GenAI x Capabilities = Macro Organization Design

CAPABLE COMPANY
Adaptive organizations from adaptive leaders

Jim Dowling

A lifelong learner, developing talent in others, and making things.

Coach to former client's leaders and graduates of the late Richard E. Dooley's Leadership Learning Forum.

Emerged from retirement to learn and contribute through education and coaching to new ways of thinking about realizing organizations and organization performance.

An engineer by education, Electrical Engineering.

A technologist at heart, three patents for devices and mechanisms that maximize performance of computer systems.

An organization performance coach by profession, Executive Leadership Alignment, Transformational Change Management, Organization Design, New Growth Platform Design, Team Performance Coach, Process Design Coach, Operating and Profit Model Design Enterprise & Business Architecture.

A contributor to STEAM, GLOW, The World Blind Union

Contributing member of The Adaptive Leadership Network, Strategic Doing, Organization Design Forum

Name an organization that you admire?

What do you admire about the organization?

How many layers of management?

What is its process model?

What is the organization capable of that others are not?

A View of an Organization

A global nonprofit organization whose Purpose is to end childhood malnutrition

Contribution | 2023

Distinctive | Support | Essential | Business Necessity

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- 1.3 Deliver targeted messages about Edesia

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- 3.2 Adapt products to local customs and regulations
- 3.3 Test and rigorously experiment new products
- 3.4 Assess production impact
- 3.5 Scale new programs and products

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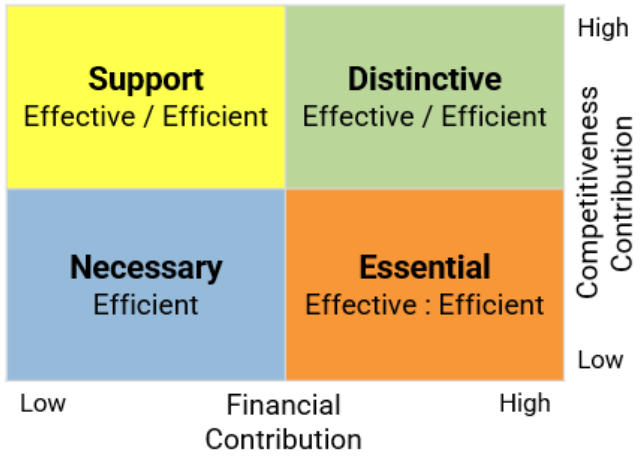
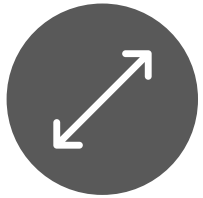
- 6.5 Manage Waste Disposal



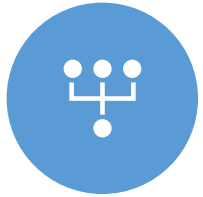
A few terms and definitions



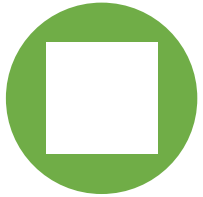
State Change: Transformation from one state to another such that the transformation is largely irreversible

Organization: Individuals and/or organizations working together to fulfill a common purpose

Co-design: Design carried out by those who will lead design, contribute to design, realize designs, be impacted by designs, and benefit from realized designs

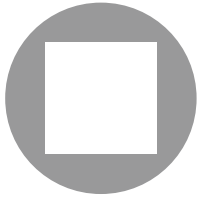


Orchestration: Coordination of ALL disciplines relevant to the design.



Technical Challenge: Clear problem definition.

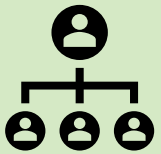
Known solutions: There are existing solutions or helpful practices available.



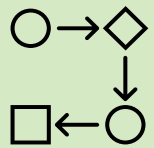
Adaptive Challenge: Vague problem definition.

Uncertain solutions: Solutions require new thinking, learning and experimentation.

Three ways of thinking about organizations



Hierarchy of power
Who is in charge of what?



Processes
How does work get done?

