SOCIAL SCIENCE AND HUMANITIES

HOW DIGITALISATION HELPS ORGANISATIONS TO EMBRACE AGILITYTO SUSTAIN AND GROW IN THIS HYPER-COMPETITIVE, VOLATILE WORLD OF BUSINESS!

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Abstract: The insatiable quest to pen this research article comes from our high inquisitiveness to understand why and how agility matters rather has become a top strategic priority for the organisations aspiring to sustain and stay in the industry growth curve by being more competitive and adaptive to fast evolving business dynamics and environment.

Although, transforming organisations to achieve organizational agility is in its nascent stages but already yielding higher and positive returns globally. Many mighty conglomerates and brand is testament to the fact of experiencing hyper growth across multiple continents by being more agile and positively aggressive towards being inventive about the future. Therefore, this article will also highlight the insights on compelling need for any ambitious and aspiring organisations to become agile and to achieve high performance addressing stability and dynamics.

Keywords: Insatiable quest, agility, hyper growth, transforming, conglomerates etc.

Introduction: Conceptual Framework and Analysis

"In a fast changing and uncertain world, agility and resilience are the critical capabilities for organisations to be able to respond and adapt..." (Peter Cheese, Chief Executive, CIPD)

In a business landscape of accelerated changes, rising unpredictability, complexity and ambiguity, only nimble organisation survives. This is more prominently highlighted in view of the ever increasing mortality rate of the corporations or organisations in this century. The startling fact is life expectancy of organisations worldwide is getting shortened. According to recent research by one of the giant management consultancy firm brings out the fact that in 1935, the average life expectancy was 90 years of an S&P 500 company reduced to 14 years or even less in 2010.

Therefore, the quest for survival characterised by stability and growth has made more and more organisations to become more agile. No wonder, many organisation has become change fatigue after reeling through endless restructuring to retain their competitive advantage.

The term ' agility' broadly refers to the ability to change and adapt quick and fast. This term was more holistically defined by Aaron De Smet, Mckinsey Senior Partner as the ability of an organisation to renew itself, adapt, change quickly, and succeed in a rapidly changing, ambiguous, turbulent environment.

Agility is not incompatible with stability-quite the contrary. Agility requires stability for most companies."

Agility is the ability to move quickly and easily, just like a 100 metres sprint runner has to get a very good take-off and then run fast to be able to lead from his competitors. The same principle is applicable in a business environment, where the business has to have the ability to move quickly, have a good take-off and then sustain the business operations to remain ahead of its competitors. History is replete with examples of very large conglomerates and companies vanishing from the radar screen of business enterprises, because they were not agile enough to take-off on time and change as per the fluctuating environments. Whether one takes Remington example of being the largest type-writer company with the major market share of type-writer business with them, and not changing to the new personal computer era in the 80s led to their downfall, or one takes the example of Kodak as the largest camera photography company which again did not change to the digital era changes, or Blackberry, or many such other companies which did not exhibit the agility to change with the changing environment. All these companies saw their demise in a very quick time frame.

One thing that history, and not so far away from our present time teaches us is that unless the business

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organisations adapt themselves quickly to the changing environment, and then manage to sustain their operations in the short to medium term, then they can succeed, or otherwise they are going to face many unpleasant challenges. Scanning the horizon to keep pace with the changes, as well as keep a tag on one's competitors is extremely critical to survive in this hyper-competitive, highly volatile world of the business environment. The rate of change occurring is not linear, but exponential. Moore's law stated that the number of transistors and computer processing speed doubles every two year, and that is why the rate of change in the world of computers, as well as in technology grows exponentially. It is thus imperative that an organisation which can adapt to these changes in real time, that organisation is likely to survive, and if not, then 'The End' is not far away.

