Management Diagnosis

Step 3. Assessing the structure (organizing)



Agenda of today

- ❑ PART 1 : Takeaways of the last class and feedback on your assessment of the processes for leading people

- ❑ PART 2 : PLOC

Focus on the Organizing

- ❑ PART 3 : Stretch our thinking with Thinker50

- ❑ PART 4 : Management diagnostic

Find and advice on the structure

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Takeaways on Leading/Empowerment

- Definition of leadership (**a process** whereby an individual influences a group of individuals to achieve a common goal)
- 4 actions of leaders : (1) setting a direction, (2) aligning people, (3) motivating and (4) inspiring people ; 2 directions : the leaders and their followers
- Four leadership styles directive, supporting, participating, achievement oriented
- Definition of empowerment :
  Delegating authority and decision-making, sharing information, and asking for their input (Lee et al.2018)
- Outcomes of empowerment : with an "S" and not always positive
  creativity , citizenship, trust, performance in routine task
- Moderators /boundary conditions : employee perception, emplpyee working experience, firm sector, firm task asked, and environment contingency
- Being vs perception of empowered
- Maslow hierarchy of needs : when to empower
- Theory X and Y : who to empower
- Daniel Pink : how to empower



Camilla Kring takeaways

1. **What is Chronoleadership?**
   How to organize and lead work by recognizing that people have **different biological rhythms (chronotypes)** and therefore perform best at different times of the day.

2. **Are we all productive at the same time?**
   → **No.** Some people are **early chronotypes (larks)**, while others are **late chronotypes (owls)**. Traditional work schedules often favor early chronotypes.

3. **What is the managerial problem?**
   Managers often associate **early presence with commitment and performance**.
   → Chronoleadership challenges the idea that *when* you work determines *how well* you work.

4. **What should managers do?**
   Provide **flexibility in working hours** when possible and focus more on **results and contribution** than on presence at conventional hours.
   → Match work schedules to employees' chronotypes while maintaining necessary **team coordination**.

5. **Why does it matter?**
   Better alignment between working time and biological rhythms can support **well-being, productivity, engagement, and inclusion**.
   The organization is not based only on the manager's chronotypes.

6. • **Boundary conditions?**
   Flexibility cannot eliminate organizational constraints: **meetings, teamwork, customers, deadlines, and coordination** may require common working periods.
   → Chronoleadership is **not "everyone works whenever they want."** It means balancing **individual rhythms and collective needs**.



The AI assistant?

Nuance their analysis by considering:

- ❑ Definition of empowerment with the author
- ❑ The targeted outcomes of empowerment (e.g., creativity, citizenship, trust, performance in routine tasks).
- ❑ Both positive and negative aspects of empowerment.
- ❑ The difference between employees' perception of empowerment and actual empowerment.
- ❑ Daniel Pink's three elements of motivation (Autonomy, Mastery, Purpose).
- ❑ n

Use of sources:

- ❑ Ensure the student provides clear sources : for any new managerial practices identified but also concept used for the analysis

Make practical recommendations

- ❑ Specific and interesting recommendation (not obvious)
- ❑ Camilla Kring : chronoleadership
- ❑ Sunita Sah; Defiance ?
- ❑ Alice Driscoll & Louise van Haarst : smart conflict?

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  Find and advice on the structure

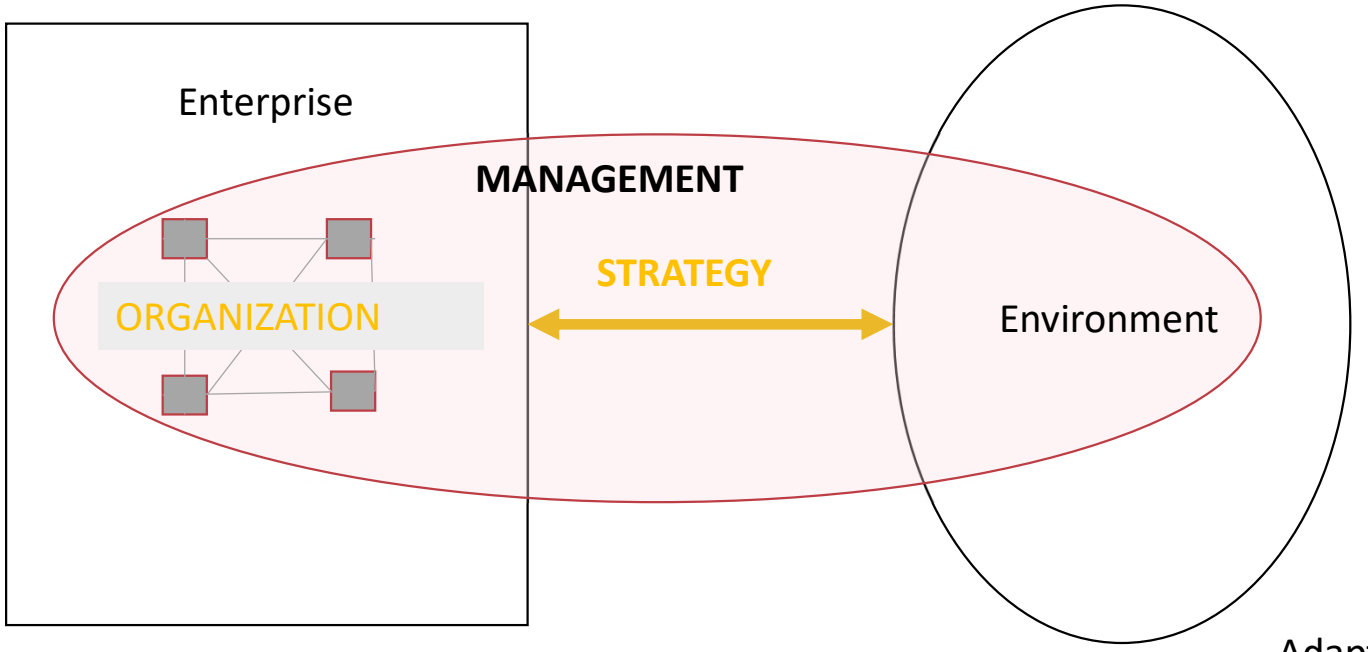
Learning outcomes

- ❑Difference between organizational design and organization structure
- ❑What is an organizational structure? What are the components of an organizational structure
- ❑Different types of organizational structure
- ❑Why and How they need to change the structure over time
- ❑Critical need to match strategy and structure

