

EBOOK

# The consultant's guide to designing a successful organization

# Talent optimization for consultants

As a consultant, your clients are looking to you for guidance on what they should do to resolve issues within their organization. They often know something is wrong because they see they're not getting the results they want, but they don't always know exactly what's not working.

While your clients have a business plan—and maybe even a financial plan—what they probably don't have is a people plan.

Successful business leaders intentionally align their people strategy with their business strategy—by following a four-part discipline called talent optimization.

In this e-book, we'll walk you through the second aptitude of talent optimization—Design—and how to help your clients practically apply it in their organization. This process will require collaboration amongst the entire senior leadership team. It's necessary that the executive team is aligned on this process to achieve optimal results.

Let's take a closer look at the Design aptitude.



# Design your people strategy.

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Design is where your client will create and continuously evolve their people strategy.

Many organizations grow a bit haphazardly—adding new team members as needed, without much thought as to how they impact team dynamics. This approach ultimately causes results to suffer, as leaders may be incredible individual contributors but lack the ability to inspire and motivate employees.

An organization, its leadership, its culture, and its team dynamics must be intentionally and strategically designed if businesses want to achieve success. Without this intentionality, results are left to chance.

**PRO TIP: Remind your clients that designing their organization is not a one-time event. They'll want to reassess from time to time as business goals and needs change.**

There are four activities that comprise the design aptitude:

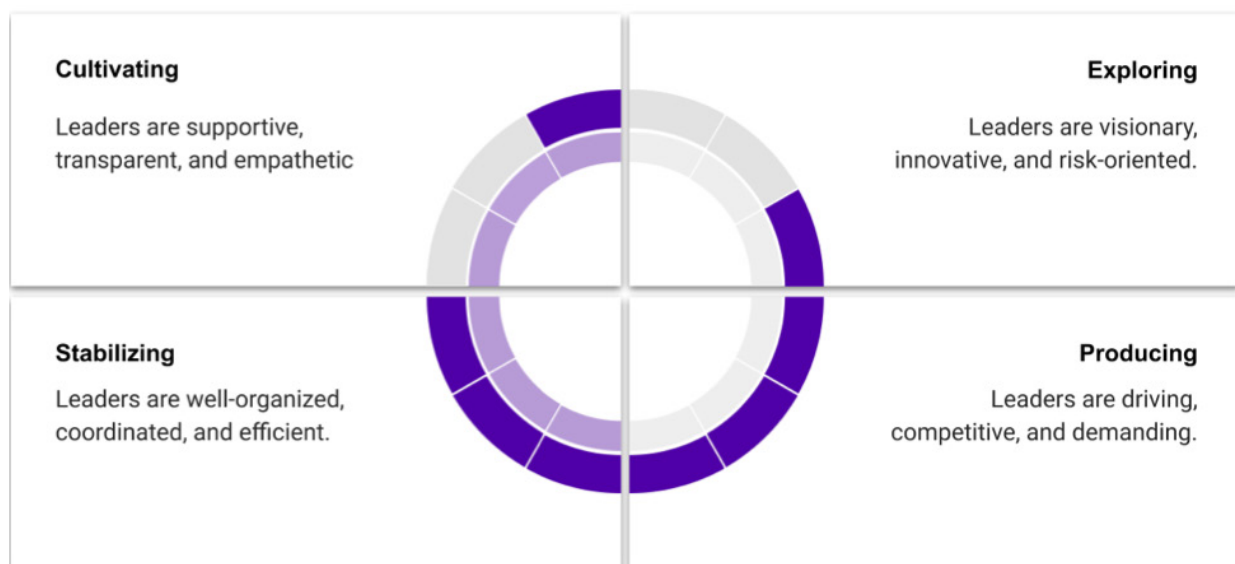
1. Select your organization's structure.
2. Evaluate your leadership team fit.
3. Establish your culture.
4. Understand senior team dynamics.

Let's look at each in practice.

# Select an organizational structure.

No one organizational structure works for every business. The organizational structure needed will depend on the business strategy at play. For example, if your client's business strategy requires innovation and rapid decision making, they'll need an org model that's relatively flat, with little middle management, so communication can flow freely and so individual contributors are empowered to work autonomously.

In addition, the business strategy will dictate the behaviors needed from your client's employees. In contrast to the previous example, if the strategy requires loss prevention and risk mitigation, any hires they make should be wired to pay close attention to detail, analyze a situation thoroughly before making a decision, and mitigate risks.



There are two steps your clients can take when choosing an organizational structure:

## Select an organizational structure that supports your strategy.

The right organizational structure is one that's aligned with the business strategy. When your client is designing their organization, make sure they take the following steps:

- Create new jobs.
- Consider how jobs relate to one another.
- Define span of control.
- Define workflows and systems.

