

## Organizational Redesign

In order to address the challenges of global poverty, Dr. Helene Gayle needed to encourage collaboration among formerly independent national units of CARE. To achieve that goal, she addressed organizational design. **Organization design** refers to the arrangements, both formal and informal, that an organization calls upon to help shape employee behavior (see [Exhibit 4-1](#)).

Building a Vocabulary of Change

### **Organization design**

the arrangements, both formal and informal, that an organization calls upon in order to shape employee behavior.

Formal	<ul style="list-style-type: none"><li>• Compensation and measurement</li><li>• Reporting structures</li></ul>
Informal	<ul style="list-style-type: none"><li>• Defining roles and responsibilities of employees</li><li>• Defining relationships within the organization and between the organization and external stakeholders</li></ul>

**Exhibit 4-1** Design Elements.

Formal aspects of design include rewards and performance measurements as well as the reporting relationships depicted on an organization chart. Informal aspects of design relate to how people perform the required tasks of the organization and how they collaborate and work with others, both inside the organization (within their own groups as well as across groups and functions) and outside (with suppliers and customers, for instance). Informal design addresses questions of focus and coordination, of where decision-making authority will be located, and the necessary balance between the requirement for flexibility and the need for control.