Before we start

One view :
“Organization makes the strategy alive”

- Remember from class 1 :



Adapted from Helfer et al. 2008

Before we start

- Definition of organizational design
  - Process of creating; implementing, monitoring and modifying the structure, processes, and procedures of an organization.
  - The key component are: structure, culture and control.
  - The goal is to design an organization that allows managers to efficiently translate their chosen strategy into a realized one

Why important?

In 2012, Jerry Yand, CEO of Yahoo who preferred « consensus among managers » than « making tough strategic decision to change the structure »

(The inability to implement strategy effectively is the number-one reason boards of directors fire CEOs)

Organizational design ≠ Organization structure

Let’s focus on structure



Organization structure

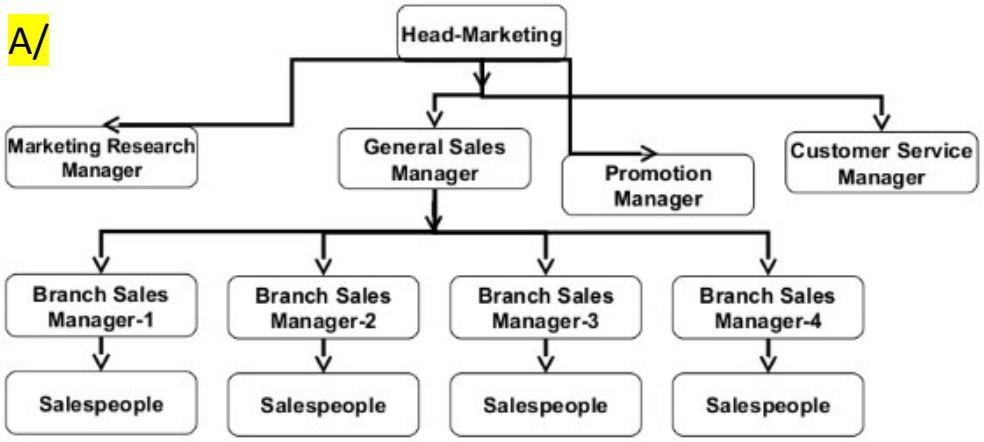
Organizational structure

- Definition: determining how the work efforts of individuals and teams are orchestrated and how resources are distributed
  - How job and tasks are distributed and integrated,
  - Prescribes how individuals and teams coordinate their work efforts

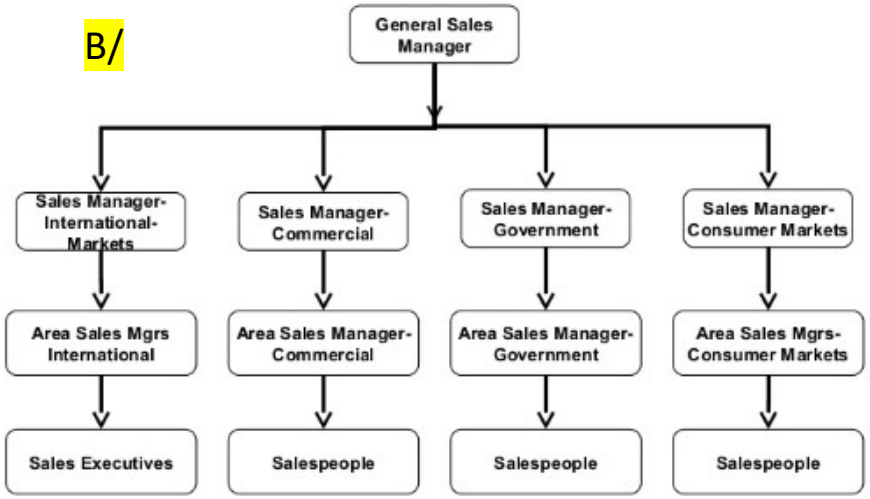
Organizational structure

- What do these figures represent?
- What is the difference between them ?

A/



B/



C/



Organizational structure

- 5 key buildings blocks
  - Specialization
  - Formalization
  - Centralization
  - Hierarchy
  - Coordination



Specialization

Specialization

- Definition of specialization
  - Organizational element that describes the degree to which a task is divided into separate job (« division of labor »)

