Designed to Fail: What Your Reorganization is Missing

Has your corporate reorganization failed before it even started? If so, you're not alone. Close to 80% of reorgs fall flat—leading to wasted resources and drops in both customer focus and employee morale. Ian Brenner offers up some ideas on how to create a sound talent management strategy that can lead to a successful reorg.

In a world rife with disruptive forces—from automation and Big Data to spiralling customer demands—businesses hoping to thrive into the future are increasingly engaging in reorganizations. There's only one hitch: only 21 percent of corporate reorganizations succeed. These failed efforts are costly in terms of time, money, customer focus and all to often, employee morale.

While this poor track record can be traced back to several causes, one of the main reasons reorganizations fail is because employees don't understand what's in it for them. What's strange about this misstep is that most businesses actually consider the need for change management, transparent communication, and employee buy-in as part of their redesign. However, these are all focused on the short-term and don't offer the employees real, long-term value—career mobility that they have control over.

Driving organizational alignment

According to a vast amount of literature written on the subject, there are a wide range of factors companies must address if they hope to succeed at organizational redesign. This includes gaining an advance understanding of the company's current state, developing a solid organizational structure aligned with clear business goals, managing cultural change, and measuring progress against established KPIs.

Yet, these elements alone are not enough if employees don't have an incentive to follow through on execution and drive results. To build this type of internal momentum, you can't simply focus on the short-term objectives of the redesign. You also need to adopt strategies for improving your talent engagement long after day one has come and gone.

Get this wrong, and you may be doomed to reorganize on an ongoing basis—adding time and expense, creating massive internal disruption, and heightening the risk of failure in the process.

To avoid these repercussions, the key is to bake the essential ingredients of career mobility into your new organizational structure. While there is no one-size-fits-all approach, here are some best practices you can follow to get it right.

Go beyond the job description

When seeking to fill talent gaps as part of a reorganization, companies often default to the legacy approach of creating role descriptions and job mandates centred on attracting people with specific technical skills. Too often, however, those become obsolete as soon as they're written. Instead of confining your search to people proficient at predefined tasks, you need to determine the competencies and capabilities that will underpin your long-term success.

For instance, rather than simply looking for someone with an accounting background or knowledge of specific tax rules to fill a finance function role, consider the underlying skillsets required for this role—such as project management expertise, strong analytics, and the ability to exert cross-functional influence.

By clearly articulating the competencies required for various roles, you do more than attract more qualified candidates. You also empower employees across the organization to apply to non-traditional roles, enhancing career mobility. As an added benefit, employees can see what skills are required for various roles—allowing them to hone the skillsets needed to advance their own careers.

Keep your eye on the horizon

When identifying the competencies your organization will need to differentiate itself in the market, consider not just current problems you're trying to resolve, but new problems you anticipate encountering in the future. For instance, as your supply chain becomes more global, you may need access to international expertise you're currently lacking. By pinpointing the capabilities your organization will need going forward, you can assess whether your current people possess those skills or if you need to hire externally. This proactive approach allows you to close talent gaps before they arise.

Show your soft side

To encourage career mobility and advancement, it helps to establish standard soft skill requirements employees are expected to have mastered at each level of the organization, and the level of proficiency (on a scale of, say, one to seven) that they must achieve to qualify for a certain role (see the graphic). This way, skills development becomes both

transparent and consistent across the tier (e.g., managers across the company possess the same soft skills, at the same level of proficiency, regardless of their functional alignment).

This requires you to carefully assess the competencies that are transferable between organizational roles. As a rule of thumb, aim to identify fewer than 10 strategic-level competencies—and perhaps only six to eight—so your people can map a clear mobility path.

Illustrative Talent Evaluation: Manager Level
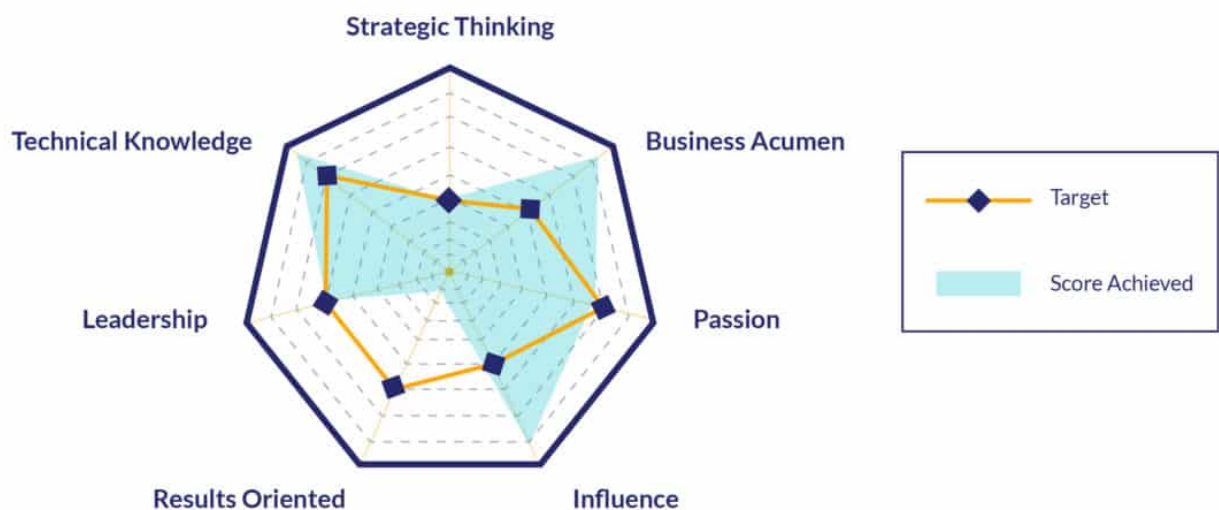
For illustrative purposes only.

FARBER

Tangible benefits await

A well-thought-out career mobility strategy is not the only element you'll need to enhance the success of your organizational redesign, but it is a critical quiver in your arsenal. By transparently disclosing your existing and future job gaps, and the competencies you'll need going forward, a career mobility pathway allows your employees to control their own career advancement and meet their personal ambitions. This reduces your costs spent training people in skills that don't fit with their chosen career paths, improved talent retention and at the same time, it positions your organization to tap into the full potential of your talent—unleashing their capabilities to lay the foundation for business out-performance.

Recommended for you:

How to bring human resources into the inner circle Learn how.