Beyond 'Boxology'

A Leader's Guide to Driving Real Organisational Change

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Most organisational restructures fail. They consume enormous time and resources, only to result in surface-level changes that don't solve the real problems.

Too often, leaders get caught in the trap of 'boxology', which focuses on endlessly redrawing org charts, shifting roles and changing reporting lines. But real performance isn't about lines and boxes. It's about how all the interconnected parts of the business work together.

This whitepaper provides a proven guide for making meaningful changes to your operating model. It gives you the models, tools and practical lessons needed to drive successful transformation and build a more resilient business.

Defining Modern Workforce Design

Effective workforce design encompasses everything from high-level strategy to the nuts and bolts of daily operations.

The Strategic Framework

A successful strategic framework looks at how all parts of an organisation work together. The six-part model from AlignOrg, also called 'the cube', offers a clear view of these interdependent systems:.

- **Work:** The core processes and systems that shape product and service delivery.
- **Structure and Governance:** The way work is organised, including job design, accountability, policies and controls.
- **Information and Metrics:** The data, technology and metrics that enable informed decision-making.
- **People and Rewards:** The systems that attract, develop, retain and reward employees.
- **Continuous Alignment:** The ongoing evaluation of the operating model to maintain competitiveness.
- **Leadership and Culture:** The beliefs, behaviours and leadership capabilities that shape the workforce.
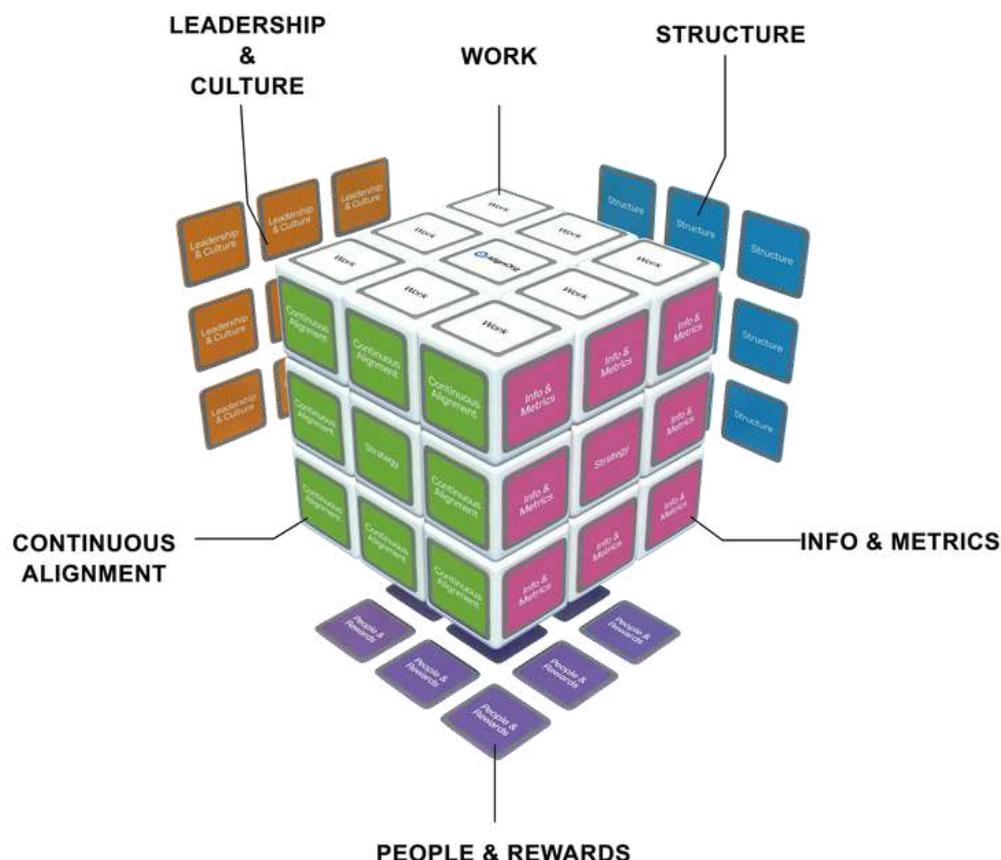
Operational Execution