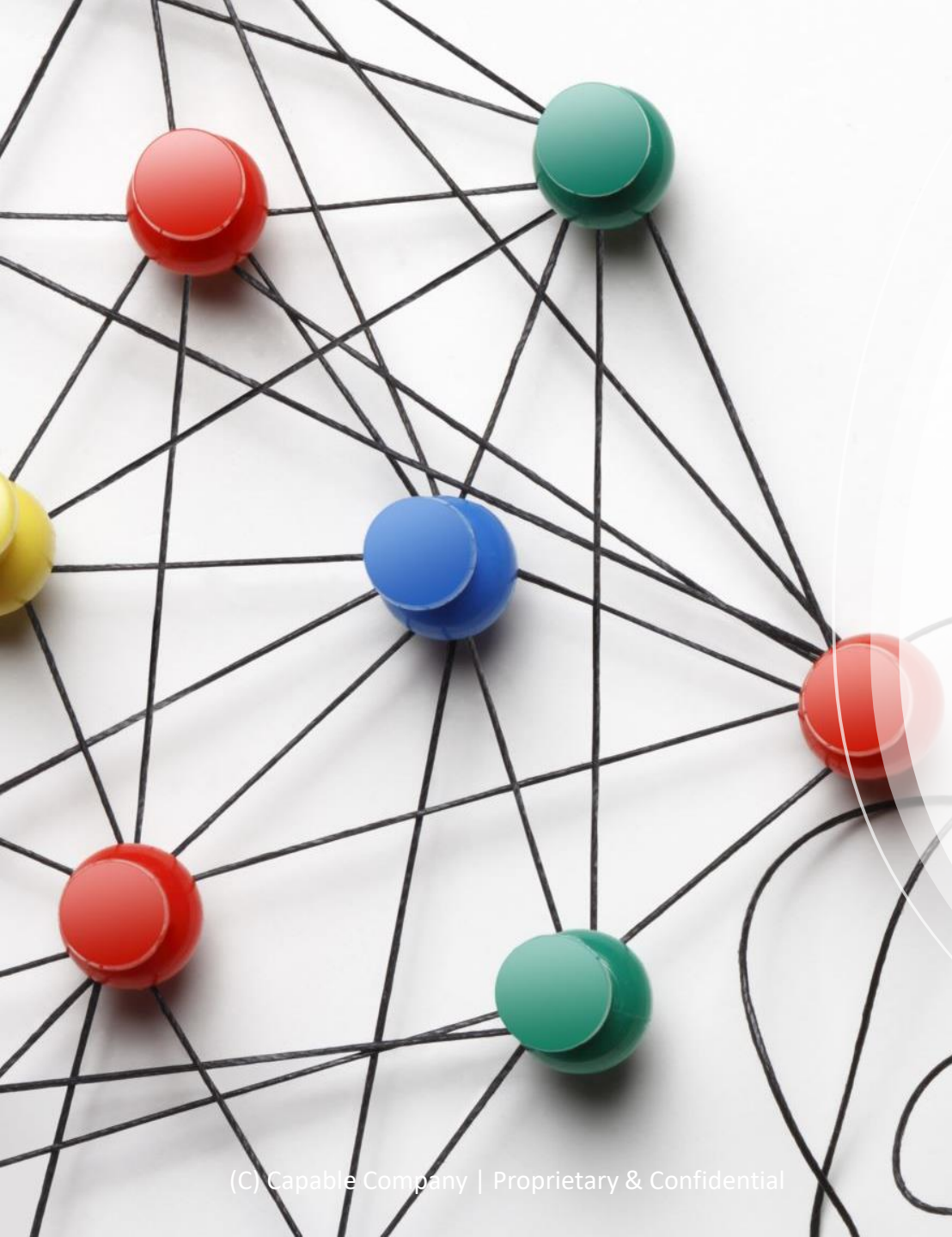
Capabilities
What it is capable of doing and delivering?

Our POV on Leaders & Leadership

- Most leaders are not titled as such
- Leaders, regardless of title, tenure, or rank lead others.

