terms all the time.

R8

Information Sharing

Three of the respondents discuss information sharing as a challenge of organizational agility. R9 explains that the organization has a lot of internal unstructured information which is difficult to make available to the whole organization if it cannot be transferable or of it is only stored locally. R8 also discusses the importance of storing information in a common area in order to make it available to the whole organization. The respondent means that this is particularly

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important during a transformation of change and highlights that the risk of lost information is to repeat mistakes or to stagnate in the process. Furthermore, R2 and R8 discuss the risk of double work as a consequence of lack of shared information across the organization and R2 highlights that this can be challenging during the transformation when the new structure is being implemented. R8 means that because clear routines are missing, tasks are being performed twice and effort is put on reworking the same information instead of moving forward:

We must do basic tasks over and over again because structure and routines are lacking.
R8

Performance measurement

R11 explains that the current ways to measure and evaluate success within a company might not go in line with agility. Depending on how performance is measured, it will control the behavior of people. Very little of traditional performance management processes enhance a holistic view of the organization or encourage performance according to what is best for the company. Hence, the ways people are evaluated are sub-optimizing as they only aim to maximize individuals, processes, or particular parts of the organization. R5 and R6 add to this and mean that there are no, out of their points of view, performance measurements that fit with the agile way of working. R5 states that they need to find other solutions to measure and monitor performance, but that it is challenging.

What gets measured gets done.
R6

Furthermore, R8 explains that a holistic vision is complex to promote throughout the company. R9 agrees and means that the view of an end-to-end perspective of the company is difficult to obtain in practice. The respondent further explains that a little internal competition can be profitable since it triggers engagement. However, it is a trade-off since internal competition does not contribute to a holistic approach. Thus, with internal competition, a holistic end-to-end perspective could be difficult to obtain.

4.4 Achieving Organizational Agility

In this section, the empirical finding concerning the respondents' points of view of how to become an agile organization is presented. The section is divided according to the three phases of the process of becoming an agile organization, referred to as exploring, progressing, and mastering, as presented in the theoretical framework.

4.4.1 Phase 1: Exploring

R11 explains that there is no best practice or blueprint for how to go about for becoming an agile organization. Instead, the transformation is highly individual from company to company. Working as a consultant, helping organizations with agile transformations, R11 further means

that the process should start with recognizing the organization's current state and take it from there. R10 explains that since different parts of an organization tend to be more or less agile than others, it can be good to start with a maturity analysis to gain understanding of the specific company and its current state. The respondent means that such an analysis can help map out which areas of the company that are more agile than others and which are lagging or creating obstacles. R10 further explains that in this way, it gets easier to understand and implement what is required for the company to be able to proceed.

R11 explains that to be able to become agile throughout the organization, a clear strategic plan for the change is needed and according to R10, the organization must set up a goal with the transformation. Furthermore, both consultants, R10 and R11, state that management's acceptance and buy-in of the change is a necessity for being able to roll out an agile transformation, why they mean that a first crucial step is to make sure management understands agility and what is required in order to succeed with the transformation. Hence, before starting the transformation, educating management about agility is according to the consultants essential.

> *[…] but nothing of this works if you do not have management with you. So, in order to succeed you must start with a strategic plan and C-level buy in.*
> R11

Furthermore, both consultants emphasize that deciding on an agile method to use as a framework can be a good way to start the transformation. R10 explains that useful frameworks can be for example SAFe, Nexus, LeSS, or Scrum of Scrums and means that although these frameworks can be implemented right off, it is often advantageous to adjust them according to the specific organization. R2 and R4 elaborate on this and both state that the agile transformation within their organization started this way. R2 explains that when the organization was in the planning phase, the decision was made to use the framework of SAFe as a base for the transformation. R4 explains that when the decision was taken to become an agile organization, the method was brought in and thereafter adjusted to fit the organization. R2 further describes that as a consequence of implementing SAFe, the entire organization had to be changed. Hence, the organizational structure was changed by removing power and old hierarchies.

Several respondents (R1, R3, R7, R8, and R9) describe that different changes and reorganizations occur simultaneously in various parts of the organization. R9 explains that different parts of the organization can be seen as being more or less agile than others. When R2 gets the question whether there was something in particular that made the planning phase successful, the respondent answers that there was no hesitation about the fact that the change had to be done. The respondent means that people in the organization understood that they could not simply be agile in software development anymore but realized that the change was a necessity. Likewise, R9 and R11 discuss the fact that if people in the organization do not realize themselves that change must be done, the transformation will not be possible. R11 explains that it must hurt enough for the organization to realize that changes must be made, why a sense

of urgency must be created at a managerial level. Similarly, R9 believes that in order for the company to take the next step and be able to move on from the planning phase of the transformation, a sense of urgency must be created.

[...] and if you do not manage to create that sense of urgency you will not get the feeling that something must be done. And then it gets difficult to implement any type of change at all.
R9

R4 describes that the organization has started to create more cross-functional teams. Working in the procurement department, the respondent explains how procurement and R&D are being integrated to work in combined teams. The respondent expresses the benefits of combining these departments in order for procurement to be able to become part of decision making and creation of strategies. R4 further stresses the importance of finding the right people for the new agile roles emerging as a consequence when creating the new team constellations. R2 describes that as people are being recruited for the new roles and the teams are starting to work, the transition toward the new structure becomes more natural. Furthermore, the respondent means that while a challenge concerns where in the new structure the power and decision making ends up, it becomes clearer as the new roles emerge. In addition, the respondent describes that they have also identified old roles that are redundant or no longer needed and that these have been removed or changed to fit the new structure. The respondent underlines that since the change is so extensive, the new roles and the new ways of working must be given time to sink in among the employees.

And then along the journey you change all roles and formulate new ones, and that is when the power structure becomes clear. Because when you look at the role descriptions you understand where the power ends up.
R2

4.4.2 Phase 2: Progressing

R5, R10, and R11 discuss the fact that instead of starting in large parts of the organization simultaneously, it can be beneficial to start small in particular areas. Once those divisions have become agile, the transformation can proceed throughout the organization. According to R10, this can be a good starting point for letting the agile mindset take place and thereafter spread across the organization. R4 means that the company has passed the planning phase of the transformation and is currently at the progressing phase, thus where the new structure and ways of working are being applied. R2 agrees and means that the organization is in the middle of the agile transformation, where the old structure has been torn down and power is being decentralized. Several of the respondents (R1, R2, R3, R4, R5, R6, and R7) discuss integration of different functions and working cross-functionally as a way toward better using existing competence within the organization and working according to agile. However, as being flexible and dynamic is important, R6 and R7 empathize that maintaining these capabilities requires stability. R6 explains that in order for an organization to survive in long-term, a balance between stability and dynamism is needed but is complex to obtain in practice.

