

STEP 1:
CULTURE

STEP 2:
WORK

STEP 3:
STRUCTURE

STEP 4:
PEOPLE

STEP 5:
EVALUATION

STEP 3: STRUCTURE

FINDING THE RIGHT SETUP FOR YOUR COMMUNICATION TEAM

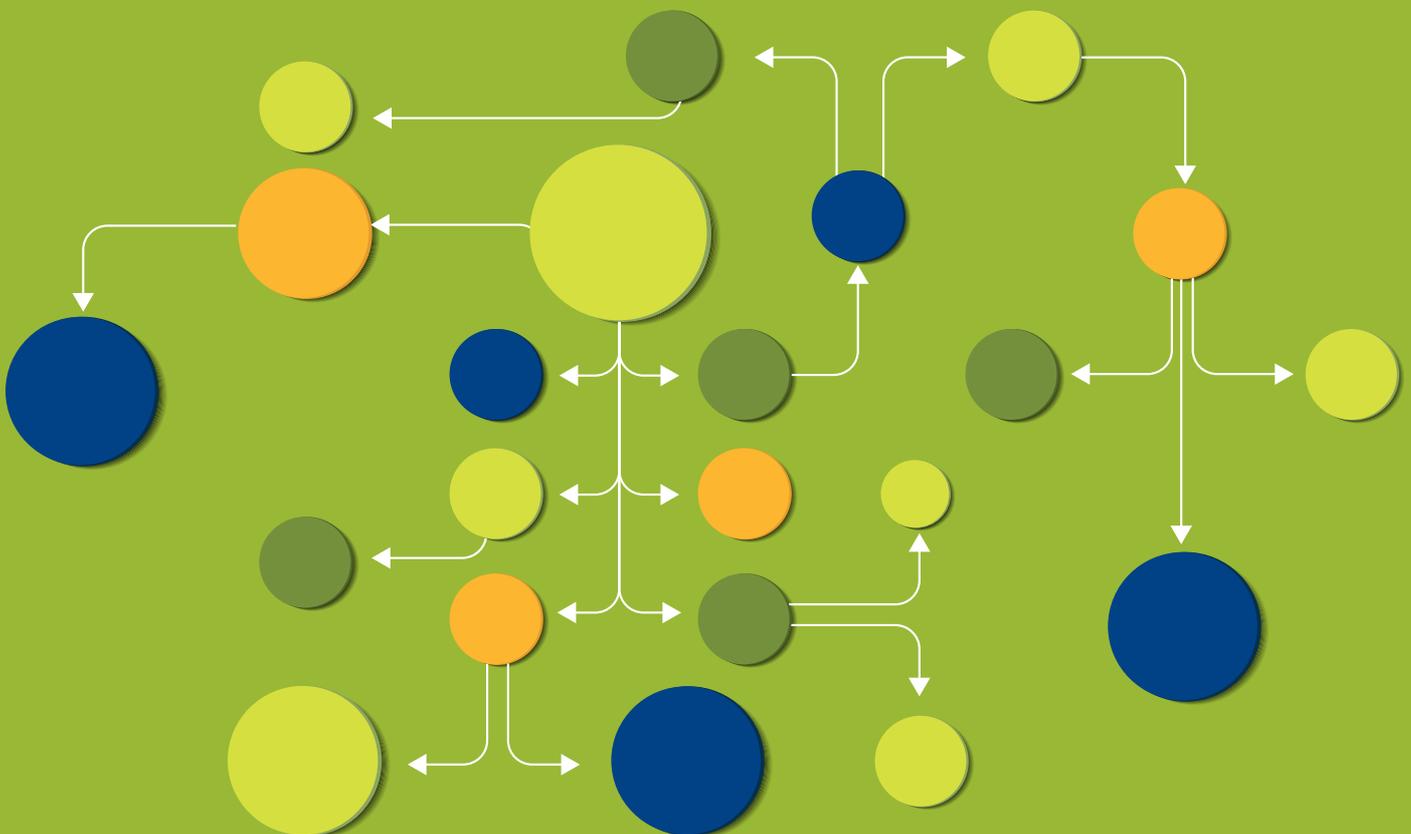
A structural reorganization is the most radical step communication departments can take on their journey toward more agility. The key question CCOs try to address with a reorganization is how to deploy the people at hand most efficiently and effectively, but also in the most flexible way. The increasingly connected and interdependent nature of content production and distribution requires people to collaborate across teams and subdivisions. STEP 3 focuses on where an agile restructuring is sensible and how such an agile setup can look like. The case study of Deutsche Telekom AG gives an example of a rather radical restructuring of the communication department.

Which areas in communication are suitable for agility?

