



HSBC's Zero-Based Organisational Design Playbook

Organisations today are operating in an environment marked by complexity, disruption, and increased stakeholder scrutiny. Traditional approaches to organisational redesign often fail because they are anchored too firmly in the existing state of the business. They start with the current organisation chart and attempt to make incremental changes, which can entrench inefficiencies rather than eliminate them.

HSBC has developed and implemented a **zero-based organisational design** (ZBOD) methodology that takes a completely different perspective. Rather than asking “what should we tweak?”, HSBC asks “if we were to build this organisation from scratch today, how should it look?” This future-focused approach puts strategic goals, rather than legacy structures, at the centre of decision-making.

This playbook describes HSBC's methodology in detail, explains the rationale behind its success, and provides practical guidance for leaders and HR professionals who want to adopt a similar approach.

Note: Any data, figures, or examples referenced in this booklet are dummy data used purely for illustrative purposes.



HSBC's Session Contributors



Laura Powell

Head of People, International Wealth and Personal Banking, and Head of Enterprise Talent



Hernan Gonzalez-Merlani

Head of HR Consulting – HSBC Wealth & Personal Banking, and Global Functions



1 The Challenge of Organisational Design

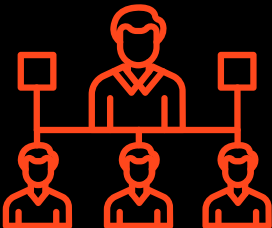
The starting point for many redesign efforts is the current state of the business: the existing reporting lines, functions, and headcount. This creates a strong anchor bias, where teams focus more on reconfiguring what already exists than on imagining what is truly needed for the future. This bias leads to three common problems:

First, over-reliance on the existing model clouds judgement and discourages bold thinking.

Second, when organisations do attempt change, they often encounter ambiguity over authority and decision rights, which can trigger political conflict.

Finally, redesign processes are frequently siloed, with one function or business unit working on its own structure in isolation, leading to suboptimal results.

HSBC recognised these pitfalls and decided to reimagine its approach entirely, adopting a “blank slate” philosophy that encouraged leaders to let go of the past and design for the future.



2 HSBC's Zero-Based Redesign Philosophy


At the heart of HSBC's approach is the discipline of asking four fundamental questions before making any design decisions:

- 1. Why do we exist?** – This question forces clarity of purpose. Each business unit must articulate its core mission and value contribution.
- 2. What are our future activities?** – By focusing on the work itself rather than the current people or positions, HSBC ensures that the structure is designed around what will matter most going forward.
- 3. What structure will enable this?** – Only after purpose and activities are clarified does the organisation decide on reporting lines and operating models.
- 4. What does it cost?** – Finally, HSBC conducts a detailed analysis of the FTEs and financial resources required to deliver the future state.

This sequence allows leaders to design “future-back,” rather than “present-forward.” It liberates them to create bold, creative solutions and to reallocate resources towards areas of greatest strategic importance. Importantly, this process has been shown to improve employee engagement and acceptance because it helps everyone understand why change is necessary.

HSBC's Zero-Based Redesign Approach

Overview of HSBC's Approach to Organisation Redesign

 Common Organisational Challenge

Anchor Bias on Status Quo

Authority Structures Thrown into Question

Siloed Design Planning & Implementation

1 ↓


Facilitate a zero-based design philosophy to enable blank slate thinking.

2 ↓

Establish design principles to resolve power conflicts & clarify structures of authority.

3 ↓

Create fusion design teams to create better, future-focused designs.

 HSBC's Zero-Based Organisation Redesign Approach



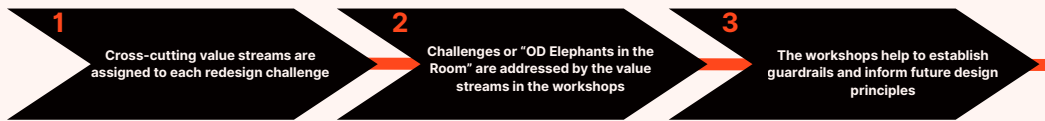
3

Establishing Design Principles as Guardrails

HSBC did not leave redesign decisions to subjective debate. Instead, it worked with cross-functional value streams to identify the “elephants in the room” and co-create a set of **design principles**. These acted as guardrails to guide decisions, reduce conflict, and provide clarity about what could and could not change.

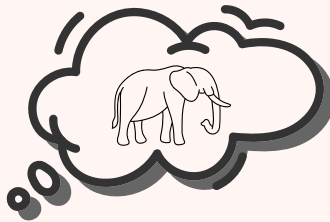
For example, one principle stated that there should be one single decision maker for areas of expertise, e.g. Data & Analytics. Another clarified that verticals would own decision rights while horizontals would influence ways of working. Other principles focused on simplifying matrix structures, removing duplicated roles, clarifying accountabilities, and ensuring teams were located where it made economic and customer sense.

