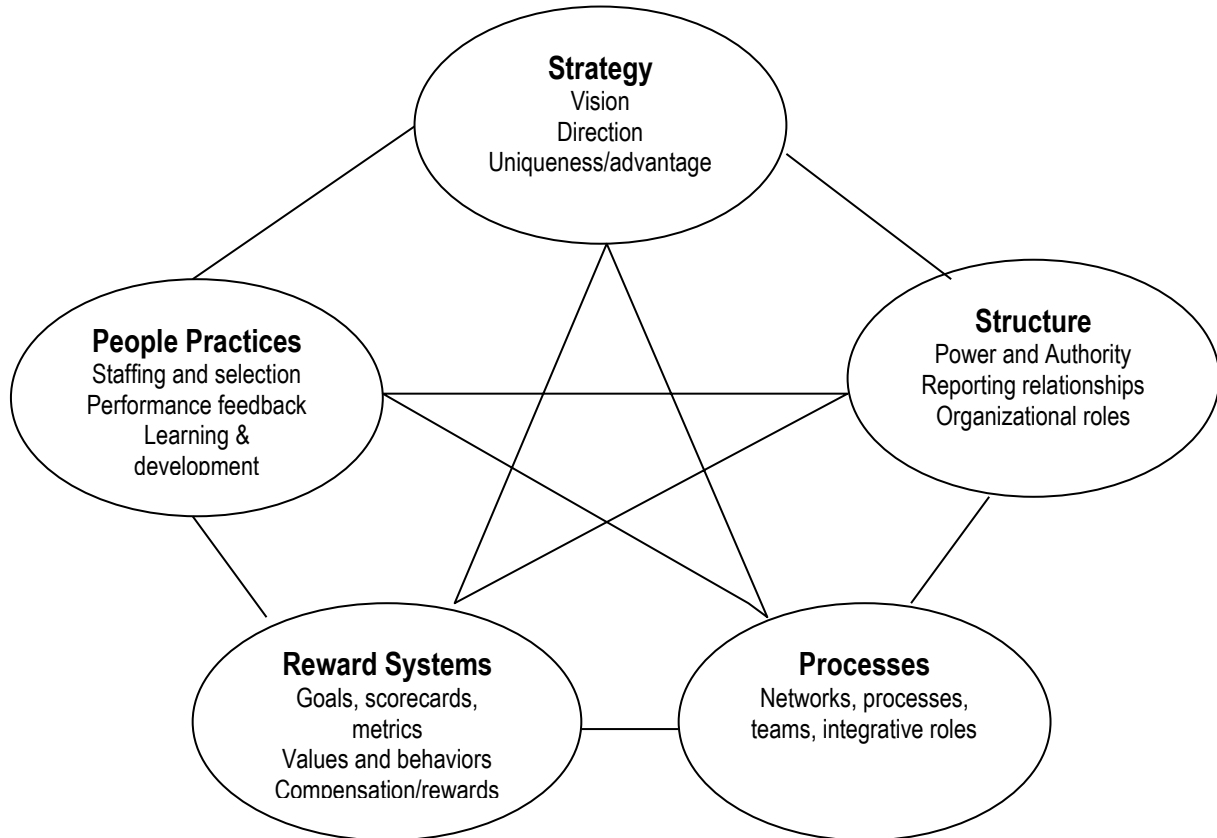