Rethinking organizational design:

The need for strategy

INTRODUCTION

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- There is a growing acceptance that the **traditional hierarchy** is no longer the best means of organizing a business

- Flat structures, devolved decision making, team empowerment and collaboration are a means to creating the **agile organization**

- Organizations need to react quickly, meet changing customer needs, **drive innovation** and adapt continuously to their environment

Restructuring as a network of teams is the solution

TECHNOLOGY VS REDESIGN

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- Despite the increase in HR spend globally on systems and technology, business productivity has not grown or kept pace with technological progress.

- Productivity growth is at its lowest since the 1970s.

- In part this is because we are imposing technology on organizations to deliver something that the traditional hierarchy cannot do.

It is like putting wings on the family car and assuming it can fly!

TECHNOLOGY VS REDESIGN

- Throwing technology at the challenge to seek agility is not going to work unless the traditional hierarchy is radically changed to a team-based, teaming culture.

- Organizations must be designed for purpose – function follows form.

- This means a fundamental rethink of the organization's design and how it interconnects and operates.

- Traditional hierarchies are not designed to be agile.

- Organizations must now commit resources and budget to redesign. They have got to build a network of teams if they want agility.

REAL DESIGN

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- Before the new technology must come the design of the new organization.
- With the change in structure in place one can then deploy the technology to enable that new structure.

- It is not about tinkering with the existing structure, It is about determining what you do as a business and what design of organization best suits your purpose.

Today this is a team-based design.

THE NETWORK OF TEAMS

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- The new organizational model is the "network of teams" in which companies build and empower teams to work on specific business projects and challenges

- These dynamic networks are aligned and coordinated with operations and information centers (similar to command centers in the military), with people coalescing to tackle projects, then disbanding and moving on to new assignments

This new design has dramatic impact for people practices, including leadership development, performance management, learning, and career progression, recruitment, talent management etc

THE NETWORK OF TEAMS

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- According to Deloitte (2016),

  - **14%** of executives believe their companies are ready to effectively redesign their organizations

  - **21%** feel expert at building cross-functional teams

  - **12%** understand the way their people work together in networks

- To deliver on these challenges and to effectively redesign to an network of teams requires a comprehensive strategy.

- This is what we refer to as a Corporate Team Strategy.

CTS

CTS - CORPORATE TEAM STRATEGY

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- A CTS is a strategy separate to all other people strategies

- It is about understanding

  - the what, why and how teams are deployed into the organization

  - how they are supported

  - the difference between team types – traditional, project, teaming work groups (TWGs) and virtual Teams.

  - how you select for teams (e.g. are the attributes of team members the same for the traditional team and the virtual team?)

CTS - CORPORATE TEAM STRATEGY

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A CTS is about . . .

- deploying a team assessment methodology and team model that creates an **environment for reflexivity** for teams.

- creating a structured means for teams to **self-assess** and make improvements at the team level

- creating time and supported space for teams to regularly meet to consider their *modus operandi*

- understanding what constitutes good team work, what is successful team work and setting the benchmark not just in performance terms but in terms of **minimum standards** for teams.

CTS - CORPORATE TEAM STRATEGY

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- A CTS seeks to
  - identify the **key business metrics** that are impacted by teamwork
  - Correlate these with a **team measure** to indicate successful or failing teams in such a way that intervention can happen at the earliest possible moment for a team as required.

- A CTS will
  - determine the best approach for **team-based assessment** integrated with individual performance management.
  - sets a **common language**, model of teamwork
  - determine the minimum standards of **team performance** in an organization

CTS - CORPORATE TEAM STRATEGY

ODD

- Developing a CTS impacts the **culture** of the organization - 'how we do things around here' - and is observed in the way the employees work day-to-day

- As a CTS develops the culture changes from a traditional hierarchy to a **team-based** teaming culture

- The organization is **redesigning** itself. It is not easy, it takes time, effort, expertise and budget, but it is not rocket science

REAL OUTCOMES

- When the strategy, methodology and tool to support the teams is in place, when reflexivity is a reality
  - team **effectiveness** will improve
  - **innovation** will increase
  - team **morale and motivation** will continue to build
  - the new technologies will have a real impact on **productivity**

- The traditional hierarchy has had its day.

- The new organization is arriving and a focus on developing a CTS is a big step on the way to delivering that new world

REAL OUTCOMES

- A CTS and the delivery of a teaming culture requires a **robust platform** upon which it is built

- This means the adoption of an appropriate **team model** and **methodology** which is ultimately self-serve and commonly understood by team members and team leaders