Because these principles were co-created, they had credibility with stakeholders. They also gave leaders a psychologically safe way to surface concerns and debate design trade-offs objectively, without descending into personal or political conflict.



Vertical Design

	America	EMEA	APAC	UK	Global BU's
Transformation					
COO Control and Risk					
Sustainability					
Digital					
Innovation					



Design Principles:

- Verticals will have decision rights; horizontals drive how work happens.
- No more than 4 layers of decision-making in a vertical.
- Arrange formal team structures around value streams
- Centralize teams to scale scarce resources only





Multi-Functional Design Teams

4

Rather than allowing redesign to become an abstract HR exercise, HSBC created Multi-Function Design Teams – cross-functional, multi-disciplinary groups with clearly defined roles and responsibilities. These teams included HR business partners, finance leads, operational leaders, and organisational design specialists, all working together under the governance of an Organisation Design Authority (ODA).

The ODA acted as a decision-making body and provided senior sponsorship, while the design teams did the detailed work of developing options, conducting analysis, and identifying barriers to implementation. This arrangement allowed business leaders to act as judges rather than designers, creating both urgency and ownership for the change. This model ensured that diverse expertise was applied to the challenge, that accountability was clear, and that decisions were made quickly and with confidence.

Methodology & Templates

5

HSBC's methodology is structured yet flexible. It follows seven key steps, beginning with the identification of strategic drivers and the articulation of each function's purpose. Once this foundation is in place, the organisation works through design principles, activity analysis, and FTE modelling before creating a detailed target operating model. Only at the final stages are roles, accountabilities, and ways of working agreed.

By sequencing the work this way, HSBC ensures that structural choices are based on data and strategic logic rather than personalities or historical precedent. The use of templates and analytical tools, including FTE/cost models and role design templates, ensures that decisions are evidence-based and comparable across business units.





Implementation & Adoption Guidance

6

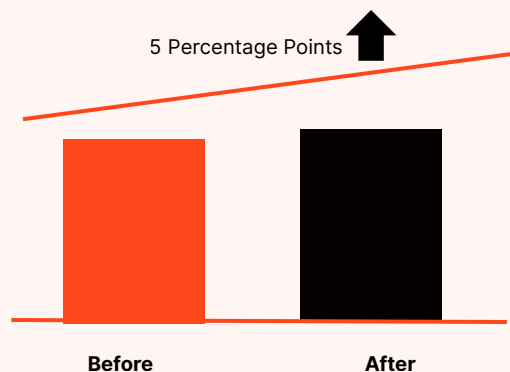
Successful organisational redesign depends not just on having a strong methodology but also on managing the human side of change. HSBC invested in extensive stakeholder engagement, communicating early and transparently about the process and the rationale behind it. Senior sponsorship through the ODA created legitimacy, while workshops challenged leaders to focus on purpose and value rather than individual roles.

Change fatigue was mitigated by framing the redesign as an opportunity to shape the future rather than as a threat. Clear decision rights and the consistent application of design principles helped prevent political deadlock.

Results

HSBC's Wealth & Personal Banking Snapshot Survey Results

YoY Increase in Strategy Clarity for Employees



"The response to the Zero-Based Organization Design was surprising—leaders and employees welcomed it. We thought we'd have to manage more change fatigue, but the reality was the opposite. It's counterintuitive but starting from zero improves understanding and acceptance."

— **Hernan Gonzalez-Merfani, Head of HR Consulting – HSBC Wealth & Personal Banking, and Global Functions**

"This has allowed us to reinvent...we would never have gotten to these results otherwise"

— **Business Unit Executive, HSBC International Wealth and Premier Banking**





7

Outcomes & Impact

The results of HSBC’s zero-based approach were compelling. Internal surveys showed a measurable improvement in employees’ clarity about strategy, and business leaders reported that the process allowed them to fundamentally reinvent how their teams were structured. Perhaps most surprisingly, resistance to change was lower than anticipated, with leaders and employees alike welcoming the opportunity to reset from zero. The substantial cost savings were another outcome that enabled HSBC to reinvest in key growth areas, and therefore accelerate the business strategy.

8

Conclusion & Call to Action

HSBC’s zero-based organisational design approach demonstrates that it is possible to create agile, future-ready structures that align with strategy and optimise resources. The key lessons for other organisations are to start with purpose, involve diverse stakeholders, and establish clear principles to guide decision-making.

For leaders considering their own redesign, the challenge is to be bold enough to start from zero and to design for the future, not the past. This playbook provides a roadmap for doing exactly that.



Contact

ADAM OLIVER
MANAGING DIRECTOR

ADAM.OLIVER@MIDDLEMORE.CO.UK
07970 061419