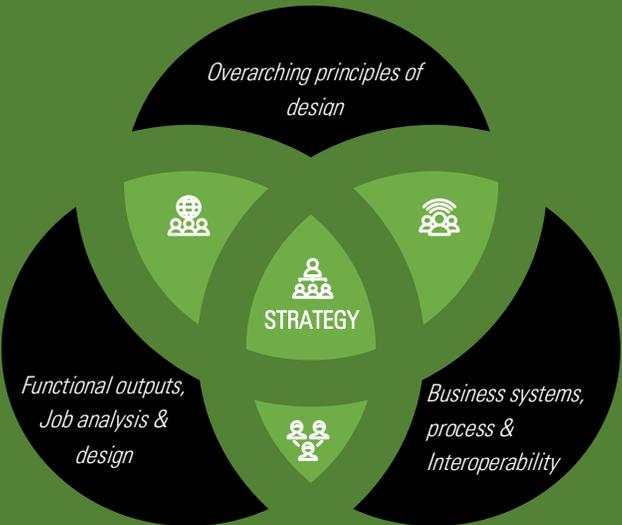




RESTRUCTURING TO ADDRESS UNDERPERFORMANCE

WHY THERE'S A BETTER WAY



There are many internal and external factors that influence an organisation's strategic direction and ultimately how they are organised. Some of these factors are unavoidable but many can be foreseen and appropriately managed with the right planning.

Internal workforce challenges, however, are not that straight forward. It is particularly challenging when the performance and culture of an organisation is preventing or impeding on the achievement of strategic goals. Organisations with entrenched cultures and the lack of internal capability to develop and implement practical solutions to align people and strategy generally find themselves restructuring as a means of addressing individual and team performance challenges. This is seen as a quick fix, albeit an expensive one, resulting in potential redundancies and legal consequences if poorly executed. Such disruption can linger on for months if not years and has the potential of impacting internal workforce commitment and emotional connectivity to the business.

But should you restructure as a means of addressing individual or team-based performance issues?

Firstly, restructuring does not address overall performance at a job level or organisational culture level. Secondly, there are certain legal and industrial rules and processes that organisations need to comply with in addressing individual performance issues prior to taking such action. So, if restructuring is not the solution to addressing underperformance and culture, what is?

1. Understand the causes and shift from 'performance management' to 'managing for performance'.

There are many factors that contribute to underperformance. Take a whole-of-business approach when implementing major reform such as a restructure. Look at the business systems (policies, procedures, and information technology), work practices, human resource strategies and programs, leadership, values and behaviours, the way jobs are designed and determine whether they are aiding or impeding the organisation from achieving its desired goals. These all need to be aligned so when you finally have the right people in the right places they are doing the right things in the right way, performing at the desired level with the necessary supporting systems in place. It is fruitless undertaking a restructure when the enablers of getting the job done are ineffective or not in place.

High performing cultures 'get it' and 'get on with it'. High performing cultures require leadership with the necessary support systems, programs, and work practices in place to perform at optimum levels. Therefore, ensure a-whole-of-business approach in undertaken and address performance issues by ensuring the 'enablers' (the things employees need to successfully perform their role) are in place and act consistently, decisively, and fairly. This will ensure that when you do implement your new structure everyone is clear about the performance expectations and importantly the supporting systems, tools are in place to ensure their success.

In most cases, once the enablers are addressed you start to see improvements in their performance. Do not assume it is just the employee, it could well be the circumstance of their environment which the business has failed to be addressed.

2. Create an environment to make the changes stick by introducing targeted performance measures and accountability systems. Such approaches need to be fair and consistently applied including remedial action for when performance targets and behaviour are not conducive to the successful attainment of change efforts. This sets the tone acceptable behaviour and helps the organisation in realising the desired culture.

3. Invest in the training and development of your management team - your top team need the necessary capabilities to make the new structure work. Building internal capability to drive the desired messages through the organisation are critical behaviours necessary in role modelling the new ways of working.

4. Keep the momentum going by introducing recognition and reward programs that are meaningful to staff and ensure you celebrate successes along the way.