At this point, tell them to keep names off the org chart. It's not about who they're putting in each role, but rather understanding what the role is, where it falls organizationally, and what the responsibilities are.

## Update organizational structure whenever needed.

Selecting an organizational structure is not a one-time event. As their business grows and changes—such as with an acquisition, a new product, or the growth of a division—they'll need to revisit and revise the organizational structure to support this evolution of the company. The organizational structure will influence behaviors among your client's employees. By proactively managing the organizational structure, you can work with your clients to use it as a lever for change.

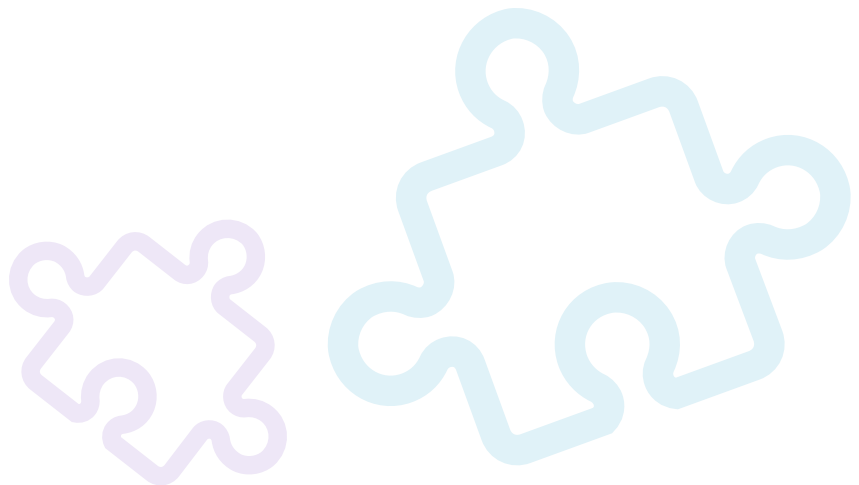
**PRO TIP: If you're practicing the first aptitude of talent optimization—Diagnose—with your clients, you'll know when it's time to have them update their organizational design. While most changes are planned, there may be times when their structure needs to evolve in response to an issue, such as low engagement.**

# Evaluate the leadership team's fit.

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Just as your client's business strategy requires an organizational model to support it, their strategy requires certain leadership abilities to execute. For example, if your client's organization is in hypergrowth mode, their strategy will require executives who are wired to move quickly and take risks.

In addition to possessing behavioral traits aligned with business strategy, senior leaders must have a willingness to develop leadership abilities that don't come naturally to them. For example, a leader who is naturally extraverted and collaborative may need to grow in their ability to collect and analyze data. Without these critical competencies, organizational growth may stall.



## **Map leadership competencies to the business strategy.**

A core tenet of talent optimization is taking an objective, data-driven approach to people strategy. This starts with mapping leadership competencies to your business strategy.

For example, the leadership competencies required to grow a start-up are different than those required to lead a more mature organization that's stable in its growth.

To help your clients create a map, start with each key initiative or strategic activity included in their strategy. Then, identify the specific leadership skills and behaviors required to successfully execute the activity.

## **Identify senior leaders' fit to the required competencies.**

The next step is to identify which of those specific leadership skills and behaviors are embodied by your client's existing senior leaders—and which need to be developed to successfully execute the business strategy.

You can support your client in taking an objective approach to collecting this data by using a combination of behavioral assessments, proficiency ratings from C-level executives and peers, or 360 reviews. The results of this data collection should be reviewed in the context of the leadership abilities dictated by your client's chosen strategy.

## Develop and execute a plan to address leadership gaps.

Ideally, your client's senior leadership team would possess all the attributes necessary to successfully execute their business strategy. However, there may be gaps between what the strategy requires and what's available on their team.

This can be a sensitive topic to address, so approach it with care. No one likes to think they fall short! However, in order for the company to truly optimize talent within the organization, these gaps must be addressed.

One way to address these gaps is working with your client to implement a leadership development program. As long as a leader is self-aware and willing to grow, they can develop in capacity over time and mitigate any adverse impact on company results. You may also work with the leadership team to help them leverage their strengths to compensate for weakness. For example, a leader who is naturally wired to create and follow processes but doesn't care much for details may use that strength to create a process that prevents them from making mistakes.

It's important to note that no matter how capable or intelligent a leader is, if they're unwilling or unable to address this need, they should be removed from the team. As a consultant, you may be able to support your client in making an unbiased decision about each leader's fit within the organization.

Another way to address leadership gaps is to work with your client to purposefully hire a new senior leader who embodies those qualities. If this isn't a possibility, another option is to delegate to less senior team members.