To be able to do this effectively, organisational leadership is critical to ensure success of sustainable business growth. This process is dynamic in nature and the Japanese Kaizen principle has to be practiced and implemented in reality, whereby small incremental changes in processes are vital for continuous and sustainable growth. Leaders have to foresee and forecast the changes of the future and ensure that they carry the whole organisation with them in their quest to successfully implement their vision into reality. Leaders will not only be required at a strategic level, but at every level of

tactical or operational control also. A synergic effect thus can be produced by a successful culmination of bringing about these envisaged changes properly and in a timely manner. Agility of mind envisioning a thought process of change is as important as the agility of getting things done to implement that change effectively and efficiently. The mind and physical agility of getting things done will come with an organisational culture of good leadership and empowerment of the employees, since for good synergy to take place, the whole team effort will be required to implement the envisioned ideas ethically and successfully. Innovation and Creativity are also virtues which will help bring about these changes effectively, since a philosophy of continuous improvement has to be the motto of a moving organisation and that can be achieved commendably through a continuous process of innovation and new creations.

Technological advances are occurring at a very rapid pace as discussed above, and we are all at the brink and transition phase of the next tech revolution which is just around the corner. After the last internet and info age revolution, which changed many core functions of many business domains, the next one that is on the horizon and already being in use in many innovative ways is the technology of Artificial Intelligence (AI). Many businesses are already employing AI in different business sectors,

whether it is manufacturing, IT, healthcare, retail, finance, transportation, etc. AI was coined by John McCarthy, an American computer scientist, way back in 1956 at The Dartmouth Conference, but its actual implementation has already started in a big way in different business sectors. It encompasses everything from robotic process automation to actual robotics. AI can identify patterns as per the available data, and definitely more efficiently than human beings, thus enabling businesses to gain more insight out of their data. The future of companies lies in how effectively and efficiently they can manage their data and apply it to robotics and AI technology to try and make their processes as flawless as possible. With data is going to come knowledge and with knowledge will come Power, as has been put across by on one of the University of California, Los Angeles professor. Like in the present context, companies cannot lag behind in the computer era, by not adopting to the technology available today. Similarly, in the very near future, if companies do not adopt to the AI technology to enhance their business processes, the rapidity of decline can occur very fast, apart from the loss of many present day jobs, and emergence of new jobs in maintaining the AI robot technology. The AI technology is already being employed by 'Amazon Go' in their retail stores, where there are no tellers, clerks or check-out lines, purchases are automatically tracked as the shopper removes the items

from shelves. Similarly the Hyperloop, driverless cars are going to be operational within the next 3-5 years, and thus the next tech revolution of AI has to be adopted by businesses and done so very fast... agility will be the mandatory key in this new world of business.

Therefore organizational or enterprise agility underlines the fast ability to reconfigure strategy, structure, processes, people, and technology toward value-producing and value-preserving opportunities

There are numerous benefits rather advantages that agile organisations get which generates upto three times higher investors returns, faster product development at a cheaper cost and keeps customers and employees happy and engaged.

Now the most critical question comes in the mind is as to how agile organisation looks like or characteristics of modern high value generating agile corporation or organisations?

Going by the research done by the authors, following characteristics are commonly exhibited by the agile organisations like Amazon, Apple, Google, Zapos, Tesla etc.,:

1. High level of customer centricity and passion shown by employees and management. Highly integrated organisations with a unified behavioural code and cultural DNA as exhibited in their action to make customers and employees happy and engaged.

2. More flat rather delayered organisation with high level of

alignment amongst cross functional teams aligned to fulfil business and organisation objectives by leveraging technology and business resources.

3. High ability to learn rapidly from customers to deliver the most futuristic product. For example, TESLA is recognised as most innovative and futuristic automobile which matures through the rapid iterations of models and learnings from the customers and evolving business and market dynamics.

4. Leadership and people model is also designed and geared towards the role of a facilitator, coach rather than command and control approach. Leaders play the role of a coach and facilitators removing road blocks, provides coaching to bridge skill gaps, higher performance delivery and thereby empowering teams to make decisions within their assigned mission and objectives. People model champions the cause of career progression based on expertise and ability to learn and adopt faster.

5. Leveraging the power of technology to provide a different level of flexibility and convenience to customers. And, to enable organisation to rapidly adapt to changing business needs and evolving challenging economic and market dynamics. This behaviour can be seen as practiced by Netflix which releases new features as rapidly as daily basis compared to some large incumbents that release less frequently in months' time or annually.

