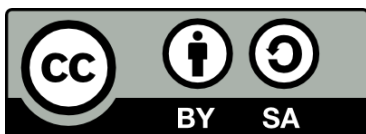# BUSINESS AGILITY
## INSTITUTE

# Applying Business Agility in Unionised Environments

An exploration of business agility principles & practices within a unionised workforce

Business Agility Institute, 2020

# 01

## Introduction

*"Business agility is a pathway to security in the workplace for employers and employees alike"*

### 1.1.    The challenges faced by agile transformations and the role of unions

Business agility is, in a nutshell, a system of organisation that allows a business and its employees to duck, roll, and come up on their feet in the face of sudden change. It's a proven system of management and organisation practices that offers advantages over traditional management processes in environments where the ability to adapt is key to success. So why are some organisations reluctant to adopt business agility values, principles, methods and procedures?

A number of potential obstacles stand in the way of teams seeking to adopt business agility. These include butting heads with leadership who can be overly cautious in adopting new management methods, a lack of personal investment on the part of employers, or an organisational hierarchy that simply isn't compatible with a business agility approach. However, there are additional challenges to overcome when introducing agility to a unionised environment. Employee unions exist to safeguard and protect the rights and employment safety of their members.

Business agility is very clear that it's in the best interest of companies to take care of their employees - happy employees create better products, better relationships with customers, and greater profits. However, some unions have experienced conflicts with senior management, resulting in a deterioration in trust between the employers and those set to safeguard the employees. If prior workplace change has arrived hand in hand with restructuring and redundancies, it's only natural for union organisers to become wary of managerial and structural shifts.

Business agility does not require restructuring or redundancies. If anything, business agility seeks to maintain and enhance the individual value of every employee in an organisation. It creates a people-centric culture that values human beings over workplace processes, equipment, and tools, with the focus always being on how to maximise customer outcomes. These values may clash with unions who are more predisposed to assuring the protection of established

labor rights rather than developing new solutions and arrangements that will, in the long term, create better workplace situations for their members.

Friction between unions and business agility implementers doesn't have to be the norm. With open dialogue and shared understanding, unions, workers and management alike can find solutions that increase adaptability and empower all stakeholders. This whitepaper discusses and addresses specific challenges faced when implementing business agility or agile values and principles in unionised environments, and provides recommendations that will ensure leaders, unions and employees all work towards mutual goals and solutions.

## 1.2.    Life is unstable, but Business Agility helps you flex

Stability is a fundamental human need. It's only natural for workers with specific skillsets to prioritise job security over riskier opportunities for advancement, to remain in guaranteed but potentially unsatisfying positions, and to guard their incomes and livelihoods with insurance they may never use.

The truth is, life is unstable. Change sweeps through all societies in time. Markets are eventually disrupted. Overseas competitors move unpredictably. Steady industries, including those bubbled by protectionist economics, eventually lose that protection. Even governments feel the pinch through the outsourcing of work to private providers.

Building walls against change might shield a person (or organisation) in the short term, but the most effective way to achieve employment stability is through preparation to adapt.

Adopting business agility values and principles in the workplace is, in itself, inviting instability into a business. Instability is the beating heart of agile thinking. This shouldn't be considered harmful. Rather, it's future-proofing for inevitable change. And, as a union's primary aim is to protect the safety of its workers, preparing employees for marketplace and industry disruptions should be one of their foremost responsibilities.

Business agility strategies and implementations aren't the enemy of employment stability. They're a pathway to security in the workplace for employers and employees alike, and should be treated as such by unions and workers' councils. By helping workers expand and adapt their skillsets, and by assisting in workplace education and agile retraining, we can better prepare them for major industry transformations.

After all, we know those shakeups are coming. We just don't know when.

# 02

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# Business Agility & Unions - an Overview

"Unions and Agile work towards similar goals - the protection and advancement of workers and organisations"

## 2.1.    What is a unionised workforce?

Before we move on, let's get on the same page. What is a unionised workforce?

Let's begin with unions. Collective bargaining has at least a six hundred year history but many of the structures of modern trade unions are direct responses to scientific management, also known as Taylorism. Taylorism was a late 1800's management style that emphasised efficiency and productivity over worker wellbeing, which existed in direct opposition to (and sometimes forcibly disbanded) the unions of the time.

Taylorism is no longer the force it once was, but unions are still going strong, and their distrust of disruptive management strategies persists to this day.