- The work of leaders is to Operate, Operationalize, and Transform

- When leaders share methods, tools, language, aspirations, intentions, pathways, and enablers, they are empowered to act as one Organizational Leadership Capability



An Adaptive Organization Design Pattern

A network of directed, dynamic, self-organized teams with a hierarchical backbone of support.

A POV on Adaptive Organizations

They proactively

- Identify challenge drivers and challenges
- Effectively classify challenges as technical or adaptive
- Identity what and who will be most impacted
- Recruit a coalition of leaders to overcome the challenge

They effectively

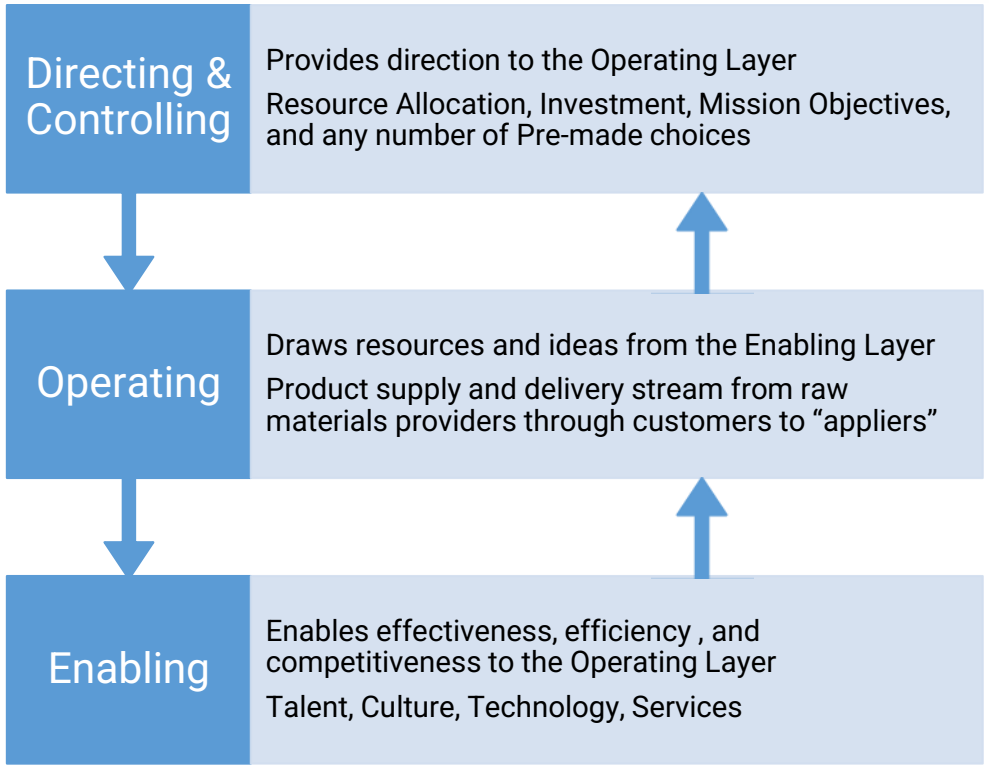
- Transform themselves and their co-design team members to the challenge
- They focus on a vision of “challenge addressed”
- They work backwards to required capabilities

They quickly

- Operationalize a course of action to close capability gaps that meet the challenge

Our View of “Organization”

Direction downward.
Enabling and advisory and upward.



What are & Why Self-organizing teams

What is Self-organization?

There is an automobile accident. Cars and trucks stop, People pry open doors and extract driver and passengers. First, actually second, responders arrive take the victims away, and clean up the mess.

An organization formed, self-organize, deliver results, and dispersed back to their (changed) daily lives.

Why Self-organization?

