

CONTENTS

<i>List of Figures</i>	x
<i>List of Tables</i>	xi
<i>Preface to First Edition</i>	xiii
<i>Preface to Second Edition</i>	xv
<i>Preface to Third Edition</i>	xvii
<i>Preface to Fourth Edition</i>	xix
<i>An Outline of the Step-by-Step Approach</i>	xxi

Step 1 Getting Started

1	Assessing the Scope and Goals of the Organization	3
	The Challenge of Designing	3
	The Multi-Contingency Model	8
	The Information-Processing View in the Digital World	10
	Fit and Misfits in the Model	13
	Select an Organization for Analysis	15
	Assess the Scope of the Organization	16
	Assess the Organization's Goals: Efficiency and Effectiveness	17
	The Four Prototype Designs	18
	Misfits and Balancing Competing Design Dimensions	21
	Diagnostic Questions	23
	Summary	25
	Glossary	25

Step 2 Assessing the Strategy

2	Strategy	29
	Introduction	29
	Reactor	31
	Defender	32
	Prospector	34
	Analyzer without Innovation	36
	Analyzer with Innovation	37
	Digital Business Strategy	39
	Fit and Misfits	40
	Diagnostic Questions	41
	Summary	43
	Glossary	43
3	Environment	45
	Introduction	45
	Organizational Boundary and Digital Ecosystems	47
	Environmental Uncertainty and Complexity	48
	Calm Environment	53
	Varied Environment	54

Locally Stormy Environment	55
Turbulent Environment	56
Fit and Misfits	56
Diagnostic Questions	58
Summary	60
Glossary	61

Step 3 Analyzing the Structure

4	Traditional Configurations of the Firm	65
	Introduction	65
	Configuration	66
	Simple Configuration	67
	Functional Configuration	69
	Divisional Configuration	74
	Matrix Configuration	77
	Configurations for Spanning Geography	80
	Global	82
	International	82
	Multi-Domestic	83
	Transnational	84
	Optimal Sourcing and Local Responsiveness in the Digital World	85
	Fit and Misfits	86
	Diagnostic Questions	90
	Summary	92
	Glossary	92
5	New Organizational Forms?	94
	Introduction	94
	Self-Organizing and Boss-Less Organizations	94
	The GitHub Case	96
	Self-Organizing versus Hierarchy	97
	Contracts, Shifting Boundaries, and Markets	98
	External Agreements in Organizational Designs	99
	Contracting Examples	102
	When to Use Which Contract	105
	Summary	106
	Glossary	107

Step 4 Assessing Process and People

6	Work, Task Design, and Agents	111
	Introduction	111
	Tasks and People	112
	Tasks and Robots	114
	Task Design	118
	Orderly	122
	Complicated	123

Fragmented 124
Knotty 125
Fit and Misfits 126
Diagnostic Questions 129
Summary 130
Glossary 130

7 Leadership and Organizational Climate 132

Introduction 132
Leadership Style 132
Maestro 134
Manager 135
Leader 136
Producer 137
Organizational Climate 138
Group 140
Internal Process 141
Developmental 143
Rational Goal 143
Fit and Misfits 144
Diagnostic Questions 146
Summary 150
Glossary 150

Step 5 Analyzing Coordination, Control, and Incentives

8 Coordination and Control 155

Introduction 155
Coordination and Control Systems 156
Family 159
Machine 160
Market 161
Clan or Mosaic 161
Information and Knowledge Systems 163
Event-Driven 165
Data-Driven 166
Agent-Driven 167
Relationship-Driven 168
Fit and Misfits 170
Diagnostic Questions 173
Summary 175
Glossary 175

9 Incentives 178

Introduction 178
Personal Pay 183
Skill Pay 183

	Bonus-Based	184
	Profit-Sharing/Gain-Sharing	186
	Fit and Misfits	187
	Diagnostic Questions	190
	Summary	192
	Glossary	192
10	Designing the Structure and Coordination	193
	Introduction	193
	The Traditional Designs – When Do They Work?	194
	When to Choose a Simple Configuration	195
	When to Choose a Functional Configuration	196
	When to Choose a Divisional Configuration	197
	When to Choose a Matrix Configuration	199
	Transformation from the Traditional to the New	200
	Self-Organization and Boss-Less Organizations – When Do They Work?	201
	Hybrid Organizational Forms	202
	Ambidextrous Organizations	203
	New Properties of Organizations	204
	The Agile Organization	204
	The Sustainable Organization	205
	The Digital Organization	207
	Summary	208
	Glossary	209

Step 6 Designing the Architecture

11	Designing the Architecture and the Sequence of Change	213
	Introduction	213
	Setting the Stage for What to Do	213
	The Sequence of Changes	215
	Assessing the Content Costs	217
	Assessing the Process Costs	218
	What Are the Difficulties of Change?	219
	Determining the Sequence of Change	220
	Prototyping and Experimentation	222
	Managing Misfits over Time	223
	Anticipating the Future	227
	Dynamic Fit and Time	228
	The Organizational Life Cycle	231
	Summary	232
	Glossary	232

Step 7 Implementing the Architecture

12	Implementing the Change: Who Should Do What When?	237
	Introduction	237
	Specifying and Implementing the Change Project	238

What: Define the Tasks as Projects and Sub-Projects 240

Who: Allocate Tasks 242

When: Decide on Milestones and Deadlines 244

Follow Up on Deadlines 246

Communication 247

Summary 247

Glossary 248

References 249

Index 259