Building an Agile Approach to Individual Feedback

Sanni Seitsamo-Räsänen

Master's Thesis
Degree Programme in Leading
Business Transformation
2021

Haaga-Helia
University of Applied Sciences

Abstract

Date

Author
Sanni Seitsamo-Räsänen

Degree programme
Leading Business Transformation

Report/thesis title	**Number of pages and appendix pages**
Building an Agile Approach to Individual Feedback	**62 + 5**

The purpose of this thesis work was to investigate how an individual feedback process could be embedded into the case company. The research began when the case company had recently undergone organizational changes, where the company structure was modified to support better, agile ways of working and a Scaled Agile Framework (SAFe) model. The aim was to solve practical problems and update practices, so a research-based development approach was used to structure the study.

The chosen method was action research. Action research is highly suitable to situations in which the members of the organization are interested in working together to solve problems or come up with improvements. The special feature of action research is that the researcher and the members of the organization can each play an active part in the process. Action research is an iterative process, where development cycles follow each other until the best solution has been identified. Due to the nature of the research, the materials were continuously collected during the research phase.

This study was conducted between October 2019 and April 2021. The development cycles took place in November–December 2019 and September–December 2020. The COVID-19 pandemic affected the schedule and data collection methods, as all the interviews and focus groups must be carried out virtually.

The data collection methods used for the main study were surveys, unstructured interviews and focus group interviews. Each development cycle had separate data collection methods, consisting mainly of unstructured and semi-structured interviews, as well as surveys.

Based on literature and the development cycles, a framework for individual feedback was created, as well as set of recommendations for implementing an individual feedback process in the case company. The outcomes of this study can be utilized in all teams of the case company that are structured similarly to the focus group.

Keywords
Agile organization, Agile Leadership, SAFe, Feedback, Target setting

Contents

1 Introduction

This chapter introduces the research topic and the motivation behind its choice.

According to Agile Alliance, “Agile” is the ability to create and respond to change. It is a way of dealing with and succeeding in an uncertain and turbulent environment. In agile software development, the focus is on the people doing the work and how they work together.

Business environments are becoming more complex and the speed of change is continuously increasing. Agile is now seen as the only way organizations can cope with today’s turbulent customer-driven markets.

The current trend is that agile methods can be applied to any area of business. Traditional management and organizational structures are losing popularity while agile ways of working have already influenced all levels of organizations. Management tasks and decision-making are transferred from managers to specialists and team members. Companies that have had very traditional organizations have adjusted their structures to support better, agile work methods. This means restructuring the organization into a relatively flat network of teams that are cross-functional and authorized to make decisions.

The focus of this study is on a case company, which has changed from a traditional line organization to a matrix model that supports agility.

Fundamentally, agility is based on self-organizing teams with a decision-making mandate. In this setup, the role of a manager or leader is not the same as in traditional organizations. They still play important roles in the organization but the nature of the role is different, shifting from traditional management towards a supporting or coaching capacity. In the shift from traditional to agile, it should be noted that organizations do not become self-managing overnight. Therefore, they should make clear what is expected from their managers or leaders and how certain functions will be secured in the new organization model.

This thesis examines the agile transformation phenomenon in the context of a financial sector company. The focus of the study is on the effects of the new organization and work models on leadership and, more specifically, feedback-sharing. Feedback is built into agile ways of working, and agile iterations set the cadence for sessions in which teams self-evaluate their performance and share collective feedback. This study focuses on individual feedback, which is not so clearly a part of agile work methods.

The objective of the study was to investigate how individual feedback-sharing can be ensured in the case company. The study was an iterative process, in which new feedback-sharing options were tested in the case company. Based on these iterations, new guidelines for individual feedback-sharing were proposed.

It was also deemed important for the study to analyse and clarify other aspects that are usually closely connected with feedback-sharing, such as target setting (priorities, goals and targets), leadership and psychological safety. Direction, priorities and goals are important prerequisites for any feedback to be useful. Understanding the role of the leader in the agile context and creating a safe environment are also needed for building a feedback-sharing culture.

1.1 Case company

The case company for this study is a leading provider of digital payment services in Europe, particularly the Nordic countries. The case company operates across the payment value chain, from authorization through processing to clearing and settlement. The case company currently has a presence in 20 European countries and employs approximately 4,100 persons.

The case company underwent an extensive reorganization in September 2019. The new organization is based on best practices from leading agile tech organizations, with key changes being specialization in people management and product engineering. In its reorganization, the case company fully adopted the Scaled Agile Framework (SAFe) model, which is today one of the best-known frameworks for scaling Agile across an enterprise.

In the new organization, development activities are centred around two main units: **Product Engineering** and **Engineers & Sourcing**.

Product Engineering comprises product engineering leaders and Release Train Engineers (RTE) who focus fully on deliveries agreed with the Product teams. They are accountable for facilitating Agile Release Train events and processes, utilizing engineering teams from the Engineers & Sourcing unit as required to deliver on the product roadmaps. More details about SAFe can be found in Chapter 2.

The Engineers & Sourcing unit is responsible for the human resources in all engineering teams, which are Finnish, Norwegian, Danish and Croatian. The focus of these teams' leaders is on employee engagement, competence development, career planning and performance management.

1.2 Background and motivation

The case company's new organization separates between leading deliverables and leading people. The Engineers & Sourcing Manager handles employee target setting and performance management, and traditionally, they are also expected frequently to share feedback with their team members. These activities cannot be based on the manager's personal opinions and observations; instead, new ways must be discovered.

The main focus of the study is on investigating how to ensure that the ideal amount of individual feedback is passed on to Engineers & Sourcing Finland (FI) team members. Additionally, it was noted that the manager's role in the new organization needed to be clarified, as did a new approach to target-setting. This study tried to identify recommendations as to how these activities could be carried out in the current setup. The recommendations were drafted in cooperation with the Engineers & Sourcing FI team members and manager, with the aim that they could later be utilized by all the Engineers & Sourcing teams.

This study investigates the research topic through the lens of a single Engineers & Sourcing team: the FI team, which includes software developers and other IT professionals (such as Scrum Masters, Test Automation Engineers and Test Managers) located in Finland. During the span of the research, the team size grew from 21 to 35 employees.

1.3 Research objective and questions

The objective of this study is to investigate how to embed individual feedback-sharing into an agile organization. Since feedback is directly linked to goals or targets, the process of target-setting is also examined.

The **main research question** of the study is:
How can an agile approach to individual feedback be built in the case company?

A set of sub-questions will help to answer the main research question.

Sub-question 1:
How should targets be set in an agile organization?

Sub-question 2:
How should agile principles be applied to management, particularly in the area of feedback?

Sub-question 3:
How can an open feedback culture be created?

Sub-question 4:
What feedback alternatives exist for employees in an agile organization?

1.4 Scope and limitations

The scope of the study is to identify how individual feedback could be embedded into the case company's operations. The focus group is one team. The results can be applied to other teams in the case company that are structured in the same way as the focus team. Like Agile in general, the results can be applied to other cases and should not be considered as a fixed solution but as a loose framework that is continuously developed in a participatory manner.

The study's main focus is on feedback and target-setting practices in the case company. While closely connected to feedback, performance management and learning are not within the scope of the study.

1.5 Structure of the study

Research-based development work can originate from different starting points, one being an organization's development needs. It typically includes solving problems and generating and refining new ideas. (Moilanen T., Ojasalo K. & Ritalahti J. 2014,19.) Because one of the aims of this study is to introduce improvements and new solutions in practice, research-based development work is a suitable approach.

According to Moilanen et al., typical research-based development comprises the following stages (Moilanen et al. 2014, 26–47):

STAGE 1 - Defining a meaningful target and a preliminary goal
STAGE 2 - Data acquisition and evaluation
STAGE 3 - Defining the development task
STAGE 4 - Forming the knowledge base
STAGE 5 - Selecting the approach
STAGE 6 - Using methods that support development work
STAGE 7 - Sharing the results
STAGE 8 - Evaluation of development work

The structure of this study is in line with that breakdown (figure 1); while the stages are not identical, they follow a similar process.

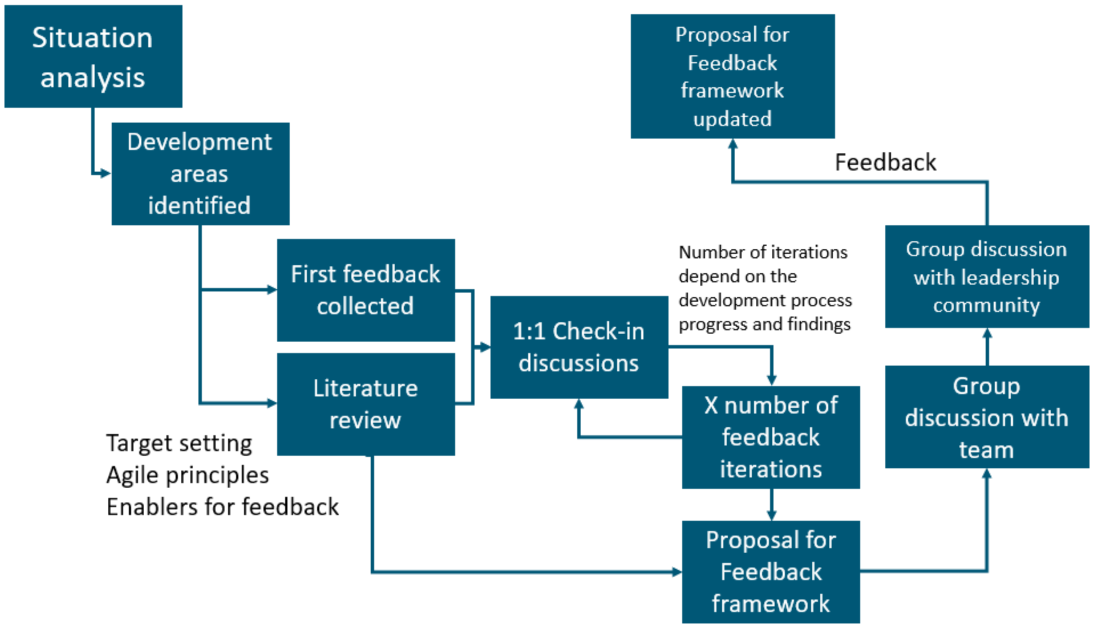

Figure 1. Research-based development work

The target-setting for the survey is based on a situational analysis, which is the starting point for the study. Data is collected throughout the many phases of the study using questionnaires, literature, interviews and focus groups. Result-sharing is carried out during the focus group discussions, as well as at the end of the study once the resulting guidelines has been updated and finalized.

1.6 Research schedule

The starting point for the study was to investigate which areas were in most need of clarification. This was done using an employee engagement survey in November 2019. A company-wide leadership effectiveness survey was carried out at the same time.

The survey results indicated that the areas in most need of clarification were target-setting, performance valuation and feedback-sharing.

Feedback was chosen as the first topic of further investigation. The members of the Engineers & Sourcing FI team collected feedback on themselves in December 2019. Before the feedback was delivered to the team members, they were offered voluntary feedback training by case company HR.

The feedback received was discussed in check-in meetings in January 2020. Based on reflections from the check-in discussion, subsequent feedback collection drives were planned. Feedback collection was to be repeated and evaluated until a suitable process was discovered and documented.

The overall schedule is presented in appendix 5.

2 Agile and organizational feedback process

Organizations around the world are affected by rapid digitalization and constantly evolving customer needs. Organizations need the ability to respond to the changes and quickly deliver value to their customers. For many organizations, agile transformation is the solution. Individuals cannot be expected to adopt an agile mindset unless the whole organization supports it: to succeed, the organizations must reinvent their mindset, leadership and work methods.

This chapter provides an overview of the concept of the Scaled Agile Framework (SAFe). It describes the characteristics of an agile organization structure and how it compares to a traditional structure. Agile leadership and organizational feedback processes are also investigated, based on literature.

2.1 Overview of Scaled Agile Framework (SAFe)

Agile is an umbrella term for several development approaches. All agile frameworks have unique elements, but the main principles, such as short feedback loops and iterative and incremental development processes, are quite similar. In this study, the focus is on the Scaled Agile Framework (SAFe). To understand the landscape of the case company, it is important to understand the basics of this framework, which are introduced herein.

The first public version of SAFe was introduced by Dean Leffingwell in 2011. It was developed for enterprises trying to scale lean and agile practices. The latest published version of SAFe at the time of writing was 5.0. The big picture of SAFe is illustrated in figure 2.

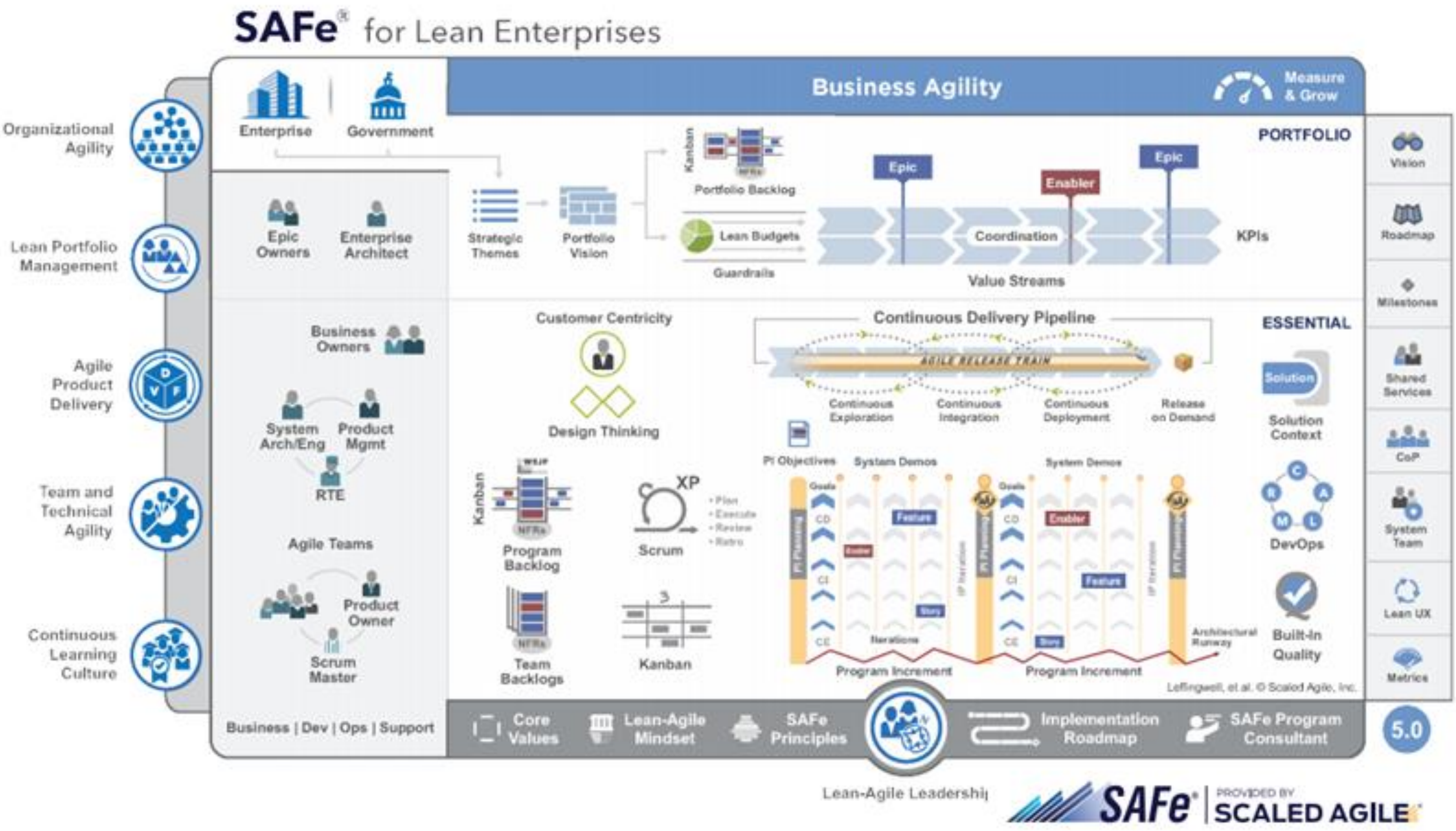

Figure 2. Big picture of Portfolio SAFe (SAFe for Lean Enterprises 5.0 2018)

An interactive big picture can be accessed at https://www.scaledagileframework.com/, where each element in the picture opens up a description page.

The big picture describing the whole organization together. Since organizations' needs vary, the framework must be adjusted based on the special needs of each company.

2.1.1 Team layer in SAFe

The team layer is the lowest level of the SAFe model. SAFe teams are the ones building and supporting the solutions add business value. At the team layer, Scrum is one of the most popular agile frameworks. (SAFe, Agile Teams 2020.)

As a term, "scrum" refers to a formation used by rugby teams, while in Agile it is used to describe a cross-functional development team. While originating in software development, Scrum is also transferrable to other areas of business. (Scrum Alliance, About Scrum 2020.)

