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ICT in Business

Stable, Not Permanent: Diagnosing Team Capacity Realignment in Agile and Hybrid Organisations

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MASTER'S THESIS

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Abstract

Background: Large enterprises using scaled agile frameworks such as SAFe build stable, long-lived teams around fixed business domains. When strategy shifts, the IT portfolio realigns, but existing team structures are not automatically suited to the new priorities, and strategy often bends to fit existing configurations rather than the reverse. The IT portfolio management, agile scaling, and team dynamics literatures address related phenomena, but none examine how team capacity should be configured to remain responsive to strategic change, nor what conditions determine an organisation's ability to do so.

Aim: This research develops a structured, empirically grounded artifact that helps practitioners diagnose why team capacity realignment fails after a strategic portfolio change, and identify the organisational conditions that support effective realignment.

Method: This research adopts Design Science Research, in a three-phase adaptation of the DSR Methodology: a literature review across seven streams, fifteen semi-structured interviews with Deloitte Technology & Transformation consultants analysed through hybrid inductive-deductive thematic analysis, and two expert review sessions.

Results: Realignment is obstructed by rigid annual and Programme-Increment planning cycles, an absent mandate to redirect capacity across domain boundaries, and a dogmatic application of SAFe's team-stability principle that conflates stability with permanence. It is supported by an explicit, recurring governance review, active senior mandate, and pre-built compositional flexibility. These findings were synthesised into a two-layer diagnostic artifact of four blocking-factor clusters and four enabling-condition clusters, refined through expert review that confirmed its diagnostic logic and led to substantial revisions.

Conclusion: Organisations should treat team capacity configuration as something to actively diagnose, not a structure to set once and defend. Effective realignment depends less on the right intervention than on whether the underlying governance, portfolio, team design, and leadership conditions are in place. The artifact gives Deloitte consultants a shared vocabulary for this diagnostic step, leaving intervention choice to professional judgement.

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Chapter 1

Introduction

1.1 Motivation and Context

Organisational strategy is not static. Large enterprises continuously face pressure to shift direction, driven by different factors such as market disruption, competitive dynamics, regulatory changes or internal re-prioritisation. Each strategic shift can trigger a corresponding realignment of the IT portfolio: initiatives that were central become less important, new priorities emerge, and delivery capacity must follow. For organisations that have invested heavily in building stable agile delivery structures, this creates a recurring and overlooked challenge. The teams, capabilities and governance arrangements that were constructed to deliver one strategic direction are not automatically suited to deliver the next.

This challenge is growing in relevance. The adoption of scaled agile frameworks has accelerated significantly over the past decade with SAFe emerging as one of the dominant approaches in large enterprises across sectors [Putta et al., 2019]. These frameworks deliver real benefits in stable conditions: faster delivery, higher team engagement, and stronger alignment between teams and value streams. But their design prioritises delivery stability over responsiveness to strategic discontinuity. As organisations face strategic shift that may not align with their established planning cadences, the question of how to reconfigure agile delivery capacity without dismantling the structures that make it work has become a pressing practical concern.

This research is conducted in partnership with Deloitte's Business of Technology & Agility practice, which has identified the rigidity of agile team structures as a recurring obstacle to strategic change across large enterprise clients. To capture this challenge as it is experienced across Deloitte's broader Technology & Transformation practice, the empirical data collection draws on consultants from BoTA and several adjacent teams, as described in Chapter 3.

1.2 Problem statement

Consider a large financial services organisation that has spent three years building stable Agile Release Trains around its core banking platform. Teams are well-functioning, delivery is predictable, and the organisation has invested heavily in the roles, rituals and governance structures that SAFe prescribes. Then a shift in regulatory requirements forces the organisation to reprioritise: compliance-driven initiatives that were previously handled as business-as-usual now demand dedicated capacity, while several platform consolidation initiatives that entire ARTs were built around lose strategic priority. The organisation knows what it needs to do next, but the structure it has built to deliver makes redirecting capacity unexpectedly hard.

When an organisation's strategy changes, its IT portfolio shifts: new initiatives gain priority while others are de-prioritised or even cancelled. In organisations that work agile or hybrid with these frameworks, this creates an immediate structural challenge: the teams responsible for execution are often configured around stable capabilities and value streams that were designed for the previous strategic direction. When that direction changes, the question is not simply what to do next, but whether the organisation is structured in a way that allows it to respond effectively.

In practice, organisations frequently find that their team configuration is too rigid to absorb strategic change. Teams are built around specific capabilities, embedded in stable structures, and governed by planning rhythms, including annual portfolio cycles and shorter iteration or Program Increment planning, that do not align with the pace or timing of strategic shifts. This misalignment is structural rather than incidental: it follows directly from how scaled agile frameworks organise planning and commitment cycles, as the remainder of this section illustrates.

In scaled agile frameworks, teams commit to a Program Increment, typically an eight to twelve week planning horizon, at the start of each cycle. Dependencies are mapped, capacity is allocated, and delivery commitments are made across multiple teams simultaneously. A strategic decision that arrives mid-increment does not slot neatly into this rhythm: it either waits until the next PI planning event, displacing work that teams have already committed to, or it is forced in through an exception process that disrupts the planning logic the organisation depends on. Meanwhile, annual portfolio cycles set funding and team allocations months in advance, leaving little room to absorb a strategic shift that arrives outside that window.

When a strategic change arrives, organisations discover that redirecting a team, redistributing capacity, or absorbing a new type of work is far more difficult than anticipated. This rigidity is not always the result of poor planning. It is often a direct consequence of how the organisation has structured itself for delivery stability. The challenge cascades through three levels: a strategic decision reshapes portfolio priorities, portfolio priorities drive capacity allocation decisions, and capacity allocation determines what teams can actually deliver. When the organisation cannot realign at any of these levels, strategic intent is either blocked entirely or constrained to what the existing configuration can absorb.

The result is an inversion of the relationship that strategy theory would predict. Chandler's classical formulation holds that structure should follow strategy: as organisations shift direction, their internal arrangements adapt accordingly [Chandler, 1962]. In practice, the opposite frequently occurs. Senior management accounts for the team structures that exist when making strategic choices, adjusting ambitions to fit what the current configuration can absorb rather than reconfiguring the organisation to deliver what the strategy demands. Strategic intent is constrained not by market conditions or resource scarcity alone, but by the delivery structures the organisation has built for itself. Strategy does not simply change direction, it bends to fit what already exists.

This challenge arises specifically in organisations using scaled agile frameworks such as SAFe, where team stability is an explicit principle. Stable, long-lived teams are treated as a prerequisite for the trust, shared mental models, and delivery predictability that agile ways of working are designed to achieve. While this serves organisations well in stable conditions, it creates a structural tension when strategic priorities shift: the very stability that makes teams effective also makes them resistant to reconfiguration. Hybrid organisations, those combining agile ways of working with more traditional project-based structures, face a related but distinct version of this tension, as the coexistence of stable agile teams and flexible project-based capacity creates governance complexity that makes strategic realignment harder to coordinate.

Despite the prevalence of this challenge in practice, the existing literature addresses team stability, workforce flexibility, and IT portfolio governance as separate concerns, but does not examine how these factors interact to determine an organisation's ability to realign team capacity when strategic priorities shift. The practitioner knowledge that does exist remains largely tacit and context-specific, dispersed across individual engagements rather than consolidated into structured guidance. We address that gap by developing a structured artifact that consolidates practitioner knowledge on the organisational conditions and structural factors that determine whether agile and hybrid organisations can effectively absorb strategic IT portfolio changes, grounded in both the existing literature and empirical data from practitioners with direct experience of the problem.

Figure 1.1 illustrates, the problem is not that strategic decisions are avoided, but that the structural conditions under which they must be made limit what is possible. Teams configured for stability become an obstacle to the very change the organisation needs to make. In the desired path, structure adapts to serve the new strategic direction and organisational goals are realised. In practice, the reverse occurs: strategy bends to fit existing structures, and the goals that motivated the change go unmet.

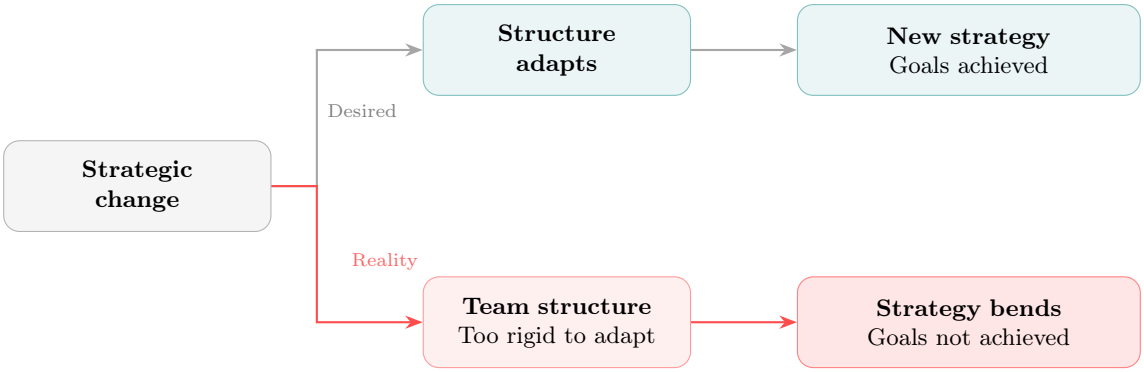


Figure 1.1: Two pathways following a strategic change: the desired path in which team structures adapt to serve the new strategic direction, and the reality in which structural rigidity causes strategy to bend to existing configurations, leaving organisational goals unmet.

1.3 Scope and Boundaries

This research focuses on large enterprises with substantial IT delivery capacity that operate with agile or hybrid agile-traditional delivery structures. The primary context is organisations using scaled agile frameworks. Hybrid organisations, those combining stable agile teams with more traditional project based structures, are included reflecting the reality that most large enterprises do not operate as purely agile organisations but rather as mixed environments in which agile and traditional ways of working coexist.

This research is conducted in a Western European context, drawing on practitioner experience from large enterprises operating with agile or hybrid agile-traditional delivery structures. The empirical data draws on practitioner experience across a range of sectors, as described in Chapter 3.We take an exploratory approach: the goal is to map and understand the challenge across organisational contexts rather than to draw sector-specific conclusions. We describe the organisational context in sufficient detail to enable practitioners in other settings to assess the relevance of the findings to their own situations.

We focus specifically on the team capacity configuration challenge that arises when an organisation's IT portfolio shifts following a strategic re-prioritisation, that is, the structural, governance, and organisational conditions that determine whether an organisation can realign its delivery capacity in response to a changed strategic direction. We do not aim to address every dimension of strategic change or organisational transformation. Questions of individual change management, technology selection, and broader organisational redesign fall outside the scope of this research. Large programme organisations governed primarily through traditional project structures, even where individual scrum teams operate internally, also fall outside scope.

1.4 Research questions

The main research question is:

> *How should organisations configure their team capacity to enable effective realignment following strategic IT portfolio changes, and what organisational conditions determine their ability to do so?*

This is supported by five sub-questions:

- SQ1: How do strategic IT portfolio changes disrupt existing team configurations in agile and hybrid organisations, and what makes realignment structurally difficult?
- SQ2: What organisational and governance conditions enable or constrain an organisation's ability to realign team capacity following a strategic IT portfolio change?
- SQ3: How does the principle of team stability in scaled agile frameworks interact with the need for flexibility when strategic priorities shift?

- SQ4: What organisational conditions and design principles enable organisations to maintain sufficient flexibility to absorb strategic change without undermining delivery stability?
- SQ5: How do experienced practitioners assess the completeness, relevance, and usability of the resulting artifact?

1.5 Method Motivation

This research adopts Design Science Research as its overarching methodology. DSR is particularly well suited to problems that are both practically important and insufficiently addressed by existing knowledge, conditions that clearly apply here. Rather than seeking to explain or predict organisational behaviour, we aim to produce a structured artifact that organisations and their advisers can draw on when navigating team capacity configuration challenges following strategic IT portfolio changes. Because the problem is grounded in practice and the goal is to produce something useful rather than to test a theory, DSR provides the appropriate methodological foundation. The methodology, data collection approach, and evaluation strategy are described in full in Chapter 3.

1.6 Overview of Thesis

Chapter 2 establishes the theoretical foundation by reviewing seven interconnected literature streams and identifying the gap this research addresses. Chapter 3 describes the Design Science Research methodology and the three-phase research design. Chapter 4 presents the empirical findings from the practitioner interviews. Chapter 5 presents the design, validation, and final version of the diagnostic artifact developed from these findings. Chapter 6 reflects on the key design decisions made during this process and discusses the theoretical and practical contributions and limitations of this research. Chapter 7 answers the research questions and outlines directions for future work.

Chapter 2

Related Work

This chapter establishes the theoretical foundation for the research by reviewing the academic literature relevant to team capacity allocation mismatches following strategic portfolio changes in agile and hybrid organisations. Seven interconnected literature streams are examined, each highlighting a different dimension of the problem. The chapter opens by introducing the concept of organisational strategy and strategic change, which provides the conceptual grounding for understanding why portfolio shifts occur and how they cascade into delivery structures. The second stream addresses organisational inertia and strategic decision avoidance, explaining why organisations frequently fail to adjust their team structures in response to strategic change and why portfolio decisions are delayed or avoided even when realignment is clearly needed. It then examines IT portfolio management, establishing the macro-level context in which strategic priorities are translated into portfolio decisions. The fourth stream covers resource allocation and multi-project management, documenting the structural causes and operational consequences of capacity mismatches in environments where multiple initiatives compete for shared personnel and resources. The fifth stream addresses agile scaling frameworks, explaining how large organisations structure teams around stable value streams and why this model is particularly vulnerable to disruption when strategic priorities shift. The sixth stream examines hybrid organisations, which combine stable agile teams with traditional project-based structures, and the governance complexity this coexistence creates when strategic realignment is required. The seventh stream examines team dynamics and reconfiguration, exploring what it costs to disrupt team stability and what conditions enable workforce flexibility. A separate section then reviews the solution strategies documented in the literature. The chapter closes by identifying the gap that unites all streams: while each touches on related challenges, none directly examine how agile and hybrid organisations should configure their team capacity to remain responsive to strategic change, nor what organisational conditions determine their ability to do so. That gap defines the contribution of the present research.

2.1 Organisational Strategy & Strategic Change

Organisational strategy defines the long-term direction of a firm, determining which goals are pursued, which resources are committed, and which capabilities are developed over time. Rather than being a fixed plan decided once at the top of the organisation, strategy is better understood as a continuous process that unfolds through the interaction of deliberate intent and emergent adaptation. Mintzberg and Waters [1985] introduced this foundational distinction between deliberate and emergent strategy. Deliberate strategy refers to intended plans that are consciously formulated by senior management and implemented top-down through the organisation. Emergent strategy, by contrast, arises from patterns of action that develop organically over time, often without being explicitly intended. In practice, most organisational strategies combine both, senior management sets directions, but the actual strategy that gets realised is shaped by what happens on the ground.

This distinction becomes particularly important in project-based and portfolio-driven organisations, where strategy must be continuously translated into concrete decisions about which initiatives to fund, prioritise and resource. Meskendahl [2010] argues that portfolio management serves as the primary bridge between strategic intent and operational execution. It is the mechanism through which what an organisation decides to do gets translated into what actually happens. When strategic priorities shift,

whether due to market changes, competitive pressure, regulatory developments, or internal learning, the portfolio must realign accordingly. Projects that were previously central may lose priority, new initiatives emerge that demand immediate attention and resourcing and the overall balance of investments across the portfolio changes. Kopmann et al. [2017] show that effective portfolio management must foster both deliberate top-down strategy implementation and the recognition of emergent strategy patterns arising from within the project landscape.

In agile organisations, this dynamic is further complicated by the fact that strategy does not only flow top-down. Autonomous agile teams continuously generate insights, discover technical opportunities, and surface signals from customers that can reshape strategic direction from the bottom-up. Kaufmann et al. [2020] demonstrate that agile portfolios must develop specific sensing capabilities to recognise and integrate these emergent signals, rather than enforcing rigid adherence to a predetermined plan. Strategy in this sense is not something organisations simply have, it is something people actively do, negotiate and adapt through their everyday decisions and interactions, what Johnson et al. [2003] describe as strategising.

Understanding strategy as a dynamic and multilevel process is essential for this research. The capacity allocation mismatches this thesis investigates are not random operational problems, they are a direct consequence of strategic change cascading through the portfolio into teams. How an organisation responds to these mismatches is itself a strategic act, shaped by the same tensions between deliberate control and emergent adaptation that characterise the strategy more broadly. The following section examines why organisations frequently fail to act on the need for structural adjustment, even when the strategic rationale for change is clear.

2.2 Organisational Inertia & Strategic Decision Avoidance

Organisations do not change as freely as their strategies might require. Even when senior management recognises that a structural shift is necessary, the structures, routines and governance arrangements that have accumulated over time resist adjustment. Hannan and Freeman [1984] provide foundational theoretical account of this phenomenon, which they term structural inertia. They argue that as organisations grow larger and older, they develop increasingly reliable and accountable ways of operating: stable role definitions, established procedures, and predictable governance arrangements, that make them effective in stable conditions but resistant to fundamental change. Crucially, they show that this inertia is not simply a failure of management will: it is a structural property of the organisation itself, produced by the mechanism that gives organisational reliability. The implication is that even organisations that recognise the need to change may be structurally incapable of doing so at the pace the environment demands.

Kelly [1991] extend this argument by examining how inertia interacts with momentum of prior strategic choices. They find that organisations tend to repeat the kind of changes they made before, and that the more frequent an organisation has changed in a particular direction, the more likely it is to continue changing into that direction rather than reorienting. This path-dependent dynamic is particularly relevant for organisations that have invested heavily in building stable agile delivery structures: the accumulated momentum of those investments makes it as time progresses harder to reconfigure in response to a changed strategic direction, even when the strategic rationale for the existing structure no longer holds.

Chandler [1962] established the classical expectation that structure follows strategy, that as organisations shift their strategic direction, their internal structures should adapt accordingly. When the perceived costs and disruption of structural change are prohibitive, however, this relationship inverts: organisations adjust their strategic ambitions to fit what existing structures can accommodate rather than the other way around. The result is that team configurations built for a previous strategic direction persist long after the strategy itself has changed, creating the capacity misalignment that this research investigates.

This accommodation is reinforced by a second mechanism: the tendency to avoid or delay decisions to terminate or reconfigure existing commitments. Staw [1981] documents what he terms escalation of commitment: the pattern whereby decision-makers continue to invest in a chosen course of action even when the original rationale no longer holds. In portfolio and project contexts, this means that teams, initiatives, and structural arrangements that should be wound down or redirected are instead maintained, consuming capacity that could be reallocated towards current strategic priorities. Keil [1995] brings this mechanism directly into the IT domain, finding that escalation of commitment affects an estimated thirty

to forty percent of all information systems projects, driven by sunk cost reasoning, project completion pressures, and the political visibility of investment decisions.

Together, structural inertia and escalation of commitment describe two reinforcing mechanisms that help explain why organisations struggling with team capacity misalignment frequently fail to address the problem directly. Inertia makes structural reconfiguration costly and disruptive; escalation of commitment makes the decision to initiate reconfiguration politically and psychologically difficult. Understanding these mechanisms is a prerequisite for identifying the organisational conditions under which effective capacity realignment becomes possible, which is the central concern of this research. The following section examines IT portfolio management, the macro-level context in which strategic priorities are translated into portfolio decisions.

2.3 IT Portfolio Management

Information Technology Project Portfolio Management (IT PPM) provides the structured approach through which organisations evaluate, select, prioritise, and monitor the multiple IT initiatives that compete for their scarce financial and human resources. Martinsuo [2013] describes how as organisations engage in a growing number of technology projects, IT PPM enables them to manage these investments collectively rather than in isolation. The core objectives of portfolio management are generally threefold: to maximise the overall value of the project portfolio, to align the portfolio with the organisation's broader business strategy, and to balance risks, resources, and short-term versus long-term opportunities across the portfolio, as Martinsuo and Lehtonen [2007] establish. By establishing a central oversight mechanism, IT PPM translates high-level strategic goals into actionable project roadmaps. Dietrich and Lehtonen [2005] show that this systematic governance enables executive decision-makers to maintain control over complex project landscapes, ensuring that the cumulative outcome of individual projects contributes to the strategic direction of the enterprise.

Despite these structured objectives, IT PPM operates in environments characterised by persistent tensions between strategic alignment, operational efficiency, and organisational agility [Hoffmann et al., 2020]. Continuously shifting market demands require organisations to respond proactively to emerging opportunities, necessitating flexible portfolio adjustments. At the same time, organisations must exploit their existing capabilities and maintain stable architectures to support current business processes. This dual demand for exploration and exploitation frequently clashes with the fact that traditional IT PPM approaches are rooted in long-term planning horizons and rely on rigid, annual budget cycles [Hoffmann et al., 2017].

In practice, the annual portfolio cycle typically unfolds in three stages. During the strategic prioritisation phase, senior leadership reviews the organisation's strategic objectives and determines which initiatives will receive funding and attention in the coming year. This is followed by a budgeting and resource allocation phase, in which financial budgets are distributed across portfolios and team capacity is assigned to value streams or programmes. Finally, a roadmap and governance phase establishes the delivery expectations, milestone commitments, and reporting structures that will govern execution throughout the year. Once these decisions are made, they are difficult to reverse mid-cycle: budgets are committed, teams are configured, and governance expectations are set. A strategic shift that arrives outside this annual window, whether triggered by market disruption, competitive pressure, or internal learning, has no natural entry point into the planning logic the organisation depends on. This structural rigidity makes it exceptionally difficult to integrate urgent short-term initiatives or adapt the portfolio rapidly, often resulting in project delays, budget overruns, and resource bottlenecks [Hoffmann et al., 2020].

A critical determinant of overcoming these structural challenges is the quality of resource allocation across competing projects. Jonas et al. [2013] find that allocation quality, the reliable and strategic distribution of personnel and budgets according to organisational priorities, directly and strongly predicts project portfolio success. When resources are allocated according to clear strategic priorities and protected from ad hoc redistribution, projects are more likely to meet their objectives without suffering from cross-project conflicts. Achieving this level of allocation quality requires robust portfolio governance, characterised by strong senior management support and the active empowerment of project portfolio managers. Jonas [2010] argues that empowered portfolio managers, when equipped with appropriate authority and autonomy, are far better positioned to coordinate across projects, resolve conflicts before they escalate, and ensure the portfolio consistently serves the intended business strategy.

While theoretical models frequently depict IT PPM as a rational and linear decision-making process, empirical evidence demonstrates that portfolio management in practice is considerably more complex. Martinsuo [2013] shows that rather than relying solely on objective evaluation criteria or financial scoring models, portfolio decision-making is frequently shaped by intuition, negotiation, and political dynamics among competing stakeholders. Müller et al. [2008] further show that the success of portfolio management practice is heavily dependent on contextual factors such as organisational complexity, governance type, and industry volatility, highlighting that formalised portfolio models often fail to capture the realities of navigating a highly negotiated environment.

This complexity means that portfolios must continuously respond to their broader organisational and strategic context. Martinsuo and Geraldi [2020] argue that portfolios function as semi-temporary organisations with permeable boundaries, both influencing and being influenced by external stakeholders and shifting institutional rules. As external turbulence increases, the traditional top-down approach to strategy implementation becomes less effective on its own, and Kopmann et al. [2017] argue that portfolio governance must create space for recognising and integrating emergent strategies that surface from within the project landscape. The increasing adoption of agile ways of working has intensified this challenge. Aghajani et al. [2023] argue that agile methodologies, characterised by iterative delivery, changing requirements, and autonomous teams, inherently conflict with the centralised governance structures and milestone-based funding models of traditional portfolio management. Bechtel et al. [2022] show that this conflict is further amplified when agile projects are embedded within non-agile portfolios, as portfolio-level contingencies such as rigid milestone controls and resource constraints directly constrain teams' ability to self-organise and deliver. Stettina and Hörz [2015] argue that accommodating agile ways of working therefore requires more flexible governance approaches that balance strategic control with team autonomy, allowing for frequent portfolio reviews and iterative planning cycles.

Because the successful execution of both traditional and agile portfolios fundamentally depends on the availability and distribution of human capabilities across competing initiatives, resolving the tensions of IT portfolio management ultimately requires a deeper examination of how personnel and budgets are coordinated on a day-to-day basis. This bridges the high-level strategic oversight of the portfolio with the operational realities of project execution, leading directly into the structural complexities of resource allocation and multi-project management.

2.4 Resource Allocation & Multi-Projects

In contemporary multi-project environments, organisations frequently execute a multitude of simultaneous initiatives that compete for a limited pool of shared personnel and financial resources. Engwall and Jerbrant [2003] describe how this constant competition generates significant challenges in prioritising tasks and smoothly aligning capacity with strategic objectives, ultimately leading firms to suffer from a chronic condition they term the "resource allocation syndrome", characterised by continuous reactive management, short-term firefighting, and the constant redistribution of personnel among troubled projects. The underlying causes of this syndrome extend beyond mere scheduling deficiencies, being fundamentally driven by systematic overcommitment to too many concurrent projects, dysfunctional management accounting systems, and opportunistic political behaviours where project managers hoard critical resources to protect their own assignments. Compounding this further, Blichfeldt and Eskerod [2008] show that official portfolios frequently overlook a multitude of small informal projects and daily operational tasks that silently drain critical resources away from strategic initiatives, making the true extent of capacity consumption difficult to assess.