A majority of the respondents agree about the fact that planning for all parts of the transformation is not possible, but the organization must simply start and thereafter test its way forward and evaluate along the way. R11 describes it as learning by doing and believes that the only way forward is to begin and learn from mistakes as they arise. The respondent further states that at different points during the agile transformation, organizations usually face obstacles hindering the transformation to proceed. Such obstacles can for instance concern the governance model or the budgeting model which do not fit the agile way of working. Thus, one needs to find ways to overcome these hinders, gradually turning additional parts of the organization agile. R10 emphasizes that the initial goal created at the starting point of the transformation normally changes along the journey as the organization learns and gets a greater understanding of what must be done in order to become an agile organization. The respondent also states that for the organization to be able to evaluate whether the changes have positive or negative impact on the company, it is crucial to continually test and follow up. R10 further means that testing is something that organizations should start with at an early stage since it can help understand what works and what does not work. Consequently, it can provide knowledge about what is potentially slowing down the transformation.

R4 states that although the company had a thorough plan regarding the transformation from the start, many changes have been made along the way. The respondent stresses the importance of starting although not having all the answers from the beginning and means that working in sprints enables the organization to continually test what works. R3, R6, and R7 also emphasize testing and evaluating along the way and R7 believes that this is an important way for measuring whether the organization is heading in the right direction. The respondent further means that to be able to test, the organization must take chances and make decisions that are not completely certain. The respondent therefore means that the organization must allow for people to make mistakes, since it is by making mistakes that people learn. R1 also discusses that starting without having all the details, testing and working iteratively, and receiving feedback and thereby develop along the way, is the path forward. The respondent further states that for this to be possible, the organization must go from planning in detail for a long time ahead and instead start planning for shorter phases. R2 agrees and means that the only way to go about is to start the transformation without initially having all the answers. The respondent further states that as departments of the organization are transforming to agile, parts that are lagging behind will feel the pressure to do so as well, making the transformation spread across the organization.

I think that if you try to plan everything in beforehand, exactly how everything should be done, then you will fail. Because many people can only imagine what this is going to imply. So, you will simply have to accept that there are certain things that you will have to deal with along the way. It is first when the problem arises that you can make a decision.

R2

4.4.3 Phase 3: Mastering

None of the respondents have any experience of the last phase of the agile transformation, the mastering phase. R4 and R10 mean that an agile transformation is a long, continuous, and highly time-consuming process. R5 and R6 agree by saying that becoming agile is not a one-time change but rather an ongoing process without an end. Hence, R6 means that organizations must build a capacity for change to be able to constantly improve. R5 adds to this and highlights that they must proceed with testing new things and can never reject something just because there are no definite or perfect solutions. R1 explains that changes often are overlapping since organizations make new changes before the last change has become fully implemented or established. Thus, the respondent means that it is not possible to tell if a new change has been successful until it reflects how the employees work. R5 further expresses that the transformation process can be evaluated by noticing the employees' behavior and what kind of questions they ask, even though it can fluctuate in a period of transition.

So, we must understand that it is not about delivering something final, but we must continually embrace what works or what does not work, and we must realize that we will never be done.
R5

Moreover, R11 means that there are very few, if any, examples of large organizations that have managed to complete the journey. The respondent explains that large companies are typically built upon traditional systems where managers are control functions, where budgeting and planning are required to create structure, and where performance is encountered at an individual level. R11 therefore means that when working toward becoming agile, these systems complicate the transformation and companies get stuck along the way without having knowledge of how to proceed. Thus, the respondent expresses the complexity of organizational agility and the transformation toward it. In addition, R2 states that one might never be done with the implementation phase. The respondent means that one can expect occurrence of inefficiencies, duplication of work, and double commands during the transformation process which will require constant adjustments.

5. Analysis

In this chapter, the empirical findings and the theoretical framework are compared and analyzed. The chapter is divided according to the same structure as the theoretical framework. Thus, the first part concerns the concept of organizational agility and its implication. Thereafter, the key success factors and challenges found in the literature and in the empirical findings are discussed. The chapter ends with an assessment about how organizational agility can be achieved, where the different phases of the transformation as well as core organizational areas are discussed.

5.1 What is Organizational Agility?

Four attributes characterizing an agile organization were identified in the literature after gathering the main definitions of organizational agility. These are changing and unpredictable environment, speed, responsiveness, and flexibility. All four attributes were also highlighted in the interviews, each of them by several of the respondents. Speed, mentioned by 10 of the respondents, was the most frequently discussed attribute. Both in the literature and in the interviews, speed was expressed as a way for organizations to react to changes in a fast way. In the interviews, speed was also referred to as quickly getting products out on the market and realizing customer value in a fast way. Hence, since the attribute was identified both in the literature and among the respondents, this indicates that speed is an important characteristic of organizational agility. Changing environment was the second most recurrent attribute in the interviews, discussed by seven of the respondents. Thus, this can also be considered as an important characteristic of organizational agility. Responsiveness and flexibility were also mentioned in the interviews, however, not to the same extent as the first two attributes. Instead, both were identified by three respondents each. Nevertheless, even though they were not mentioned to the same extent as the attributes of speed and changing environment, responsiveness and flexibility can also be seen as characteristics of an agile organization since they were identified both in the literature and in the interviews.

Besides these four characteristics, a fifth attribute, adaptation, was identified in the interviews that was not found in the literature. Since adaptation was mentioned by five of the respondents, this indicates that the attribute should be considered to represent organizational agility as well. In the interviews, adaptation was referred to as the ability of an agile organization to continuously adapt according to changing circumstances. Since these five attributes were discussed in the interviews as fulfilling different aspects of an agile organization, all five attributes can together be seen as building what appears to constitute organizational agility. Hence, the findings indicate that organizational agility consists of the following five attributes: speed, changing and unpredictable environment, responsiveness, flexibility, and adaptation. Consequently, the definition developed by the authors based on the four attributes identified in the literature should be modified with regard to the findings of the empirical findings. More precisely, the definition should be extended to also include the attribute of adaptation in order

to reflect the result both from the literature and the empirical findings. The authors have therefore updated the definition. Accordingly, organizational agility is defined as the following:

The ability of a company to embrace a continuously changing and unpredictable environment by being flexible and assembling resources and capabilities in order to respond quickly and adapt to new conditions.

5.2 Key Success Factors of Organizational Agility

Altogether, 43 key success factors related to becoming an agile organization were identified in the literature review and grouped together by the authors into eight categories. During the interviews, 10 different groups of key success factors related to becoming an agile organization were identified. When comparing the findings of the literature review with the results from the empirical findings, seven of the eight key success factors identified in the literature were brought up in the interviews (see Table 5.1). The similarities between how the implications of the success factors were described in theory and during the interviews are significant, although in some cases being expressed using different words. Hence, the identified categories of key success factors from the empirical findings were rather easy to connect to the corresponding key success factors in the literature. The only key success factor that was not mentioned among the respondents is the one referred to in the theoretical framework as culture of change. Moreover, three key success factors were discussed during the interviews which had not been identified in the literature. These are creation of a common vision and understanding of the transformation, change management, and new performance measurement.

