

Democratizing Organization Design

Community Conversation with Mark Augusta and Donald Nagle

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Democratizing OD

An Org Design conversation about inclusive engagement

“In my experience, most solutions come from those actually doing the work. In fact, I have found that those individuals responsible for producing the good or service are most likely to identify the problem in the first place! In other words, you are best positioned to overcome challenges – and even achieve productivity gains – by listening carefully to your team.”

*Joe Scarlett, former Chairman and
CEO of Tractor Supply*



Case Study Context

What's the situation?

- ~\$1.5 Trillion Asset Management firm
- Industry Disruption over past 10+ years from traditional Mutual Fund business
- The company is diversifying investment products, channels, technologies, and solutions
- Firm has added new investment capabilities via acquisitions (some very large; others small)
- Company recently (past ~3 years) had outsourced parts of back office functions:
 - Fund Operations
 - Technology Maintenance
 - Customer Service

Org Design Question

What's the problem we were asked to solve?

- The question became "What's next for Technology and Operations?"
 - Moving from a ~5,000 employee organization to ~2,000 employees, how might we best arrange ourselves for the future?
- Multiple external consultants came in and pitched to help explore solutions
 - No one offered new material insights
 - ***We proposed a different approach to the executives...***
- Rather than propose a solution, let's slow down and explore the situation...
 - Let's magnify the current situation with key leaders across the division in an attempt to more deeply understand where they see problems and opportunities
- Enter Adaptive Leadership ...

What is Adaptive Leadership*?

Adaptive Challenges

- Murky, systemic problems with no easy answers
- Solving them requires the work of people throughout your organization!
- You don't even know the questions to ask....

Six Principles for leaders to embrace when confronting adaptive challenges

1. *Get on the Balcony*
2. *Identify your adaptive challenge*
3. *Regulate distress*
4. *Maintain disciplined attention*
5. *Give the work back to employees*
6. *Protect leadership voices from below*

*See work by Ronald A Heifetz and Donald L Laurie.
(2001 HBR reprint with forward of their seminal 1997 HBR article)

Open Forum

Questions?