org.**manager**®

White Paper

," Organizational
Change "

ORGANIZATIONAL CHANGE

There are two drivers of organizational change. One describes both internal and external forces that contribute to it as natural and constant; reflective of an adaptive mechanism in response to transformative business changes. These changes are driven by competition, market opportunity, or a byproduct of natural organizational progression. They are subtle and are not necessarily inter-related business activities or outcomes. The other driver characterizes organization change as a dramatic one, tied to a specific business event. A merger, acquisition or reduction in workforce are examples of such events often fraught with significant risk and uncertainty which can reduce employee morale, productivity, customer relations, and profitability.

Regardless of the nature of organizational change, one thing is certain: It is more likely to happen than not. Whether it's through natural evolution based on changing the allocation of resources or a sudden, pronounced shift brought on by expansion, a merger or acquisition, or reduction of staff. Organizations must monitor the forces of change and when it is needed, and for success, adaptation to change must exist in the current workforce.

Charting Organizational Change

Charting (or mapping) was one of the most critical factors in determining success during the age of exploration; it could spell the success or doom of a mission. Mapping helped drive predictive, successful outcomes allowing explorers to navigate the optimal charted course. The same holds true more than ever in today's organization. The benefit of mapping organizational transformation is to enable informed business decision making; to evaluate the differences between two points in time before such changes even occur. Being able to analyze multiple what-if scenarios allows the organization to look into numerous courses of action and find the optimal plan.

Modeling Organizational Change for Predictive Outcomes

Org modeling charts measurable change (often expressed by headcount and budgetary goals) to help drive efficient and favorable business outcomes. The ability to model the future state of the organization and compare to the current state is vital to help drive fact-based decisions and analysis to determine the most favorable course of action and outcome. Such measurements involve comparing the organization before and after the change is made. The assessment measures the differences in the organization between these two points in time.

The key to successfully modeling organizational transformation is to have a clear picture of the current state of the organization (the **"now"**) vs. a future state (the **"model"**). With HR metrics associated to help compare the two points in time, quantitative goals can be defined. Another dimension to organizational change is time. In general, expediting informed business decision-making can lower the cost and risk to the organization (think of the negative impact of employee morale when a merger occurs when there is no certainty for the employees continued role).

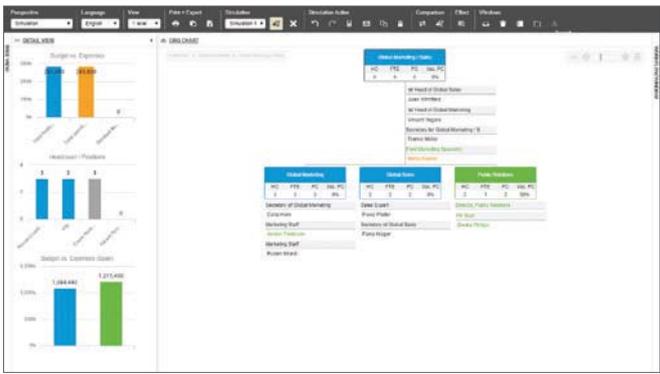## Ingentis org.manager Simulations drive Informed Organizational Change

Ingentis org.manager provides a simulation mode that takes a snapshot of your current org structure (the "now"), so you can create multiple what-if scenarios (the "model") to come up with the optimal organizational plan. By displaying metrics around headcount and budget, the organization can easily see the changes being considered, and if they satisfy the goals associated with this change.
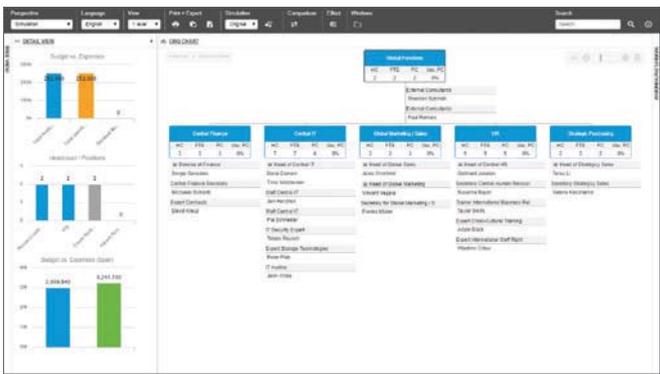
The modeling exercise begins by displaying the current organizational structure ("the now") along with calculating the key metrics such as headcounts, budget and expenses that will update as modifications are made.