At the individual level, the inability to allocate resources effectively manifests as project overload. Zika-Viktorsson et al. [2006] find that when employees are assigned to multiple overlapping projects, the resulting fragmentation severely limits their efficiency due to constant task-switching, leading to increased stress, poor schedule adherence, and reduced long-term competence development. Elonen and Artto [2003] further show that the lack of clear portfolio-level prioritisation means that team members face conflicting demands and overlapping tasks, worsening the initial resource shortage.

To address these allocation mismatches, organisations attempt to implement governance structures and formal management roles. Müller et al. [2008] show that high-performing organisations adapt their portfolio control mechanisms to match the complexity of their operating environment and project types. However, Blomquist and Müller [2006] find that centralising control through a dedicated portfolio manager alters the organisational power balance and can trigger conflict with traditional line managers,

requiring careful top management support to ensure sustainable capacity alignment.

The challenge of resource allocation is further complicated in dynamic and uncertain environments, where strategic shifts force continuous portfolio realignment. Petit and Hobbs [2010] argue that in such contexts organisations must employ active sensing mechanisms, such as dedicated scope management roles, to detect changes before they cascade disruptively across interdependent projects. Once uncertainties are identified, Petit [2012] shows that managers must continuously reconfigure project structures and resource allocations to maintain strategic alignment. However, Martinsuo et al. [2014] find that managerial responses are heavily influenced by cognitive framing, as decision-makers often label portfolio uncertainties as threats rather than opportunities, leading them to rely on rational control mechanisms while underutilising necessary structural or cultural adaptations. While these resource allocation and multi-project management principles provide a foundational understanding of capacity dynamics and structural constraints, these challenges take on highly specific characteristics in large-scale agile organisations, necessitating a closer examination of how agile scaling frameworks shape team-level capacity allocation.

2.5 Agile Scaling & SAFe

Agile methodologies originally emerged in the domain of software development as a localised approach to enable flexible, iterative delivery by small, co-located, and highly autonomous teams [Stettina and Hörz, 2015]. As digital transformation accelerates and global markets become increasingly volatile, organisations are driven to flexibly react to environmental changes, reduce overall time to market, and proactively sense unpredictable shifts in customer expectations [Horlach et al., 2019]. To achieve these strategic goals across an entire enterprise, large organisations increasingly adopt agile scaling frameworks designed to replicate the success of small-team agility by synchronising multiple cross-functional teams towards unified business objectives [Dikert et al., 2016]. Among the available scaling approaches, Putta et al. [2019] find that SAFe has become overwhelmingly dominant in large enterprises, largely attributed to its comprehensive and highly prescriptive nature, which combines principles from Agile, Lean, and DevOps into a structured, multi-tiered hierarchy of Team, Program, Large Solution, and Portfolio levels. Verwijs and Russo [2024] further observe that SAFe's detailed blueprint, complete with specific role definitions, can offer traditional management structures a sense of familiarity and control during what is otherwise a disruptive organisational transition.

To mitigate the chaos of coordinating dozens of interdependent teams, SAFe structurally aligns organisations around stable value streams or product areas, which represent the exact sequence of steps necessary to build solutions that deliver continuous customer value. Putta et al. [2019] describe how these value streams form the foundational architecture for Agile Release Trains (ARTs), the central organising unit of SAFe. They say an ART is a long-lived, cross-functional team of agile teams, typically comprising 50 to 125 people, that plans, commits, and executes work together in a shared cadence. Work is organised into Program Increments (PIs), fixed planning cycles of eight to twelve weeks. At the start of each PI, a PI planning event brings all teams together to align on priorities, map dependencies, and commit to a shared delivery roadmap for the coming increment. During this event, capacity is explicitly allocated: teams negotiate which features they can deliver, dependencies across teams are surfaced and resolved, and risks are identified. Once the PI plan is agreed, teams execute against it for the duration of the increment, adjusting within the plan where necessary, but not fundamentally re-prioritising until the next PI boundary.

This cadence provides predictability and coordination across teams, but it also introduces structural rigidity at the delivery level. A strategic decision that arrives mid-increment does not slot neatly into this rhythm. It either waits until the next PI planning event, potentially weeks away, displacing work that teams have already committed to, or it is forced in through an exception process that disrupts the planning logic the entire ART depends on. This rigidity at the short-cycle level is compounded by the longer planning cycle that governs the portfolio. While PI planning operates on an eight to twelve week cadence, portfolio-level funding and team allocation decisions are typically made on an annual basis [Hoffmann et al., 2017]. The result is a dual-cycle misalignment: strategic shifts that occur between annual portfolio reviews cannot easily be absorbed at the portfolio level, and those that occur mid-increment cannot easily be absorbed at the ART level. Organisations operating within this structure find themselves caught between two planning rhythms, one annual and one quarterly, that were each designed for stability rather than responsiveness to strategic change. Structuring an organisation

around ARTs drastically alters how capacity allocation operates compared to traditional project portfolio management. Figure 2.1 illustrates both cycles and the structural gap between them.

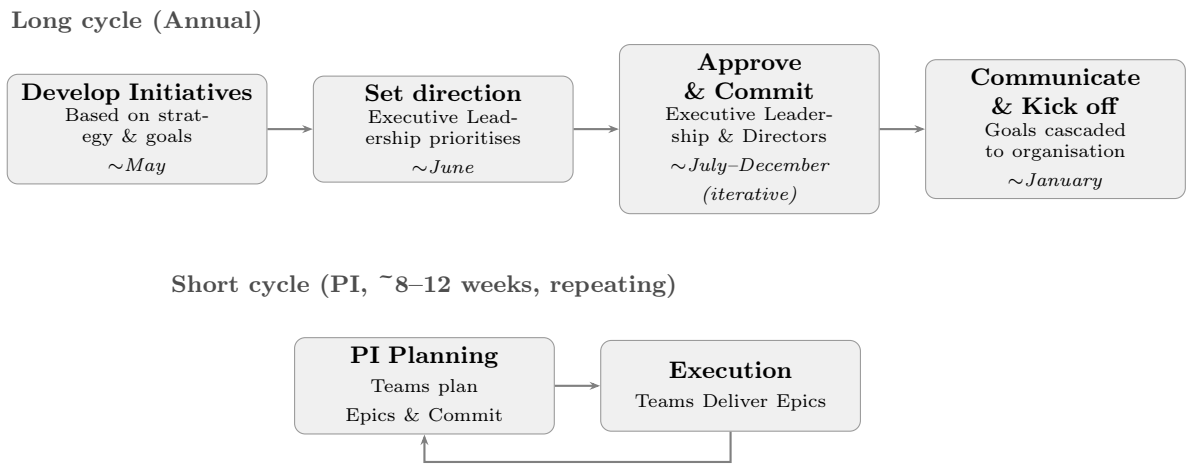


Figure 2.1: The long annual portfolio cycle and the short PI cycle operate at different planning cadences, creating a structural gap when strategic priorities shift mid-cycle. Indicative months reflect a typical annual cycle; exact timing varies by organisation.

The rigidity observed at the planning level has a direct counterpart at the team level: the principle that teams themselves should remain stable. SAFe treats long-lived, cross-functional teams as a prerequisite for effective delivery, reflecting the theoretical logic that stable team membership builds the shared mental models, mutual trust, and psychological safety that effective self-organisation depends on [Moe et al., 2010]. Within SAFe, however, this principle is explicitly understood as stability of structure, not permanence of assignment. The framework describes reforming Agile Teams and ARTs when the underlying value stream changes as a formal competency, and builds in a recurring reassessment moment through the Inspect and Adapt event at the end of every Programme Increment [Putta et al., 2019]. SAFe itself therefore does not equate stability with never changing a team's composition or focus. Whether the room the framework provides is actually used in practice, however, is a separate empirical question, one this research returns to directly in Chapter 4.

Instead of approving temporary, isolated projects and continuously moving individuals to form new project teams, capacity is permanently allocated to stable value streams, allowing work to be iteratively pulled by established ARTs. While this approach theoretically provides a highly stable resourcing environment, forming ARTs requires complex negotiations and difficult compromises in practice, particularly in heavily siloed organisations with tightly coupled legacy systems [Putta et al., 2019]. This shift towards stable, capacity-funded teams also requires a fundamental change in how the enterprise portfolio is governed. The tensions this creates between agile and traditional governance logics are examined in detail in Section 2.6.

Despite the theoretical empowerment and self-organising promised by agile methodologies, team autonomy in large-scale environments is frequently threatened by the surrounding traditional organisational structures. Moe et al. [2019] find that aligning multiple teams within a scaled agile framework inherently creates severe external dependencies and requires overarching directives that can drastically reduce a team's self-managing authority. Management often dictates overall direction and strategic goals without adequately involving the development teams in the decision-making process, resulting in a distinct lack of shared understanding and reducing agile goals to mere traditional project deadlines. These external organisational dependencies continuously burden agile teams with additional administrative tasks, making it difficult for them to maintain the operational flexibility necessary for true agile software development. As a consequence, specific team members such as scrum masters or technical leads are often forced to dedicate a significant portion of their daily capacity to actively shielding their teams from external management interference, highlighting the systemic conflict between the enterprise's need for strict organisational control and the agile team's fundamental need for operational autonomy.

Given the organisational disruption required to implement comprehensive frameworks like SAFe, critical questions arise regarding whether the choice of a specific scaling methodology actually determines the success of the agile transformation. Verwijs and Russo [2024] compare team effectiveness across various

scaling frameworks, including SAFe, Large-Scale Scrum, Scrum of Scrums, and customised approaches, and find that the choice of framework has virtually no practical impact on actual outcomes. Instead, their empirical data reveals that human and cultural factors, particularly a team's prior experience with agile practices, their psychological safety, and their dedication to continuous improvement, are vastly more powerful predictors of scaling effectiveness. This finding reinforces the premise of the present research: the capacity to realign depends on organisational conditions rather than on the prescriptions of any particular framework. The following section examines the team-level dynamics and human factors that the scaling literature itself identifies as more consequential than structural framework choice.

2.6 Hybrid Organisations

Large enterprises rarely operate as purely agile organisations. While scaled agile frameworks such as SAFe prescribe a comprehensive restructuring of delivery capacity around stable value streams and Agile Release Trains, the reality for most large organisations is considered more mixed. Gemino et al. [2020] provide empirical grounding for this observation, finding across a cross-industry study of 477 projects that 52 percent of projects were managed using hybrid approaches, combining agile and traditional practices within the same organisational context. They show that hybrid approaches are not a transitional stage through which organisations pass on their way to becoming fully agile, but rather a stable and prevalent mode of delivery in their own right. Reiff and Schlegel [2022] corroborate this in a systematic literature review, finding that hybrid project management has emerged as a distinct organisational phenomenon driven by the limitations of both purely agile and purely traditional approaches in large-scale, regulated, or complex delivery environments.

Hybrid organisations must simultaneously maintain both logics, and the coexistence of these two governance models creates friction that is particularly acute when strategic portfolio changes require rapid capacity realignment. Bechtel et al. [2022] show that when agile projects are embedded within traditionally governed portfolios, the governance mechanisms of the surrounding portfolio actively weaken the relationship between agile practices and teamwork quality, meaning that attempts to redistribute capacity across the hybrid boundary are likely to generate governance conflicts that slow or obstruct realignment. Agile teams cannot be redirected as easily as project-based resources, because their stability is a structural commitment rather than an incidental arrangement [Putta et al., 2019]. At the same time, traditional project-based capacity cannot simply be absorbed into agile value streams without the deliberate attention to team formation, shared mental models, and role integration that effective agile delivery requires [Moe et al., 2010].

Horlach et al. [2019] argue that accommodating both agile and traditional ways of working requires organisations to establish a multi-level governance structure that can operate at different planning cadences simultaneously. This provides the strategic control that traditional structures require while preserving the team autonomy that agile delivery depends on. Stettina and Hörz [2015] further show that in practice, organisations managing hybrid portfolios rely on a combination of iterative planning cycles and more traditional oversight mechanisms, and that the balance between these mechanisms is continuously renegotiated as the portfolio evolves. The governance complexity this produces is not simply an implementation challenge: it reflects a fundamental tension between two organisational logics that make different and partially incompatible demands on how capacity is allocated, monitored, and adjusted.

For this research, the hybrid context is not an incidental case but a defining feature of the organisations under investigation. The capacity allocation mismatches this research examines arise in part precisely because hybrid organisations cannot draw on a single coherent governance logic when responding to strategic portfolio changes. Understanding the specific conditions under which hybrid organisations can realign team capacity effectively therefore requires attending to the governance complexity that the hybrid context introduces, which is one of the central concerns addressed in the empirical investigation that follows.

2.7 Team Dynamics & Reconfiguration

Agile software development moves away from rigid, plan-driven processes towards flexible, collaborative, and self-organising teams. Because software development is fundamentally a human activity, Dingsøyr and Dybå [2012] argue that an organisation's ability to deliver value is closely tied to the stability and

internal dynamics of its teams. Moe et al. [2010] identify several core components of effective agile teamwork, key among these shared mental models, mutual trust, backup behaviour, and the ability to self-organise. Shared mental models mean that all team members have a common understanding of goals and ways of working, which is essential for making decisions without constant managerial oversight. Building on this, Moe et al. [2008] show that trust enables open communication and the safe sharing of problems, allowing leadership responsibilities to be distributed across the team rather than held by one person. When these components are disrupted, for example when team members have highly specialised skills and rigid task divisions, backup behaviour breaks down and self-organisation becomes difficult, which directly harms team performance.

The cost of disrupting a stable team is not only a loss of the trust and working relationships the team has built; it is also a reset of the team's developmental stage. Tuckman [1965] describes group development as a sequence of stages, forming, storming, norming, and performing, through which a team progresses as members establish roles, work through interpersonal friction, and arrive at effective collaborative routines. A team that has reached the performing stage operates with a level of coordination and trust that took time to build. Reconfiguring a team's membership or focus does not preserve this developmental progress; it returns the team, at least partially, to the forming stage, requiring roles, norms, and trust to be re-established before performance recovers. This developmental cost is conceptually distinct from the loss of task-specific knowledge documented elsewhere in this literature [Dyer and Ericksen, 2006]: it concerns the team's capacity to function as a coordinated unit, not the individual capabilities its members bring. Because this cost is rarely made explicit in organisational decision-making, it is easy to underweight when deciding whether to reconfigure a team. Whether practitioners explicitly weigh this cost against the strategic need for realignment, and under what conditions they choose to accept it, is a question this research addresses in Chapter 4.

Team effectiveness in software development depends on both the technical skills of individuals and the quality of their cooperation [Dingsøyr and Dybå, 2012]. Lindsjørn et al. [2016] find that the quality of teamwork, how well people communicate, coordinate, support each other, and stay committed, is one of the strongest drivers of project success in agile settings. Among the different aspects of teamwork quality, mutual support stands out as particularly important, including resolving conflicts constructively, respecting colleagues, and being willing to help when others are struggling. This matters especially in agile teams because there is no traditional manager to resolve disputes or enforce cooperation, the team handles this itself. Beyond performance, high teamwork quality also improves individual learning and job satisfaction, meaning that investing in good team cooperation pays off both for the project and for the people involved. This investment is precisely what is at risk when strategic portfolio changes force team reconfiguration.

To stay competitive in fast-changing environments, organisations need to be able to move people and skills around quickly in response to shifting strategic needs. Dyer and Ericksen [2006] argue that building this kind of flexibility internally, through cross-training and developing overlapping skills across team members, is much more sustainable than relying on external hiring, which is slow, expensive, and disruptive. Dyer and Shafer [2003] show that when employees have a broader range of competencies, organisations can reassign people to different projects or roles as priorities change without losing momentum.

Achieving this workforce flexibility in practice is not straightforward and requires specific HR practices and structural conditions. Organisations need to invest in ongoing learning, minimise unnecessary bureaucratic controls, and create an environment where people can adapt quickly. However, this comes with trade-offs: making a workforce highly flexible can undermine the stability that teams need to build trust, shared knowledge, and effective cooperation, and frequent reconfiguration risks eroding the social bonds and collective knowledge that make agile teams function well [Nijssen and Paauwe, 2012]. Organisations must therefore find a balance between the flexibility needed to respond to change and the stability needed to sustain team performance over time.

This balance is also closely connected to how agile ways of working affect individual motivation and engagement. Meier and Kock [2023] find that working in an agile organisation, with high autonomy, iterative ways of working, close customer contact, and cross-functional teams, tends to increase the personal dedication of team members. Agile environments naturally meet people's basic needs for autonomy, competence, and connection, making work feel more meaningful and motivating, leading to greater initiative, resilience, and willingness to take on challenging tasks. However, these benefits only fully emerge when the organisational conditions are right, clear direction from management, a structured approach to implementation, and support for individuals navigating the ambiguity that agile ways of working can

bring. These motivational benefits represent an additional cost of team reconfiguration that is rarely accounted for in portfolio-level decision-making.

In large-scale agile environments, these team-level dynamics are further complicated by the need to coordinate many interdependent teams at once. Moe et al. [2019] find that team autonomy is frequently threatened by external dependencies and management-imposed priorities, pressures that intensify when an organisation's IT portfolio shifts due to a strategic change. The following section reviews the solution strategies documented in the literature before identifying, in Section 2.9, the gap that unites all seven streams.

2.8 Solution Strategies

When organisations face team capacity allocation mismatches following strategic portfolio changes, the literature suggests six broad categories of solution strategy. Each carries distinct conditions, trade-offs, and prerequisites, and the academic literature covers them unevenly, a gap that further motivates the empirical investigation in this research.

The first strategy is team reconfiguration, which involves changing the composition or structure of existing agile teams to better match new portfolio priorities. Dikert et al. [2016] show that organisations generally fare better with incremental reconfiguration, making small iterative adjustments to team structures, than with radical restructuring, which imposes large-scale changes all at once. This finding is supported by Paasivaara et al. [2018] whose longitudinal case study of a large scale agile transformation at Ericsson demonstrates that gradual, phased reconfiguration consistently outperforms rapid restructuring. Slotegraaf and Atuahene-Gima [2011] further find that team stability has a curvilinear relationship with performance: some stability is necessary for teams to build shared mental models and trust, but excessive stability can breed rigidity. Reconfiguration is therefore necessary when changes are gradual, well-communicated, and accompanied by deliberate attention to preserving the social foundations of effective teamwork, as Moe et al. [2010] argue. Reconfiguration also carries a human cost: team members rarely welcome changes to a well-functioning team, and resistance to reconfiguration is well documented as a persistent feature of organisational change [Dikert et al., 2016]. When the strategic rationale for a team's existence lapses entirely, however, reconfiguration becomes unavoidable regardless of these conditions.

The second strategy is cross-training and functional flexibility, which involves developing overlapping competences within and across teams so that personnel can be redeployed as priorities shift. Nijssen and Paauwe [2012] argue that cross-training reduces dependency on individual specialists and builds functional redundancy that makes teams more resilient to capacity mismatches. Research by Fægri et al. [2010] on the job rotation in software organisations confirms that rotation develops broader skill profiles but also creates short-term productivity costs and require significant planning effort. Dyer and Shafer [2003] show that the benefits of cross-training are greatest when combined with collaborative job designs that make interdependence natural rather than forced. This makes cross-training a longer-term investment that builds the conditions for future reallocation rather than resolving an acute mismatch quickly.

The third strategy is project deferral and descoping, which involves delaying lower-priority projects or reducing their scope to free up capacity for higher-priority work. Archer and Ghasemzadeh [1999] propose that go, kill, and defer decisions are legitimate and necessary tools for managing resource constraints in portfolio management. However, as Elonen and Artto [2003] observe, the academic literature on descoping as an explicit capacity management strategy is notably thin. The underuse of deferral as a strategy is consistent with the escalation of commitment mechanism discussed in Section 2.2: the political and psychological costs of stopping an initiative in progress often outweigh the rational case for doing so. Most treatments focus on project selection rather than on how organisations manage the human and organisational consequences of deferral decisions. In agile contexts, backlog refinement and prioritisation serve a similar function, though these practices remain largely undocumented in peer-reviewed literature.

The fourth strategy is external hiring and contractor use, which involves bringing in additional capacity temporarily through recruitment or contracting. Lepak and Snell [1999] establish that contracting is most appropriate when skills have high value but low uniqueness, a condition that describes many temporary capacity shortfalls in agile organisations. However, Nesheim and Hunskaar [2015] find that external contractors introduce integration challenges, particularly around knowledge sharing, as mixed-

employment teams tend to share knowledge less freely across employment boundaries. External hiring is therefore most effective when the required skills are well-defined, the integration period is short, and deliberate knowledge-sharing practices are in place.

The fifth strategy is cross-team collaboration and temporary staff lending, which involves sharing personnel across teams without permanently restructuring them. This approach preserves team stability while providing targeted capacity relief where it is most needed. Hendriks et al. [1999] show that shared resource pools can be managed across different planning horizons, such as strategic, tactical, and operational, depending on the nature and duration of the capacity need. However, Laslo and Goldberg [2008] demonstrate that lending arrangements create coordination overhead and can generate conflict between project managers and functional managers over competing claims on shared personnel. Martinsuo et al. [2014] further show that managing resource interfaces between projects and operational work requires deliberate governance mechanisms, particularly in dynamic environments where priorities shift frequently.

The sixth strategy is capacity-based funding and iterative portfolio planning, which involves replacing rigid annual budget cycles with more flexible, rolling allocation mechanisms that can respond to shifting priorities. Stettina and Hörz [2015] identify iterative planning cycles and pull-based work allocation as key characteristics of organisations that manage capacity mismatches effectively. Østergren and Stensaker [2011] document how replacing fixed budgets with rolling forecasts enables more dynamic resource allocation in large organisations, providing empirical grounding for the Beyond Budgeting approach. In SAFe, lean portfolio management provides a practitioner framework for capacity-based funding, but peer-reviewed empirical validation of this approach remains largely absent from the literature.

Taken together, these six strategies represent the landscape of responses available to organisations facing capacity allocation mismatches following strategic portfolio changes. The academic literature provides strongest coverage for cross-team collaboration and external hiring, moderate coverage for team reconfiguration and cross-training, and relatively thin coverage for project deferral and capacity-based funding. Crucially, none of these strategies has been empirically examined specifically in the context of agile organisations responding to strategic portfolio changes, the conditions under which each strategy is applicable, and the trade-offs practitioners face when choosing between them, remain largely undocumented. This empirical gap is addressed in the present research through practitioner interviews that examine the conditions under which each strategy is applicable and the trade-offs practitioners face when choosing between them.

2.9 Gap in Literature

The seven literature streams reviewed in this chapter each illuminate important aspects of the problem at hand, yet none directly address the specific challenge this research investigates. The organisational strategy literature establishes that strategic change is a continuous and multilevel process, but does not examine how strategic shifts translate into structural adjustments at the team level [Mintzberg and Waters, 1985, Meskendahl, 2010]. The IT portfolio management literature establishes that strategic shifts create pressure for portfolio realignment and that allocation quality is a key predictor of portfolio success, but does not examine how this translates into concrete structural action at the team level [Martinsuo et al., 2014, Jonas et al., 2013]. The organisational inertia and decision avoidance literature explains why organisations fail to adjust their structures in response to strategic change, but has not been applied to the specific context of agile team configurations and capacity realignment following portfolio shifts [Hannan and Freeman, 1984, Keil, 1995]. The resource allocation literature documents the structural causes and operational consequences of capacity mismatches in multi-project environments, but was developed largely in traditional, plan-driven organisational contexts and does not account for the specific constraints that agile team structures introduce [Engwall and Jerbrant, 2003, Zika-Viktorsson et al., 2006]. The agile scaling literature describes how large organisations structure teams around stable value streams and why this model is vulnerable to disruption, but treats team composition largely as a one-time transformation event rather than a recurring management challenge [Dikert et al., 2016, Putta et al., 2019]. The hybrid organisations literature establishes that most large enterprises operate with coexisting agile and traditional governance logics, and that this coexistence creates specific coordination challenges, but does not examine how hybrid governance structures affect an organisation's ability to realign team capacity when strategic priorities shift [Gemino et al., 2020, Bechtel et al., 2022]. The team dynamics and reconfiguration literature shows that disrupting team stability carries real performance

costs and that workforce flexibility requires careful trade-offs, but does not examine how these dynamics play out when strategic portfolio changes force capacity realignment [Moe et al., 2010, Nijssen and Paauwe, 2012].

Taken together, these streams converge on the problem without solving it. The literature does document a range of strategies that organisations can draw on when facing capacity allocation mismatches, including team reconfiguration, cross-training, project deferral, external hiring, cross-team collaboration, and capacity-based funding, but it has not examined the organisational conditions that determine whether these strategies are actually available to a given organisation at a given moment. It remains unclear what governance structures, planning mechanisms, and organisational characteristics enable or constrain an organisation's ability to realign team capacity following a strategic portfolio change. This research addresses that gap by developing a structured diagnostic artifact that identifies the conditions under which effective capacity realignment is possible in agile and hybrid organisations, grounded in both the literature reviewed in this chapter and empirical data from practitioner interviews.

