

White Paper

# The New Competitive Divide: Building the Foundation for Organizational Agility

## The Building Blocks of Organizational Agility

Today, organizations in every industry need to gather and act on information, make decisions quickly and implement change to meet rapidly evolving requirements of customers and the business environment. Many people call the ability to do so successfully “agility.”

The foundations for agility are at the heart of Dale Carnegie’s approach to relationships and the interpersonal skills he began teaching decades ago.

Agility involves seeking out new information and embracing continuous change in a collaborative way – without resistance, bias or resentment.

There are many things that can inhibit an organization’s ability to be agile: bureaucracy that slows down processes, internal politics that prolong decision-making, silos that obfuscate the root causes of problems and ownership of solutions, and a lack of trust that makes communication difficult, to name just a few. When these barriers to agility exist, the fix isn’t simple, but neither is it insurmountable.

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*“Keep your mind open to change all the time. It is only by examining and reexamining your opinions and ideas that you can progress.”*

*- Dale Carnegie*

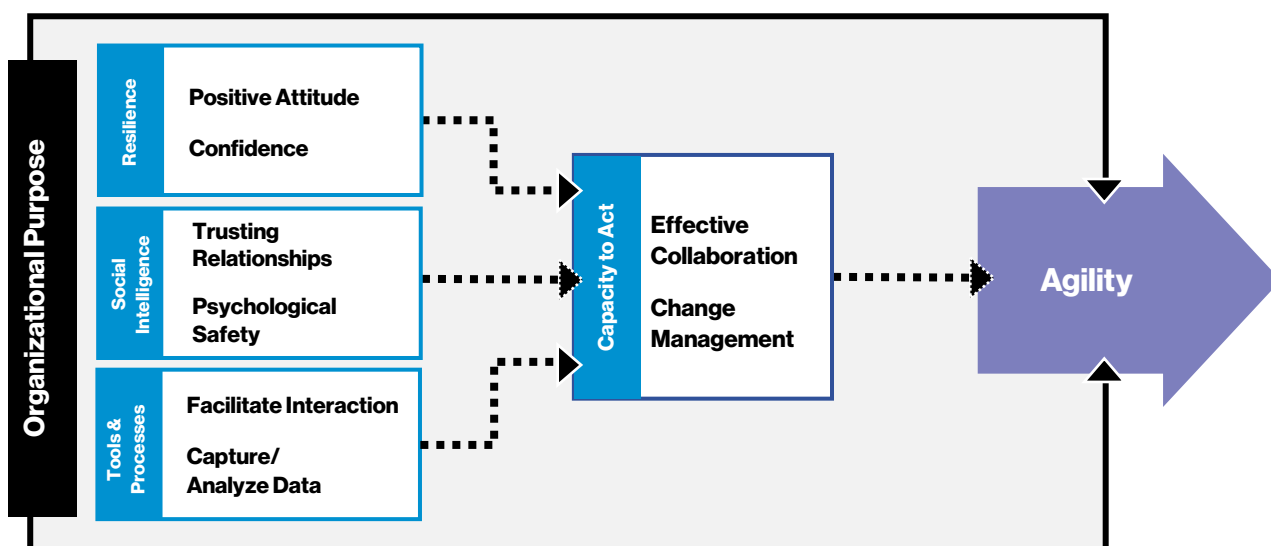
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### What makes an organization “agile”?

Efficient tools and processes that make use of the advantages today’s technology offers, along with accurate data, are essential. Organizations need to proactively ask the right questions, gather, share and analyze information – the impetus for change – and then make decisions and act.

But no amount of data will help a company become agile if there’s no genuine desire to listen to what the data says. And those who lack confidence often lack the courage to truly listen. That’s why it takes more than smart people and good data to become agile. Along with good tools and processes, it takes the right combination of resilience, social intelligence and capacity for action, aligned with a clear organizational purpose, to create a strong foundation for agility.

This paper presents Dale Carnegie’s latest research on the role of agility in adapting to the rapidly evolving workplace. We discuss agility specifically in the context of the massive changes that are anticipated from the implementation of artificial intelligence (AI), and we provide a framework for leaders, addressing important considerations for those who want to approach building agility within their organization in a deliberate way.