Speed

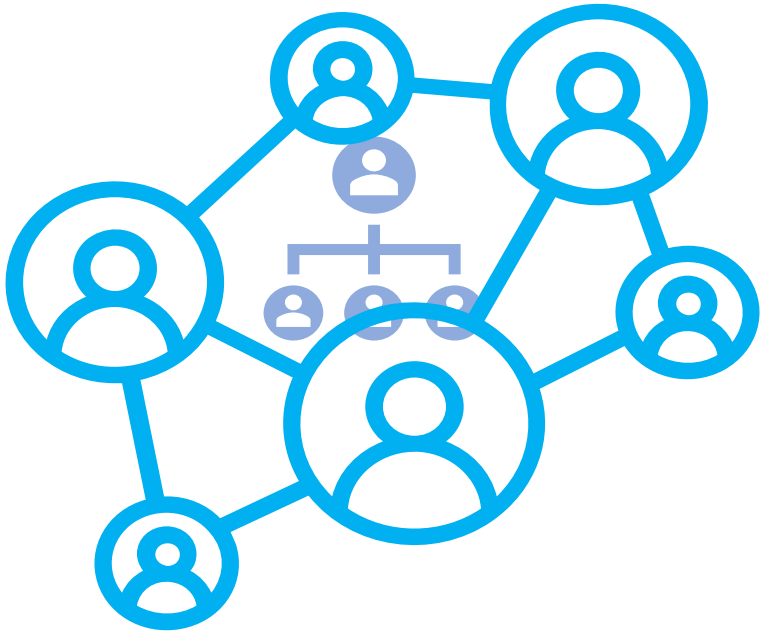
Cohesion

Community

Job satisfaction

Elimination of administrative overhead

Why the Hierarchy Backbone



- Direction
- Control
- Compliance
- Support
- Accountability

COMPONENTS	ELEMENTS		
ASPIRATIONS	PURPOSE	VALUES	
INTENTIONS	VISION	ANCHORS	MISSION
PATHWAY	GOALS	STRATEGIES	CAPABILITIES
ENABLERS	PROJECTS	PROCESSES	
RESULTS	TANGIBLES	INTANGIBLES	

Three Framing Elements

1. Hierarchical reporting relationships
    1. People Leaders, Thought Leaders, Team Leaders, Board Members …
    2. Everyone reports to someone
2. Networks of standing, dynamic, and virtual teams
3. An empowering information base
    1. Leaders can make aligned choices and take aligned action even when working independently
    2. Leaders can count on the Framework Elements to guide choices that other leaders at all levels would most likely agree with

Organizational Systems Enable Structure

Aspirations

- **Purpose** — The challenge this team has been asked to meet
- **Values** — Behaviors & outcomes that we value most as we fulfill our Purpose

Intentions

- **Vision** — Vivid images of Purpose fulfilled, and Values lived over an extended period
- **Anchors** — Boundaries and pre-made choices from sponsors
- **Mission** — Specific outcomes that commit to deliver in the short term

Capabilities

What teams must be capable of to fulfill Purpose, Live Values, Realize Vision, Operate, Adapt, and Transform within Anchors, and achieve Objectives.

Adaptation & Improvement

- Incremental
- Transformational
- Individual, Team, & Organization

Incentives

- Formal
- Informal
- Consequences

Technology & Process

- ***Process***
- Tools
- Facilities
- ***Technology***

Systems

Alignment

- ***Culture***
- Systems to Anchors
- Systems Among Systems

Talent

- Leadership
- Staffing
- Development
- Compensation

Direction & Control

- Relationships
- Liaisons
- Controls
- Authorities

Information

- Work transmittal
- Operational
- Reporting
- Analytical

Let’s talk how?

Diagnostic & Dialogic Approaches

- **Two types of challenges: Technical and Adaptive**
  - ***Technical***: I've seen this or something like it before. Diagnose the root cause then remediate.
    You find your car with a flat tire
  - ***Adaptive***: Never been in the predicament before. Bring people together and hold structured conversations.
    190 people need to work from home; lightning destroyed our wing of the building
- **Technical challenges respond well to diagnostic methods**
  - Typically, they do not require particularly inventive actions to be remediated
  - They respond well to use of ***diagnostic tools*** such as Root Cause Identification, etcetera
  - They almost ***never*** require an ***organization-wide transformation***
  - Proper solutions are infrequently deferred. **Patch to make the symptoms go away**
  - Proper solutions avoid making people think of all the things they did wrong that led to the change they must undergo. That stifles inventive thinking and risk-taking.
- **Adaptive challenges do not respond well to diagnostic methods**
  - They most often require ***inventive thinking and action and*** change to social (culture) and technical capabilities
  - Tools such as SWOT and Force Field Analysis tend to ***polarize individuals, amplify individual impacts of the challenge, and digress into blaming***.
  - Meeting adaptive challenges benefits from visualization and pursuit of an idealized future state

What is fundamentally different?

