

Flight Levels® at AXA HR: The transformation of thinking

Agility has long been an issue for us at AXA Switzerland. For more than ten years, our company with around 4,500 employees has undergone a transformation, which started in IT and has continued in a comprehensive cultural change. I was responsible for the change in Business & IT until 2020 when it became clear that one area had always supported all the others in the change but had never been the subject of a comprehensive transformation itself – our Human Responsibility department.

In many other areas, we had already prepared AXA in depth for the current and future challenges: with new working models, shared leadership (technical, methodological, and line management), more responsibility for the teams, a modern understanding of leadership and our own scaling framework, because we did not want to implement any of the standard ones. HR had always been involved as a reliable support in all of these discussions and had also experimented with new roles and ceremonies, although the old hierarchical structures in HR had remained in place at the same time.

However, is an HR department with around 120 employees the right support for the rest of the organisation if it is not living the transformation itself? My colleagues in HR were very keen to add real value and find solutions together with the business. So, it was never about introducing agility for its own sake, but to deliver

value faster, better, and more effectively. This self-critical scrutiny led to a small core team starting to develop an agile working model on behalf of HR management in 2019. From the outset, this core team took the following view: We start with what we know and what we can do. We are aware that all results are only preliminary and will trigger the next round of development.

Step 1: From hierarchy to service structure

The core team used seven key points as a starting point for its deliberations on the new structure:

1. The objectives were derived from the company's *vision and strategy*.
2. *Conditions* and the initial structure were defined.
3. For the *new roles*, it was worked out how they could build up their knowledge and expand their competencies.
4. Regular reviews and town halls were planned to develop the *culture*.
5. Progress and *management decisions* should be as transparent as possible.
6. regular dialogue was planned with *stakeholders* such as the business and AXA's agile community.
7. Cooperation with the company's *environment* (i.e. with external experts) was to provide a neutral view from the outside and serve as inspiration for further measures.

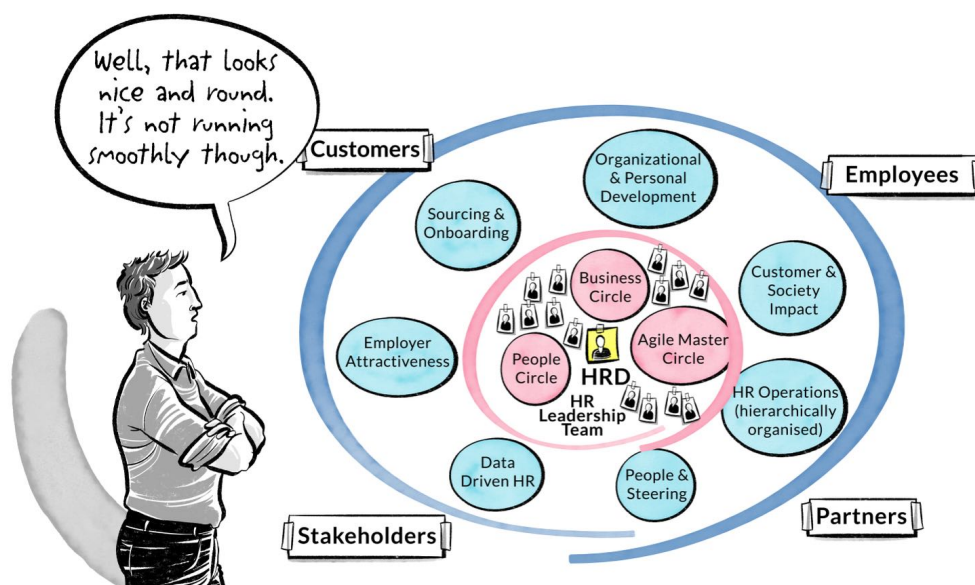


Figure 1: The initial service structure of AXA HR

After analysing these seven aspects, the core team decided on a service structure. This meant that HR employees were organised into product teams along the employee lifecycle, i.e. from identifying and recruiting new talent to onboarding and data-driven HR through to personal development (see Figure 1). These teams were (and are) led by Product Owners or Agile Masters in terms of technical and methodological aspects. However, there were also exceptions: For example, as HR Operations is primarily concerned with efficient processes, this area didn't follow the new structure.