## Designate True North: A Customer-Centered Purpose Supports Agility

***A clear purpose, focused on creating value for customers, enables agility in several ways.***

A study by Dale Carnegie & Associates exploring high-performing corporate cultures<sup>1</sup> confirmed the importance of having a strong customer focus. The research identified a subset of particularly successful companies and examined how their attitudes and actions differed from the rest. One of the ways in which senior leaders at these winning organizations thought differently from those in other companies was their strong emphasis on the customer.

Agile organizations expect to operate in an environment where the path forward isn't set in stone; it's understood that new information may prompt a course adjustment at any time. A customer-centered purpose is the compass that allows employees to continue to navigate toward the ultimate objective, even as the path there takes unexpected turns. A clear focus on creating value for the customer provides a true north for everyone in the organization and supports agility in several ways.

First, it provides the reason for change: to fulfill the purpose more fully by meeting customer needs more efficiently and/or effectively. This, in turn, empowers engaged employees to suggest and advocate for changes that will make the organization more responsive in providing value for customers. Purpose also helps connect businesses with their customers, and customers have increasingly become a good source of intellectual capital for co-creation of value.

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In addition, having a shared goal (the customer-centered purpose) that supersedes functional metrics helps break down silos and also helps people work through conflict. When disagreements arise over strategy and tactics, a shared commitment to delivering on the organization's purpose can help keep people in dialogue, working together toward a solution. When competing priorities threaten to complicate the decision-making process, a customer-centered purpose provides people with a reliable way to assess their relative importance, make trade-off decisions and then explain those decisions to others with confidence.

Finally, having a customer-centered purpose that employees can connect their achievements to helps each person see the value of what they do. This purpose-driven work increases engagement — and engaged employees help make organizations more agile. When the direction is clear, empowered people will naturally innovate new and better ways to get there in the fastest way possible.

But communicating the organization's purpose is just the first step toward agility. Leaders must also foster skills and an environment that encourages agility. They must build agility in a deliberate way.

## Foster a Resilient Workforce

***Agility requires accepting a certain level of risk. Resilience, therefore, is essential.***

In his advice on becoming successful, Dale Carnegie said, “[d]evelop success from failures. Discouragement and failure are two of the surest stepping stones to success.” Agile organizations understand the truth of that advice. The reward for speedy decision-making is the chance to beat competitors to market with innovation. Agile organizations must willingly accept a certain level of risk (with that level depending on the type of business and stakes involved) that comes with empowering employees to act without waiting for every last option to be fully vetted.

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<sup>1</sup> *Transforming Attitudes and Actions: How Senior Leaders Create Successful Workplace Cultures*, Dale Carnegie & Associates, 2017.

In short, agile organizations experiment to learn, and there will inevitably be an occasional misstep. It's not that those in agile organizations take decisions lightly or expect to fail. On the contrary, they are confident their decisions are the right ones and believe that changes will be successful. But they understand that, occasionally, they will be wrong. That's when an organization and its people need resilience. Confidence and a positive outlook support a mindset that is open to information, primed to succeed and makes people more resilient when faced with adverse situations. They also play important roles in enabling people to listen, learn and achieve.

### **Promote Positivity**

People with a positive outlook expect — and get — positive outcomes more often than those without it. In many situations, positivity also enhances problem-solving and decision-making and helps people think more flexibly, innovatively and creatively.<sup>2</sup> Scientists theorize that positivity allows humans a broader range of potential thoughts and behaviors (as opposed to negativity, which limits them), and that, over time, this helps people build their own physical, intellectual, social and psychological resources.<sup>3</sup> In the long run, these resources are what help people “bounce back” from adverse experiences.

Why does strengthening people's ability to bounce back make organizations more agile? Because failure can be scary, especially when we expect to be blamed for it. People who fear failure find it harder to accept feedback, take ownership of problems and make decisions; it can be paralyzing. Fortunately, organizations can develop an environment that minimizes that fear by creating a positive corporate culture that supports risk-taking and makes it okay to fail. Leaders can start by admitting their own mistakes — and they shouldn't be quick to blame others. Principle number one, according to Dale Carnegie, has always been, “Don't criticize, condemn or complain.”