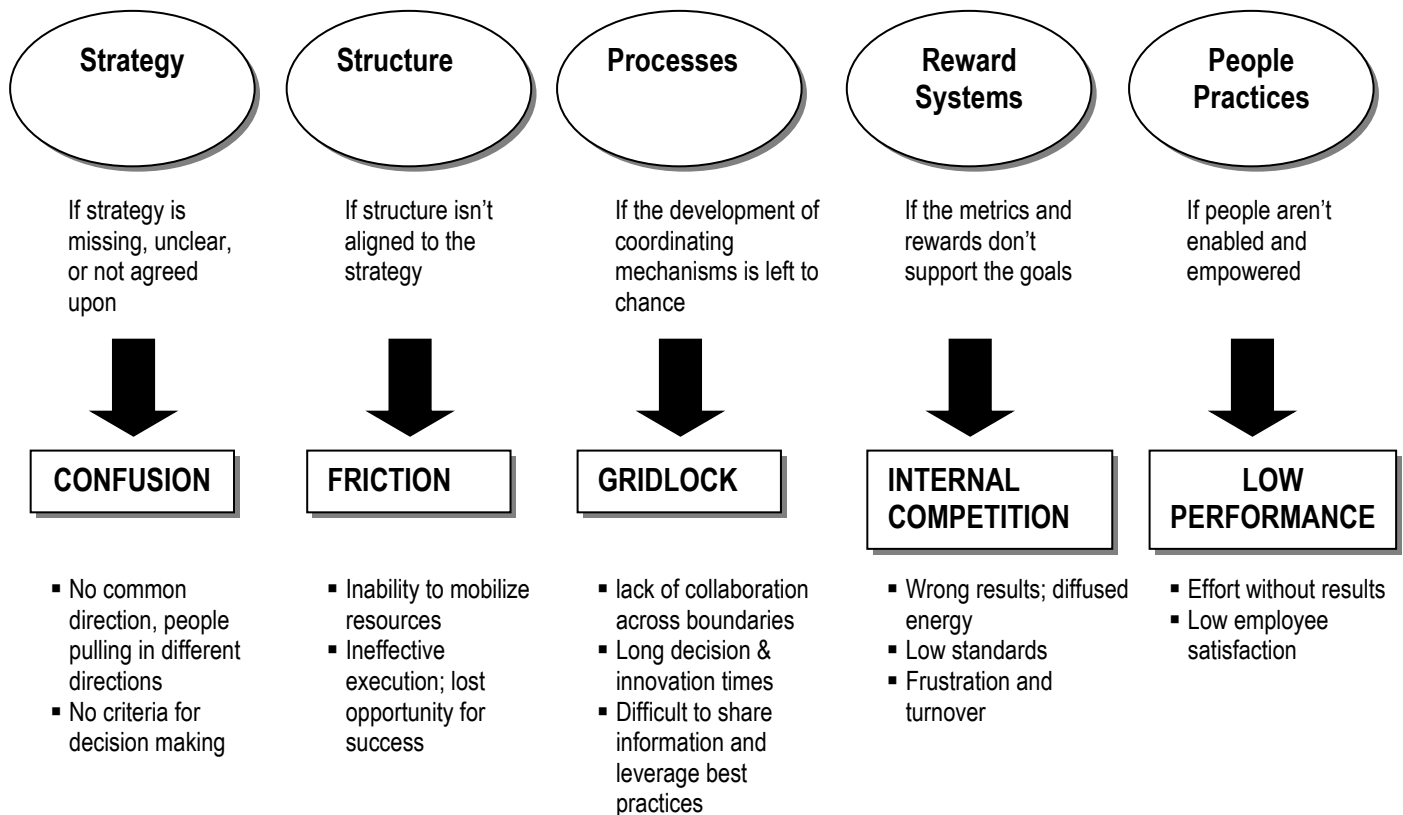# Organizational Design—Background