In Scrum, the core unit is the scrum team. Ideally scrum teams are cross-functional and self-driven. Teams have the mandate and knowledge to make the necessary decisions. The team works in short iterations, based on a prioritized backlog. Each iteration is planned in a separate planning session, where the team chooses the iteration content based on priority and commits to delivering it within the iteration. (Scrum Alliance, About Scrum 2020.)

Scrum defines just three roles, which together form the scrum team: Product Owner, Development Team and Scrum Master. Figure 3 describes the roles and their responsibilities.

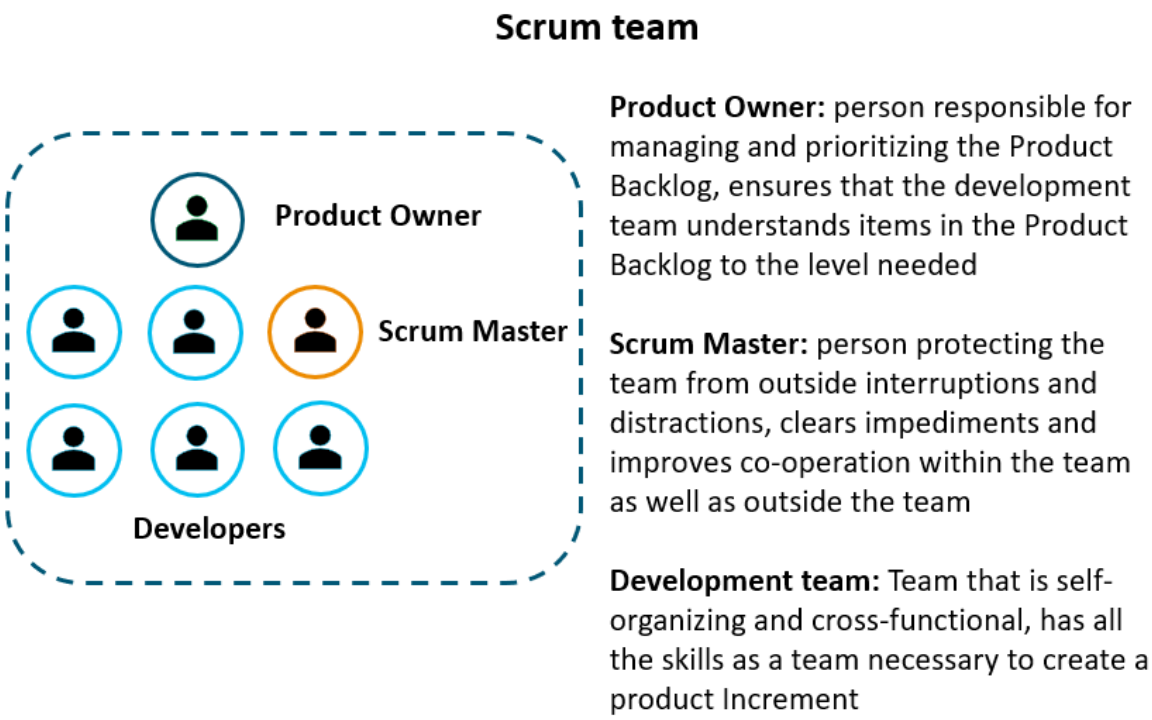

Figure 3. Scrum team roles (Scrum Alliance, About Scrum 2020)

The main idea behind Scrum is that by breaking large products into smaller pieces, it is possible to create and release a product piece-by-piece in short iterations (figure 4).

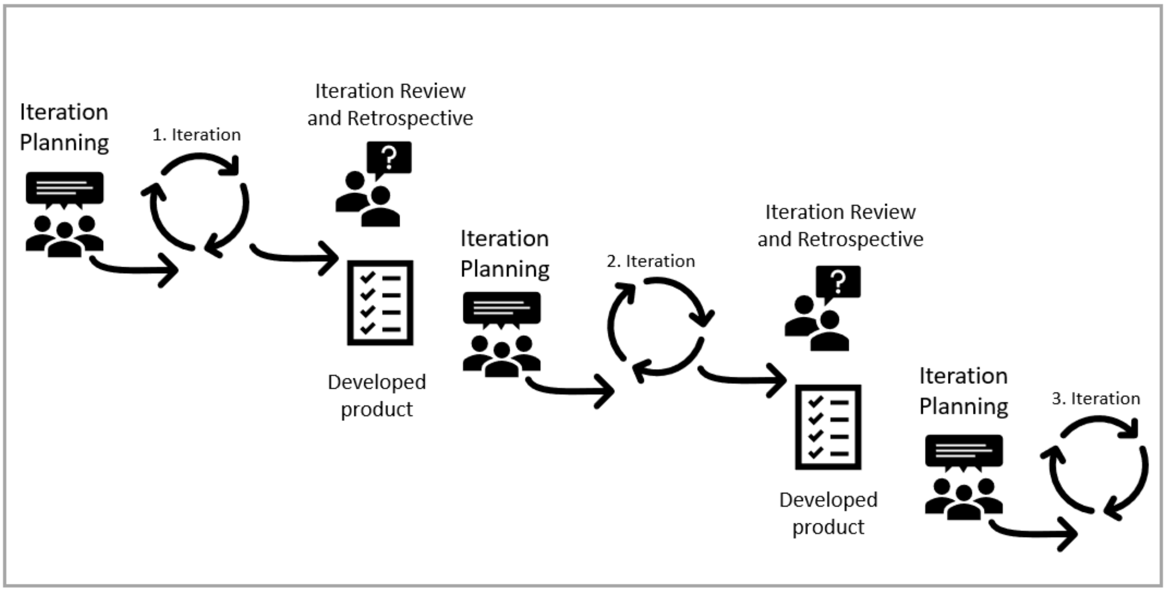

Figure 4. Scrum iterations (Scrum Alliance, About Scrum 2020)

All agile processes emphasize short feedback loops. Frequent feedback from business stakeholders keeps the team focused on the intended goals for the solution and helps ensure they deliver high quality. When considering teams and deliverables, feedback loops are built into the agile development process. Feedback-sharing takes place in various agile routines, such as daily meetings, iteration reviews and retrospective sessions. (Scrum Alliance, About Scrum 2020.)

2.1.2 Agile Release Train

In SAFe, multiple agile teams building solutions for the same value stream form an Agile Release Train (ART). Teams are collectively responsible for delivering the larger system and solution value. ART is basically a virtual organization that plans, commits, develops and deploys solutions together. ARTs are cross-functional and contain all the necessary capabilities for building the solutions. ARTs work continuously in a Product Increment (PI) cadence. (SAFe, Agile Release Train.)

The ART level and the team level contain similar events (see figure 5).

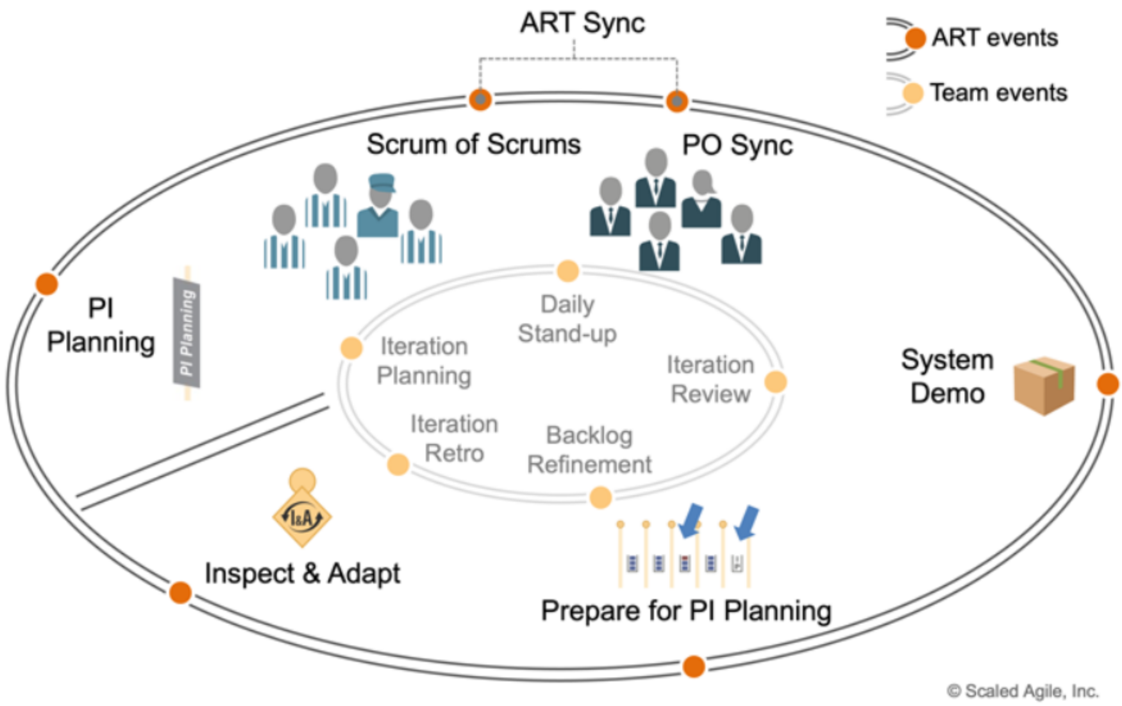

Figure 5. Sequence of events in SAFe (Program Increment – Scaled Agile Framework)

Each PI is planned in a PI planning event. One PI typically lasts 8–12 weeks and contains multiple development iterations. There is a fixed cadence for PI planning events to take place in a calendar year. Each PI contains PI objectives, describing goals for the PI, as well as events for feedback (PI System Demo) and improvements (Inspect & Adapt). Whereas the team-level demo/review concentrates on a team-level implementation, the PI System Demo covers the whole solution. Similarly, while the team-level retrospective develops teamwork, Inspect & Adapt develops the whole ART's ways of working. (SAFe, Program increment.)

2.2 Agile vs traditional organization

Just as not all hierarchical organizations follow the same structure, there is no single set of rules for how an agile organization should be formalized. However, agility requires a paradigm shift in the management model and mindset; the whole organization must support agile work models. Having one part of the organization operating in an agile setup and the rest in a traditional bureaucracy is inherently unstable: for Agile to work, it demands a change in the management model and mindset at all levels of the company. (Denning 2019.)

Agile organization models work to improve areas found to be challenging in today's fast-moving business environment. A traditional organization is static, siloed, and has a structural hierarchy in which goals and decisions flow down the hierarchy, with the most powerful governance bodies at the top (Aghina, Ahlback, De Smet, Lackey, Lurie, Murarka & Handscomb 2018). This type of organization most likely suffers from slow decision-making, where the knowledge of specialists is ignored, a lack of innovation, and inability to react quickly to changes in the business environment (Martela et al. 2017, 20–21).

While traditional hierarchical organizations usually suffer from silos that do not collaborate effectively (Thoren 2017, 47), an agile organization is ultimately a network of empowered and self-organizing teams (Thoren 2017, 38; Bankston 2018, 4; Denning 2018).

In general, agile organizations try to respond to change by adopting key principles, such as empowered teams, people-centricity, short feedback loops and learning cycles. In addition, agility is a change in the mindset as well as change in work models.

This chapter provides an overview of the characteristics of an agile organization, its structure and its management.

2.2.1 Characteristics of agile organizations

The key principles for agile organizations originate from the Agile Manifesto, published in 2001 (Agile Manifesto). These principles were originally created for software development but have subsequently been adopted by multiple industries and different parts of organizations. Today, agility is seen as a way for organizations to move quickly and effectively. Adopting these principles requires changes in work methods as well as in the company culture and mindset (Thoren 2017, 58-61; Bankston 2018, 4-6; Denning 2019.)

Through their experience and research, McKinsey & Company have identified five trademarks of agile organizations that can be used as for identifying the typical building blocks of an agile company. According to their article "The five trademarks of agile organizations", successful agile organizations have in common: a shared purpose and vision, a network of empowered teams, rapid decision and learning cycles, a dynamic people model that ignites passion, and next-generation enabling technology (Aghina et al. 2018).

Undoubtedly, shared purpose and vision are important elements for all successful companies, and they seem to be vital for companies using agile ways of working. An organization needs clearly articulated goals as to what the organisation is doing and why, and how it is creating customer value (Thoren 2017, 112–113). Purpose and vision can be described as a “North Star” (Aghina et al. 2018) or a “collective ambition” (Ready & Truelove 2011) for the company but they always serve the same purpose: clarifying the reason for the company’s existence and providing clear sense of direction shared by all levels of the company and its employees.

McKinsey & Co’s second trademark of successful agile organizations is a network of empowered teams (Aghina et al. 2018). Teams are usually described as cross-functional and self-managing. Cross-functionality originated in the early days of Agile, and it is the cornerstone of Scrum teams. The idea is that a team contains all the skills and capabilities needed to deliver their common goal (Agile Alliance). In a knowledge-based economy, a manager will rarely have the needed expertise to cover all areas, so individuals at all organizational levels must contribute and share ideas and innovations for the organization to succeed. Self-managed teams are sometimes used to delegate authority to groups of individuals who have the best knowledge about the work at hand (Lee & Edmondson 2017). Stable cross-functional teams work according to a dynamic backlog in value streams (Bankston 2018, 4).

The third trademark for McKinsey & Co is rapid decision and learning cycles (Aghina et al. 2018). Agile work models support passing decision-making down to the team, empowering employees to operate more independently, act locally, make decisions quickly and communicate freely across teams (Thoren 2017, 38). In Agile, work is done in iterations, with a retrospective following each iteration. This supports short feedback loops and learning cycles, and help deliverables evolve rapidly (Agile Alliance). Continuous learning and development lead to faster innovation and improved employee experience, so these should be integrated into companies’ daily activities (Thoren 2017, 156).

The fourth trademark is a dynamic people model that ignites passion. The purpose of leadership in agile organizations is to serve the people in the organization, empowering and developing them (Aghina et al. 2018). With regard to leadership theories, certain elements can be extracted from the concepts of servant leadership and adaptive leadership.

In servant leadership, the leader acts as a servant and an enabler, while the relationship between leader and team member is equal and empowering (Dugan 2017, 192). In agile organizations, managers do not manage or oversee daily work (Bankston 2018, 6). A leader does not provide answers and solutions but instead coaches team members to take responsibility and make decisions.

In adaptive leadership, leadership is not restricted to management positions in the company hierarchy but based on situation: anyone can be a leader (Heifetz, Grashow & Linsky 2009, 14). This supports the idea of self-managing teams. In an agile organization, the environment is constantly evolving. In adaptive leadership, the leader’s most important tasks include supporting employees in tolerating change and the resulting uncertainty, as well as enabling an environment that supports continuous learning (Heifetz et al. 2009, 28-29). Agile leadership is investigated in more detail in section 2.2.3.

The fifth trademark is next-generation enabling technology. Agile organizations need to generate products and services that can meet changing customer and competitive conditions, and their chosen technology must support speed and flexibility. Business and IT departments are merged when it makes sense to do so, and cross-functional teams including business and IT are built around products rather than projects. (Aghina et al. 2018.)

Other typical elements of an agile organization are product and team backlogs. Usually in agile organizations, stable and cross-functional teams work according to a dynamic backlog (Bankston 2018, 4; Thoren 2017, 266; Agile Alliance). Backlog is continuously prioritized and refined by the team and the Product Owner (Thoren 2017, 336).

2.2.2 Agile organization structure

To summarize, an agile company structure must support agile ways of working, and there is no one-size-fits-all when it comes to company agility. An agile organization must be able to respond to rapidly changing competitive environments and customer needs. The company structure and culture must support this, so that agile principles and practices can and be utilized throughout the organization. When it comes to company structure, usually agile companies replace traditional hierarchy with a flexible, scalable network of empowered teams. As with agility in general, an agile organization is not fixed, placing importance on openness to trying new models and mixing in learning from existing models (Hesselberg 2018).

According to Aaron De Smet, a typical agile company utilizes a matrix structure with two types of reporting lines: a capability line and a value-creation line (figure 6). This idea is presented in his article “The Agile Manager”.

The capability line by itself does not deliver anything; it is a “home base” for the employees and is responsible for building capability, for instance by creating the right teams and competencies for the value-creation lines. A chapter leader is responsible for the capability line, including recruiting, employee well-being, and development and performance management. (De Smet 2018.)

The value-creation reporting lines are often called tribes. They focus on delivering value to customers. The priorities and objectives for the team members are set in the value-creation line. (De Smet 2018.)