The exact definition of a union, and how they operate, differs from country to country, but we can begin with some generalisations. For the purposes of this whitepaper, a union is an organisation that acts as a mediator between workers and managers. The union - often but not always composed of representatives elected by

employees - exists to communicate employee needs and recommendations to management, and find mutually beneficial solutions to workplace problems. They often negotiate better working conditions, pay structures, holiday and sick leave entitlements, safety standards, raise individual grievances with management, and so on. As a collective, they wield more bargaining power than any individual employee could.

A union can operate inside an organisation without all the employees of that organisation being members of the union. For example, some employees such as HR and payroll staff may be considered part of the management team, which makes them part of the body a union would negotiate with rather than represent. Even employees who choose not to join the union will reap the benefits of the union's negotiations, depending upon the business's enterprise agreement. Other employees may not join the union as they feel they're better served by negotiating directly with management.

Throughout recent history, workers' unions have frequently been major drivers of social change. Paid leave, including sick leave and maternity leave, are union achievements, as are the rights of workers to take lunch breaks, receive termination pay, and protection from unfair dismissal. As mentioned earlier, these rights differ from country to country and industry to industry. Even so, it's difficult to ignore the positive impact that unions have had on the lives of employees around the globe.

This is why it's vital to understand the structure and mindset of a unionised workforce when considering the implementation of business agility practices. A highly unionised workplace is made up of employees who are accustomed to uniformity in workplace expectations, pay, benefits, rights, and so on. This uniformity is a form of equality, where all employees receive the same advantages, workloads, and options for advancement within the organisation.

Unionised equality provides a strong foundation for workers and can be considered vital in establishing workplace

safeguards, but as employees and organisations evolve to meet changing demands that same equality can become stifling.

Business agility focuses on equity rather than equality in the workplace. Equity affords each employee the options and opportunities that best suit their skills, personal needs, and plans for personal development, while emphasising customer and business outcomes. Equality favours a collective while equity returns power and choice to the hands of the individual.

Equality and equity aren't enemies. Equality in labor standards sets the groundwork for workers to feel confident and supported in their roles, while equity in opportunity allows workers to grow their own skills and careers while retaining safety nets in case of economic uncertainty. The two concepts should not be in conflict. This is why, as we go on, it will become increasingly clear that business agility implementation is best performed hand in hand with workers unions, rather than in opposition to them.

## 2.2. What is the difference between unionised (and union-like) and non-unionised environments?

Some of the differences in how unionised and non-unionised workplaces operate are less obvious than others. Changes in management style and worker mindset affects how a business functions and how employees view their roles, responsibilities and rights. This, in turn, changes how workers and management relate and interact.

The role of a union is to act as the collective voice of workers: to bargain, negotiate,

implement change, to find mutually beneficial pathways for growth, and more. The natural result is the collectivisation of workers. Employees with a wide range of skills, goals and working styles become homogenised as their roles, abilities, and compensations become standardised. In short - if you apply the same rules, structures and expectations to a wide range of individuals, don't be surprised when all the aspects of those people that make them unique start to vanish!

Non-unionised environments, on the other hand, may allow their employees to take non-standard approaches to shaping their roles and personal growth within the organisation. Individual workplace agreements between employees and employers also result in private contracts determining salaries, holiday loading, sick pay and so on. This isn't without its drawbacks - confidential per-employee negotiations may lead to secrecy, jealousy and discrimination among employees. On the other hand, as a consequence of homogenisation and collective bargaining, unionised workplaces naturally become more transparent. Worker compensation packages become public knowledge.

Neither situation is inherently good or bad. Standardisation may be what an individual employee or an organisation needs, and both rigidity and flexibility can be virtues under the right circumstances. This whitepaper seeks to discuss how to integrate the best of agile practices with the best of unionised organisation, not to make a value judgement on which model is right for every business.

## 2.3.    What impact does a union-driven workforce have on agile/agility?

It's said that you can't fit a square peg into a round hole. Not true! Hammer that square peg long enough and it'll eventually lose its edges. In the same manner, a consequence of standardised expectations, benefits and employment packages across a workforce is that, over time, workers roles will become similarly standardised.

This is the most fundamental point of opposition between Agile and unionised environments. The first value of the Agile manifesto is "individuals and interactions over processes and tools". Traditional workplaces, by contrast, ask individuals to reshape their skills, needs and goals in favour of satisfying processes. In extreme (and not-recommended) examples, individuals can become treated like tools - replaceable, interchangeable, their individuality devalued.