Key Success Factor	Identified both in Literature review and Interviews	Identified only in Literature Review	Identified only in Interviews
Common vision and understanding			X
Communication	X		
Agile mindset	X		
Decentralization of power and decision making	X		
Training and coaching	X		
Agile leadership	X		
Involvement of people	X		

Change management			X
Acceptance and commitment	X		
Performance measurement			X
Culture of change		X	

Table 5.1: Key Success Factors of Organizational Agility Identified in the Literature and in the Interviews

A clear pattern can evidently be seen between the key success factors identified in the literature and those mentioned in the interviews. The fact that seven of the eight key success factors identified in the literature correspond to the empirical findings indicates that these are all success factors of becoming an agile organization. Out of these, the key success factors of communication, agile leadership, and acceptance and commitment are the ones mentioned by most respondents. Accordingly, these may be considered as particularly important. However, although the key success factor referred to as creation of a common vision and understanding was not identified in the literature but only in the empirical findings, it should also be regarded as an important key success factor of organizational agility. This since all respondents but one argues for its importance in order to succeed with becoming agile. It may even be argued that this is one of the most essential key success factors as it was mentioned by so many of the respondents.

However, although a clear pattern can be seen between the key success factors identified in the literature and those discussed by the respondents, one may wonder why not all key success factors mentioned by the respondents exist in the literature. Similarly, it may be questioned why one of the key success factors identified in the literature was not discussed by any of the respondents. One possible explanation could be that the key success factors identified in the literature do not apply specifically to large companies, but rather to organizations in general. Therefore, it may be that the key success factors identified in the interviews are more precise for large organizations. Thus, what key success factors are considered as relevant for a specific organization may be determined by the size of the company.

Having identified the main key success factors related to organizational agility, both in existing literature and among the interviewees, demonstrates the complexity of them. A large number of key success factors were to be found in existing literature despite the fact that organizational agility and agile transformation are rather unexplored topics. Furthermore, although ten key success factors were identified as the most recurrent ones among the interviewees, a number of other key success factors were mentioned as well (see Appendix 3). Hence, the number of key success factors are extensive. Highlighting all key success factors mentioned by the

respondents was seen by the authors as important as it stresses the fact that different key success factors are being emphasized depending on the perspective of the respondent. Thus, for an organization to understand what key success factors are important for being able to become agile can be complex and all key success factors are most likely not equally relevant for all organizations. Instead, it can be assumed that what key success factors are important is highly individual and depends on the specific organization. Another potential explanation for why all key success factors from the literature and the empirical findings are not coherent may, thus, be that different key success factors seem to be acknowledged depending on the perspective. Consequently, depending on from what points of view the key success factors from the literature have been identified, this might explain the differences.

Another explanation could simply be that the key success factors discussed in the literature and those identified in the interviews were expressed in different ways, although encompassing similar components. Differences in formulations could be the case not least for the success factor referred to as culture of change in the theory. Sherehiy et al. (2007) mean that the new culture needed in an agile organization should provide an environment supportive of experimentation and learning. Furthermore, Harraf et al. (2015) state that agile organizations must have a culture that allows continuous evaluation. An environment enabling experimentation, continuous learning, and evaluation was also discussed by the respondents in the interviews, however, not in relation to culture but when discussing other key success factors. Thus, the theory and the empirical findings may to some extent differ simply because of differences in formulations.

5.3 Challenges of Organizational Agility

In the literature review, 34 challenges of organizational agility were identified and grouped into eight categories. Nine categories of challenges were thereafter identified in the empirical findings. When comparing the challenges identified in the literature with the ones in the empirical findings, five challenges are similar to each other and seven differ (see Table 5.2). However, unlike the key success factors, where the comparison was more straightforward, this is not the case with the challenges. As identified in the literature, the challenges of organizational agility are often interlinked and depend on each other as well as the context (Gregory et al., 2016). It was therefore tricky both to separate the ones identified in the interviews from each other as well as to link them to the ones presented in the literature. This underlines the complexity of describing the challenges that large organizations face when striving for organizational agility.

Challenge	Identified both in Literature Review and Interviews	Identified only in Literature Review	Identified only in Interviews
Integration of departments			X
Dissolvement of old structures			X
Decentralization	X		
Cross-functional teams	X		
Agile Leadership	X		
Resistance of change	X		
Lack of common understanding	X		
Information sharing			X
Performance measurement			X
Mindset shift		X	
Lack of investment		X	
Organizational culture		X	

Table 5.2: Challenges of Organizational Agility Identified in the Literature and in the Interviews

A pattern, although not as clear as in the case with the key success factors, between the challenges identified in the literature and those discussed in the interviews is however possible to outline. The challenges mentioned both in the literature review and in the empirical findings are decentralization, cross-functional teams, agile leadership, resistance of change, and lack of common understanding. Resistance of change was the most frequently mentioned challenge in the interviews. Thus, the findings indicate that this is a grave obstacle for achieving organizational agility. Decentralization was one of the second most recurrent challenges among the respondents and relates to the challenge distribution of power in the literature. Lack of common understanding is linked to the challenge misinterpretation and lack of understanding from the literature and cross-functional teams is linked to the one referred to in the literature as

coordination of collaboration. Accomplishing a new type of leadership was also resembled both in theory and the interviews which legitimizes the struggle of how to lead in the transformation.

The challenges that were brought up during the interviews but were not identified in the theoretical framework are integration of departments, dissolvement of old structures, information sharing, and performance measurement. Dissolvement of old structures was also one of the second most recurrent challenges discussed in the interviews as it was mentioned by eight respondents. One explanation for why these challenges were not identified in the literature can be, similarly to the key success factors, because previous research does not contain solely the perspective of large organizations. Hence, it might be that these are particularly challenging for large companies, explaining why they were identified in this study. This makes sense not least for the challenge of dissolvement of old structures, since the respondents discussed in relation to this challenge that large organizations tend to have traditional, deep rooted structures that are highly difficult to change. Thus, since smaller organizations and startups might not have rigid structures, it may not be as challenging to change old structures for such organizations.

The fact that previous research does not focus specifically on large organizations might also explain the fact that the three challenges identified as mindset shift, lack of investment, and organizational culture were identified in the literature but not in the interviews. Another possible explanation could be the different perspectives of the respondents. As in the case with the key success factors, it seems that different challenges were identified depending on the respondents' points of view. This aspect goes in line with the reasoning by Jovanović et al. (2017) who mean that challenges of organizational agility are complex in nature and tend to be situational based and related to the surrounding environment. Thus, what is perceived as challenging is highly context dependent and individual which is justified as the challenges mentioned during the interviews were described with regard to specific settings of the respondents' areas of work. Hence, as with the key success factors, it could be that the challenges were described using different formulations, even though the meaning of them to some extent might be the same. Differences in formulations could for instance explain the challenge of organizational culture that was identified in the literature. Although culture was not mentioned by the respondents as a specific challenge, several aspects of culture were discussed in relation to other challenges. Consequently, it can be assumed that what is identified as a challenge depends on the specific organization and the perspectives of the people in it, as well as on how it is formulated and described.