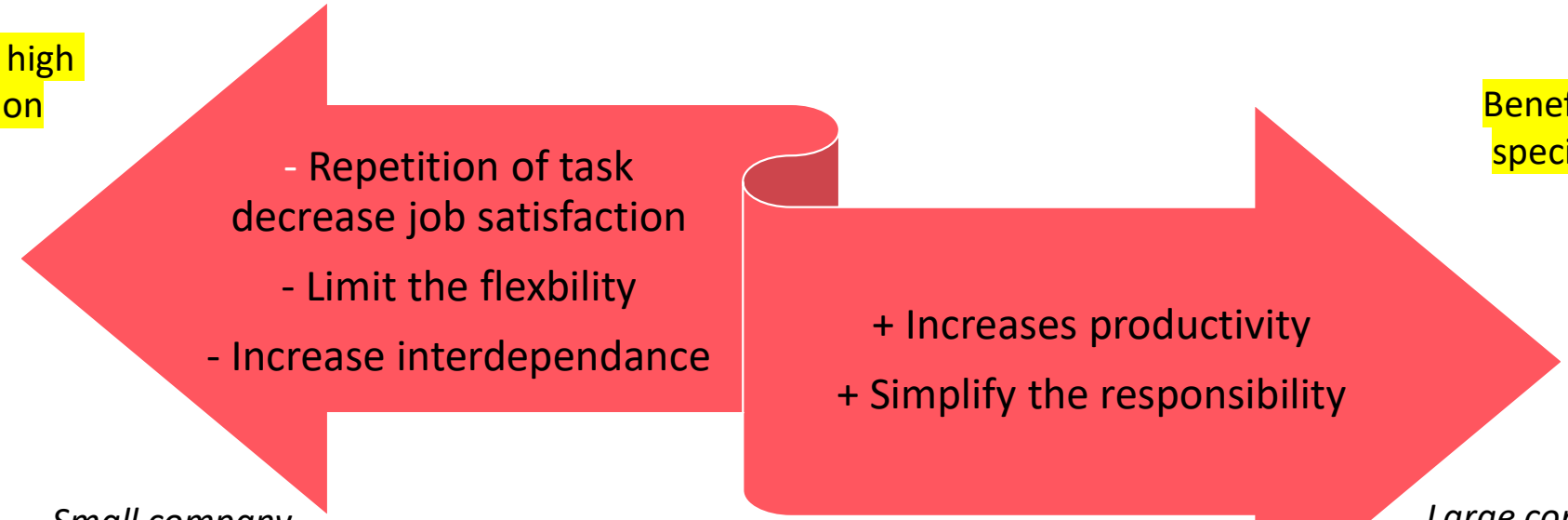
Specialization

- Specialized jobs are combined together in departments (Look at the departmentalization of the company allow to deduce the specialization)



Specialization

- Key trade-off of specialization



Contingency

Small company

Creative tasks

Large company

Repetitive tasks aiming for efficiency



Hierarchy

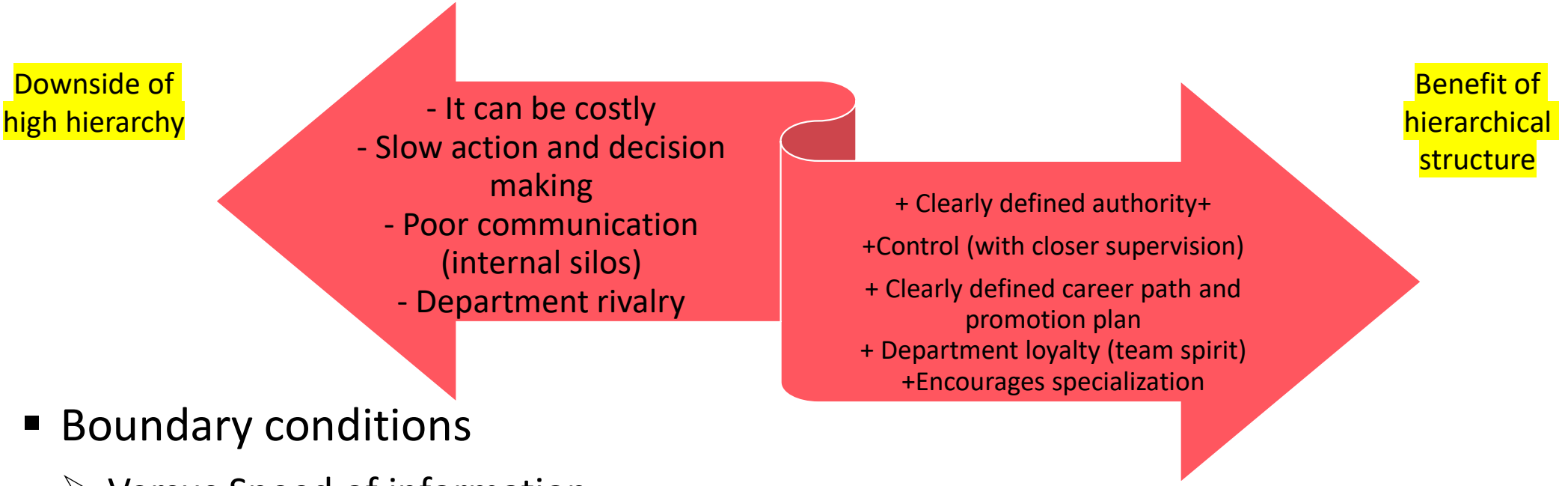
Hierarchy

- Definition of hierarchy
  - Organizational element that determines the formal, position-based reporting lines (who reports to whom)
  - **Tall organization** (many level) by opposition **to flat organization** (few level)

  Remark : The number of levels of hierarchy in turns determines the managers' span of control needed

- Tendency :
  - to de-layers (less middle managers)

Hierarchy



- Boundary conditions
  - Versus Speed of information
  - Efficient control on the information