That's not to say that unions don't value individual workers. A well-managed union looks out for the individual wellbeing of every member. But where business agility prioritises the unique skills, processes and aspirations of each employee, unions sometimes place greater value upon improving the position of the worker collective. In addition, individuals who have been reshaped to prioritise homogeneity and the smooth operation of the collective over their personal skills and growth may be reluctant to embrace business agility.

Unions and Agile are not enemies. They work towards similar goals - the protection and advancement of workers and organisations - using vastly different methods. As such, it's important to remember that this paper does not advocate the replacing or undermining of unions and their efforts toward worker protection. Rather, it seeks to find mutually satisfactory solutions to workplace problems, both small and large.

## 2.4.    Cultural and regional differences in unions

When discussing what unions do in the typical workplace, it's vital to remember that the roles, rights, operations, and legal responsibilities of unions differ from nation to nation, region to region, and culture to culture.

For example, in Germany, national unions make large decisions regarding labour agreements. A works council - a smaller organisation elected directly from a firm's 'shop-floor' employees - will then liaise with management to help adjust these agreements to suit local standards and requirements. Works councils are less common in Australia, where national unions are known to have more adversarial relationships with management teams.

Australia and Germany can be used to illustrate a second key difference in how unions operate and are treated around the world. Despite Australia's long and proud history of collective bargaining - Melbourne stonemasons were the first to win the right to an eight-hour work day with no loss of pay - union influence and membership has been in decline since the 1990s. Compare this situation with German unions, where organisations with over 500 employees must include union representation on their management boards.

It would be impossible to elaborate on every difference in international union organisation and operation in one paper. So take care, and don't make assumptions about how local unions operate, either in a legal or practical sense. Every new environment poses its own challenges and rewards.

# 03

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# What challenges are business agility practitioners facing?

## 3.1. Rejection of experimentation approach due to lack of trust

Business agility practitioners face a host of challenges in unionised environments. These challenges can arise before agile practices and procedures are integrated into the workplace, or during the transition process. Triggers for these challenges include financial, psychological or cultural issues. As such, it's important to understand not only the origin of these challenges, but also how they affect workers, union representatives and business agility practitioners alike.

The first and, perhaps, most deeply rooted problem faced during business agility implementation is a lack of trust between employees, union representation and management. This may arise due to a perceived incompatibility between Agile processes and Union processes.

Put simply: business agility methods are built on quick and repeated experimentation. Propose a solution, plan it, trial it, analyse and refine. These methods apply to employee roles as well, where individuals are expected to flex in

and out of different roles when required. Union processes, by contrast, can be slow to implement and slower to revise. Employees are generally expected to stay in prescribed roles as set out by collective agreements, and negotiations on labor standards between union representatives and management can take years to reach an amicable conclusion. Once these rights and awards for workers have been established, it's only natural for unions to want those rights locked in place for similarly long periods of time.

This isn't to say that slow-moving labor negotiations and lean, iterative agile workplace processes can't operate in tandem. Similarly, workplace agreements can be established between management and unions that allow for periods of experimentation before final implementation. But employers have, in the past, used the engines of workplace change as a trojan horse for worker exploitation, the rolling back of previously established awards and entitlements, or forced redundancies. In these cases, it's

only natural for unions to build taller walls and safeguards around the worker compensations they've managed to hold on to.

The goal of a union is to comprehensively protect their employees for as long as possible. In situations where trust in management has already been eroded, is it any wonder that unions might be inflexible on issues or proposals that affect workplace stability?

## 3.2.    Aversion to change of ways of working due to fixed mindset

Unions, works councils and other workers associations have clear and strict processes regarding the resolution of workplace disputes, negotiating for improved worker conditions, or communicating between employers and employees. Some of these processes are structured around internal regulations. Some are dictated by external legal frameworks. For ease of understanding, where the function or outcome of a European-style works council or alternative worker's association would overlap with the function or outcome of a traditional union, we will simply refer to them as unions.

Regardless of where regulations originate, unions may be averse to adopting business agility as they feel the changes would clash with existing procedures. Changing established regulations is time consuming and costly. As for calling for change to external legislation… that's a route most unions would be unwilling to take. It's not that unions don't want to improve their operations, as well as the operations of their members. It's a matter of those bodies not having members on hand with the knowledge and experience to implement those changes.

It's important to clarify that the implementation of business agility doesn't always require changes in legislation or internal procedure. Instead, consider that these principles advocate for a change in ways of working, within existing boundaries. Business agility principles don't demand to change the larger structure of a business, only the ways in which employees work, grow and negotiate.