After having compared the key success factors and challenges identified in the literature review with the ones discussed in the interviews, it can be stated that there is an extensive number of key success factors and challenges related to organizational agility. This was confirmed both in the literature review and in the empirical findings. Furthermore, they seem to be highly complex and context dependent. Therefore, it is not possible to say that every organization faces these specific key success factors and challenges during an agile transformation process. However, the ones identified in this study, presented in Table 5.2 and 5.3, can be seen as a

general set of key success factors and challenges for large organizations related to achieving organizational agility. Although having an understanding of these can facilitate succeeding in the agile transformation process, further knowledge about how to achieve organizational agility is needed. Phases that organizations go through in the transformation process, as well as core organizational areas that must be reconfigured, will therefore be discussed in the next section.

5.4 Achieving Organizational Agility

In this section, the result from the empirical findings regarding how organizational agility can be achieved will be compared to the findings of the literature review. First, different phases of the agile transformation process will be discussed. Thereafter, core organizational areas that must be adjusted will be analyzed. Furthermore, the key success factors and challenges identified in the study will be discussed in relation to these findings.

5.4.1 Phases for Achieving Organizational Agility

Three phases of the agile transformation process were identified in the literature review. These are described by Denning (2019) as representing the steps that organizations go through in the process toward achieving organizational agility. The phases were also discussed during the interviews in relation to how organizational agility can be achieved. In this section, each phase will be analyzed by comparing the literature with the empirical findings on how organizational agility can be achieved.

5.4.1.1 Phase 1: Exploring

According to Denning (2019), the first phase of the agile transformation process is referred to as exploring. The author means that the transformation should begin with absorbing literature and knowledge from similar organizations that have already become agile while at the same time taking into account the current state of the firm. This aspect was also discussed in the interviews, where it was stated that the transformation must start with recognizing the current state of the organization. It was further found in the interviews that it can be good to start with a maturity analysis to help map out which areas of the company that are more agile than others and to understand how agile the organization is at the starting point of the transformation.

Furthermore, Denning (2019) states that organizations need to start the transformation by considering whether the firm's management is up for the challenges that the agile transformation process contains. To underline this aspect, Campanelli et al. (2017) argue that unwillingness to change among managers creates hinders for spreading the new agile approach across the organization. Dikert et al. (2016) further found that managers, especially within middle management, are in a position to undermine the transformation and may do so if they do not participate in, or understand, the agile approach. These aspects were also discussed in the interviews where the two consultants emphasized that management's acceptance and buy-in of the change is crucial before initiating the transformation. It was also identified in the interviews that in order to get acceptance, it is crucial to create a sense of urgency at management level. This aspect is further elaborated on by Appelbaum et al. (2017) in the

literature who discuss that a key success factor for succeeding with becoming an agile organization is acceptance from management. However, acceptance and commitment are not only needed from management but from everyone in the organization, something that was identified both in the literature and in the empirical findings. In the literature, it was found that commitment from all people in the organization is crucial for being able to succeed in the transformation (Appelbaum et al., 2017; Gandomani et al., 2014). Similarly, several of the respondents mean that acceptance and commitment from all organizational levels is needed. Hence, the findings indicate that commitment from everyone in the organization is a first crucial step of the agile transformation process.

Besides creating a sense of urgency, making people feel involved in the transformation is also important in order to get acceptance and commitment of the change. It was found in the literature in relation to key success factors that involving everyone in the organization and making them feel motivated is key in order to get acceptance of the transformation (Dikert et al., 2016). Involvement of people was also discussed in the interviews as a key success factor where the respondents mean that the more involved people are in the transformation, the more they are willing to change. Ways to make people feel included in the transformation can be to perform regular feedback meetings and to implement employee participation groups or systems for mobilizing ideas from employees with the aim of improving the work environment (Dikert et al., 2016; Nijssen & Paauwe, 2012).

In line with the reasoning by Denning (2019) about absorbing knowledge from organizations that have succeeded with becoming agile, the respondents also discussed the benefits of bringing in an external perspective. They mean that this can be a way to learn about organizational agility before starting the transformation. The benefits from an external perspective were also highlighted in the literature, where Dikert et al. (2016) state that using external coaches can be advantageous since it may provide an objective view of the organization's situation. Hence, this would imply that having an understanding of organizational agility and agile transformation is crucial when starting the transformation process. This was further confirmed in the interviews since close to all respondents mean that creating a common understanding of the transformation is key for achieving organizational agility. As stated by the respondents, developing a common understanding across the organization is a crucial step at the beginning of the transformation. It was also discussed during the interviews that training management on agile values can be a way to create such an understanding since having knowledge about agile values makes it easier for leaders to understand what is required in order to succeed with the transformation. Corresponding to this, Dikert et al. (2016) further mean that acknowledging agile values will lead to a greater understanding of why the change is needed. This indicates that training on agile values is important for being able to develop knowledge and a unified understanding of what the transformation would imply.

Besides bringing in an external perspective and educating about agile values, communication is also vital for being able to create a common understanding. This is stated in the literature by Dikert et al. (2016) who mean that by clearly communicating the goals and expectations of the

transformation, confusion among employees can be reduced and the purpose of becoming agile can easier be understood. Workshops, coaching sessions, and one-to-one discussions are suggested as useful communication formats for creating and spreading a unified understanding (ibid.). Communication was also identified in the interviews as a key success factor for succeeding with the transformation, where it was stated that clear communication is not only crucial in order for people to understand what is happening but also why. Consequently, it can be argued that also communication plays an important role for managing to create a common vision and understanding of the change.

Denning (2019) further discusses that during the exploring phase, organizations need to consider how cross-functional teams should be formed. The challenge and importance of creating and organizing cross-functional teams was also highlighted in the interviews where the respondents discussed the fact that becoming an agile organization implies the creation of new roles and responsibilities. Similarly, Dikert et al. (2016) mean that an agile transformation requires changes in management roles. Such changes include decentralization of decision-making and change of power balance (Gandomani et al., 2013; Pikkarainen et al., 2012). Furthermore, Denning (2018a) argues that the role of management during the transformation process is to inspire and encourage agile leadership across the whole organization. However, as identified both in the literature and in the interviews, to change management roles can be truly challenging. Consequently, to support management concerning decentralization of power as well as in how to approach the new roles is vital for succeeding with the transformation process. Something which did not derive out of previous research, but was highlighted during the interviews, concerns the implementation of an agile framework, such as SAFe. Implementation of an agile framework was suggested as a starting point of the transformation to be used as a guide and the respondents mean that it should be adjusted to the specific organization. Hence, the empirical findings indicate that implementing an agile framework at the beginning of the transformation can help organizations proceed in the process toward achieving organizational agility.

5.4.1.2 Phase 2: Progressing

In relation to the second phase, progressing, Denning (2019) means that the transformation often starts in one or several small teams rather than in large parts of the organization. Many of the respondents described the same situation and argue that instead of starting the transformation in many parts simultaneously, it can be beneficial to start small in particular areas. The respondents further mean that in practice, different parts of the organization tend to be more or less agile than others. Furthermore, it was discussed that starting in a certain part of the organization can be a good way for letting the agile mindset take place and thereafter spread across the organization. Thus, the findings both from the literature and the interviews indicate that it can be beneficial to start in small scale and gradually let the transformation spread throughout the organization.