## Embrace a philosophy of “leaders at every level.”

Teach your clients the philosophy of leaders at all levels. This perspective empowers employees to consider how they influence the work to be done and those around them. The scope of leadership may vary from individual contributor to middle and first-line manager to senior executives but the mindset of ownership of one’s locus of control remains the same.

This concept serves three main purposes:

1. It allows for scale. Middle managers are needed to reinforce the intent of senior leadership on a day-to-day basis.
2. It lessens the possibility of a leadership void, should a leader step down from their position.
3. It develops future leaders, stimulating higher levels of employee engagement and leadership readiness.

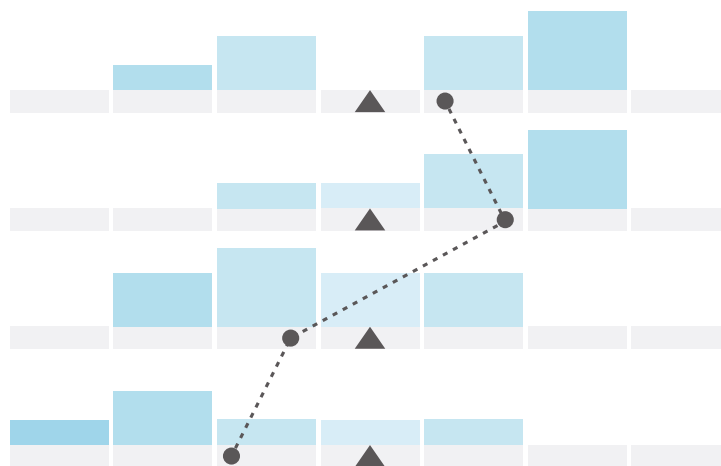
# Understand senior team dynamics.

Cohesion and alignment are key to achieving business results. If senior leadership isn't in agreement on strategy, or doesn't work well together to execute, KPIs are affected. The best way to ensure team synergy is by understanding team dynamics.

This starts with an understanding of the self—how one works, leads, communicates, and makes decisions. It then expands to include an understanding of how other members of the leadership team are wired and how to best work together.

This level of self-awareness and synergy is important to model at the top, as it sets the tone for the rest of your client's organization.

Use tools such as [behavioral assessments](#) to help your clients and their leadership teams better understand how they're each individually wired.



# Establish your culture.

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Culture is a result of deliberate, intentional action. As with the organizational model, culture should be established with the business strategy in mind.

Organizational culture comprises a business's core values, rewarded behaviors, and performance drivers. It plays a key role in employee engagement and driving business success. When employees feel connected to the company's culture, they put in discretionary effort—they go above and beyond their job requirements to be of value to the organization.

Here are three steps to take with your clients to help them establish culture:

## Map cultural factors to the strategy.

Support your clients in choosing which core values and behaviors they want employees to embody.

For example, if your client works in an industry that's constantly changing, they'll want a culture that values continuous learning, innovation, and agility. While risk management and critical thinking may be valuable skills, they won't directly support your client's business goals.

**PRO TIP: Leverage the strategic insights from the leadership competency map to choose core values that reflect your client's business strategy.**

## Identify current culture fit in relation to business strategy.

Where is your client's organization currently in relation to the values defined? Use a combination of engagement surveys, focus groups, consultants, and simple observation to help your clients determine how their current culture aligns with the values necessary to execute their business strategy.

Be sure to assess the following:

- **Jobs:** Do they have the right people in the right seats?
- **Practices:** How does the business currently operate when it comes to collaboration, decision making, and execution?
- **Values:** What beliefs and values underlie current decisions?
- **Leadership:** Are leaders empowering their direct reports or micromanaging them?
- **Behaviors and rewards:** What behaviors get rewarded? How is performance evaluated?
- **Compensation strategy:** Does the company's strategy reinforce or conflict with the values of the organization? (For example, organizations may value teamwork and collaboration but reward individual performance).

## **Develop and execute a plan to address culture gaps.**

Similar to how you identified and addressed leadership gaps, it's critical to work with your client to develop a plan to address culture gaps. This may include making changes to their compensation and benefits, how they communicate and make decisions, and who they promote to leadership positions.

When your client is executing their cultural change plan, make sure they communicate clearly and frequently the changes they're introducing and why. This transparency fosters trust that the organization is working in the best interests of all involved—not just for leadership. Work with your client to determine a rollout and communications plan to streamline the change management process. Be sure to consider areas of friction that might arise and formulate ways your client can address them by listening to employees' concerns and welcoming their ideas.

It's important during this time to set new expectations for performance—then hold employees accountable to those standards. If your client is recognizing and rewarding behaviors that aren't aligned with their new values, dissonance will arise and their culture will revert back to its former state.

Continue to work with your client to keep a pulse on how the organization is embracing the changes being made and any area where backsliding may occur.

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talent optimization?**

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