

## Why organizational transformation is no longer optional and how to make it successful

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In today's hyper-connected, fast-evolving world, organizational transformation isn't just a strategic choice - it's a survival imperative. Disruptive technologies like AI, rapidly shifting customer expectations, a new generation of employees, and relentless global competition are changing the game across industries. Organizations are also being pushed to become more efficient, more innovative, and more socially responsible - all while navigating uncertainty and change. Many traditional models are too siloed, slow, and outdated to keep up. The question is no longer "Should we transform?" but rather "How do we transform successfully?"

To meet today's challenges and drive meaningful change, transformation must be strategic, structured, and human-centered. Based on insights from McKinsey's research [1], here are nine guiding principles — each tackling a common transformation challenge and offering a proven solution together with Agile practices, which would be helpful to implement each of the principles:

### **1. Align transformation with long-term strategic goals**

**Problem:** Too often, redesigns respond to short-term issues rather than strategic direction.

**Solution:** Start with a clear, future-oriented strategic vision. It means that organizations must begin with clarity on their future aspirations — whether that's digital leadership, customer excellence, or sustainable growth — and ensure the redesign supports these long-term goals.

Practical tools and Agile practices we could use to achieve the solution:

- OKRs (Objectives & Key Results) to align teams around strategic goals;
- Strategy Mapping (Balanced Scorecard) to connect transformation initiatives to enterprise-level outcomes;
- Vision Sprints to co-create a compelling future with leadership and key stakeholders.

Organizational design should help implement the strategy [2]. Identify key design criteria and organizational capabilities - use them to guide your design. The main idea is to connect organizational strategy with a Product Goal, which could be implemented

### **2. Conduct a rigorous diagnosis before jumping to solutions**

**Problem:** Many transformations begin without a clear understanding of the current organization (organizational culture and traditions)

**Solution:** Use structured assessment methods to uncover pain points and root causes.

Practical tools and Agile practices we could use to achieve the result:

- Organizational Health Index (OHI) or McKinsey 7S Model for a holistic assessment;
- Value Stream Mapping to visualize and analyze flow and bottlenecks;
- Team Retrospectives to capture internal pain points and improvement ideas from the ground up (all processes and frameworks);
- Use Gemba and Go See sessions (often used in LeSS Agile Framework).  
Before you change anything - figure out how the organization actually works.

### **3. Create a structured, customized transformation blueprint**

Every organization is unique. Transformation efforts must be tailored, data-driven, and clearly mapped to the company's context and goals.

Problem: Relying on intuition or copying others leads to misfit solutions.

Solution: Build a tailored, data-informed design roadmap to create the unique process

Practical tools and Agile practices we could use to achieve the solution:

- Use Scaling Agile frameworks as a basis (for example Scaled Agile Framework (SAFe) or Large Scale Scrum (LeSS) for designing large-scale transformation structures or build unique process on the basis of Agile practices;
- Agile Roadmaps using process management tools (Jira, Azure DevOps, etc.) or Advanced Roadmaps in the online tools for visualization (Miro, Mural, etc.);
- Design Thinking Workshops to create human-centered structures.

Don't stop at the first solution. Design several alternatives, each implementing the design criteria in its own way and developing the right organizational skills.

### **4. Address processes, culture, and behaviors alongside structure**

Problem: Focusing solely on structure ignores the broader organizational system.

Solution: Redesign processes and embed cultural values into workflows.

Practical tools and Agile practices we could use to achieve the result:

- Agile Ceremonies (Dailies, Reviews, Retrospectives) to embed new behaviors.
- Cultural Design Canvas to articulate and design for desired behaviors.
- Lean Six Sigma for process redesign and waste elimination

True transformation goes beyond org charts. It involves aligning systems, workflows, and values to support new ways of working. Don't stop at the first solution. Design several alternatives, each implementing the design criteria in its own way and developing the right organizational skills.

Design should not depend on who is currently "available". First the strategy, the tasks, then the roles and units, then the people.

### **5. Design roles based on strategy, then match the right people**

Problem: Placing people into roles based on legacy or convenience creates inefficiencies.