Furthermore, Denning (2019) argues that the transformation process requires testing, continuous improvements, and adaptation, and means that the direction in which the organization is heading must be adjusted along the way according to the circumstances. A

majority of the respondents agree and state that there are no complete answers on how to succeed in the transformation process. Instead, they mean that organizations must simply start, test their way forward, and evaluate the progress along the way. Consequently, both the literature and the respondents argue that planning for the entire transformation in beforehand is not possible, but organizations must test what works along the journey. Denning (2019) further explains that it is important to inspire and share success-examples with people in the organization, as well as to demonstrate that making mistakes is acceptable since it enables learning. This was also highlighted in the interviews as the respondents mean that learning by doing and acceptance of making mistakes is crucial for succeeding with the transformation. This is further emphasized in the literature in relation to key success factors, where Sherehiy et al. (2007) highlight the importance of creating an environment that encourages experimentation and learning. Moreover, Dikert et al. (2016) mean that an agile way of working is difficult to explain by theory but rather must be learned by doing. Hence, learning by doing, testing its way forward, and allowing for mistakes is crucial for succeeding with the progressing phase of the transformation process.

Denning (2019) further states that it is of high significance that everyone in the organization adapts to the agile approach in order to succeed in the progressing phase, something that was also highlighted during the interviews. This emphasizes the importance of developing an agile mindset and the fact that it must be embraced by everyone in the organization, identified both in the literature and in the interviews as a key success factor. It was also found in the literature that in order for everyone to embrace the new mindset, involvement and engagement of all organizational levels is required (Campanelli et al., 2017). Hence, once again the importance of making all people in the organization feel involved and engaged in the transformation is highlighted. The literature further emphasizes that to build the right mindset, communication of the strategy is crucial, encompassing to constantly keep employees informed and updated about the transformation in order to provide a sense of direction in the change process (Nijssen & Paauwe, 2012). Arrangements of social events, where employees get information and are provided with the opportunity to be part of shaping the new ways of working, was suggested in the literature by Dikert et al. (2016) as another way to create an agile mindset and let it spread across the organization. Hence, the findings imply that in order for everyone in the organization to acknowledge the agile approach, an agile mindset must be built and embraced by all employees.

Moreover, Denning (2019) also discusses the risk of "fake agile" that can emerge during the transformation. The author means that this is a consequence of the fact that agile has become a highly diffused concept. Denning (2019) further explains that many organizations proclaim to be working agile nowadays, but without fully understanding the implication of it. Thus, "fake agile" refers to agile having become a buzzword, resulting in misunderstandings of the concept which makes it difficult to adopt (ibid.). The problem of misunderstandings was also identified as a challenge both in the interviews and in the literature. The respondents mean that as people are interpreting the concept of agility in different ways, developing a unified understanding of the transformation can be challenging. As stated in the literature, without understanding how comprehensive the implementation of agile is, succeeding with the transformation can be

difficult (Gregory et al., 2016). Lack of a common understanding can further lead to tension and confusion among employees (Dikert et al., 2016). Hence, this stresses the importance of having created a unified understanding of what agile implies.

5.4.1.3 Phase 3: Mastering

According to Denning (2019), the last phase of the agile transformation, mastering, is where companies can be considered to have reached organizational agility. At this point, the agile mindset is increasingly becoming fluid in the organization and agile thinking has become fully internalized. Furthermore, the transformation process can be considered as completed when everyone in the organization has embraced the agile practices and continuously keeps developing them on their own (ibid.). However, in this study little can be verified about this phase. This since it was confirmed in the interviews that none of the respondents have any experience of this phase of the transformation process. Consequently, it is not possible to state which key success factors and challenges might be relevant in the mastering phase, or what implications the phase has.

The only aspect of this phase that was discussed both in the literature and during the interviews concerns adjustments of back-office functions. Denning (2019) means that when the agile approach has become normalized, effort needs to turn into transferring all back-office functions in the organization, such as accounting, budgeting, and audit, to fit agile goals. During the interview, one of the respondents mentioned that back-office functions can create obstacles for reaching organizational agility, but the respondent means that these hinders can occur quite early in the transformation process. Consequently, organizations might have to deal with this earlier than in the mastering phase to be able to proceed with the transformation. However, determining where in the process back-office functions should be dealt with is difficult in this study due to lack of results regarding this aspect.

Furthermore, as stated in the empirical findings, few examples exist of organizations that have managed to reach this phase in practice and that have succeeded with the agile transformation process. This is also confirmed in the literature by Gregory et al. (2016). Moreover, one of the respondents expressed a concern if overcoming the progressing phase, and thus reaching the mastering phase, is possible. Consequently, it may be questioned whether this phase is achievable in practice. It can also be argued that the theory might simplify the process of achieving organizational agility regarding the three phases since the empirical findings indicate that they are more complex and overlapping than the literature suggests. Furthermore, Ahlbäck et al. (2017) state that organizational agility requires a balance between stability and dynamism. However, the respondents mean that this balance is difficult to accomplish in practice, which further underlines the complexity of becoming an agile organization and the fact that the process of achieving organizational agility might be simplified in the literature. Nevertheless, since both the literature and the empirical findings indicate that the two first phases, exploring and progressing, exist, these phases of the agile transformation process could be considered as justified.

5.4.2 Core Organizational Areas

Five core organizational areas, being strategy, process, structure, people, and technology, were identified in the literature as crucial parts for balancing the tension between stability and flexibility and for succeeding with becoming an agile organization. According to Ahlbäck et al. (2017), these organizational areas contain elements that are important for being able to achieve organizational agility. Consequently, all five must be adapted to agile to be able to become agile across the whole organization (ibid.). During the interviews the respondents were not asked specifically about these core organizational areas. Yet the content and significance of all of them were brought up as the respondents were discussing the process of becoming agile as well as key success factors and challenges of organizational agility. This is an interesting observation since the fact that all five areas were brought up implies that these core organizational areas are of importance for explaining success factors for achieving organizational agility, as well as challenges linked to it. In the following sections, the key success factors and challenges related to the different core organizational areas as emphasized in the interviews will therefore be discussed.

5.4.2.1 Strategy

According to Ahlbäck et al. (2017), the area of strategy involves the creation of a shared vision. This is important in order for people to feel engaged in their work and to be involved in the strategic direction of the organization. During the interviews, both creation of a common vision as well as to make people feel engaged and involved were identified as key success factors of organizational agility. Involving employees by enabling them to contribute with different aspects of the strategic work was also discussed in the literature by Holbeche (2018). Hence, the findings indicate that making people feel involved in the strategic work is essential. Creating a shared understanding is also considered by the respondents to be challenging. This was also discussed in the literature where Gregory et al. (2016) as well as Dikert et al. (2016) argue that agile is a multi-faceted concept which leads to many different interpretations and misunderstandings. Therefore, efforts must be made to obtain a common understanding throughout the organization. Ahlbäck et al. (2017) further mean that the organizational area of strategy also involves leaders to provide continuous feedback and coaching to the employees. Coaching was also highlighted in the interviews as a key success factor where the respondents emphasized this to be important both for gaining understanding of agility and for decreasing resistance of change. Accordingly, involving people, creating a common vision and understanding, and training and coaching are all crucial aspects of the core organizational area of strategy, why the key success factors and challenges regarding these aspects can be linked to this organizational area.

