# Reimagining Work:
# How Will You Organize?

**by Kelli Allred, Matthew Ferstle, and Victoria Inman**

**Generational and technological changes demand that organizations rethink how they structure their teams to accommodate collaboration, communication, productivity, and lifestyles.**

We see organizations restructuring for a variety of reasons. A new leader comes in and her team's structure changes shortly thereafter. Or, as technology enables industries to evolve, organizations restructure to keep up with the competition. Mergers and acquisitions require leaders to take a closer look at redundancies in roles.

We've seen most, if not all, organizational redesign efforts correlated with a change. Change is inevitable, and by its very nature, change places pressure on organizations to restructure to increase efficiency, productivity, and profitability.

We design organizations in a way that fosters collaboration, builds relationships, and enhances productivity. But one of the biggest inhibitors to realizing our plan is a lack of communication: "What we have here is a failure to communicate!" This is arguably the most common challenge we see organizations struggle with. Time after time, we experience inefficiencies because of a failure to cascade communications or decisions from senior leadership down throughout the rest of the organization.

When you see signs that it may be time to embark on an organizational redesign, consider some of the latest organizational trends we're seeing: organizations designed to be 1) connected; 2) informal; and 3) flexible.

## Trend 1

# Connecting Teams to Work Better Together

An increasing percentage of the workforce has grown up with the ability to be constantly connected. Do you remember the 1990s, watching Zach Morris on "Saved By the Bell" with his cell phone? Or sitting in front of the computer after school surfing AOL? Today, toddlers handle iPads effortlessly.

As time goes on, millennials and members of Generation Z will comprise an ever-larger percentage of the workforce. As this percentage increases, it is becoming increasingly apparent that the majority of our workforce has been socially constructed to expect the feeling of "connectedness"—exposure to cell phones, mobile devices, etc.

Consider these 2015 numbers from the U.S. Bureau of Labor Statistics: 35 percent of the total workforce is represented by workers 34 years old and younger (29 percent of those are in management or professional occupations) (Statistics, 2016). This generation's exposure to and dependence on technology advancements requires a variety of accommodations—including the way organizations are designed.

To accommodate this "socially constructed" need for connectedness as it relates to organizational design, we are seeing organizations foster cross-team communication and connectedness by:

1) Modifying physical floor plans to provide more open environments (think low cube walls, open bullpen floor plan) and game rooms to provide opportunities for coworkers to interact with each other in person, to have fun, and to be more plugged in to their organization's community.

2) Providing virtual presence capabilities to allow employees to connect across multiple locations.

These include telecommunication and collaboration tools such as instant messaging, social media, and others, which can give employees a sense of inclusion—particularly co-workers across different locations.

3) Introducing competitions to build comradery among teams (e.g., a nonprofit fundraiser) or creating opportunities to interact while building better solutions.

Connectedness is trending because it gets teams to work, have fun, and perform together, while delivering on corporate initiatives.

## Trend 2

# Developing Less Formal Reporting Structures

The shift to less formal reporting structures is a direct response to changes in the way we work. The new way in which we work calls for less rigid structures, more communication, and access to information. As we saw in Trend 1, millennials and Generation Z members of the workforce grew up with connected technologies at their disposal.

Just look at how social media has changed the way we communicate: People have direct access to their favorite celebrities through Twitter or Instagram; they expect the same access to their leaders. Employees need to feel engaged, and employers need to provide the structure to support it.

Less formalized reporting structures can better facilitate increased employee engagement. Flatter organizations enable employees to participate in continuous improvement and help drive career ownership. Employees feel like their voices and ideas are heard, instead of waiting months to speak to the right person or jumping through hoops to prove a solution.

Informal structures allow increased interaction among employees with more flexibility to define their roles and drive innovation. For example, Airbnb designed a structure based on freedom within a framework. The company defines roles within a function and an organization, but lets employees determine how to navigate those roles to reach and/or shift their career goals. This framework supports the decision-making process, but it also elevates autonomy.

You may be thinking: Why invest in creating an informal structure? The investment is mutually beneficial to the organization and employees. It encourages employees to create their own opportunities, leading to increased job satisfaction and tenure. Every department, function, and team can see the effects. After all, being in a position to influence positive change is a powerful tool for any individual. By encouraging interaction and innovation, while providing the right organizational structure and roles, you start to build competencies. Organizations obtain crucial competitive advantages by designing unique structures that can create active roles, reduce red tape, and slow attrition.