Chapter 3

Method

3.1 Research Design

This research adopts Design Science Research (DSR) as its overarching methodology. DSR is one of two foundational paradigms in Information Systems research, the other being behavioural sciences [Hevner et al., 2004]. Whereas behavioural science research seeks to develop and verify theories that explain or predict human or organisational behaviour, DSR is oriented towards the creation of artifacts, that is, constructs, models, methods, or instantiations, that solve a practically relevant problem and extend organisational capabilities [Hevner et al., 2004]. Hevner et al. [2004] argue that DSR is particularly appropriate when a problem is both practically important and insufficiently addressed by existing knowledge, conditions that clearly apply here. Team capacity allocation mismatches following strategic IT portfolio changes are a recurring challenge in practice. The existing literature, however, addresses this challenge only partially: it touches on related phenomena across IT portfolio management, agile scaling, and team dynamics, but does not offer a structured artifact for practitioners facing this problem.

Peffers et al. [2007] formalised this paradigm into a process model named the design science research methodology, that provides a reproducible framework for carrying out and communicating DSR. The DSRM comprises six sequential but iterative activities: (1) problem identification and motivation, in which the specific research problem is defined and the value of a solution is justified; (2) definition of the objectives for a solution, in which what a successful artifact would accomplish is specified; (3) design and development, in which the artifact is created; (4) demonstration, in which the artifact is used to solve one or more instances of the problem; (5) evaluation, in which the artifact's performance against the stated objectives is observed and measured; and (6) communication, in which the problem, artifact, and its utility are communicated to relevant audiences [Peffers et al., 2007].

Figure 3.1 illustrates this process.

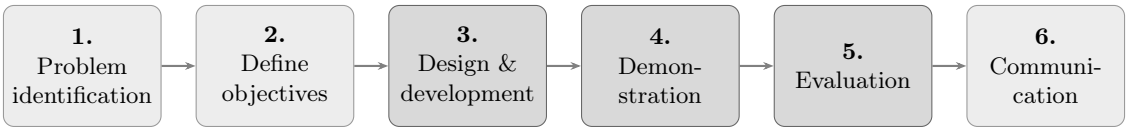


Figure 3.1: The Design Science Research Methodology process model, comprising six activities [Peffers et al., 2007]. Steps 3–5 correspond to the core design, demonstration, and evaluation activities of this research.

The DSRM is not strictly linear: Peffers et al. [2007] acknowledge that research may enter the process at different points and that activities often cycle back iteratively. This research enters the process at the problem identification stage, motivated by two complementary sources. The practical motivation derives from a problem identified within Deloitte's Business of Technology & Agility practice, where capacity allocation mismatches following strategic IT portfolio changes are encountered as a recurring challenge across client engagements. The academic motivation derives from the gap identified in Chapter 2: the IT portfolio management, agile scaling, and team dynamics literatures each touch on related challenges without providing practitioners with a structured response framework. This convergence of practical

relevance and academic gap is precisely the condition under which Peffers et al. [2007] identify problem-centred initiation as a valid and appropriate entry point.

This research follows a condensed adaptation of the DSRM, organised into three phases that map onto its core activities. Phase 1 covers problem identification and the definition of solution objectives, grounded in a systematic review of the relevant literature. Phase 2 covers design and development of the artifact, drawing on empirical data from practitioner interviews. Phase 3 covers demonstration and evaluation through structured expert review sessions, in which the artifact is presented to and assessed by experienced practitioners, combining DSRM steps 4 and 5 into a single phase, consistent with the scope and nature of the artifact being produced [Hevner et al., 2004, Peffers et al., 2007]. Figure 3.2 summarises the three phases, their corresponding DSRM activities, and the data sources involved.

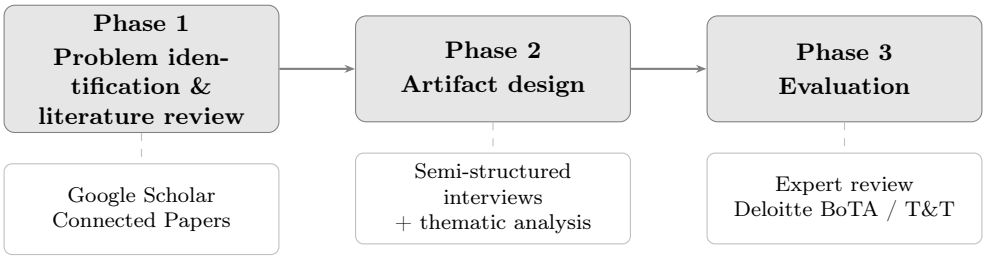


Figure 3.2: Adapted three-phase research design, derived from Peffers et al. [2007].

3.1.1 Phase 1: Problem Identification and Literature Review

The first phase of this research serves two purposes that correspond to the opening activities of the DSRM. First, it establishes the problem and motivates the value of a solution. Second, it defines the objectives for the artifact by identifying what a successful diagnostic artifact would need to accomplish, specifically, what blocking factors it should diagnose, what solution strategies it should cover, and what enabling conditions it should specify.

The problem identification component draws on two complementary sources. The practical motivation derives from a problem identified within Deloitte's Business of Technology & Agility practice, where capacity allocation mismatches following strategic IT portfolio changes are encountered as a recurring challenge across client engagements. The academic motivation derives from the gap identified in Chapter 2: the existing literature addresses this challenge only partially, touching on related phenomena across several interconnected streams without converging on a structured, practitioner-facing structured artifact. This convergence of practical relevance and academic gap jointly motivates the research and justifies the development of a new artifact [Hevner et al., 2004].

The literature review conducted in this phase is targeted rather than exhaustive. Given the exploratory nature of the research and the absence of a single established body of literature directly addressing the problem, the review spans seven interconnected streams. Within each stream, the review began with an initial search term in Google Scholar to identify a small set of anchor papers, after which Connected Papers was used to trace backward and forward citations and surface related work. Articles were filtered to peer-reviewed journal sources to prioritise source quality. The review does not aim to produce a complete census of the literature but rather to establish a sufficiently grounded theoretical foundation and to identify the range of solution strategies that the literature suggests are available to organisations facing capacity mismatches.

The output of this phase is twofold. First, it produces the theoretical background presented in Chapter 2, which establishes the conceptual grounding for the research and confirms the academic gap. Second, and directly relevant to artifact design, it produces an initial set of six candidate solution strategies drawn from the literature: team reconfiguration, cross-training and functional flexibility, project deferral and descoping, external hiring and contractor use, cross-team collaboration and temporary staff lending, and capacity-based funding and iterative portfolio planning. These candidate strategies provide the initial structure against which empirical data collected in Phase 2 is interpreted and refined. They are treated as provisional categories rather than established solutions. Their empirical validity, applicability conditions, and limitations are assessed in Phase 2 [Hevner et al., 2004].

3.1.2 Phase 2: Artifact Design

The second phase constitutes the empirical core of the research and corresponds to the design and development activity in the DSRM [Peffers et al., 2007]. Its purpose is to construct the artifact by combining the six candidate solution strategies identified in Phase 1 with empirical data gathered from practitioners who have direct experience of the problem. The interview guide used in this phase was developed from those candidate strategies and the key themes identified in the literature, ensuring that the data collection was theoretically grounded from the outset. The combination of both literature and practice is a defining characteristic of DSR, which requires that the artifact be simultaneously theoretically informed and practically relevant [Hevner et al., 2004].

Data Collection

The primary data source for this research consists of semi-structured interviews with experienced consultants from Deloitte's Technology & Transformation practice, encompassing the Business of Technology & Agility, Human Capital, ServiceNow, and TSV&A teams. Semi-structured interviews are appropriate here because the subject under investigation is complex, context-dependent, and insufficiently documented in the literature. Unlike structured interviews, which constrain participants to predefined response categories, semi-structured interviews allowed participants to describe their experiences in their own terms, surface unexpected strategies or conditions, and elaborate on the nuances of specific situations. At the same time, the use of a shared interview guide ensured that the core topics were covered consistently across participants, enabling systematic comparison.

Participants were selected purposively, meaning they were chosen on the basis of their direct relevance to the research problem rather than through random sampling [Braun and Clarke, 2006]. Inclusion criteria required that participants had experience advising large enterprises operating with agile or hybrid delivery structures, and had encountered team capacity allocation challenges following strategic IT portfolio changes. Their cross-client experience means that each participant encountered the problem across multiple organisational contexts, making their accounts richer and more generalisable than those of practitioners embedded in a single organisation. Participants were also the intended primary users of the artifact, meaning their input directly shaped its practical relevance.

A total of 15 interviews were conducted, each lasting approximately 60 minutes. All interviews were conducted individually, either in person or via video call, audio-recorded with participant consent, and transcribed in full prior to analysis. The interview guide was structured around four thematic blocks: (1) respondent background and experience; (2) problem recognition: how capacity mismatches arise and what makes realignment structurally difficult; (3) strategies and enabling conditions: which approaches work, under what conditions, and how organisations can proactively configure for flexibility; and (4) team stability, governance, and structural constraints. The guide was treated as a flexible instrument rather than a fixed script: follow-up questions were used throughout to probe for detail, clarify ambiguity, and pursue threads that emerged organically in the conversation. The full interview guide, including consent procedure and probing questions, is included in Appendix B. The decision to conduct 15 interviews was based on supervisory guidance and the assessment that the dataset was sufficiently rich to support the analytical aims of the research.

All fifteen respondents are practitioners within Deloitte's Technology & Transformation practice with direct, cross-client experience of the phenomena under investigation. Not all respondents work within the Business of Technology & Agility team specifically; several operate within adjacent practices including Human Capital, ServiceNow, and TSV&A. The sample spans four seniority levels and covers a broad range of client sectors including financial services, energy, consumer markets, technology, and the public sector. Respondent profiles are described in aggregate in Table 3.1 to preserve anonymity.

Data Analysis

Interview transcripts were analysed using thematic analysis following the six-phase approach developed by Braun and Clarke [2006]. Thematic analysis is well-suited to this research because it is theoretically flexible, compatible with the exploratory and practically oriented nature of DSR, and designed to identify patterns of meaning across a dataset in a systematic and transparent way. Consistent with Braun and Clarke [2006], themes are understood as actively constructed by the researcher rather than as pre-existing patterns that simply emerge from the data. This does not compromise the rigour of the analysis; rather,

Table 3.1: Respondent profile clusters. Agile maturity reflects the respondent's self-assessment of the client organisations they primarily advise.

Cluster	n	Primary sectors	Agile maturity (respondent)
Directors & Partner	4	Mixed, Technology, Public sector	High
Senior Managers & Engagement Managers	4	Energy, Financial services, Consumer	Medium–High
Managers	3	Energy, Financial services, Consumer	Medium
Consultants	4	Technology, Consumer, Mixed	Low–Medium

it requires that the researcher is explicit about the choices made at each stage, and that the resulting themes are clearly grounded in the data.

The analysis followed a hybrid inductive-deductive approach to coding, as described by Fereday and Muir-Cochrane [2006]. A codebook was developed prior to data collection, organised around six thematic code groups derived from the candidate strategies and key themes identified in Phase 1 and reflected in the structure of the interview guide: `PRO_` (problem recognition), `BLO_` (blocking factors), `SAF_` (scaled agile framework tensions), `GOV_` (governance conditions), `CFG_` (configuration principles), and `STR_` (solution strategies). This deductive starting point accelerated the coding process by providing an initial organising structure grounded in the research questions. At the same time, the codebook was treated as a flexible instrument: where transcripts surfaced patterns not anticipated by the predefined codes, new codes were generated inductively and assigned the prefix `NEW_` to distinguish them from the theory-driven codes, forming a seventh, inductively derived code group. Codes were applied in Atlas.ti across all 15 interview transcripts.

This approach ensures that the artifact reflects both the state of existing knowledge and the realities of practitioner experience, rather than reproducing one or the other. Every strategy, condition, and blocking factor included in the artifact is therefore traceable to either empirical data from the interviews, the literature reviewed in Phase 1, or both. Interviews were all conducted in Dutch. All transcripts were produced and analysed in Dutch to avoid interpretive loss in translation. Where specific quotes are included in this thesis to illustrate analytical decisions, these have been translated into English.

Artifact Construction

The output of Phase 2 is a diagnostic artifact addressing the main research question: how organisations should configure their team capacity to enable effective realignment following strategic IT portfolio changes, and what organisational conditions determine their ability to do so. The methodological intention of this phase was to develop a structured, practitioner-facing artifact whose form and content would emerge from the empirical data gathered in the interviews, informed by the theoretical grounding established in Phase 1. Consistent with DSR, the artifact is simultaneously theoretically informed and practically relevant [Hevner et al., 2004]. The artifact's structure was not fixed in advance: the number of layers and their content were intended to emerge from the thematic analysis rather than being predetermined. The specific layers that emerged, the individual factors within them, their descriptions, and their organisation into clusters, are presented in Chapter 5. The initial version of the artifact produced in this phase was carried forward to Phase 3 for evaluation and refinement.

3.1.3 Phase 3: Evaluation

The third phase corresponds to the evaluation activity in the DSRM and addresses the fifth sub-question of this research: how experienced practitioners assess the completeness, relevance, and usability of the resulting structured artifact [Peffers et al., 2007]. In DSR, evaluation is the mechanism through which the utility and quality of the artifact are established. It is what distinguishes a design science contribution from mere practical problem-solving [Hevner et al., 2004]. The evaluation method must be matched to the nature of the artifact and the claims being made about it. Since the artifact produced in this research

is a diagnostic instrument rather than a technical system, and since the research is conducted within a single organisational partnership rather than across a broad population of organisations, expert review is the appropriate and proportionate evaluation strategy [Hevner et al., 2004, Peffers et al., 2007].

Evaluation Design

The evaluation was conducted through structured expert review sessions with experienced Deloitte practitioners, combining the demonstration and evaluation activities of the DSRM into a single phase, consistent with the scope of the artifact. Participants were selected on the same purposive basis as the interview participants in Phase 2, with the additional criterion that they had sufficient strategic overview of the problem domain to assess the artifact's completeness, meaning they could identify not only what the artifact contained but also what might be missing. All evaluation participants had also taken part in the Phase 2 interviews.

Two formal validation sessions were conducted, each structured as a semi-structured group discussion: prepared questions targeting the three evaluation criteria below were used to open discussion around each cluster of the artifact, after which the conversation was allowed to develop organically before moving to the next cluster. This format mirrors the logic of the semi-structured interviews conducted in Phase 2, balancing structured coverage of the evaluation criteria with space for unanticipated feedback. The first session was conducted with four participants: three managers and one senior manager, the latter also serving as the company supervisor for this research, and lasted approximately one hour, following a prepared presentation of the artifact that walked through each cluster and its constituent factors in turn. The second session followed the same format and was conducted with three more senior participants: two directors and one senior manager. In addition to these two sessions, an informal follow-up conversation took place after data collection had concluded; this conversation falls outside the formal evaluation design and is discussed separately in Chapter 5 and Chapter 6.

Each session assessed the artifact against three criteria. The first is completeness: whether the artifact captures the full range of blocking factors and enabling conditions that practitioners encounter in practice, and whether anything important has been omitted. The second is relevance: whether the factors and conditions are accurately and usefully characterised, and whether the artifact reflects the realities of the situations consultants face. The third is usability: whether the artifact is structured and presented in a way that consultants could realistically draw on when advising clients.

Artifact Refinement

Feedback gathered during the evaluation sessions was analysed thematically, following the same approach used in Phase 2, and used to produce a final revised version of the artifact. Revisions involved restructuring the artifact, merging or renaming clusters, adding factors identified as missing, and refining the characterisation of existing factors based on evaluator feedback. The revised artifact constitutes the final research deliverable and is the version presented in Chapter 5. Where evaluators raised questions about the completeness or orientation of specific elements, these are documented and discussed as part of the limitations in Section 6.4 rather than resolved arbitrarily. Following the second validation session, a separate, informal session was held with one additional Phase 2 respondent to discuss the practical packaging of the artifact for internal use within Deloitte. This session falls outside the formal evaluation design and is discussed separately in Chapter 5 and Chapter 6.

3.2 Research Quality

Because this research is qualitative and exploratory, quality is assessed using criteria appropriate to that paradigm. The standard positivist criteria of internal and external validity, reliability, and objectivity are designed for quantitative research and are not directly applicable to qualitative inquiry. Instead, this research draws on the trustworthiness artifact developed for qualitative research, which assesses credibility, transferability, dependability, and confirmability as parallel criteria [Braun and Clarke, 2006]. These are considered alongside the DSR-specific quality criteria proposed by Hevner et al. [2004], which assess the rigor, relevance, and design quality of the artifact itself.

Credibility corresponds to internal validity. It concerns whether the findings accurately represent the experiences and perspectives of participants. Credibility is supported in this research through several mechanisms. Participants are selected on the basis of direct, cross-client experience of the phenomenon

under investigation. This ensures that accounts are grounded in substantial practical knowledge rather than general opinion. The combined inductive-deductive analysis of Phase 2 reduces the risk of the researcher imposing predetermined categories on the data. Strategies and conditions were allowed to emerge from participants' accounts before being compared against the literature. Credibility is further supported through member checking in Phase 3. The artifact constructed from the Phase 2 data was presented back to a subset of the same respondents in the validation sessions. This allowed them to confirm, challenge, or refine the researcher's interpretation of their own and others' accounts.

Transferability corresponds to external validity. It concerns whether findings can be applied to other contexts. Because this research is exploratory and does not aim to produce universally generalisable theory, transferability is addressed through thick description rather than statistical representativeness. The organisational context is described in sufficient detail: large enterprises operating with scaled agile frameworks in a Western European context. This allows readers and practitioners in other settings to assess the relevance of the findings to their own situations. The findings are presented with sufficient contextual detail to support this judgement, and the scope boundaries established in Chapter 1 make explicit which organisational contexts fall within and outside the artifact's intended applicability.

Dependability corresponds to reliability. It concerns whether the research process is consistent and well documented. Dependability is supported by maintaining a clear and transparent audit trail throughout the research. This includes describing the snowballing approach used in Phase 1 to identify relevant literature, recording how the interview guide was developed from the candidate strategies and themes identified in that review, and keeping a clear record of how codes were generated, reviewed, and consolidated into themes during analysis. The decision trail, meaning the reasoning behind key analytical choices, is documented so that the logic of the analysis can be followed and assessed by others.

Confirmability corresponds to objectivity. It concerns whether the findings are grounded in the data rather than in the researcher's predispositions. Confirmability is supported by making the basis for each claim in the artifact explicit. Every factor and condition included in the artifact is traceable to either empirical data from the interviews or to the literature reviewed in Phase 1, or both. Where interpretive judgements are made, for instance in deciding how to characterise a blocking factor or how to name a cluster, the reasoning is documented and discussed. The reflexive dimension of thematic analysis [Braun and Clarke, 2006] is acknowledged throughout. The researcher's position as both a Leiden University student and a Deloitte collaborator shapes the research in ways that are recognised and made transparent, rather than treated as a source of bias to be eliminated. A related tension is that the company supervisor for this research also participated in the Phase 2 interviews and the Phase 3 validation sessions. This dual role is acknowledged as a feature of the embedded nature of this research rather than concealed. It is reflected in how feedback from this participant is weighed alongside that of other respondents.

DSR Quality

In addition to these qualitative trustworthiness criteria, the research is assessed against the design quality criteria proposed by Hevner et al. [2004], who identify seven guidelines for evaluating DSR. Most relevant to this research are the requirements that the artifact address an important and unsolved problem, that it make a verifiable contribution relative to the existing knowledge base, that its construction and evaluation be conducted rigorously, and that it produce results that are useful to the intended audience. These criteria are addressed by the problem identification and gap analysis in Chapter 2, by the systematic grounding of the artifact in both literature and empirical data across Phases 1 and 2, by the structured validation sessions conducted in Phase 3, and by the artifact's design as a practical knowledge-sharing resource for Deloitte consultants.

Chapter 4

Results

This chapter presents the empirical findings from the thematic analysis of the 15 semi-structured interviews described in Chapter 3. A description of the respondent sample is provided in Section 3.1.2. The analysis yielded a total of 676 coded segments distributed across seven substantive code groups. Table 4.1 provides an overview of these code groups, the number of individual codes per group, the total number of coded quotes, and the breadth of each group expressed as the number of interviews in which at least one code from the group was applied. Code counts are reported for transparency and do not imply analytical importance, consistent with the principles of reflexive thematic analysis [Braun and Clarke, 2006]. A detailed breakdown of how coded quotes are distributed across individual interviews is provided in Appendix A.

Table 4.1: Overview of substantive code groups.

Group	Focus	Codes	Quotes	Breadth
PRO	Problem recognition & disruption	8	86	13/15
BLO	Blocking factors	7	164	15/15
SAF	Scaled agile frameworks	5	63	15/15
GOV	Governance & enabling conditions	5	105	15/15
CFG	Configuration principles	5	94	15/15
STR	Solution strategies (1–6)	19	118	15/15
NEW	Inductive codes	27	94	15/15
Total		**76**	**676**	

The findings are organised around four interconnected themes that mirror the structure of the interview protocol (Chapter 3): how strategic changes disrupt team configurations; what makes realignment structurally difficult; what governance and organisational conditions enable realignment; and what configuration principles and solution strategies practitioners apply. Each theme draws primarily on a designated set of code groups, but relevant inductive codes (`NEW_`) that extend the deductively derived codebook are woven into the relevant sections.

4.1 How Strategic Portfolio Changes Disrupt Team Configurations

This section addresses SQ1 and draws primarily on the `PRO_` code group. Figure 4.1 shows the frequency and breadth of all `PRO_` codes across the 15 interviews.

4.1.1 Signals of Capacity Mismatch

`PRO_Signals_of_capacity_mismatch` was applied in 12 of 15 interviews ($n_{\text{quotes}} = 16$), making it the broadest code in this group. Respondents consistently described a delayed recognition pattern. The mismatch between team configuration and new portfolio priorities surfaces gradually through operational

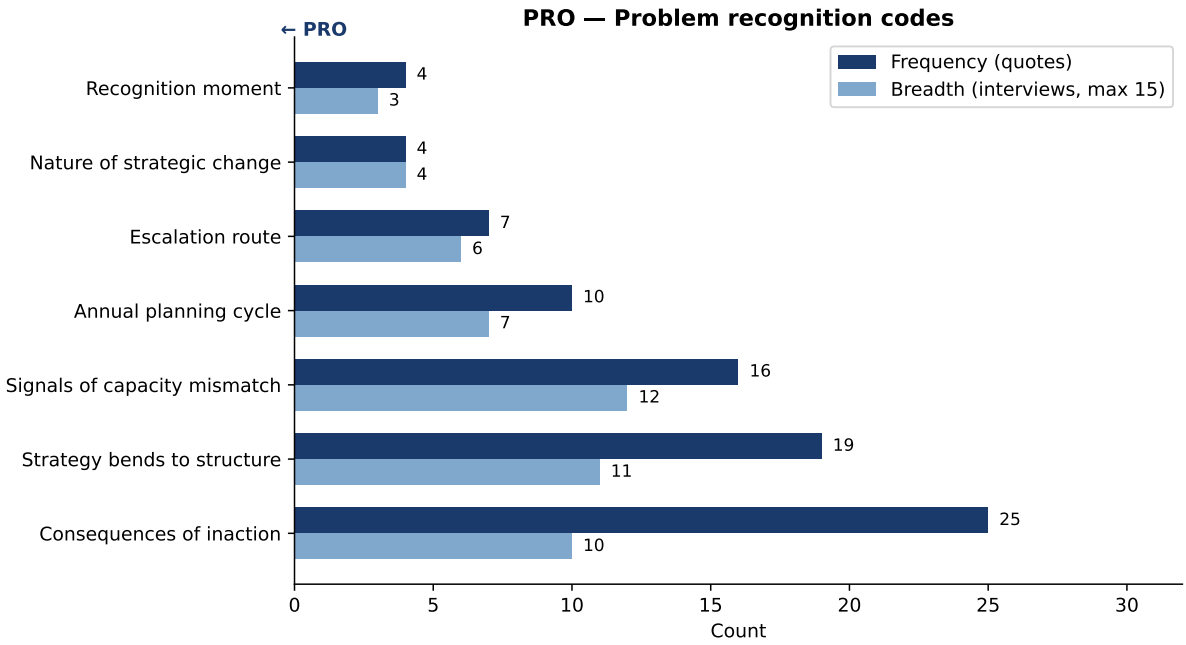


Figure 4.1: Frequency (total coded quotes) and breadth (number of interviews) for the PRO code group. Frequency bars are shown in dark blue; breadth bars in light blue. Maximum breadth is 15.

signals. Delivery dates slip, planning-exception requests increase, and escalation happens informally, rather than through a formal governance trigger.

The delayed recognition pattern is illustrated by the informal escalation routes that practitioners describe. Rather than a formal governance trigger, capacity problems surface when teams run out of meaningful work and begin generating their own:

> *"If there is no demand for a particular team, they do not sit around doing nothing. They start creating work for themselves, which produces a large amount of overhead"* (INT04).

The absence of a formal signal forces organisations to rely on workarounds:

> *"If people said they had no capacity, we could simply refer to the HR-COO. Then people would do it for you. But that is obviously not the way you would want to manage it, having to escalate non-stop"* (INT10).

4.1.2 Strategy Bends to Structure

`PRO_Strategy_bends_to_structure` was raised in 11 of 15 interviews ($n_{\text{quotes}} = 19$), consistently framing the core problem of this research. Rather than reconfiguring teams to match a new strategic direction, organisations systematically adjust their strategic ambitions to fit the delivery structures that already exist. This is an inversion of the classical structure-follows-strategy relationship [Chandler, 1962].

The most direct articulation of this inversion came from a respondent working on operating model design:

> *"You develop the strategy, but the operating model is not aligned with it, so it does not work. You see that all the time"* (INT01).