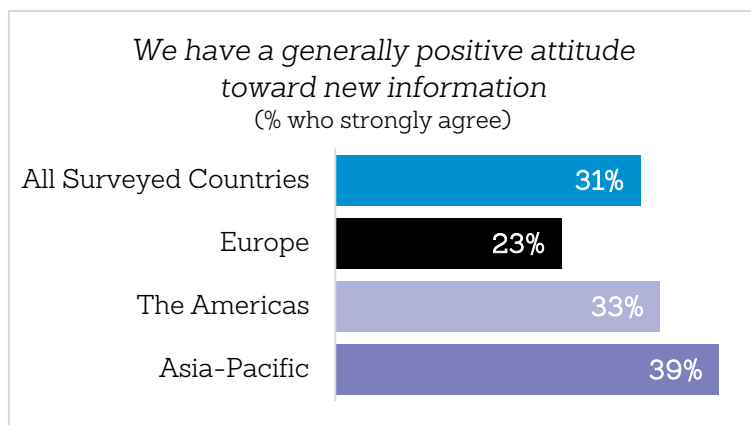
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### **Build Self-Confidence**

Self-confidence is very different from over-confidence and arrogance; it involves someone's belief in their abilities and a view that, in general, they can accomplish what they set out to do. It's derived from both our own beliefs about ourselves and our interactions with the world around us.



Self-confident people can better focus on taking in the new information and recognizing its potential usefulness, rather than being concerned about how they'll respond or shift blame if the news isn't good.

This is critical for employees of agile organizations. Important information can come from anywhere, from big data and AI-generated analysis to 1:1 conversations with employees or customers.

<sup>2</sup> Isen, Alice M. “An Influence of Positive Affect on Decision Making in Complex Situations: Theoretical Issues with Practical Implications.” *Journal of Consumer Psychology*, vol. 11, no. 2, 2001, pp. 75–85., doi:10.1207/s15327663jcp1102\_01.

<sup>3</sup> Fredrickson, B L. “The role of positive emotions in positive psychology. The broaden-and-build theory of positive emotions” *American psychologist* vol. 56,3 (2001): 218-26.

Yet in a recent survey of more than 3,500 full-time employees across eleven countries<sup>4</sup>, on average only 31% of respondents strongly agree that people in their organization have a generally positive attitude toward new information. This suggests that many organizations have work to do when it comes to integrating these important attitudes into their corporate culture.

As stated earlier, operating as an agile organization can yield great dividends in a market that values speed, but it also means accepting the occasional mistake. Learning from those mistakes is critical, and research shows that learning is facilitated when individuals possess self-confidence and positive attitudes.<sup>5</sup>

When it comes to a positive attitude, senior leaders set the tone, but mid-level and frontline leaders are also in a good position to provide specific positive feedback that can increase self-confidence in their teams. In organizations aspiring to agility, modeling genuine positivity and building self-confidence — that is, fostering resilience — should be priorities.

## Improve Social Intelligence Throughout the Organization

***Social intelligence is what creates an environment of trust and psychological safety.***

Artificial intelligence is making headlines and changing the way people live and work, but experts suggest that how well analytical techniques scale up in reality will depend heavily on the quality of a company's human skills and capabilities, including social intelligence. In fact, agility in today's world involves maximizing the human-machine partnership. While machine learning capabilities are growing rapidly, humans still retain the advantage in some areas, including tasks that require high levels of social intelligence.

Social intelligence is critical for agility, as it underpins several key organizational competencies we will discuss later in this paper: *effective collaboration*, *creative intelligence* and *change management*. People with strong social intelligence can connect with others, build trusting relationships and navigate complex social environments. They have the ability to influence colleagues and get people to cooperate. Their behaviors create an environment of psychological safety that supports appropriate risk-taking and encourages all team members to contribute ideas and share perspectives. These skills are essential for agile organizations trying to innovate and make informed assessments of which new ideas have the best chance of success. In fact, research suggests that people with strong social intelligence contribute more to creative performance.<sup>6</sup>

That explains why, when it comes to upskilling for the future, there is considerable focus on soft skills. Dale Carnegie's survey referenced earlier asked respondents which skills they feel will be needed to stay competitive as artificial intelligence and automation become more widespread in the workplace. More than 7 in 10 chose soft skills over hard (STEM) skills (73% vs. 27%). And while a baseline familiarity with technology is increasingly table stakes for leadership roles, our survey results agree with other studies that suggest soft skills such as communications skills, critical thinking, creativity, empathy and teamwork are becoming more important.<sup>7</sup>

