

Organizational design for performance management



Organizational Design

Whereas an organization is a unit of individuals that is structured to pursue goals or meet needs, an organizational design is “ a systematic approach to aligning structures, processes, leadership, culture, people, practices, and metrics to enable organizations to achieve their mission and strategy” (Burton & Obel, 2018, p. 3). Organizational design is a key factor in determining the performance of a company and how individuals work together. This design must also specify the fit between division and structure of task with its coordination or how to make these tasks work in unison (Burton & Obel, 2018). For most companies, the design method leads to efficiency, result improvement, and employees that are committed and empowered to the business.

Unit Structure

The first factor or organization design is going for a unit structure where each unit has independence to deliver. With unit structure, the manager can let most decisions be made by the units while the people in each unit are driven to make decision without obtaining permission from people outside the unit. By using this design, the strategic method of forming the organizations roles and structure to optimize or create competitive capabilities in a given market is present. This highlights why it's important for a company to identify factors that determine the ideal structure. This can include the operational initiatives, scope, and size of the company. The structure also includes the transfer of tasks to people, the distribution of resource to the units, the customer designation and unit markers, and the

breakdown of larger issues for smaller units (Burton & Obel, 2018). This will result in a set of tasks that is to be performed. The focus however, is managing the smaller tasks, problems, and units into a whole so they fit together and achieve an overall purpose. All businesses have management structures that decides relations in the various activities and subdivides responsibility roles and the ability to carry out tasks. The coordination and unit structure are thus the organization designs fundamental choices and has a lower cost to manage.

Over-Designing

Another factor is to not over design. Be sure to design as much is needed to move on but permit freedom for individuals to have space in designing, implementing, and continuing the elements. To design all of the demands in the organization can be expensive and time consuming. Poor designs in organizations can result in a mess of contradictions that include role confusion, lack of coordination in functions, slacken decision making, and idea sharing failures that can bring administrators unnecessary conflict, stress, and complexity. The workplace design philosophy originates from assumptions that properly designed workplaces can enhance a company's competitive advantage by providing an atmosphere of operational excellence, intimacy, and innovation (Wienclaw, 2017). For some circumstances, this can mean a creation of which individuals can work together in teams. Other times it may include a design that influences technology to enable individuals both the isolation and privacy needed to interpret ideas and designs into communication and innovation to better support the process (Wienclaw, 2017).

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Stakeholder perspective

In taking a stakeholder perspective, try to focus on customers. Successful organizations depend on engagement and loyalty from employees, business partners, owners and shareholders. These stakeholders frequently produce goal ambiguity and competing interests (Rouhana & Van Callie, 2016).

Stakeholders can be defined by legitimate attentiveness in the organization.

This can imply that stakeholders are groups or people that have genuine interest that have been known and identified and all stakeholder groups interests have a degree of real value (Perqueux, 2005). Other differences occur as well which can include internal stakeholders, external stakeholders, and other external stakeholders that have the power to impact matters (Perqueux, 2005). Although there are various ways of viewing how stakeholders exist, classifying a stakeholder's perspective helps to obtain themes among the many views. Managers have also come to see non-owner stakeholders as vital to a company success, not just financially but also in terms of society (Rodgers & Gago, 2004). It is important to note that firms don't always set out to launch one perspective over another. They instead tend to progress over time their views of stakeholders in reaction to unfolded events through the history of the organization.

Design principles

A good organizational design and structure is one that allows people to form the best working relationship and drawing an organizational model is a way of laying out these relationships and is a critical part of good design. The problem from the art of organization design is to establish projecting models

of future designs (Burton & Obel, 2018). This can be with prototyping new designs from in the lab or through simulations. In forms of organizing, a new design that exemplifies new solutions to basic organizing problems in contrast to results used by current companies. Spend time on designing a set of principles. With the executive group first working in line with principles allows them to think about capability and the needs to maintain.

Strategical Priority

Strategic priorities are the values in line with the goals and visions of the organization. The first step is seeing if that is reflected in the organization structure. Including these priorities will ensure the culture supports organizational achievement. These priorities can be exposed by knowing what the company should pay attention and focus on in order to reach its goals. You can tell more about a true organizational strategy from how it is structured currently and where the priorities lay than from the documents submitted. This structure will show the true approach of the organization. If the priorities can not be found in the structure then it most likely means that priority will not be delivered. By using this organizational design you will be able to obtain information and understand what the company is saying about what their priority is. Assigning power is another topic of agreed priorities and goal similarity amongst stakeholders, and individuals as opposed to group perceptions (Burgelman, 2002; Rouhana & Van Caillie, 2016).

Conclusion

In conclusion, organizational design is a key factor in determining the

performance of a company and how individuals work together. Successful
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organizations depend on engagement and loyalty from employees, business partners, owners and shareholders. By using unit structure, the manager can let most decisions be made by the units while the people in each unit are driven to make decisions. The focus however, is managing the smaller tasks, problems, and units into a whole so they fit together and achieve an overall purpose. Including strategic priorities will ensure the culture supports organizational achievement. Be sure to design as much is needed to move on but permit freedom for individuals to have space in designing, implementing, and continuing the elements. A good organizational design and structure is one that allows people to form the best working relationship and drawing an organizational model is a way of laying out these relationships and is a critical part of good design.

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