Org Modeling Made Easy

Organizational modeling is carried out in the org.manager simulation mode by extracting and visualizing your HR and HCM data. A snapshot is taken of your data so you can visualize your current org structure while making changes in your "model" view. All without touching your HR system of record as this is entirely separate from your sandbox. Org structure modifications are easily accomplished by simple drag-and-drop when moving persons or positions to change the reporting relationship. You can also create new positions or departments in one step. As changes occur, you get immediate feedback for the measurable results such as headcount and budget.

While working on multiple what-if scenarios, you can quickly view and export all new additions, changes, and deletions made in your model based on positions, persons, departments, and business units. Summary roll-up of key metrics like headcount and salary help you manage quantitative goals for the transformation to be conducted. Modeling is also a collaborative exercise, and you can fully control who has read and write access to your models, along with log analysis to view each change made. Modeling can be performed in a centralized or distributed manner, reflective of your current organizational structure.

Evaluate changes made to the organization in real-time. Metrics recalculate to help you analyze headcount and budgetary impact based on modifications made while a simulation log helps track all changes.

Users can invite others to collaborate on simulations in a secure sandbox environment

Taming the Merger and Acquisition Beast

Mergers and acquisitions are one of the most potentially beneficial business events for an organization, but they can also be fraught with significant risk when executed poorly and ultimately be very costly to the organization. The time dimension can become a risk factor: As decisions remain unmade, associated costs can increase exponentially not to mention the negative impact to morale when changes seem to happen randomly and without a cohesive plan. It's imperative that risk be mitigated by being able to chart and navigate through this sudden change to the organization and execute it sooner rather than later. By providing a solution that helps
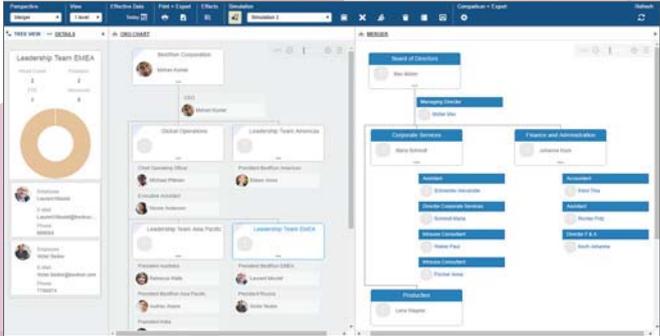
View of two hierarchy structures side by side during the process of merging them into one

you be more nimble in managing transformations, the inherent risk associated with costly delays is mitigated. One inherent challenge to developing a unified organizational model is that you are dealing with two separate and disparate structures and need to combine them. How can you bridge this gap and conquer this beast? Monster spreadsheets or a complex database is not the answer in providing your business leaders with the necessary tools to help navigate their course.

org.manager solves this problem by allowing you to create and visualize, side-by-side, both your organization and the company's organizational structure that is being acquired. This is possible because org.manager is an expert at extracting HR data from any system of record. The result is you can not only view your org structure as well as the acquired company, but you can drag-and-drop people and positions from the acquired company into your current organizational structure to map out this "new" combined organization.

Enabling Informed Modeling Decisions

The approach to effectively carry out org modeling is based on consultation with organizations of all sizes. This solution is meant to support the following necessary use cases to help drive informed business decisions:

- What is the current headcount and salary structure of my organization?
- What are the headcount and budgetary goals of our organization?
- How can I quickly add, modify, or remove positions, employees or departments for my organization?
- How can I quickly compare changes made in the plan with the current org structure?
- Who will be the new leaders of our organization?
- Which positions remain unfilled?
- Which departments will be over-budget?
- Which departments lack headcount or do not have a supervisor?

- What new positions need to be created and when are these positions to be filled?
- Are we retaining our high performers?
- What objects (positions, persons, depts) have been created, moved, or deleted in the model?
- How can I share my what-if planning with other colleagues in a secure, shared environment?
- How can I view a log of which changes have been made and by whom?

All of the above use cases can be quickly addressed based on the org.manager simulation mode (per some of the screenshots provided).

Want to learn more?

For more information on how org.manager can help your organizational modeling, please feel free to contact us directly.

About the author

John Kranz is based out of Dallas, Texas with 12 years of product management experience in Talent Management, HCM Reporting, Analytics and Org Charting solutions.
john.kranz@ingentis-us.com

About Ingentis

Ingentis is the software house for HR add-ons and business applications. It was established in Nuremberg in 1997. We advocate fair, reliable business relationships and develop our software in collaboration with our customers. More than 1.600 companies worldwide count on this honest, successful approach.

---

www.ingentis.com