

The purpose of the “agile” working style is to help businesses adapt to turbulent markets by adopting a fast and flexible approach to work. In one sense, it should come as no surprise that ANZ’s chief executive Shayne Elliot [recently announced](#) that ANZ will be shifting parts of its workforce to this style.

With the bank’s [recent withdrawal from Asia](#) and subsequent lower than expected revenues, this is part of ANZ refocus on its core business. In fact, each of Australia’s big four banks might be looking to become more efficient and responsive in the face of a tightly regulated market and slowly building retail banking competition from newer financial technology companies.

In another sense though, it’s surprising that one of Australia’s largest banks should signal such a profound change in work style. Finance is certainly not where agile got its start.

The origins of agile

The forerunners of agile stretch back as far as the [Plan-Do-Study-Act](#) method developed by Walter Shewart at Bell Labs in the 1930s and the [Toyota Production System](#), based, in part, on the quality and systems thinking of Shewart’s student, William Edwards Deming.

However, agile as we understand it today is seen as emerging from software programming communities. It crystallised when 17 software developers gathered at the Snowbird ski resort in Utah in 2001 to share and refine their approaches to software development.

One of the participants had been reading a book on major companies coping with turbulent markets, called [Agile Competitors and Virtual Organizations: Strategies for Enriching the Customer](#). Drawn to the agile’s connotations of speed and responsiveness, the group eventually adopted it as the moniker for their movement.

They published their views in [The Manifesto for Agile Software Development](#), intending to help accelerate developers’ efforts to reliably produce software of the highest quality. Agile has since

spread beyond the confines of IT to the other types of work and other organisations.

How to work in an agile style

As academics [Rigby, Sutherland, and Takeuchi](#) explain, agile now covers a broad range of methods, each varying according to their guiding principles and work rules. The three most well-known methods are scrum, lean, and kanban.

Scrum focuses on structuring teams to work across functions in a business, using creative and adaptive teamwork, daily stand-up meetings, and project reviews to quickly invent solutions and improve team performance.

Lean focuses on eliminating waste in systems and does not prescribe work rules to achieve this in the same way as scrum.

Kanban aims to shorten the time between the initiation and completion of work by visualising workflows, restricting the work being done at each stage in development, and measuring work cycle times to detect improvement.

ANZ seems to be most interested in the scrum method. [ANZ's Head of Product Katherine Bray stated](#) :

There are vestiges of roles that we recognise, but with the underpinnings of hierarchy totally blown apart...[A scrum coach] is not your boss, that's a coach, who is a peer. That product owner is not your boss, they're a product owner who defines the how, and you galvanise around that.

Going back to the origins of agile and system thinking, it seems clear the agile approach is most likely to succeed where the organisation adopting it possesses [structural modularity](#) . Modularity proposes that organisations structure themselves in a way that allows teams to produce work that is layered, discrete, and testable.

This is what Bray is talking about - a radically new approach to roles and work styles at ANZ.

We might dismiss this whole reorganisation as marketing theatre, but intensifying competition and rapid change are all too real. This means many Australian businesses will have to come to terms with agile approaches if they are to remain responsive and competitive.

By taking up agile's shift from top-down management to teams that organise themselves, and from a focus on compliance to a focus on innovation, ANZ is making its intent clear. It wants to achieve different results by doing things differently – surely a sane approach to change.

Yet this idea challenges the conventional structure and ethos of banks and similarly run businesses. These organisations are built to be secure and centralised in service of efficiency; modularity pushes them to be integrated and decentralised in service of innovation.

Modularity and agility are not easy to achieve. But they are fast becoming necessary if large companies, like ANZ, are to move with the times and adapt well to market turbulence.

The authors do not work for, consult, own shares in or receive funding from any company or organisation that would benefit from this article, and have disclosed no relevant affiliations beyond the academic appointment above.

Read more <http://theconversation.com/the-agile-working-style-started-in-tech-but-it-could-work-for-banks-77104>