While strategy sets the direction, execution brings it to life. This is where manual tools like spreadsheets and PowerPoint often fall short. Specialised org design software bridges this gap by focusing on the practical implementation of workforce design. By connecting directly to HR and payroll data, platforms like org.manager create dynamic, visual tools that leaders can use to model and implement their designs. Key capabilities of this software include:

- **HR Data Cleansing:** Ensuring a clear and accurate view of the current state.
- **Visualisation and Org Charts:** Bringing data to life through dynamic charts and dashboards.
- **Workforce Modelling:** Collaboratively developing future-state structures and scenarios.
- **Position Management:** Maintaining accurate position and reporting data.
- **HRIS writeback:** Pushing updated data back into source systems to ensure a single source of truth.

Together, these two perspectives cover the full spectrum of operating model change. Before implementing any solution, it's crucial to understand where organisations most often get it wrong.

The Fallacy of 'Boxology' and the Power of Alignment

The biggest mistake leaders make during a transformation is focusing only on the structure. They feel pressure to announce a change to show progress, so they get caught up in redrawing org charts and changing job titles. The result is often a surface-level fix that does not solve the real problems. The key is to shift the goal from a quick announcement to true alignment.

The AlignOrg cube model is a helpful way to think about this. An organisation is like a Rubik's Cube with many connected sides. A leader might fix one side, like the structure, but create a mess on the other five in the process. True success comes when all six sides are aligned.

Here are some questions to ask before diving into restructures:

- **Work:** Have you clarified the actual work to be done? Are your core processes and systems fit for purpose?

- **Structure:** Does your organisational structure support the work, from the overall model down to individual roles?

- **Information:** Do teams have the information and insights needed to make informed decisions?

- **People:** Are you attracting, developing and rewarding the people needed in the future, not just for today?

- **Improvement:** Do you have a framework to allow the organisation to adapt as market conditions change?

- **Leadership:** Are your leaders capable of driving change and a culture to support it?

Before its transformation under Satya Nadella, Microsoft is a great real-world example. The company wanted to be more collaborative and innovative, however its own internal systems were in the way. Its performance review system discouraged teamwork and layers of bureaucracy slowed decision-making. The organisation's design was completely out of sync with its goals, causing a loss in top talent and competitiveness. This was finally addressed when the company stepped back and reviewed its strategic framework and operating alignment.

Connecting All Systems to Strategy

Your organisational design must directly support your strategy. The following model shows how design fits into a larger strategic process that flows in this order:

- **Results:** First, understand the gap between current performance and future goals.
- **Environment:** Next, assess external factors like competition, new technology and industry regulations.
- **Strategy:** With that information, build a clear strategy. What makes your business unique? Why will customers choose you?
- **Operating Model:** The strategy determines what your business needs to do to deliver on its promise.
- **Design Choices:** Finally, the operating model determines how to design your organisation using the six-part cube model.
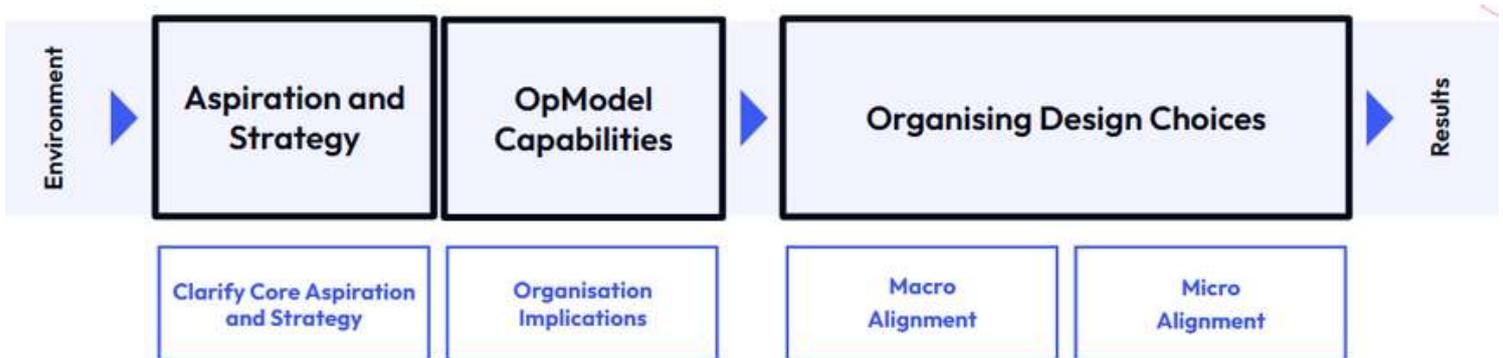
Ryanair provides a powerful lesson in strategic clarity. Their strategy is simple: offer cheap flights that are on time and have many options. They do not focus on customer service.