The same respondent elaborated on the underlying mechanism:

> *"What you often see is that organisations develop a strategy but then fail to think through what that means for the organisation itself, that they need to change the organisation. That is of course more painful than simply making plans"* (INT01).

A respondent with deep SAFe implementation experience offered an important refinement. The inversion does not always manifest as a change in strategic intent, but as a constraint on its realisation:

"Not adjusted, but the realisation of the strategy was. Ideally you would want to do more work on a particular capability than you currently do, but you cannot, because you do not have the teams for it. The strategy itself is not different, but you are more limited in how you achieve it" (INT03).

4.1.3 Consequences of Delayed Action

`PRO_Consequences_of_inaction` was the most frequently cited code in this group ($n_{\text{quotes}} = 25$, breadth = 10/15), suggesting that delayed realignment produces tangible, recognisable outcomes that practitioners can readily describe. Reported consequences include accumulated delivery debt, loss of strategic momentum, and the eventual forced restructuring that is more disruptive than proactive realignment would have been.

When realignment is deferred, the consequences are tangible and self-reinforcing. Teams without meaningful strategic demand begin generating work to justify their existence:

"Portfolio managers go off to their attic offices to create epics so that there is something to do, while there is no top-down demand for it whatsoever" (INT04).

The cumulative effect of deferred action is that organisations continuously add new initiatives without removing the old ones:

"You open the hatch and throw in a new suitcase, while the two old ones are still sitting there, never cleaned up. That is what happens metaphorically in large organisations, something new is always added but things are rarely cleared out" (INT12).

4.1.4 The Annual Planning Cycle as a Structural Barrier

`PRO_Annual_planning_cycle_as_barrier` appeared in 7 of 15 interviews ($n_{\text{quotes}} = 10$). Respondents described a dual-cycle misalignment. Annual portfolio cycles set funding and team allocations months in advance, while strategic shifts can arrive at any point in the year. A strategic decision that falls outside the annual portfolio window has no natural entry point, forcing organisations to either wait or improvise through exception processes.

This dual-cycle misalignment is a structural constraint rather than an incidental coordination problem. Annual budget cycles lock in team allocations months in advance:

"Major adjustments in practice sit in the annual budget rounds. That goes against agile principles, but most companies have to budget annually because of accounting obligations" (INT02).

At the shorter cycle level, PI planning creates commitment windows that cannot accommodate urgent strategic decisions even when the business case is unambiguous:

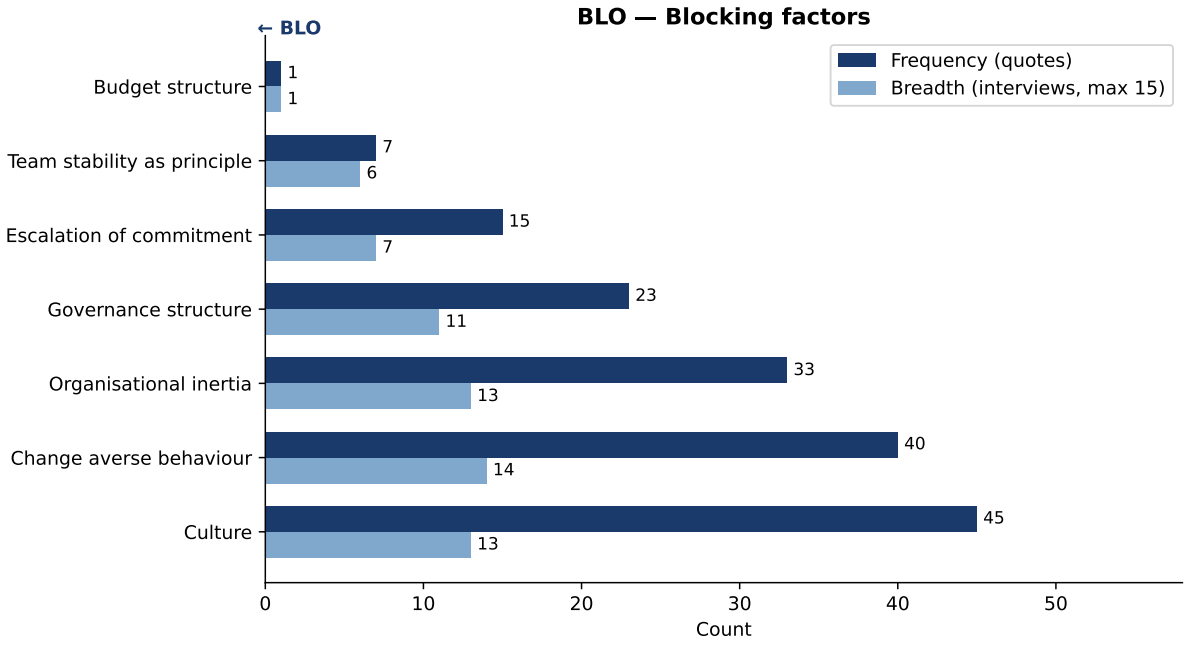
"You were one day too late for the PI planning of 16 December, so we cannot fit it in anymore. But this was a compliance issue, we could not go live any later without lawsuits. You cannot hold too rigidly to a planning, because life just keeps going" (INT10).

4.2 What Makes Realignment Structurally Difficult

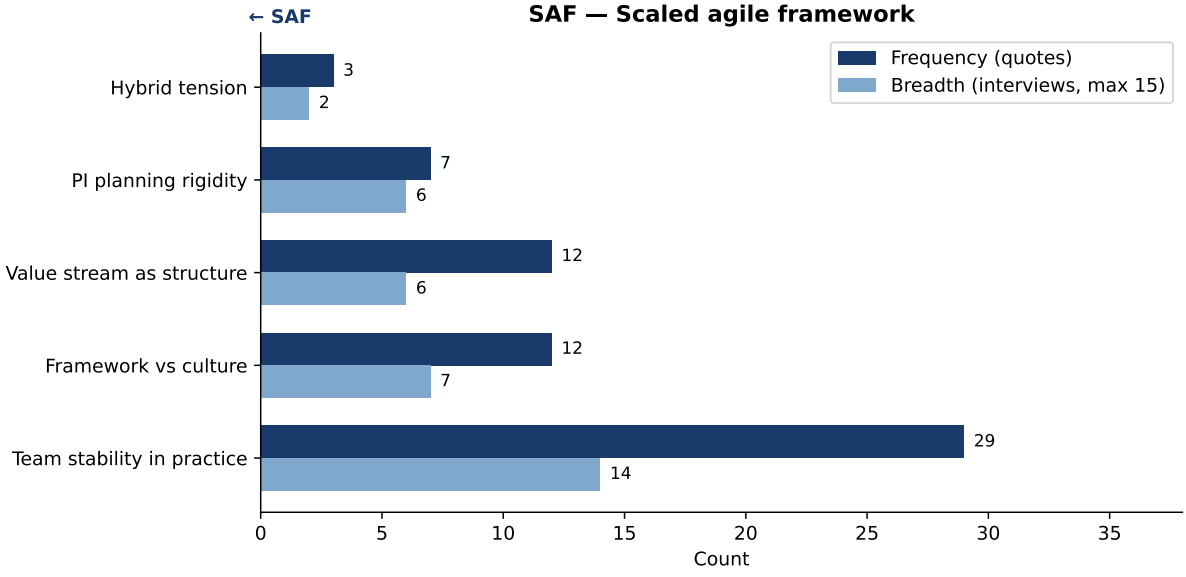
This section addresses SQ1 and SQ3 and draws on the `BLO_` and `SAF_` code groups. Figures 4.2a and 4.2b show the frequency and breadth of all codes in each group respectively.

4.2.1 Behavioural and Cultural Barriers

`BLO_Culture` and `BLO_Change_averse_behaviour` are the most frequently cited blocking codes in the dataset, with frequencies of 45 and 40 and breadths of 13 and 14 out of 15, respectively. Their near-universal presence confirms that behavioural resistance to structural change is a persistent feature of large enterprise contexts. The analytical interpretation developed during coding is that these codes capture a *generic* change barrier. They apply to any significant organisational restructuring, rather than to a barrier specific to the problem of team capacity realignment following strategic portfolio changes. Their high frequency therefore reflects the salience of change resistance as a background condition rather



(a) Blocking factors (BLO).



(b) Scaled Agile Framework (SAF).

Figure 4.2: Frequency and breadth for the BLO and SAF code groups. High-frequency codes appear at the bottom of each panel.

than as a domain-specific mechanism. This distinction matters for the artifact design phase (Chapter 5), where the focus is on barriers that are amenable to configuration-level interventions.

The near-universal presence of cultural and behavioural barriers in the dataset reflects a broad and persistent background condition. Respondents described organisations in which culture is consistently treated as a secondary concern rather than the root cause of realignment failure:

> *"It primarily concerns changing the mindset and the culture, and that is always the overlooked factor. We never receive a request that asks: our culture is not working, help us change our culture so that we become more agile. Yet that is always the underlying problem"* (INT05).

This dynamic is reinforced when structural change threatens individual positions and responsibilities:

> *"If you bring about transformative change, that means you are tinkering with positions, teams, how many people someone has under them, things they enjoy. Perhaps they will have to do things they simply do not enjoy"* (INT05).

4.2.2 Governance and Decision-Making Barriers

`BLO_Governance_structure` ($n_{\text{quotes}} = 23$, breadth = 11/15) and `BLO_Escalation_of_commitment` ($n_{\text{quotes}} = 15$, breadth = 7/15) are more domain-specific than the cultural codes above. Respondents described governance structures in which no single actor holds a mandate to redirect capacity across domain boundaries. They also described how the political and psychological costs of terminating existing initiatives create a systematic bias towards continuation.

Respondents described governance structures in which accountability for cross-domain capacity decisions is systematically absent:

> *"Someone must take ownership, and that person must also be held accountable. I think that is where the key lies. The mechanisms are all there [...] the SAFe framework has them too. It really comes down to taking ownership and holding people accountable"* (INT06).

The political and psychological costs of terminating existing commitments create a systematic bias towards continuation:

> *"If you realise halfway through or at two thirds that a project is no longer useful, it is very difficult to stop it. Management is not always capable of saying: we stop. Because we have already put a million into it. That is actually where it always goes wrong"* (INT13).

4.2.3 Organisational Inertia

`BLO_Organisational_inertia` ($n_{\text{quotes}} = 33$, breadth = 13/15) sits between the generic and the domain-specific. It reflects the accumulated weight of structural commitments, such as teams, roles, systems, and governance arrangements, that resist adjustment independently of individual behaviour. Respondents consistently described inertia not as a failure of management will but as a structural property, produced by the very mechanisms that deliver operational reliability. This is consistent with the theoretical framing in Chapter 2.

The social labelling of capacity adjustment as reorganisation acts as a first-order barrier:can

> *"It quickly gets labelled a reorganisation, and that is the forbidden word in every company"* (INT04).

This inertia is embedded in the technical and governance architecture of the organisation itself. That architecture reflects accumulated decisions rather than any theoretically optimal design:

> *"The way applications are configured and teams are distributed across them is not a theoretical optimum. It is a historical product of all kinds of other organisational processes: history, culture, preferences, external pressure, leaders or the absence of leaders"* (INT11).

4.2.4 SAFe Team Stability as a Structural Principle

`SAF_Team_stability_in_practice` is the single most broadly applied code in the entire dataset. It was coded in 14 of 15 interviews with a total of 29 quotes. This breadth makes it the most consistently observed phenomenon across respondents and warrants separate treatment.

Respondents described a systematic pattern in which the SAFe principle of stable, long-lived teams is applied dogmatically rather than instrumentally. Teams that have outlived the strategic rationale for their formation are maintained because dissolution is socially costly, governance mechanisms for ART-level reconfiguration are absent, and the tacit knowledge embedded in team relationships is difficult to relocate.

Respondents consistently distinguished between team stability and team permanence. Treating the two as the same thing emerges as the single most consequential way in which the SAFe framework reinforces structural rigidity:

> *"Agile has strongly emphasised stable teams. But stable has very often become permanent. You need to give that the right nuance: I want stable teams, but if those teams are working on something that delivers too little value, then stable is not the same as permanent. Then I am going to reconfigure the team"* (INT03).

The dogmatic application of stability norms prevents organisations from activating the flexibility mechanisms that the framework theoretically allows:

> *"Stable teams are fine for a certain period, but that does not mean you should never intervene. There is often a far too dogmatic interpretation of the whole concept"* (INT06).

The social costs of team dissolution reinforce this pattern at the individual level:

> *"Nobody wants to be taken out of their team, nobody wants their team to change. It almost always concerns interventions that people are not waiting for"* (INT06).

As a consequence, well-functioning teams that are working on the wrong priorities are preserved specifically because of their effectiveness:

> *"If you have a team that functions well but happens to be doing the wrong work, then team reconfiguration is the very last thing you would do. Because with that you demolish what agile was intended to achieve, that those people became attuned to one another"* (INT11).

The remaining SAF codes, `SAF_Framework_vs_culture` (breadth = 7), `SAF_Value_stream_as_structure` (breadth = 6), and `SAF_PI_planning_rigidity` (breadth = 6), together describe the mechanisms through which the framework reinforces structural rigidity. PI planning creates commitment cycles that cannot absorb mid-increment strategic shifts. Value stream definitions fix capacity allocations annually. And the gap between framework prescription and cultural reality means that flexibility mechanisms SAFe theoretically allows are rarely activated in practice.

Inductive finding. `NEW_Tuckman_realignment_cost` ($n_{\text{quotes}} = 7$, breadth = 6/15) emerged as an inductively generated code not anticipated by the deductive codebook. Respondents articulated that each team reconfiguration effectively resets the team to the forming stage of Tuckman's development model [see Tuckman, 1965], imposing a temporary but real performance dip. This cost is rarely quantified in portfolio-level planning but was consistently cited as a reason for resisting reconfiguration even when it is strategically warranted.

4.3 Governance and Enabling Conditions

This section addresses SQ2 and SQ4 and draws on the `GOV_` code group and selected inductive codes. Figure 4.3 shows the frequency and breadth of all relevant codes, with inductive codes distinguished from deductive codes by hatching.

4.3.1 Hybrid Governance Tension

`GOV_Hybrid_governance_tension` and `GOV_Decision_making_authority` were each applied in 14 and 12 of 15 interviews, making them the two broadest enabling condition codes in the dataset. Respondents described the coexistence of agile and traditional governance logics as a fundamental source of coordination friction. Agile teams cannot be redirected using the mechanisms that govern traditional project-based capacity. Traditional project-management authorities lack standing to instruct stable agile teams.

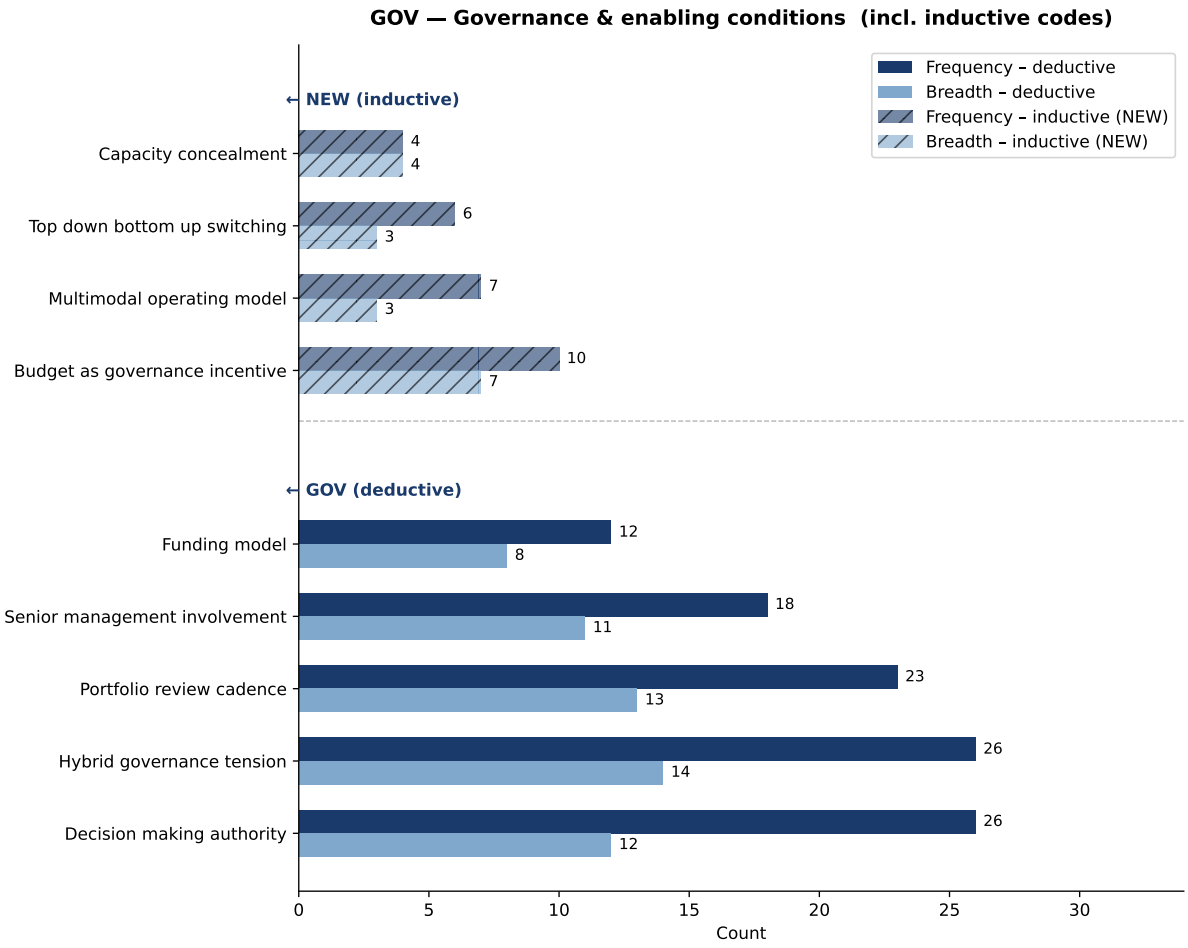


Figure 4.3: Frequency and breadth for the `GOV` code group and relevant inductive `NEW` codes. Solid bars represent deductively derived codes; hatched bars represent inductively generated codes that were not anticipated by the initial codebook.

Practitioners describe this coexistence as a conflict that cannot be resolved within a single governance model:

> *"A project manager wants certainty over the entire duration. If something takes two years, that manager wants commitment for those two years, not just for the first quarter. Whereas in SAFe you only commit to a sprint and to an increment. That is the tension"* (INT06).

4.3.2 Portfolio Review Cadence

`GOV_Portfolio_review_cadence` ($n_{\text{quotes}} = 23$, breadth = 13/15) is the strongest prescriptive signal in the dataset. Respondents who described organisations that manage realignment effectively consistently pointed to an explicit, periodic review mechanism. This mechanism operates independently of the annual budget cycle and is empowered to make binding capacity allocation decisions. The cadence varied: quarterly PI boundaries, half-yearly strategic reviews, or dedicated portfolio health sessions. But the structural principle was consistent: a formal moment at which the question 'do our teams still match our strategy?' is asked and answered.

> *"If you have put good governance in place, that it is clear which route something follows. Who decides which choice is made? Who may decide what, and where? If there is clarity about that, you already have a much better structure"* (INT07).

The most concrete instantiation of this principle in the dataset is a biweekly governance board with the authority to remove and replace roadmap items in real time:

> *"They could track: this was on the roadmap, but something better has come along now, so we remove those two and replace them with this better option. That is possible because they sit together every two weeks and discuss new developments"* (INT10).

4.3.3 Senior Management Involvement

`GOV_Senior_management_involvement` ($n_{\text{quotes}} = 18$, breadth = 11/15) captures a cross-cutting enabling condition. Without explicit senior sponsorship, capacity reallocation decisions escalate into political conflicts that middle management is neither empowered nor incentivised to resolve.

Senior sponsorship emerges as a precondition rather than an accelerator:

> *"In all the trajectories that were successful, it was always the boss who fully supported it. If that is not the case, I doubt whether these kinds of things can really be implemented"* (INT09).

This sponsorship must be active and directive rather than passive:

> *"You need sponsors for this transformation. Someone high up in the organisation must say: sorry, now everyone is simply going left. People do not run in the same direction of their own accord. And that is very rare"* (INT05).

4.3.4 Funding Model

`GOV_Funding_model` ($n_{\text{quotes}} = 12$, breadth = 8/15) reflects the structural coupling between financial allocation and capacity configuration. Respondents described annual, domain-siloed budget structures as the single most durable obstacle to portfolio-level capacity shifts. Even when decision-making authority exists in principle, money is allocated to domains that do not share it across boundaries.

The core problem is that budget discussions obscure what they actually concern:

> *"Money is something you can shift between pots fairly easily, but people are simply sitting in those teams and they cannot actually shift"* (INT04).

Cross-domain reallocation is further obstructed by the delegation logic through which budgets are distributed:

> *"In large companies everything is delegated: this much budget to HR, this much to IT. Within those domains priorities are set, but across domains no one looks at whether an HR project delivers more value than a consumer-facing project"* (INT13).

Inductive findings. Two inductive codes add nuance to the funding picture that the deductive codebook did not anticipate. `NEW_Budget_as_governance_incentive` ($n_{\text{quotes}} = 10$, breadth = 7/15) captures a positive mechanism. Respondents described cases in which financial accountability structures were deliberately redesigned to create incentives for cross-domain cooperation. `NEW_Capacity_concealment` ($n_{\text{quotes}} = 4$, breadth = 4/15) describes a perverse effect of siloed budgeting. Teams systematically underreport available capacity to protect their budget allocations, a behaviour that renders portfolio-level planning unreliable regardless of governance design quality.

A cross-cutting inductive finding. `NEW_Top_down_bottom_up_switching` ($n_{\text{quotes}} = 6$, breadth = 3/15) describes an enabling mechanism that cuts across the governance conditions discussed in this section. Organisations consciously toggle between top-down directive capacity shifts and bottom-up team-initiated proposals, depending on the scale and urgency of the strategic change. Rather than relying on a single governance logic, organisations that manage realignment effectively appear to deploy both mechanisms situationally.

4.4 Configuration Principles and Solution Strategies

This section addresses SQ4 and draws on the `CFG_` and `STR_` code groups. Figure 4.4 shows the frequency and breadth of all `CFG_` codes. Figure 4.5 provides a cross-strategy comparison of how the six solution strategies are discussed across interviews.

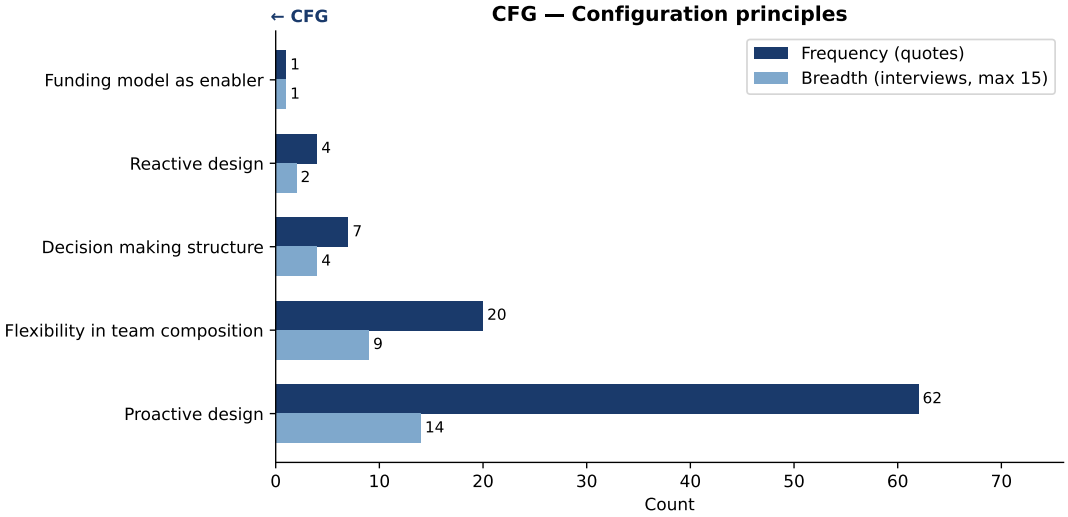


Figure 4.4: Frequency and breadth for the `CFG` (configuration principles) code group. The dominance of `CFG_Proactive_design` reflects near-universal practitioner consensus that reactive approaches are insufficient.

4.4.1 Proactive Design and Compositional Flexibility

`CFG_Proactive_design` is the single most frequently coded and most broadly applied code in the entire dataset: $n_{\text{quotes}} = 62$, breadth = 14/15. In contrast, `CFG_Reactive_design` has breadth = 2/15 and $n_{\text{quotes}} = 4$. This asymmetry constitutes an empirical finding in its own right. Practitioners across all 15 interviews converged on the view that reactive capacity realignment, waiting for a mismatch to become visible before acting, is insufficient, costly, and largely avoidable. The proactive design pattern encompasses two distinct governance mechanisms that respondents consistently described as characteristic of organisations that manage realignment effectively. The first is a dual-trigger structure that distinguishes between routine team maintenance and strategic intervention:

> *"You actually need two mechanisms. The first: if your strategy remains broadly the same, you simply need to review your teams from time to time. That is just regular maintenance. The second category: if you are genuinely making large adjustments to your strategy, you sometimes simply need to intervene radically. That is a different mechanism"* (INT06).

