MNGT-C1010

ORGANIZATION DESIGN
—

How to design modern organizations?

Taija Turunen & Jori Mäkkeli
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Aalto-universitetet
Aalto University

Welcome to <u>learn</u> together!

The course introduces the concepts, tools, and principles of **organization design**, aligned with the theories of strategic management.

The main emphasis will be on understanding how a firm's organization design can be assessed from a multitude of angles and what kind of **design choices** are available when designing organizations.

Throughout the course we will touch upon the above-mentioned topics through the analysis of the requirements set by the business environments, the **boundary conditions and underlying principles** that drive companies' success.

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Taija Turunen

Stanford University
Visiting scholar
Sep 2022 – Dec 2022

University of Technology Sydney
Visiting Scholar
2015 – 2015

University of Cambridge
Visiting Scholar
2012 – 2015

Aalto University
PhD, Industrial Engineering and Management
2009 – 2013

LUT University
M.Sc, Industrial Engineering and Management
2003 – 2008

Nebraska Wesleyan University
-, Business Administration
2005 – 2006

Häme University of Applied Sciences, HAMK
Professional Teacher Education, Pedagogics
Jun 2021 – Jan 2022

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Aalto-universitetet
Aalto University

Aalto University School of Business
14 yrs 2 mos

Assistant Professor
Jan 2015 – Present · 8 yrs 2 mos

I work as an assistant professor in the are of Design Management teaching courses around business model design and management of creativity.

Post Doctoral Researcher
Apr 2013 – Dec 2014 · 1 yr 9 mos

I was a research director in Service Engineering and Management (SEM) research group. The areas of research focus included service operations management, service innovation, multi-party interaction in service systems and information technology-enabled transformation of service business. SEm group fascinated by the grand research challenges related to service engineering and management and cooperate actively with scholars and business practitioners sharing similar interests.

Researcher and doctoral candidate
Jan 2009 – Apr 2013 · 4 yrs 4 mos

I have worked as a doctoral candidate and researcher at the Aalto University School of Science and Technology since 2009. The projects that I have been involved in include FuTIS (Future Industrial Services), KIBSIS (Kibsification of Industrial Services) and ISO (Innovation Integrated in Service Operations) project.

Member of the Board
Helkama Emotor Oy
2017 – Present · 6 yrs 2 mos

Member of the board
Helkama Velox Oy
Mar 2018 – Present · 5 yrs

Visiting Scholar
Stanford University Graduate School of Education
Aug 2022 – Dec 2022 · 5 mos
Palo Alto, California, United States · On-site

Member of the board
Helkama Bica Oy
Mar 2018 – Mar 2021 · 3 yrs 1 mo

Visiting Researcher
University of Cambridge
Mar 2012 – Oct 2014 · 2 yrs 8 mos
Cambridge, United Kingdom

Visiting Research Associate in Business Model Innovation at Institute for Manufacturing, Cambridge Service Alliance.

Visiting Doctoral Student
University of Cambridge
Jun 2011 – Jan 2012 · 8 mos
Cambridge, United Kingdom

Visiting Doctoral student at the Institute for Manufacturing (IfM) and Cambridge Service Alliance.

Jori Mäkkeli

Professional history

- **Graduate from Engineering Physics and Mathematics 2017**
  - Master's Thesis about Leadership Discourses
- **Following research programs**
  - Leading Passion 2016-2017
  - Minimalist Organization Design 2018-2021
  - Open Strategy 2023-
- **Doctoral Student in Aalto School of Business 2020-**
- **Futurice**
  - Strategy & Culture Consultant 2018->

Topics

- **Organization Design**
- **Lean & Enterprise Agile**
- **Self-managed organizations**
- **Workplace democracy**
- **Leadership & Strategy**

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Learning expectations

Reflect 5 minutes individually about your learning objectives. What are your expectations for this course?

Learning objectives

After the course, the participant should:

a) know the main concepts of organization design

b) acknowledge most important design dimensions and alternatives of organization designs

c) be able to apply frameworks and tools of organization design

d) know how to apply practices to innovate and iterate organization design for change.

MODULE 1: Basics of organization design

Themes: Introduction and practicalities. Organization design basics. Recognizing archetypes and design components of organization design.

Learning objectives: After the module, you are able to definite what an organization and organization design is. You are also able to describe different archetypes and metaphors of organization and analyze basic forms of organizational configuration – simple, functional, divisional, and matrix (including their hybrids).

Mandatory readings:

Burton, R. M., Obel, B., & Håkonsson, D. D. (2021). Organizational design. Cambridge University Press. 3rd edition – Chapter 1

Miles, R. E., Snow, C. C., Meyer, A. D., & Coleman Jr, H. J. (1978). Organizational strategy, structure, and process. Academy of management review, 3(3), 546-562.

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MODULE 2: Strategy and organization design (TT + Visitor: Frank Martela)

Themes: Strategy and organization design. Functional approach to organizing and organization design.

Learning objectives: After the module, you have knowledge on how purpose of the organization can be designed and you are able to see how organization design is impacted by the market environment and chosen strategy. You are also able to compare how different organization design solutions can fulfil the same functional needs.

Mandatory readings:

Fjeldstad, Ø. D., Snow, C. C., Miles, R. E., & Lettl, C. (2012). The architecture of collaboration. Strategic management journal, 33(6), 734-750.

Fjeldstad, Ø. D., & Snow, C. C. (2018). Business models and organization design. Long range planning, 51(1), 32-39.

Martela, F. (2019). What makes self-managing organizations novel? Comparing how Weberian bureaucracy, Mintzberg's adhocracy, and self-organizing solve six fundamental problems of organizing. Journal of Organization Design, 8(1), 1-23.