We started from a future state that members of the co-design team could vouch for a meeting the challenge.

We built a coalition of all contributing, co-designing, developing, deploying, and operating in the future state

We performed risk assessment and identified risk mitigations

Learning & Development has a head start on education

IT has a head start on Application and Infrastructure design

Sponsors have a high-degree of confidence to take the transformation foreword

Program Management has a head start on a project portfolio and gal closure projects and continuous improvement actions.

More than twenty applications led by six different consultants:

1. **One-half the elapsed time** to adoption of a Macro-Design
2. **One-half the time from approval to development & implementation launch**
3. **All OCM owned by people leaders** with specialist assistance
4. **Nil change resistance**
5. **Agile/Scrum practices re-implemented**
6. **Linear** Diagnose, Design, Develop, Make Ready, Deploy converted to **parallel** Diagnose, Design, Make Ready
7. **Two-thirds the time to stabilize** each future state
8. **One half the consultant cost** based on competitive bidding and **zero consultant cost after the third project** in two large organizations

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Visualize the future state and what it will take to realize it

1. Focus projects on capability gaps
2. Portfolios of Run/Improve and Transform the business

The desired future state of a nonprofit whose purpose is to end childhood malnutrition

Capability Heat | 2023

High | Medium High | Medium | Medium Low | Low

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1. Assess Value Contribution by 2 measures: **Differentiation** and **Financial** contribution
2. Set performance goals and assess performance on **Effectiveness** and **Efficiency**
3. Determine "heat." These 4 measures, produce a **Heat Map** or a visualization of an organization's capabilities, indicating the level of attention required for each.

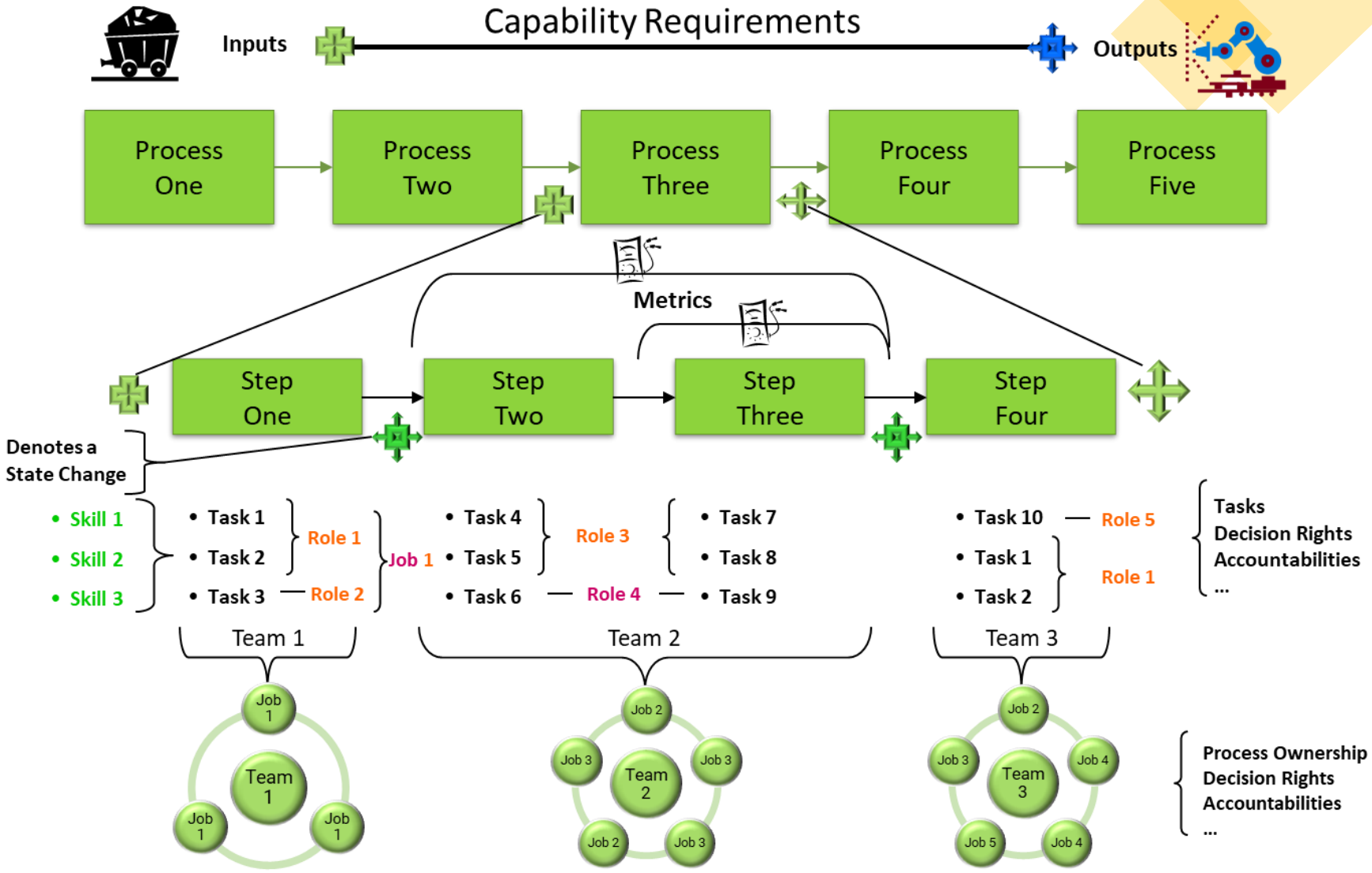
A **State Change** is a point in a process where inputs are transformed to a point where transformation **is 'largely' irreversible**.