The second is a bidirectional review cadence that combines top-down portfolio analysis with bottom-up backlog inspection:

> *"The top-down approach: what is my business and IT strategy, what are the large blocks of work, and to what extent does that match the capabilities that teams are currently working on? The bottom-up approach: look at the backlogs of those teams, do I still see relevant work? If not, they are probably due for a reset"* (INT03).

Underpinning both mechanisms is a configuration logic in which time, teams, and budgets are fixed so that scope becomes the primary variable:

> *"The conditions at that level are: fixed teams, fixed timelines, as fixed as possible, which also means fixed budgets. So that they can deliver variable scope in the direction of the strategy"* (INT05).

The governance mechanisms described above are necessary but not sufficient. Organisations that manage realignment effectively have also invested in compositional flexibility before it is needed. `CFG_Flexibility_in_team_compo` ($n_{\text{quotes}} = 20$, breadth = 9/15) captures this structural complement. Respondents described three recurring mechanisms: T-shaped skill development that gives individuals a secondary capability outside their primary domain, chapter or guild structures that maintain cross-team knowledge flow without disrupting stable team membership, and the deliberate use of external capacity buffers placed *alongside* rather than *inside* core teams, preserving team coherence while providing surge capacity. The distinction between stable core and flexible periphery was expressed concisely by one respondent:

> *"Do not confuse stable teams with permanent teams"* (INT03).

Compositional flexibility is harder to achieve at scale. At large organisations, the knowledge of who can do what, a prerequisite for rapid redeployment, is itself a scarce resource:

> *"The smaller you are, the easier it is, everyone knows each other, you know exactly who can do what. Once you have an organisation of three thousand people, you no longer know them"* (INT02).

Taken together, proactive governance design and pre-built compositional flexibility represent two sides of the same organisational readiness. One operates at the portfolio review level, the other at the team design level. Neither is sufficient without the other.

4.4.2 The Six Solution Strategies: Recognised but Conditionally Available

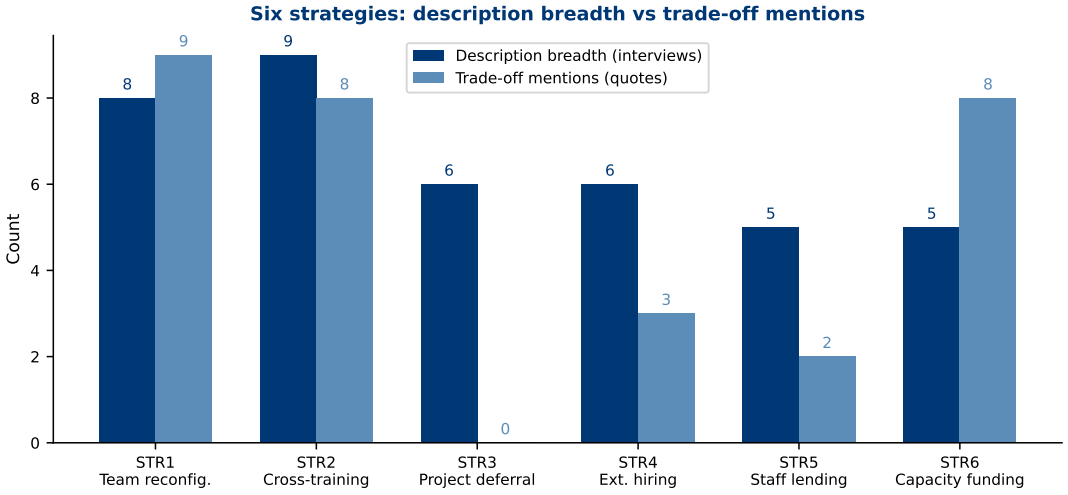


Figure 4.5: Comparison of the six solution strategies on two dimensions: description breadth (number of interviews in which the strategy was described) and trade-off frequency (total quotes discussing risks, limitations, or conditions of the strategy). A high trade-off-to-description ratio indicates a strategy that is recognised but regarded as problematic.

A cross-cutting pattern in the data is that all six strategies are broadly recognised by practitioners.

None were unfamiliar or considered irrelevant, yet most are consistently described in qualified terms. The high trade-off frequency relative to description breadth for most strategies signals not ignorance of alternatives but awareness of the conditions under which each strategy fails or produces unintended costs. The central empirical observation is therefore not that organisations lack strategic options, but that the availability of those options depends on organisational conditions that are often absent.

Team Reconfiguration (STR1) Described in 8 of 15 interviews, team reconfiguration is consistently treated as a last resort rather than a first response. This pattern mirrors the finding reported in Section 4.2.4: practitioners recognise reconfiguration as effective but are reluctant to deploy it precisely because it destroys what agile teamwork was designed to build.

Cross-training (STR2). Cross-training is the most broadly described strategy (breadth = 9/15) and carries a comparably high trade-off frequency. This reflects both its appeal as a proactive flexibility investment and its recognised long lead time. It is also the strategy most directly aligned with the proactive design principle described in Section 4.4.1. Organisations that have invested in T-shaped skills and cross-team knowledge distribution before a strategic shift occurs face a materially different realignment challenge than those that have not. The trade-off is primarily temporal: cross-training cannot be activated reactively. This reinforces the empirical pattern that it functions as an enabling condition rather than a response strategy.

Project deferral and descoping (STR3). Project deferral was described in 6 interviews and carries zero trade-off mentions, the only strategy for which this holds. Respondents tended to describe it as underused and undervalued rather than problematic when applied decisively:

> *"Descoping, whether you delay something, do it with fewer people, or stop it altogether, I think that is tremendously powerful when an organisation actually does it"* (INT07).

The low discussion frequency is consistent with the `BLO_Escalation_of_commitment` finding in Section 4.2.2. The political costs of stopping a project in progress are a stronger barrier to deferral than any technical complexity.

External hiring and contractor use (STR4). External hiring is consistently qualified on knowledge-retention grounds. Speed is acknowledged but treated as a trade-off rather than a net benefit:

> *"If you bring in external people to do this work, you are training the wrong people. Knowledge sits in people's heads, and the moment someone leaves, you are dependent on that person no longer being there"* (INT07).

Staff lending and cross-team collaboration (STR5). Staff lending carries the lowest trade-off frequency of any strategy ($n_{\text{quotes}} = 2$), suggesting it is regarded as low-risk when the governance conditions for cross-team cooperation are present. The constraint is structural rather than conceptual. The decision-making authority, aligned budget structures, and senior management mandate described in Section 4.3 are the same conditions that make staff lending operationally viable. Absent those conditions, lending arrangements collapse into informal agreements that depend on individual goodwill rather than organisational design.

Capacity-based funding (STR6). Capacity-based funding occupies a structurally distinct position among the six strategies. Its trade-off frequency of 8 against a description breadth of only 5 is the highest ratio in the dataset. This indicates that it is regarded as theoretically compelling but difficult to implement within existing governance structures. It is also the only strategy that addresses the governance root cause identified in Section 4.3.4 rather than its downstream symptoms. Where other strategies manage the consequences of misaligned capacity, capacity-based funding removes the annual budget constraint that generates the mismatch in the first place. The trade-off is not primarily financial but structural. Shifting to continuous capacity funding changes what decisions need to be made and who has authority to make them:

> *"If you solve this by moving to fully capacity-based funding, you simply get a different kind of financial steering, namely on the business case of those individual work packages. You reach*

an optimum with a trade-off: however you structure the budget, you simply get a different kind of trade-off" (INT11).

The pattern across all six strategies points to the same conclusion. The question practitioners face in practice is not which strategy to choose, but whether the organisational conditions necessary for any given strategy to be viable are in place. Strategies are known; the conditions that make them executable are not. This observation motivates the diagnostic orientation of the artifact developed in Chapter 5. Rather than prescribing a strategy, the artifact is designed to help practitioners assess which strategies are structurally available to a given organisation at a given moment.

Chapter 5

Artifact Design and Evaluation

This chapter describes the design and iterative refinement of the diagnostic artifact produced in this research. Section 5.1 presents the initial artifact produced at the end of Phase 2. Section 5.2 describes the expert review sessions conducted in Phase 3 and the structural revisions that followed. Section 5.3 presents the final artifact in full.

5.1 Initial Artifact Design

5.1.1 Design Objectives and Scope

The design of the initial artifact was guided by three objectives derived from the problem statement and the DSR requirements established in Chapter 3. First, the artifact had to be empirically grounded. Every factor, condition, and connection included had to be traceable to the coded interview data, the literature reviewed in Phase 1, or both [Hevner et al., 2004]. Second, it had to be specific to agile capacity realignment as a phenomenon distinct from generic organisational transformation. This scope restriction would later prove consequential for several inclusion and exclusion decisions. Third, it had to be usable as a practical reference tool for Deloitte consultants. This meant it had to support structured diagnostic reasoning without prescribing a rigid sequence of steps.

The artifact was not designed in a single pass. An initial version was sketched after approximately seven interviews, before data collection was complete, in order to test whether a coherent structure was emerging from the data. This interim version served as a sensitising device rather than a finished product. It made analytical choices visible early enough to be revised in light of the remaining interviews. The version presented to expert reviewers in Phase 3 was produced after all fifteen interviews had been completed and fully coded in Atlas.ti.

5.1.2 Initial Three-Layer Structure

The artifact produced at the end of Phase 2 was organised into three layers, each grounded in a distinct theoretical tradition.

The first layer, organisational context, drew on Pettigrew [1987], who argues that strategic change can only be understood in relation to the context in which it must take place. Pettigrew distinguishes an outer context, the external environment of sector conditions, regulation, and competitive pressures, from an inner context of internal structure, culture, and politics that determines how much room an organisation has to manoeuvre. In the initial design, the context layer was intended to capture the organisation-specific conditions that would shape how the blocking factors and enabling conditions applied in any given client situation.

The second layer, blocking factors, drew on the barrier identification logic of the Consolidated Framework for Implementation Research [Damschroder et al., 2009], which holds that systematic diagnosis of the factors preventing change must precede intervention selection. The blocking factors layer was designed to make that diagnostic step explicit and structured.

The third layer, enabling conditions, drew on the concept of contextual ambidexterity [Gibson and Birkinshaw, 2004], which holds that organisations can only sustain simultaneous stability and adaptability when their organisational context actively supports both. In the initial design, enabling conditions specified the organisational prerequisites, such as governance structures, funding models, and planning cadence, that had to be in place before any intervention could be deployed effectively.

Alongside these three layers, the initial version included the six solution strategies identified in Phase 1 and confirmed by the interview data as a fourth component, presented as a reference table mapping strategies to applicable conditions and likely trade-offs.

The context layer was carried through Phase 2 design but did not survive into the final artifact. In preparation for the first validation session, the artifact was discussed with the company supervisor in a sparring session intended to assess progress on the artifact. During this discussion, it became apparent that the coded interview data offered limited support for a generalisable context layer: contextual factors varied substantially across client engagements, with no consistent pattern emerging across the dataset. The company supervisor advised removing the layer on these grounds, noting that retaining it risked making the diagnostic artifact too generic, applicable to any organisational transformation rather than specifically to agile capacity realignment. The relevant contextual considerations were instead absorbed into the descriptions of the blocking factors themselves, where they could be operationalised with sufficient specificity. This evolution from a three-layer to a two-layer structure is discussed further in Chapter 6.

5.1.3 Cluster Composition and Factor Selection

Factor selection followed a dual criterion throughout. A factor was included only if it was (a) sufficiently grounded in the coded data, assessed using both frequency and breadth across the fifteen interviews, and (b) specific to agile capacity realignment rather than applicable to any organisational transformation. The second criterion proved more consequential than the first. The two most frequently coded blocking factors in the entire dataset were `BLO_Culture` ($n_{\text{quotes}} = 45$, breadth = 13/15) and `BLO_Change_averse_behaviour` ($n_{\text{quotes}} = 40$, breadth = 14/15). Despite their empirical prominence, neither was included as a standalone factor in the artifact. Both are generic transformation barriers present in any large-scale change context, and the interventions that address them operate at a level of abstraction, such as sustained leadership commitment or cultural development programmes, that falls outside the portfolio-level configuration scope of this research. Their exclusion is not an analytical disagreement with the data but a disciplined application of the scope criterion.

The initial blocking factor layer presented at the first validation session was organised into five clusters: Governance & Decision-Making, Agile Rigidity, Financial Structure, Knowledge & Composition, and Structural Inertia. The enabling conditions layer was organised into four clusters: Governance Design, Portfolio Management, Organisation & Team Design, and Leadership & Mandate.

Governance & Decision-Making contained five subfactors: Rigid Planning Cycles, Fragmented Portfolio Steering & Budget Silos, Decision Authority Unassigned, Escalation of Commitment, and Hybrid Governance Tension. Agile Rigidity contained two subfactors: Dogmatic Team Stability and Loss of Top-down Intervention Capacity. Financial Structure contained two subfactors: Budget Silos Constrain Capacity and Capacity Concealment. Knowledge & Composition contained two subfactors, Compositional Rigidity and Technical & Vendor Complexity, the latter explicitly flagged in the presentation as a pattern that had emerged in the interviews without yet being coded as a dedicated category. Structural Inertia was presented as a single factor combining structural self-preservation with the Chandler inversion.

Several factor-level decisions in this initial version were explicitly marked as open questions to be tested in the first validation session. The overlap between Financial Structure and the budget-related subfactor within Governance & Decision-Making was flagged directly on the relevant slide with the handwritten note "merge with A2?". The placement of Loss of Top-down Intervention Capacity within Agile Rigidity, rather than within Governance & Decision-Making, was also treated as provisional given its conceptual overlap with Decision Authority Unassigned.

The initial version was structured around a connections table mapping each blocking factor to one or more enabling conditions and the solution strategies most likely to become viable when those conditions were in place. At this stage, the enabling conditions layer was still referred to as "Enabling Functions"

rather than “Enabling Conditions”, a terminological inconsistency that was corrected following the first validation session.

5.1.4 Initial Artifact

Figure 5.1 presents the initial version of the artifact as it was brought into the first validation session. The blocking factor layer comprised five clusters: Governance & Decision-Making, Agile Rigidity, Financial Structure, Knowledge & Composition, and Structural Inertia. The enabling condition layer comprised four clusters: Governance Design, Portfolio Management, Organisation & Team Design, and Leadership & Mandate. Several factor-level decisions were explicitly marked as provisional at this stage, including the overlap between the Financial Structure cluster and the budget-related subfactors within Governance & Decision-Making, and the placement of Loss of Top-Down Intervention Capacity within Agile Rigidity rather than Governance & Decision-Making. These open questions were brought into the first validation session for discussion.

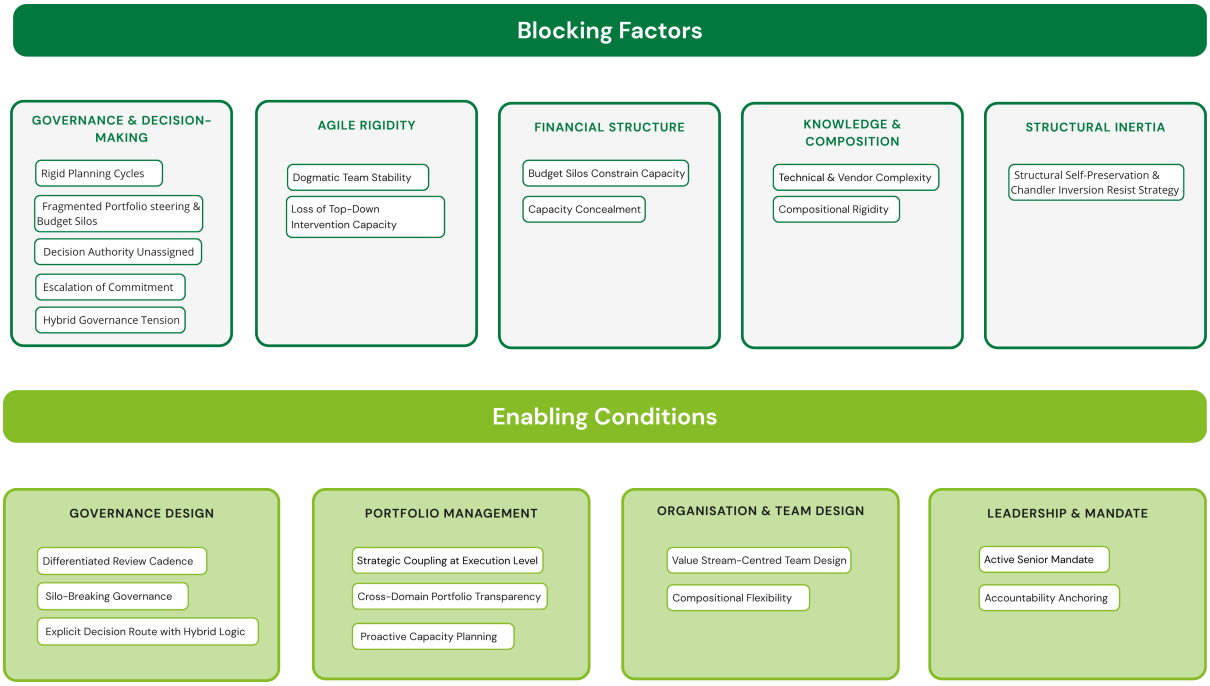


Figure 5.1: Initial version of the two-layer diagnostic artifact, comprising five blocking factor clusters and four enabling condition clusters, as presented in Validation Session 1. Several factor placements were explicitly marked as provisional at this stage and were revised following evaluator feedback.

In the connections table below, blocking factor clusters are labelled with letters (A through E in this initial version) and enabling condition clusters with numbers (1 through 4) for ease of cross-referencing.

Table 5.1: Connections between blocking factors, enabling conditions, and solution strategies in the initial artifact, as presented in Validation Session 1.

Blocking Factor	**Enabling Condition**	**Strategy**
A1 Rigid planning cycles	1a Differentiated review cadence	STR3
A2+C1 Budget silos	1b+2b Silo-breaking governance + transparency	STR6
A3 Decision authority unassigned	1c+4a Explicit route + senior mandate	—
A4 Escalation of commitment	1a+2a Review cadence + strategic coupling	—
A5 Hybrid governance tension	1c Hybrid decision logic	—
B1 Dogmatic team stability	3a+3b Value stream design + compositional flex	—
B2 Loss of top-down intervention	1c+4a Explicit route + senior mandate	—
C2 Capacity concealment	2b Portfolio transparency	—
D Knowledge & composition	3b Compositional flexibility	STR2 *(preventive)*
E1 Structural inertia	4a Senior mandate	—

5.2 Validation

5.2.1 Evaluation Design and Participant Selection

Evaluation was conducted through structured expert review sessions with experienced Deloitte practitioners, consistent with the evaluation strategy described in Chapter 3 [Hevner et al., 2004, Peffers et al., 2007]. Participants were selected on the same purposive basis as the interview participants in Phase 2, with the additional criterion that they had sufficient strategic overview of the problem domain to assess the artifact's completeness. All evaluation participants across both sessions had also taken part in the Phase 2 interviews. While this means neither session offered a fully independent perspective on the artifact's content, prior involvement provided a different and complementary form of evaluative input: rather than sharing individual experiences as in the interviews, participants were now asked to assess whether the artifact as a whole accurately captured and structured what they and their colleagues had described.

Each session combined a prepared walkthrough of the artifact with open discussion, following the same semi-structured logic used in the Phase 2 interviews. Sessions were assessed against three criteria: completeness, whether the artifact captures the full range of blocking factors and enabling conditions practitioners encounter in practice; relevance, whether the factors and conditions are accurately and usefully characterised; and usability, whether the artifact is structured in a way that consultants could realistically draw on when advising clients.

The first validation session was conducted with four senior Deloitte practitioners. The group consisted of three managers and one senior manager, the latter also serving as company supervisor for this research. All four participants had cross-client experience with agile transformation and IT portfolio management in large enterprises. The session was conducted in hybrid format, with two participants online and two in person, and lasted approximately sixty minutes. The first ten minutes were not recorded; notes were taken by the researcher throughout.

The second validation session was conducted with three more senior Deloitte practitioners: two directors and one senior manager, also drawn from the Phase 2 interview sample. The session followed the same format and lasted approximately 58 minutes.

5.2.2 Validation Session 1: Findings and Revisions

Confirmed elements Participants broadly confirmed the diagnostic logic of the artifact. The four-cluster structure for blocking factors, Governance & Decision-Making, Agile Rigidity, Knowledge & Composition, and Structural Inertia, was recognised as reflective of the challenges encountered in practice. The distinction between blocking factors and enabling conditions was considered analytically useful, and the overall framing of the problem as a mismatch between team configuration and strategic direction was confirmed as accurate.

Participants also confirmed the empirical weighting of the solution strategies. The strong positioning of project descoping (STR3) and capacity-based funding (STR6) as the most broadly applicable strategies was endorsed. The characterisation of team reconfiguration (STR1) as known but systematically underused was recognised as accurate, with the company supervisor arguing that the conventional framing of team dissolution as a last resort constitutes a false trade-off: when a team's strategic rationale has lapsed, avoidance of reconfiguration is the greater risk, not the reconfiguration itself.

Structural revisions The session produced several structural revisions to the artifact, agreed through discussion between participants and the researcher.

Combined treatment of Decision Authority Unassigned and Loss of Top-down Intervention Capacity. Participants agreed that *Decision Authority Unassigned* (A3) and *Loss of Top-down Intervention Capacity* (B2) describe the same underlying problem from two different causes: in one case the authority was never designed into the governance structure, in the other it eroded during the agile transition. Although the causes differ, the effect and the appropriate response are identical, so the two factors were given a combined connection in the mapping table as *Missing Mandate* (A3+B2), while remaining individually recognisable in the cluster description.

Merger of Fragmented Portfolio Steering and Budget Silos Constrain Capacity. The overlap between *Fragmented Portfolio Steering* (A2) and *Budget Silos Constrain Capacity* (C1) was identified as substan-

tial. Both describe the structural consequence of domain-siloed budgeting for cross-domain reallocation. The two factors were merged into *Budget Silos* (A2+C1).

Elimination of the Financial Structure cluster. Following the merger of C1 into A2, the Financial Structure cluster was reduced to a single remaining factor, *Capacity Concealment*. Participants agreed that this factor described a behavioural consequence of budget silo structures rather than an independent structural phenomenon, and recommended relocating it to the Structural Inertia cluster as a third subfactor. The Financial Structure cluster was accordingly eliminated.

Split of Knowledge & Composition into three subfactors. Participants identified the original *Compositional Rigidity* factor as conflating three distinct constraints that operate through different mechanisms and require different responses. The factor was split into: *Vendor Lock-in* (D1), covering multi-vendor contracts and tender obligations that constrain which teams can work on what; *Technical Complexity* (D2), covering tightly coupled systems that limit redeployment independent of governance decisions; and *Capability Gaps* (D3), covering knowledge concentrated in key persons and the absence of capacity visibility at scale.

Addition of Unused Flexibility as a new blocking factor. Participants identified a gap in the Agile Rigidity cluster: the distinction between the dogmatic application of the team stability principle (B1) and the failure to activate the flexibility mechanisms that SAFe already provides in principle. This was added as *Unused Flexibility* (B2), grounded in `SAF_Framework_vs_culture` ($n_{\text{breadth}} = 7$, $n_{\text{quotes}} = 12$).

Addition of Self-Preservation and Capacity Hoarding to Structural Inertia. Two behavioural manifestations of structural inertia were added as subfactors. *Self-Preservation* captures individuals actively protecting their mandate, team size, and budget position when realignment threatens them, grounded in `BLO_Change_averse_behaviour` ($n_{\text{breadth}} = 14$, $n_{\text{quotes}} = 40$). *Capacity Hoarding* captures teams over-reporting workload and active commitments to protect budget allocations, relocating `NEW_Capacity_concealment` from the eliminated Financial Structure cluster ($n_{\text{breadth}} = 4$, $n_{\text{quotes}} = 4$).

Reformulation of three enabling conditions. Differentiated Review Cadence was revised to reflect that the goal is not independence from the annual budget cycle but looser coupling to it, with radical strategic interventions treated as a separate escalation route outside the regular cadence. *Strategic Coupling at Execution Level* was reformulated as *Goal-Bound Capacity Allocation*, coupling budget to organisational objectives rather than to solutions or teams, in response to participant concern that the original formulation risked reintroducing project-like rigidity into an agile context. *Accountability Anchoring* was reformulated as an initial version of *Shared Outcome Ownership*, shifting from ownership of individual realignment decisions towards shared accountability for joint organisational outcomes.

Renaming of Enabling Functions to Enabling Conditions. The label *Enabling Functions* was replaced consistently with *Enabling Conditions* throughout the artifact.

Open questions and disagreements Participants discussed whether culture and change-averse behaviour, the most frequently coded barriers in the dataset (`BLO_Culture`: $n_{\text{breadth}} = 13$, $n_{\text{quotes}} = 45$; `BLO_Change_averse_behaviour`: $n_{\text{breadth}} = 14$, $n_{\text{quotes}} = 40$), should appear in the artifact in some form. The session concluded that culture as a generic transformation barrier falls outside the scope of a portfolio-level diagnostic artifact. The specific behavioural manifestation of self-preservation was however incorporated, capturing the aspect of change-averse behaviour that directly obstructs capacity realignment decisions. A suggestion to attach a concrete practice example to every blocking factor and enabling condition pairing was also raised but not implemented in later versions. Participants also discussed how the artifact should ultimately be presented and packaged in practice, but this discussion did not converge on a concrete direction within the session.

