

Piloting Redesign

Design choices represent an attempt by organizational leaders to address the challenges inherent in managing in dynamic environments. Shifting customer expectations, disruptive technologies, new competitors, and renewed strategies provide the impetus for redesign. If all those elements remained the same, then the design that worked effectively in the past would continue to prove useful in the future.

However, a truly static environment does not really exist. New competitors enter and exit the marketplace. New technologies replace existing processes. Customer expectations shift. Companies age; they expand and contract. Strategies change. No design solution, no matter how useful it may be at any one time, is impervious to the need for change.

Changing an organization's design, a process known as **organizational redesign** [D](#), presents its own set of implementation challenges. Optimally, redesign occurs in a systemic and strategic way: aligning multiple design elements with the renewed strategy of the firm. Often, however, organizational leaders embark upon redesign in a much more haphazard, piecemeal manner.

Building a Vocabulary of Change

Organizational redesign

the process of changing an organization's informal design in response to shifting dynamics in the organization's environment.

Theory into Practice

The most effective way to change organizational design is to be systemic and strategic rather than piecemeal and haphazard.

Why is it that leaders often approach redesign in such a suboptimal way? For one thing, comprehensive redesign can be intimidating. Write Michael Goold and Andrew Campbell, "it's immensely complicated, involving an endless stream of trade-offs and variables."⁴ In addition, organizational redesign can be divisive, often pitting individuals against each other and devolving into power plays.⁵ Dr. Gayle admitted that country unit managers at CARE were "comfortable" with the current design. Organizational leaders may prefer to avoid the potential for discomfort and confrontation inherent in comprehensive redesign.

Given the potential for discomfort, it is not surprising that executives often stick with their existing designs long after shifting circumstances seem to demand change. They may tinker, making marginal design change, while leaving the core of the organization intact. *The status quo had worked well for us in the past, they may conclude. Why stir up all the potential conflicts in order to change?*⁶

In a dynamic environment, commitment to past design arrangements can undermine organizational effectiveness. CARE's broadened scope, for instance, required greater collaboration across national boundaries. When a diagnostic intervention reveals that existing design arrangements undermine performance, organizational leaders may wish to avoid that potential trap and decide that the negative performance consequences outweigh any perceived "advantage" of conflict avoidance.

The requirement for strategic change poses what seems to be a dilemma. Organizational redesign, to be effective, targets the entire organization. Targeting an entire organization is difficult, however. In a large, complex company, it is downright impossible. The way out of this apparent dilemma is through change pilots. Note that Dr. Gayle did not target all of CARE's activities for change. Rather, she focused attention on a single—albeit a bold—project: Access Africa. Likewise, Duke University's Children's Hospital ([Chapter 2](#)) focused its initial transformation on a single unit: pediatric intensive care.

In both cases, leaders utilized **change pilots**: [D](#) individual units or processes that can provide the opportunity for change. They are, in essence, change laboratories: opportunities to try things out, experiment, and learn.

Building a Vocabulary of Change

Change pilots

small units or specific processes that can be targeted at the early stage of change implementation to experiment and learn.