The above analysis is profoundly highlighting the fact and quite distinctively that organisation has no choices but to adapt to the agile model with necessary re-configuration of cultural DNA code of the organisation, highly focused leadership team committed to change and sustain in the business with stability and growth. Fast changes in competitive landscape, demand and supply dynamics or situation, technological advancements, and regulations have made it more imperative than ever for organizations to develop ability to respond and adapt rapidly. Organisations in more volatile or unpredictable environments are more likely than others to be pursuing agile transformations.

Analysis of the various research suggests that organisation can drive agility by focusing on designing their organizations with relevant structures and processes including soft element culture so as to drive speed and build stability. Now, the critical question before us is why do many organisations go through uphill battle to become agile ! Many organisation need to balance the need of speed and flexibility on one side, and the stability and scale inherent in existing organisational structures and process on the other side.

No difficulty comes without a trade-off: the assumption by executives in any organisation that they must choose between much-needed speed and flexibility, on the one hand, and the stability and scale inherent in fixed organizational

structures and processes, on the other.

Start-up organisations are reputed to act quickly up to a certain level and stage, but once they grow beyond a certain stage they find it hard and difficult to keep pace with the earlier momentum and responding to fast change. Similarly, many a large and established organisations often become bureaucratic in nature and in action because of the rules, policies, processes and management layers developed to enjoy the economies of scale ultimately become their disability to move fast.

Authors' experience and various research articles suggest that truly agile organizations learn to be both stable (resilient, reliable, and efficient) and dynamic (fast, nimble, and adaptive). Therefore, organisations must design structures, governance arrangements, and processes with a relatively unchanging set of core elements. At the same time, they must also create looser, more dynamic elements that can be adapted quickly to new and evolving challenges and opportunities.

Authors' feel that it is apt to highlight here the research/study conducted by MIT Sloan Management Review and Capgemini Consulting in order to have comprehensive understanding as to how businesses rather organisations succeed or fail in using digital technology to improve business performance, they conducted a survey in 2013 that garnered responses from 1,559

executives and managers in a wide range of industries. The responses gathered highlights that organisational think tank including managers believe in the ability of technology to bring transformative change to business although element of frustration come from making the new technology work to get great results.

This report (as well as the survey) focuses on digital transformation, which we define as the use of new digital technologies (social media, mobile, analytics or embedded devices) to enable major business improvements (such as enhancing customer experience, streamlining operations or creating new business models).

The major findings from the survey are highlighted below:

- According to 78% of respondents, achieving digital transformation will become critical to their organizations within the next two years.

- However, 63% said the pace of technology change in their organization is too slow.

- The most frequently cited obstacle to digital transformation was "lack of urgency."

- Only 38% of respondents said that digital transformation was a permanent fixture on their CEO's agenda.

- Where CEOs have shared their vision for digital transformation, 93% of employees feel that it is the right thing for the organization. But, a mere 36% of CEOs have shared such a vision.

Conclusion:

Business sustenance and growth has always been dependent on trying to compete with one's competitors and creating a blue ocean strategy with innovation and creativity in the business functions of the organisation. Innovation is being taken to a different level now with the speed probably not seen or experienced before, due to the advent of new technology which is permeating into the functions of each and every business domain. To adapt to these rapid changes, businesses which are highly agile and innovative are going to survive, as well as face the innumerable challenges which are going to occur more or less on a daily basis. As the saying goes, 'the only constant in life is change', if a business can change its paradigms to embrace these changes willingly, those businesses will thrive and create their own blue oceans, otherwise the ocean will turn red, and very veryfast indeed.

Today, most of the organisations are pressing ahead with agility agenda through various digital transformation initiatives. Digital is changing the world, and progress is not linear. In a world where a smartphone is no longer just a smartphone, but a potential revolution, organisations need to explore what digital advances mean for them and their stakeholders and how the future looks like. However, organisations need to keep in mind that every digital initiative may not work for every organisation, and it is important to assess organisational capability and capacity for change before planning and deploying a digital strategy.

Therefore, it is imperative for any organisation to embrace the efficiencies and enhanced productivity that agility through digitalisation brings, as well as the major opportunities for internal and external stakeholders. Digitalisation is key to organisational sustainability and competitiveness.

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