5.2.3 Validation Session 2: Findings and Revisions

The second validation session was conducted with three Deloitte practitioners, also drawn from the Phase 2 interview sample, and lasted approximately 58 minutes. The session followed the same semi-structured format as the first session and reviewed the artifact as revised after Validation Session 1.

Confirmed elements The two-layer structure and the four blocking factor and four enabling condition clusters were not challenged at the structural level. Team Rigidity and Unused Flexibility were both confirmed as distinct factors: a proposed further analysis of their direction, whether the rigidity originates

from within teams or is imposed from above teams, did not lead to a merger but instead strengthened the justification for treating them as two separate factors. The six solution strategies and their positioning outside the artifact structure were not challenged.

Structural revisions *Factual correction to Planning Lock-in.* The description was corrected to specify that SAFe commitments are made per Programme Increment only, not per sprint, following a factual clarification from one participant.

Sunk Cost reformulated as Failure to Stop. One participant proposed broadening this factor beyond sunk-cost reasoning specifically to the more general organisational reluctance to make explicit stop decisions. The factor was renamed *Failure to Stop* and its description revised to: political resistance and the absence of a formal stop mechanism keep teams active even when their strategic rationale has lapsed.

Enrichment of the explanation underlying Missing Mandate and Governance Conflict. One participant added a dual explanation for why the top-down mechanism is unavailable: either portfolio governance was never properly designed during the agile transition, or the capability atrophied through disuse once teams stabilised.

Sharpened descriptions of Technical Complexity and Capability Gaps. One participant maintained that the two factors are distinct, architecture and systems on one hand, person-bound knowledge on the other, while two other participants saw overlap, since both ultimately concern an inability to move people due to specialist knowledge dependencies. No merger was made. Instead, both descriptions were sharpened to make the distinction more explicit: Technical Complexity now emphasises that monolithic or tightly integrated systems create hard dependencies regardless of governance decisions or team willingness, while Capability Gaps emphasises that critical knowledge concentrated in individuals cannot easily be redistributed, and that the absence of capacity visibility at scale itself obstructs informed redeployment.

Scope note added to Structure Resists Strategy. One participant observed that this factor operates at a different level than the other, more execution-focused blocking factors: in extreme cases, structural inertia can prevent an organisation from even forming a strategic choice, not only from executing one. This was acknowledged in discussion as a scope consideration for the factor.

Bottom-up direction added to Review Cadence. One participant introduced a practical example in which capacity plans are also rolled upward after the PI planning event, giving senior levels visibility into what is committable, rather than the review cadence operating only top-down. This bottom-up dimension was added to the description.

Reformulation of Senior Mandate. One participant argued that "senior sponsor" understates what is required: the issue is not sponsorship but a designated decision authority who can resolve conflicts middle management cannot. The description was revised accordingly, specifying that it must be clear in advance who makes the call when domain interests compete.

Reformulation of Goal-Bound Capacity towards an outcome-driven framing. One participant argued that the description should foreground outcomes rather than budget: capacity should be allocated based on organisational objectives, with budget coupling presented as a consequence of that outcome orientation rather than as the starting point. The description was revised to lead with the outcome-driven principle.

Reformulation of Shared Ownership. One participant questioned whether shared responsibility for an outcome an individual cannot fully influence functions as a genuine incentive. Another participant proposed an OKR-style alternative: accountability aligned to a shared organisational objective, with each individual contributing from their own domain rather than holding joint responsibility for the same result. The description was revised to reflect this OKR-style alignment.

Scope boundary added to the artifact. Following a boundary case raised by one participant, a large capital investment programme governed through traditional project structures despite the presence of internal scrum teams, an explicit scope statement was added to the presentation: the diagnostic artifact applies to organisations operating within an agile or hybrid delivery setting, and large programme organisations operating under traditional project governance fall outside its scope.

Remaining open items Participants raised a more fundamental question about the orientation of the artifact: whether it should function primarily as a diagnostic instrument centred on identifying blocking

factors, or as a more prescriptive instrument with explicit pairings between blocking factors and enabling conditions. One participant argued that understanding the problem, the blocking factors, already constitutes roughly eighty percent of the consulting value, and characterised the enabling conditions as comparatively self-evident once the problem is clear. This observation was not contested by the other two participants, but it was also not converted into a concrete decision about the artifact's final orientation within the session. A separate informal follow-up conversation with one of the participants was scheduled after the session, intended to further shape the artifact for internal Deloitte use rather than to resolve this specific question.

5.3 Final Artifact

The final artifact is a two-layer diagnostic instrument comprising four blocking factor clusters and four enabling condition clusters. Figure 5.2 presents the full overview.

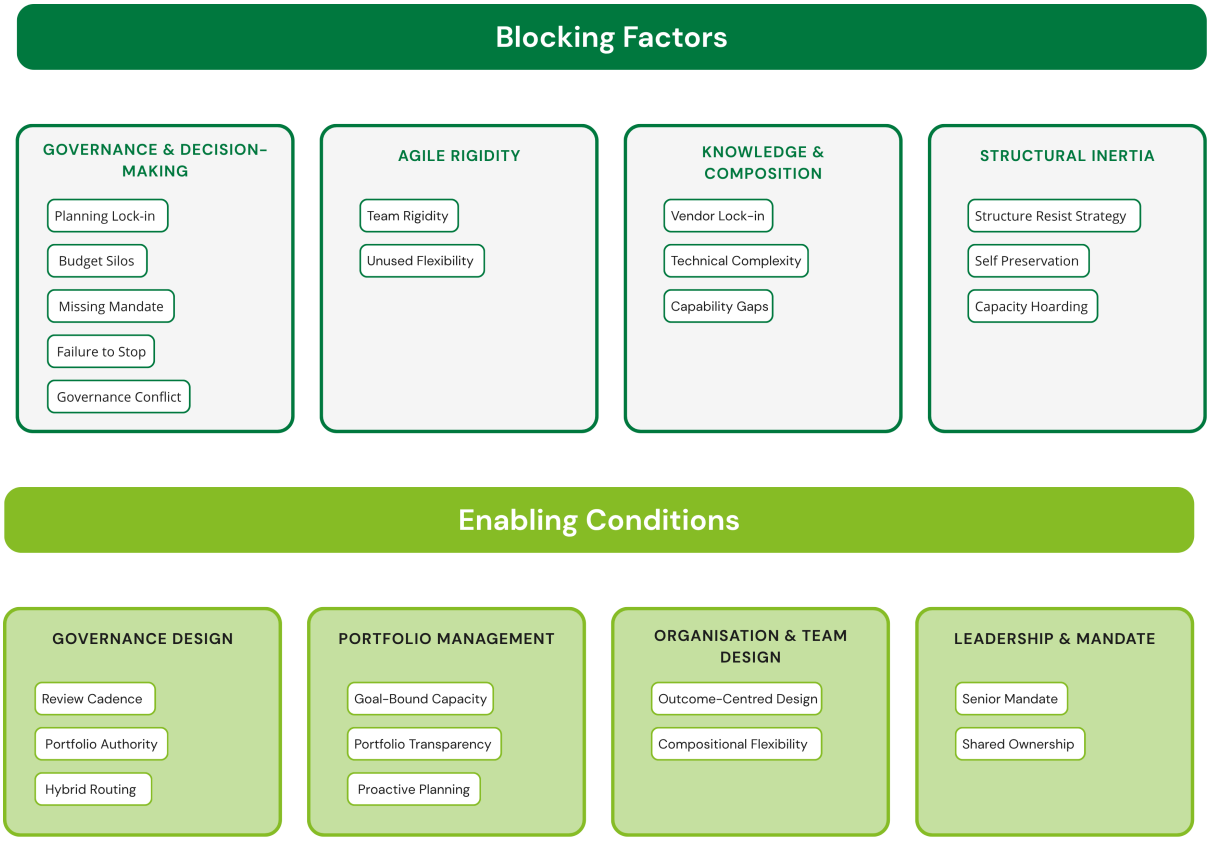


Figure 5.2: Overview of the final two-layer diagnostic instrument, comprising four blocking factor clusters and four enabling condition clusters.

The two layers are best understood through a diagnostic rather than a corrective lens. The blocking factors presented in Section 5.3.1 describe *symptoms*: the structural and behavioural patterns an organisation can recognise in itself when capacity realignment is failing. The enabling conditions presented in Section 5.3.2 describe *prerequisites*: the organisational conditions that, when present, support effective realignment. The two layers are not mirror images applied factor-by-factor; an organisation diagnosed with a given blocking factor does not necessarily resolve it by installing the seemingly corresponding enabling condition alone. Rather, the enabling conditions describe the broader organisational readiness that makes realignment possible, regardless of which specific blocking factors are present. This relationship, and why a fixed mapping between the two layers was deliberately not retained, is discussed in Section 5.3.3.

5.3.1 Blocking Factor Clusters

The blocking factor layer is organised into four clusters, each grounded in the thematic analysis described in Chapter 4 and refined through the two validation sessions described in Section 5.2. The four clusters are: Governance & Decision-Making, Agile Rigidity, Knowledge & Composition, and Structural Inertia. Each is discussed in turn below.

Cluster A: Governance & Decision-Making. This cluster captures barriers rooted in how decision-making authority and planning cycles are structured. The five factors share a common thread: capacity decisions either have no formal route, or the route that exists is structurally too rigid or too slow to absorb a strategic shift. This pattern is consistent with the literature on IT portfolio management, which documents how rigid annual budget cycles commit capacity months in advance and leave no natural entry point for strategic shifts that arrive outside the planning window [Hoffmann et al., 2017, 2020]. The absence of cross-domain decision authority and the political costs of terminating existing commitments are further documented as systematic governance failures in portfolio environments [Jonas, 2010, Staw, 1981]. Table 5.2 presents the five factors in this cluster.

Table 5.2: Blocking factors in Cluster A: Governance & Decision-Making.

Factor	Description	Empirical basis
Planning Lock-in	Annual budgets and PI planning cycles commit capacity before strategic priorities can shift; missing the planning window by even one day means waiting an entire quarter.	PRO_Annual_planning_cycle (b=7, f=10) SAF_PI_planning_rigidity (b=6, f=7)
Budget Silos	Domain budgets make cross-domain reallocation structurally impossible; budgets are tied to people, not freely movable money.	BLO_Governance_structure (b=11, f=23)
Missing Mandate	No actor holds a mandate to redirect capacity across domain boundaries. Whether this authority was never designed into the structure or eroded during the agile transition, the result is the same: capacity shifts default to political escalation.	BLO_Governance_structure (b=11, f=23) GOV_Decision_making_authority (b=12, f=26)
Failure to Stop	Once an initiative is running, stopping it becomes politically and psychologically costly. Political resistance and the absence of a formal stop mechanism keep teams active even when their strategic rationale has lapsed.	BLO_Escalation_of_commitment (b=7, f=15)
Governance Conflict	Agile and traditional governance logics make incompatible demands on teams. A programme manager wants a multi-year commitment; SAFe commits per PI only, leaving capacity allocation in a permanent grey zone.	GOV_Hybrid_governance_tension (b=14, f=26) SAF_Framework_vs_culture (b=7, f=12)

Cluster B: Agile Rigidity. This cluster captures barriers arising from how the SAFe stable-teams principle is applied in practice. Where Cluster A concerns the absence or rigidity of formal decision routes, Cluster B concerns a framework principle that is either applied too rigidly or not used to its full potential. The SAFe framework treats long-lived, cross-functional teams as a prerequisite for effective delivery, reflecting the theoretical argument that stable team membership builds the shared mental models, mutual trust, and self-organisation that agile delivery depends on [Moe et al., 2010, Putta et al., 2019]. In practice, however, this principle is frequently applied beyond its intended scope: organisations conflate team stability with team permanence, a pattern the empirical data in this research consistently confirms. Each reconfiguration carries a real developmental cost, temporarily resetting a team to an earlier stage of group development [Tuckman, 1965], but the cost of avoidance is rarely weighed against it. Table 5.3 presents the two factors in this cluster.

Table 5.3: Blocking factors in Cluster B: Agile Rigidity.

Factor	Description	Empirical basis
Team Rigidity	The stable-teams principle is applied beyond its intended scope. Teams outlive their strategic rationale because dissolution is socially and organisationally costly; reconfiguration resets team dynamics, but avoidance of reconfiguration is the greater risk.	SAF_Team_stability_in_practice (b=14, f=29) NEW_Tuckman_realignment_cost (b=6, f=7)
Unused Flexibility	SAFe's built-in flexibility mechanisms are rarely activated in practice. The gap between framework prescription and cultural reality means organisations carry the constraints of SAFe without benefiting from its adaptability.	SAF_Framework_vs_culture (b=7, f=12)

Cluster C: Knowledge & Composition. This cluster captures barriers arising from how knowledge, technical architecture, and vendor relationships constrain team composition. The three factors each obstruct realignment through a different mechanism, contractual, architectural, and human, but share the common effect of limiting which teams can realistically be redeployed. The literature on workforce flexibility identifies key-person dependency and the absence of overlapping competences as primary obstacles to rapid redeployment [Dyer and Ericksen, 2006, Nijssen and Paauwe, 2012]. External contracting, while a common response to capability gaps, introduces knowledge-sharing challenges that are particularly pronounced when mixed-employment teams must collaborate across contract boundaries [Nesheim and Hunskaar, 2015]. Table 5.4 presents the three factors in this cluster.

Table 5.4: Blocking factors in Cluster C: Knowledge & Composition.

Factor	Description	Empirical basis
Vendor Lock-in	Multi-vendor contracts and tender obligations constrain which teams can work on what. Contract boundaries operate on a different timescale than strategic realignment.	BLO_Organisational_inertia (b=13, f=33)
Technical Complexity	Monolithic or tightly integrated systems create hard dependencies that prevent teams from being moved or restructured. The architecture itself constrains realignment, regardless of governance decisions or team willingness.	BLO_Organisational_inertia (b=13, f=33)
Capability Gaps	Critical knowledge resides in specific individuals and cannot easily be redistributed. At scale, visibility of who can do what is itself absent, making informed redeployment decisions structurally difficult.	CFG_Flexibility_in_team_composition (b=9, f=20)

Cluster D: Structural Inertia. This cluster captures the accumulated structural and behavioural resistance that arises from an organisation's own history and self-protective dynamics. Unlike the other three clusters, which describe specific structural or contractual obstacles, this cluster captures a more diffuse but pervasive resistance that operates both at the organisational and the individual level. Structural inertia is not simply a failure of management will but a property of the organisation itself, produced by the mechanisms that deliver operational reliability [Hannan and Freeman, 1984]. As organisations invest in stable delivery structures, the accumulated momentum of those investments makes reconfiguration progressively harder, even when the strategic rationale no longer holds [Kelly, 1991]. The tendency to maintain existing commitments despite evidence that they are no longer delivering value is further reinforced by the psychological and political costs of acknowledging past decisions as mistaken [Staw, 1981, Keil, 1995]. Table 5.5 presents the three factors in this cluster.

Table 5.5: Blocking factors in Cluster D: Structural Inertia.

Factor	Description	Empirical basis
Structure Resists Strategy	Historically grown structures are actively used to reject strategic adjustments. Strategy is adapted to fit the existing configuration rather than the reverse, the organisation changes its ambitions before it changes its structure.	BLO_Organisational_inertia (b=13, f=33) PRO_Strategy_bends_to_structure (b=11, f=19)
Self Preservation	Individuals actively protect their mandate, team size, and budget position when realignment threatens them. Reconfigurations that reduce someone's domain are resisted regardless of strategic merit.	BLO_Change_averse_behaviour (b=14, f=40)
Capacity Hoarding	Teams over-report their workload and active commitments to protect budget allocations, making available capacity invisible at portfolio level. This corrupts the information needed for cross-domain realignment.	NEW_Capacity_concealment (b=4, f=4)

5.3.2 Enabling Condition Clusters

The enabling condition layer mirrors the structure of the blocking factor layer, with four clusters covering governance design, portfolio management, organisation and team design, and leadership and mandate. Where the blocking factors describe what obstructs realignment, the enabling conditions describe the organisational prerequisites that support it.

Cluster 1: Governance Design. This cluster captures the governance mechanisms that give an organisation a formal, repeatable route for making capacity decisions, rather than relying on informal escalation or ad hoc intervention. The importance of an explicit, recurring governance review mechanism is well established in the portfolio management literature. Stettina and Hörz [2015] identify iterative planning cycles and frequent portfolio reviews as key characteristics of organisations that manage capacity mismatches effectively, while Jonas [2010] argues that empowered portfolio managers with cross-domain authority are far better positioned to coordinate resources and resolve conflicts before they escalate. The challenge of simultaneously accommodating agile and traditional governance logics requires a multi-level governance structure that operates at different planning cadences, providing strategic control without stifling team autonomy [Horlach et al., 2019]. Table 5.6 presents the three conditions in this cluster.

Table 5.6: Enabling conditions in Cluster 1: Governance Design.

Condition	Description	Empirical basis
Review Cadence	A formal review moment loosely coupled to the annual budget cycle, with binding authority over capacity allocation. Capacity plans are rolled upward so senior levels maintain visibility of what is committable within the PI; radical shifts require a separate escalation route.	GOV_Portfolio_review_cadence (b=13, f=23)
Portfolio Authority	A central portfolio body to bypass domain budget disputes and enable cross-domain prioritisation. Financial accountability structures redesigned to reward cross-domain cooperation.	NEW_Budget_as_governance_incentive (b=7, f=10)
Hybrid Routing	Clear agreement on who may decide what and along which route, with delegated mandate to act. Directive top-down for large urgent shifts; bottom-up initiation for incremental adjustments.	GOV_Decision_making_authority (b=12, f=26) NEW_Top_down_bottom_up_switching (b=3, f=6)

Cluster 2: Portfolio Management. This cluster captures the conditions that make capacity demand and allocation visible and comparable across domains, so that realignment decisions can be made on a sound informational basis rather than on incomplete or siloed information. Allocating capacity based

on organisational objectives rather than fixed project commitments is documented as a prerequisite for portfolio responsiveness. Kaufmann et al. [2020] show that portfolios must develop sensing capabilities to recognise emergent strategic signals and adjust capacity allocation accordingly. Proactive planning that reserves flexible capacity for strategic shifts is identified as a key differentiator between organisations that absorb strategic change and those that cannot [Stettina and Hörz, 2015]. Table 5.7 presents the three conditions in this cluster.

Table 5.7: Enabling conditions in Cluster 2: Portfolio Management.

Condition	**Description**	**Empirical basis**
Goal-Bound Capacity	Capacity is allocated based on organisational objectives, with budget coupling presented as a consequence of that outcome orientation rather than as the starting point. When an objective is met, freed capacity is actively reallocated rather than absorbed into existing work.	CFG_Proactive_design (b=14, f=62)
Portfolio Transparency	Portfolio decisions made comparable across domains to prevent double-counting and suboptimal choices. Visibility of actual capacity demand per domain is a prerequisite for realignment.	GOV_Funding_model (b=8, f=12)
Proactive Planning	Must-do items planned as baseline; remaining flexible capacity deliberately reserved for strategic shifts. Iterative planning in shorter cycles rather than annual lock-in.	CFG_Proactive_design (b=14, f=62)

Cluster 3: Organisation & Team Design. This cluster captures the design choices in how teams are organised and composed that determine how readily they can absorb a strategic shift without losing coherence. Organising teams around stable value streams rather than projects is a central principle of scaled agile delivery [Putta et al., 2019], providing the continuity needed for effective self-organisation while keeping team focus aligned to strategic objectives. Building compositional flexibility into team design before a strategic shift occurs, through cross-training, T-shaped skill profiles, and reduced key-person dependency, is documented as more sustainable than reactive redeployment [Dyer and Ericksen, 2006, Nijssen and Paauwe, 2012]. Table 5.8 presents the two conditions in this cluster.

Table 5.8: Enabling conditions in Cluster 3: Organisation & Team Design.

Condition	**Description**	**Empirical basis**
Outcome-Centred Design	Teams organised around value streams, domains, or product areas rather than projects. Stable while strategically relevant; reconfiguration is the expected next step when the objective is met.	SAF_Value_stream_as_structure (b=6, f=12)
Compositional Flexibility	T-shaped employees and chapter structures reduce key-person dependency. External capacity is placed alongside the core team, not inside it.	CFG_Flexibility_in_team_composition (b=9, f=20)

Cluster 4: Leadership & Mandate. This cluster captures the leadership and accountability conditions that determine whether capacity decisions, once identified as necessary, can actually be acted upon. Senior leadership involvement is consistently identified as a precondition rather than an accelerator for structural change in portfolio environments [Jonas, 2010]. Without a designated decision authority at senior level, capacity reallocation decisions escalate into political conflicts that middle management is neither empowered nor incentivised to resolve [Blomquist and Müller, 2006]. Accountability structures aligned to shared organisational objectives, rather than domain-level performance targets, reduce the silo behaviour that obstructs cross-domain realignment [Gibson and Birkinshaw, 2004]. Table 5.9 presents the two conditions in this cluster.

Table 5.9: Enabling conditions in Cluster 4: Leadership & Mandate.

Condition	Description	Empirical basis
Senior Mandate	Without a designated decision authority at senior level, capacity reallocation escalates to conflicts middle management cannot resolve. It must be clear in advance who makes the call when domain interests compete.	GOV_Senior_management_involvement (b=11, f=18)
Shared Ownership	Accountability structures aligned to shared organisational objectives rather than domain performance. This is not joint responsibility for the same outcome, but OKR-style alignment: each individual contributes from their own domain towards a common goal.	CFG_Decision_making_structure (b=4, f=7) NEW_Budget_as_governance_incentive (b=7, f=10)

5.3.3 Relationship Between the Two Layers

The two layers of the artifact are not connected through a fixed, one-to-one mapping, and the six solution strategies are not retained as a structural component of the artifact itself. Both decisions follow from the same underlying logic: the artifact is designed as a diagnostic instrument, not a prescriptive one.

The blocking factors and enabling conditions describe what is wrong and what conditions would need to be in place to resolve it. They do not, and are not intended to, specify which concrete intervention an organisation should apply. The six solution strategies identified in Section 4.4.2 are real and empirically grounded, but they operate at a different level: they are interventions, not diagnostic categories, and which strategy is viable in a given situation depends heavily on the organisation's specific configuration of blocking factors and enabling conditions at that moment. Fixing a strategy to a blocking factor in the artifact itself would suggest a level of prescriptive certainty that the data does not support. The solution strategies are therefore presented in Chapter 4 as an empirical overview of what practitioners report using, rather than as a built-in component of the diagnostic artifact.

The same reasoning applies to the relationship between blocking factors and enabling conditions. An earlier version of the artifact included a connections table linking each blocking factor to specific enabling conditions. This table is not retained in the final artifact for two reasons. First, the relationships between blocking factors and enabling conditions are context-dependent rather than fixed; which enabling conditions are most relevant to resolving a given blocking factor varies by organisation, and a fixed mapping risks overstating a precision that the underlying data does not support. Second, participants in the second validation session directly questioned the added value of a forced mapping. One participant observed that an enabling condition is often simply the mirror image of its corresponding blocking factor, and that the diagnostic value of the artifact lies primarily in correctly identifying the blocking factors themselves, estimating this as roughly eighty percent of the practical work, with the enabling conditions serving a comparatively self-evident, complementary role once the diagnosis is clear.

This decision is consistent with the broader DSR understanding of what an artifact can be. Hevner et al. [2004] explicitly include diagnostic models among the legitimate forms a design artifact can take, alongside more prescriptive constructs, methods, and instantiations. A diagnostic instrument that helps practitioners identify and characterise the conditions at play in a given organisation is not a weaker contribution than one that prescribes fixed interventions; it serves a different and, for this problem, more appropriate purpose. The artifact therefore functions as a diagnosis tool: the blocking factors describe the symptoms an organisation should recognise, the enabling conditions describe the prerequisites it should work towards, and the solution strategies remain available as a separate, empirically documented menu of interventions whose applicability is judged case by case rather than fixed in advance.

As described in Chapter 3, a separate, informal session was held with one additional Phase 2 respondent to discuss the practical packaging of the diagnostic instrument for internal Deloitte use. This session is not reported as part of the validation findings above, since its purpose was to support an internal deliverable rather than to evaluate the academic artifact.

Chapter 6

Discussion

This chapter reflects on the research process and its outcomes. Section 6.1 revisits the key design decisions made during the development and evaluation of the artifact, making explicit what each decision gained and what it gave up. Section 6.2 identifies three contributions to the academic literature. Section 6.3 discusses the practical relevance of the artifact for Deloitte's advisory practice. Section 6.4 acknowledges the limitations of this research, including the boundaries of the sample, the evaluation scope, and the unresolved question of whether a purely diagnostic instrument is sufficient without a prescriptive extension.

6.1 Key Design Decisions

Several decisions made during the development and evaluation of the artifact reflect deliberate methodological trade-offs rather than incidental outcomes. Each is revisited here with the benefit of hindsight, to make explicit what was gained and what was given up.

Reducing the artifact from three layers to two. The initial artifact included a separate organisational context layer, grounded in Pettigrew [1987], alongside the blocking factors and enabling conditions layers. This layer was removed before the first validation session, following a sparring session with the company supervisor in which it became clear that contextual factors varied too widely across client engagements to support a generalisable layer. The trade-off is real: dropping the context layer means the artifact no longer explicitly prompts a consultant to consider organisation-specific background conditions before diagnosing blocking factors. In return, the artifact gained focus and avoided the risk identified during that discussion, namely that a generic context layer would make the artifact applicable to any organisational transformation rather than specifically to agile capacity realignment. Retrospectively, this trade-off appears justified: the two-layer structure that resulted was consistently confirmed across both validation sessions, while the context layer had never been empirically substantiated to the same degree as the blocking factors and enabling conditions.