A positive first step toward understanding and implementing business agility can be for unions to adopt these same principles internally. Experimental and experiential methods of organisation and decision making inside a union can demonstrate how business agility can be incorporated into the function of an organisation without pushing back against legal structures. If unions don't have the internal experience to handle such changes, business agility implementers and experts are able to fill the gap.

If unions are willing to take the first step and change their own functions and procedures in small ways to become more adaptable, they will recognise how the flexibility inherent in business agility can be extended gradually across a larger organisation, without clashing with pre-existing legal frameworks.

### 3.3. Compensation for multi-functional individuals

A third cause of friction is the conundrum of fair compensation for multi-skilled employees, especially when those employees work across a broad range of roles. In short: if an employee brings multiple skills to the workplace, do you pay them differently for the different times they spend utilising each skill? Is an employee defined by the most complex or demanding skill they bring to the workplace, or the least?

Instances of this compensation dilemma can be found across multiple industries. For example: when a commercial pilot helps clean the plane (as was the case early on with Southwest Airlines), are they still compensated as a pilot during those hours? Are they a pilot who cleans, or a cleaner who pilots? If a bus driver also manages the depot in the evenings, do their wages spike according to their new responsibilities? If a member of an IT team becomes a temporary team leader during a period of illness, should their wages rise temporarily to reflect new responsibilities, and should their wages remain at that higher level afterwards, in light of the management skills they have gained?

There are no simple answers to these questions. Business agility is built upon principles of individual achievement and recognition; these include the principle that motivated individuals should be given the support and trust they need to get the job done, and that the best architectures and designs for success emerge from self-organising teams. It follows that employees working inside these models should be free to negotiate their own fair compensation. It follows that wages may rise and fall dynamically, per employee, depending on their ever-changing roles, skill sets, and use of those skills.

If this sounds complex, consider this: systems already exist that bridge the divide between unionised "one-size-fits-all" compensation schemes and the flexibility of recommended business agility pay schemes. For example, some Australian public service divisions offer pay ranges for different roles, which allows for an individual to negotiate fair adjustments to their compensation based on skill sets, responsibilities and seniority.

### 3.4. Unions are seen as Preventers instead of Enablers

When it comes to workers rights, unions are enabling. They help create and maintain healthy working relationships between employees and employers. But when it comes to the implementation of business agility, unions may be seen as preventers - not due to malice, but due to a resistance to change, and a fear of irrelevance.

For example, works councils in Germany have developed complex and interwoven hierarchies ranging from national union bodies, to regional committees, to the smaller works councils inside each individual organisation. Each of these groups has their own goals, their own interests, and their own entrenched procedures. As mentioned earlier, business

agility transformations don't threaten the roles and rights of individual workers, but they can be seen to threaten the status quo by encouraging individuals to bypass the traditional union negotiation structures, thereby reducing the union's overall influence. The established hierarchy of the works councils doesn't mesh with the cross-functional, adaptive structure that comes with business agility, and as such they are obstructive to change.

This obstruction may manifest as an outright refusal to examine the advantages of business agility. It might also be passive-aggressive. For example, existing unions might agree to a gradual implementation of agile values, while insisting that same implementation follow rules and regulations created for vastly different times and contexts.

In the end, the best way to maintain good relationships with unions and implement business agility procedures smoothly is through honesty, communication, and consultation.

## 3.5. Legal conditions

Just as the legal obligations and purviews of unions differ across countries, districts and industries, so do the legal frameworks surrounding employees. As such, implementation of business agility must be tailored to meet specific legislations.

This means that business agility implementation can't be rushed or haphazard. Unions often operate as co-designers in the structure of organisations, and business agility teams must understand the legal frameworks surrounding their teams in depth if they wish to take on similar roles, especially if responsibilities previously attributed to a union or works council are now being shared between unions and individuals. It's vital that the implementation of business agility be both creatively and legally secure, in order to ensure the rights and compensations of every employee.

For example, legal conditions that may be associated with both unions and works councils include them having an input into the start and end of the working day, the scheduling of wages, the implementation of safety regulations & equipment, the provision of housing leased to employees, and the use of any behavioural or performance monitoring equipment, among other workplace matters. If unions and management can't come to amicable agreements on these points, the union has the right to request the input of an external arbitration board, who will come to a final decision on the matter.

As such, in cases where an existing union is engaged with implementing business agility, their role includes ensuring the transformation conforms to all existing legal standards. Care must also be taken to observe any legal requirements regarding existing employee/employer relationships, and to maintain employee representation on management and union boards.

