Sample Organization Design Parameters

In order to optimize the effectiveness of the organization and specific jobs being designed, the following issues should be considered.

Design Parameter:	Definition:	Considerations:
Strategic Business Focus & Business Model	• The specific strengths, capabilities, or business drivers that uniquely distinguish a particular department or unit from another.	• What are each function / unit's core capabilities, processes, services, talent and unique value-add that contributes directly to strategic objectives and business model requirements?
Reporting Structure	• The formal reporting relationship or arrangement for an individual, process team, or function.	• Is a process activity "owned" by as few a managers as possible? Is process completion established to cut across as few organization boundaries as possible?
Departmentation	• The process of clustering work activities into business unit or departmental areas of responsibility.	• Map specific work, tasks, processes and sub-processes of both acquirer and acquired. What are the similarities? Differences? What historical accommodations should now be addressed? Have all possibilities for grouping fundamentally similar work been considered? For example: standardized tasks; redundant tasks; opportunities to reduce decision making cycle time; economies of scale?
Staffing Level	• The quantity of personnel (FTE's) occupying the same job, same process, same team, same function, etc.	• Have strategic and customer value-added processes been staffed sufficiently to ensure no risk of poor work quality or service gaps? Have essential support processes been staffed sufficiently to avoid bottlenecks / service gaps? Have all non-strategic and administrative services been outsourced?
Depth of Control	• The number of levels that exists in the organization structure. The number of levels or steps of review, endorsement, and approval that exists in an organization.	• Have the number of levels been minimized to the extent practical? Have jobs been designed so that the distance between information generation and decision making is minimized?
Span of Control	• The number of individuals who report to a manager or supervisor.	• Has the number of direct reports been maximized to support the manager's breadth of responsibilities? Have adequate processes and protocols been established and trained so managers can

		effectively operate larger spans of control?
Job Content -- Vesting	• The degree to which the responsibility for completing an activity is specified, understood, and accepted by an individual, team, or function.	• Has responsibility for completing an activity been vested in one (and only one) individual, (e.g. a single point of accountability) to the greatest extent possible / desired?
Job Content – Breadth	• The degree to which an individual performs a broad array of activities.	• Have jobs been optimized to allow individuals to perform the broadest possible array of activities within an area of responsibility or skills? Have the number of individuals performing activities within any one process been minimized?
Alignment of Responsibility and Authority	• The degree to which the level of authority granted to an individual, team, or function is sufficient to accomplish the majority.	• Have unnecessary review, endorsement, and approval steps been eliminated? Have the jobs been provided sufficient level of authority to enable the work to be completed as quickly as possible, without major interruptions for review steps. Have sufficient oversight processes been established?
Geographical Location	• The specific physical location of a job, process, or location, and the people performing the work.	• Is work organized, located and remote collaboration methods suited to maximize face-to-face communication? Is work location planned to facilitate adjacent or linear process steps effectively by those nearby?
Integration	• The extent to which business units, departments or individuals share information; gain cross-functional involvement / responsibility; and coordinate decision making between other units.	• Have we optimized jobs that will benefit from cross-functional collaboration and open access to communication between units, departments, or other individuals? Have we identified processes or mechanisms to maintain effective cross-functional coordination and communication, even where work is not located in the same geographical area?
Personnel Capabilities	• The set of competencies and skills required to perform the job.	• Have we identified an objective staffing process with sufficient structure and parameters to ensure jobs are actually filled with individuals with the skills and competencies needed to successfully perform the work?
Bench Strength	• The degree to which individuals with the right skills or competencies are available to back-up or fill positions in both a short-term or long-term need.	• Have we provided sufficient job rotation, cross-training, flexibility, and developmental "stretch" assignments needed to broaden skills?