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*More than 7 out of 10 respondents said the type of skills they believe are most likely to be needed in the future to avoid job loss to AI are soft skills.*

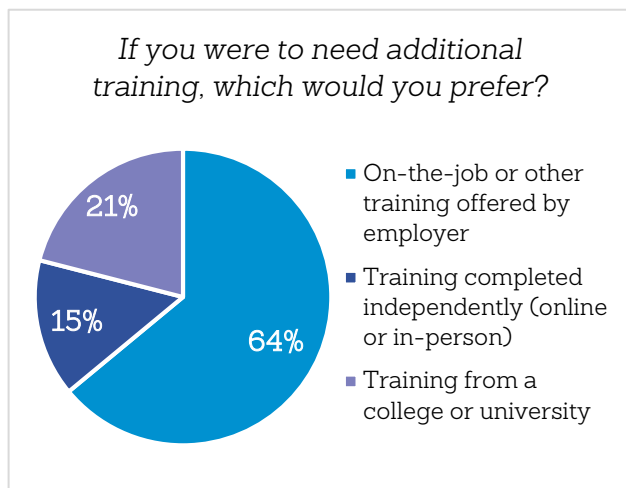
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<sup>4</sup> Dale Carnegie & Associates Research on attitudes toward Artificial Intelligence conducted in USA, India, China, Taiwan, Germany, U.K., Sweden, Norway, Italy, Canada and Brazil, January 2019.

<sup>5</sup> Komaraju, Meera, and Nadler, Dustin. "Self-Efficacy and Academic Achievement: Why Do Implicit Beliefs, Goals, and Effort Regulation Matter?" *Learning and Individual Differences*, Vol. 25, 2013, pp. 67–72.

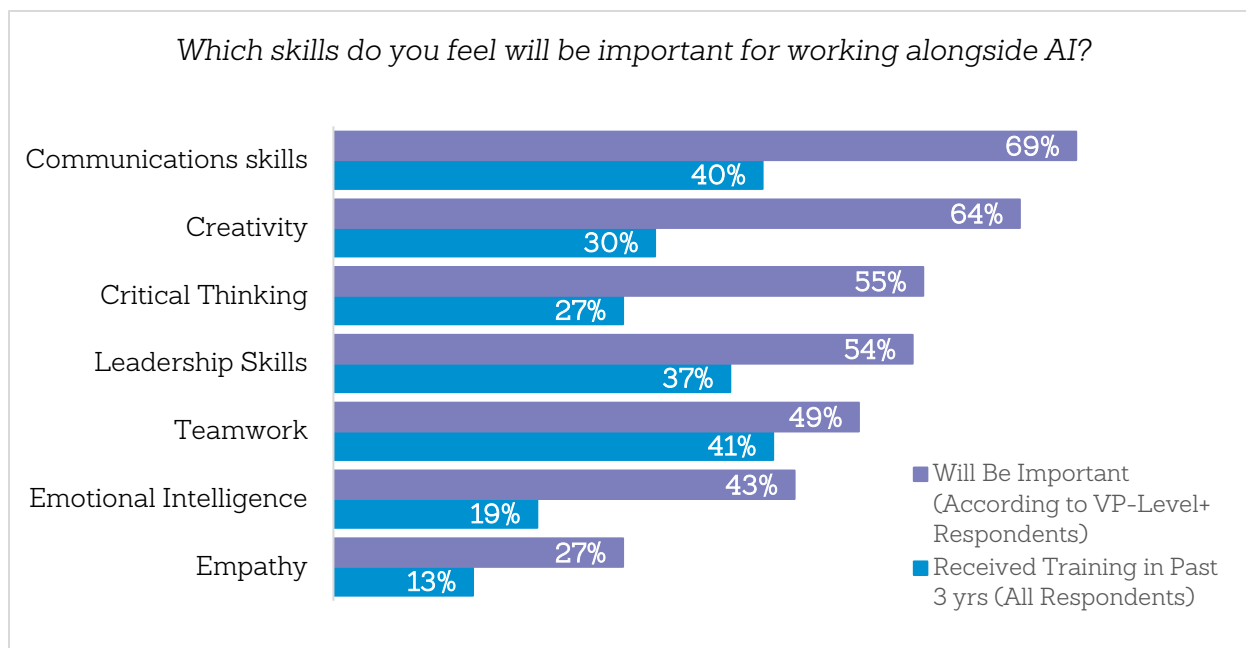
<sup>6</sup> Rahim, M. Afzalur. "A Structural Equations Model of Leaders' Social Intelligence and Creative Performance." *Creativity and Innovation Management*, vol. 23, no. 1, 2013, pp. 44–56., doi:10.1111/caim.12045.

