

Game-changing Management: How to Put Structure Around Anything Goes

Published : November 07, 2011 in [Knowledge@Australian School of Business](http://knowledge.asb.unsw.edu.au/article.cfm?articleid=1504)

If society as a whole seems more complex in the 21st century, that complexity is heightened in the workplace microcosm. What's most puzzling these days is the requirement for people management, structures and protocols in organisations to be clear, and at the same time somewhat fluid.

There are new accepted behaviours in business, in no small part due to the availability and ever-changing modes of social media. Increasing diversity in organisations and the need to manage widening age gaps in multi-generational workforces are adding to the complexity for managers. On top of that, there's the pressure of knowing everyone has the ability to communicate with the outside world in a split second.

Today there's a yo-yo of variables of what is – and what is not – appropriate behaviour both inside and outside of the company. "Big companies give staff the freedom to do their jobs, but people can go off in different directions," observes [Rose Trevelyan](#), who teaches on the AGSM MBA program at the Australian School of Business.

Trevelyan runs MBA courses on organisational behaviour, change management and strategic implementation. "Clear lines of direction and clarity around the purpose" are still required, she insists. An organisation can operate with both informal and formal systems, but structure is still needed around both. "Regardless of the company's business, it is important to have alignment around the systems and procedures in use," Trevelyan says.

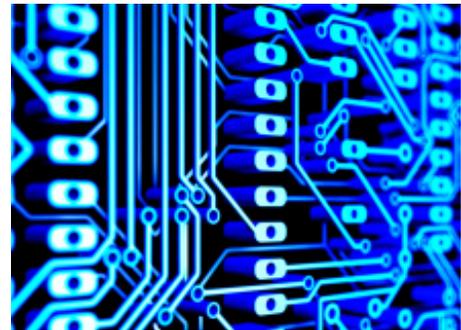
Rather than creating more hard-and-fast rules and structures, one way to manage the complexity of formal and informal systems in tandem is by focusing on preferred behaviours. "The behaviours we encourage and reward at NAB focus on authenticity, respect, collaboration and excellence," outlines Melissa Giles, manager of culture and engagement at National Australia Bank (NAB), one of Australia's big four banks. The way these behaviours are demonstrated is influenced by the changes across the bank's Australian workforce of 26,000, many of whom use new technology, including iPhone applications and social media to communicate, both internally and with customers.

"Technology is certainly changing the way we communicate. There's a greater level of 'instant interaction' where, through various social media channels, employees can engage with each other at the click of a button, so we're seeing more collaboration across different teams," Giles says.

The whereabouts of the collaborators is neither here nor there. And technology has blurred the boundaries for "normal hours" worked, Giles points out. "In relation to changing working patterns, it is no longer the 'norm' to arrive at nine and leave at five, and there is a greater acceptance and understanding of this," she observes.

Organisational structures are evolving, too. "Organisational structures are constantly adapting to changing needs, such as customer behaviour, and strategic priorities," Giles says. "With the shift to more informal teams – with a series of interconnected networks and virtual teams – there's probably less of a reliance on the traditional hierarchical structure."

The greater emphasis on customer needs on an ongoing basis has created a shift, Giles says, giving rise to a clear workplace policy that provides for flexibility, as employees who work outside normal office hours are given autonomy to deal with immediate queries.



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"Social media is also playing an increasingly important role in how we interact with our customers, and how our employees interact with each other within the organisation. This is a relatively new environment, so we have established guidelines to help our employees understand their responsibilities when engaging in social media, and so they can feel empowered to do so in a safe and informed way."

Policies and guidelines are just part of the story. Make no mistake, approaches that are more flexible – or more fluid – do not mean letting go of measurement, Trevelyan emphasises. It's important to put sound measurement systems in place to accurately assess targeted goals against actual reality. "If customer service is a priority, make sure you can measure it," Trevelyan says. "Good alignment is a key."

While tackling complexity through flexible approaches is considered the strategy of fast-moving companies, changing behaviour within a company to adapt can be quite slow, Trevelyan points out. "Deep-rooted cultural change can take up to seven years to transform [a business]," she says. "There are multiple layers of culture within an organisation and implementing new performance management systems involves putting in place intellectual and emotional procedures. This is a very involved process."