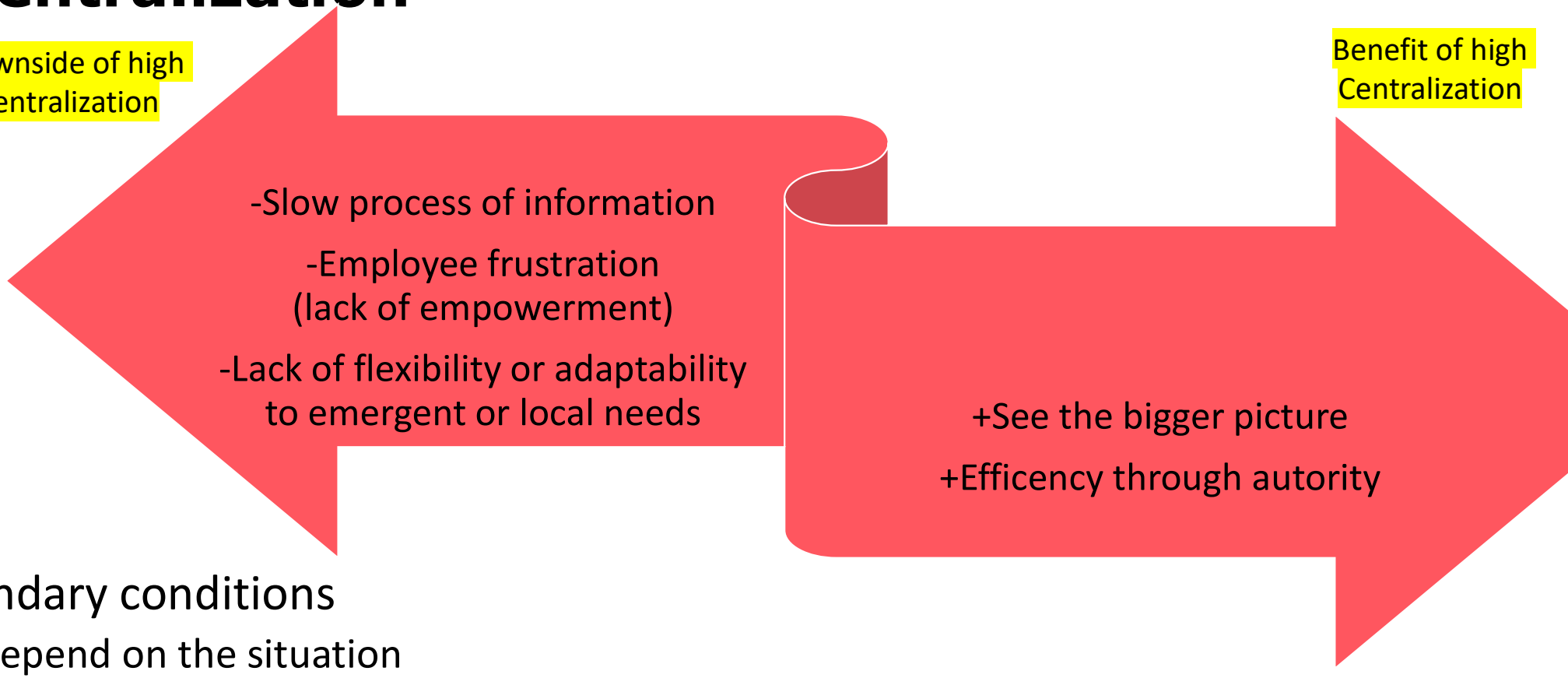
Centralization

Centralization

- Definition of Centralization
  - Organizational element that refers to the degree to which decision making is concentrated at the top of the organization
  - Centralized organization (top-down strategic planning) by opposition to decentralized (planned emergence)

Remark : Vertical specialization

Centralization



- Boundary conditions
  - Depend on the situation
    - BP's response to oil spill in Mexico
    - 9/11 attacks (FBI and CIA)



Formalization

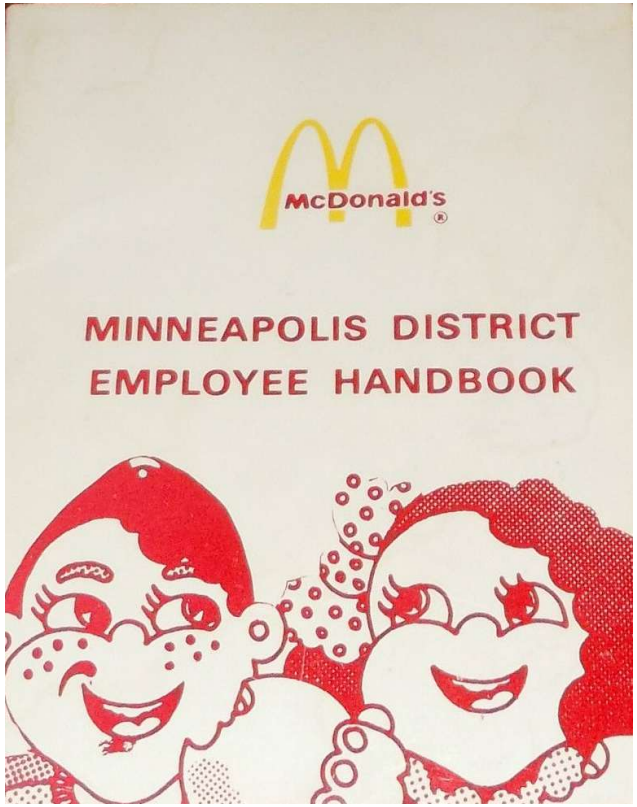
Formalization

- Definition of Formalization

  Organizational element that captures the extent to which employee behavior is steered by explicitly and codified rules and procedures

- Contingency

  When need to achieve consistent and predictable results





Formalization



Downside of high formalization

Hinder creativiy and flexibility

Reliable and efficient

Benefit of high formalization

One time task
Complex or innovative task

Consistent and predictable
Large volum

To go further

- One article I reviewed adopted an eight-item scale from Jaworski (1993) for this measure the formalization

Look for low formalization

Look for high formalization

Formalization

12. I feel that I am my own boss in most matters.
13. A person can make his own decisions without checking with anybody else.
14. How things are done around here is left up to the person doing the work.
15. People here are allowed to do almost as they please.
16. Most people here make their own rules on the job.
17. The employees are constantly being checked up on for rule violations.
18. People here feel as though they are constantly being watched to see that they obey all the rules.