The entire service structure was managed by the HR leadership team, which included the line managers (people circle) in addition to the Product Owners and Scrum or Agile Masters. It soon became apparent that a leadership circle of 16 people was simply too large, and the constellation created a lot of ambiguity.

Nevertheless, in November 2020, in the middle of the coronavirus pandemic, AXA HR switched to the new service structure with a big bang. All management roles were not only new, but also newly filled, and the processes were new at all levels as well. So, the service structure was accompanied by all the pain associated with a big bang. Right at this time I joined HR myself.

A year and a half later, a strategy review made it clear: despite some progress, the situation was still not satisfactory. It was becoming increasingly clear that this initial organisational and management structure was not suitable in many respects.

Step 2: Team Topologies help to organise the structure

At this point, I introduced "Team Topologies" as a model for thinking about structure and "Flight Levels" as a model for thinking about steering the system. It was important to me to talk about thinking models because it provided a direction for our discussions but did not immediately restrict them with rules for application.

Based on the ideas of "Team Topologies", we first took a closer look at the product teams: What was the operating model of each individual team? By examining this question, we identified three types of teams (Figure 2):

- *Business and feature teams* offer their customers (in the case of HR, it was the business) certain services, for example, change management or administration.
- *Portal teams* deal with overarching issues that affect several business teams.
- *Platform teams* support the business and portal teams in providing their services.

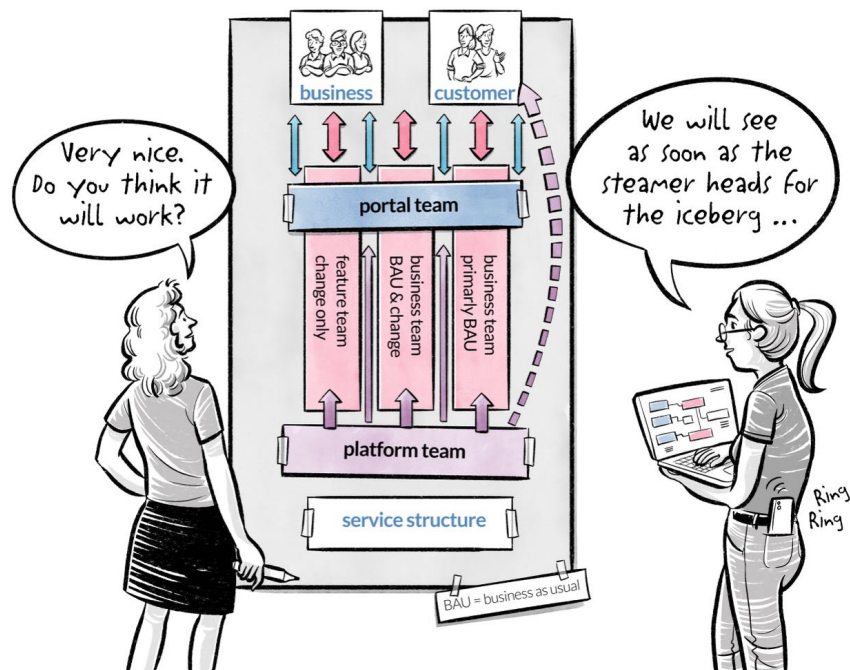


Figure 2: Team structure following Team Topologies

Alongside reorganising the teams, we also redefined the products because, during the first restructuring attempt, it had become apparent that the products were cut too large. This resulted in two negative effects: Firstly, it was not always easy for business customers to find the right contact person. Secondly, the structure proved to be difficult to manage: The product owner of one product, for example, had been responsible for seven different teams! Taking inspiration from Team Topologies helped us to cut much smaller products and teams and align them more clearly with their purpose.

Based on the experiences HR had made in the first restructuring attempt, we deliberately decided against a big bang this time – only the management team was reorganised on a key date. This time, transparency was more important than a quick changeover to something new. That is why very early on in the process, we communicated the principles of our work to the employees,

