

How to get your organisation structure right: a ten-point checklist

*Organisation is much more than structure, but getting your “wiring diagram” wrong risks hindering performance, confusing customers and upsetting your staff. In the first of a series of articles on people and organisations, **Dr Tony McNulty** provides a checklist to help increase your chances of success whenever you make changes to your organisation structure.*

“Change is not made without inconvenience, even from worse to better”, noted Richard Hooker. And most Executives know that making any changes to their organisation structures can be fraught with difficulties.

Yet a new structure is often necessary: your firm has grown rapidly and the current arrangements no longer work; you need a focal point for new business development; managing key projects requires more attention; you want to create a new position of Chief Operating Officer to cope with workload and prepare for succession. There can be any number of reasons for a change.

We often work with clients to help them develop their new structures. As a final step in the process we always consult the attached checklist. Based on the experience of many similar assignments, it has proved invaluable in making sure that the important issues are always considered.

If you are currently developing a new structure, work through each of the ten items. This should help avoid any major design pitfalls. Later on, you can keep things under review as the new structure beds down. For instance, you will want to check that your management and business processes remain fit for purpose. And once you have appointed people to the key roles, you must make clear what you expect, and follow through to ensure it happens.

Getting the right structure is a challenge for any management. Doing it properly in the first place can certainly limit some of the inconvenience.

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Organisation Structure: The Ten-Point Checklist

		Identify any actions necessary (now or in the future)
1.	Does the structure inhibit the organisation from achieving its objectives, or from responding to customer needs? Does it support our values and culture?	
2.	Are lines of communication, responsibility and authority clear? Do they support the overall goals and mission?	
3.	Is the number of management layers appropriate to allow for efficient and accurate information flow?	
4.	Are authority and responsibility well placed in terms of being with those who are the most competent about any matters to be decided upon?	
5.	Do we have, or can we obtain, the people and resources we need to make this work?	
6.	Is there any unnecessary duplication? Are people deployed effectively? Is ownership of important activities/business processes clear? Are any important activities missing, or without an owner?	
7.	How much flexibility is built into the structure, in case we need to adapt quickly to changing circumstances?	
8.	Are the activities of the various 'units' of the organisation grouped appropriately? By functional specialisation? By specialisation of skills? By geography? By groupings with a responsibility for a product, project, or end result?	
9.	Could any unnecessary conflict result from this structure? What is its likely impact on operations and morale?	
10.	Who are the winners and losers? Are any of the losers vital to the successful implementation of the new structure? What actions will ensure their commitment?	