Business agility principles enhance and clarify the voices of employees. It's vital that union representatives understand how these principles conform to existing workplace laws, so they can become enthusiastic participants in workplace transformations.

# CASE STUDY

A Large European
Transportation Company

A large European transportation company is new to business agility. Many of its employees have preconceived notions about what agility brings to the table: open plan offices, remote work, and forced teamwork. A split has formed through the middle of the company. Younger employees are curious to learn more about agility, but their older coworkers are feeling left behind. They've been trained to receive and follow clear instructions from management rather than be self-managed, and they resent feeling as if they have to constantly be available for work.

The chairwoman of the company works council deals with recruitments, dismissals and social problems. She's also in close contact with unions that focus on politics, social programs, regulation of working time and compensation. She believes that, when it comes to introducing agility, a lack of confidence in employers' positive intentions is what's led to these tensions between works councils and organisational leadership.

As such, most members of the works council have demanded clear rules to which managers must adhere. Several managers have tried to soften this lack of trust by directly involving members of the works council in transformation programs, but without success. Members of the council are trying to minimise their relationships with agile implementation, as employees have begun blaming council members directly for deteriorating working conditions. The result is that many members of the works council have withdrawn from the agile transformation process in favour of arguing against the transformative proposals of others.

While the works council of this transportation company is facing significant challenges, there's still hope for their ongoing agile transformation. Education on agile ways of working and the benefits of agile values and principles for employees may help to better inform them about the processes and advantages of these new systems. Transparency in council dealings will also help build a more genuine and trusting relationship between employee representatives and managers, which will in turn help improve working conditions for employees.

Read on to see how some of these recommendations can be applied to other unionised workplaces.

# 04

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# Recommendations for agilists operating in unionised environments

## 4.1.    Building Trust

Aversion to change. Clashes with legal frameworks. Unions being perceived as roadblocks to progress. All these factors can make the implementation of business agility in unionised workplaces difficult. None, however, pose as big as a challenge as a fundamental lack of trust between employers and managers when it comes to implementing change.

Put simply - if unions and workforces don't believe that business agility implementers are acting with the best intentions of their business and employees in mind, they won't get on board. Trust is the foundation for all interactions between unions, employees and business agility teams.

As such, we recommend a number of methods for creating trust between unions and agile organisations. The exact methods will vary depending on the size of the workforce and union in question, the location of the business/employee base, existing employee cultures, and the nature and history of the relationship between unionised workers and their employers.

Our first recommendation is to work with employees and unions to bring employee concerns and misperceptions to light. A common method of empowering employees to voice these concerns is empathy mapping, which can encourage employees to share their feelings, fears and emotions regarding the process of business agility transformation. Aggregating the results of empathy maps are an excellent way of giving employees the confidence to voice their doubts and concerns, both with management and agile principles. Better, more open strategies can then be synthesised based on this feedback. After all, if business agility implementers aren't aware and responding to employee concerns, they aren't acting in employees best interests.

Our second recommendation is that, once an adoption of business agility values and principles begins, the team must commit and maintain a process of complete transparency. This includes disclosing the intentions of agile teams, their final objectives, the processes they will take to

reach those objectives, and any figures relevant to the business in question, including salaries, overtime, penalty rates and other compensation packages. This level of transparency has two purposes. The first: to reinforce bonds between unionised and non-unionised employees, letting them know that, regardless of disagreements regarding intentions and objectives, everyone in the team is still working toward positive and equitable outcomes. The second is to clarify lines between business agility processes and other unrelated processes taking place in the same workforce: for example, some workplaces suffer unrelated redundancies in parallel with business agility transformations, and unless employees have complete clarity about what a business agility transformation entails, they may conflate the two processes.

As a rollout of business agility continues, our third recommendation is that management should engage in a hearts-and-minds campaign. This is vital when engaged in a process that has the potential to alienate employees and sow distrust among the workforce, especially in businesses missing the crucial middle-management conduit between workers and employees. There are many strategies a management team can implement to win the hearts and minds of employees, many of which revolve around core principles of improving workers' understanding of internal changes, developing worker investment in their jobs, demonstrating that workers will be supported throughout the upcoming changes by workplace systems and structures, investing in the development of workers' talent and skills, and having workplace leaders model the new roles in a positive fashion. If

management engages in these processes genuinely and openly, they will retain the trust and commitment of their workforce. If not, they will alienate their employees and deepen the chasm between management and workers.

