# Organisational Restructuring Facts to Always Remember

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**Introduction**

What comes to mind when you think of *organisational restructuring*? Some people may not understand what this is even they plan on embarking on this journey. This article will provide some information that is crucial to know before and during an *organisational restructuring* process.

**What is organisational restructuring?**

If you do not know what *organisational restructuring* is, you will know soon. *Organisational restructuring* is when a company's business model has changed due to internal or external factors and needs to adapt to survive and ultimately grow. This may result in a downsize, upsize or reshuffle of staffing requirement (Inside HR, 2019).

**The most important facts to remember**

When thinking about *organisational restructuring*, think of the goal that the organisation is trying to achieve. It is not something that a team can dive into blindly as the results will not be kind to any stakeholder. Take time to analyse your organisation and the environment. Below are the facts to always remember before you start the process and during the process:

1. "Because it worked somewhere else, it will work here". This is a deceitful statement that organisations need to refrain from. A one size fits all approach to such sensitive activities will not yield positive results. A careful analysis of the organisation and the organisation should be considered as each scenario differs from the other (BCG, 2012).
2. Some organisations believe that restructuring will improve the team which is not always the case. Although *organisational restructuring* is aimed to improve efficiency, communication, productivity, innovation and collaboration, other aspects of the organisation may suffer at the time. Remember that restructuring an organisation may render some jobs redundant causing a rift in the teams. In some cases, other departments may be merged, among other situations (BCG, 2012).
3. "*Organisational restructuring will* enhance employee performance". How you carry out your *organisational restructuring* process will determine how the employees will perform after the exercise is complete. It is common for leaders to move employees and even managers from one role to another in hopes of improving their performance. These attempts acknowledge that poor performance is at times a cry for help. Leaders aim to be responsive and exhaust all options before starting the performance management process. However, different roles often require different skills and experience than those of the poor performer. Even transferring an individual into a different position starts the performance management process and holds the employee

accountable. At some point, it will be clear that the individual just isn't the right fit and should be let go. After transferring or removing a poor performer, take time to focus on the rest of the team — show them the value that everyone brings to the table. And, ensure the team is emotionally healthy. The old saying, "One bad apple spoils the bunch" applies to teams as well. Be on the lookout for any lingering negativity.

4. "Restructuring will offer immediate results". The impact of *organisational restructuring*, whether it is good or bad, will not provide immediate results. High-performing teams depend on strong relationships both within and beyond the team. Placing individuals under the same manager and within a shared reporting hierarchy does not establish trust among peers — and often fosters competition (Hill, 2018). No team can achieve high-level results without going through the phases of planning:

- Forming - Creating a clear plan;
- Storming - Reconciling different expectations;
- Norming - Figuring out how to work together;
- Performing - Achieving results in a way that relies on each other's strengths;

Restructured teams must undergo this slow but necessary process. It builds the relationships and trust needed for long-term success.

Lastly, many believe that *restructuring* shows a commitment to change shareholders and clients. This again is not always the case. Reorganising is a visible change that is often easy, low cost and requires no additional approval for the initiator. It seems like

1. a quick fix that demonstrates the leader's commitment to making important changes that benefit the organisation. While this is true, a new organisational structure does not show business peers, partners and customers/constituents that you are serious about their business outcomes and needs.

"It is not the process, it's the outcome that matters to your business partners," (Hill, 2018). According to Hill (2018), establish a foundation of trust with business peers by doing the basics of IT right. That is, ensure minimal to no unplanned outages, consistently deliver projects on time, on budget and in scope — and provide transparency into IT's financials. Once the basics have been proven, focus on overall enterprise performance outcomes. Maintain agility and communicate the results regularly to business partners. This will ensure that they are confident in the decisions you make to keep up with market dynamics.

**A successful organisation *restructuring plan***

The Boston Consulting Group (2012) outlines the critical steps to achieve a successful *organisational restructuring* exercise.

1. Synchronise the design with strategy. Whatever the aim of the organisational restructuring exercise is. It is important to remember that the *restructuring plan* must firmly align with the

organisation's vision and business values. Without doing this, the risk of changing the business's direction may be compromised.
2. Clarify the roles and responsibilities. This is the most important part of organisational restructuring plan (BCG, 2012). According to BCG (2012), this step had the most failures in the survey they conducted. Getting this right will set the right pace for the rest of the *organisational restructuring plan*.
3. Deploy the right leaders and the right capabilities. Moving in the right direction comes from having the right leaders in place. BCG (2012), stated that among the organisations that stated that they had capable leaders, 74% stated that their plan was successful. This is a high proportion compared to a 22% failure rate.
4. Design the *organisational restructuring* plan according to each layer, not a top-down approach. 64% of companies who followed this approach reported a high success rate in their organisational restricting exercise (BCG, 2012).
5. Minimise the risk in execution as much as possible. Knowing exactly how the exercise will be executed will ensure a high rate of success. Once the process has started, it becomes difficult to turn back or to take a break. This may compromise the projected exercise results that would have been calculated beforehand.
6. Do not wait for a crisis to reorganise. Lastly, it is important to constantly analyse the organisation and the operating environment. Waiting for a crisis to embark on such a big exercise is a recipe for disaster. Always look at where the organisation wants to be in the future and where it is now.

**Conclusion**

Organisational restricting is a sensitive exercise that requires special attention to execute properly. It should not be used as an emergency toolkit or be used blindly. Careful planning will ensure success within the organisation. The opposite may put the organisation at risk with its clients and other stakeholders.

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