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MODULE 3: People and culture in organization design (JM)

Themes: People and culture in organization design. Coordination inside the organization.

Learning objectives: After the module, you are able to evaluate the role of culture and climate in organization design, and understand how workflows and task design inside the organization affect organization design. You are also able to argue for different kinds of control and coordination mechanisms and how these can be linked to overall organization design.

Mandatory readings:
Sanchez, R., & Mahoney, J. T. (1996). Modularity, flexibility, and knowledge management in product and organization design. Strategic management journal, 17(S2), 63-76.
OR
Burton, R. M., Obel, B., & Håkonsson, D. D. (2021). Organizational design. Cambridge University Press. 4th edition - Chapter 6
AND
Burton, R. M., Obel, B., & Håkonsson, D. D. (2021). Organizational design. Cambridge University Press. 4th edition – Chapter 7

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MODULE 4: Historical embeddedness of organization forms (TT+ Visitor: Perttu Salovaara)

Themes: Historical embeddedness of organization forms. Metaphors and narratives in organization design.

Learning objectives: After the module, you are able to get perspective on how certain practices have institutionalized themselves through the historic perspective in organizational life. You are also able to compare how formal and informal organizations co-constitute each other and understand the narrative and metaphoric aspects of organizing and organization design .

Mandatory readings:

Knights, D., & Morgan, G. (1991). Corporate strategy, organizations, and subjectivity: A critique. Organization studies, 12(2), 251-273.

Sackmann, S. (1989). The role of metaphors in organization transformation. Human relations, 42(6), 463-485

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MODULE 5: Initiating and "doing" the change (JM + Visitor: Anna-Mari Fagerström)

Themes: Initiating and "doing" the change. Basic tools of doing organizational development.

Learning objectives: After the module, you are able to capture the systemic and nonlinear nature of organizational design, learn to comprehend and appraise how "imperfect-by-design" relates to organization design. You will also learn basics on how to setup structures for continuous, iterative, and user-centric organization design .

Mandatory readings:

Garud, R., Jain, S., & Tuertscher, P. (2008). Incomplete by design and designing for incompleteness. Organization studies, 29(3), 351-371.

Dunbar, R. L., & Starbuck, W. H. (2006). Learning to design organizations and learning from designing them. Organization Science, 17(2), 171-178.

Madsen, P., Desai, V., Roberts, K., & Wong, D. (2006). Mitigating hazards through continuing design: The birth and evolution of a pediatric intensive care unit. Organization Science, 17(2), 239-248.

MODULE 6: New perspectives and overview (TT+JM+ Visitors: Reima Launonen & Henri Schildt)

Themes: New perspectives to organizing and organization design. Summary and overview.

Learning objectives: In this module, you get insights into contemporary discussions on organizations and organizing. You are also able to analyse how different perspectives in organization design link together.

Mandatory readings:

Forcadell, F. J. (2005). Democracy, cooperation and business success: The case of Mondragón Corporación Cooperativa. Journal of Business Ethics, 56(3), 255-274.

OR

Battilana, J., Fuerstein, M., & Lee, M. Y. (2018). New prospects for organizational democracy? How the joint pursuit of social and financial goals challenges traditional organizational designs.

AND

DuPont, Q. (2017). Experiments in algorithmic governance: A history and ethnography of "The DAO," a failed decentralized autonomous organization. In Bitcoin and beyond (pp. 157-177). Routledge.

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Deliverables

The course will combine small group and individual assignments. Group assignments will be carried out during the class and grated as pass/fail.

In addition to group assignments, you must deliver exam question proposals based on the module readings. This will be carried out as individual exercise and there will be 2-4 readings/ week. Each weekly exam question/answer is worth 5 points.

Suggested length for each question+answer is 1-1.5 page (300-600 words)

Example exam question

How metaphors would benefit organizational design process?

Metaphor is a valuable tool to support imagination. Metaphors in are used by organizations to provide clarity to complex issues by offering non-literal meaning to describe real situations (Morgan, 2006)…

All of the exam questions will be posted on MyCourses page (anonymously), unless someone has something against it. If that is the case, please indicate that at the beginning of your essay.

Rubric for weekly essays

	0p	1p
Question is connected to course readings	no	yes
Answer fits with the question	remotely	fully
Question novelty	Combines only part of the readings	Accounts all given material
Answer criticality	Summarizes or repeats readings	Answer is critical, with individual reflection
Delivered on time	no	yes
Total	0p but pass	5p

Final Exam

Tuesday, 18 April, 09:00 » 12:00

U2 - U157, Kandidaattikeskus

Exam questions will be modified according to the questions you provide each week --> You benefit from creaing good questions each week.

Final grading

The final grade for the course is based on the grade for the assignments (40%), active participation (10%), and the grade for the written exam (50%).

How to find articles?

Primo:

https://primo.aalto.fi/discovery/search?vid=358AALTO_INST:VU1&lang=fi

Google Scholar:

https://scholar.google.com/

→ VPN access oftentimes allows you to have direct access to the pdf file.

Easy access to pdf:s

libproxy.aalto.fi → Google Scholar → Type title → Access pdf

How to read?

The course has somewhat heavy reading load, however, as you are approaching your Bsc thesis stage, it is important to learn how to read efficiently.

Lets go through the basic structure of academic articles, and techniques how to read faster and more effciently.

Structures of scientific papers (management)

Abstract

Introduction

Theoretical background

Methods

Findings

Discussion

Conclusions

References

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Hello, second-year bachelor's student or first-year master's student - how are you?

Please respond to the study wellbeing questionnaire through the link you will receive by email.

You will get personal feedback and help the university to support your wellbeing.

All **Well?**

The questionnaire is open from 15 February to 1 March 2023.

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Questions?

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