

How to Develop your Organisation by Redesigning it

Author: Sifiso Dingani . March 2020

This new technological revolution is already taking place. The fourth industrial revolution is happening. The response to this transformation will see how people will integrate this new way of life in a global context. We need to ask ourselves, how will Organisational Design be transformed to accommodate the new world? To move with the times and adjust to the Fourth Industrial Revolution, organisations need to prepare themselves and be ready. Here, Organisational Development plays a huge role.

What is Organisational Development?

According to Dr Mark Bussin, Organisational Development is the systematic, comprehensive, planned process to advance an organisation's overall effectiveness. This includes process, structure and culture intervention with a strong emphasis on human resource development, organisational development and organisational change.

In the 1930s the original focus of Organisational Development was on 'soft' organisational elements such as behaviour, leadership and culture. However, between the 1970s and 1990s pioneers decided to include the 'hard' elements as well. This has given a more holistic perspective of Organisational Development because it incorporates staff, skills and structure. Organisational Development implies a planned and systematic approach to bringing about change and improving the effectiveness of the organisation as a whole. As a result, Organisational Design is a subset of Organisational Development. It comes with its tools and techniques, but we should be aware that there is no 'one size fits all' approach to Organisational Design. One must select the best approach to suit their situation.

What is Organisational Design?

Organisational design is the process of aligning the structure of an organisation with its objectives, with the ultimate aim of improving efficiency and effectiveness. Work tasks performed can be directed according to the various needs of the organisation.

The process of Organisational Design

Below are the activities that shape and outline the more detailed design steps required. They help with design and redesign.

- Review the strategy
- Analyse the structural implications of key capabilities
- Assess Organisation Processes, Systems, Structure and People (including developed "To-Be" processes)
- Complete Benchmarking (which is optional)

- Agree on assessment
- Identify areas of improvement
- Evaluate alternatives, select and agree on possible improvement opportunities
- Develop design criteria
- Update project scope and project plan

Review the Design

Organisational should begin with your organisation's self-reflection. In reviewing the strategy, you need to evaluate our purpose as an organisation. You need to ask yourself, what will set you apart from other organisations you compete within this industry? How will you make a difference with your clients, employees and shareholders? Answering such questions will help to understand where the organisation stands and will help you let go of the old strategy that may not be working effectively. It gives a chance to focus on the new strategy.

Analyse the structural implications of key capabilities

In terms of structural implications, the organisational structure has to be the last thing to be dealt with. When changes in the organogram are made in isolation from other changes, the company hierarchy tends to revert to its previous state. In organisation redesign, you lay out a sequence of interventions that will lead the company forward. The organisational structure has to be the last thing you design. If you change it too early, the change will not be sustainable.

Assess Organisation Processes, Systems, Structure and People

The capabilities of the existing executives are capable of affecting the design of your organisation. You need to design positions to make the most of the strengths of the people who will occupy them. You need to make sure that leaders are well equipped with the correct competencies to stimulate the collaboration and empowerment needed from the people below them.

Focus on what you can control. Limitations on your business such as regulations, changes in what is demanded by the customer and supply shortages can be out of your control. When redesigning your organisation, focus on changing what you can. For example, the skills required by your staff or the kind of product or service you supply.

Complete Benchmarking

You and your competitor most likely do not need the same capabilities, even if you operate in the same industry. For instance, two computer manufacturers may look the same at face value. However, one company may make computers with systems that cater more to high school and university students. On the other hand, the other company can provide systems that cater to the needs of engineers. Those varying propositions would require different capabilities and translate into different organisation designs and redesigns. If you feel the need to benchmark, focus on a few appropriate benchmarks.

Identify areas of improvement

Identifying which areas require improvement makes your goals and your strategies clearer. It helps you come up with a new strategy that is in line with the changing environment.

Evaluate alternatives, select and agree on possible improvement opportunities

Many companies reassign decision right, rework their organogram or set up knowledge-sharing systems, but they fail to see the results they expect. This is because they have ignored the informal, intangible building blocks. Norms, commitments, mind-sets and networks are important in getting things done effectively for the organisation. When the intangibles fail to be in sync with one another or the more tangible building blocks, the organisation will not work the way it supposed to.

Update project scope and project plan

Updating the scope and the plan is very important. It keeps you in check. This means you need to follow up on the work done and refer back to your new strategy. Updating and following up on the project scope and plan ensures the sustainability of your project. It will allow you to monitor the changes and be able to communicate the changes and development to all your stakeholders.

Align your organisation to your strategy at all times. Make sure your whole organisation understands the reasons behind Organisation Design or Redesign. This will help your organisation function more effectively.

Sifiso Dingani is a Talent Management Consultant at Industrial Psychology Consultants (Pvt) Ltd a management and human resources consulting firm. Phone +263 4 481946-48/ 481950/ 2900276/ 2900966 or cell number +26377 551 7211 or email sifiso@ipccconsultants.com or visit our website at www.ipccconsultants.com

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