This clear strategy drives every business decision. There are no seat pockets, so cleaning is faster. There is no contact centre, which reduces costs. Their entire business model is built around this low-cost strategy.

To get this clear, you have to make tough choices about what work is most important. A useful way to do this is to divide work into two types:

- **Strategic Work:** The work that sets you apart from the competition and creates unique value for customers. This work must be designed for maximum effectiveness.
- **Essential Work:** The work that keeps the business running but doesn't deliver a competitive edge. This work must be designed for maximum efficiency.

The Four Pillars of Alignment Leadership

Successful transformation is driven by people, not just processes and it all comes down to leadership. Leaders who excel at this, known as Alignment Leaders, share four key characteristics:

1. **They Make Clear Choices:** Leaders must make the tough calls. They define exactly what the business will do and, just as importantly, what it will not do. This creates focus and clarity for everyone.
2. **They Drive Alignment:** This is the core job of a leader. They keep the focus on aligning all six parts of the business (work, structure, information, people, leadership and improvement) over the long term and ensure the necessary changes actually happen.
3. **They Lead the Change:** Driving change is a team sport. A successful leadership team has a mix of skills: the ability to innovate, plan, communicate, set an example and build momentum across the organisation.
4. **They Build Future Leaders:** Great leaders develop these same skills in others. By investing in people at all levels, they ensure the ability to drive change becomes part of the company's culture.

Makes Choices and Trade Offs	Drives Change
• Talks the language of choices and trade-offs. • Champions choices that enable performance and mitigates misaligned choices. • Embodies the yes and no of strategy. • Protects emerging processes/structures while keeping the business running.	• Recognizes change and how it will ripple across business. • Funds/sponsors change management all the way to implementation. • Communicates constantly about the change and models new strategic behavior.
Ensures Alignment	**Builds Capability**
• Emphasizes strategy as the alignment objective. Strategic alignment is their worldview. • Sees all sides of the cube (alignment mentality) and looks for patterns. • Helps others consider the impact of choices on the whole system.	• Organises people to imagine new ways of working and linking with each other. • Fosters a culture of alignment leadership at all levels of the organisation by involving many in alignment efforts. • Builds capability in the organisation to maintain alignment and manage change. • Knows that this is their real work.

Indra Nooyi's tenure as CEO of PepsiCo is a powerful example of alignment leadership. She rallied the organisation around a unifying vision of 'Performance with Purpose' which focused on long-term sustainability and healthier products. This clear strategic choice drove a complete overhaul of the company's culture capabilities, processes and structure. The result was a dramatic increase in revenue market capitalisation and shareholder value.

Beyond Boxology: Your Path to Lasting Change

To make change that lasts, you need a focused and complete plan. This means taking an honest look at where the business is today, creating a clear strategy and ensuring alignment across the company. This is the real work of leaders: to drive alignment and stick with it, even after the new org chart is released.

Using these frameworks and tools helps leaders move beyond simply shuffling boxes on a chart. They build an organisation that is truly transformed, not just restructured.

How can I get started?

The right framework gives you a roadmap, and the right tools help you follow it. Get in touch to get tailored insights and see what's working for other organisations across Australia and New Zealand.

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