

Unit Content

50DS Organisation design: implications for human resources

Purpose and aim of unit

Ensuring that an organisation is appropriately designed to deliver organisation objectives in the short and long term is critical to sustainable organisation performance. Driven by organisation business strategy and operating context, organisation design is a conscious process of shaping and aligning the various organisational components: structure, size, systems, processes, people, performance measures, culture and communication. This unit explores, through a review of theories and models, the elements that contribute to organisation design and the development of organisation insight crucial to building agile and adaptable organisations, with healthy cultures that are essential to meet current and future challenges.

This unit is suitable for persons who:

- seek to develop a career in HR management and development
- are working in the field of HR management and development and need to extend their knowledge and skills
- have responsibility for implementing HR policies and strategies
- need to understand the role of HR in the wider organisational and environmental context.

Learning outcomes

On completion of this unit you will be able to:

1. Understand the historical and theoretical basis of organisation design and the relationship between organisational elements and the business strategy.
2. Understand the key factors to be considered in the design of organisations and the implications for the management and development of people and resources.

Unit content

Indicative content is provided for each of the learning outcomes of the unit. The content is neither prescriptive nor exhaustive but should enable achievement of the learning outcomes.

1. Understand the historical and theoretical basis of organisation design and the relationship between organisational elements and the business strategy.

Organisation design theory: scientific management, systems theory and complexity theory.

Organisation types, size, sector and reach: private, public, third sector, and the impact of regulation.

Organisation elements:

business strategy: objectives, goals, operating principles

structures: formal and informal, hierarchical, flat, functional, divisional, matrix, flexible, process-based, network, virtual, cluster

processes: work flow, tasks, and activities

systems: IT infrastructures that 'carry' the work flow

performance measures: individual and organisational.

Organisation design models and tools: McKinsey 7-S Model, the Galbraith's Star Model, Weisbord Six Box Model, Naidler and Tushman Congruence Model, Burke-Litwin Causal Model, McMillan's Fractal Web, Ralph Kilmann's Five Track Model, Ken Wilber's AQAL Model, Holonic Enterprise Model, Six Sigma, and so on.

2. Understand the key factors to be considered in the design of organisations and the implications for the management and development of people and resources.

Business strategy and organisation design: alignment between business strategy and organisation design decisions; growth; structural change, downsizing; delayering, out-sourcing, off-shoring, internationalisation.

External environment: the importance of scoping the external environment and range of tools and techniques available, for example environmental scanning and stakeholder mapping; the impact of external environment on design decisions to ensure organisational agility, adaptability and flexibility.

Organisation culture: identifying organisation culture and its impact on design decisions; power culture, role culture, task culture, person culture; leadership, group dynamics; application of cultural web.

Technology: the impact of technology on design decisions.

The physical aspects of organisation design: ergonomics, health and safety, well-being, environment and space.

The psychological aspects of organisation design: discretion, autonomy, job satisfaction, the psychological contract, commitment, engagement, specialisation or generalisation of skill, working with others, communication, power and politics.

Organisational resource and performance aspects: work processes, communication flows, efficiency, productivity, monitoring and evaluation, budgetary requirements.

Human resource practices: the consequences of all the above for people management and development strategies; skills and capability requirements; formalisation and standardisation of job roles, role specifications, job descriptions, pay structures, knowledge sharing and knowledge management, employee communication, employee relations.