<sup>7</sup> Spar, Benjamin, et al. "2018 Workplace Learning Report: The Rise and Responsibility of Talent Development in the New Labor Market." *LinkedIn Learning*, 2018, learning.linkedin.com/content/dam/me/learning/en-us/pdfs/linkedin-learning-workplace-learning-report-2018.pdf; Bersin, Josh. "Catch



As routine tasks shift to machines, companies must make learning part of everyone’s job, assess roles on a routine basis to understand which activities will become automated, and determine what skills people will need to be able to pivot toward the tasks that remain.

In our survey, 68% of respondents said that getting additional training would be very or extremely important to avoid losing their job, given advancements in AI in the workplace. As the chart at left shows, most are looking to their employers to provide that training. The chart below reveals the percent of VP-level respondents who said a given skill is one they feel will be important for preparing people to work



in an organization using AI, contrasted with the percent of all respondents who have received training on that skill in the past three years. These data suggest gaps for leaders to consider as they develop their workforce to support agility.

### Develop Effective Tools and Processes

**Gather quality data through interactions with employees and customers to generate insights. Remove obstacles to speed and productivity.**

Agile organizations view customers and employees as integral to the value creation process; they’re the people who have ideas that can help innovate to improve products and experiences. They need tools and

the Wave: The 21st-Century Career.” Deloitte United States, 31 July 2017, [www2.deloitte.com/insights/us/en/deloitte-review/issue-21/changing-nature-of-careers-in-21st-century.html](http://www2.deloitte.com/insights/us/en/deloitte-review/issue-21/changing-nature-of-careers-in-21st-century.html).

processes that help them capture quality data and facilitate interactions that can lead to co-creation of value and the removal of barriers to productivity and innovation.

There are many tools, platforms and techniques to choose from, with new ones becoming available all the time. Whether a firm's data collection process is technologically sophisticated or not is less important than their asking the right questions, facilitating meaningful interactions with employees and customers, and analyzing feedback and data promptly to turn it into insights that can be acted upon.

Speed requires that leaders ask and listen intently to employees who identify obstacles to productivity and decision-making and take action to reduce or eliminate them. Demonstrating a high level of responsiveness to these types of issues is critical for leaders if they expect employees to be engaged and continue to speak up with ideas to improve the business.

## Enhance the Capacity for Action

***When faced with new insights, agile organizations are willing and able to act on them.***

Agile organizations have the ability to change in response to insights on the evolving requirements of customers and the business environment – and they do it quickly, without provoking resistance or resentment among employees.

New information is the impetus for change, but just 30% of survey respondents strongly agree that their organization has the capacity to act in response to it.

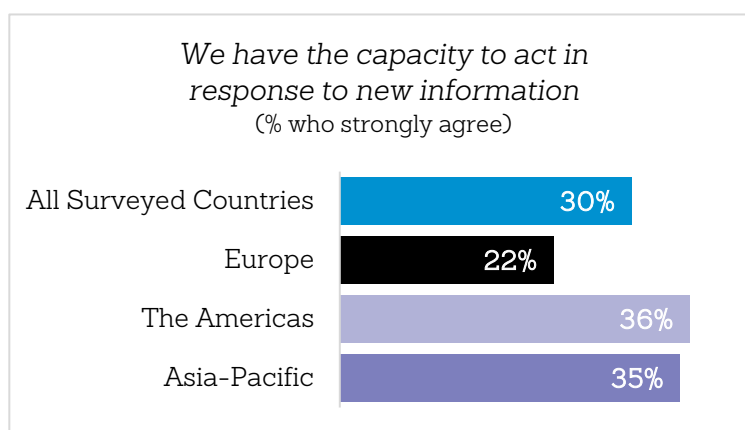
Enhancing an organization's capacity for action involves supporting the collaboration and creative intelligence that drives innovation, and effectively leading continuous change.

