The ability to organize is our most valuable social technology, and the successful organizational design of an enterprise can increase its efficiency, effectiveness, and ability to adapt. Modern organizations operate in increasingly complex, dynamic, and global environments, which puts a premium on rapid adaptation. Compared with traditional organizations, modern organizations are flatter and more open to their environments. Their processes are more generative and interactive – actors themselves generate and coordinate solutions rather than follow hierarchically devised plans and directives. They also search outside their boundaries for resources wherever they may exist and coproduce products and services with suppliers, customers, and partners, collaborating – both internally and externally – to learn and become more capable. In this volume, leading voices in the field of organization design demonstrate how a combination of agile processes, artificial intelligence, and digital platforms can power adaptive, sustainable, and healthy organizations.

Charles C. Snow is Professor Emeritus of Strategy and Organization at Pennsylvania State University. He has long been associated with the field of organization design and is the coauthor of the classic book Organizational Strategy, Structure, and Process (1978). He is a founding member of Organization Design Community and the cofounder of the Journal of Organization Design.

Øystein D. Fjeldstad is a professor in the Department of Strategy and Entrepreneurship at BI Norwegian Business School. He is a former manager in the technology practice of Andersen Consulting (now Accenture). His research on value creation and actor-oriented organizing has been extensively applied by leading organizations in consulting, technology, healthcare, and education, and he has taught strategy and organization design to students and executives in many industries and countries.
Cambridge Companions to Management provide an essential resource for academics, graduate students and reflective business practitioners seeking cutting-edge perspectives on managing people in organizations. Each Companion integrates the latest academic thinking with contemporary business practice, dealing with real-world issues facing organizations and individuals in the workplace, and demonstrating how and why practice has changed over time. World-class editors and contributors write with unrivalled depth on managing people and organizations in today’s global business environment, making the series a truly international resource.

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Designing Adaptive Organizations

Edited by

CHARLES C. SNOW
Pennsylvania State University

ØYSTEIN D. FJELDESTAD
BI Norwegian Business School
Shaftesbury Road, Cambridge CB2 8EA, United Kingdom
One Liberty Plaza, 20th Floor, New York, NY 10006, USA
477 Williamstown Road, Port Melbourne, VIC 3207, Australia
314–321, 3rd Floor, Plot 3, Splendor Forum, Jasola District Centre, New Delhi – 110025, India
103 Penang Road, #05–06/07, Visioncrest Commercial, Singapore 238467

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We dedicate this book to

Raymond E. Miles,

whose extraordinary understanding of how organizations work – and should work – has benefited each of us in countless ways throughout our careers
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**Contributors**

KENNETH J. CARRIG is President of KJC Advisory Services, a firm providing advice on issues related to strategy execution, acquisition integration, and executive succession planning. He is also Executive Director of the Center for Executive Succession at the Darla Moore School of Business, University of South Carolina. He was previously the corporate executive vice president and chief human resources officer at SunTrust Banks, Inc. and the vice president and chief administrative officer at Sysco Corporation. Carrig is the coauthor of *Building Profit through Building People* (2006) and *Strategic Execution* (2019), which won gold in the business intelligence/innovation category of the Axiom Business Book Awards.

CARY L. COOPER is 50th Anniversary Professor of Organizational Psychology and Health at Alliance Manchester Business School, University of Manchester, and President of the Institute of Welfare. He is a founding president of the British Academy of Management, the immediate past president of the Chartered Institute of Personnel and Development, and a former president of RELATE. Cooper is the founding editor of the *Journal of Organizational Behaviour*, a former editor of *Stress and Health*, and the editor-in-chief of the *Wiley-Blackwell Encyclopedia of Management*. He is the author/editor of more than 250 books in the field of occupational health psychology, workplace well-being, women at work, and occupational stress. He is the chair of the National Forum for Health and Wellbeing at Work, which is comprised of forty global companies.

MICHAEL A. CUSUMANO is Sloan Management Review Distinguished Professor of Management and Deputy Dean of the MIT Sloan School of Management, Massachusetts Institute of Technology. He specializes in strategy, product development, and entrepreneurship in computer software as well as automobiles and consumer electronics. He has
xii

List of Contributors

published 14 books and more than 120 articles and columns. His most recent coauthored book is The Business of Platforms: Strategy in the Age of Digital Competition, Innovation, and Power (2019). Cusumano has been a visiting professor at several international universities and has consulted and lectured at more than one hundred technology companies.

Oystein D. Fjeldstad is a professor in the Department of Strategy and Entrepreneurship at BI Norwegian Business School. He is a former consulting manager in the technology practice of Andersen Consulting (now Accenture). His research on value creation and actor-oriented organizing has been extensively applied by leading organizations in consulting, technology, healthcare, and education. He has taught strategy, organization design, and digital transformation to students and executives in many industries and countries.