In some workforces, trust between workers and management has already been eroded by a lack of transparency, or through transformations that have chipped away at worker's rights. In these cases, it's recommended to introduce a third party to act as mediators between unionised employees and their employers. This may seem counterintuitive, as it directly contradicts business agility principles regarding minimising distance between workers and employers. Don't worry - this recommendation shouldn't be taken as a permanent shift in communication structure. Rather, it's a brief interim step that allows employees and employers to debate and negotiate with emotional distance while relationships are rebuilt.

Finally, if all these approaches are ineffective or inappropriate for the workplace in question, implementation teams can seek out worker and management training relevant to their region and field of work. For example, Australian teams can liaise with Fair Work Australia, who offer the New Approaches program. This program trains workers and management in dispute resolutions, interest-based bargaining, and collaborative workplace change, with the goal of creating productive, cooperative and healthy workplaces. All these goals align with agile values, and similar programs can be found in most countries. If in doubt, seek them out!

## 4.2.   Education

Education is a more long-term solution to the problem of union resistance to change. Put simply - change mindsets before changing systems. Instead of railroading unions into participating in business agility implementation, reach out to union members and offer to coach them on the advantages of agile principles and values.

After all, a unionised workforce has no reason to trust in business agility principles if their representatives don't share that trust, and unions have no reason to believe agile values will benefit their members until they see those benefits in action. Coaching a union throughout the implementation of top-down change will increase the chances of that union being truly invested in the outcomes of business agility across their workforce.

This sort of coaching shouldn't be limited to union representatives. It can extend to employees, management, and employees outside but adjacent to the business in question. Increasing an understanding of business agility both internally and externally can assist in changing mindsets and increase buy-in from everyone involved. However, at an absolute minimum, unionised employees need to be involved in these coaching and education programs. Bringing workers into the fold demonstrates two things: that management is interested in developing them both as employees and as people, and that the business agility implementation is not a closed-off, secretive, or threatening process.

So, what form should this coaching and education take? That depends upon the nature of the business, the shape of its structure, number of employees, and so on. Whatever method is chosen to fit the business in question, one essential factor that should be emphasised throughout the coaching process is that business agility seeks to increase value - not only the value of a business, but the value of each and every employee. It's common for employees to associate a change in procedures with a reduction in costs, which in turn is associated with redundancies and streamlining of workforces. That isn't the goal of business agility; rather, it seeks to make every employee adaptable and empowered while streamlining or eliminating value-less activities. If individual or team coaching helps employees and union representatives understand these values, their investment in the process will grow.

## 4.3.    Collaboration

One of the earliest selling points of enterprise bargaining and unionisation was that it would return control of workplace initiatives to the workers. By electing employees to represent their contemporaries as part of the union, they could create deeper connections between workers and employers, and allow collaboration between the two parties when it came time to discuss methods of increasing workplace productivity.

Unfortunately, a utopia of workplace collaboration hasn't eventuated in most unionised environments. Major decisions still rest with employers. For workers, losing control is scary. It's why unions and employees often have a visceral negative reaction to outside forces - such as business agility implementers - entering their workplace and, in their eyes, changing how everything functions. An individual in that workplace might agree with the overall concept of implementing agile values and principles, but the thought of not being able to choose how, when and where those values are integrated into an existing business can be intimidating.

This is why, in addition to transparency, collaboration between implementers and unions/union members is essential. Once trust has been established between agile teams and unions, and union members have been educated as to the purposes, processes and goals of the business agility implementation, the actual shape, method and tempo of that implementation should be debated and finalised by a team of employees, management, union representatives and business agility implementers.

When we speak of shape, method and tempo, we refer to the myriad ways in which business agility can be implemented inside an organisation. For example, should agile values be implemented across the entire workplace, or begin with a small experimental team? Should negotiations regarding individual workplace agreements include salaries, responsibilities, working hours, and contracted promotions? How quickly should these changes come into play: immediately, or gradually over weeks, months, or years?

All of these decisions should be made in consultation and collaboration with employees and union representatives. For example, if it's decided that implementation will start small, with an experimental team, then union representatives will be the best equipped to identify that team. Working with existing teams rather than against them helps build trust between employees and business agility implementers, and also serves as an ongoing learning tool.

As mentioned earlier, education for employees and union members is key to the successful implementation of agile values and principles. The best method of education is active engagement. And taking union members through a collaborative process is an excellent way of teaching them about the principles, values and objectives of business agility.

## 4.4.    Start small and scale later

It's usually up to a collaborative team of union members and agile experts working inside an organisation to decide how to begin implementing business agility, but our recommendation is always to start small and scale up later. Why? Because every team, business and market is different, and understanding exactly how to implement business agility to the best advantage of the business and team may require experimentation and ideation.

