Why organisation design matters

Author: Naomi Stanford . October 2021

This is the last of my blogs relating to the forthcoming third edition of my book "[Guide to Organisation Design](),". This morning, 31 May, I sent the entire book off to the publisher. It will be published on March 3, 2022. I've still a bit to do – reading the proofs, choosing the cover design, thinking of a subtitle (suggestions welcome), but none of this right now: it's handed over! This week's blog is the foreword. It is each of my review/advice/suggestions group talking briefly about 'Why organization design matters'.

Foreword

Each of the five organization designers who worked with me to shepherd this book from start to completion, belief, as I do, that organization design matters.

Why they believe this, they explain in the paragraphs below.

Jim Shillady: Occasionally organizations succeed by chance. But, in general, success comes from thinking explicitly about what to do, why, and how – and then doing it. Organization design's value has been in orchestrating that thinking process. Yet until recently, it has mainly had to tackle complicated rather than complex problems – essentially those requiring novel technical solutions rather than true innovation.

Now organization design is evolving to take on complexity – challenges that are new in themselves, that are of great significance to people and the planet, and that emerge and interact in surprising, often alarming, ways. In its contemporary form, organization design matters more than ever; it answers tougher questions, involves participants more frankly and demands more of them, and values action over order. Arguably, no other discipline has such power to help people and their leaders confront new realities and create enterprises fit for a turbulent world.

Rani Salman: The bridge connecting strategy to execution comes in the form of organization design. Misaligned operating models and poorly designed organizations are notorious for strategic failure. Organizational culture can shatter the most ambitious and accurately developed strategies. Making

sound design decisions can shape a supportive culture and mitigate the risk of strategy failure.

These decisions are not always easy to make, especially in a landscape where organizations have become more interconnected and complex. Compounding the complexity is a never-ending array of dynamic choices that bring with them tensions, difficulty, and consequences both intended and unintended. However, with a focused approach and a unique mixture of science and art, the design process can be challenging yet rewarding and culminate in organizations capable of high performance.

Most importantly, organization design matters because it runs deep and touches the human experience and psyche, impacting people in profound ways that often transcend their organizational experiences.

Fiona McLean: Organisation design matters because it urges us to put our human selves at the center of our efforts. It offers us the possibility to think of organizations in different ways where we can see an organization as a body of bodies, where our governance and processes are less bound by hierarchy, more inclusive, more transparent, where no voice is unheard. Where decision-making and information flow smoothly from strategy to design and back around in a dynamic feedback loop of human interaction moving strategy into action. Where social interaction and conversation is valued as much as formal planning and where the essence of those social interactions act like a strong pair of lungs transferring life-giving oxygen into the system for vitality, in order to create the conditions for a continuous design.

Giles Slinger: Organisation Design matters because it shapes people's experience of work and whether an organization can deliver to its customers. In a perfect world, organizations would sense the need for change and would adapt continuously from one stage to the next. But our reality is never perfect. Organizations face the never-ending challenge of balancing continuity (supply) and change (demand). Continuity can be efficient, and human brains love routines, so organizations would by default supply 'the same as before.' At the same time, people value change – they value things that are new and better, so organizations must adapt to this demand. Happily, humans also have a restless curiosity, such a capacity to wonder and invent that supply can effectively be unlimited in meeting new demands. The challenge is moving organizations of such wonderful humans from one stage to another fairly, efficiently, and quickly. Organization design helps gather the evidence, helps develop the options, helps find the agreement, and helps deliver the transition, on to the next stage.

Milan Guenther: Companies, institutions, and other organizations run those endeavours that enable human action at scale. They bring together teams and their ambitions, resources, and ways to use them,

products, and people's needs: to be successful as an enterprise, they have to be designed to build relationships and enable dynamics that constitute successful outcomes.

Responding to big challenges requires organizations designed to be fit for purpose, to perform and deliver. This applies to a disruptive start-up just as much as to a large corporation, or a public health effort such as a vaccine rollout.

So how do you design successful organizations? You can design business models, information systems and operational processes, product and service portfolios, or team responsibilities and collaboration. Going beyond optimizing these individual elements, purposeful organisation design will help you understand how they can be organised coherently as a system, and how to reshape their interplay to bring about the desired future. Designing organizations well matters.

Why do you think organization design matters? Let me know.

The post "Why organisation design matters" *was first published by Dr Naomi Stanford here* https://www.linkedin.com/pulse/why-organisation-design-matters-naomi-stanford/

About Dr Naomi Stanford

Dr Naomi Stanford is an organization design practitioner and author. During her earlier UK career, Dr Stanford was an employee of large multinational companies, including Price Waterhouse, British Airways, Marks & Spencer, and Xerox. She moved to the US mid-career working as an organization design consultant to a range of organizations in the government, non-profit and private sectors. She then returned to the UK to work in the government sector. Naomi is now free-lancing as an organization design consultant/adviser. Additionally, she writes books, articles, and a weekly blog (over 800 so far). Naomi speaks at conferences and tweets regularly on organization design. Currently, she is writing the third edition of her Economist book 'A Guide to Organisation Design', to be published in March 2022.

https://thehumancapitalhub.com/articles/why-organisation-design-matters