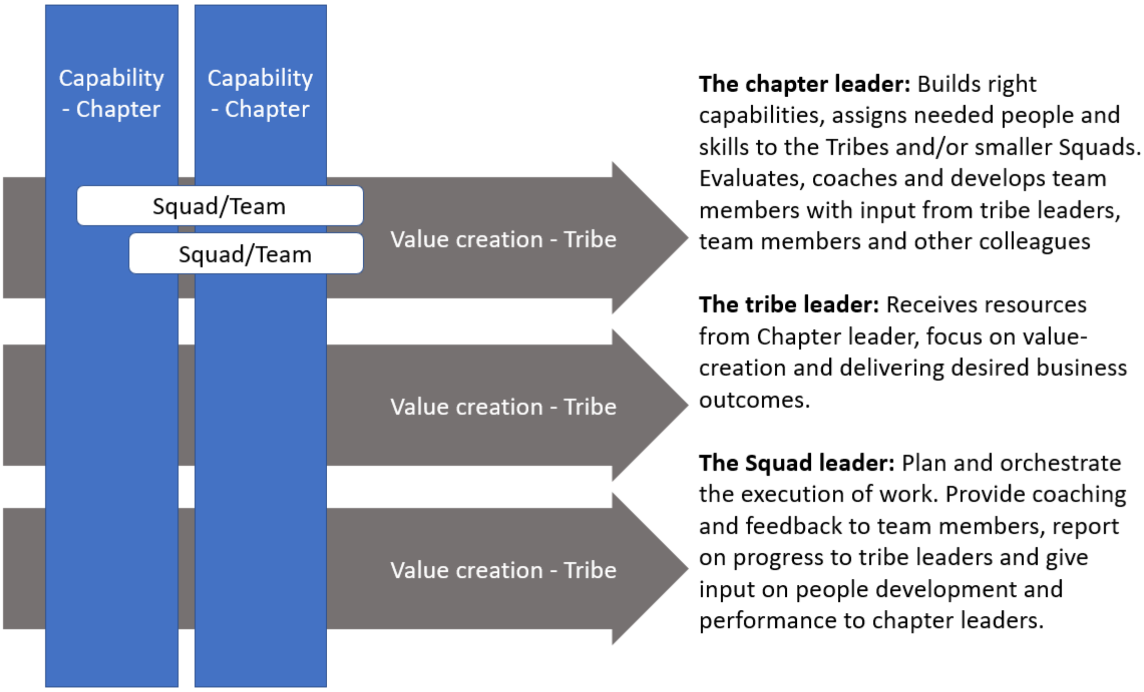

Figure 6. Example of Agile organization structure (De Smet, McKinsey Quarterly 2018)

Interestingly, the case company for this study had adopted a very similar agile approach in its organization structure as that presented by De Smet. In the case company, capability lines are called Engineers & Sourcing teams. Engineers & Sourcing managers are responsible for managing capacity and capability, career development, coaching, employee satisfaction and performance management. Value-creation lines, in line with SAFe methodology, are called Agile Release Trains (ART). These ARTs are responsible for the product delivery from idea to product launch, and they are led by the Product Engineering Leaders.

2.2.3 Agile requires a new type of leadership

The preceding section presented different types of reporting lines than can be used in agile organizations, as well as new types of leadership roles that support the setup: chapter leader, tribe leader and squad leader (De Smet 2018). This study examines agile leadership from the perspective of a chapter leader type.

Agile leadership differs from traditional leadership in multiple ways. Adopting an agile mindset and work methods is a learning path that requires new and fundamentally different leadership.

In an agile setup, managers do not manage or oversee daily tasks (Bankston 2018, 6); instead, they must let the team take responsibility and act with autonomy (Hayward 2018, 14–26). Therefore, agile managers must learn how to lead their teams in a new way. An agile leader must change their mindset from traditional control-based management to creating a culture where teams thrive.

In the Agile context, the core unit is the self-managing team. The teams organize their work and optimize the processes themselves. They make decisions on a daily basis and have the authority to do so (Agile Alliance). Leaders in agile organizations focus on guiding and supporting people, rather than directing and micromanaging (Thoren 2017, 226). Agile leaders focus on creating an environment where everyone is encouraged to contribute, and all team members assume accountability for individual and team outcomes (Darino, Sieberer, Vos, & Williams 2019).

Applying Agile principles to HR and management has a broad impact on areas such as recruitment, personnel development and learning, performance management, engagement, motivation, rewards and compensation (Thoren 2017, 66–69). In many organizations, management and HR processes are still more or less traditional and do not fully support agile ways of working. To succeed in business agility, HR and management must also make the shift from traditional to agile work methods (figure 7).

THE TRADITIONAL WAY		THE AGILE WAY
Build on control	→	Build on motivation
Communicate via formal managers	→	Communication flows freely among everyone
Formal leadership	→	Informal leadership
Micromanaging	→	Explain why and what and leave the how to people
Secret information	→	Transparent information
Managers decide performance of employees	→	Employees decide performance of themselves and colleagues
Decision making by managers	→	Everyone is involved in decision making
Goals are set by managers	→	Goals are set by individuals and teams
Formal managers	→	Self-leadership

Figure 7. Shift from traditional leadership to agile leadership (Thoren 2017, 239)

Companies need to shift the focus of their management from individuals to teams (Cappelli & Travis 2018) and from control to building motivation and coaching (Thoren 2017, 239). This requires new skills and training for both HR and management.

2.3 Feedback evolution; traditional vs agile organization

This section investigates how the feedback process differs between traditional and agile organizations. Differences exist in roles, cadences and communication, among others.

2.3.1 Traditional feedback comes top-down

In a traditional organization, authority and power are divided between various management layers, such as executive management, middle management and team leaders, etc. The organizational structure is often described in a pyramid shape, with clear hierarchical reporting lines. In this setup, communication comes top-down and there is very little horizontal collaboration and communication between departments or units (Thoren 2017, 47).

This control-and-command style of management is based on the Newtonian/Taylorist view of the organization being a predictable machine and, therefore, controllable and manageable by a single leader (Mason 2013). In a traditional structure, decisions are commonly made at the top of the pyramid (Thoren 2017, 47). The manager is involved in day-to-day work, setting targets, planning and assigning tasks, directing how they are done, following up on progress and finally evaluating the work (Denning 2019; Darino et al. 2019).

In traditional organizations, feedback comes top-down and from only a few sources (figure 8).

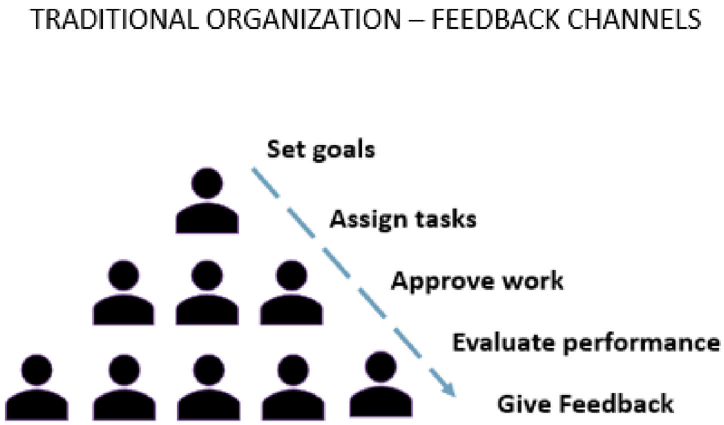

Figure 8. Top-down approach for feedback

In a traditional organization, feedback is expected to come down from the top, from manager to the employee. The manager helps employees understand to what extent their work matched expectations, and identifies where the employees' competencies or behaviour should be improved. Fixed targets are set at the beginning of the year and performance is evaluated at the end of the year (Thoren 2017, 109.)

The problem is that this type of approach is backward-looking: the employee cannot correct the direction once feedback is given.

2.3.2 Agile feedback is a two-way conversation

A 2018 Harvard Business Review article titled "HR Goes Agile" suggests that agile organizations must learn how to handle multidirectional feedback. Authors Peter Cappelli and Anna Travis state that in an agile setup, peer feedback is essential for course corrections and employee development, because team members know better than anyone else what each person is contributing. In agile organizations, feedback from employees to team leaders and supervisors is also highly valued. (Cappelli & Travis 2018.) Managers should continuously seek feedback from their team members (Ahonen & Lohtaja-Ahonen 2011).

With regard to feedback, new challenges appear in an agile organization. Employees are expected continuously to ask for and receive feedback from multiple sources (figure 9).

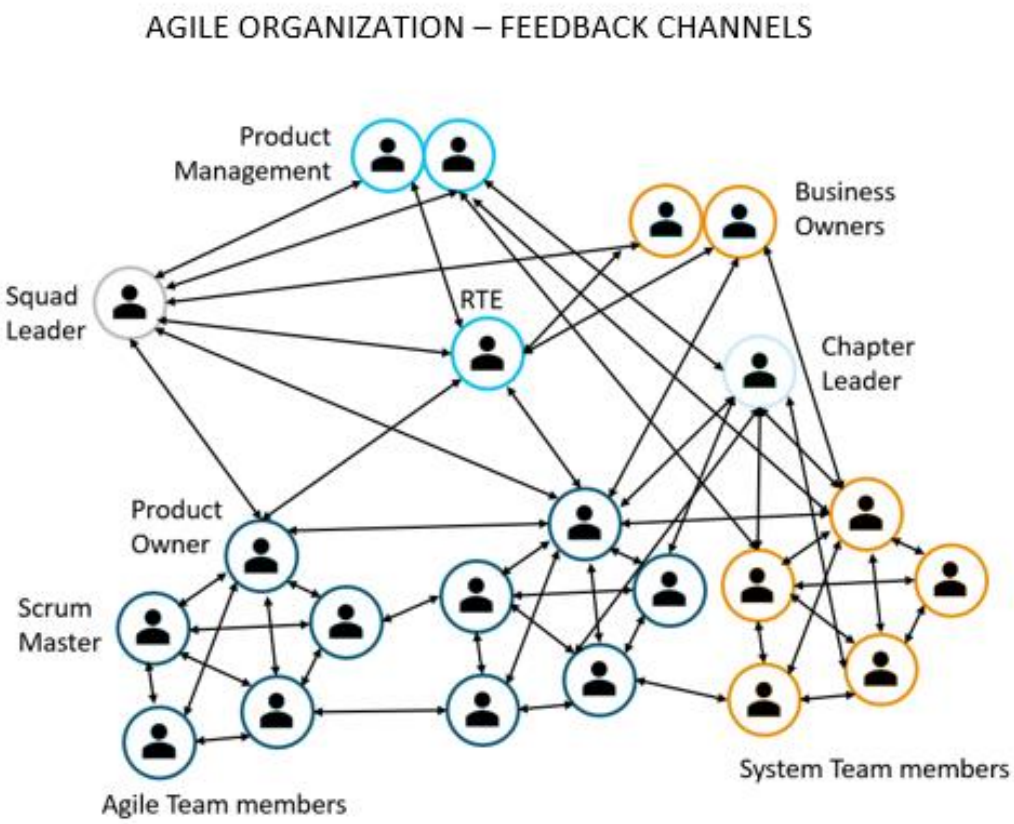

Figure 9. Multichannel feedback

In the agile setup, feedback is a dialogue instead of a one-way conversation in which one person delivers information to listeners. Feedback appears both top-down, bottom-up and sideways; it comes from colleagues, peers and managers, and should be open and frequent.

In an open feedback culture, the feedback should not be anonymous. Anonymously given feedback can easily end up being passive, with little thought given to the feedback or evaluation and everything being considered either just average or based on the current atmosphere and mood extremely bad or extremely good. (Ahonen & Lohtaja-Ahonen 2011).

2.4 Agility requires a clear sense of direction

As in any organization, a clear sense of direction is also needed in the agile context.

Traditionally, goals are set and reviewed annually; this is often done privately, and their fulfilment is directly linked to rewards or financial incentives (Thoren 2017, 93).

There are multiple tools and techniques for setting targets. Key Performance Indicators (KPIs) and SMART (specific, measurable, actionable, relevant and time-based) goals have been popular in the last decades (Thoren 2017, 116). In the agile context, Key Value Indicators (KVIs) (Hayward 2018) and Objectives and Key Results (OKRs) are increasing in popularity (Thoren, 2017, 116). Whatever the goal setting tool or technique, there are certain principles are that agile organizations share.

Firstly, goals need to be linked to business priorities (Thoren 2017, 113; Darino et al. 2019). Since creating customer value is one of the core principles of Agile, this should be reflected in the company's targets. The goals at each level should be connected and should specify what the organization wants to achieve (Thoren 2017, 117).

Secondly, goals should not be purely individual: team goals are potentially even more important. The author and agile expert Jeff Gothelf states in his 2020 Harvard Business Review article "Use OKRs to Set Goals for Teams, Not Individuals" that it is more effective to focus on the team level view than on individual targets. He recommends focusing in on how the individual contributor supports their team's objectives and key results (Gothelf 2020). In Agile, the team typically participates in target-setting. To support ownership, understanding and cooperation, goal metrics should be co-created, meaning that teams come up with their own goals based on company priorities (Koning 2019). Commitment to goals is typically stronger when the goals have been set by oneself rather than by others (Darino et al. 2019). The former are also often more inspiring and ambitious (Thoren 2017, 114).

Thirdly, goals should adaptable and frequently followed up. As with other work in the agile setup, goal-setting should happen iteratively (Thoren 2017,120). In an agile company, setting goals or targets once or twice a year is not enough. They must be kept up to date with regard to constantly changing business priorities. To be effective, targets or goals must be regularly updated, re-evaluated and re-prioritized (Thoren 2017, 114).

Finally, in a successful agile organization, goals are transparent and feedback plays a significant role in the follow-up process (Thoren 2017,120 ; Darino et al. 2019). Transparent goals ensure that everyone knows what is expected from themselves, as well as knowing what the other teams are working on (Thoren 2017, 117). When goals are frequently updated and followed up on, continuous feedback is important for the correct direction to be maintained. In an agile organization, feedback is received from multiple sources. To secure the right feedback, organizations and managers must invest in coaching and encouraging employees to continuously ask for and provide feedback (Darino et al. 2021).

2.5 Elements of good feedback

This section examines why feedback is essential and what good feedback looks like.

Motivation refers to what moves people into action, and motivation-related theories focus on what energizes and gives direction to behaviour (Ryan & Deci 2017). Motivated employees tend to perform better. Businesses with motivated employees have higher customer satisfaction. As in any organization, individuals in agile organizations develop by receiving feedback and being exposed to development opportunities (Darino et al. 2021). Feedback is important in many ways; it drives performance and growth. It is also often cited by employees as something that is lacking. Well-structured feedback, given at the correct moment, can shape human behaviour, motivate and inspire people to action and encourage open conversation (Nowostawski 2016).

Feedback means different things to different people. Companies that have effective feedback practices have a greater competitive advantage, especially in today's fluctuating market (Baker, Perreault, Reid & Blanchard 2013). Feedback is easier to share when everyone has a joint understanding of what is meant by feedback in the organization. Clear feedback practices – where everyone knows what the topics they should give and receive feedback on, whom to ask for feedback and who to give it to, and through which channel – can increase the amount of feedback. When feedback practices are unclear in the workplace, employees are less likely to dare or bother to provide feedback to each other. (Ahonen & Lohtaja-Ahonen 2011.)

Feedback is "information about the effect of your past action, that is used to guide future action" (Carroll 2014). Feedback can be non-verbal, coming from other people's actions, or verbal, expressed in words (Nowostawski 2016). Typically, feedback is subdivided into positive, negative or constructive types (Landsberg 2015, 54; Nowostawski 2016). Some studies do not make this division but see it as an observation on behaviour and its impact on the person giving the feedback; in these cases the feedback is positive when delivered well and negative when delivered poorly (Ahonen & Lohtaja-Ahonen 2011; Kupias, Peltola & Saloranta 2011).

There are multiple techniques and tools for feedback-sharing: some popular ones are AID: Action, Impact and Desired outcome (Landsberg 2015, 50-51) and COIN: Connection, Observation, Impact and Next steps (Nowostawski 2016). These types of tools are helpful and can support the feedback conversation. The main idea behind them is quite similar.

Firstly, **feedback should be based on facts**. Different persons can interpret the same situation in various ways. Because it is delivered by a human being with a unique perspective, feedback is never purely objective. In feedback-sharing, it is important to start by separating opinions from facts (Nowostawski 2016). Opinions are based on subjective perception and are always debatable, which is why feedback should not contain interpretations or conclusions (Ahonen & Lohtaja-Ahonen 2011). Facts are based on data that is interpreted in the same way by the various parties. Good feedback is always based on facts instead of opinions.

Secondly, **good feedback is actionable and timely**. Feedback has strongest impact immediately after the event (Nowostawski 2016). It helps to understand what is going well and what could be improved in the current situation. If the point of the feedback is to improve future performance rather than only looking back, it should occur continuously, taking changing priorities into consideration (Cappelli & Tavis 2016). Frequent feedback helps to avoid surprises or disconnects against current goals and ensures clarity and understanding of expectations (Thoren 2017, 87; 117).