In order to ideate quickly, you need a small pool of employees for whom a business agility transformation is both immediately appropriate and beneficial. With the assistance of union members, this team can function as a test space for how business agility can create value and flexibility for employees and employers alike.

It's also a way to demonstrate how agile values can be implemented using an agile approach - by beginning in a small, controlled manner, demonstrating value, and quickly adapting if any negative impacts upon the team are identified. This has a number of effects upon a test team:

it demonstrates to the larger team how agile values can work for them, and it emphasises how failure is part of the road toward eventual success. When a small team is allowed or even encouraged to experiment, make mistakes, and grow from those errors, it exemplifies the First Attempt In Learning approach to failure - that failing is a necessary part of the creative process, and that it's only through analysing and improving upon failure that we can accelerate toward success.

Once a test team has been established and they've had time to implement and refine business agility methods of working, union representatives and business agility implementers can work together to scale these methods across a larger organisation. Workers from the original small team can be seeded throughout departments as evangelists who can teach others about the advantages of business agility. Using these methods, a large organisation can experience the best possible introduction to business agility: a safe, gradual transition, pioneered and championed by trusted workers.

## 4.5.    Opportunities

Our penultimate recommendation when implementing business agility in unionised environments is to take advantage of unexpected opportunities to build connections and sow seeds. The first agile value is individuals and interactions over processes and tools, and genuine interactions and connections with employees and union representatives are

what will help change perceptions of business agility for the better.

Take opportunities to connect with employees, union representatives and employers outside work. While strong professional bonds can be built during the nine-to-five, a certain amount of friction vanishes as soon as you step outside those boundaries. Drinks after work, social

events, barbecues and family events are all excellent times to build genuine relationships with employees. Through relationships comes trust, and through trust comes commitment. If you can't meet with employees in person, make use of video conferencing systems as often as possible. This is doubly relevant when working with remote teams, as any form of direct interaction is better than none. Business agility is about building human connections, so take every opportunity and use any system available that lets you speak directly to your teammates.

Employee turnover is sometimes seen as a setback to the promotion of business agility values and principles, but there is one way in which turnover can become an opportunity for future implementations. If employees who have benefited from business agility leave a department or an organisation, we recommend you continue to liaise with them to extend awareness of these new practices into new workforces and environments. This will lay the groundwork for ongoing transformations.

## 4.6.    Create Employee Trust with Concrete Compensation

The final hurdle you may face when implementing business agility in a unionised workplace is the issue of compensation.

We've already discussed how individual negotiations for salaries, sick leave, bonuses, etcetera can confuse or intimidate workers. This confusion is compounded when workers are also asked to negotiate more complex, non-tangible workplace benefits. These may include sponsored professional development opportunities, or the ability to move latitudinally to new positions within the organisation. If individual workers or management approach these negotiations with an adversarial mindset, the challenges increase exponentially.

One solution to the problem of negotiating tangible, financial benefits is a hybrid system that assesses the skills each worker brings to the table and compensates them based on a standardised table of skill levels. This clarifies compensation levels and allows workers to accurately assess what skills they need to develop in order to grow their roles and compensations. These hybrid models can take many forms: for example, Spotify uses the Steps model to compensate employees, where an employee's career 'step' is based on their impact upon their team and the company.

Involving employees in the creation of these skill tables is an excellent way to reinforce an atmosphere of trust and collaboration. Individual workers council, union or employer groups can discuss, trial and iterate compensation structures in small groups, before expanding those structures across the organisation. These compensation structures can be expanded to include the aforementioned non-tangible workplace benefits. Employees will be able to use business agility principles of collaboration during their negotiations, trust in the fairness and transparency of the structure, and have clear discussions about their skills, expectations, and plans for moving up, down, or sideways through the organisation.

# CASE STUDY

An American
Transportation Company

One case study illustrating how these solutions can be implemented in a difficult work environment is the agile transformation of an American transportation business. One of this business's concerns was the purchasing and maintenance of buses for public transportation. The maintenance department - who were in urgent need of parts for repair and upkeep - and the purchasing department - who were pursuing unrealistic budget KPIs - had been in conflict so long that only 13% of the bus fleet could be considered well-maintained. While the two teams were highly unionised and employees had raised issues of cross-departmental communication in the past, union representatives had been unable to solve the impasse.

A Scrum approach was introduced to the managerial team to solve the impasse. Once the managers were trained and understood Agile principles and Scrum processes, they became role models and promoters. One manager decided to implement Scrum with his team and the purchasing department, and after consultation, it was decided that a Scrum/Kanban (Scurmban) hybrid approach was a better fit for his needs.