Note: the framework comes from Jay Galbraith, *Designing Organizations* and Jay Galbraith, Diane Downey, and Amy Kates, *Designing Dynamic Organizations*.

Strategy
Vision
Direction
Uniqueness/advantage

People Practices
Staffing and selection
Performance feedback
Learning &
development

Structure
Power and Authority
Reporting relationships
Organizational roles

Reward Systems
Goals, scorecards,
metrics
Values and behaviors
Compensation/rewards

Processes
Networks, processes,
teams, integrative roles

From Jay R. Galbraith, *Designing Organizations: An Executive Briefing on Strategy, Structure, and Process*

As the diagram indicates, once you start a conversation about re-designing an organization, you touch on many areas, not just structure. As the process unfolds, expect that each of the areas will get addressed, often all at the same time since each is implicated in the others. However, it is useful for the purposes of clarity and completeness to keep the different areas distinct.

Moreover, by staying disciplined about addressing the various elements of organizational design, the group will be certain not to overlook key items. It is tempting to identify a symptom and address it without recognizing its connection to other parts of the system. As shown below, if any element is missing, the entire process can be thrown off.

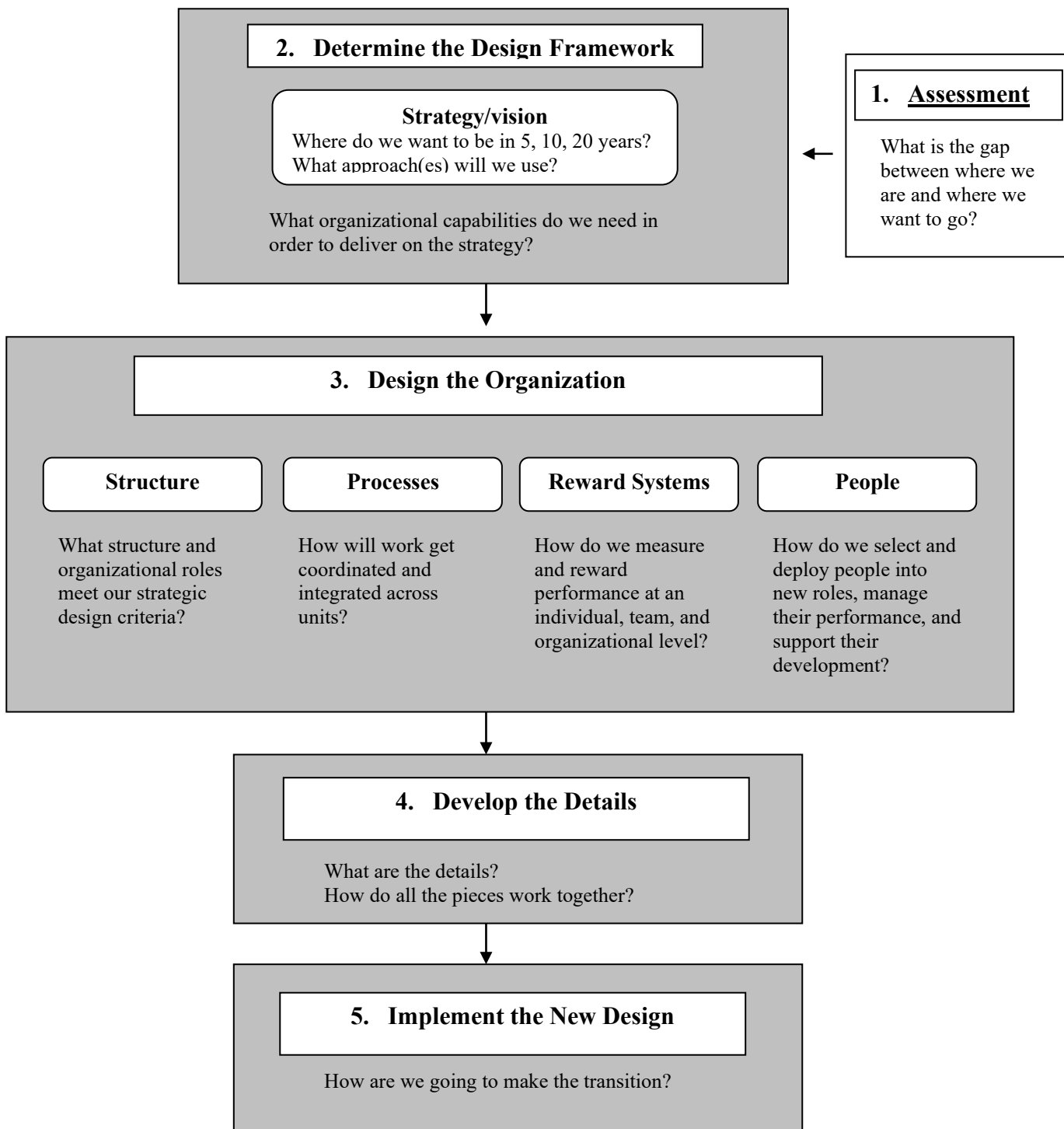| Strategy	Structure	Processes	Reward Systems	People Practices
If strategy is missing, unclear, or not agreed upon	If structure isn't aligned to the strategy	If the development of coordinating mechanisms is left to chance	If the metrics and rewards don't support the goals	If people aren't enabled and empowered
↓	↓	↓	↓	↓
CONFUSION	**FRICTION**	**GRIDLOCK**	**INTERNAL COMPETITION**	**LOW PERFORMANCE**
▪ No common direction, people pulling in different directions ▪ No criteria for decision making	▪ Inability to mobilize resources ▪ Ineffective execution; lost opportunity for success	▪ lack of collaboration across boundaries ▪ Long decision & innovation times ▪ Difficult to share information and leverage best practices	▪ Wrong results; diffused energy ▪ Low standards ▪ Frustration and turnover	▪ Effort without results ▪ Low employee satisfaction

As you can see, all elements are important. However, first the strategy or vision needs to be clear. It is the basis on which all else rests. Once the vision is clear it provides the foundation for determining the criteria of the organizational design. That criteria will be the standard against which all options are tested.

Once the design criteria are established, the conversation about structure, processes, rewards, and people will have a context. Although presented as discreet elements within this framework, it is likely that any conversation will touch on all of them. It is almost impossible to talk of one, for example, structure, without also talking about how others are affected. It is also possible to create shifts in one area that are more significant or far reaching than another. For the purpose of clarity, it will is useful to report conclusions in each area distinctly.