Annabelle Gawer is Chaired Professor of Digital Economy and Director of the Centre of Digital Economy at Surrey Business School, University of Surrey, UK. She is also Visiting Professor of Strategy and Innovation at Said Business School, University of Oxford. For over twenty years, she has been a leading scholar and thought leader on the business of digital platforms and innovation ecosystems, which constitute the dominant business model of our times. She has extensive public policy and private consultancy experience, having served as an expert for the EU Commission and Parliament, UK House of Lords, the Organisation for Economic Co-operation and Development, and UK government departments. Gawer was recently appointed as the digital expert for the UK Competition and Markets Authority and is currently consulting with the World Bank on the regulation of digital platforms in developing countries.

Stéphane J. G. Girod is Professor of Strategy and Organizational Innovation at International Institute for Management Development (IMD), Switzerland. His research, teaching, and consulting interests are in strategic transformation of large established businesses, including digital, sustainability, and agility transformations. At IMD, he codirects the Leading Digital Execution program. His research has been published in leading academic journals, and his most recent coauthored book, Resetting Management (2021), focuses on agility transformation. In 2017, Girod launched IMD’s Reinventing
Luxury Lab, open to professionals across luxury sectors. He writes a column for Forbes.com that covers sustainability, innovation, and transformation in luxury sectors.

Viviana Fang He is an associate professor at the School of Management, University of St. Gallen, Switzerland. She is the founding director of the Institute of Responsible Innovation, an interdisciplinary research center focusing on innovative technologies and organizational forms for the social good. She studies collaboration in innovation-related contexts, including self-managing R&D teams, online communities, and decentralized autonomous organizations. Her research has won competitive grants from organizations such as the Swiss National Science Foundation, and she has published her research in leading academic journals such as *Natural Reviews Drug Discovery*, *Strategic Management Journal*, *Organization Science*, and *Information Systems Review*.

Ian Hesketh is an organizational psychologist on the National Forum for Health and Wellbeing at Work at Manchester Business School, University of Manchester. He is also the lead for Police Wellbeing at the UK College of Policing and the senior responsible owner for the National Police Wellbeing Service in the United Kingdom. He is an honorary fellow of Durham University Business School and a visiting fellow at the Open University. He is a chartered manager, fellow of the Chartered Management Institute, and a member of the Society for Education and Training.

Amy Kates is a senior managing director in Accenture’s Operating Model & Organization Design global practice. In 2020, Accenture acquired Kates Kesler Organization Consulting, a boutique firm that Greg Kesler and Amy Kates built over the previous fifteen years. The Kesler Kesler organization design methodology is the standard in the field, built on the pioneering work of Jay Galbraith. Kates is a key contributor to the field of organization design, having published several books on the topic with Galbraith and Kesler. Her most recent book is *Networked, Scaled, and Agile: A Design Strategy for Complex Organizations* (2021).

Greg Kesler is a senior managing director at Accenture. He consults with CEOs and other senior leaders on global organization design and activation. He has led enterprise-level, global redesign projects for
List of Contributors

many leading multinational companies in the consumer goods, capital equipment, healthcare, and life sciences sectors. He provides counsel to CEOs to align their teams around transformational priorities, often featuring new business models, helping them to design and activate changes in their operating models. Kesler is the coauthor of *Networked, Scaled, and Agile* (2021), *Bridging Organization Design and Performance* (2016), and *Leading Organization Design* (2011), as well as numerous articles and book chapters. He teaches and speaks on the subject of organization design to executive groups in public and in-house programs. He cofounded Kates Kesler Organization Consulting with Amy Kates, which was acquired by Accenture in 2020.

**VeGard Kolbjørnsrud** is an associate professor in the Department of Strategy and Entrepreneurship at BI Norwegian Business School and a senior research fellow at Accenture. He researches, teaches, and speaks on strategy, new organizational forms, problem-solving, and the impact of artificial intelligence on managing and organizing. Prior to becoming a full-time academic, he was a strategy consultant with Accenture for sixteen years.

**Christopher Lettl** is Professor of Entrepreneurship and Innovation at the Department of Strategy and Innovation, Vienna University of Economics and Business. He is Director of the Institute for Strategy, Technology and Organization at the same institution and Academic Director of the Vienna Innovation Program. He is a founding member of the Open and User Innovation Society and has consulted with numerous companies and policymakers in their efforts to leverage open and user innovation. Lettl researches and teaches entrepreneurship, innovation, and organization design.

**Jeanne Liedtka** is United Technologies Corporation Professor of Business at University of Virginia's Darden Graduate School of Business. She is a thought leader in Design Thinking and innovation. She has published numerous books and articles on Design Thinking and has taught the subject to thousands of students and executives and to hundreds of thousands in her popular online Design Thinking courses on the Coursera platform.

**Carsten Lund Pedersen** is an associate professor at IT University of Copenhagen. His research interests revolve around business
transformation—how businesses adapt to change and renew themselves. His research has been published in leading academic journals, and he has published digital articles in Harvard Business Review (HBR.org), Sloanreview.mit.edu, CMR Insights, and Nature.com, among others. He is the coeditor of Big Data in Small Business: Data-Driven Growth in Small and Medium-Sized Enterprises (2021).