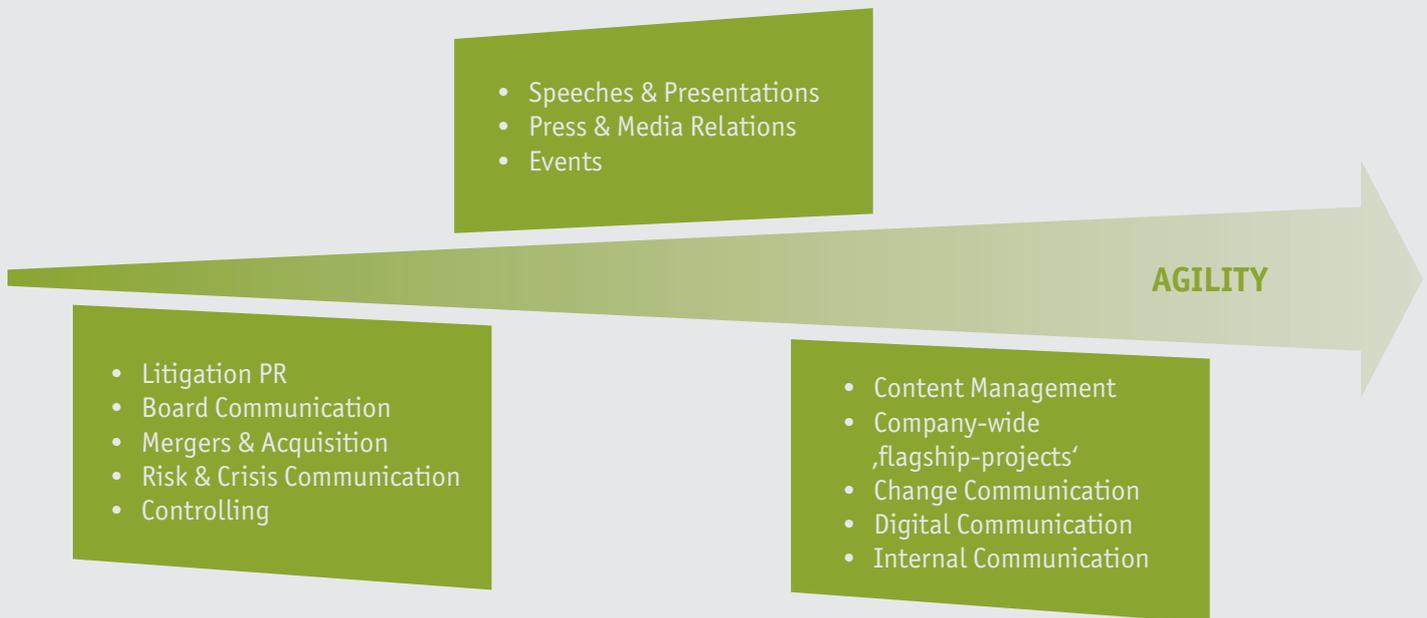
Agile structures make sense in many areas of today's communication departments as the modern media landscape requires cross-functional, fast, and flexible content production. Communication uses a multitude of channels to address internal and external stakeholders at the same time. To counter the information overload, it becomes more and more important to focus on strategic topics and projects

that were derived from the overall corporate strategy (see Communication Insights #6 , p. 40). Given the interconnectedness and interdependency of content production in the majority of communication departments, a more agile setup makes sense for many subdivisions.

However, there are also areas in corporate communication where agility is less sensible, if not counterproductive. These include tasks that are heavily regulated, in particular topics relevant to the share



Where agile structures make sense in communication departments



price or that could harm the company if communicated incorrectly. These must be dealt with by experts according to a prestructured and clearly defined process. There are also other tasks, such as mergers and acquisitions or crisis communications that are very sensitive and complex and require a high level of case or specialist knowledge. Also, tasks such as board communication or some aspects of press relations, require a permanent contact person. The graphic above provides an overview of which tasks are suitable for agile structures and processes and which are not.

Hybrid or matrix structures are dominating

At the moment, the majority of larger communication departments experimenting with agile work are still organized in hybrid or matrix structures with a growing number of agile project teams. However, while these hybrid structures can function as a stepping stone, they usually create a number of problems, such as an unclear chain of command or confusion about affiliation and accountability. Thus, it can be better to take a leap of faith and decide for a more complete restructuring. Until today, very few communication departments have radically altered their organizational setup. One of them

is Deutsche Telekom AG (see case study, p. 24). While many departments adopted a newsroom concept (see Communication Insights #6) or started to transfer a growing number of tasks into a project organization (see case study thyssenkrupp, p. 19), the majority refrains from radically intervening in departmental structures. And, true enough, the abolishment of subdepartments such as brand communications, internal communications, media relations, events, etc. is a huge step and can bring problems of its own (see caveat, p. 27). However, abandoning departmental silos and reducing hierarchy levels can help to truly and sustainably engage in agile cooperation. It can facilitate a mind shift among staff members and force them to abandon old affiliations and comfort zones.