Coordination

Coordination



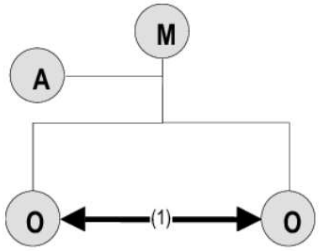
Henry Mintzberg (1939-)
Professeur in business and management McGill (Montréal)

Topic :

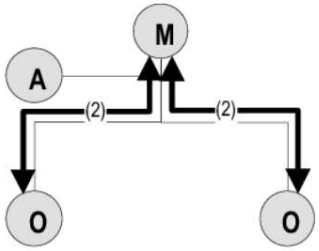
- Strategy (deliberate and emergent)
- Manager roles
- Structure

The structuring of organizations
H **Mintzberg** - Readings in Strategic Management, 1989 - Springer
Abstract This [reading] argues that [...] spans of control, types of formalization and decentralization, planning systems, and matrix structures should not be picked and chosen independently, the way a shopper picks vegetables at the market or a diner a meal at a ...
☆ 99 Cited by 16059 Related articles All 11 versions »

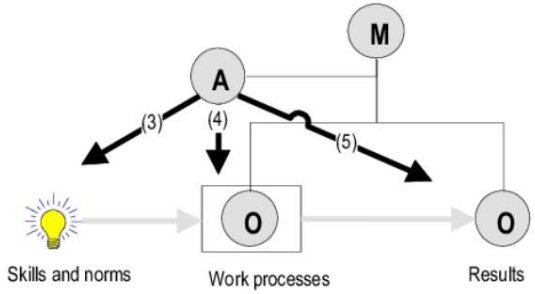
Coordination



Mutual adjustment



Direct supervision



Standardization

1. *Mutual adjustment*
2. *Direct supervision*
3. *Standardization of work processes*
4. *Standardization of outputs*
5. *Standardization of skills and knowledge*
6. *Standardization of norm*

FUN EXERCICE : which coordination process

1. *Mutual adjustment*
2. *Direct supervision*
3. *Standardization of work processes*
4. *Standardization of outputs*
5. *Standardization of skills and knowlea*
6. *Standardization of norm*

A



B



C



D



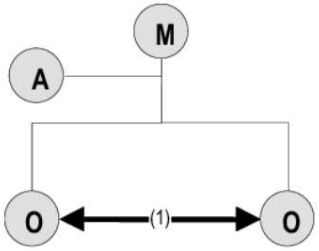
E



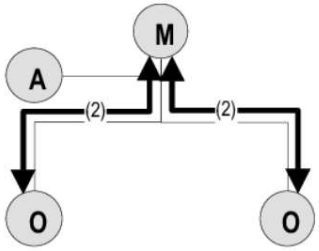
F



Coordination



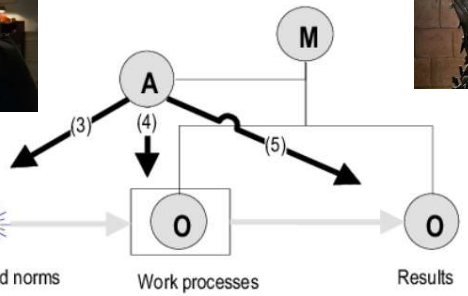
Mutual adjustment



Direct supervision















1. *Mutual adjustment*
2. *Direct supervision*
3. *Standardization of work processes*
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Structure

Let’s go further into the structure

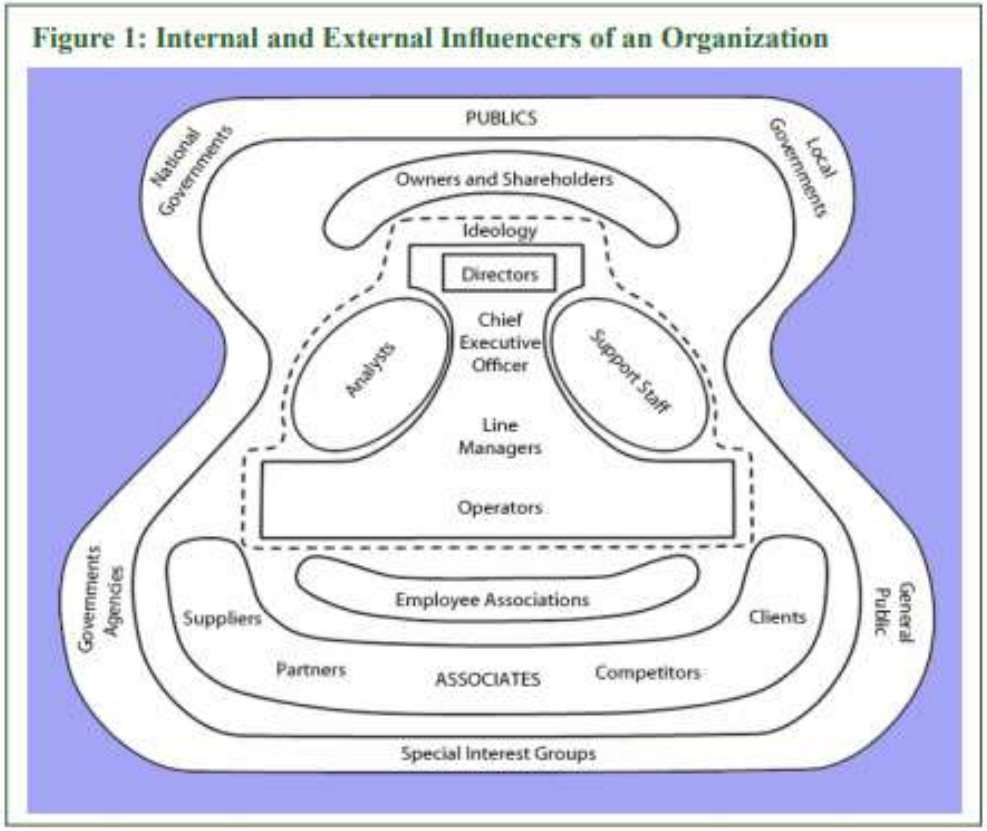
- https://www.youtube.com/watch?v=FGS1_jcBFiY
- What are the different part of the organization?
- What are the different structure and let’s try to deduce their main choices for coordination

Let’s go further into the structure

Six basic parts of the organization



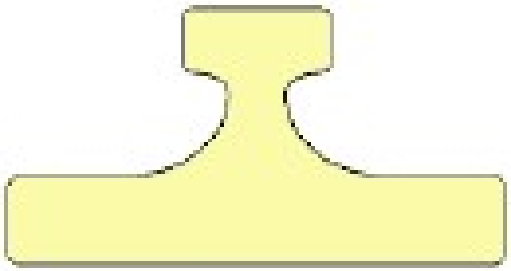
1. **Ideology**
2. **Strategic Apex**
3. **Operating Core**
4. **Middle Line**
5. **Technostructure**
6. **Support Staff**



