

Leadership and Organisation Change

The situation

The Board of a large f.m.c.g. company had recently decided to implement a restructure of their organisation based on processes rather than functions. This had led to a matrix structure in which one person might have two or three different bosses, and bosses could not assume that they had sole rights to the time and energy of subordinates.

The Analysis

Individual discussions with Board members showed the following key facts:

- much good work had been done to clarify the structural aspects of the change
- the new structure would require people to work with each other in multiple teams, often by influence rather than by traditional "command and control", irrespective of status or seniority
- that there was no clear common understanding of what leadership would mean in this environment
- that the Board members themselves, coming from a variety of national and business cultures, had different expectations of leadership
- that any approach to leadership would require the commitment of the wider management team, not just of Board members
- that the energy and vitality of a young and vital organisation was being dissipated in repeated negotiation of boundaries

The Solution

A process was begun which included the following elements:

- A board workshop was convened to examine team issues. As part of this process a brainstorm activity created a shared list of key values and behaviours required of effective leaders in this new business situation.
- Ideas from this brainstorm were grouped and again reviewed and refined by discussion within the Board.
- The Board began to review its decisions at the end of each regular meeting for consistency with the values they had set down, gaining experience together of using values to guide their actions and changing decisions which would have been inconsistent with the value set.
- A series of leadership workshops was constructed for all the Board's direct reports, as part of which the Chairman joined the group to discuss the new leadership values and behaviours. As a result some were amended or clarified to make them more useable. This created significant 'buy-in' from the wider management team.
- The values and behaviours were discussed openly at the next communication meeting for all managers, and were communicated widely across the organisation by effective internal marketing techniques.

The Outcomes

The Board was seen to provide an effective and appropriate lead in establishing an appropriate leadership approach. Considerable understanding of – and enthusiasm for – the new leadership culture was generated throughout the organisation.

A good level of mutual understanding and consistent behaviour developed across the management team.

The matrix organisation operated effectively over the following years, despite changes in the wider organisation.