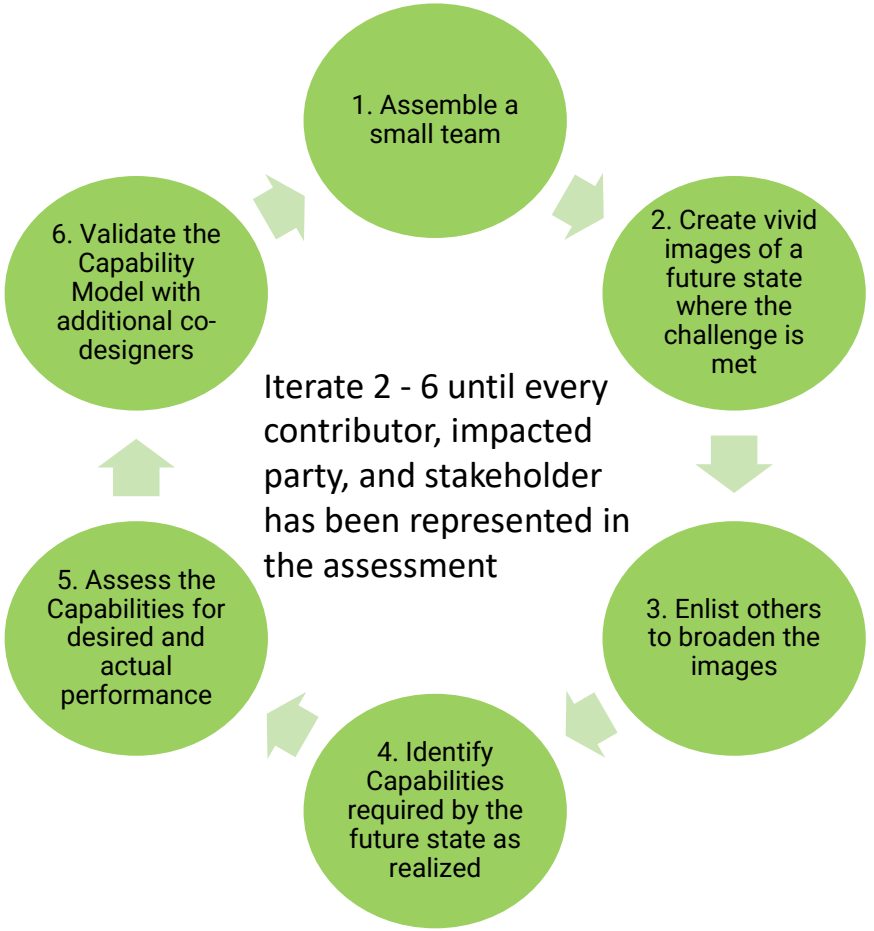
State changes make good **initial flow measurement points**.