Ahlbäck et al. (2017) further argue that the area of strategy includes making people in the organization feel that they serve a common purpose and strive in the same direction. In relation to this, the key success factor of finding new performance measurements, as discussed in the interviews, becomes relevant. This since the respondents mean that the way performance is measured in traditional organizations tends to be evaluated based on sub-optimized goals, maximizing individual performance rather than the performance of the organization as an

entity. The respondents further believe that creating a holistic view and emphasizing what is best for the whole organization is of great importance. Consequently, people need to feel that they are striving for a common purpose. How performance is measured was also identified in the interviews as a challenge for achieving organizational agility. The respondents discussed the problem with performance measurements that are not in line with agility and mean that few traditional performance management processes emphasize a holistic view of the organization. Thus, a struggle for the area of strategy is also to find suitable performance measurements that are beneficial for the company as a whole in order for people in the organization to feel that they serve a common purpose.

5.4.2.2 Process

Within the organizational area of process, Ahlbäck et al. (2017) describe rapid iteration and experimentation as important elements. The authors mean that in agile organizations, products and services are iteratively developed and field-tested at an early stage of the development process and people in the organization are learning from mistakes along the way. This was also emphasized in the interviews where several of the respondents mean that to become agile, organizations must simply start and test their way forward. Furthermore, evaluating along the way and learning from mistakes were described as important which was also discussed as significant in the literature by Dikert et al. (2016). Hence, testing, experimenting, and evaluating can be considered as important elements of the organizational area of process.

Ahlbäck et al. (2017) further claim that information transparency is a crucial part of this core organizational area. The authors mean that information should be freely available to everyone in the organization. Transparency of information was also discussed in the interviews in relation to the key success factor of communication as it was stated that information about the transformation must be transparent and available to everyone in the organization. This aspect is also emphasized as important in the theory where communication throughout the organization was discussed as a key success factor. Dikert et al. (2016) mean that reaching out to everyone in the organization is crucial since without communication, adapting to agile will not be possible. Information transparency was also discussed among the respondents as difficult to obtain since one of the challenges identified in the interviews concerns the complexity of sharing information. The respondents mean that although making information transparent across the organization is important, it can be truly challenging. Consequently, for the organizational area of process, the importance of testing as well as to spread information and make it available for everybody in the organization can also be considered as vital.

5.4.2.3 Structure

As for the organizational area of structure, Ahlbäck et al. (2017) mean that teams should be small and self-managed, where leaders closest to where the work happens should have the authority to make decisions affecting which activities the teams undertake. Decentralization of decision making was identified in the interviews as a key success factor for achieving organizational agility. In line with the description by Ahlbäck et al. (2017), who mean that organizations must enable fast decision making, the respondents mean that delegation of authority and decision making is crucial in order for teams to be able to make fast decisions.

This aspect is also emphasized as a key success factor in the theory, where Dikert et al. (2016) discussed the importance of providing teams with power in order to succeed in the transformation. Allowing teams with full control to self-organize increases commitment and motivation to the change (ibid.), further confirming the importance of delegating power in the organization.

Changing the structure by decentralizing decision making is also considered both by the respondents and in the literature as a challenge of organizational agility. Holbeche (2018) means that lack of capacity to act on lower levels in an organization can be institutional as rigid bureaucratic practices and routines hinder the allocation of decentralized decision making. Related to this is also the challenge of dissolving old structures, as discussed in the interviews. The respondents mean that old structures often are deeply rooted in organizations why they are difficult to change and adjust in order to fit a more decentralized structure of an agile organization. Dikert et al. (2016) argue that if an organization is not able to decentralize decision making, higher authorities can become bottlenecks which inhibits the development of agility. Some managers might further be unwilling to let go of previous power, which complicates encouragement of more group decisions and self-organizing teams (Campanelli et al., 2017; Gandomani et al., 2013). Thus, decentralization of power can clearly be seen as an important aspect of how the structure must change in order for companies to achieve organizational agility.

5.4.2.4 People

Regarding the organizational area of people, Ahlbäck et al. (2017) claim that an important part concerns the leadership. The authors mean that a shared and servant leadership, where leaders inspire others through coaching and development, is essential. Thus, hierarchical authority does not go in line with the leadership suitable in agile organizations (ibid.). Leadership was also discussed in the interviews as a key success factor, where the respondents mean that agile leadership should be about coaching and listening rather than authority and control, in line with what Ahlbäck et al. (2017) describe as servant leadership. Adapting to a new type of leadership was also identified both in the interviews and in the literature as a challenge. Holbeche (2018) argues that many leaders today lack the skills of dealing with complexity, and particularly of leading people through change, which many of the respondent described as challenging for the management roles. Moreover, related to servant leadership, the key success factor of change management as discussed in the interviews, also becomes relevant. This since it was stated in the interviews that middle managers must be supported when adapting their new roles. Hence, change management becomes an important part of being able to change the nature of the leadership, and can consequently be linked to the organizational area of people.

According to Campanelli et al. (2017), agile environments are all about the people. Hence, people must be involved and participate in the transformation process since they are the center of the changes taking place (ibid.). Furthermore, as explained by Ahlbäck et al. (2017), agile organizations should consist of a cohesive community where people across all levels and teams have trust in each other and want to act in the best interest of the organization. Thus, another important aspect of the organizational area of people concerns the commitment and mindset of

people, which goes in line with the key success factor of creating an agile mindset as identified in the interviews. The respondents mean that agile organizations manage to create a mindset that differs from traditional organizations. This aspect of the organizational area of people is also in line with the key success factor referred to as acceptance and commitment. The respondents mean that to become agile, full commitment from everyone in the organization is essential. This can be compared to what Ahlbäck et al. (2017) state about all people in the organization, across all levels and teams, acting for the same purpose. Thus, organizational commitment is crucial for this to be possible. Consequently, the key success factors of creating an agile mindset and acceptance and commitment also relates to the area of people, indicating that these are important aspects of what must be done in order to adjust the core organizational area of people.

5.4.2.5 Technology

The last organizational area important for achieving organizational agility is the one that Ahlbäck et al. (2017) refer to as technology. This area emphasizes the fact that cross-functional teams of people from business and technology must collaborate with each other. Integrating different departments was mentioned by several of the respondents when discussing the process of becoming an agile organization. They mean that integrating functions and working cross-functionally are ways to better use competence within the company in an efficient way and to become an agile organization. Integrating different departments as well as organizing cross-functional teams were also discussed in the interviews as challenges. The respondents mean that determining who is responsible for what tasks when teams from different parts of the organization start working together can be difficult. They further highlighted the difficulty of finding the right people for the new roles that emerge when new team constellations are being formed. Consequently, the challenges of integrating departments as well as organizing cross-functional teams can be linked to this area, meaning that these aspects must be taken into consideration in order for the core organizational area of technology to be adjusted to agile.