Solution: Define roles clearly and select talent based on future needs [3].

Practical Tools & Agile Practices:

- RACI Matrices and Role Canvas for clarity in responsibilities.
- Skills Matrix Mapping to assess gaps and reassign talent accordingly.

- Agile Team Chartering to define team roles collaboratively.
- Team Competency Matrix, Work Profiles and other Management 3.0 practices.

Start with a clean-sheet approach: define what roles are needed for success, then assign people who bring the right capabilities.

A redesign is always about working with three blocks:

- structure (how we are organized)
- processes (how we work)
- People (motivation, reward system, HR policies)

## **6. Identify and shift critical mindsets to enable new behaviors**

Problem: Change fails when underlying mindsets are left untouched.

Solution: Mindset work is essential to support sustainable behavior change.

Practical Tools & Agile Practices:

- Immunity to Change Mapping (Kegan & Lahey) to uncover mental blocks.
- Agile Coaching & Mentoring to model and reinforce new behaviors.
- Change Journeys or Learning Paths tailored to different personas.

Lasting change requires mindset shifts — from risk aversion to innovation, from control to empowerment - backed by leadership modeling and reinforcement. People will not be able to work in a new way if they continue to think in the old way. It is important to explain why we are changing, communicate the meaning of change, create new mental models and teach new approaches.

## **7. Establish measurable transformation goals and track them**

Problem: Without clear success metrics, progress stalls and outcomes are uncertain.

Solution: Define KPIs and leading indicators for both outputs and outcomes.

Practical Tools & Agile Practices:

- Agile Metrics Dashboards (e.g., throughput, lead time, team health, etc.).
- OKRs linked to Agile epics and user stories.
- Continuous Feedback Loops using customer satisfaction (CSAT), NPS, or internal pulse surveys.

- Evidence-Based Management™ (EBM) from Scrum.org

- The Kanban Maturity Model (KMM) from Kanban University

Define clear metrics, KPIs tied to both outcomes (e.g., speed, quality, engagement) and leading indicators to monitor real-time progress. People need to understand how success of change is measured and see movement. Show what is important through transparent indicators, targets and mechanisms to track progress.

## **8. Communicate clearly, transparently, and frequently**

Problem: Poor communication erodes trust and fuels resistance.

Solution: Communication must be interactive, frequent, and leadership-led.

Practical Tools & Agile Practices:

- Agile “Information Radiators” (Kanban boards, dashboards, digital walls).
- Leadership Town Halls + Ask Me Anything (AMA) formats.
- Slack channels, internal newsletters, and video updates with frequent storytelling.

Transformation must be explained and owned by leadership, but also co-created

with teams through two-way dialogue and involvement. Redesign works when all levels are involved: Management - sets the vector, teams - shape reality. Organize feedback loops and test hypotheses.

### **9. Proactively identify and manage transition risks**

Problem: Transformation risks are often overlooked until it's too late.

Solution: Identify risks early and create adaptive plans to address them.

Practical Tools & Agile Practices:

- Risk Backlogs prioritized like product backlogs.
- Pre-mortem Workshops to surface potential blockers before they happen.
- Agile PI (Program Increment) Planning or any Release planning to adapt based on evolving risks and capacity.

Plan for what could go wrong — from talent gaps to stakeholder resistance — and build contingency strategies from the start. Assess possible risks in advance and create a plan to manage them before the change starts. A risk plan is not a formality, but an important tool for adapting and reducing the costs of transformation [4].

**In conclusion**, organizational transformation isn't just about strategy - it's about execution, agility, and human dynamics. By combining clear guiding principles with practical tools and Agile practices, leaders can move confidently from theory to real, measurable progress.

In the face of accelerating change, successful transformation is not just about survival - it's about building adaptive, empowered, and strategically aligned organizations that thrive.

By recognizing the urgency and applying these nine principles, leaders can navigate complexity with clarity, engage their teams meaningfully, and deliver transformation that sticks.

**Key words:** Organizational transformation, Agile, Agile practices.

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