Note: All elements of organizational design must be reviewed to see how they reflect and advance equity.

Here are the steps in the process.

2. Determine the Design Framework

Strategy/vision
Where do we want to be in 5, 10, 20 years?
What approach(es) will we use?

What organizational capabilities do we need in order to deliver on the strategy?

1. Assessment

What is the gap between where we are and where we want to go?

3. Design the Organization

Structure	**Processes**	**Reward Systems**	**People**
What structure and organizational roles meet our strategic design criteria?	How will work get coordinated and integrated across units?	How do we measure and reward performance at an individual, team, and organizational level?	How do we select and deploy people into new roles, manage their performance, and support their development?

4. Develop the Details

What are the details?
How do all the pieces work together?

5. Implement the New Design

How are we going to make the transition?

Steps 1 and 2 above are critical. Alignment is only possible with clarity about vision, strategy and the implications of both. Listed below are some products that might result from such deliberations. Taken together, these products are referred to as the *design framework* (see sample, next page)

a) A *vision summary*, which is a restatement and refinement of the organization's vision;

b) A set of *success factors*, by which one may evaluate whether the vision is being achieved;

c) A summary of the organization's *unique features*, as seen from multiple perspectives, i.e. global, national, local;

d) A set of *organizational implications*, relating to staff capabilities, process, and culture. One possible way to identify implications is to agree on a metaphor that captures all that you want the organization to be. You can then discuss the metaphor to uncover assumptions about competencies, processes, etc.

Once the design framework is drafted it can be reviewed.
- Are these summaries complete? Are there any important pieces that are missing?
- What do you see in operation at the organization that is inconsistent with this framework?
- What is already in place that can be built upon?
- What are the challenges we can expect in trying to build an organization within this framework?

By keeping the framework to a single page, as in the sample, all the criteria for design success can be kept in front of decision-makers, staff, etc.

Key considerations:
- Who makes the decisions about the design?
- Who has input to shape the decisions? When? Why? How?
  It is critical to answer these questions to minimize confusion, suspicion, etc.
- How will people be informed of decisions?

Sample Design Framework

Vision	
Our **goal** is to contribute to social change by:	The **means or strategies** include:
1. *Strengthening the community organizing sector*	1. *Field-building programs*
2. Aligning around a *common political vision and strategy*.	2. *National issue campaigns* that integrate...
3. Increasing the *collective strength of low-income communities*	3. *Community-based voter programs*
4. Winning significant *changes in public policy and the operation of economic systems*	4. Developing *new political and policy ideas and a unified message frame*
5. [Connecting with *international issues* and social movements]	5. *Expanding the communications capacity of our sector*
	6. *Nurturing leadership from grassroots low-income communities*
	7. *Building relationships with institutional allies and individuals*

Success Factors	Uniqueness

1. Growth of the sector
2. Unity within the sector
3. Resources for the sector
4. Alliances with other sectors
5. Ideas that are coherent, fresh, compelling.
6. Leadership
7. Communications to elites, activists, and popular culture
8. Echo
9. Power
10. Breakthrough Victories
 	
Plus, two developmental goals:
▪ Analysis of economic systems and institutions that yields a coherent strategy for achieving change in those systems.
▪ Knowledge of people, organizations, and issues to define an appropriate entry point for international work.
	1. Grassroots organizing as the vehicle for social change connected to national work, lens
	2. We assist groups.
	3. Combination of issues and functions; Each is strengthened by the presence of the others.
	4. Network—connections without command structure; accountability without formal rights
	  a) No formal structure
	  b) Creative tension between responding to the field and shaping/directing it.
	  c) Fluidity re: network participation, accountability, interim actions, structures
	  d) Long term vision with short term actions
	  e) Interactions guided by principles more than rules or structures.
	5. More process focused than national organizations, more product focused (on national level change) than grassroots organizations.
	6. Field
	  a) eclectic in our approach
	  b) focus is on building the field
	  c) We bring a national lens
	  d) We have an ethic of organizational generosity

Implications		
Staff capabilities ▪ Strategists who embrace organizing ▪ Flexible ▪ Ecumenical ▪ In short supply, therefore grown and imported ▪ Comfortable with national and grassroots	*Process* ▪ Unified strategy/plans-including investment returns and exit strategies ▪ Information sharing and decision making that is widely shared and clear ▪ Nimble communications/media	*Culture* ▪ High trust ▪ Support for probing, questioning ▪ Be patient and urgent ▪ Sophisticated view of power ▪ Actively balance diversity and unity of vision