Thirdly, **a safe environment is important** in feedback-sharing situations. Generally, positive feedback can be shared in a group, while negative feedback should always be given privately (Nowostawski 2016). Feedback should not be considered judgemental or a channel to share negative thoughts. The motivation for feedback should be a genuine wish the help colleague to develop (Ahonen & Lohtaja-Ahonen 2011).

Fourthly, in the agile setup, **feedback should come from multiple sources**: leaders, peers, team members and other relevant stakeholders. Leaders should be helping employees to process and reflect on received feedback.

Finally, **feedback should reflect ongoing priorities**. Feedback without context is rarely helpful. The prerequisite for a feedback-sharing situation is that both participants know the goals or targets. Unclear targets might lead to several issues, making it impossible to identify whether the direction is correct or to share relevant feedback, and, when feedback is shared, it may be dismissed as irrelevant (Ahonen & Lohtaja-Ahonen 2011).

2.6 Building a feedback culture

A lack of feedback for employees is often identified as a problem. What is preventing companies from giving feedback?

According to Ahonen & Lohtaja-Ahonen (2011), there can be multiple obstacles to giving feedback in the workplace:

- Unclear understanding of what feedback is and its related practices
- Unclear targets and rules
- Fear of consequences
- Performance management systems
- A culture of needing to hide failures
- Difficulty in showing emotions
- Silent feedback and biases
- Being too busy
- Ignorance
- Making assumptions

The power of feedback in the workplace grows the more feedback is given (Ahonen & Lohtaja-Ahonen 2011). Organizations could improve their feedback culture by clarifying expectations across the workplace, inviting employees to take an active role in developing a feedback-friendly culture. It is the responsibility of the higher management to encourage and empower employees to conduct open dialogues, so that they have the courage and support they need, as well as to actively develop the feedback culture and processes. (Baker at al. 2013.)

The agile setup is built on empowerment and self-managing teams. The mindset where employees passively wait for feedback from managers and team leaders is outdated. Employees should actively seek feedback wherever they can get it and whenever they need it. This feedback-seeking behaviour is connected to enhancing learning, performance, adaptability and well-being. (Anseel 2017.) Training managers and team members to provide feedback is important, but not enough. Feedback can be pushed, but it is more effective when it is pulled: people asking for feedback on themselves makes them take ownership of their learning and development. (Stone & Heen 2014, 5–6.)

2.7 Psychological safety in the work environment

Professor Amy Edmondson of Harvard Business School first identified the concept of psychological safety in 1999. She defines it as the shared belief that the work environment is safe for interpersonal risk-taking, meaning it is an environment where one feels safe to speak up and share ideas, questions, concerns or mistakes (Edmondson 2018).

A recent study by Google's People Operations stated that psychological safety is the most important enabler for high-performing teams (Delizonna 2017). Psychological safety in the workplace allows for adaptive and innovative performance at all organizational levels, which is vital for a successful agile structure and a network of self-managing teams (De Smet et al. 2021). Psychological safety does not mean everyone agreeing and accepting lower performance; quite the opposite, in fact. In a psychologically safe environment, people feel that they have the possibility for honest, productive disagreement and the ability to challenge without fear of negative consequences (Edmondson 2018).

According to Edmondson, the best performance can be achieved by maintaining high standards and high psychological safety (figure 10.).

	Low Standards	**High Standards**
High Psychological Safety	*Comfort Zone*	*Learning & High Performance Zone*
Low Psychological Safety	*Apathy Zone*	*Anxiety Zone*

Figure 10. Psychological safety zones (Edmondson 2018)

Psychologically safe environment is challenging but not threatening. When standards are high but psychological safety low, employees are anxious about speaking up, which can lead to lower work quality and less innovation and learning. Leaders play an important role in building a psychologically safe work environment (De Smet et al. 2021; Edmondson 2018). The best results are achieved in a positive team climate, where the leader is highly supportive and consultative while also challenging the team (De Smet et al. 2021). The leader's behaviour directly influences how employees experience the organization's climate. Organizations can increase psychological safety by investing in leadership development programmes, and especially by ensuring that senior leaders setting an example with behaviours that support a psychologically safe environment (De Smet et al. 2021; Edmondson 2018).

There are multiple tools for organizations to measure psychological safety, including the "Team Learning and Psychological Safety Survey" by Amy Edmondson. In its simplest form, it can be done by asking the team how safe they feel and what might increase their feeling of safety. One of the questions used at Google, for example, was "How confident are you that you won't receive retaliation or criticism if you admit an error or make a mistake?" (Delizonna 2017.)

2.8 Theoretical framework

This study examines individual feedback in the agile setup. Figure 11 describes the theoretical framework. The general principles of Agile, SAFe and agile leadership must be clear to understand the landscape in which the case company operates. It is also important to investigate general feedback-related theories, as well as antecedents for building a feedback framework that support the case company.

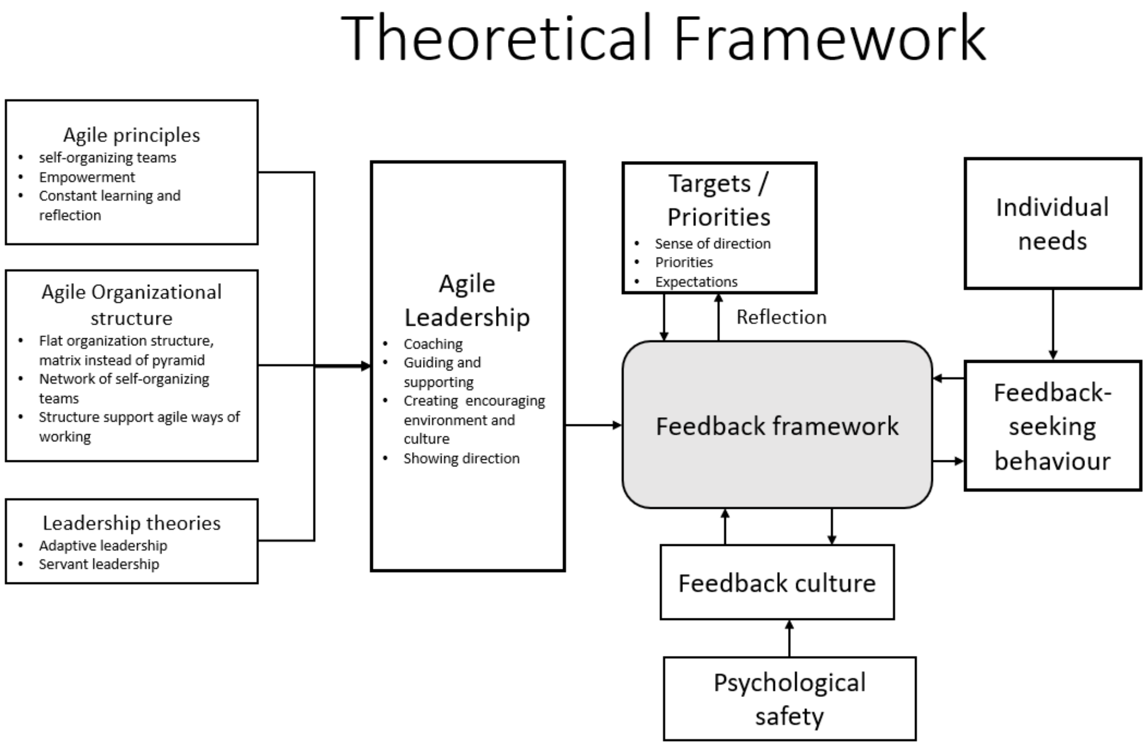

Figure 11. Theoretical framework

The feedback framework should serve individual needs as well as changing priorities. Different people have different motivation factors, which influence their behaviours and needs.

3 Methodology

This chapter presents an overview of the research approach and data collection process. The action research iterations (including data collection and results for each iteration) are presented in Chapter 4.

3.1 Research approach

Applying Agile principles to HR and management has a broad impact on areas such as recruitment, personnel development and learning, performance management, engagement, motivation, rewards target-setting and feedback. The aim of the study is to investigate what kind of feedback model could be built in an agile organization that would secure the ideal amount of individual feedback for each employee. The outcome of the study will be guidelines for feedback practices in the Engineers & Sourcing FI team, which will also be applicable to other Engineers & Sourcing teams.

As specified in Section 1.3, the main research question is “How can an agile approach to individual feedback be built in the case company?”

The focus of the study is on feedback-sharing, and, to support that, target-setting is also investigated. Having a process for clarifying targets/goals is vital to achieve a clear sense of direction. Feedback is the logical next step after expectations and priorities have been discussed. It is important to build mutual understanding of these topics and to create transparency around the areas for everyone in the team.

Following sub-questions will support in the answering to the main research question:

Sub-question 1:
How should targets be set in an agile organization?

Sub-question 2:
How should agile principles be applied to management, particularly in the area of feedback?

Sub-question 3:
How can an open feedback culture be created?

Sub-question 4:
What feedback alternatives exist for employees in an agile organization?

The data for the study is collected using multiple methods. Questionnaires are used for situational analysis. The chosen questionnaires are recurrent in the case company and can be used as part of follow-up, to check whether the identified improvements have influenced development areas. The research-based development work is done based on qualitative data such as literature, interviews and focus groups. The collected data is analysed qualitatively, so the thesis can be defined as a multimethod qualitative study (Saunders, M., Lewis, P. & Thornhill 2012, 165–166).

3.2 Action research

Action research is problem-based and strongly focused on practice, designed to develop solutions for real organizational problems (Moilanen et al. 2014, 58). Collaboration is important in action research; it is a participative approach, where it is essential to involve active partakers in the research and development process (Saunders et al. 2012, 191–192). It is an approach in which the participants are interested in the outcomes: the objective is to change the current reality rather than describing the current situation (Moilanen et al. 2014, 60). What is distinctive about action research is that it is an iterative process, where each iteration has an impact on the next one (Saunders et al. 2012, 400). Learning from each cycle might also influence the research questions or focus (Saunders et al. 2012, 191–192).

Action research proceeds as a cycle of diagnosing, planning, taking action and evaluating. (Saunders et al. 2012, 191). The action research spiral is illustrated in figure 12.

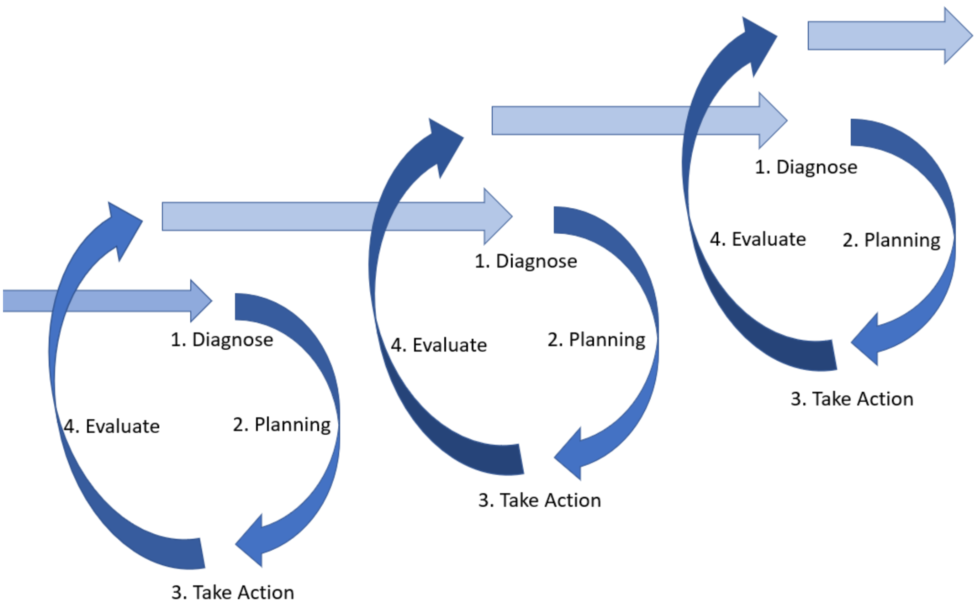

Figure 12. Action research development cycles (Saunders et al. 2012, 191)

Action research is a constructive enquiry, during which the researcher builds knowledge of specific issues through planning, acting, evaluating, refining and learning from the experience. It is a continuous process in which the researcher learns and also shares the newly generated knowledge with those who may benefit from it. (Koshy, V. 2005, 9.) Furthermore, in action research, the researchers can be participants rather than detached outsiders (Koshy, V. 2005, 21).

Action research is selected for the study because the researcher works as a manager of the focus team, and the goal of the study is to solve practical questions together with the team members and achieve a change in the processes.

3.3 Data collection

The main stakeholders are the Engineers & Sourcing FI team members. Other interest groups for the study were the Engineers & Sourcing managers, the case company leadership community, the case company HR representative and the stakeholders who can provide feedback to the team members.

Data was collected for the study using multiple methods. The main study and each iteration had its own data collection phase. Table 1 provides an overview of the data collection methods used in the study and its iterations.

Table 1. Data collection method overview

Main Study	Questionnaire	Employee Engagement survey Leadership Effectiveness survey
	Unstructured interviews	Check-in
	Focus groups	Team meeting Leadership community meeting
Iteration 1	Questionnaire	Feedback survey
	Unstructured interviews	Check-in
Iteration 2	Questionnaire	Talbit feedback survey
	Unstructured interviews	Check-in
Iteration 3	Unstructured interviews	Feedback collection interviews Performance and feedback Check-in

The main study's data collection methods are described in further detail in the next sections, while the methods for each iteration are presented in Chapter 4.

3.3.1 Questionnaires

Questionnaires are data collection methods in which each respondent is asked to answer the same set of questions in a predetermined order (Saunders et al. 2012, 437). In the study, two surveys were used as a starting point for the study, to identify improvement areas. Both surveys were in the form of self-completed web questionnaires and both form a part of the company's recurring survey cadence and process. The **Employee Engagement survey** was tailored to the study by adopting suitable questions from a predefined list of questions, while the **Leadership Effectiveness survey** was a standard part of the company's annual cycle of surveys.

When using questionnaires, it should be noted that the questionnaire offers a single chance to collect the data, as it is often difficult or even impossible to identify anonymous respondents and return to collect additional information (Saunders et al. 2012, 445). In the main study, survey results were used as a starting point, so one-time information is sufficient. Both surveys contain closed-ended questions, which provide a number of alternatives from which the respondent must choose their answer. Closed-ended (or closed) questions have certain advantages: they are quicker and easier to answer, and the questions and responses are easier to compare (Saunders et al. 2012, 452). In this case, closed questions and recurring surveys make it possible to compare the results and follow-up progress in the improvement areas. Closed questions can use a Likert scale, asking respondents how strongly they agree or disagree with a statement or series of statements (Saunders et al. 2012, 452); these are used in both of the surveys.

The Employee Engagement and Leadership Effectiveness surveys were carried out in November 2019. The new organizational model had only been introduced two months prior to that, so the structure was still novel at the time. Surveys were used to identify possible development areas in the new team structure and leadership model.

A minimum of five responses is required to report the results. This was achieved as there were 16 respondents to both surveys. In both cases, responses were anonymized.

The Employee Engagement questionnaire (appendix 1) was tailored to the Engineers & Sourcing FI team by choosing a set of questions related to teamwork, feedback and motivation.

In the Employee Engagement survey, the lowest score was given to the performance management area:

- I understand how my performance is evaluated

The next-lowest scores were in performance and feedback-related areas:

- I have ongoing conversations with my manager about my performance
- In our team we provide feedback to each other that helps us improve our performance

At the case company, the **Leadership Effectiveness survey** (appendix 2) is a separate survey, with a focus on leadership quality aligned with the case company leadership model. The survey is conducted yearly in November.

In the Leadership Effectiveness survey, the lowest score was given to the target-setting area:

- My manager sets ambitious goals that drive performance

The second-lowest scores were in career development and feedback-related areas:

- My manager has meaningful discussions with me about my career development
- My manager provides me with continuous feedback that helps me improve my performance

The results of both surveys were used to analyse which areas need more clarification in the new organizational structure. The focus of the study, chosen based on these survey results, is on feedback-sharing, as well as other closely related areas, such as target-setting. Performance management and career development are not within the scope of the study but provide opportunities for future research.

3.3.2 Unstructured interviews

Research interview is a general term for different types of interviews, including structured interviews (conducted using questionnaires completed by the researcher), semi-structured interviews (where a predetermined list of themes or questions exists but the researcher might modify the order or the wordings of the questions) and unstructured or in-depth interviews (which are informal and do not use a predetermined list of themes or questions to guide the direction of the interview) (Saunders et al. 2012, 390–391).

An unstructured interview is a suitable approach when the purpose of the study is to examine the impact of a certain phenomenon (Moilanen et al. 2014, 109) or to focus on the individual as a research subject (Moilanen et al. 2014, 106). Unstructured interviews are exploratory and emergent, and the subject may transform during the conversation (Saunders et al. 2012, 390–391). Unstructured interviews are close to dialogues, and because there is no predefined list of questions, it can be the interviewee's perceptions that lead the dialogue and the topics to be discussed (Saunders 2012, 391).

