



*Cadmus Compass Series: Leading your organization in times of change*

## Organizational Design: More Than Boxes on an Org Chart

*By Beth McDonald, Senior Vice President, Cadmus*

It's a job no leader wants to do. When your organization faces staffing cuts, it can feel like there is no good way to do it. I will offer that, while there is no 'perfect' way to reduce your workforce, there are some terrible ways for sure! For more than two decades, I have consulted in large organizations and have advised leaders as they navigate organizational changes, including reorganization efforts and staff reduction efforts. In this article, I provide a primer on organization design that I hope will equip you with the context, confidence, and clarity you need to approach this important task with care—and set your organization up for success in the future.

**CADMUS**

# What is Organization Design?

Organization Design is the DNA of your organization, i.e., the fundamental and distinctive elements that make your organization unique. But unlike DNA, which is fixed, an organization's design is changeable and in fact must change as market needs evolve.

Take a moment to zoom out and consider the big picture beyond the organization chart—there are ten components to any organization. Some components are dynamic such as vision, strategy, and goals. Others are more fixed components such as mission, products and services, culture, and structure.

If you treat your organization design effort as boxes on an organization chart, all you will do is move the current problems to other boxes.

## Ten Components of an Organization



### Vision

A forward-looking, aspirational statement articulating what the organization aims to achieve



### Mission

Declaration of the organization's core purpose; typically remains unchanged over time



### Products & Services

Tangible items (products) and intangible activities (services) developed for and sold to customers/clients



### Strategy

A high-level plan of action designed to guide the organization in achieving its mission



### Goals

A way to define outcomes, measure progress and impact



### Structure

A formal system of organizational units, their assigned responsibilities, and lines of reporting



### Skills & Roles

A set of responsibilities, duties, and expectations associated with a particular position or function



### Processes

A series of steps or actions to complete a task; may involve the use of tools or other resources



### Tools

Devices, equipment, or software programs to help individuals or organizations perform tasks



### Incentives

Rewards or benefits to motivate certain behaviors or actions; can be financial or non-financial, tangible or intangible

# Organization Redesign in Four Steps | The ‘BEST’ Model

Using the “BEST” model, I outline four steps to get your organization redesign effort on the right track.



## **BEGIN:** Begin with the end in mind

“Begin with the end in mind” is habit #2 in Stephen Covey’s best-selling book *The Seven Habits of Highly Effective People*. I would argue that it is not only a habit of highly effective people—it is a best practice in highly effective organizations, too.

The “end” in this case is not simply an organization that is reduced in size by X percent. As you plan for the organization of the future, imagine that your organization is stronger, more resilient, and more responsive to your customer/client/stakeholder needs. Take this opportunity to make your organization better than it was.

Guiding Questions:

- From my customer’s perspective, what is the ideal future state for this organization?
- If I could wave a magic wand, what would I make possible?
- If I were giving advice to a leader in my same position, what would I recommend?

Compile a list of design criteria (or requirements) to verify that this new organization design will allow you to be effective. The list must include everything you know that needs to be fixed or accounted for.

For example:

- Reduce headcount by X%
- Reduce operating cost by X%
- Phase out {product or service}
- Automate {process}
- Attract top talent

The future state is a combination of your reflections on what would make your organization better and the design criteria. This future state provides you with guardrails to aid in decision-making. It’s also the narrative arc of your organization effort. It’s the story you can use to communicate with everyone who must be on board with the changes.

**Whether you are responding to a mandate or proactively planning, this is your chance to do what you likely have known for years is the right next step to facilitate the organization’s future success.**



## **EXAMINE:** Examine and revisit each component of your organization

The previous step allowed you to gain clarity on where you are headed. You now must assess how fit for purpose your current organization is, to facilitate that future state.

Using the questions below as a guide, look at each component in your organization and conduct a quick, back-of-the-envelope assessment. Avoid overthinking it.

Guiding Questions:

- Is your vision relevant and achievable?
- Is your strategy clear and doable?
- What products and services do your customers need?
- Are your goals the proper metrics to verify success?