The size of the department is irrelevant in this regard. Usually, smaller communication departments do not have a subdepartmental division anyway. What matters are the effects that are going to be achieved. Again, agility or structural reorganization is not an end in itself but caters to the need to make a department more efficient and effective. As said above, having a pool of people that can be employed rather flexibly is useful in some respects but can be harmful in others.



CASE STUDY DEUTSCHE TELEKOM: LESSONS LEARNED FROM WORKING SEVEN YEARS IN A PROJECT ORGANIZATION

Deutsche Telekom AG is one of the world's largest integrated telecommunications companies, with about 184 million mobile customers. The company provides fixed-network and broadband, mobile communications, internet, IPTV products and services for consumers, and information and communications technology (ICT) solutions. Deutsche Telekom is operating in more than 50 countries. With a staff of some 211,000 employees throughout the world, the company generated revenue of EUR 80.5 billion in the 2019 financial year.

The communications team of the Deutsche Telekom AG started its agile journey in 2013 and has already has been through a couple of ups and downs with regard to transformation. Thus, other departments that are just about to begin their journey can learn from their experience."

Telekom - a pioneer of an agile organizational set-up

The corporate communications team at Deutsche Telekom is a true pioneer when it comes to agile structures. The transformation of the department was covered in previous issues of Communication Insights (#5 and #6, see p. 40) and in a couple of trade magazines and blogs (Schindera & Neuen, 2020; Hardt & Schmitt-Jones, 2019; Behrens & Merklingshaus, 2016; Schlechtriem, 2016).

In this issue we would like to take a deeper look at the process of reorganizing the communication department, and the reasons behind the initial decision and its implications.

Starting the agile transformation

The reorganization of Telekom's communications department did not happen completely voluntarily but was promoted by a rigid

downsizing program of the corporate headquarters in 2012. The communications department was forced to radically reduce its work staff by 40 percent. Although these were rough times, Philipp Schindera, Senior Vice President Corporate Communications, found that they had their benefits, too: *"Looking back, the reorganization we were in at that time forced us into change, on the one hand, but at the same time it facilitated it. We had thought about reorganizing our team before but always dismissed the idea. This time, we had to change in a radical way. The inevitability of the situation made it easier to get acceptance and support from all levels involved – from the board to every team member."*

In addition to the prescribed downsizing program, changing communication habits and the management of new channels and tasks made transformation inevitable. The old departmental structure with a strict separation between different subunits and a rigid hierarchy was found to be no longer appropriate. The new structure was the result of a lengthy thought process that



» It takes a lot of courage and willingness to take such a step. Letting go of the familiar and accepting the new is easier said than done. «

*Elfriede Schmitt-Jones, Vice President, Communications Service,
Deutsche Telekom*

had started three years before. The preparation and implementation phase took more than half a year and was mainly driven by Philipp Schindera and his management team. The effort, however, has paid off. The initial structure, while adapted here and there, has passed the test of time.

The agile structure of Telekom’s communication department

In the past, the department was very traditionally organized in subdepartments dedicated to stakeholders, channels and internal and external target groups. Today, the majority of all communication employees make up the pool – the so-called **content factory**. They can be assigned to different projects depending on their availability, interests, and skills. Permanent project teams exist for special tasks such as events or pool management.

The pool itself is structured into **ten clusters** that reflect the main tasks but also the topics of the COM team. Every task, every job, every project is assigned to one of the clusters. The cluster managers coordinate the different projects but with a few exceptions do not take over disciplinary responsibility for the members of the project teams. With their expert position they are the first point of contact for the Management Board. They are leading and managing their topics and are responsible for the overall strategic alignment.

The ten clusters are aligned via a **management circle** consisting of all cluster managers, three committee members with special tasks such as accounting, and the members of the executive team.

The number of **employees** in a project depends on the number of tasks. In addition, employees take on different tasks in different projects at the same time. This is supposed to ensure stronger collaboration and a significant improvement in the exchange of information. Each employee should work on a maximum of three projects. Some employees take over a project lead or project owner role and do not have further capacities to work on several topics. Others, especially channel experts, are usually involved in more than one project at the same time.

It is the responsibility of the **pool management** to keep track of things and employ people accordingly. Corinne Metz, Communications Manager within the pool management, explains: *“It is important for us to manage the process of project staffing and link it with an overall HR development perspective for COM. Of course, every project head wants the most experienced and qualified people for his or her project. However, it is important not to overbook those colleagues while at the same time broadening their skill set and developing all members of the team. We sometimes challenge colleagues by assigning them to new tasks or projects but also support them by learning on the job. It is something that has to be decided individually and anew with every incoming project and colleague involved.”*

The organization of the COM pool



The employees of the pool can be assigned to ten topic clusters. Each cluster is managed by a cluster manager who coordinates the different projects.