One-to-one **check-in discussions** are regularly used at the case company between team members and managers. They are an employee-driven and forward-focused dialogue about performance, development and motivation. The setup for check-ins is informal, consisting of 15 minutes over coffee, for example, or a 30-minute pre-booked meeting. The frequency of check-ins varies depending on needs and schedules, but the minimum is once a month.

The agenda of a check-in is flexible, to fit the needs of the employee, and could focus on the following topics, among others:

- Aligning expectations and setting flexible priorities
- Receiving and giving real-time feedback on performance and behaviour
- Discussing growth potential and continuous development
- Discussing wins, pressing issues and potential roadblocks
- Proactively discussing motivation and engagement

These discussions can be considered a series of unstructured interviews, conversations where interviewer and interviewee are equal and where active listening plays an important role.

Although the primary purpose of check-ins is not related to the study, meetings play an important part in the study's data collection. The target of the study was discussed with the participants, so the feedback iterations were actively discussed at check-in meetings, alongside other topics. Due to the nature of these discussions, the meetings were not recorded or transcribed. Feedback-related reflections and other input from the team members was mainly collected in these meetings. This data was collected in confidence and anonymously.

Check-in discussions are usually face to face in a genuine environment (on company premises). Due to the COVID-19 pandemic, all check-in meetings were carried out virtually over Microsoft Teams, starting in March 2020.

3.3.3 Focus group interviews

A focus group interview has multiple typically six to 12 participants (Moilanen et al. 2014, 111). Focus group interviews were chosen for the end of the study to evaluate the created guideline proposals and to collect input from the team members and from case company's leadership community. The benefit of group interviews is that the group dynamics and discussions can bring new ideas and approaches to the topic (Moilanen et al. 2014, 111). Usually having more than one facilitator, even outside the group or the company, can be a good idea, to achieve a more relaxed atmosphere and to inspire participants to conduct open discussions and opinion-sharing (Moilanen et al. 2014, 112).

Focus group interviews were first arranged for the Engineers & Sourcing FI team members, who were asked to reflect and comment on the proposed guideline. This took place in January 2021. After input was collected from the team, the updated version was presented to the case company leadership community in February 2021.

The **Engineers & Sourcing FI team's focus group** interview was used to present the study's aims and iterations to the team members. Due to the COVID-19 pandemic, the interview was done virtually using Microsoft Teams.

The team member focus group interview consisted of three segments:

- Presentation of the research problem
- Presentation of each iteration
- Preliminary recommendations for feedback guidelines based on literature and iterations

The research problem and the new organizational model were first presented to the team by the researcher. After that, each iteration was introduced and the team members who had participated in them were able to reflect and provide comments. The final part of the presentation focused on possible feedback guidelines that could be used by the team. The team were asked to share their thoughts about options that could be included in the feedback model. The researcher made notes on the reflections and comments from the team during the workshop, and took them into consideration when updating the guidelines.

It was noted that the virtual setting and the high number of participants (20+) hindered fully open dialogue and active feedback-sharing on the guidelines.

The second session, the **Case company's leadership community focus group**, was better to support the virtual setting together with HR representatives, and included two facilitators from HR besides the researcher.

The leadership community focus group interview consisted of six segments:

- Inspiration on feedback
- Launch of new performance and development concept for the company
- How to implement Agile feedback & learning

– Breakout rooms – Teams discussion
– Call to action
– Feedback on the session

The leadership community interview started with a general feedback presentation by an HR specialist, discussing the importance of feedback and presenting best practices for giving and receiving feedback. The second segment began with an interactive element, asking participants via the Mentimeter tool “How often do you ask for feedback for yourself personally?” The idea of the question was to warm up and engage participants with the topic. Mentimeter is an interactive presentation tool that allows users to ask questions from the audience in real time. Responses were visualized in real time as part of the presentation (Figure 13).

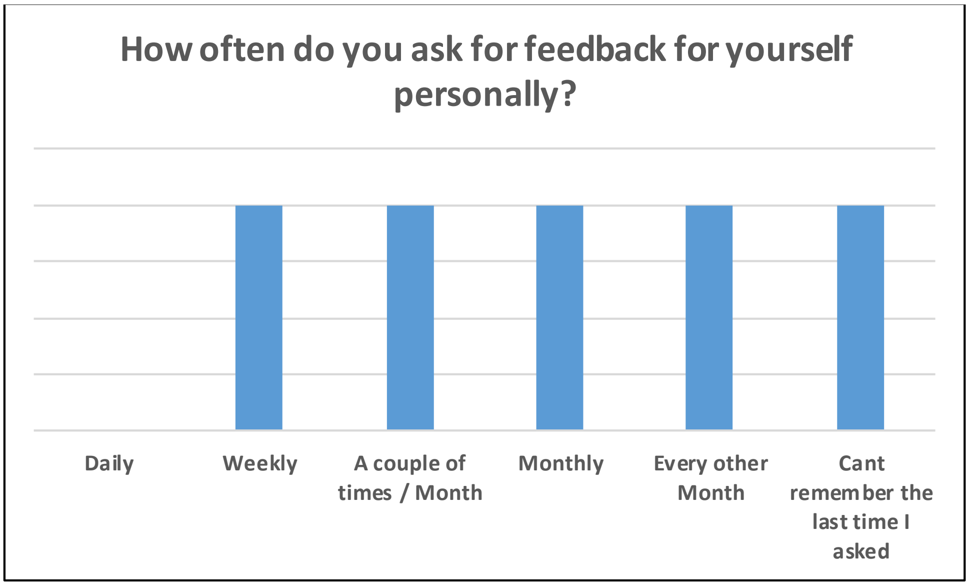

Figure 13: Distribution of responses on requesting personal feedback (n=10)

The second segment focused on launching a new feedback-related module as part of the company’s performance and development concept, and it was presented by the HR specialist. In the third segment, the researcher presented the content of the study, comprising an introduction to the research question, the new organizational model, each iteration and the proposed feedback guidelines.

In the fourth segment, the participants were divided into virtual breakout rooms, where they had 20 minutes to discuss the following topics in small groups:

– How can you, as a leader, create an open feedback culture?
– How can you, as a leader, motivate your employees to ask for feedback?

After the breakout rooms, the answers were collected using Mentimeter and visualized as part of the presentation (table 3).

Table 3. How to support feedback as a leader

How can you, as a leader, create an open feedback culture?
Understand the maturity of the team to giving feedback
Understand the barriers to giving feedback
Hold a specific session with the team on how we give feedback to each other
Talk about feedback in the team, are they comfortable giving each other feedback?
Openly share positive feedback
Talk about and encourage feedback
Let individuals understand and accept their feedback as important and relevant for others
How can you, as a leader, motivate your employees to ask for feedback?
Be a frontrunner and ask for feedback yourself
Set an example by openly asking for feedback from team members
Build it into the teams' operations, i.e. the retrospectives
Understand the maturity of the team to giving feedback
Understand the barriers to giving feedback
Encourage employees to ask their colleagues for feedback as they work more closely and daily together
Ask for feedback on yourself as a good example
Develop a good relationship as a basis for open conversation

The call for action segment contained one further question, asked using Mentimeter with responses instantly shared as part of the presentation.

– What is the first concrete action you will take as a leader?

Answers are collected in table 4.

Table 4. Concrete actions around feedback

What is the first concrete action you will take as a leader?
Drive discussion like this with teams
Use breakout groups for identifying that we need to work with the agile teams rather than strict organizational structure
Talk about feedback (how to share and receive)
Talk and discuss about the topic with the team to find out what actions are needed
Talk about why feedback is important
Already focusing on feedback, but taking it to the next level will be to train the department in giving/receiving feedback

The final segment of the focus group interview comprised collecting feedback on the session itself. In general, the subject was found interesting and the session well planned. The breakout room discussions were considered valuable and inspiring.

The comments collected in the third and fourth interactive segments were used in the study as input when updating the feedback guidelines and proposing next steps.

3.4 Evaluation of data collection methods

Surveys are often highly suitable for finding out the starting point for a study or analysing the results at the end (Moilanen et al. 2014, 40). That was the case in this study, too. Introducing the results of the Employee Engagement and Leadership Effectiveness surveys to the focus group created a shared understanding of the improvement areas. Including the results in the study makes it possible to conduct a follow-up if the feedback-related recommendations are taken into use by the company. Using surveys in the feedback iterations had certain weaknesses, and these will be discussed separately for each iteration in Chapter 4.

Unstructured interviews (check-in meetings) with team members were already a part of the ongoing process, which ensured that all team members were able to have one-to-one discussions on the feedback iterations. Due to the COVID-19 pandemic, all discussions were carried out remotely as of March 2020, which most likely had an impact on the discussions. It was noted that in virtual meetings participants were sometimes less engaged than in face-to-face meetings, often multitasking at the same time. A virtual setup can also feel less relaxed and it is much harder to notice non-verbal cues or signs such as facial expressions and body language.

Like the unstructured interviews, the focus group discussions were influenced by remote working. The setup limited the relationship-building opportunities and it was more difficult for the group to carry the discussion forward. The virtual setting required more facilitation, which limited the openness of the discussion. Some participants may have missed the opportunity to contribute to the discussion due discomfort with the virtual setting. It was noted that interactive elements and virtual breakout rooms had a positive impact on participants' engagement and activeness. The purpose of the focus group discussions was for the group to share ideas on the survey topic in a genuine context and in everyday (work) language, and this was achieved better in the breakout room approach.

4 Feedback iterations

This chapter describes the feedback iterations that took place in the Engineers and Sourcing FI team between November 2019 and December 2020. There were three iterations in all (table 5).

Table 5. Iteration timetable

	2019			2020											
	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
Feedback Iteration 1															
Feedback Iteration 2															
Feedback Iteration 3															

Based on the iterations, proposals for feedback guidelines were created. The iterations are presented and evaluated in the following sections. Feedback-related conclusions and proposals will be presented in Chapter 5.

4.1 Feedback iteration 1

Lack of feedback was identified as one of the development areas in the Engineers & Sourcing FI team. The focus of the study was on finding a way to increase the amount of structured feedback in the team. The first feedback iteration was planned together with the team and case company's HR Development representative.

4.1.1 Structure of feedback iteration 1

The first iteration for collecting feedback started in November 2019. The idea behind it was introduced to all team members beforehand in check-in discussions. Nineteen out of 20 Engineers & Sourcing FI team members volunteered to participate in the feedback collection. The first feedback iteration is illustrated in figure 14.

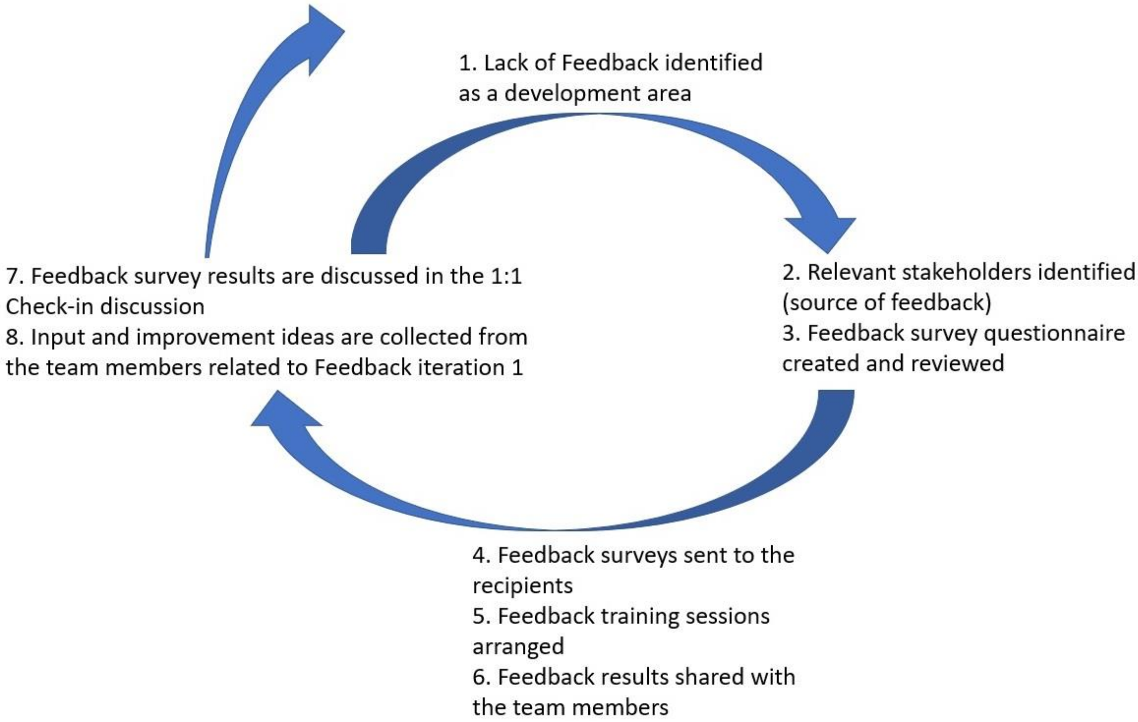

Figure 14. First feedback iteration

In the case company's current organizational model, feedback should not be given by the manager but by the relevant stakeholders who are closely working with team members. The first task was to identify the stakeholders who can provide the necessary feedback. All of the Engineers & Sourcing FI team members have roles in SAFe Agile Release Trains and stakeholders with similar roles in the organization. The stakeholders identified in the case company's SAFe model are Product Owners, Scrum Masters, Team Leaders, Product Engineering Leaders, Release Train Engineers, Product Managers and Project Managers. It was also agreed that in addition to these roles, feedback could be gathered from anyone in the organization whose views were valid (peers, team members and other colleagues).

In an agile organization, the manager should be more like a coach. Therefore, it was proposed that the team members would collect their feedback themselves, instead of the manager collecting and presenting the data. It was also agreed that the feedback results would be directly delivered to the team members. Team members can then choose which parts of the collected feedback they would like to discuss with their leader in one-to-one check-in discussions.

4.1.2 Data collection approach and evaluation of the used method

Data collection started with a feedback survey that was created specifically for the purpose of feedback collection using a self-administered web questionnaire (appendix 3). The designed questionnaire contained both closed and open questions. All team members used the same questionnaire, so it was designed to be as general as possible. It was also decided that in this step, responses would be provided anonymously.

The questionnaire was transformed into an individual online survey for each of the team members who participated in the feedback collection exercise. Team members sent the link to their own surveys by email to the identified stakeholders and to team members or other colleagues they had chosen. The identified stakeholders were asked to answer seven closed questions and three open questions. All of the closed questions also allowed for open-ended comments.

A separate covering letter was formulated for the welcome screen (appendix 4).
Before the feedback survey results were shared with team members, the case company HR organized two voluntary training sessions for the Engineering & Sourcing FI team members on how to share and receive feedback. Feedback survey results were sent to the team members on 3 December 2019.

When the chosen data collection approach for the iteration was evaluated, some improvement areas were identified. When creating a survey, time should be invested in clarifying what information is needed and how it will be analysed (Moilanen et al. 2014. 41). A survey is a quantitative method, in which a large group of respondents are asked about the same issues in the same form and the collected data is analysed with statistical methods (Moilanen et al. 2014, 105). The use of a survey was chosen for the iteration because it is easy to answer and fast to collect. However, because the point of a survey should not be to find out the views of specific individuals but of a larger population (Moilanen et al. 122), it would have been worth considering the use of other (qualitative) data collection methods instead. For surveys, it is recommended to use accurate, specific questions instead of general ones (Moilanen et al. 2014, 131). When analysing the feedback iteration answers, it was noted that the questions used were too multidimensional and not explicit enough, and there were not enough detailed instructions for filling in the questionnaire. For example, when asking for feedback on general performance, it was unclear to which area the feedback was related and what was the timeline for the performance evaluation.

Considering that each participant had their own personal survey, the questions should have been tailored to support each team member's personal feedback needs. Anonymous answers made it difficult for the recipients to reflect on the received feedback. It would have been beneficial to test the feedback form before the data collection with few participants and to gather input from the respondents on answering the form.

4.1.3 Results and evaluation

In January 2020, team members had a chance to share the feedback they had received and to provide input on the first iteration. The topic was discussed in the one-to-one check-in discussions, and the following observations were made:

What went well in the feedback iteration:

- Change in mindset from receiving feedback to actively asking for feedback
- Team participated in training on receiving feedback organized by HR
- Team members were able to choose whom to ask for feedback, including their peers
- Team members received a large number of responses
- Feedback was generally very positive

What to improve in the feedback iteration:

- The tools for requesting feedback should be improved
- The survey was on a very general level and answering was anonymous, so it was hard for team members to understand the context
- It was difficult to identify concrete actions from the survey
- People giving the feedback should also receive training, not only those asking for it

Although the feedback iteration's results were considered very positive overall, the outcome of the feedback was on a very generic level. Due to the general questions and anonymous answers, the amount of beneficial and constructive feedback was considered to be low.