- Are you incenting the right behaviors from your staff?
- Are there processes that could be automated?
- Does your team have the right skills and tools to do their jobs well?

Your answers to the above questions might be a lot of “yesses” and maybe a few that are “not really” and then there might be a component or two that need a lot of attention. Don’t feel like you need to fix them all at once, but take the time now to define what actions are needed to make it right. Then create a plan to do it aggressively, over time.

**While third-party assessments are useful if you have the resources and time, in my experience most leaders know what needs to be tweaked, and a quick and honest self-assessment can surface powerful insights.**



## **SELECT:** Select the right people with the right skills and right attitude

After conducting your assessment, you can shift focus to what the workforce needs to look like to deliver your core products and services.

Guiding Questions:

- If \_\_\_ are our products and services, and \_\_\_ are the tools and processes, how does the work get done?
- What roles are needed, and how many of each?
- For each role, what are the required skills and experience?

Responses to these questions are what you need to create a new unpopulated organization chart.

Now here comes the hard part—deciding who gets to stay and who must go. As difficult as it may be, a best practice is to remove your emotional bias (i.e., thoughts of people’s personal finances, friendships, tenure, etc.), and build the team with the best people for each role. As objectively as possible, remove poor or non-performers and people whose negative attitudes create a difficult work environment.

### THIS CAN BE DONE IN THREE STEPS:

- 1** Create pools of people qualified for each role.
- 2** For each role, evaluate who is best positioned to be successful, i.e., someone who is a strong performer, has experience or is a quick learner, and is in the correct salary range.
- 3** For any open positions, consider strong performers with range and what training they may need to be successful.

**You now have what you need to build the staffing plan and populate your new organization chart.**



## TELL: Tell the story

Often overlooked, communications around this effort can be as challenging as the strategy behind it. I find that leaders who take care to plan communications and create opportunities for dialogue not only support the success of the design efforts but also reinforce trust in the organization and strengthen relationships.

For any staff actions such as terminations or role changes, follow guidance from HR. For broader organizational communications, remember that how you communicate reflects on you a leader and lays the groundwork for the future of the organization. It's critical to be transparent and kind, while acknowledging the range of emotions people are likely facing, including fear, anger, grief, guilt, excitement, etc. Focus on successful delivery of your organization's mission and create a plan that builds toward the organization of the future.

A strong communication plan will ensure the team is:

- Bought in to the “why” behind the change and how it is linked to achieving the vision and delivering the mission of the organization

- Clear on their roles and responsibilities and those of their peers and counterparts
- Clear on customer needs and how to address
- Assigned activities that are linked to the goals for the organization
- Knowledgeable on how and where to redirect customers and constituents
- Confident in their new roles, and if not, know where to get training or experience
- Trained in new processes
- Equipped with the right tools to aid in efficient service
- Aware of how to get assistance

Once you have completed the steps outlined in the ‘BEST’ Model, a best practice is to revisit it periodically. Look at the [Cadmus website](#) for more information, resources, and tip sheets for leaders.

---

**Beth McDonald** is a senior vice president at Cadmus with 35 years of experience in strategy development, change management, organizational effectiveness, and leadership development. She is a master facilitator, communicator, and advisor for our clients, leading high-performing teams to deliver on critical missions in complex environments.

Senior executives across industry and government rely on Beth and her Cadmus team for guidance in achieving the change they envision. Our accomplished professionals bring deep knowledge of strategic communications, change management, organizational design, and workforce transformation to the execution of complicated and demanding initiatives.

Beth is the co-author of **The Method and The Magic: Every Leader's Guide to Making Transformational Change Happen**. In her book, she shares a unique approach to helping leaders develop a clear vision, share their ideas with all stakeholders, and make change take hold in their organization.

---

**We're here to help you succeed.** Cadmus is a technology-empowered strategic consulting firm with more than 1,300 experts dedicated to serving government, commercial, and non-governmental organizations worldwide. We help our clients achieve their goals and drive lasting, impactful change by leveraging transformative digital solutions and unparalleled expertise across domains. Together, we are strengthening society and the natural world.

For more information, visit [cadmusgroup.com](https://cadmusgroup.com).