

# *LeaderPerfect Newsletter*

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## **Reorganization: Do It Well Or Don't Do It At All**

by Dr. Mike Armour

A few weeks ago I had a coaching session with a front-line supervisor who was frustrated with the constant turnover and reorganization in his company. "I've been in this role only 18 months," he grumbled, "and I've reported to four different managers."

Two weeks later he and I exchanged emails. He opened with, "Make that five managers in 18 months." Just days before he had gone in to talk to manager number four, only to learn that another change was immediate.

This is probably the most extreme case I've ever encountered. But the tone of it is all too familiar. A mid-level manager recently told me, "Well, it has been a year and a half since they threw the last reorganization at us. I guess we're overdue for another one." This is probably the most extreme case I've ever encountered. But the tone of it is all too familiar.

Both of these stories point to reorganization done poorly. In the first case because it has been done too often. In the second because it has been done repeatedly with such poor communication that it has come to feel like reorganization for the sake of reorganization.

In either case, leadership somewhere has failed to practice four basic rules of effective reorganization:

- Rule #1: Reorganize only when it is genuinely necessary.
- Rule #2: Be absolutely clear as to the strategic purpose for the reorganization.
- Rule #3: In every discussion of the reorganization, restate the strategic purpose behind it.
- Rule #4: Implement reorganizations as quickly as possible, but never at the expense of fully communicating the strategic purpose for change.

### **Rule Number One: Only When Necessary**

When leaders reorganize frequently, they lose credibility. Look back at the words of that mid-level manager who fully expected a reorganization soon, simply because it had been several months since the last one. Implicit in his statement, but left unspoken, is a perception of upper management as operating somewhat willy-nilly, trying first this, then that — a "flavor of the month" approach to leadership.

This perception, whether right or wrong, raises the prospect that top managers have an unsteady hand on the rudder. Or that they lack a coherent, orchestrating long-range

vision. It may even suggest doubts about their competence and business acumen. These are serious reservations. When suspicions like this are running in the background, confidence in leadership is on the ropes.

Of course, there is no way to avoid an occasional reorganization. External realities simply change too quickly, and often too unpredictably, for any organizational structure to be a permanent fixture. Sooner or later fine tuning is necessary.

But wholesale reorganization is inevitably disruptive. It disrupts work flow. It disrupts morale. And it disrupts the relationship-building that undergirds trust and strong teams. That's why it should be done only when necessary. Genuinely necessary.

### **Rule Number Two: Be Clear on the Strategic Purpose**

Architects honor a principle that "form follows function." First decide the purpose of a space, then lay out its design. The equivalent principle in the world of management is that "organization follows strategy." Because reorganization is inherently disruptive, it should only be undertaken for strategic reasons that are clearly identified and stated.

I've heard bosses say, "I think we should reorganize things around here just to shake things up a bit." In my mind, that's not a compelling reason to reorganize. It borders on change for the sake of change.

Reorganization should always aim at specific enhancements in productivity and effectiveness. Simply "shaking things up" is no assurance that you will get any worthwhile improvement in either work volume or work quality. "Shaking things up" should never be an end in itself. In fact, wise leaders try to make organizational change in a way that shakes up as few things as possible.

Unless reorganization serves some strategic purpose, it's probably the wrong thing to do. I've seen managers undertake a reorganization simply as an excuse to put distance between two bickering employees. Rather than deal with the personnel issue straight up, the manager opts for the indirect approach of "reorganizing" in such a way that the two have fewer occasions for friction. So what will he do when friction breaks out in this new structure? Reorganize again? Reorganization should never be a tool for ducking the tough work of resolving employee conflict.

I've seen other reorganizations whose only purpose was to give a valued worker a more prestigious title. Here's a typical scenario. Bill is a stellar performer, not yet ready for his boss's job, but on track to be there one day. Meanwhile, the company is afraid that without some formal recognition of his potential, he may jump ship and leave. Of course, they could give him a significant pay increase, but that might create problems with his peers at the same level of responsibility.

So they strike on a simple solution. They reorganize and bring a few more people under Bill's span of authority. This justifies a slightly elevated title, and more money to go with it.

Again, this is not a justifiable reason to reorganize, at least not in my judgment. Indeed, I see it as an abdication of management responsibility by those who choose this "easy

out." Their duty is not to hold onto a valued performer at the expense of disrupting things for everyone else. Their duty is to be the kind of leaders, coaches, and motivators who keep Bill engaged and excited while he prepares for higher responsibility.

Reorganization, even at best, is always disruptive, Therefore it should be undertaken only for strategic purposes and only when the strategic purpose is clearly identified.

### **Rule Number Three: Continually Restate the Strategic Purpose**

It's not enough for leaders themselves to be clear about the strategic purpose for reorganizing. Workers, too, need that clarity. Otherwise they see little value in the attendant disruption and dislocation.

This makes it incumbent on leaders to communicate the strategic purpose for reorganizing. And to do it repeatedly. Through every channel available. They should communicate it when the change is announced. As the change is implemented. When the change is being reviewed. Communicate. Communicate. Communicate.

I'm amazed at how often this one simple principle is ignored. And the omission may actually be intentional. Management sometimes has a bias that "worker bees" can't think strategically, so there's no reason to explain strategy to them.

In my experience, that's simply not the case. I've known blue-collar "worker bees" who were exceptional chess players. Others who were great youth league coaches. Still others who excelled at board and video games based on carefully calculated moves rather than chance. These are all strategic endeavors. And people from every walk of life enjoy them.

So toss out any notion that only management has a monopoly on thinking strategically. Instead, assume that everyone wants to know why the sacrifice demanded of them is worth the price. When we fail to communicate the compelling reasons for restructure, the "worker bees" will begin to see it as change for the sake of change. Nothing more.

### **Rule Number Four: Move Quickly, But Not Too Quickly**

Reorganization is always unsettling. Equally unsettling is speculation about a restructure that has been announced, but not yet implemented. During the interim people start jockeying for position, based on conjecture and rumor. The resulting game of politics can become a major distraction from the priorities at hand.

As a rule, therefore, it's best to forego any announcement of a reorganization as long as possible. Then, once the announcement is made, move swiftly to put the changes in place. Get the pain over as quickly as possible for everyone. But never move so fast that you ignore Rule #3. Don't sacrifice thorough communication for speed. Take the time to articulate the strategic purpose for the change repeatedly, so often indeed that those in your organization can state it plainly themselves.

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