Although the quality of the received feedback was not seen as high, one aspect of particular importance to agile organizations was fulfilled: the change in mindset from passively receiving feedback from a single source (manager) to actively asking for it from multiple sources.

Another important lesson was that feedback practices should be more widely discussed in the company. The team members received training in how to give and receive feedback prior to receiving the feedback iteration's results. From the results it was noted that the persons giving the feedback should also receive similar training. In some of the cases, the answers to the open-ended questions contained opinions instead of facts, the context of the appraisal was left unclear, and the tone could be considered judgemental or generalized. The resulting feedback was generally extremely positive, but it was not possible to identify the areas in which the feedback recipients had especially succeeded.

The second and third iterations were planned based on the team members' comments.

4.2 Feedback iteration 2

The second feedback iteration took place between September and December 2020. It was suggested based on the first iteration that a tool or app supporting feedback collection should be piloted. The Engineers & Sourcing FI team members were offered the chance to pilot a new tool in the second iteration called Talbit, which is described in further detail in section 4.2.2. The tool can be accessed via a web browser. The approach for the second iteration was employee-driven and focused on personal development paths. Nine team members chose to participate in this pilot.

4.2.1 Structure of feedback iteration 2

Each team member taking part in the iteration was able to create their own personal development path by formulating goals that would support their performance, employee well-being or personal or career development. They each identified and described their own goals, milestones and timelines. The concept of the tool is presented in figure 15. Each goal contains one or more short-term milestones. Completing each milestone takes the person closer to achieving the end goal. Each goal and milestone had a name, description and due date. Every team member had full ownership of their self-development plan and its execution.

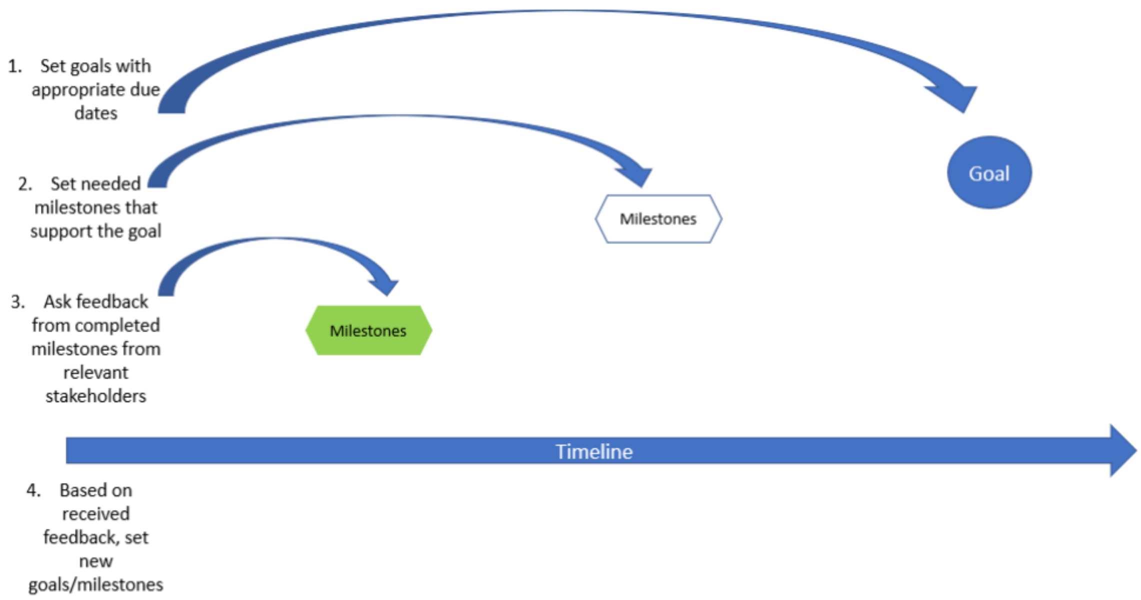

Figure 15. Concept of the Talbit tool

When a milestone was set as "completed", Talbit offered the option of asking for feedback on it from any relevant stakeholder. Feedback was requested and given through Talbit.

4.2.2 Tool used in feedback iteration 2

Talbit is a platform for companies to recognize current and needed talent and developing the related skills and competencies in an employee-driven and systematic manner. Each employee can build a personal, goal-oriented development plan. The feedback functionality helps employees achieve a deeper understanding of their successes and needs for improvement.

In the second iteration, employees used Talbit to build development paths, set their own goals and milestones, and request feedback on completed milestones (figure 16).

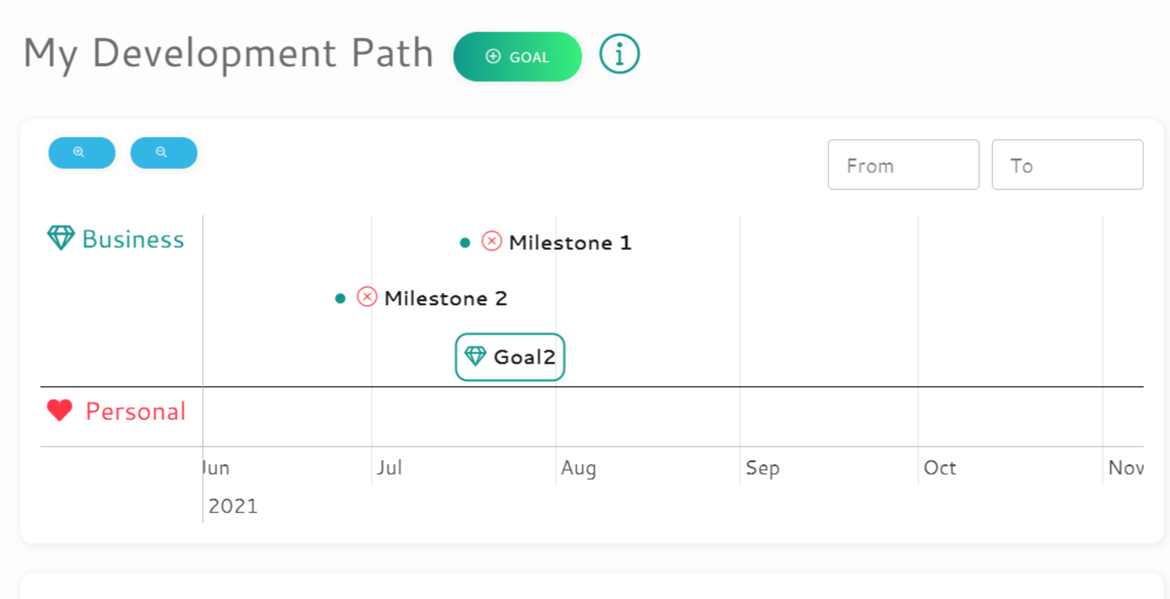

Figure 16. Talbit development path

When a milestone was set as "completed", Talbit offered the option of asking for feedback on it from any relevant stakeholder. The invitation to provide feedback (figure 17) contained the following information: name of the person asking for feedback, and name and description of the completed task/milestone.

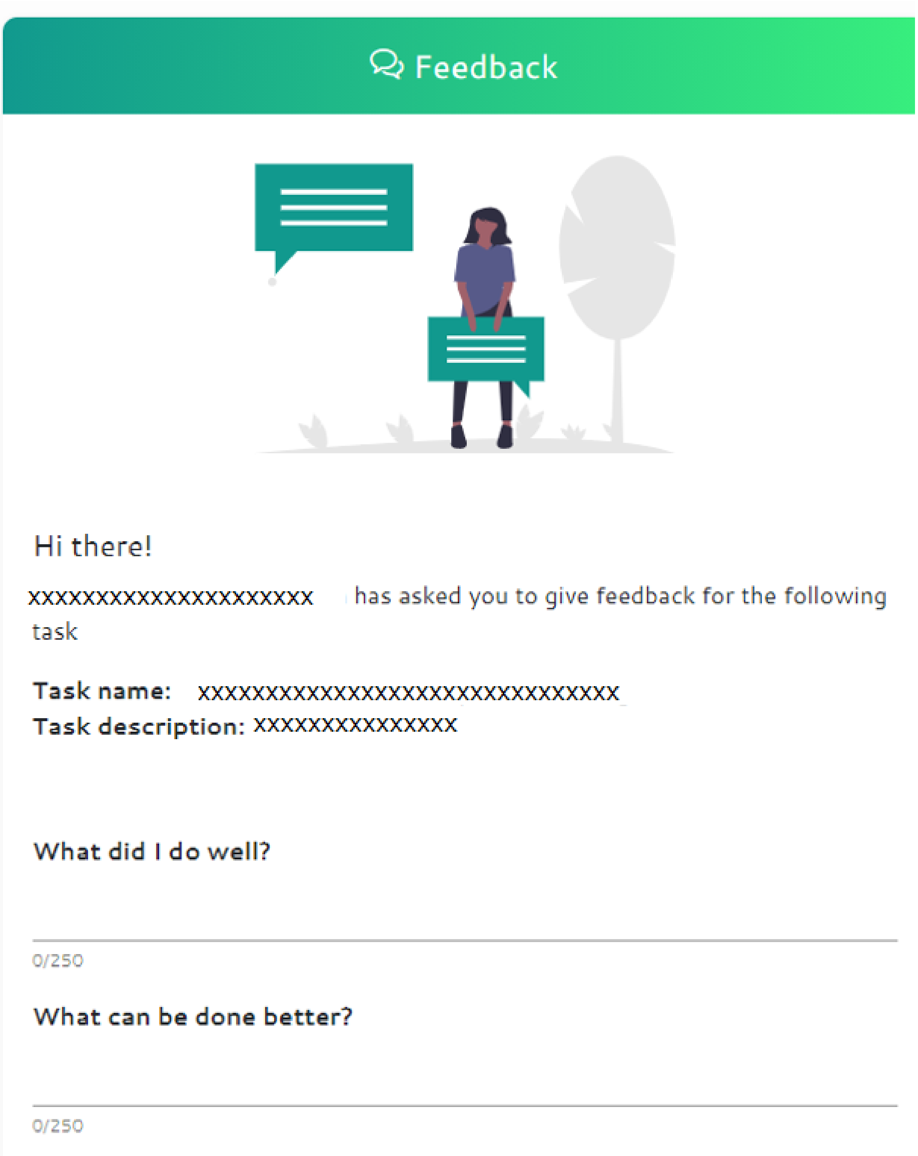

Figure 17. Invitation to give feedback

The feedback was given by answering two open-ended questions:

- What did I do well?
- What can be done better?

When feedback was provided, the person asking for it received an email notification from Talbit.

4.2.3 Data collection approach and evaluation of the used method

In this iteration, feedback was collected using the Talbit solution. When a milestone was completed, the system offered the option to request feedback related specifically to that milestone. The feedback request was sent by email from Talbit to the chosen recipients, containing a link to a feedback survey. The feedback consisted of answers to two open-ended questions. The received feedback was shown anonymously in the Talbit solution connected to the achieved milestone.

Talbit's data collection supported self-development and reflection better than the feedback survey in iteration 1. The milestone name and description could be very specific, so the context of the feedback was clear to both the giver and recipient of the feedback. Asking only two questions kept the survey brief enough. Unfortunately, many people are tired of receiving a huge number of online surveys, which has caused a considerable drop in response rates (Moilanen et al. 2014, 128–129). Similarly, in this iteration the response rates were very low in some cases; higher response rates were achieved when the team member specifically requested input from peers and colleagues on certain matters.

4.2.4 Results and evaluation

The team members had ownership of their personal development paths, so it was up to the participants to decide whether they wanted to share the feedback they received in their feedback surveys. The topic was discussed in the check-ins with the team members who chose to pilot the tool.

The following observations were made based on the discussions:

What went well in the feedback iteration:

- The iteration was genuinely employee-driven and focused on the employees' own development goals and ideas
- It was possible to ask for very specific feedback (directly related to achieved milestones)
- The tool was easy to use

What to improve in the feedback iteration:

- Not everyone received answers to their feedback queries
- Building a development path is time-consuming, so time needs to be invested in this
- Using multiple overlapping tools might be confusing or add extra work

Generally, team members found it very useful to think about their development paths and the steps needed to achieve their goals. Not all the functionality offered by Talbit was used in the iteration. Bringing company targets and priorities into the system would support personal development paths, as well as providing direction and preferences. One of the achievements of the iteration was that the development paths were fully focusing on self-development and not evaluating performance. Feedback is usually highly backward-looking; in this this iteration, the focus was on feedforward, so it was seen as a development opportunity rather than a performance evaluation.

4.3 Feedback Iteration 3

Since the second feedback iteration was very much employee-driven and separate from performance, the third iteration offered to the team members was more traditional and had greater focus on performance evaluation.

The third feedback iteration was called a “performance and feedback check-in” and it was developed by a case company’s HR Development representative. It is a form of check-in discussion between team member and manager, where the focus is on feedback and performance. Engineers & Sourcing FI team members were able to pilot the model before it was more widely used in the organization.

Both leader and employee filled in a pre-reflection sheet (figure 18) before the conversation.

Pre-reflection sheet for before the Performance and Feedback check-in

1. Summary: overall level of success	Employee´s performance during the past period		
	Below Not meeting expectations on all areas	Succeeded Solid performance throughout	Exceeded Consistently exceeding expectations
2. What to be proud of	What to be proud of? What went well?/what should employee continue doing?		
3. What to improve	What to improve/ What could employee do differently?		
4. Learnings	What are important learnings to take forward?		

Figure 18. Conversation pre-reflection sheet

The third feedback iteration partly overlapped with the second iteration (October to November 2020). Five team members volunteered to participate in the third iteration.

4.3.1 Structure of feedback iteration 3

The performance and feedback check-in is a focused and regular dialogue focusing on capturing performance, specific feedback and lessons learned, and aligning around priorities. In the iteration, a separate reflection sheet was used in preparation for the meeting, to structure the thoughts and feedback.

Role of the leader:

- Give specific feedback and recognition on deliverables/behaviours
- Set expectations for performance today and tomorrow
- Ensure behaviour according to company's values (Accountable, Customer-driven and Together)
- Facilitate dialogue, coach and support learning
- Listen for feedback and take actions on own leadership

Role of the team member:

- Reflect on own performance (deliverables and behaviours)
- Capture what was done well and where there is need to improve
- Be in the driver's seat of own check-ins and learning
- Listen and ask for feedback
- Provide feedback to leader, e.g. on what support is needed
- Be in the drivees seat of own learning

4.3.2 Data collection approach and evaluation of the used method

Both participants were asked to fill in a pre-reflection sheet prior to the conversation. The manager collected the feedback from multiple sources prior to the meeting. The pre-reflection sheet had two areas:

- What to be proud of? What went well?
- What has been challenging? What did not go so well?

The manager interviewed the necessary stakeholders to collect the data in what can be considered as unstructured interviews. The interviews were conducted virtually using Microsoft Teams. Again, it was noted that the context needed to be clear when asking for any feedback. The feedback was aimed at the employee's goals and priorities. When the scope of the feedback was clear, the interviewees felt more comfortable providing it. The team member also carried out a self-reflection prior to the meeting and was asked to identify possible feedback for the manager.

The actual performance and check-in discussion followed guidelines from a Leader Dialogue Facilitation Guide that was prepared as part of the pilot. At the start of the discussion, both participants ensured they were aligned as to the priorities for the period they were looking at. After alignment, they shared their thoughts about the employee performance towards the identified goals. The employee shared their reflections around the two questions in the pre-reflection sheet, while the manager shared the feedback collected from the stakeholders. The feedback discussed in the dialogue was not intentionally anonymous, which gave more visibility and understanding to the received feedback. The employee was also asked to share feedback on the manager, which was then discussed.

The performance and feedback check-ins can be considered a form of semi-structured interview, where the questions are created in advance but the interviewer has the freedom to change their order or wording, and to decide whether to leave out or add any questions in the course of the discussion (Moilanen et al. 2014, 109). Because the conversations were piloting a new type of check-in, the manager and team member discussed the meeting itself and how their experiences of it after the official dialogue.

4.3.3 Results and evaluation

The third iteration was discussed separately with the participants after each conversation. They were asked how they felt about the discussion format and how often they would like to have such discussions in the future.

The following topics were identified:

What went well in the iteration:

- Discussions were well prepared in advance by both manager and team member
- Revisiting goals/targets requires clear goals/targets to begin with
- Discussions were productive and honest, and action points were recognized in both directions
- Discussions were piloted with volunteers who were motivated and interested in self-development
- Gives structure to the feedback process

What to improve in the iteration:

- Still quite leader-driven and traditional

It was noted that this type of conversation requires advance work from both sides in order to work. It is also essential that the goals and priorities are clear to both participants prior to the meeting, as they are needed both when asking for feedback and when evaluating performance. Generally, the pilot group's experiences of the conversations were very positive, and they expressed a wish to dedicate time for such discussions around performance and feedback three or four times per year. It was noted that this type of conversation would provide the needed cadence and structure to feedback discussions.