» I remember one incident when a young but experienced and capable colleague of mine acted as the project owner for a major project. The task required company-wide collaboration with members from other departments, many of them from senior levels. In the beginning, some even refused to work with her, refused to answer her emails or go to the meetings she set up. I had to step in and make sure they would accept her as project lead. However, these experiences have become very rare as our company culture changes and hierarchies and the old insignias of power become less and less relevant. Our department definitely was pioneering these developments. «

Philipp Schindera, Senior Vice President Corporate Communications, Deutsche Telekom

The leadership team

The department is led by an overall executive team consisting of Philipp Schindera and a leadership team of seven people.

- ▶ Four key account managers of the pool's content clusters:
 - Corporate
 - Board Communications, HR, Legal & Organizational Change
 - B2C Customer Experience
 - B2B Digital Economy
- ▶ The Head of Communication Service who manages the pool organization including all personnel and budget issues. This includes performance reviews, education and training, as well as the assignment of employees and the distribution of budgets to the projects.
- ▶ The Head of Communications Strategy who is responsible for Deutsche Telekom's overarching communication strategy and CEO positioning.
- ▶ The Head of Digital Transformation and Development who ensures that the department is ready to face future challenges such as digitization.

Main challenge: Lateral leadership and intraorganizational power zones

Deutsche Telekom learned that the mere structural reorganization was not their main problem. The biggest challenge was the change in the balance of power and the abandonment of comfort zones on many levels. When asked what she would do differently in retrospect, Schmitt-Jones said that she would especially address the topic of lateral leadership.

Lateral leadership, or lateral management, means the abandonment of hierarchies in the traditional sense. Teams or units are no longer permanent and subordinated to a certain person. Leadership positions are not fixed but fluctuate and rotate. Every employee can be appointed to a leadership position such as project owner in one project, while at the same time acting as a normal team member in another project.

This change was difficult for everyone. Even former team or department heads had a hard time with this in the beginning. "It's simply a difference whether you have unlimited access to a team of, say, five people, or whether you manage these people as a project manager but at the same time share them with one or two other project managers," says Schmitt-Jones.

To address this problem, the pool management together with HR established an elaborate training program that caters to the different needs of staff resulting from the new way of working together (see STEP 4: PEOPLE). Schmitt-Jones reflects: *“The most important thing about reorganization is that you have to think holistically. You cannot just change the structure. At the same time, you have to keep in mind what this means for the culture, for HR applications and tools, for platforms and work processes.”*

Another difficulty, especially in the beginning, was that most internal stakeholders remained in a more traditional hierarchal structure. Philipp Schindera reported a few incidents when he had to support younger colleagues in their relations with more senior staff outside his department.

Interim conclusion

After nearly seven years of working in the new organizational structure, the majority of all interview partners we talked to came to a positive conclusion: *“I really enjoy the increase in flexibility and freedom. The opportunities to try out different tasks and projects have definitely increased. Additionally, the relationship to my colleagues has changed. People are much more interested to learn from each other and to share their skills,”* says one pool member.

Of course, there are employees that are not satisfied with the new ways of working. Some complained about the heightened dynamic and flexibility of work and felt they could not cope with these demands. Others left the team because they wanted to pursue a more traditional career elsewhere. However, those still on board agree with the new setup.

In the end, the new structure was, on the one hand, relatively stable in its principal idea, while, on the other hand, it has been adapted and improved several times during subsequent years. This goes hand in hand with the central idea of agility: to create a principal structure that is flexible enough to be adapted if needed. The internal and external stakeholder environment that communication departments act in today is constantly in flux, thus, their structure and work procedures have to be flexible, too.



i CAVEAT

Agile organizational structures are not without problems. As one of the few critical voices in the discourse on agility, the organizational sociologist Stefan Kühl (2017) points out three fundamental problems of agile organizational structures which we can confirm from our own impressions:

- **Securing identity:** Departmental or sub-departmental affiliations, stable team members and a fixed set of tasks and topics create identification for staff members and feelings of belonging and a shared mission that are harder to achieve in more dynamic, unstable environments. Some communication departments, therefore, refrain from dissolving sub-departments because they do not want employees to lose their ‘homes.’
- **Unclear power relations:** Agile organizations have to cope with informal power struggles since they are no longer kept in check by the hierarchy or regulated by formal structures. This leads to a permanent politicization of internal processes and decisions, which is particularly difficult for some employees.
- **Internal complexity:** The loss of clear structures and processes results in a different form of complexity. The more agile and flexible that structures and processes become, the more fragile they are and the more they create a high degree of uncertainty and complexity. If there is no hierarchical security, zones of uncertainty arise in the assumption of responsibility, which are ultimately passed on to the employees or in turn to the manager.