Choosing a diagnostic rather than a prescriptive artifact. The decision not to retain a fixed mapping between blocking factors, enabling conditions, and solution strategies, discussed in Section 5.3.3, reflects a broader choice about what kind of artifact this research set out to produce. A more prescriptive artifact, one that recommends a specific intervention for a specific diagnosis, would arguably offer more immediate practical guidance. However, the empirical data did not support this level of specificity: which solution strategy is viable depends on a combination of conditions that varies by organisation, and forcing a fixed pairing would have overstated the certainty the data can support. The diagnostic orientation trades immediate prescriptive utility for empirical defensibility, a trade-off that both validation sessions, and particularly the discussion in the second session of where the practical value of the diagnostic instrument actually lies, support as the right one for this stage of the artifact's development.

Excluding culture and change-averse behaviour despite their empirical prominence. `BLO_Culture` and `BLO_Change_averse_behaviour` were the two most frequently coded blocking factors in the entire dataset, yet neither was included as a standalone factor in the final artifact. This decision, described

in Section 5.1.3, was a disciplined application of the scope criterion established at the outset of artifact design: a factor had to be specific to agile capacity realignment, not merely a generic barrier present in any organisational transformation. The trade-off is that the artifact does not directly surface the single most frequently discussed barrier in the data. This is mitigated only partially: the narrower, more specific manifestation of change-averse behaviour, self-preservation in the face of realignment threats, was retained within the Structural Inertia cluster. The broader cultural barrier itself remains outside the artifact's scope, a limitation discussed further in Section 6.4.

Inconsistent thresholds for inclusion, and the merge and split decisions that followed from them. The scope criterion applied throughout artifact design (Section 5.1.3) was not purely a matter of empirical frequency. Some factors with relatively thin empirical coverage were retained, most notably Capacity Hoarding ($n_{\text{breadth}} = 4$, $n_{\text{quotes}} = 4$), while `BLO_Culture` ($n_{\text{breadth}} = 13$, $n_{\text{quotes}} = 45$) and `BLO_Change_averse_behaviour` ($n_{\text{breadth}} = 14$, $n_{\text{quotes}} = 40$), by far the most frequently and broadly coded barriers in the dataset, were excluded. This is not an inconsistency in how evidence was weighed, but a direct consequence of applying the second scope criterion, specificity to agile capacity realignment, more strictly than the first. Capacity Hoarding, despite its thin coverage, describes a mechanism specific to this research problem; culture and change-averse behaviour, despite their breadth, describe a generic organisational phenomenon that the artifact was not designed to address. The same logic underlies the merge and split decisions made during validation: Decision Authority Unassigned and Loss of Top-down Intervention Capacity were given a combined connection rather than treated as fully separate or fully merged, because their causes differ while their practical effect does not; Fragmented Portfolio Steering and Budget Silos Constrain Capacity were fully merged, because both described the same structural consequence without a meaningful difference in cause or effect; and Compositional Rigidity was split into three subfactors because it had been conflating distinct mechanisms, contractual, architectural, and person-bound, that require different organisational responses. In each case, the operative question was not how frequently a pattern appeared, but whether it described a mechanism specific enough to be actionable within the scope of this artifact.

Documenting solution strategies empirically without embedding them in the artifact. The six candidate solution strategies identified in Phase 1 and examined empirically in Section 4.4.2 are not part of the artifact's structure. This separates the diagnostic component, which the artifact formalises, from the interventional component, which remains a documented but non-formalised empirical overview. The advantage of this separation is that the artifact does not implicitly endorse a strategy as universally appropriate once a particular blocking factor is diagnosed; the disadvantage is that a consultant using the artifact must still draw on judgement, or on the empirical overview in Chapter 4, to move from diagnosis to action. This is a deliberate limitation of scope rather than an oversight: a fully prescriptive artifact linking diagnosis to intervention would require a substantially larger and more controlled evaluation than the scope of this research allowed.

Selecting validation participants from the Phase 2 interview sample. Both validation sessions drew exclusively on practitioners who had already participated in the Phase 2 interviews, rather than seeking participants with no prior exposure to the research. This was a deliberate choice rather than a practical constraint. Practitioners already familiar with the problem domain and with the researcher's framing of it were better positioned to assess whether the artifact accurately captured what they and their colleagues had described, which is a different and, for an artifact at this stage of development, more relevant evaluative question than whether entirely naive practitioners would arrive at the same instrument independently. The trade-off is that neither session provides a truly independent validation, as neither tests the artifact completely from scratch. This is acknowledged as a boundary of the evaluation's scope in Section 6.4, rather than treated as a flaw to be explained away.

6.2 Theoretical Contributions

This research makes three contributions to the academic literature.

Empirical specification of the mechanisms linking strategic portfolio change to team capacity misalignment. The gap identified in Chapter 2 was not an absence of relevant literature, but a lack of integration: the organisational strategy, IT portfolio management, organisational inertia, agile

scaling, and team dynamics literatures each touch on adjacent phenomena without examining how strategic portfolio change cascades into team-level capacity misalignment in agile and hybrid organisations. The findings in Chapter 4 specify several concrete mechanisms through which this cascade occurs. The dual-cycle misalignment between annual portfolio cycles and Programme Increment planning, described in Section 4.1, identifies a precise structural reason why strategic shifts arriving outside either cycle have no natural entry point into existing planning logic. The confusion of team stability with team permanence, described in Section 4.2.4, specifies a mechanism by which SAFe's stability principle, intended to support effective teamwork, is applied dogmatically in ways the framework itself does not require. The inductively derived `NEW_Tuckman_realignment_cost` adds a further mechanism not previously connected to this literature: each reconfiguration resets a team to an earlier stage of group development, imposing a real but rarely quantified performance cost that helps explain why reconfiguration is resisted even when strategically warranted. Taken together, these findings move the literature from documenting that agile team structures are vulnerable to strategic disruption towards specifying how and why that vulnerability operates.

Empirical refinement of the Chandler inversion in agile-scaled organisations. Chandler [1962] establishes the classical expectation that structure follows strategy. The finding reported in Section 4.1, that organisations instead adjust their strategic ambitions to fit existing delivery structures, confirms the inversion of this relationship in a context, large-scale agile and hybrid delivery organisations, that the original formulation did not address. The data also refine the inversion beyond simple confirmation. One respondent stated that the strategy itself does not change but its realisation becomes more constrained, suggesting that the inversion does not always manifest as a change in stated intent. It can instead operate as a narrowing of what is achievable within an unchanged strategic ambition. This distinction, between an inverted relationship that changes what an organisation says it wants to do and one that changes what it can actually do, adds a more precise mechanism to a fifty-year-old theoretical claim, observed here in a structural context, scaled agile delivery, that Chandler's original work could not have anticipated.

Empirical reclassification of the six solution strategies as conditionally available rather than universally applicable. The literature reviewed in Chapter 2 documents team reconfiguration, cross-training, project deferral, external hiring, cross-team collaboration, and capacity-based funding as available responses to capacity misalignment, without examining the conditions under which each is actually available to a given organisation. The cross-strategy comparison reported in Section 4.4.2 reclassifies these six strategies along an empirical dimension the existing literature does not capture: the ratio between how broadly a strategy is recognised and how frequently its trade-offs and limiting conditions are discussed. All six strategies are broadly recognised by practitioners, but most are recognised as conditionally available rather than straightforwardly applicable. Capacity-based funding, for instance, is recognised as the only strategy that addresses the governance root cause directly. Project deferral and descoping, meanwhile, is broadly regarded as powerful when applied but remains systematically underused due to the escalation of commitment mechanism documented in Section 2.2. This shifts the relevant question for future research. The issue is not which strategies exist, since practitioners already recognise all six. The issue is which organisational conditions make an already-known strategy executable. The artifact developed in this research does not answer that question directly, since it does not map blocking factors or enabling conditions onto specific strategies. It instead provides the diagnostic groundwork the question depends on: before a consultant can judge which strategy might work, they first need a clear picture of what is blocking realignment and what conditions are or are not in place. That diagnostic step is what the artifact is designed to support.

6.3 Practical Contributions

The artifact developed in this research is a structured overview of the blocking factors and enabling conditions that practitioners encounter when realigning team capacity after a strategic portfolio change. It is designed for Deloitte's practice, giving consultants a shared, structured vocabulary for what previously existed only as dispersed, individually held experience, scattered across engagements rather than consolidated into a usable reference.

The diagnostic orientation of this overview, established in Chapter 5 and discussed in Section 6.1, is itself a deliberate practical choice. By separating the description of blocking factors and enabling conditions from

any prescribed intervention, the artifact gives consultants a reference for structuring the early stages of an engagement, identifying which barriers are present and which conditions are missing, without forcing a premature commitment to a specific solution strategy before a client's situation has been properly understood.

The practical relevance of this overview extends beyond the scope of this thesis. Following the second validation session, a separate, informal session was held with one additional Phase 2 respondent to develop the overview further into an applied diagnostic tool for internal Deloitte use. This included a visual whiteboard presentation and a supplementary scoring mechanism, allowing consultants to rate the severity of individual blocking factors in a specific client engagement. This applied tool is not reported or evaluated as part of this thesis. The scoring mechanism in particular has not been validated against the literature or tested empirically to the standard required for an academic contribution. It is mentioned here only to indicate that the overview developed in this research forms the basis for a more applied tool, whose further development and validation falls outside the scope of this thesis. The tool is reproduced in Appendix C.

6.4 Limitations

Several limitations of this research warrant explicit acknowledgement.

Sample, organisational context, and generalisability. All fifteen interview respondents and all validation session participants are Deloitte consultants, predominantly from the Business of Technology & Agility practice. All respondents are external consultants who advise on the problem rather than practitioners within client organisations who experience it directly. This advisory perspective may emphasise structural and governance factors over the operational and interpersonal dimensions that client-side practitioners would prioritise. This has a direct implication for the artifact's content. BoTA advises clients on IT strategy, operating model design, and agile transformation more broadly, but governance and portfolio structures form a recurring part of that advisory work, and respondents' professional attention is correspondingly weighted towards governance-related phenomena. It is plausible that governance and decision-making barriers and enabling conditions are disproportionately represented in the artifact, not because they are objectively the most consequential factors organisations face, but because they are the factors BoTA consultants are most attuned to identifying and discussing in their daily advisory work. A sample drawn from a different practice or team, with a different advisory focus, such as a more technical or more culturally oriented practice, would likely have surfaced a different balance of factors, particularly around the technical or cultural dimensions of realignment that this research's governance-oriented sample engages with less directly.

This sample composition also bounds the generalisability of the findings. The research is situated in a Western European context, drawing primarily on large enterprises operating with scaled agile frameworks, as established in the scope of Chapter 1. Large programme organisations governed through traditional project structures fall outside this scope, as do organisations operating outside Western Europe or at a substantially smaller scale than the enterprise clients Deloitte typically advises. The artifact should therefore be read as applicable to the organisational context it was derived from, rather than as a universally generalisable model.

Evaluation scope. Both validation sessions drew exclusively on practitioners who had already participated in the Phase 2 interviews. As discussed in Section 6.1, this was a deliberate choice that prioritised contextually informed feedback over an independent test of the artifact. The consequence is that the evaluation reported in Chapter 5 confirms whether the artifact accurately reflects what this specific group of practitioners described, not whether practitioners without prior exposure to the research would recognise or construct a similar instrument independently. A stronger test of the artifact's validity would involve evaluators with no prior involvement in this research, ideally including client-side practitioners who experience the diagnosed problem directly rather than advise on it.

Cluster-level linkages not formally validated. The four blocking factor clusters and four enabling condition clusters were each individually confirmed and refined during the validation sessions described in Section 5.2. The specific relationships between a given blocking factor cluster and a given enabling condition cluster, for instance, whether Governance & Decision-Making barriers are primarily resolved

through Governance Design conditions specifically, were put to participants directly, but no consistent cross-layer relationship was confirmed. Participants indicated that which enabling conditions matter for a given blocking factor depends on the specific organisational situation rather than following a fixed pattern. This is the empirical basis for the decision, discussed in Section 5.3.3, not to retain a fixed connections table in the final artifact. The absence of a confirmed cross-layer mapping means that any informal pairing a consultant might draw between specific blocking factors and specific enabling conditions when using the artifact in practice should be treated as a working hypothesis rather than an empirically confirmed relationship.

The unresolved question of diagnostic versus prescriptive orientation. The artifact began as a more prescriptive instrument, with a connections table explicitly pairing blocking factors to enabling conditions and solution strategies. Participants in the first validation session, reported in Section 5.2.2, did not question this mapping in principle; they suggested strengthening it further with concrete practice examples for each pairing, a suggestion that was not implemented in later versions. It was the second validation session, reported in Section 5.2.3, that surfaced the more fundamental problem: participants argued that the relationships the mapping proposed were too context-dependent to fix in advance, with one participant observing that an enabling condition is often simply the mirror image of its corresponding blocking factor, and that the diagnostic value of the instrument lies primarily in correctly identifying the blocking factors themselves. As discussed in Section 5.3.3, the connections table was abandoned on this basis, and the artifact was narrowed to a purely diagnostic instrument. This shift was not fully resolved within the session: whether a diagnostic instrument is sufficient on its own, or whether practitioners ultimately need a more prescriptive extension once the diagnosis is in hand, remains an open question for future research, particularly research involving sustained use of the artifact in live client engagements.

Chapter 7

Conclusions

7.1 Answers to the Research Questions

SQ1: How do strategic IT portfolio changes disrupt existing team configurations in agile and hybrid organisations, and what makes realignment structurally difficult? Strategic portfolio changes disrupt team configurations gradually rather than abruptly. The mismatch between team configuration and new priorities surfaces through informal operational signals, slipping delivery dates, self-generated work, ad hoc escalation, rather than through a formal governance trigger, as shown in Section 4.1. Realignment is structurally difficult for three interlocking reasons. Annual portfolio cycles and Programme Increment planning commit capacity months in advance, leaving no natural entry point for a strategic shift that arrives outside either window. Governance and decision-making barriers mean no actor holds a clear mandate to redirect capacity across domain boundaries, and the political cost of terminating existing commitments creates a systematic bias towards continuation. SAFe's stable-teams principle, intended to support effective teamwork, is in practice applied dogmatically, confusing team stability with team permanence and leaving the framework's own flexibility mechanisms unused.

SQ2: What organisational and governance conditions enable or constrain an organisation's ability to realign team capacity following a strategic IT portfolio change? The conditions that enable realignment are the structural counterpart of the barriers identified under SQ1, as shown in Section 4.3. An explicit, periodic review mechanism, loosely coupled to rather than independent of the annual budget cycle, gives organisations a recurring formal moment to ask whether team configuration still matches strategy. Active, directive senior mandate is a precondition rather than an accelerator: without it, capacity reallocation escalates into political conflict that middle management is neither empowered nor incentivised to resolve. Domain-siloed funding structures are the most durable obstacle identified in this research; even where decision-making authority exists in principle, money allocated to domains that do not share it across boundaries renders that authority practically inert.

SQ3: How does the principle of team stability in scaled agile frameworks interact with the need for flexibility when strategic priorities shift? Team stability and flexibility are not inherently in tension; the tension identified in this research arises from how the stability principle is applied rather than from the principle itself, as shown in Section 4.2.4. Practitioners distinguish stable teams, teams retained because they remain strategically relevant, from permanent teams, teams retained regardless of relevance. SAFe's framework does not require the latter, but the dogmatic interpretation of stability that practitioners describe collapses this distinction in practice. Each reconfiguration carries a real, identifiable cost, a temporary reset to an earlier stage of team development, but this cost is rarely weighed explicitly against the cost of leaving a well-functioning team working on the wrong priorities.

SQ4: What organisational conditions and design principles enable organisations to maintain sufficient flexibility to absorb strategic change without undermining delivery stability? Organisations that manage realignment effectively combine proactive governance design with pre-built compositional flexibility, as shown in Section 4.4. Proactive design means distinguishing routine team maintenance from radical strategic intervention, and reviewing portfolio alignment both top-down and

bottom-up rather than waiting for misalignment to become visible. Compositional flexibility means investing, before a strategic shift occurs, in T-shaped skills, chapter structures, and externally placed capacity buffers that preserve team coherence while creating surge capacity. The six solution strategies identified in the literature, team reconfiguration, cross-training, project deferral, external hiring, cross-team collaboration, and capacity-based funding, are all broadly recognised by practitioners, but their availability depends on whether these underlying conditions are in place, not on whether the strategy itself is known. These findings, together with the conditions identified under SQ1 to SQ3, form the empirical basis of the two-layer diagnostic artifact presented in Chapter 5.

SQ5: How do experienced practitioners assess the completeness, relevance, and usability of the resulting artifact? Across both validation sessions, reported in Section 5.2, practitioners confirmed the artifact's diagnostic logic, the distinction between blocking factors and enabling conditions, and the four-cluster structure on both layers. Their feedback led to substantial revisions: clusters were merged and split, factors were renamed and reformulated, and a scope boundary was added to clarify which organisations the artifact applies to. Practitioners also surfaced a limitation in the artifact's original design: a fixed mapping between blocking factors, enabling conditions, and solution strategies was found to overstate a precision the data could not support, leading to the artifact's narrowing into a purely diagnostic instrument, discussed further in Section 5.3.3. This assessment was not unconditionally positive; participants raised an unresolved question, discussed in Section 6.4, about whether a diagnostic instrument is sufficient on its own or whether practitioners ultimately require a more prescriptive extension.

Main research question: How should organisations configure their team capacity to enable effective realignment following strategic portfolio changes, and what organisational conditions determine their ability to do so? Organisations should treat team capacity configuration as something to actively diagnose on a recurring basis, not as a structure to set once and defend. The findings of this research show that effective realignment depends less on choosing the right intervention and more on whether specific organisational conditions, governance design, portfolio management, organisation and team design, and leadership and mandate, are in place to make any intervention viable in the first place. Where these conditions are absent, blocking factors such as planning lock-in, missing mandate, technical and vendor complexity, and structural self-preservation accumulate and compound, regardless of which solution strategy an organisation might otherwise choose. The diagnostic artifact developed in this research operationalises this finding for Deloitte's advisory practice: it does not prescribe a fixed answer to the main research question for any given organisation, but it gives consultants a structured way to determine, case by case, which of these conditions are present and which are missing, before deciding what to do about it.

7.2 Future Work

Several directions for future research emerge from the limitations and findings of this study.

The most direct extension concerns the rating mechanism sketched during the practical development of this artifact for Deloitte's internal use, described in Section 6.3 but not validated or reported as part of this thesis. Future research could develop and empirically ground such a mechanism: a scoring approach that allows consultants to rate the severity of individual blocking factors in a specific client engagement, supported by clear criteria rather than ad hoc judgement. This would also create the opportunity to investigate a question this research could not answer with its qualitative, validation-based approach: whether a high score on a given blocking factor is systematically associated with a low score on its corresponding enabling condition. The data and discussion in this thesis suggest this relationship may exist, one validation participant described enabling conditions as often simply the mirror image of their corresponding blocking factors, but this was an impression raised in discussion, not a relationship tested against data. A quantitative or mixed-methods follow-up, scoring both layers across a larger number of client engagements, could establish whether this mirroring holds systematically, varies by cluster, or is in fact weaker than the qualitative discussion in this research suggested. Such a study would also provide the cluster-level validation that the present research could not establish: whether specific blocking factor clusters are reliably associated with specific enabling condition clusters, the absence of which led to the connections table being abandoned in Section 5.3.3.

Beyond this, several smaller extensions would strengthen the artifact's evidentiary basis. Evaluation involving practitioners with no prior involvement in this research, ideally including client-side practitioners who experience the diagnosed problem directly rather than advise on it, would test the artifact's validity independently of the interview sample it was built from. Evaluation over a longer time horizon, following the artifact's use in live client engagements rather than in a single review session, would establish whether its diagnostic value holds up under sustained practical use rather than only in a structured walkthrough. Finally, replicating this research with a sample drawn from a different consultancy, sector, or geographic context would help establish whether the governance-heavy composition of the current artifact, discussed in Section 6.4, reflects a genuine feature of the problem or an artifact of this research's Deloitte-based sample.

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Appendix A

Code Distributions Across Interviews

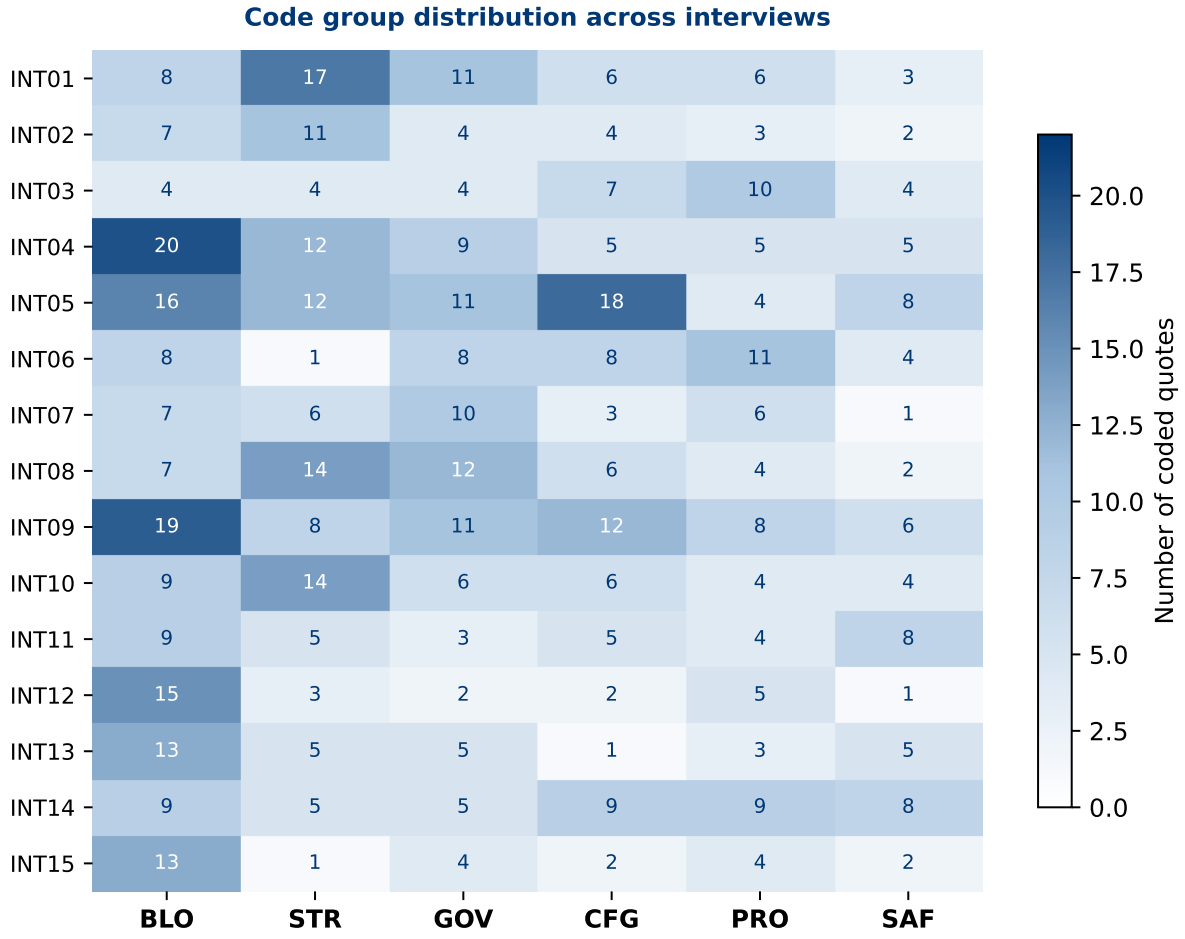


Figure A.1: Distribution of coded quotes per code group across all 15 interviews. Cell values indicate the number of quotes assigned to each code group in each interview. Colour intensity reflects frequency. This figure supports the transferability of findings by demonstrating that no single interview dominates any code group.

Appendix B

Interview Protocol

This appendix presents the semi-structured interview guide used in Phase 2 of the data collection (Section 3.1.2). The guide was developed from the candidate solution strategies and key themes identified in the Phase 1 literature review and was treated as a flexible instrument: follow-up questions were used throughout to probe for detail, clarify ambiguity, and pursue threads that emerged organically in conversation. Questions in italics are optional probes used only where the respondent's answer required further depth. Interviews were conducted in Dutch because of the respondent's preference; this version has been translated into English for inclusion here.

Overview

The interview consists of four thematic blocks. Each block concludes with a brief check on whether the respondent wishes to add anything before moving on.

Section	**Focus**	**Time**
Opening & consent	Introduction to the research, consent for recording	5 min
Block 1: Background	Respondent's role and experience	5 min
Block 2: Problem recognition	How the mismatch arises and what makes realignment difficult	15 min
Block 3: Strategies & conditions	What works, under what conditions, and how organisations proactively configure for flexibility	25 min
Block 4: Stability & governance	SAFe tensions, hybrid structures, contextual characteristics	10 min
Closing	Final additions, recommendation, follow-up consent	5 min

Opening: Informed Consent (5 min)

Thank you for making time to speak with me today. Before we begin, I would like to briefly explain what this interview is about and ask for your consent.