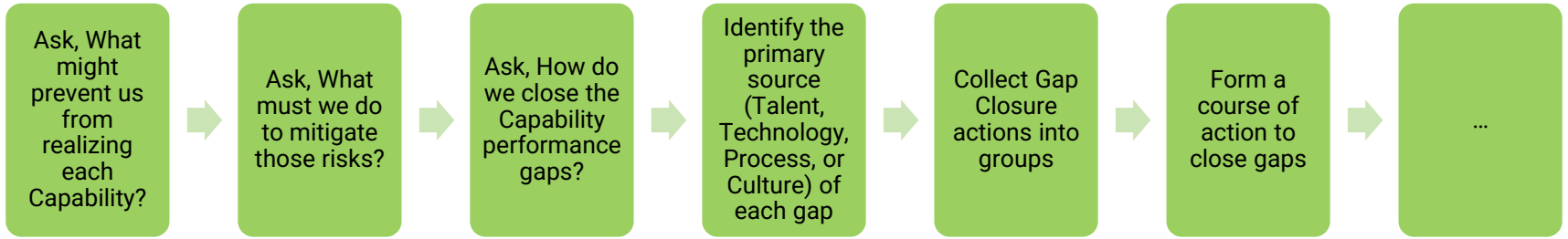
Teams produce **one or more state changes**.

Skills enable **tasks**, tasks combine into **roles**, roles combine into **teams**.

Teams are organizations with **fluid structure**.




1. Assemble a small team
2. Create vivid images of a future state where the challenge is met
3. Enlist others to broaden the images
4. Identify Capabilities required by the future state as realized
5. Assess the Capabilities for desired and actual performance
6. Validate the Capability Model with additional co-designers
Iterate 2 - 6 until every contributor, impacted party, and stakeholder has been represented in the assessment


Ask, What might prevent us from realizing each Capability?
Ask, What must we do to mitigate those risks?
Ask, How do we close the Capability performance gaps?
Identify the primary source (Talent, Technology, Process, or Culture) of each gap
Collect Gap Closure actions into groups
Form a course of action to close gaps
...

What is next for me & Organization Design

Artificial Intelligence is almost here

We are collaborating with a management consulting firm where we were senior executives and here is what we can demonstrate and envision:

1. For any given industry a LLM plus a CLM can generate a Capability Model that can be tailored within days to nearly any enterprise function.
2. Learn to use Google Cloud services to prepend Gemini prompts with points of view and definitions of terms.
3. Given Anchors in an CLM, we can set performance attributes commensurate with competitive advantage choices.
4. Extract Capability Gaps into projects with priorities and sequencing based on prerequisites and talent & technology availability.
5. Use an CLM and hooks to applications such as MS Teams to assist with matching individuals to teams where their aspirations and competencies would be helpful and/or developed.

https://maven.com/?fromCourse=MTQyMTk

What's next for you?

Frequent 45 minute "Lightning Lessons" on topics suggested by course and waitlist registrants or adaptive challenges.

maven

Feb 4—13, 2025

Jan 14—21, 2025

TBD

Open Discussion

Adopt the Capability Model as your Hierarchical Backbone

A nonprofit organization whose purpose is to end childhood malnutrition

Contribution | 2023

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1. Assign 1 through 6 to Capability Owners
2. Assign 1.1 through 6.5 to Capability Stewards

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Organization as a set of Capabilites

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	Individuals	Group or Organization
Technical	1. Functional Competencies	3. Operational Capabilities
Social	2. Behavioral Competencies	4. Organizational Capabilities