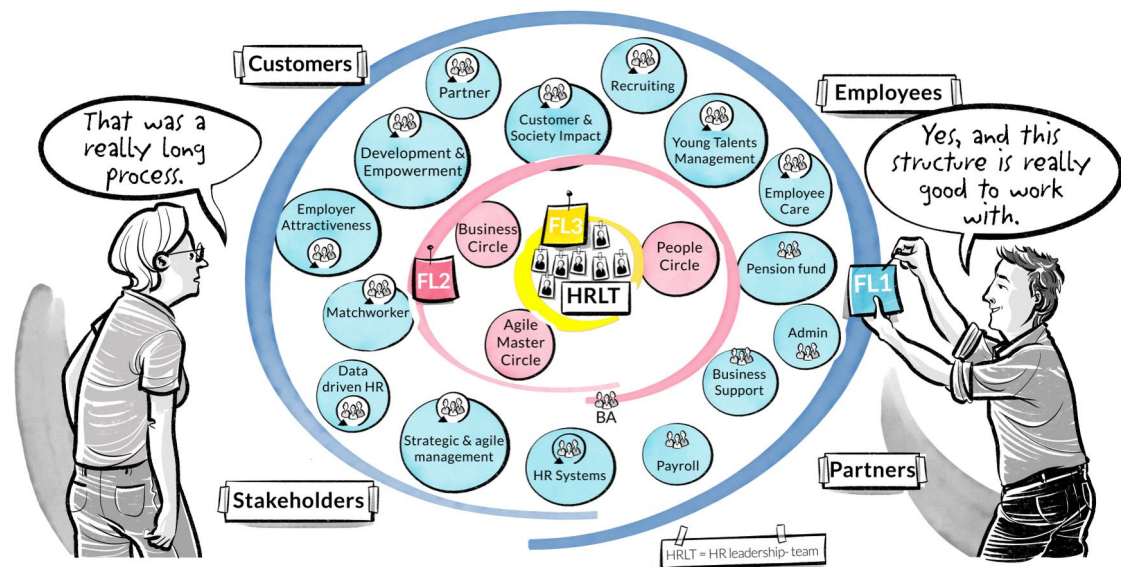


Figure 3: The current structure with smaller Product Teams and a smaller Leadership Team. Flight Levels already show themselves.

and we were open about the discussions we led within the HR management team.

The new team and product cuts were therefore implemented over several months, as this included the reassignment of the Product Owner roles. Not all teams were directly affected, but where this was the case, the new team and associated management structure were worked out together with the affected employees. In the same way, the individual ceremonies were gradually integrated into the daily work routine and continuously optimised.

As far as steering the service structure was concerned, the previous two years had made it clear that a leadership team does not provide enough clarity if it is understood as a sum of management roles. The diffusion of responsibility between the individual committees is considerable in this case. The new leadership team therefore took a different approach and formed itself as a conscious selection of perspectives, such as customer view, employee view, transformation or processes and efficiency. Thanks to this entirely new approach, seven people have sufficed for this constellation since then instead of 16, as had been the case after the first restructuring. In this revised structure, the Agile Masters, People Developers, and Product Owners form the coordinating level in their respective core topics. On closer inspection, Flight Levels 1, 2, and 3 can already be recognised in Figure 3, and it was precisely with this second thinking model that we continued.

Step 3: Flight Levels for steering and overcoming old thought patterns

Even though it would have been more convenient, I deliberately refrained from working with ready-to-use Flight Level patterns when it came to the question of steering. We aimed to develop methods and processes for the steering of the system in an evolutionary way, only by using the thinking model as a guiding principle. This was important to us because one of the key findings from the first restructuring attempt had been that a big bang makes joint learning much more difficult. It was precisely this joint learning that we wanted to integrate better in the second attempt.

Many of the Flight Levels elements, such as boards and meetings, were already in place. At the team level, for example, hardly anything had to be changed to work with Flight Levels. At Flight Levels 2 and 3, on the other hand, it was a matter of bringing order, because in the original service structure, the colleagues at Flight Level 2 had also been part of the steering committee. We therefore had to sort out which discussions and coordination should take place where in the new constellation because at Flight Level 2, the primary aim is to manage the dependencies based on the product roadmaps of the individual teams. Furthermore, we wanted to prioritise the initiatives that were derived from the HR and corporate strategy and break them down into actionable tasks. The major task here is to create even more transparency than is currently the case by organising more value-creating coordination meetings.