John A. Mathews is a professor emeritus in the Macquarie Business School at Macquarie University, Australia. A teacher of strategy and organization, he is the cofounder of the Journal of Industry Studies (now Industry and Innovation). For the past decade, he has focused his research and writing on the greening of industry, industrial dynamics of energy transition to renewables, resources transition to a circular economy, and the greening of finance. In 2018, he was a coreipient of the Schumpeter Prize.

Phanish Puranam is Professor of Strategy at INSEAD, Singapore. His research in organization science focuses on how organizations work and how they can work better. He has served in advisory/training roles with global corporations as well as public sector agencies and as an organization design advisor on a pro bono basis for several nongovernmental organizations and the United Nations High Commissioner for Refugees. His books include The Microstructure of Organizations and Corporate Strategy: Tools for Analysis and Decisions (coauthored with Bart Vanneste, 2016).

Thomas Ritter is Professor of Market Strategy and Business Development in the Department of Strategy and Innovation, Copenhagen Business School. His research on business-to-business relationship management, strategy, and business models has been published widely and applied in many organizations across various industries. He is a regular contributor in executive education programs (especially Copenhagen Business School Board Education programs) and in customized strategy development programs.

Scott A. Snell is Frank Sands, Sr. Chair in Business Administration and a former senior associate dean for Executive Education at the University of Virginia’s Darden Graduate School of Business. He teaches courses in strategic management and works internationally with senior executives to help their companies align strategy, organizational capability, and investments in talent. His research has been published
in leading academic journals, and he has coauthored several books, notably Strategic Execution: Driving Breakthrough Performance in Business (2019), Management: Leading and Collaborating in a Competitive World (2016), and Managing Human Resources (2018).

CHARLES C. SNOW is Professor Emeritus of Strategy and Organization at Pennsylvania State University. He has published highly influential books and articles on strategy and organization, including as the coauthor of the seminal book Organizational Strategy, Structure, and Process (1978). He is a fellow of the Academy of Management and was awarded an honorary doctorate by BI Norwegian Business School. He is a founding member of Organization Design Community and the cofounder of the Journal of Organization Design. Snow has taught management subjects to students and executives in more than thirty-five countries.

DAVID B. YOFFIE is Max and Doris Starr Professor of International Business Administration at Harvard Business School (HBS). A member of the HBS faculty since 1981, he has chaired the HBS Strategy Department (1997–2002), Advanced Management Program (1999–2002), Harvard’s Young Presidents’ Organization program (2003–2012), Harvard’s YPO Gold program (2012–2022), and Competing in the Age of Digital Platforms program (2020–present). From 2006 to 2012, he served as the senior associate dean and the chair of HBS Executive Education programs. Yoffie is the author or coauthor of ten books as well as more than fifty scholarly and business articles on international trade, firm strategy, and global competition in technology. He has published more than 200 case studies and teaching notes on technology, business strategy, and international management, which have sold more than four million copies.
An organization is a goal-directed activity system. Organizations are born from creative acts – conceived and put in place in order to achieve desired outcomes. In his classic book *The Sciences of the Artificial*, Herbert Simon distinguished between the natural and the artificial sciences: “The natural sciences are concerned with how things are […] Design, on the other hand, is concerned with how things ought to be, with devising artifacts to attain goals” (1969: 132–133). Organizational designs reflect the opportunities and challenges of their time. During the past few decades, organizations have increasingly been “opening up.” Modern organizations search outside their boundaries for resources wherever they may exist. They coproduce products and services with suppliers, customers, and partners. They collaborate, both internally and externally, to learn and become more capable. And they use digital technologies extensively in order to adapt rapidly to today’s complex, dynamic, and highly interconnected environments.

We believe that organization design is in the midst of a paradigm shift. The established organization design paradigm focuses on structures and complementary processes by which collective activities can be controlled and coordinated. Control and coordination are accomplished by the use of hierarchy – higher-level units control the goals, resources, and actions of subordinate units. The new paradigm focuses on means that enable goal-directed self-organizing – control and coordination by the actors themselves. This paradigm shift is allowing novel organizational designs to flourish; modern organizations are more agile, and they can adapt quicker and more effectively to their environments.

This book is about adaptive organizing. If you are an executive or manager with responsibility for organizational design and development, a management consultant, a scholar in the organization sciences,
or a student wanting to understand how modern organizations work, we invite you to explore the chapters in this book. It is intended to be a resource for anyone seeking cutting-edge knowledge about designing organizations. The book examines important real-world issues facing organizations, placing particular emphasis on the effects of design on organizational adaptability and performance, employee engagement and well-being, collaboration between human and digital actors, and resource usage and sustainability. As you read the book, we hope you will come to see the value in viewing organizing as an ongoing process and design as the creation of means that enable actors to self-organize resources and activities.

To create the book, we invited noted scholars and professionals who, by researching, writing about, and practicing organization design, are advancing the field. These individuals are experts in their subject matter, and they carefully crafted their chapters to show how organizations can be designed for adaptability. We are grateful for their contributions to the book.