### ***Encourage effective collaboration***

When insights emerge, information-sharing is critical. Turning insights into innovation requires both effective collaboration and creative intelligence, which is the ability to frame what's known in new ways, find meaningful connections and generate innovative solutions that create value for customers.

To innovate, companies must bring together the necessary data, knowledge, expertise, creativity and judgment from across the organization to make decisions about how to respond – and do it quickly.

Fortunately, humans – whether they realize it or not – have a great deal of creative intelligence. A clear purpose, combined with leaders who empower and engage their employees in an environment characterized by high social intelligence – that is, one of trust, collaboration and high psychological safety – unleashes people's inherent creativity to solve problems and create value for customers and the organization.



But sharing new information isn't a strength in many organizations: Only 29% of respondents in our survey strongly agree with the statement, "We are open to and share new information that may influence how we do our work."

Cross-functional teams can help strengthen an organization's information-sharing network and address new challenges efficiently, given the right conditions.

Psychological safety is imperative.

Small teams made up of members with social intelligence who know and trust one another, along with strong executive support, clearly defined roles and permission to approach the problem without unnecessary constraints are all factors in successful collaboration through teams.<sup>8</sup>

Teams aren't the only solution to effective collaboration, though, and research cautions against the assumption that highly matrixed teams are the definitive answer.<sup>9</sup> A corporate culture that is supportive of information-sharing and creative intelligence, in an environment of psychological safety, may be more important than any particular organizational structure.

### **Master change management**

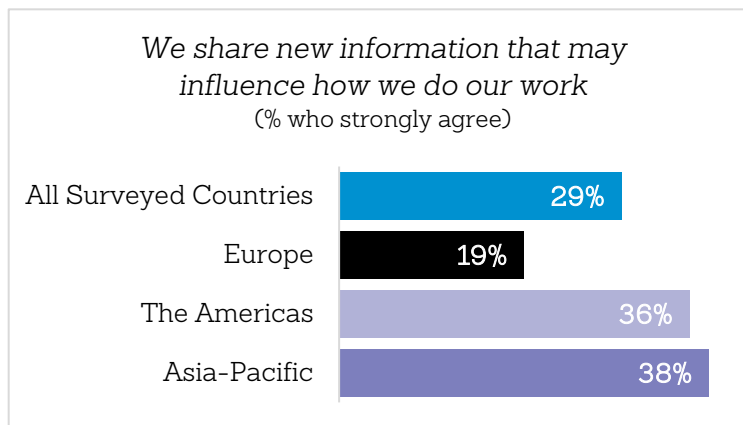
Moving from inspiration to reality always requires change, making the mastery of change management a necessary element of agility. Changes may be small or large, but agile organizations recognize change management – a systematic approach to the transformation of goals, processes and technologies – as a core leadership discipline.

Involving employees in initiating ideas for change is key for agility; those who are closest to the needs of customers are in the best position to identify problems and generate solutions. What's more, employees who have a hand in ideating the change from the beginning will be instant advocates.

Impetus for change in agile organizations can come from anywhere. Depending on where it originates, it may require the implementation of broader changes involving other departments or the entire company. Doing this effectively means building trusting and dynamic relationships that inspire, engage and align efforts to realize the desired organizational outcomes.

Trust underpins effective communication, and one of leadership's primary responsibilities in change management is to communicate the need for change in a way that connects it to the organization's purpose, appeals to employees' motives, makes the change objective clear and creates accountability.