Let’s go further into the structure

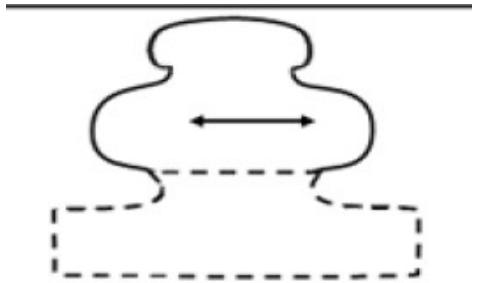
Structural Configuration
Simple structure
Machine bureaucracy
Professional bureaucracy
Divisionalized form
Adhocracy

A/



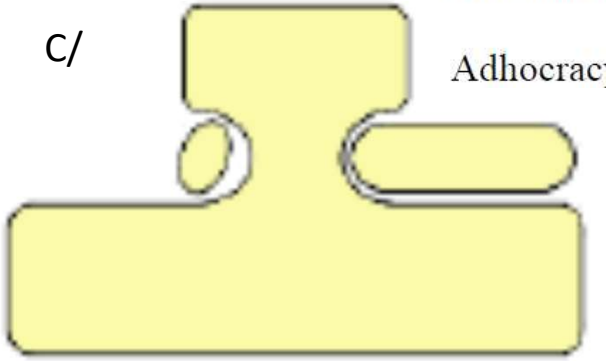
Simple structure/Entrepreneurial organization

B/



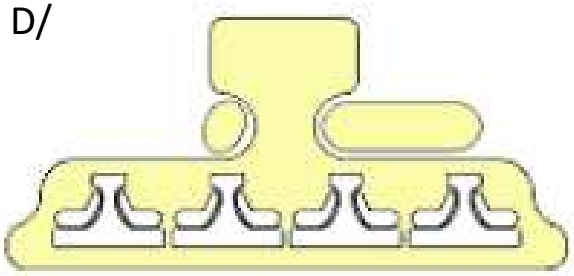
Innovative organization

C/



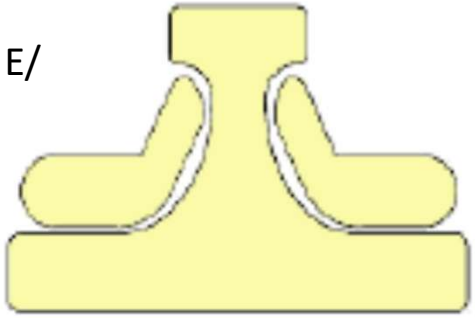
Professional bureaucracy

D/



Divisional organization

E/



Machine Bureaucracy

Let’s go further into the structure

Table 1. *Mintzberg’s Five Organizational Structures*

Structural Configuration	Prime Coordinating Mechanism	Key Part of Organization
Simple structure	Direct supervision	Strategic apex
Machine bureaucracy	Standardization of work processes	Technostructure
Professional bureaucracy	Standardization of skills	Operating core
Divisionalized form	Standardization of outputs	Middle line
Adhocracy	Mutual adjustment	Support staff



Changing the Structure

Changing the Structure

- Why is it difficult to change the structure?
  1. Change the resource allocation
  2. Power distribution



Disturbing the status quo

Changing the structure

- Why is it difficult to change the structure?

  3. Organizational inertia
     - Harder in established organization that reached success through this initial structure

  Remark : Firms are at risk :
     - When mangers consider only strategies that do not change the existing organizational structure

Changing the structure Some examples

- **Discover some examples on :**
  https://change.walkme.com/organizational-structure-change/



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Reading - The Top 5 examples of Organizational Structure Change for 2023

Changing the structure Some examples

Why change ?

- adjust to changing customer needs and preferences or to meet the challenges of a rapidly changing economic environment
  (e.g. Microsoft in 2014 to eliminate internal competition and brought together several engineers and computers scientists to focus on AI across product lines)
- To shift resources away from non-essential or **underperforming activities** into areas that are critical for success (e.g. **Toyota's decentralization supports safety improvements in 2013)**
- To provide opportunities for growth and expansion by introducing new products, services, or processes. (e..g. **Google becoming "alphabet" to enhance innovation and specify the management (Google, Waymo and Verily)**
- To improve overall performance by focusing on core job functions, streamlining operations, and reorganizing the organization's structure. (e.g. **Disney is shifting its focus to streaming)**



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Reading - The Top 5 examples of Organizational Structure Change for 2023

Change the structure for internal coopetition
In-depth Case study

ELSEVIER

Research Policy

Volume 48, Issue 3, April 2019, Pages 584-600

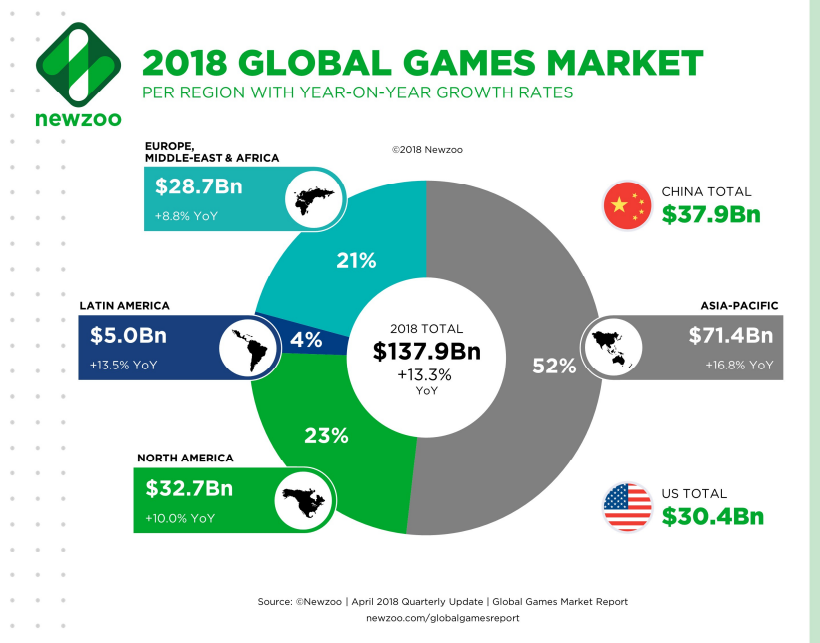


"All for One and One for All?" - Knowledge broker roles in managing tensions of internal coopetition: The Ubisoft case