5 Conclusions

The aim of the research was to examine how an agile approach to individual feedback-sharing could be implemented in the case company. This was explored through a set of sub-questions, which will be answered in the following sections, based on literature and on the feedback iterations that were carried out. Each section contains practical recommendations for the case company. All the recommendations together form a feedback framework, presented in section 5.5, that can be used by the case company. The reliability and validity of the study is evaluated in section 5.6. The thesis concludes with reflections on findings and recommendations for further research.

5.1 Clear sense of direction is essential

This section considers the findings and proposals related to the first sub-question, **"How should targets be set in an agile organization?"**

Traditional target-setting, where targets are set by a manager for each individual, does not support agile ways of working. Individual targets are still important, but they need to originate from a shared vision. For feedback to be given and received, there must be a clear sense of direction and understanding of how the work that each individual does contributes to achieving business unit's or company's goals. Feedback needs to relate to something, whether it is a milestone, a goal or a priority. In the agile setup, the direction needs to be clear and understood at each level of the value stream.

In the case company, which uses the SAFe framework, the most efficient way of setting targets is to do it at the ART level, team level and individual level. All of these levels are connected and support the overall business goals (see figure 19).

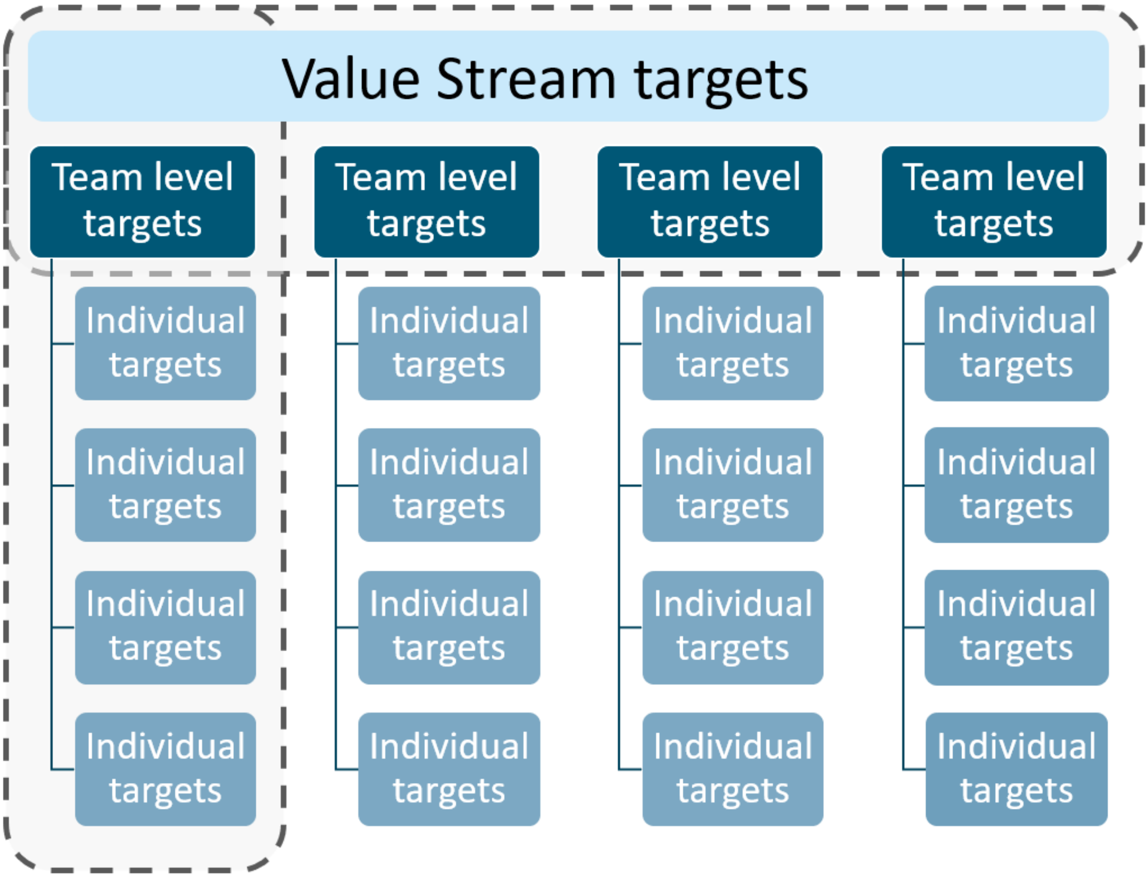

Figure 19. Applying the SAFe model to target-setting

Connected targets have multiple advantages: they lead each team and individual in the same direction and give transparency. Everyone knows what the other teams or roles of the value stream are working on. This supports communication and collaboration within and between teams.

In the agile setup, targets should be frequently re-evaluated and reprioritized. This needs to be openly communicated within the ART so that the top priorities are known in each PI. PI objectives support ART-level goals and are discussed in each PI.

Recommendation: Each value stream identifies ART-level targets. Targets should be openly communicated and followed up in the value stream. Targets should be also frequently updated and revisited regularly in SAFe routine sessions.

5.1.1 Implement team-level targets

In the case company, all teams in the ART should create team-level PI objectives at the beginning of each PI. These team-level PI objectives can be used as a starting point for team-level goals/targets. The cadence of the team-level targets naturally follows the SAFe PI cadence and can follow existing agile events and routines (figure 20).

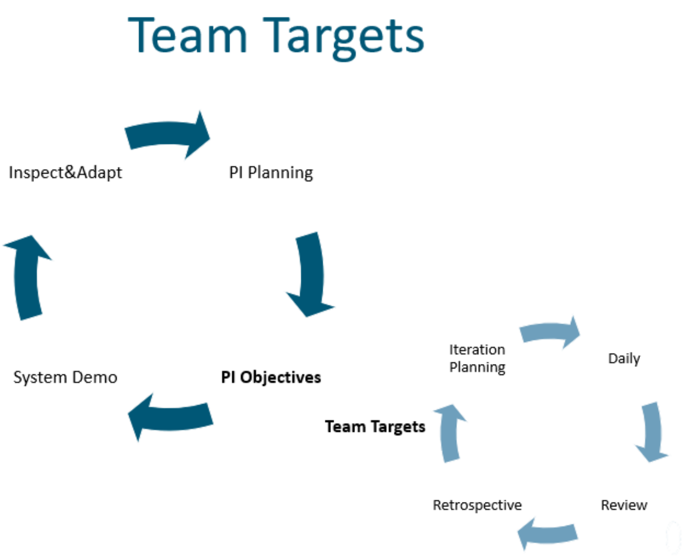

Figure 20. Team goals originate from the PI cadence

In addition to PI objectives, a team can recognize additional development areas and raise them as targets in the retrospective meetings. It is important that the team defines its own targets to ensure that they jointly agree and commit to them.

Recommendation: Each team defines team goals as part of their PI work. Team objectives need to be dynamic and be updated in each PI. Teams need to define their own metrics and follow up the progress regularly, updating the goals when necessary as part of the normal PI cycle.
Recommendation: Feedback should be embedded as part of the dialogue between people in teams. Teams should invest in existing agile routines, such as retrospectives.

5.1.2 Individual targets

Team goals can and should be used as inspiration for employees' individual goals. Every employee can create their own goals based on team goals. How team members contribute towards team-level targets by embodying the desired values, mindsets and behaviours should be considered as part of individual goals.

The manager's role in this setup is to discuss the individual targets with the team members and to support and coach them towards the targets. The case company already has frequent check-in discussions in place, so these can be harnessed for the target-setting discussions (see process in figure 21).

Figure 21. Individual targets originate from team-level targets and PI objectives

It is each employee’s responsibility to determine their own goals based on the team-level and ART-level objectives. These goals can be discussed, and growth and development ideas shared in the check-in meetings.

Recommendation: Each team member identifies their own goals and priorities, which support team and ART-level goals. The manager’s role is to support and coach each team member towards the identified goals. Goals are updated and followed up regularly in the check-in meetings. Feedback related to the identified goals or priorities is collected by the manager and/or the employee from multiple sources.

5.2 An agile leader helps people excel

This section considers the findings and proposals related to the second sub-question, **“How should agile principles be applied to management, particularly in the area of feedback?”**

Agile leadership differs from traditional leadership in many ways. The aim of agile leadership is to empower and delegate as much power as possible to the employees. Instead of focusing on control, agile leadership centres on coaching, promoting learning and motivation. One of the key elements of agile leadership is building shared purpose and vision. How the teams choose to operate and achieve the common goals should be left for them to decide. Because agile leadership and self-management in general are relatively new to the case company, it might be good to increase transparency in the leadership area and to clarify the different dimensions of leadership roles. This is important for the managers as well, as the role change from traditional manager to agile leader requires a significant change in the mindset.

The line manager’s role in the case company is to focus on resourcing and people management. The latter area comprises competence development, career paths and personal development plans, occupational well-being, engagement and motivation.

In the case company, the managers in this type of role can define their own goals and metrics together as a team, making them transparent and sharing their progress with their teams. By asking for feedback from their team members on themselves and their goals, managers would set an example of feedback-seeking behaviour and encourage openness in conversations.

Recommendation: Implement the team goal and individual goal model also among team managers, define the necessary leadership development goals and metrics, and share them with the teams.
Recommendation: Invest in training managers to achieve the necessary coaching skills for supporting the development and learning of the agile teams and individuals.
Recommendation: To better understand what actions or support are needed, start measuring employee engagement through two dimensions: line organization and value stream. Share results in both dimensions and agree action points with the teams.
Recommendation: Launch a leadership programme that concentrates on the skills that support fostering psychological safety.
Recommendation: Managers act as role models, displaying behaviour that can increase psychological safety in the organization.

5.3 Building a feedback-friendly culture

This section considers the findings and proposals related to the third sub-question, **“How can an open feedback culture be created?”**

An open feedback culture requires not only a high sense of belonging and team spirit, where team members are encouraged to contribute ideas, take risks and challenge the team and its activities openly, but also a high level of psychological safety. The organization's culture should be developed in a direction where people feel safe in giving feedback even without anonymity. The organization needs to support sharing feedback in all directions: upwards, downwards and to peers. People should be encouraged to conduct open dialogues, which would be set as a part of team-level or individual goals.

In the case company, feedback could be tied more closely to learning and innovation. Teams should be able to genuinely use failure as a learning opportunity.

Recommendation: Invest in psychological safety, starting by measuring how safe teams and individuals feel in the organization. This can be achieved by simply asking the team how safe they feel and what could increase their feeling of safety. These types of questions can also be added to the employee engagement survey.
Recommendation: Train teams and individuals in giving and receiving feedback, define feedback-sharing as one of the goals, and increase open dialogue around the topic.
Recommendation: Encourage people to give feedback. This could be gamified, for example, by using an online feedback-sharing tool and awarding people stars or points whenever they proactively give feedback to their peers, managers or other colleagues.
Recommendation: Leaders and managers should set an example by continuously asking for feedback and being open to receiving it.

5.4 Securing specific and timely feedback

This section considers the findings and proposals related to the fourth sub-question, **"What feedback alternatives exist for employees in an agile organization?"**

Each employee should be able to collect feedback that specifically applies to their current needs. The options for feedback collection should be clarified and easily available for everyone in the organization.

A minimum level of feedback should be ensured for all employees, including those who do not currently actively seek it. Performance and feedback check-in discussions could be used to support this. It should be noted that these conversations should be arranged continuously so that the feedback is timely and can support future actions. Having this type of conversation annually is not enough, but it could be added to the existing cadence of PI planning.

Further, employees should have the ability to obtain feedback whenever they feel they need it. This can be arranged by providing a set of feedback alternatives for the employees. The alternatives should be made visible in a structure that supports collecting feedback in the moment. They could be in a few different formats, for example a supportive playbook for face-to-face feedback-sharing and an online tool for giving and receiving feedback.

Recommendation: Train employees in giving and receiving feedback. Create one-page instructions on the feedback-sharing structure that can be used as a guide for feedback conversations.
Recommendation: Adopt an online tool where everyone can request or give feedback.

5.5 Structure for giving and receiving feedback

This section seeks to answer the main research question, **"How can an agile approach to individual feedback be built in the case company?"**, by providing a feedback framework that can be used in the case company.

Different individuals have different needs and expectations, and these will change over time. There is no one-size-fits-all when it comes to individual feedback. The idea of the feedback framework is to create a structure wherein team members can choose from different feedback alternatives and timings based on what would be ideal for them at that moment. A minimum level of feedback should be ensured for all employees, even those who choose not to actively seek feedback at each moment.

Feedback practices and options should be clearly communicated and adjusted when needed. A proposed feedback framework is presented in figure 22.

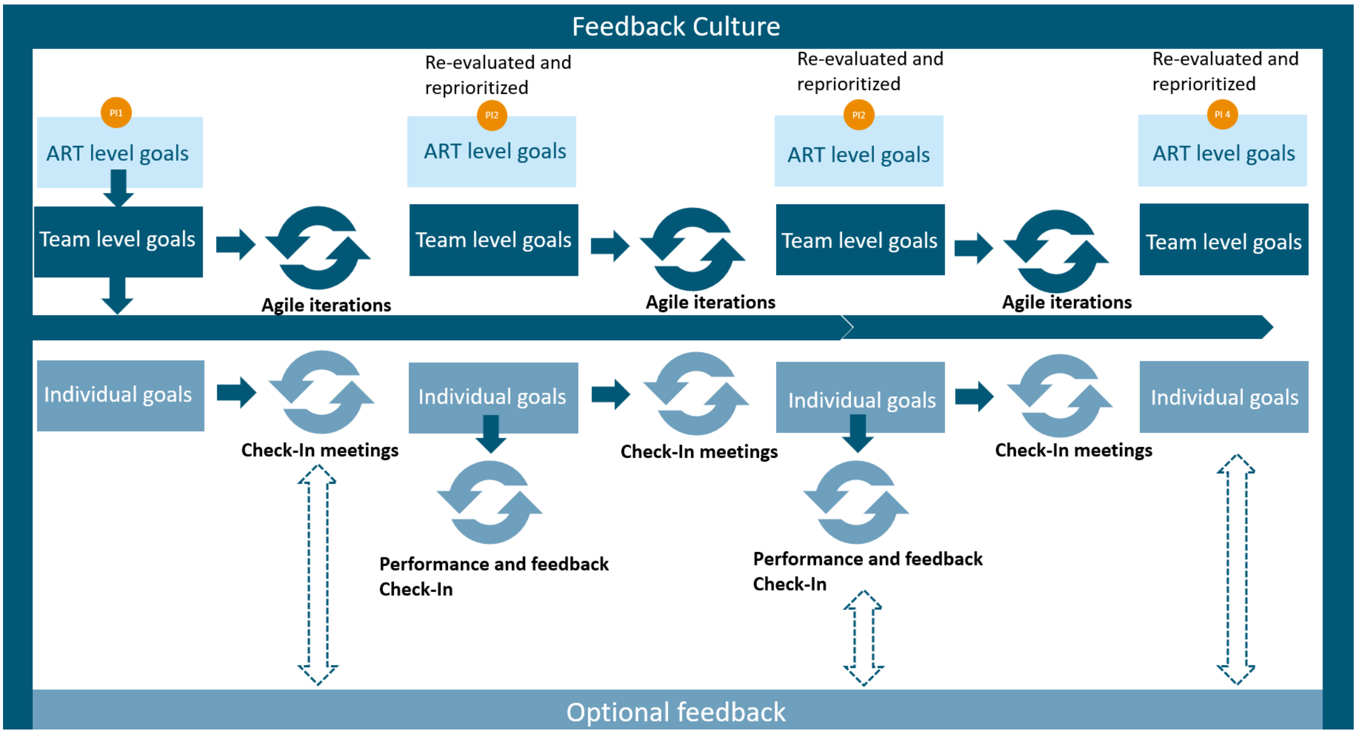

Figure 22. Feedback framework

The feedback framework has multiple layers, where the expectations originate from a higher level and are both vertically and horizontally aligned.

There are certain goals in the value stream (ART) level, and the teams set their own goals to support the higher-level vision. Additionally, the teams can set goals that support the team's work methods, cooperation, dynamics, well-being and so on. Achieving the goals is measured not by what each individual completes but rather by the impact of the team as a whole on the solutions they are building. Teams utilize existing agile routines, such as planning and retrospective meetings, for target-setting and feedback-sharing. This activity is part of the agile feedback loop and already in place in many of the teams in the case company, but the maturity level differs.

In the proposed feedback framework, the individual targets originate at the team level. Each team member is also able to set personal targets that support their ambition, well-being, career development, etc. The manager acts as a coach by encouraging, listening and questioning, providing and collecting feedback, supporting in the target setting, recognizing and pointing out strengths. Dedicated performance and feedback check-in discussions are used to give transparency to performance evaluations and share feedback from stakeholders, as well as between managers and the team members. These performance and feedback check-ins are conducted continuously, supporting each team member's needs.