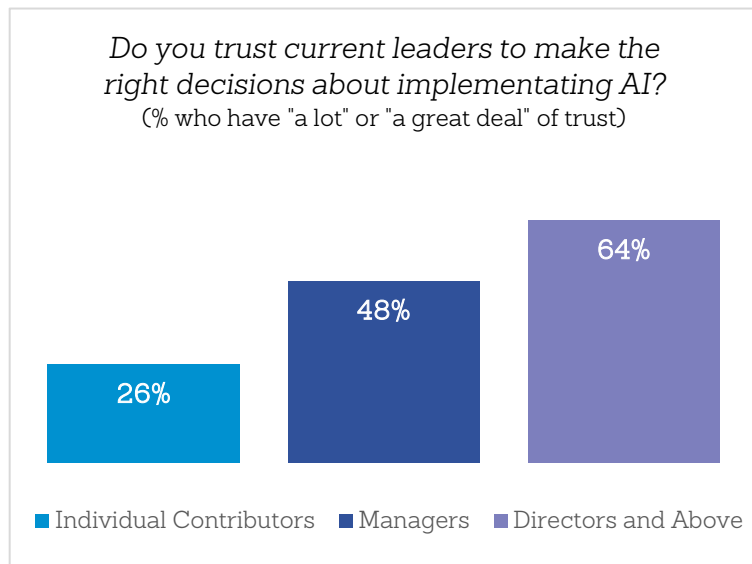
Since success depends on trust in leadership, it's important to note that creating and maintaining trust in senior leadership is a challenge in many organizations. This was underscored in the response to a survey question exploring respondents' attitudes toward implementation of AI in the workplace. The chart at left, with respondents broken out by job level, reveals that employees' trust in their senior leadership to make the right decisions regarding implementation of AI has an inverse relationship with the respondent's position in the organizational hierarchy.



<sup>8</sup> Erickson, Lynda Gratton/Tamara J. "Eight Ways to Build Collaborative Teams." *Harvard Business Review*, Nov. 2007, [hbr.org/2007/11/eight-ways-to-build-collaborative-teams](http://hbr.org/2007/11/eight-ways-to-build-collaborative-teams); "Guide: Understand Team Effectiveness." *Re:Work*, Google, 2016, [rework.withgoogle.com/subjects/teams/](http://rework.withgoogle.com/subjects/teams/).

<sup>9</sup> Brecheisen, Jeremie, et al. "3 Steps on the Path to Agility." *Gallup.com*, 7 Sept. 2018, [www.gallup.com/workplace/241793/steps-path-agility.aspx](http://www.gallup.com/workplace/241793/steps-path-agility.aspx).





Only about a quarter of individual contributors (those with no direct reports) say they have a high level of trust in their leadership, compared with about half of managers and nearly two-thirds of respondents at the director level or above.

People's reaction to the idea of change varies. Some people will embrace it, immediately seeing the upside potential, others will be skeptical, and the rest will fall in the middle, waiting to see what happens.

Leaders must determine where each of their employees fall on the change-reaction continuum. It's also the leader's responsibility to calm fears,

address concerns and help each person see the importance of their role in the change and the personal benefit that will result. It requires trying honestly to see the change from others' point of view, recognizing that their past experiences are what lead to their beliefs that in turn drive their initial actions in response to change.

Leveraging those who embrace the idea first can help build momentum for the change. Leaders should encourage these advocates and praise early wins. This provides evidence that the change is possible and encourages others to follow. Making the change seem as easy to achieve as possible can give those who are more tentative the confidence to try.

A leader's role is to work with varied reactions to the idea of the change, guide the transformation and ensure that frontline leaders are also equipped and motivated to do the same.

### ***The Bottom Line***

Agility requires an openness to new information and learning, a positive attitude toward change, and confidence that it can succeed. It thrives in an environment of trust and psychological safety, where people are empowered, engaged and connected to a customer-centered purpose. And it requires an effective set of tools, processes, creative and social intelligence, and competent change leadership.

Agile organizations free people to experiment, adapt and innovate. As the pace of change accelerates and AI gains momentum, these imperatives have become higher profile, but in reality, they've always been part of the attributes that put people and companies ahead.

To learn more about how Dale Carnegie Training can help you strengthen the foundations of agility in your people and organization, contact your local Dale Carnegie office today. Please go to: [dalecarnegie.com/office](http://dalecarnegie.com/office)

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*"All life is a chance. The [person] who goes farthest is generally the one who is willing to do and dare."*

*- Dale Carnegie*

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**About the Author:**

Mark Marone, PhD., is the director of research and thought leadership for Dale Carnegie and Associates, where he is responsible for ongoing research into current issues facing leaders, employees and organizations worldwide. He has written frequently on various topics, including leadership, the employee/customer experience and sales. Mark can be reached at [mark.marone@dalecarnegie.com](mailto:mark.marone@dalecarnegie.com)

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