Paul Chiambaretto [a 1], David Massé [b 1], Nicola Mirc [c 1]

Change the structure for internal coopetition
In-depth Case study

- A global, promising and competitive market : videos game





Change the structure for internal coopetition
In-depth Case study

- French multinational video game developer and publisher founded in 1986
- Third largest independent publisher of video games industry
- Ubisoft's largest development studio is Ubisoft Montreal in Canada

Some key video games by Ubisoft (units sold)

Rayman (27m)



Assassin's Creed (91m)



Just Dance (54m)



Spinter Cell (31m)



Raving Rabbids (14m)



Change the structure for internal coopetition
In-depth Case study

- Intented strategy : internal coopetition (cooperation + competition)

Idea 1 : Organizing Competition



Why?

Reason 1: boost efficiency

Reason 2 : boost innovation

Why internal competition (and not external) ?

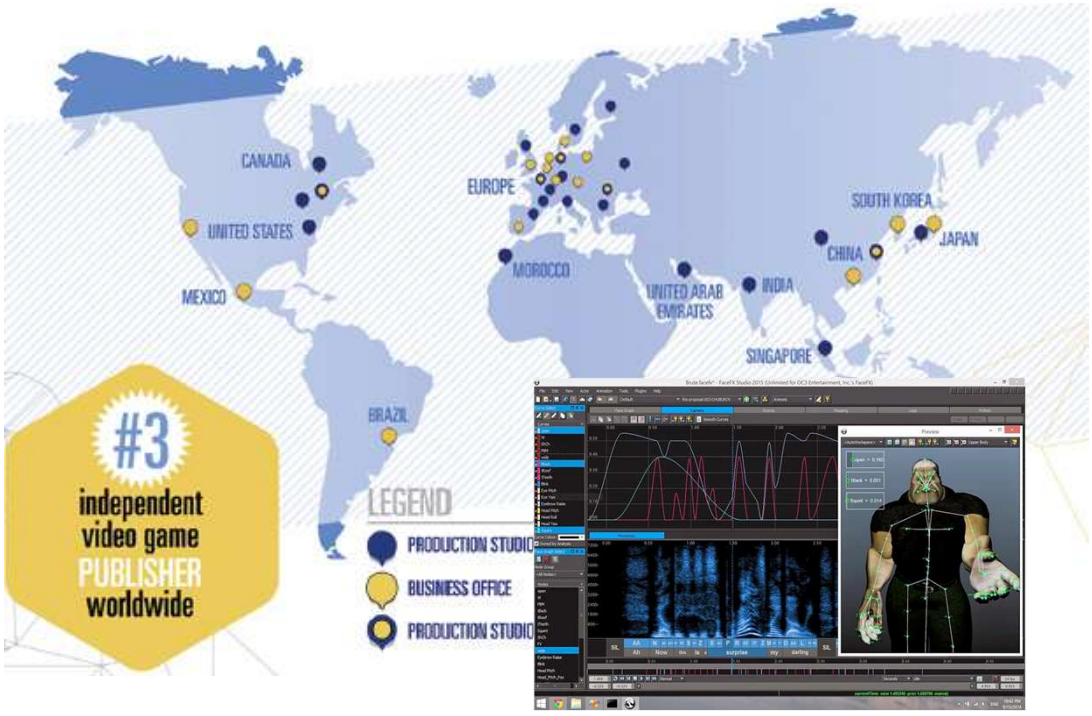
Reason 1: DO not access the detailed information on the cost from external team (but do internally)

Reason 2 : Same condition and same resource (fair competition)

Change the structure for internal coopetition
In-depth Case study

- Intented strategy : internal coopetition (cooperation + competition)

Idea 1 : Organizing Cooperation



Why?

Create one algorithm for a shadow instead of 29 different
Reason 1 : reduce the cost

Reason 2 : increase the quality

Reason 3 : save time for the differentiation

Why internal cooperation?

Reason 1: Not real competition, if save resources or win more, it is a gain for everyone

Change the structure for internal coopetition
In-depth Case study

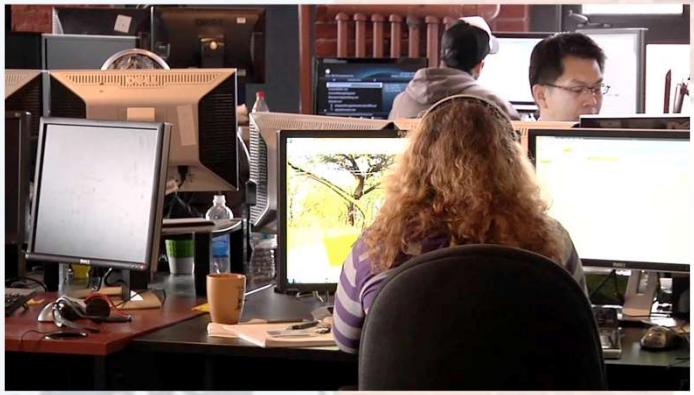
INTERNAL COOPETITION

Promising idea but complex reality….
They did not want to share, why?