Besides the check-in meetings and agile retrospectives, each team member should have the ability to choose if and when to collect optional feedback, individually deciding:

- when it is a good time for feedback
- what the feedback should focus on
- where the feedback should come from

There should be alternatives to choose from, as well as a tool that supports feedback collection. The tool should be easy to use and to access, providing each employee the opportunity to seek timely feedback as well as recognizing their team members, managers or any other stakeholder in the company. There are many such tools available in the market, and it would be good to find a holistic solution that could also be used for target-setting. Time must be invested into planning how such a solution is to be put into practice.

5.6 Reliability and validity of the research

The aim of the research was to present recommendations as to how to implement individual feedback in an agile approach. This was done based on feedback iterations and literature. Recommendations were given for a feedback framework, as well as for practical actions to take in the case company.

The method of the study was action research. This differs from other research methods due to its explorative nature, where each development iteration influences the next one. Another factor that makes action research unique is its collaborativeness, where the researcher and members of the organization are actively involved in the research process and contribute their personal experiences and knowledge to the study. From this perspective, if reliability is measured according to whether the same results would have been achieved by different researcher and different participants using the same methods, the study's reliability is not very high. However, action research is a method built on participants' subjective experiences as well as theoretical knowledge, and the objective is to find a solution that fits a specific case, and in these terms the reliability level is acceptable. One interesting option that might have increased the internal reliability would have been to bring more than one researcher into the project. Reliability-related consistency could also have been increased by recording or transcribing the interviews, but this was decided against for confidentiality and ethical reasons.

Research validity can be evaluated from the perspective of whether the research findings could be generalized to other relevant settings or groups. The study's results can be used in the case company in other teams that are structured like the focus group. To some extent, the results could also be extended to any company that has a similar organizational structure, which is using the Scaled Agile Framework. It should be noted that an agile environment is continuously developing and all organizations have their own ways of applying agile principles, so the results can and should be used as a loose framework and applied selectively.

5.7 Reflection on learning and recommendations for further research

During the research, it became evident that before feedback is provided, clear expectations must exist. Feedback is rarely useful unless it relates to something concrete. Feedback must be focused and have a context in order to be effective and help employees to thrive. This was one of the first lessons derived from the iterations. Therefore the study also aimed to identify best practices for target-setting in an agile structure. Knowing expectations is a prerequisite for any feedback conversation.

The findings related to a change in mindset were enlightening for the researcher. The shift from passive feedback recipient to active participant who continuously not only seeks but also delivers feedback, can be considered as one of the key changes that an agile organization needs to implement in their culture. This type of mindset change must be supported at all levels of the case company.

Prior to the study and its iterations, at least in the researcher's mind, feedback was closely connected to performance evaluation. An interesting lesson from the iterations was that feedback conversations can and should be separated from performance evaluations. Performance evaluations focus on the past and the outcome can no longer be influenced. Feedback conversations should look forward and focus on learning, growth and development. The tone of feedback conversations should never be judgemental but encouraging and supporting. Coaching plays a significant role in agile leadership and could be one of the areas for future research.

Another very important finding of the iterations was the importance of psychological safety. One example is the belief that feedback should be given anonymously. Anonymity can in fact be harmful in feedback-sharing situations, especially when the recipient does not agree or understand the received feedback and is unable to ask for further insight. If the feeling in the organization is that it is not safe to share views openly, the culture should be developed in a direction where people feel safe in providing and receiving feedback, without a fear of consequences. Anonymity supports quantitative methods, such as surveys, better than individual development. Another area for future research could be related to psychological safety and its elements in an agile structure.

Many elements that are important for the agile leadership model could also be investigated further. In the team structure presented in this study, it could be beneficial to look into areas not included herein but close to the topic, such as performance management, self-development and learning.

References

Aghina, W., Ahlback, K., De Smet, A., Lackey, G,. Lurie, A., Murarka, M. & Handscomb, C. 2018. “The five trademarks of agile organizations.” McKinsey Report. Available at: [Accessed 13/3/2021]

Agile Alliance. Available at: https://www.agilealliance.org/agile101/ [Accessed 16/3/2020]

Agile Manifesto. Available at: https://agilemanifesto.org/ [Accessed 7/3/2021]

Ahonen, R. & Lohtaja-Ahonen, S. 2011. Palaute kuuluu kaikille. Helsinki: Infor.

Anseel, F. 2017. “Agile learning strategies for sustainable careers: A review and integrated model of feedback-seeking behavior and reflection.” Current Opinion in Environmental Sustainability, 28, pp. 51–57. doi:10.1016/j.cosust.2017.07.001

Baker, A., Perreault, D., Reid, A. & Blanchard, C. 2013. “Feedback and Organizations: Feedback is Good, Feedback-Friendly Culture is Better.” Canadian Psychology, 54(4), pp. 260–268. doi:10.1037/a0034691

Bankston, A. 2018. HR and the Agile Organization. Leanpub.

Cappelli, P. & Travis, A. “HR Goes Agile.” Harvard Business Review, March–April 2018.

Carroll, A. 2014The Feedback Imperative: How to Give Everyday Feedback to Speed Up Your Team's Success. Goodreads Author.

Darino, L., Sieberer, M., Vos, A. & Williams O. 2019. “Performance management in agile organizations.” Available at: https://www.mckinsey.com/business-functions/organization/our-insights/performance-management-in-agile-organizations [Accessed 13.3.2021]

De Smet, A. 2018. “The Agile Manager”. McKinsey Quarterly. Available at: https://www.mckinsey.com/business-functions/organization/our-insights/the-agile-manager [Accessed 13/3/2021]

De Smet, A., Edmondson, A., Rubinstein, K., Schrah, G. & Vierow, M. 2021. “Psychological safety and the critical role of leadership development.” McKinsey

Quarterly. Available at: Psychological safety and leadership development | McKinsey [Accessed 1/4/2021]

Delizonna, L. 2017. “High-Performing Teams Need Psychological Safety. Here’s How to Create It.” Harvard Business Review, August 2017.

Denning, S. 2018. “The emergence of Agile people management. Strategy & Leadership.” Available at: https://www.researchgate.net/publication/326308251_The_emergence_of_Agile_people_management [Accessed 21/3/2021]

Denning, S. 2019. “Lessons learned from mapping successful and unsuccessful Agile transformation journeys.” Available at: https://www.emerald.com/insight/content/doi/10.1108/SL-04-2019-0052/full/pdf?title=lessons-learned-from-mapping-successful-and-unsuccessful-agile-transformation-journeys [Accessed 21/3/2021]

Dugan, J. P., Barnes, A. C., Turman, N. T. & Torrez, M. A. (2017). Leadership Theory: Facilitator’s Guide for Cultivating Critical Perspectives. Retrieved from https://ebookcentral.proquest.com

Edmondson, A. C. 2018. The Fearless Organization. Wiley.

Gothelf, J. 2020. “Use OKRs to Set Goals for Teams, Not Individuals.” Harvard Business Review, December 2020.

Hayward, S. 2018. The Agile Leader. How to Create an Agile Business in the Digital Age. KoganPage.

Heifetz, R. A., Grashow, A. & Linsky, M. 2009. The practice of adaptive leadership: Tools and tactics for changing your organization and the world. Boston, MA. Harvard Business Press.

Hesselberg, J. 2018. Unlocking Agility: An Insider's Guide to Agile Enterprise Transformation. Addison-Wesley.

Koning, P. 2019. Agile Leadership Toolkit: Learning to Thrive with Self-Managing Teams. Addison-Wesley Professional.

Koshy, V. 2005. Action Research for Improving Practice, A Practical Guide. Paul Chapman Publishing.

Kupias, P., Peltola, R. & Saloranta, P. 2011. Onnistu palautteessa. Helsinki: WSOYpro.

Landsberg, M. 2015. The Tao of Coaching, Boost Your Effectiveness at Work by Inspiring and Developing Those Around You. Profile Books.

Lee, M. Y. & Edmondson, A. 2017. Self-Managing Organizations: Exploring the Limits of Less-Hierarchical Organizing. Research in Organizational Behavior. Harvard Business School.

Martela, F., Jarenko, K. & Paju, S. 2017. Itseohjautuvuus: Miten organisoitua tulevaisuudessa? Helsinki: Alma Talent.

Mason, R.B. 2013. “Complexity Theory and Leadership for Turbulent Environments.” September 2013. Journal of Social Sciences 36 (3). Available at: https://www.researchgate.net/publication/263739054_Complexity_Theory_and_Leadership_for_Turbulent_Environments [Accessed 20/3/2021]

Nowostawski, M. 2016. Make Them Grow: Giving Feedback People Apply. Goodreads Author

Ojasalo, K., Moilanen, T. & Ritalahti, J. 2014. Kehittämistyön menetelmät: Uudenlaista osaamista liiketoimintaan. Third, revised edition. Helsinki: Sanoma Pro.

Ready, D. A. & Truelove, E. 2011. “The Power of Collective Ambition.” Harvard Business Review, December 2011.

Ryan, R. M. & Deci, E. L. 2017. Self-Determination Theory: Basic Psychological Needs in Motivation, Development, and Wellness. Guilford Publications.

Saunders, M., Lewis, P. & Thornhill, A. 2012. Research methods for business students. Sixth edition. Pearson.

“SAFe, SAFe for Lean Enterprises 5.0”. Available at: https://www.scaledagileframework.com/ [Accessed 18/10/2020]

“SAFe, Agile Release Train”. Available at: Agile Release Train - Scaled Agile Framework [Accessed 26/2/2021]

“SAFe, Agile Teams”. Available at: https://www.scaledagileframework.com/agile-teams/ [Accessed in 18/10/2020]

“SAFe, Program Increment”. Available at: Program Increment - Scaled Agile Framework [Accessed 26/2/2021]

Scrum Alliance 2020. “About Scrum”. Available at https://www.scrumalliance.org/ [Accessed 18/10/2020]

Stone, D. & Heen, S. 2015. Thanks for the Feedback: The science and art of receiving feedback well (even when it is off base, unfair, poorly delivered, and, frankly, you're not in the mood). New York: Penguin Books.

“The basics of Agile transformations”. Available at: https://www.leadingagile.com/2018/07/the-basics-of-agile-transformation/ [Accessed 27/3/2020]

Thoren, P. 2017. Agile People, A Radical Approach for HR & Managers (That Leads to Motivated Employees). Lioncrest Publishing.

Appendices

Appendix 1. Employee Engagement Questionnaire and Results

- Tailored for Engineers & Sourcing FI team (25/11/2020)
- 16/20 responded

Name	Score ↓	% Favorable	Question
Collaboration	73	75%	We collaborate effectively in our team to get things done. Nov 15, 2019
Value - Check-in	69	75%	I get value from my check-ins. Nov 15, 2019
Motivation	69	63%	I feel motivated in my job. Nov 15, 2019
Development	69	75%	I continuously learn and develop in my work. Nov 15, 2019
Role Clarity	67	56%	I clearly understand what is expected of me in my role. Nov 15, 2019
Empowerment	66	56%	I feel empowered to make decisions regarding my work. Nov 15, 2019
Initiative	64	69%	I am encouraged to find new and better ways to get things done. Nov 15, 2019
Recognition	63	56%	I feel satisfied with the recognition or praise I receive for my work. Nov 15, 2019

Appendix 2. Leadership Effectiveness Questionnaire and Results

- All employees (12/11/2020)
- 16/20 responded

Name	Sc... ↓	% Favorable	Question
Autonomy - Leader	91	94%	My manager does not micromanage. Nov 12, 2019
Input - Leader	89	94%	My manager values my perspective. Nov 12, 2019
Values - Leader	84	94%	My manager's behavior is consistent with the company values. Nov 12, 2019
Support - Leader	83	81%	I can get the support I need from My manager. Nov 12, 2019
Leadership Index	83	94%	I would recommend my leader, to others. Nov 12, 2019
Ways of Working - Leader	78	69%	My manager promotes more effective ways of working. Nov 12, 2019
Recognition - Leader	77	75%	My manager recognises me when I do a good job. Nov 12, 2019
Collaboration - Leader	77	63%	My manager collaborates successfully across teams. Nov 12, 2019
Consideration - Leader	75	75%	My manager cares about me as a person. Nov 12, 2019
Priorities - Leader	72	69%	My manager keeps our team focused on clear priorities. Nov 12, 2019
Motivation - Leader	72	56%	My manager inspires me to do my best. Nov 12, 2019
Direction - Leader	72	75%	My manager sets a clear direction for our team. Nov 12, 2019
Delivery - Leader	72	69%	My manager does a great job of supporting the team to deliver our commitments. Nov 12, 2019
Challenge Status Quo - Leader	72	75%	My manager encourages bold ideas that challenge the status quo. Nov 12, 2019

Team Accountability	70	67%	My manager has clarified what our team is accountable for. Nov 12, 2019
Operating Model Behaviours	70	67%	My manager has been clear on what changes in behaviours the operating model requires from our team. Nov 12, 2019
Customer Focus - Leader	70	69%	My manager keeps us focused on the customer. Nov 12, 2019
Deals with Performance - Leader	69	63%	My manager deals with poor performance when needed. Nov 12, 2019
Deals with Performance - Leader	69	63%	My manager deals with poor performance when needed. Nov 12, 2019
Leadership Impact > Feedback - Leader	64	50%	My manager provides me with continuous feedback that helps me improve my performance. Nov 12, 2019
Career Discussions - Leader	63	50%	My manager has meaningful discussions with me about my career development. Nov 12, 2019
Ambition - Leader	61	50%	My manager sets ambitious goals that drives performance. Nov 12, 2019

Appendix 3. Feedback Questionnaire 1

Employee Feedback Survey (3/12/2020)

1. **Delivers results according to expectations**

☐ No opinion

☐ Completely agree

☐ Partly agree

☐ Partly disagree

☐ Completely disagree

(When answering “completely disagree”, force to provide open comment)
To ease understanding of the feedback, please specify what you are referring to with some example(s):

2. **Finishes tasks according to agreed timeline**

☐ No opinion

☐ Completely agree

☐ Partly agree

☐ Partly disagree

☐ Completely disagree

(When answering “completely disagree”, force to provide open comment)
To ease understanding of the feedback, please specify what you are referring to with some example(s):

3. **Always maintains good quality in their work**

☐ No opinion

☐ Completely agree

☐ Partly agree

☐ Partly disagree

☐ Completely disagree

(When answering “completely disagree”, force to provide open comment)

To ease understanding of the feedback, please specify what you are referring to with some example(s):

4. Takes ownership of the entire process and outcome

☐ No opinion

☐ Completely agree

☐ Partly agree

☐ Partly disagree

☐ Completely disagree

(When answering “completely disagree”, force to provide open comment)
To ease understanding of the feedback, please specify what you are referring to with some example(s):

5. **Independently proposes solutions to problems**

☐ No opinion

☐ Completely agree

☐ Partly agree

☐ Partly disagree

☐ Completely disagree

(When answering “completely disagree”, force to provide open comment)
To ease understanding of the feedback, please specify what you are referring to with some example(s):

6. Is self-driven and active

☐ No opinion

☐ Completely agree

☐ Partly agree

☐ Partly disagree

☐ Completely disagree

(When answering “completely disagree”, force to provide open comment)
To ease understanding of the feedback, please specify what you are referring to with some example(s):

7. **Helps colleagues achieve shared goals**

☐ No opinion

☐ Completely agree

☐ Partly agree

☐ Partly disagree

☐ Completely disagree

(When answering “completely disagree”, force to provide open comment)
To ease understanding of the feedback, please specify what you are referring to with some example(s):

8. **What does the person do well that they should continue with?**
9. **What should they do differently?**
10. **What should they stop doing?**

Appendix 4. Feedback Survey Covering Letter

I am reaching out to you to collect feedback on how you have experienced my work and our collaboration. I would be grateful if you could take 10 minutes to respond, as your answers will support me in my continuous development.
To make your feedback easier to work with, I would appreciate it if you could include open comments, with specific examples, particularly suggestions of what I should continue with / what I should do differently / what I should stop doing.
Please note that your answers will be processed as part of an aggregated report and therefore anonymous.

Thank you in advance for the feedback!

Appendix 5. Research Schedule

	2019			2020												2021			
	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4
New Engineers & Sourcing FI team structure taken into use after reorganization																			
Employee Engagement survey conducted for the Engineers & Sourcing FI team (Appendix 1)																			
Company-wide Leadership Effectiveness survey conducted (Appendix 2)																			
Feedback training arranged for the Engineers & Sourcing FI team by the case company HR																			
Feedback Iteration 1																			
Feedback Iteration 2																			
Feedback Iteration 3																			
Researching literature about Agile, agile leadership and feedback																			
Feedback results discussed in team member check-in discussions																			
Creating guidelines for target-setting and feedback collection																			
Focus group discussions with the Engineers & Sourcing FI team																			
Focus group discussion with the case company leadership community																			
Finalizing guidelines based on the group discussions																			