## Trend 3

# Creating Flexible Benefits and Incentives

To meet the demands of a more interconnected, transparent, and competitive workplace, organizations are experimenting with innovative ways to differentiate themselves. Flexibility, in particular, is now more commonly being used as a marketing incentive to attract and retain employees. In a 2015 CareerBuilder study, 40 percent of respondents listed "flexible schedules" among the top five factors more important than salary when considering a position.

So, what does flexibility mean in this context, and why is it important?

Flexibility is a collection of self-management options, offered by employers, that gives employees the choice and autonomy to "work around" their personal needs whenever, wherever, and however they choose. Perks such as remote work, flex time, job sharing, sabbaticals, and rotational programs provide opportunities for individuals to freely focus on career progression, skill development, stewardship, and/or personal matters.

When these workplace alternatives are aligned to the strategic goals of the organization and broadly adopted, the entire employee-employer experience changes. Incorporating empathy and trust, rather than exceptions, creates a perception of the organization's culture that can't be replicated, and the choice to go to work provides greater fulfillment than a paycheck.

New movements in the workforce, along with innovative technologies like artificial intelligence, droids, and drones, are prompting additional changes to the design of functions, compensation structures, and career types. Organizations of all sizes will need to respond to the impact that advanced tools and heightened interests in more flexible career models for casual, contract, and part-time employment (known as the "gig economy") have on employee development, as well as on the delivery of capabilities and services.

As organizations discover new ways to remain competitive in the market for talent, teams will continue to grow more widely distributed, and employees will value the empowerment to progress in their careers with fewer constraints. The ability to integrate flexible programs, policies, and technologies will bring increased levels of commitment, loyalty, and praise in this advancing age of organization.

## Addressing the Trends: New Types of Organizational Structures

Organizations of all sizes are adopting design thinking "outside the lines and boxes" of traditional hierarchical structures. Most organizations are structured for top-down command and control, rather than vertical and horizontal interaction between executives, employees, partners, and customers. Traditional hierarchical structures do not facilitate agility and growth. Instead, they encourage siloes and stifle knowledge sharing, which in turn affects the organization and its employees.

Organizations are responding to the trends with forms of connected structures focused on functions and experiences. The emphasis is on corporate capabilities and interaction models.

There are different types of organizational structures to consider; there is no one-size-fits-all approach. A variety of factors need to be considered, and a few concepts have emerged to address individual organizational needs:

**Flatter:** Flat organizations focus on removing barriers to communication and interaction between employees by removing layers that create barriers.

**Flatarchies:** A mix of flat and hierarchical organizations, best suited for organizations that need to be Agile to facilitate innovation. Agility allows the organization to be flexible enough to spin out teams when needed, with defined roles and reporting structures to complete projects.

**Holacracy:** Based on distributed authority through clear and changing role definition to facilitate work needed to run the business.

## More Than Just an Org Chart

Organizational design is more than just reporting structures or boxes and lines. The latest trends prove that the future of work will lead to connectedness, less formal structures, and more flexibility. Is your organization in a position to respond?

Every industry and organization is different. No one single design will ensure success for your organization. You can determine what structure will allow you to deliver your value proposition.

Remember, organizational design should not be as simple as defining reporting structures. It should include strategies to enable cross-department communication. Keeping these as top priorities when designing your organization will create the natural by-product of enhanced productivity.

Think about the way work has changed over the last 20 years. Hierarchical structures reigned, supporting the rise of middle management. Employees specialized to remain loyal, and technology wasn't used to facilitate communication.

Employers must create workforces with innovative tools, programs, and processes as a means to survive or thrive in today's era of unrelenting change. Rightfully so, there are plenty of concerns about the implications, uses, and coexistence of these shifts on today's labor profile. However, it's likely a coordination challenge that can be fused or mended with better role definition. The future is coming, so it will be important to think not only about the disruption of workplace culture, but the workforce structure that will compete and thrive. ◼

**Kelli Allred**
*Jabian Alumna*

**Matthew Ferstle**
*matthew.ferstle@jabian.com*

**Victoria Inman**
*victoria.inman@jabian.com*