In general, the biggest challenge still for everyone involved is to see Flight Levels not as a model of hierarchical levels but as a responsibility model. Of course,

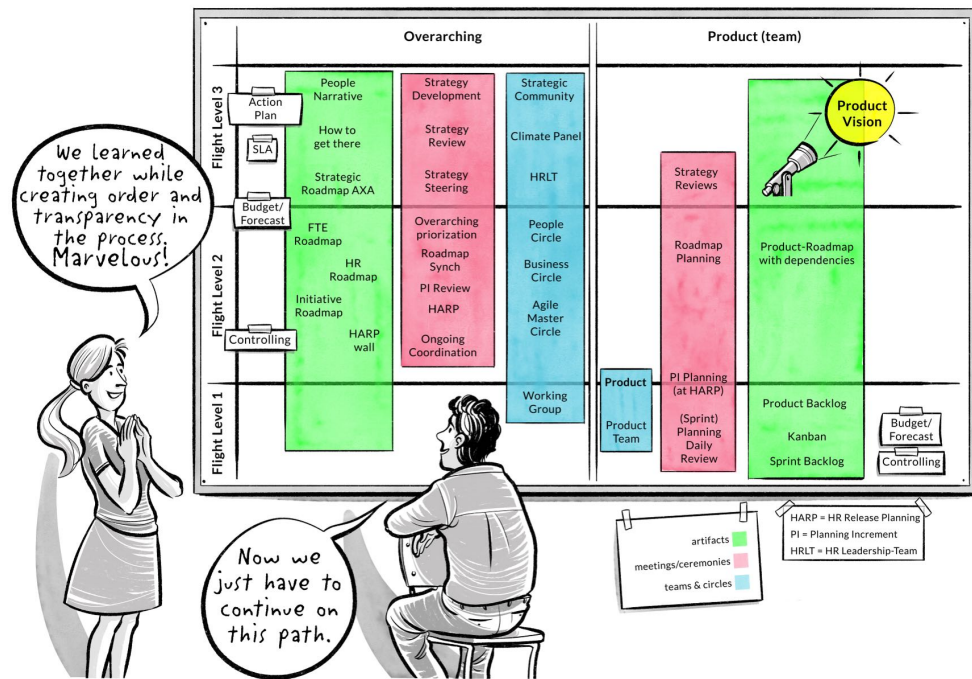


Figure 4: Flight Levels 1,2, and 3 at AXA HR

this requires a major change in thinking, which does not happen from one day to the next. For example, it must always be made clear that Flight Level 2 has a purely coordinative function and does not decide on technical questions as a governance body. In the past, many governance issues were passed on to the Business Circle if no decision had been made at Flight Level 1. However, passing on technical decisions to people who want to focus on coordination and should "only" decide on priorities makes no sense at all.

Therefore, we have a clear goal for Flight Level 1: We want to strengthen the autonomy and decision-making authority of the product teams even more so that this problem no longer occurs in the future. After all, making decisions at Flight Level 1 must be possible, especially when two or more teams are working on a joint project. For this to work, Flight Level 3 must be good enough at strategic management, and Flight Level 2 has to be good enough at coordination. Only in exceptional cases should it be necessary to go back the other way round.

The seven-member leadership team at Flight Level 3, which is responsible for the overarching management, is also working on the awareness of its responsibility for developing the strategy, the strategy review, and the management of its implementation. We are also fine-tuning the active part of forward-looking management. At the moment, every product team can state why their product contributes to the overall strategy in one way or another, but that is not how it is supposed to be. What we need, is a clear derivation from the strategy: "We want to improve in topic X –

how can the individual product teams contribute to this?" This will be the big task for the coming months, as we have just come out of an extensive strategy cycle and are currently operationalising the strategy.

So, HR at AXA has still a lot to do in terms of self-transformation, and we are all fully aware of it. We have deliberately embarked on this path of step-by-step learning, and a thinking model such as Flight Levels is an important aid in this context. For some years now, I have enjoyed using images in transformations. I don't use them because these images show the right solution – rather, they help to ignite the right discussions. It's the same with Flight Levels: It's a thinking model. We can be sure that many things will look different in a year. And that's how it should be. ■



Stefan Kollbrunner has been responsible for Agile Transformations in various companies over the last ten years. He has experienced first-hand the hype surrounding methods such as Scrum, Kanban, SAFe®, LESS, and Holacracy. Nevertheless, he has always remained true to his belief in common sense and the pragmatic, growing implementation of new ways of working. Currently, he is particularly focused on topics such as Business Agility, Agile HR, Agile Leadership, and organisational development toward more flexible business models. He is always open to sharing experiences and insights.

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