At first, many team members did not trust that the new process would improve their situation. The manager and his Agile coach presented their plan to the executive to ask for support. They extensively educated the teams and introduced a game to help roll out the Scrumban approach. This process of engagement took a year of daily meetings and crossover work between the two teams, ensuring that all employees and executives understood the new rules and structures under which the business would be managed. By emphasising discipline, self-organisation, and self-empowerment amongst the workers, they were able to raise the percentage of well-maintained buses from 13% to 80%.

At the time of the rollout, only one member of the 15-person team continued to oppose the new approach: a middle-manager who had lost some degree of autonomy in his workflow. However, after witnessing the efficiency gained through the new working methods, this manager was observed setting up his own Kanban board.

# CASE STUDY

A State Government Agency

A state government environmental department of around 2500 people was responsible for waste management and recovery in their jurisdiction. Waste production was overtaking population growth, especially in contrast with the jurisdiction's neighbours. As such, the department commenced a new Integrated Waste Program (IWP) to tackle the problem. Their vision was to reduce waste by promoting sustainable practices for businesses, industry and households.

Nine months after the program's implementation, performance was slipping. Recruitment processes had failed to draw in the right talent, both legislative and systems reform was lagging, and stakeholders were growing frustrated. In order to meet upcoming milestones, executive leadership decided to apply an Agile approach to their way of working.

Due to the large team size, the work was recast into a series of cross-functional work-streams that required employees from different divisions to work together on a daily basis. Groups with specifically applicable skillsets and practices were identified, along with stream leaders. All leaders were required to attend fortnightly planning sessions and whole-of-team stand up meetings 3 times per week.

Implementation was not completely smooth. Some workers were reluctant to participate in major changes to work practices. Sensitive engagement was required in order to navigate their objections, particularly when union representatives were involved. However, department-wide benefits to the new process were quick to emerge. A key union representative who noticed a streamlining in work practices and approval processes acted as a positive voice in leadership meetings. Senior executives were invited to the tri-weekly team stand-ups and were able to directly engage with team members, bypassing middle-management. Middle-management quickly saw the advantage in this, as this freed them up to do more time-effective leading.

The Agile approach identified expertise in the department who were encouraged to share their skills without invoking complex recruitment processes. Participation was offered on an opt in basis, which gave staff an opportunity to 'try before you buy' rather than commit to a major career move, all with the full support of union reps. This increase in transparency and communication also led more staff to engage with corporate services, which reinforced that the IWP was a place of genuine and authentic engagement.

# 05

## Conclusion

"There's no need for unionised workforces to fear business agility. Agile principles don't clash with union values."

Businesses and employees that have adopted business agility find themselves more able to adapt to changing market conditions and customer needs, but that doesn't make implementation in unionised environments a simple task. Existing prejudices, misconceptions, fixed mindsets, and legislative requirements can slow or even stall business agility transformations completely, especially in a heavily unionised organisation that is already hostile towards attempts to streamline the workforce.

Agile values the individual over the process, and encourages experimentation, reflection and iteration over rigid rules and structures. Those same values and principles apply equally to the implementation of business agility as they do to working on projects in an agile environment. As such, implementation can occur in stages, through collaborative efforts, and expanded outward from small test teams to a larger workforce.

There's no need for unionised workforces to fear business agility. Business agility principles don't clash with union values. If we train ourselves to see unions as allies and roadblocks as potential opportunities, these values and principles will soon find a home in new work environments. Employees will have fresh opportunities to work side by side with unions and employers to find mutually satisfying solutions. Unions can reestablish strong bonds of trust with both employers and the larger workforce.

We're not saying it'll be a simple process. Change rarely is. But with transparency, consultation, and an iterative approach, business agility values and principles can enhance the self-determination and self-worth of every unionised employee.

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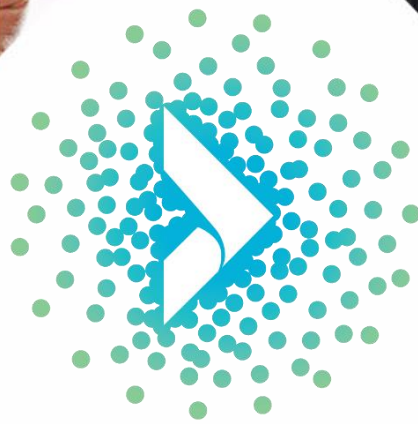
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