Forget the Organisational Machine

A popular metaphor that emerged from the industrial revolution and survived well into the 1980s and 1990s, was the idea of an organisation as a machine that could be controlled as long as the leaders understood the best – most efficient – way to fit all of its parts together, recalls Jon Williams, partner at global accounting and consulting firm PricewaterhouseCoopers. "As the speed of change has increased and been sustained, this machine model of understanding has been challenged," he observes.

"Today, even our daily experience of people's behaviours proves the machine analogy to be untrue. How frustrating would it be if every member of the organisation did exactly what they were told, failing to apply their experience to standard processes when completing a task? Nothing would ever get done.

This increasing recognition of the complexity and power of the social networks that form the informal organisation has seen the concept of an organisation as a machine become increasingly irrelevant."

PwC employs more than 6000 people in eight cities around Australia and provides services to 90 of the ASX Top 100 listed companies, including many federal and state government agencies. Originally an accounting firm, the company's range of offerings now includes industry-focused assurance, tax and advisory services in corporate accountability, performance and process improvement, risk management and mergers and acquisitions.

As organisations need to continually re-invent themselves to stay ahead of their competitors, the process has not only changed the definition of an organisation but also the old idea of a traditional career path.

Williams believes the more relevant metaphor for complex organisations today comes from Fritjof Capra (a renowned systems theory expert) and Peter Senge (director of the Society for Organisational Learning at the MIT Sloan School of Management) who likened them "to living, breathing organisms that continually create and re-create in response to stimulus and cannot be directed, only disturbed".

"Traditional hierarchies and structures no longer offer a clear path to traverse. And, individuals have, finally, taken to this concept of managing their own careers," Williams points out. "But now this is happening, we've realised that there are no longer clear paths to follow to success. Careers are no longer ladders and organisations are no longer pyramids. Now the next leader could come from anywhere and we're not really sure what shape a career should take."

Technology and brand identification – both for individuals and companies – play an integral part in organisational development. "To manage in this environment, businesses need to acknowledge that the way we work is changing, so the way we manage needs to change too," Williams says. "New management is less about: if you can see your employees working, they're productive, if you pay them more, they'll work harder; and more about 'how do I manage in such a way as to not de-motivate people?'"

Employers need to recognise they no longer own their employment brands. "In fact, employees have

always owned employment brands; they just haven't had the tools to broadcast their opinions to large audiences as they do today," Williams says.

"One good thing about this is: if organisations are successful in building and delivering on the employment brand promises to their existing employees – wherever they work from – these same employees will choose to reach into the market and deliver the brand promise to the employment market. Free of charge."

What Employees Want

But is this all this too complex? After all, doesn't an employee just want stability no matter whether they work in an office or a remote location? New technology has changed the rules, but employees' basic needs have not shifted. "The reality is with all this change both internally and externally in regards to organisational structures and workplace desk activity is that employees just want to know three things: What is the job? What is the context of the job? And where is the organisation headed? If you get these three things right it doesn't matter where people are working from and what the structure is," says Peter Wilson, national president of Australian Human Resources Institute (AHRI). The association represents human resource and people management professionals and has more than 17,500 members.

"The key is in letting employees feel comfortable," Wilson says "It astounds me that some companies try to control social media and make people work nine to five in an office when it is not necessary. You can't hold back the waves with social media, so find a way of embracing it in your company. You can use it to your advantage and as a business tool.

"Organisational design is another key component these days. Ensure you have the right environment to secure maximum benefit from your employees. Cutting-edge design like the Macquarie Group's offices in Shelley Street, Sydney, is where most companies are heading." The multi-storey office building is light-filled with a free-flowing series of cantilevered offices that appear as boxes hanging in mid air, jutting out high up into a soaring atrium]. The feel is fluid and creative.

Trevelyan also believes that organisational design – including the bricks and mortar – can have a huge impact. Managing complexity is a juxtaposition of the formal and informal, she suggests. "Designs that encourage flexible working and have rooms where there can be informal social activities are almost important as formal brainstorming sessions," Trevelyan says. "A lot of creative companies have creative outlets but there is definitely the opportunity there for non-creative companies to use their physical layout to encourage people to work together. Having a collaborative setting rather than segmenting space adds cohesion to the workplace."

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