

Organizational design activities

Designing an organization involves both artistic and scientific elements. Developing a system for individuals to collaborate towards shared objectives is a challenging task with no definitive approach. This report will outline the concept of organizational design, the factors influencing it, the process of designing an organization, and ways to assess organizational design in relation to effectiveness. Let us start!

First, **the technical definition of organizational design**: It includes supervising and implementing the company's strategic plan. This indicates that the optimal organizational design is determined by the organization's strategy.

Organizational design includes determining the most appropriate fit between the organization's strategic decisions and its organizational structure. This is explained in the figure below.



The organization's structure is influenced by the company's **strategic plan**, which includes its **vision, mission, and goals**. This results in tactics that the company uses in competition, supported by the structure of the organization.

So where should we start for organizational design?

"According to Dr. Dieter Veldsman, AIHR's Chief HR Scientist, any sound organizational design initiative needs to deliver the following:

A clear strategic intent: What are we aiming to deliver?

Guiding principles: What are the principles that inform our design decisions?

Capability maps: Which capabilities do we need to deliver on the strategic intent, and how do they differ in strategic importance?

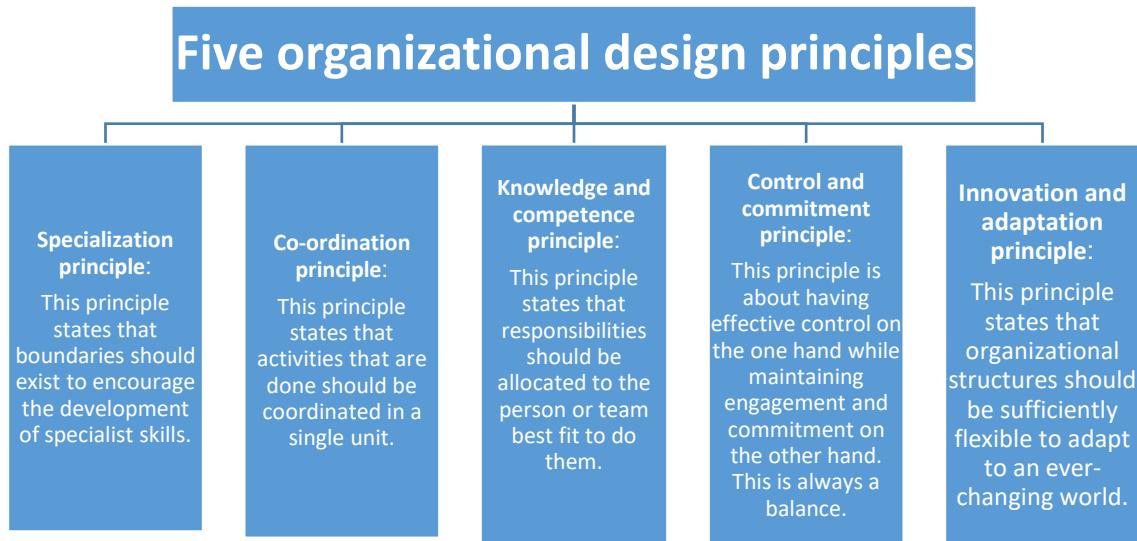
Operating model blueprint: How will these capabilities work together to execute?

Work design: What are the teams, jobs, and skills required to deliver, and how do we organize them?

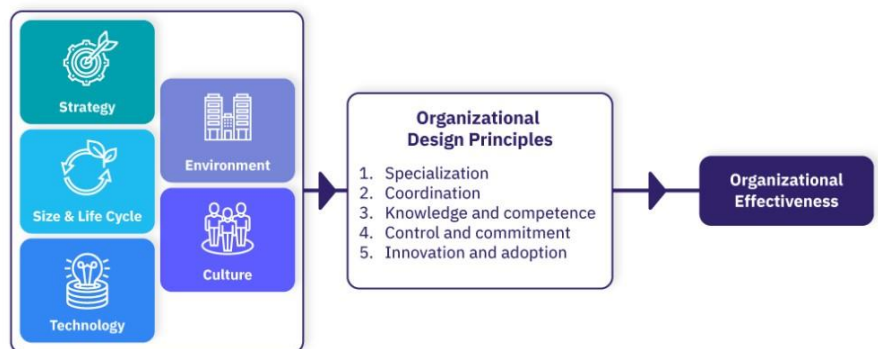
Workforce plan: What are our strategies to resource the structure?

Performance measures: How will we know that the design is working?"

I do not object to what was mentioned above, and in my opinion it is the most appropriate method. In addition, a number of principles must also be followed before determining the design of the organization, as explained below.



It is difficult to assess organizational effectiveness. Nevertheless, if we have a good grasp of it, the indicators within the organization can offer us insights on enhancements for the organization. To wrap up this report, let's consider three methods for evaluating organizational effectiveness.



The first indicator of organizational effectiveness is **the resource-based approach**. This approach looks at inputs and evaluates effectiveness by assessing whether the organization is effectively obtaining the resources needed for high performance. While **the internal process approach** looks at the production process and evaluates effectiveness using economic efficiency. Examples include strong culture, reliable communication, quick decision-making, and the interaction between the organization and its parts. The third indicator is **the goal approach**. This approach evaluates effectiveness by looking at how well the organization achieves its goals. The key here is to focus on operational goals, as they are easy to define and measure.