The reality : Tensions that jeopardized the sharing

- Competitive advantage from other projects
- Costs associated with sharing
- General mistrust towards a technology developed by another project
- Lack of technical supervision at the corporate level

Change the structure for internal coopetition
In-depth Case study



The solution : «*The Technology Group* »

An In-house Broker for Creation Tools

- 240 people based at the Montreal studio (Canada)
- International mandate which aims at fostering the sharing of middleware technologies (creation tools) across all the group's studios

Change the structure for internal coopetition
In-depth Case study

Three activities of the TG identified:

Identifying and accessing knowledge

(1) Identifying technological breakthroughs made within projects

- Helped by the formal and informal relationships between the TG's employees and the group's various teams.
- Selected technical projects may be carried out in co-development with the TG.

Translating knowledge

(2) Retrieving tools, making them generic and improving them

- Rework the middleware to make it compatible, useable and understandable for everyone.
- Improve the tool's performance for it to meet the requirements of the largest number of projects possible.

Diffusing knowledge

(3) Distributing products to all the group's projects.

- Website listing the 30 + monthly newsletter
- TG's mobile teams who help integrate the tool into the game engine and train the team on how to use it.
- This stage makes it possible to have constant feedback on the products and improve them on a continuous basis.

Change the structure for internal coopetition
In-depth Case study

- With the TG :
  - Kept first mover advantage
  - No cost of sharing for the team : just let them observe
  - Benefit of having the TG observing what they do : when they see something that can be improve, they share it
  - The name of the studio who invented a tool used in an other studio appear on the video game (give sometimes even financial reward)

Let’s go further into the structure

- Organizational structures continue to be developed to enhance how organizations do business and remain competitive. Let’s talk about some of these new options, designed to help organizations do business in today’s world.

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  Find and advice on the structure



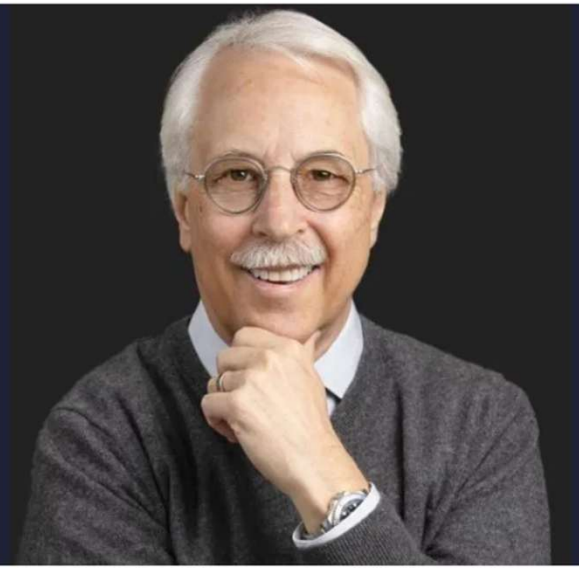
Stretch our thinking

With Thinker50



Management diagnostic

Find and advice on the structure



Gary Hamel

Bureaucracy buster, champion of management revolution, and advocate for innovation as the driver of wealth creation.

HALL OF FAME

Inducted into the Thinkers50 Hall of Fame in 2022.

RANKED THINKER

Ranked #31 in 2019.

Previous positions:

#31 (2017), #30 (2015), #19 (2013), and #15 (2011).

THINKERS50 BOOKLIST

Competing for the Future (co-written with C.K. Prahalad) was featured on the Thinkers50 Management Classics Booklist in 2023.

Discover the thinker 50 : Gary Hamel

Watch : https://www.youtube.com/watch?v=zUeXmygoLfU

And the question :

What is the new concept? What did he identify ? Why interesting ?

What box to the traditional 5 boxes used to describe structure can we add (how does he questioned these boxes?

What boundary conditions?

Discover the thinker 50 : Gary Hamel

What is the new concept? Humanocraty.

What did he identify ? Why interesting ?

Bureaucratic structure does not work in our VUCA environment => put human in a context of rigidity while the organization aim for disruption and innovation

Call to rethink “Human”:

bureaucratic view : human as a mean to reatch the organization objective (

VS humanocraty : Human as the end and the organization is there to help the human experiment

To reatch this humanocraty, you need to aim (1) FLAT (2) FREE (3) FEARLESS

What assumption questioned?

Add to the 6 building boxes of structure : Experimentation (combined of free and fearless)

What boundary conditions?

Companies that need to continuously disrupted itself (innovate)



Stretch our thinking

With Frédéric Laloux



Alex Budak

Author of *Becoming a Changemaker*.

RADAR THINKER

Thinkers50 Radar Class of 2026.

RECOGNITION

Top 50 leadership and management expert – *Inc.*

Top 5 book about work for *Becoming a Changemaker* – CNBC.

FUN FACT

Alex's courses at Haas have inspired student tattoos.

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  Find and advice on the structure

Group work

What to do?

a. Characterize the Organizational STRUCTURE of the company you picked

*Tips do not forget that to characterize the organization structure you need to define not only the **5 building blocks***

b. The CEO is thinking about his Organization STRUCTURE. He wants your insight: What is strength and potential weakness in his company's organizational structure? Moreover, what should he change? He asks you to write A NOTE to answer the question.
Tips for the NOTE: check if (1) you are highlighting explicit at least one change that YOU believe the company should implement based on its purpose, (2) what should the CEO take into consideration in implementing your advice



Takeaways from Day 3

1. Organizational design > Organizational structure
2. Organizational design :
   - Process not just creating but implementing, monitoring and MODIFYING
   - 3 blocks : control, structure and culture
   - Effectively translate their chosen strategy into a real one
3. Organization structure :
   - determining how the work efforts of individuals and teams are orchestrated and how resources are distributed
   - 5 buildings blocks : Specialization/ Formalization / Centralization/ Hierarchy /Coordination
   - 6 basic parts (ideology, strategic apex, operating core, middle line, technostructure, support staff) + external parts
   - Organization configurationS
4. When changing the organizational design, managers need to expect organizational inertia/resistance
5. New types of structure : Humanocracy + a 6th bloc : Experimentation