5.4.2.6 Implications of the Core Organizational Areas

Ahlbäck et al. (2017) mean that in order to achieve organizational agility, these five organizational areas must be reconfigured to fit an agile organization. This was confirmed in the interviews as the context of all five areas were discussed by the respondents. Hence, since the topic of how to achieve organizational agility is highly complex, the five core organizational areas can be seen as a roadmap demonstrating which parts of the organization that must be adjusted in order for the entire company to become agile. Consequently, this can facilitate an understanding of what needs to be done for achieving organizational agility. More specifically, since organizational agility concerns the whole organization, none of the areas can be ignored but all must be taken into consideration and be adjusted. Furthermore, as discussed in section 5.2 and 5.3, key success factors and challenges of organizational agility are also truly complex. Hence, connecting the different key success factors and challenges to the core organizational areas where they are relevant, according to what has been discussed in the interviews, can be useful. This since dividing them into the different areas can facilitate the complexity of the core organizational areas, thus, making them more understandable in practical contexts. Consequently, understanding which key success factors and challenges that

can be linked to the different core organizational areas can help organizations gain knowledge of what is important and what is difficult to achieve in each area. It can further help organizations in understanding the practical implications of the main key success factors and challenges of organizational agility. The result of connecting the key success factors and challenges to the core organizational areas is presented below in Table 5.3.

Core Organizational Area	Key Success Factor	Challenge
Strategy	▪ Common vision and understanding ▪ Involvement of people ▪ Training and coaching ▪ New performance measurement	▪ Lack of common understanding ▪ Performance measurement
Process	▪ Communication	▪ Information sharing
Structure	▪ Decentralization of power and decision making	▪ Dissolvement of old structures ▪ Decentralization
People	▪ Agile leadership ▪ Change management ▪ Agile mindset ▪ Acceptance and commitment	▪ New type of leadership ▪ Resistance of change
Technology		▪ Integration of departments ▪ Cross-functional teams

Table 5.3: Composition of Core Organization Areas and Key Success Factors and Challenges of Organizational Agility

6. Conclusion

In this chapter, the conclusion of the research is presented. The chapter begins with background information regarding the research question and how the study was conducted. Thereafter, the research question is answered, and the authors' recommendations are given based on the findings. At the end of the chapter, suggestions for future research are presented.

6.1 Background to Answering the Research Question

The purpose of this thesis was to explore how large organizations can achieve agility on an organization-wide level. This was done by investigating the main key success factors and challenges of organizational agility as well as the process of becoming an agile organization. The process was investigated by exploring the phases that organizations go through in the transformation, as well as the different organizational parts of a company that must be reconfigured. In order to do so, the following research question was formulated:

How can large companies achieve organizational agility?

Since there is a research gap in existing literature about the concept of organizational agility and how it can be achieved by large companies, the research process started with investigating the implication of the concept. Furthermore, as stated in the problem discussion of this study, having knowledge about key success factors and challenges related to the agile transformation process is vital to achieve organizational agility. Therefore, the main ones were identified. To further explore how organizational agility can be achieved, different phases that organizations go through in the transformation, as well as critical organizational areas that must be adjusted, were investigated. To be able to answer the research question, a literature review of previous research within the field, as well as semi-structured interviews, were conducted. The findings from the primary and secondary data collection were thereafter compared in order to answer the research question and deepen the understanding of how organizational agility can be achieved by large organizations.

6.2 Answering the Research Question

The result of this study shows that organizational agility, encompassing agility across all levels of the organization, contains five attributes: adaptation, changing environment, flexibility, responsiveness, and speed. Out of these, the authors developed a definition of the concept in order to deepen the understanding of what constitutes organizational agility. Hence, after conducting the study, organizational agility is defined as the following:

The ability of a company to embrace a continuously changing and unpredictable environment by being flexible and assembling resources and capabilities in order to respond quickly and adapt to new conditions.

The result further shows that there is a large number of key success factors and challenges of organizational agility that must be taken into consideration to be able to become an agile organization. However, these were proved to be complex due to the fact that they seem to be context dependent and differ depending on perspective. Consequently, it can be concluded that the same key success factors and challenges may not have equal effect on all companies, since they may differ depending on the specific context of the organization. The main key success factors and challenges of organizational agility identified in this study can be seen in Table 6.1 at the end of this section.

The result of this study further indicates that organizations go through different phases in the transformation process of achieving organizational agility. After exploring whether large organizations go through three specific phases, referred to as exploring, progressing, and mastering, the result indicates that the two first phases can be seen as confirmed.

It was found that a first crucial step of the initial phase of the transformation process is to get full acceptance and commitment of the transformation from everyone in the organization. In order to do so, a sense of urgency must be created at management level. Furthermore, it is essential that management understands organizational agility and what it requires. Therefore, training on agile values as well as bringing in an external perspective possessing relevant knowledge of organizational agility is beneficial. Another crucial part of the first phase concerns the creation of a common vision and understanding of the transformation in order for everyone in the organization to recognize why becoming agile is necessary. To educate management about agile values is therefore of great importance since it will lead to an understanding of why the change is needed. Communication was also found as vital for being able to create a common understanding where workshops, coaching sessions, and one-to-one discussions were found to be useful communication formats. Furthermore, planning for how to organize cross-functional teams and create new roles that fit an agile environment is vital. The result also shows that implementing an agile method, such as SAFe, as a framework for how to become agile can be useful as a starting point of the transformation.

As for the second phase of the process, it was found that it can be beneficial to start in small parts of the organization instead of transforming big divisions simultaneously. This can be a good way to let the agile mindset take root and thereafter spread across the organization as more functions gradually become agile. The result further shows that to be able to build an agile mindset that is embraced by everyone in the organization, communication and constantly keeping employees informed about the ongoing changes are key. Making people feel involved in the transformation and providing them with the opportunity to be part of shaping the new ways of working can also facilitate the creation of an agile mindset. The result further indicates that in order to succeed with this phase of the transformation, organizations must realize that all parts of the process cannot be planned for. Instead, they must test their way forward and continuously evaluate the progress and adapt according to changing circumstances along the journey.

Unlike the first two phases of the process, where several similarities between theory and the empirical findings were found, little can be confirmed about the last phase. While it is outlined in detail in theory, there is no evidence in the empirical findings confirming this phase. Instead, the empirical findings indicate that few, if any, organizations have managed to reach this phase in practice. Consequently, it may be questioned whether a mastering phase can be reached or if such a phase even exists. Furthermore, although the first two phases can be considered as verified, the result indicates that they are more complex in practice than theory suggests, as they are intertwined and can be difficult to distinguish from each other. This further underlines the complexity of organizational agility and the difficulty of achieving it.