I am conducting this interview as part of my master's thesis research at Leiden University, in partnership with Deloitte's Business of Technology and Agility practice. My research focuses on a specific challenge: when large organisations shift their strategic direction, their IT portfolio shifts accordingly, with new initiatives gaining priority while others are paused or deprioritised. For organisations working with agile or scaled agile frameworks, this can create a structural problem: the teams built for the previous direction may be too rigid to absorb the new one. I am investigating how organisations should configure their team capacity to respond to these shifts, and what organisational conditions determine whether they can do so effectively.

A few points of transparency:

- The interview will take approximately 60 minutes.
- I would like to record the conversation for transcription purposes. The recording will be deleted once the transcript is complete.
- Your answers will be anonymised; nothing in the final report will be traceable to you or your organisation.
- Do you agree to participate under these conditions, and do you consent to recording?

Wait for verbal confirmation before proceeding.

Block 1: Background (5 min)

Purpose: briefly establish the respondent's background, role, type of organisations, and experience with agile frameworks.

- Could you briefly describe your role and the types of organisations you typically work with?
- How familiar are you with agile or hybrid organisations, and with scaled agile frameworks?

Block closing: "Is there anything else on this topic you would like to add before we continue?"

Block 2: Problem Recognition & Context (15 min)

Purpose: understand how the mismatch between team configuration and new portfolio priorities arises, and what makes realignment structurally difficult.

Variant A (direct case knowledge): use the opening question below. Variant B (no own case): begin with "Do you recognise the pattern where..." and then ask about what they have observed at the project level.

- Could you describe a situation in which a strategic change led to a mismatch between the existing team configuration and new IT portfolio priorities?
- *What had changed, how did the organisation notice, and what were the first signals that capacity no longer matched?*
- How did the problem reach decision-makers, and how long did that take?
- *Was that a formal channel or informal escalation?*
- What made it difficult to adjust the team structure?
- *If a team is also responsible for operational continuity, for instance a DevOps team, does that make realignment more difficult?*
- What were the consequences when action was delayed or did not happen?
- Do you recognise the pattern where senior management adjusts strategy to fit existing structures, rather than the other way around? What does that look like in practice?

Block closing: "Is there anything else on this topic you would like to add before we continue?"

Block 3: Strategies, Conditions & Configuration Principles (25 min)

Purpose: identify which approaches work, under what conditions, and how organisations that manage this well configure themselves proactively.

Retrospective

- Which approach did the organisation choose to realign capacity, and was that a deliberate choice or a reactive step?
- *What was considered but not chosen?*

- Which of the following approaches have you seen in practice? *(Used as a checklist to fill gaps, not as a questionnaire.)*
  - Team reconfiguration or dissolution
  - Cross-training and functional flexibility
  - Project deferral or descoping
  - External hiring or contractor use
  - Temporary staff lending or cross-team collaboration
  - Capacity-based funding and iterative portfolio planning
- Under what circumstances does that work, and what are the trade-offs or risks?
- *Are there strategies that work in the short term but harm team effectiveness in the long term?*
- Do vendor contracts or the balance between internal and external capacity play a role when realigning?
- Are there situations where the budget structure itself is the obstacle, independent of who makes the decisions?

If the respondent asks for clarification on budget structure as an obstacle: think of situations where funds are formally available but tied up in ART budgets, annual cycles, or separate portfolio pots, so that capacity cannot be moved even if everyone would want to.

- Are there approaches that sound good in theory but rarely work in practice?

Prescriptive

- Have you seen organisations that are structurally prepared for strategic change, proactive in how they have designed their teams and capacity?
- *What had they organised differently, and was that by deliberate design or did it emerge over time?*
- Are there design principles you consistently see in organisations that succeed in combining flexibility and stability well? *Think of team composition, funding model, decision-making structure.*
- Do you know organisations that deliberately build in a periodic moment to assess whether existing teams still match strategy, not as a reaction to a crisis but as a standing part of governance?
- Are you familiar with the concept of skills-based organisations? Do you see that working in practice as a flexibility mechanism?

If the respondent asks for clarification on skills-based organisations: a skills-based organisation does not deploy people based on their team role or domain expertise, but based on individual skills. People are therefore deployed more flexibly across teams and projects, depending on what is needed at that moment.

Block closing: "Is there anything else on this topic you would like to add before we continue?"

Block 4: Team Stability, Flexibility & Governance (10 min)

Purpose: understand how the team-stability principle in scaled agile frameworks interacts with the need for flexibility, and what determines an organisation's structural room to manoeuvre.

- How do you experience the tension between the team-stability principle and the need for flexibility during strategic portfolio changes? Is that a fundamental conflict or something that can be resolved?
- *What do organisations that handle this well do differently?*
- Have you seen organisations that maintain a separate mechanism, alongside their regular governance, specifically for large strategic changes? How does that work in practice?
- What does a hybrid structure, agile teams alongside traditional project structures, do to an organisation's ability to realign?

- What organisational characteristics determine how much structural flexibility an organisation has? Consider size, sector, maturity, or the degree of strategic volatility.
- Does an organisation's financial room, tight versus generous budget, affect how sharply it makes portfolio choices?

Block closing: "Is there anything else on this topic you would like to add before we continue?"

Closing (5 min)

- Is there anything you were not able to say in this conversation that you consider relevant to this research?
- If you could give one recommendation to an organisation facing this problem, what would it be?
- (Optional) Would you be willing to provide brief feedback on the artifact later in the process, once it is available?

Ask only where appropriate; not every respondent needs to be involved in Phase 3.

Appendix C

Deloitte Capacity Realignment Diagnostic

Following the second validation session, a separate informal session was held with one additional Phase 2 respondent to explore how the diagnostic instrument developed in this research could be packaged for practical use within Deloitte's Business of Technology & Agility practice. This session resulted in an applied diagnostic tool that operationalises the two-layer structure of blocking factors and enabling conditions presented in Chapter 5.

The tool takes the form of a structured scoring instrument in which a consultant rates each blocking factor on a five-point scale (0 = not present, 4 = severe blocker) and each enabling condition on the same scale (0 = not in place, 4 = fully established). A high blocking factor score combined with a low enabling condition score indicates where realignment is most likely to fail without intervention. The tool includes a glossary that provides scoring guidance for each individual factor, specifying what a high and a low score would look like in practice.

This applied tool is not part of the academic artifact evaluated in Chapter 5. The scoring mechanism has not been validated against the literature or tested empirically to the standard required for an academic contribution. It is included here as a practical extension to illustrate how the diagnostic instrument can be operationalised in a consulting context, consistent with the discussion in Section 6.3.

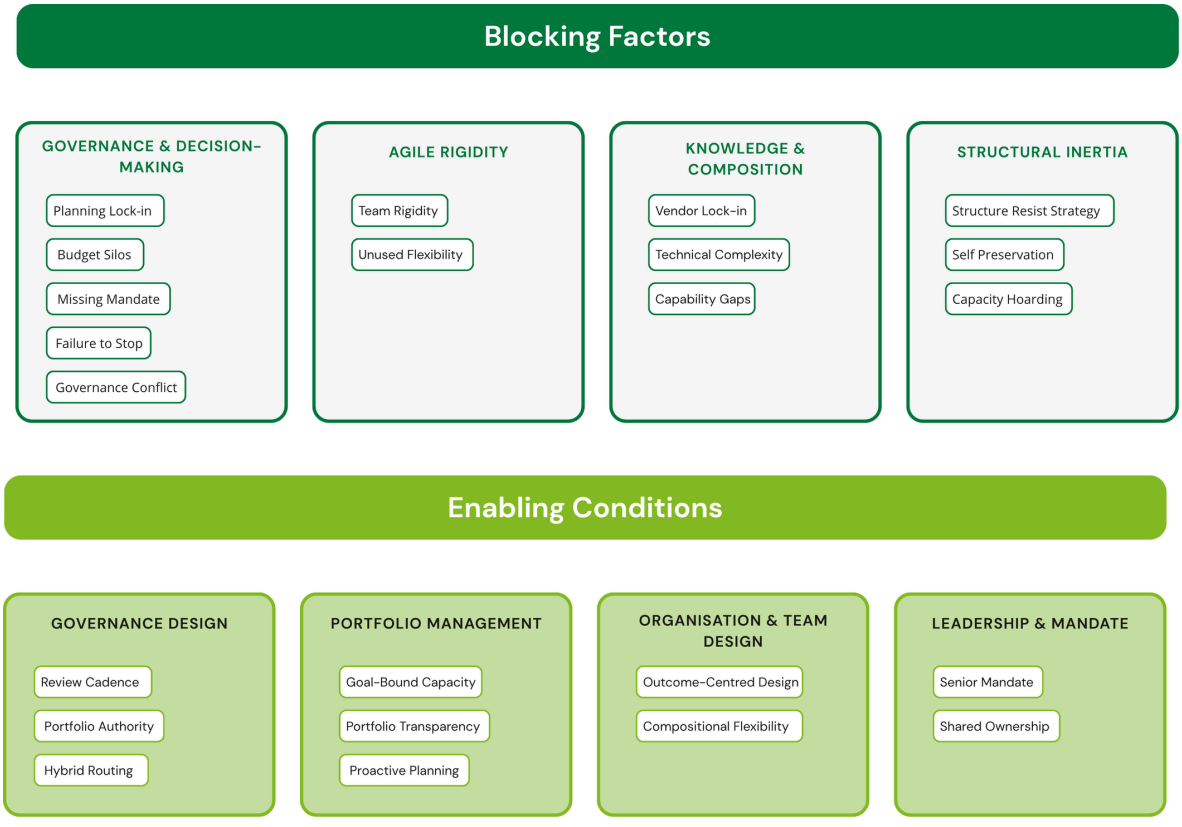
Deloitte.

Capacity Realignment Diagnostic

A two-layer assessment tool for agile and hybrid delivery organisations

Deloitte - Business of Technology & Agility

Date: _____



HOW TO USE THIS DIAGNOSTIC

A two-layer assessment tool for agile and hybrid delivery organisations

Blocking Factors – what to look for

Question per Factor
To what extend does this factor block capacity realignment in your organisation?

0 1 2 3 4

0 = not present
4 = severe blocker

Interpretation
A high score signals a strong structural barrier. The high the score the more urgent the intervention.

Enabling Conditions – what to build

Question per Condition
To what extend is this condition present and functioning in your organisation?

0 1 2 3 4

0 = not in place
4 = fully established

Interpretation
A high score signals organisational readiness. A low score indicates where to invest before realignment is attempted.

HOW TO WORK THROUGH THIS TOOL

1. **Score each blocking factor** – identify which barriers are most severe in your current context.
2. **Score each enabling condition** – assess what organisational foundations are already in place.
3. **Compare the two layers** – high blocking scores combined with low enavbling scores indicate where realignment will fail without intervention.
4. **Prioritise** – focus first on enabling conditions that directly adress your highest-scoring blockers.

GOVERNANCE & DECISION-MAKING

Blocking Factors	Score	Justification
Planning Lock-in Annual budgets and PI planning cycles commit capacity before strategic priorities can shift.	0 1 2 3 4	
Budget Silos Domain budgets make cross-domain reallocation structurally impossible. Budgets are people not money.	0 1 2 3 4	
Missing Mandate No actor holds designated decision authority to redirect capacity across domain boundaries.	0 1 2 3 4	
Failure to Stop Political resistance and the absence of a formal stop mechanism cause organisations to avoid the decision to stop.	0 1 2 3 4	
Governance Conflict Agile and traditional governance logics simultaneously make incompatible demands on teams.	0 1 2 3 4	

AGILE RIGIDITY

Blocking Factors	Score	Justification
Team Rigidity Stable team composition is treated as a core agile principle. Reconfiguring a well-functioning team is seen as destroying what agile was meant to build.	0 1 2 3 4	
Unused Flexibility SAFe provides mechanisms to absorb strategic shifts, but these are rarely activated in practice. The framework permits flexibility that the organisation does not use.	0 1 2 3 4	

KNOWLEDGE & COMPOSITION

Blocking Factors	Score	Justification
Vendor Lock-in Dependency on external vendors with embedded knowledge makes redeployment conditional on contractual and relational constraints outside the organisation's direct control.	0 1 2 3 4	
Technical Complexity Monolithic or tightly integrated systems create hard dependencies that prevent teams from being moved or restructured. The architecture itself constrains realignment.	0 1 2 3 4	
Capability Gaps Critical knowledge resides in specific individuals and cannot easily be redistributed. At scale, visibility of who can do what is itself absent, making informed redeployment decisions structurally difficult.	0 1 2 3 4	

STRUCTURAL INERTIA

Blocking Factors	Score	Justification
Structure Conforms Strategy Existing organisational structures persist beyond the strategic logic that created them. In extreme cases, structural inertia prevents the strategic choice itself from being made.	0 1 2 3 4	
Self Preservation Teams and middle management actively resist changes that threaten their domain, headcount, or influence. Resistance is rational from the individual perspective but collectively blocks realignment.	0 1 2 3 4	
Capacity Hoarding Teams over-report their workload and active commitments to protect budget allocations, making available capacity invisible at portfolio level.	0 1 2 3 4	

GOVERNANCE DESIGN

Enabling Conditions	Score	Justification
Review Cadence Formal review moment with binding authority over capacity allocation, loosely coupled to the annual cycle. Capacity plans are rolled upward so senior levels maintain visibility of what is committable within the PI.	0 1 2 3 4	
Portfolio Authority A central body able to bypass domain budget disputes and enable cross-domain prioritisation when domains cannot resolve competing claims themselves.	0 1 2 3 4	
Hybrid Routing Clear agreement on who decides what and along which route, directive top-down for larger strategic shifts, bottom-up for incremental adjustments.	0 1 2 3 4	

PORTFOLIO MANAGEMENT

Enabling Conditions	Score	Justification
Goal-Bound Capacity Capacity allocation driven by outcome-based objectives rather than domain ownership. Budget follows strategic priority, not organisational structure.	0 1 2 3 4	
Portfolio Transparency Real-time visibility of capacity commitments, availability, and strategic alignment across the portfolio. Prevents concealment and enables informed prioritisation decisions.	0 1 2 3 4	
Proactive Planning Capacity scenarios are prepared in advance of strategic shifts rather than reactively assembled when disruption occurs. Includes pre-identified redeployment options.	0 1 2 3 4	

ORGANISATION & TEAM DESIGN

Enabling Conditions	Score	Justification
Outcome-Centred Design Teams are structured around value streams and outcomes rather than technologies or functional disciplines, reducing structural barriers to redeployment.	0 1 2 3 4	
Compositional Flexibility Team composition is designed with deliberate flexibility. T-shaped profiles, cross-trained members, and modular structures that allow partial redeployment without dismantling the team.	0 1 2 3 4	

LEADERSHIP & MANDATE

Enabling Conditions	Score	Justification
Senior Mandate A designated decision authority at senior level makes the call when domain interests compete and middle management cannot resolve the conflict. It is clear in advance who this is and under what conditions they act.	0 1 2 3 4 ○ ○ ○ ○ ○	
Shared Ownership OKR-style alignment in which each part of the organisation contributes from its own domain toward a shared strategic objective. When targets pull in the same direction, silo behaviour loses its rational basis.	0 1 2 3 4 ○ ○ ○ ○ ○	

Glossary

Blocking Factors – Governance

Planning Lock-in
Capacity gets committed through annual budgets and PI planning before anyone knows a strategic shift is coming. Score high if there is no formal moment within the cycle where that commitment can be reopened once priorities change; score low if the organisation has a working mechanism to revisit commitments mid-cycle without waiting for the next planning round.

Budget Silos
Budgets here are tied to domains, not to outcomes, which means people (not money) are what's actually locked in. Score high if moving capacity from one domain to another requires renegotiating budget ownership rather than just a manager's sign-off; score low if capacity can follow strategic priority across domain lines without that friction.

Missing Mandate
This is about whether anyone actually has the authority to make the call. Score high if, when domains disagree on where capacity should go, there is no designated person or body who can decide and make it stick; score low if such an authority clearly exists and is used.

Failure to Stop
Concerns the organisation's ability to actually stop something, not just start new things. Score high if projects or initiatives tend to keep running past the point where stopping would be the rational choice, because of political resistance or because no formal stop mechanism exists; score low if there's a real, used process for deciding to stop.

Governance Conflict
Captures the friction between agile and traditional governance logics operating on the same team at the same time. Score high if teams are expected to satisfy both PI-based agile planning and traditional stage-gate or budget reporting, and these pull in different directions; score low if the two logics are reconciled or one clearly takes precedence.

Glossary

Blocking Factors – Agile Rigidity

Team Rigidity
This factor is about a belief, not a constraint. SAFe and agile ways of working treat stable, long-lived teams as a core principle, since the same people working together over time builds trust and predictability. The problem arises when that principle is applied so strictly that reconfiguring a team becomes unthinkable, even when it would clearly help absorb a strategic shift. There is no technical reason the team can't change (that's Technical Complexity); the barrier here is that doing so feels like undoing something valuable. Score high if reconfiguration is avoided on principle, regardless of whether it would solve the capacity problem; score low if the organisation treats reconfiguration as a normal option when it's the right call.

Unused Flexibility
SAFe already provides formal mechanisms for absorbing strategic change, ART sync, PI planning adjustments, re-prioritisation moments, that exist precisely to give organisations room to respond when priorities shift. The issue here isn't that these mechanisms are missing, it's that they exist on paper but go unused in practice. Teams and leadership default to the original plan rather than actively using the flexibility the framework already offers. Score high if these mechanisms are rarely or never activated even when a strategic shift would call for it; score low if the organisation actively uses them when circumstances change.

Glossary

Blocking Factors – Knowledge & Composition

Vendor Lock-in
Critical knowledge about a system or process sometimes sits with an external vendor rather than inside the organisation itself. When that's the case, redeploying capacity isn't purely an internal decision: it depends on what the contract allows, how willing the vendor is to cooperate, and whether the relationship gives the organisation any leverage at all. The organisation effectively doesn't have full control over its own redeployment options, since it doesn't own the knowledge it would need to act independently. Score high if redeployment is meaningfully constrained by vendor contracts or dependency on vendor-held knowledge; score low if vendor relationships don't materially limit what the organisation can do with its capacity.

Technical Complexity
This factor is about the system, not the people. Even if everyone agrees a team should be reconfigured, a monolithic or tightly integrated architecture can make that practically impossible: components depend on each other in ways that mean moving or splitting a team risks breaking something elsewhere. The architecture itself becomes a hard constraint on what reorganisation is even possible, independent of anyone's willingness to change. Score high if technical dependencies prevent teams from being moved or restructured without significant risk or rework; score low if the architecture is modular enough that teams can be reshaped without that risk.

Capability Gaps
Two separate problems are bundled into this factor. The first is concentration: critical knowledge sits with a small number of individuals rather than being spread across the team or organisation, so losing or reassigning those people creates a real gap. The second is visibility: even where the right skills do exist somewhere in the organisation, there's often no clear overview of who has them, which makes it hard to know who could be redeployed where. Either problem on its own makes redeployment decisions harder; together they make it structurally difficult to act on accurate information. Score high if knowledge is concentrated in a few people and/or there's no organisation-wide view of who can do what; score low if both knowledge and the visibility of who holds it are well distributed.

Glossary

Blocking Factors – Structural Inertia

Structure Conforms Strategy
This is the core mechanism behind the Chandler inversion: structure shaping strategy, instead of the other way around. It can show up in two ways. Sometimes the strategic choice itself is already constrained by the current structure, the organisation doesn't even consider options that don't fit how it's currently set up, so the structure shapes the decision before it's made. Other times the strategy is chosen freely, but once it has to be executed through the existing structure, it ends up playing out differently than intended, the structure reshapes the outcome rather than the choice. In extreme cases this prevents the strategic choice from being made at all, since the organisation can no longer imagine acting outside its current structure. Score high if either pattern is visible; score low if structure clearly follows from current strategic intent rather than the reverse.

Self Preservation
Resistance to a reallocation can come from two very different places: a genuine operational concern (this will hurt delivery, this team doesn't have the right skills for the new priority), or self-interest (this threatens my headcount, my budget, my influence). This factor is specifically about the second kind. It's rational from the individual or team's perspective, no one wants to lose resources or relevance, but when many people act this way at once, it collectively blocks realignment even though no single actor is doing anything irrational. Score high if resistance is primarily about protecting domain, headcount, or influence rather than a substantive objection to the change; score low if resistance, where it exists, is grounded in legitimate operational concerns.

Capacity Hoarding
This factor describes a specific behaviour: teams over-reporting their workload or active commitments, not because they're actually that busy, but to protect their current budget allocation from being reassigned elsewhere. The effect is that real available capacity becomes invisible at portfolio level, decision-makers can't reallocate what they can't see, even if it would make sense to. Score high if teams tend to inflate reported workload to protect their allocation; score low if reported capacity reliably reflects actual capacity.

Glossary

Enabling Conditions – Governance Design

Review Cadence
This factor is about whether capacity allocation can actually be reconsidered once it's been set, not just reviewed for status. Many organisations have regular planning moments, but if those moments carry no real authority to change what's already committed, they're not useful when a strategic shift happens. The aim isn't to break free from the annual cycle entirely, radical interventions can still go through a separate escalation route when needed, but to have a recurring moment, loosely coupled to that cycle, where reallocation can genuinely be decided rather than just discussed. Score high if such a moment exists and carries binding authority over capacity; score low if review moments exist only as status updates, or don't exist at all.

Portfolio Authority
When two domains both have a legitimate claim on the same capacity, someone needs to be able to settle it. This factor is about whether a central body exists that can step in above the domain level and make that call, rather than leaving domains to negotiate it themselves or simply leave the conflict unresolved. Score high if such a body exists and is actually used to resolve cross-domain disputes; score low if these disputes tend to stall because no one above the domains has the authority to decide.

Hybrid Routing
Agile organisations often run two decision logics at once: fast, bottom-up adjustments for small changes, and slower, top-down decisions for larger strategic shifts. This factor is about whether it's clear, in advance, which logic applies to which kind of decision. Without that clarity, people default to whichever route is most familiar or convenient, regardless of whether it fits the scale of the decision. Score high if there's a clear, shared understanding of which decisions go top-down versus bottom-up; score low if routing is ad hoc or contested each time.

Glossary

Enabling Conditions – Portfolio Management

Goal-Bound Capacity
This factor is about what capacity is tied to: an outcome, or a domain. When budget and capacity are bound to a domain regardless of what it's currently delivering, that capacity stays put even when strategic priority shifts elsewhere. When capacity instead follows outcome-based objectives, it can move with priority rather than staying fixed to whoever happened to own it. Score high if capacity allocation is driven by current strategic objectives rather than fixed domain ownership; score low if budget structurally stays with a domain regardless of where priority currently sits.

Portfolio Transparency
Good reallocation decisions depend on knowing what's actually happening across the portfolio: who's committed to what, and where genuine capacity exists. This factor is about whether that picture is available in real time at portfolio level, or whether decision-makers are working from outdated, incomplete, or self-reported information. Score high if there's real-time, organisation-wide visibility into commitments and available capacity; score low if that visibility doesn't exist, leaving capacity effectively invisible at portfolio level.

Proactive Planning
There's a difference between scrambling to figure out redeployment options after a strategic shift has already landed, and having those options already mapped out beforehand. This factor is about the latter: whether the organisation prepares capacity scenarios and identifies likely redeployment paths in advance, so that when a shift happens, there's already a starting point rather than a blank page. Score high if capacity scenarios are prepared ahead of anticipated shifts; score low if planning only happens reactively, after disruption has already occurred.

Glossary

Enabling Conditions – Organisation & Team Design

Outcome-Centred Design
How teams are drawn up matters for how easily they can adapt. If teams are organised around a technology stack or a functional discipline, their boundaries are defined by something that doesn't move when strategy shifts. If teams are organised around a value stream or business outcome instead, their boundaries are already aligned with what the organisation is trying to achieve, which makes redeployment less disruptive when priorities change. Score high if teams are structured around outcomes or value streams rather than technology or function; score low if team boundaries are drawn along technical or functional lines instead.

Compositional Flexibility
Even with the right team structure, redeployment is hard if every team member is a narrow specialist with no overlap in skills. This factor is about whether teams are deliberately composed with some flexibility built in, T-shaped profiles, cross-trained members, modular sub-structures, so that part of a team can be redeployed without having to dismantle the whole thing. Score high if team composition includes meaningful cross-training or modularity; score low if teams are made up of narrow specialists with little to no overlap.

Glossary

Enabling Conditions – Leadership & Mandate

Senior Mandate

This factor mirrors Portfolio Authority, but at the leadership level rather than the structural one: it's about whether a specific senior person has been designated, in advance, to break a deadlock when domain interests compete and middle management can't resolve it themselves. Without that clarity, conflicts either escalate informally and unpredictably, or simply don't get resolved at all. Score high if it's clear in advance exactly who has this authority and under what conditions they act; score low if that authority is unclear, contested, or only improvised after a conflict has already arisen.

Shared Ownership

When each domain is only accountable for its own results, protecting your own resources is the rational thing to do, even if it works against the organisation as a whole. This factor is about whether accountability is instead tied to a shared strategic outcome, for example through OKR-style alignment, so that domains are pulling in the same direction and silo behaviour no longer makes sense. Score high if domains are jointly accountable for shared outcomes; score low if accountability stays domain-bound even when the strategic objective is shared.