The result further shows that five core organizational areas must be changed and adapted in order for organizations to become agile. This since organizational agility affects every part of the organization, thus, all five organizational areas. To understand how these areas can be transformed to agile, the key success factors and challenges identified in this study were linked to the different areas in order to gain understanding of how they are connected to organizational agility. Thus, this composition, presented in Table 6.1, can be seen as a simplified guide for organizations to understand what must be done in each area in order to achieve organizational agility.

Core Organizational Area	Key Success Factor	Challenge
Strategy	- Common vision and understanding - Involvement of people - Training and coaching - New performance measurement	- Lack of common understanding - Performance measurement
Process	Communication	Information sharing
Structure	Decentralization of power and decision making	- Dissolvement of old structures - Decentralization
People	- Agile leadership - Change management - Agile mindset - Acceptance and commitment	- New type of leadership - Resistance of change
Technology		- Integration of departments - Cross-functional teams

Table 6.1: Composition of Core Organizational Areas and Key Success Factors and Challenges of Organizational Agility

Consequently, the answer to the research question is that achieving organizational agility is complex. There is no specific process that organizations go through since the transformation is highly individual. However, what seems to be general for large organizations is that they go through two main phases in the journey toward becoming agile. Furthermore, an organization can simplified be divided into five core organizational areas, which must all be adjusted to agile in order to achieve organizational agility.

6.3 Recommendations

After having conducted this research, the authors have developed three recommendations for guiding large organizations in how to achieve organizational agility. The first recommendation concerns a number of aspects that have been identified as essential for being able to initiate an agile transformation. To start with, organizations must gain knowledge about agility and agile values to be able to develop a common vision and understanding of the transformation. This is important in order to ensure that all parts of the company aim for the same outcome. Furthermore, organizations must recognize the current level of agility in the company, which can be made by conducting maturity analyses. To be able to start the transformation, it is also vital to get full acceptance from all organizational levels, why a sense of urgency must be created.

The second recommendation is that organizations should start the transformation in small scale in specific areas and test the way forward. It is crucial to learn by doing, continuously evaluate the progress, and adapt to changing circumstances along the way. Furthermore, organizations must understand key success factors and challenges of organizational agility in order to succeed in the transformation. Therefore, the composition of core organizational areas and key success factors and challenges, developed in this thesis, can be useful.

Finally, the last recommendation is that companies should embrace the importance of the human aspect of the transformation. This since the people in organizations are essential for achieving organizational agility. More specifically, to achieve organizational agility, companies must create an agile mindset which has to be embraced by all people in the organization. Furthermore, commitment from all levels is essential, as well as to work with change management and to develop an agile leadership. Companies must also make everyone in the organization feel motivated and involved in the transformation. Consequently, since many parts of achieving organizational agility involve a human aspect, organizations must acknowledge that this should one of the main focuses.

6.4 Future Research

The topic of organizational agility and how it can be achieved is a rather unexplored field of research. In this study, the authors aimed at investigating the topic by exploring how organizational agility can be achieved specifically by large organizations. However, further research is needed to deepen the understanding of the topic of organizational agility and how

it can be created. The authors of this study therefore propose some suggestions for future research within the field.

Firstly, as has been stated in this research, few previous studies have focused on investigating the specific phases that organizations go through in the process of becoming agile. In this thesis, it has been explored whether organizations go through three different phases, where the first two were confirmed. However, the authors mean that a more detailed and extensive investigation about the phases of the agile transformation process is needed. This in order to get a deeper understanding of the implication of each phase. The fact that it was not possible to confirm much about the third phase of the transformation process indicates that future research should focus specifically on investigating what is required in order to reach this phase, or if entering it is at all possible in practice. To be able to do so, organizations that have reached further in the agile transformation process should preferably be explored.

Secondly, the findings of this study show that five core organizational areas must be adjusted in order for companies to become agile across all levels of the organization. By linking the main key success factors and challenges identified in this study to the areas, a simplified guide for how to adjust these five organizational areas was presented. However, it would be interesting if a more thorough study was made regarding the reconfiguration of these areas in order to extend the guide developed in this research. The authors therefore propose that further research is conducted in a more detailed manner about how companies can go about to adjust these core organizational areas, and thus how agility on an organization-wide level can be achieved.

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Appendix

Appendix 1: Interview Guide Group 1

Presentation of the authors and the subject

Background information
1. Could you please give us a short presentation about yourself?
2. Could you please describe your position and responsibilities?

Defining organizational agility
3. According to you, what defines an agile organization?
4. What is the company's goal with becoming an agile organization?
   ○ Why does the company need to achieve this?

Achieving organizational agility
5. What does the process look like at the company for working toward becoming an agile organization?
6. Can you describe how he process started?
7. Where in the process are you now?

Key success factors of organizational agility
8. What would you describe to be the most important key success factors in order to become an agile organization?
9. Why are these key success factors important?
10. Are any of these key success factors more important in some steps of the transformation process than in others?

Challenges of organizational agility
11. What would you describe to be the biggest challenges in order to become an agile organization?
12. Why are these areas challenging?
13. Are any of these challenges bigger in some steps of the transformation process than in others?

Finally, is there anything you would like to add or discuss further?

Appendix 2: Interview Guide Group 2

Presentation of the authors and the subject

Background information
1. Could you please give us a short presentation about yourself?
2. Could you please describe your position and responsibilities?

Defining Organizational Agility
3. According to you, what defines an agile organization?
4. According to you, why do large organizations need to become agile?

Achieving organizational agility
5. Could you describe how you work with helping customers to become agile throughout the whole organization?
6. What does the transformation process usually look like?
   o Is there any model or guide that you usually apply?
7. How do you know what to work with in order to progress in the transformation process?
8. How do you evaluate the transformation process, i.e. how do you know that you are heading in the right direction?

Key success factors of organizational agility
9. What would you describe to be the most important key success factors in order to become an agile organization?
10. Why are these key success factors important?
11. Are any of these key success factors more important in some steps of the transformation process than in others?

Challenges of organizational agility
12. What would you describe to be the biggest challenges in order to become an agile organization?
13. Why are these areas challenging?
14. Are any of these challenges bigger in some steps of the transformation process than in others?

Finally, is there anything you would like to add or discuss further?

Appendix 3: Complete List of all Key Success Factors and Challenges Identified in the Interviews

Key Success Factors	Challenges
Common vision and understanding	Integration of departments
Communication	Dissolvement of old structures
Agile mindset	Decentralization
Decentralization of decision making and power	Cross-functional teams
Training and coaching	New type of leadership
Agile leadership	Resistance of change
Involvement of people	Lack of common understanding
Change management	Information sharing
Acceptance and commitment	Performance measurement
Performance measurement	Stagnation of roles
Information Management	Fast deliveries
Coherence between vision, culture, and values	Organizational culture
Curiosity	Transparency
New type of culture	Training of new work
Discipline	Fast-changing environment
Intrapreneurs	Divergence of values
Right prerequires	Disagreements in the organization
Safety	Creation of participation
Right attitude	Seize competence worldwide
Find ambassadors	Balance between stability and dynamism
	United systems
	Maintain focus