



WINNING OVER DESIGNERS WITH ORGANIZATIONAL STRATEGY AND DESIGN

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ABSTRACT

Design professionals are notorious for falling short when it comes to aligning their people to an overall organizational strategy and design. This creates confusion, organizational tension, and often leads to poor morale and high attrition. This manuscript seeks to highlight the benefits of an aligned strategy and design with leaders and team members alike within the design organization.

Keywords: Alignment, Trust, Servant Leadership, Strategy, Organizational Design, Organizational Goals, Vision, Design Leadership

INTRODUCTION

The struggle between “project concerns and organization concerns is exemplified” within the architecture and engineering industry (Chinowsky and Byrd, 2001, p. 32). Design and delivering unique solutions to every client has placed the majority of emphasis on project delivery as opposed to “strategic” or organizational management (Chinowsky and Byrd, p. 32). This manuscript proposes that to truly be successful designers need to conquer their “struggle,” capture a strategic vision, develop an organizational strategy, and design a successful organization based on alignment at all levels to achieve long lasting success in their firms.

THE DESIGNER’S STRUGGLE

The practice of architecture and engineering is filled with professionals and subject matter experts (SMEs) that are highly skilled, talented and trained to meet the needs of the clients they serve. Daily they show and prove their creativity for their clients. However, this passion for delivering designs that transform client businesses and lives is often missing when it comes to building their own practice. Designing and building teams is not why many got into the business of design. Laying out a strategic vision for a design firm is not that hard – right? It can be as simple as stating: “We design great buildings.” Why make it more complex than that? Just hire great talent out of design school, put them underneath successful designers and start serving clients. How hard could that be? No need for further organizational design – right?

Unfortunately, many dismiss their own organizational strategy and firm design to their own peril. In 2018, LinkedIn.com reported that professional services ranked 4th out of all industries for attrition or unwanted turnover at 11.4% (Booz, 2018). This speaks to designers not connecting with their design firm leaders nor the strategic vision of the organization. Concerning the organizations themselves, 50% are gone after five years and 70% have failed to survive after ten years (Glenn, 2019). This does not bode well for individuals who are focused on client service, but neglect the very important business of their own organization.

So why do designers struggle with laying out their own organizational strategy and design? It starts with how designers are educated. Cornell University, the perennial top ranked architectural college in the United States, does not require a single, not even one, class on leadership, organizational development or the practice of architecture itself (Cornell, 2019). Massachusetts Institute of Technology (MIT) fares no better when it comes to educating the nation's best engineers by requiring zero classes that would actually help young engineers understand the importance of and have some foundational knowledge in how organizations work (MIT, 2019). Then upon completion of their degrees, these freshly minted architects and engineers are immediately thrust into the highly competitive design studio where they are asked to perform their newly acquired skills immediately on client specific projects. No further training required – just go and do it – you will be O.K. They are told that their focus needs to be on making their clients successful and that will mean that they too will then be successful.

However, that is only partially true. Designers it is time to reverse the trend of organizational failure and to make it a priority to develop and buy in to taking the time to define an organizational strategy and an organizational design for their own firm. Client service does not have to suffer by making the practice of design just as important as the designs themselves. Designers it is time to wake up and practice for your own organizations what you do so wonderfully for your clients: **capture a vision, develop a strategy, and design the solution.**

CAPTURE A VISION

Capturing an organizational strategic vision involves defining the scope of an organization, creating a mission statement, defining organizational goals, embracing a leadership mandate, and then successfully communicating the strategic vision for all.

Define the Scope of the Organization – “We Are a Design Firm”

All organizations have a scope. Some choose to define it themselves and others let the competitive marketplace or internal events define them. Just as a building poorly functions when it is not designed to meet a client's needs so to an organization can fail its leaders and personnel. Organizational design starts with a scope – a reason for being. Organizations that do

not have a scope lack a focus. This focus will help design firms stay out of the fray of becoming a commodity-based service organization where their professional design skills are devalued. After all, design organizations at the end of the day, are filled with individual designers that must create and design unique solutions for the clients they serve. If they cannot be unique in their solution, delivery and organization, then they really are not a design firm. It sounds simple, but design firms must first commit to practicing design for their clients. In addition, it is important to develop “core competences” within its scope or “what an organization does best and where its strength resides” (Chinowsky and Byrd, 2001, p. 33). With this as the simplified scope of a design firm organization, then that firm has made an important step to attracting clients, professional talent, and opportunities to itself.

Create a Mission Statement for the Organization – The People

The very best mission statements speak to scope of the organization, its clients, and its team members. One of the top mission statements that addresses these elements is from Tesla which states: “Tesla’s mission is to accelerate the world’s transition to sustainable energy. We hire the world’s best and brightest people to help make this future a reality” (Tesla, 2019). It has a clear organizational scope: “accelerate the world’s transition to sustainable energy.” And it has identified not money, nor scientific prowess, nor governments as its path to get there, but rather “the world’s best and brightest people.” Its organizational success will be defined by its people. It has identified talented and highly skilled people as what it should focus on to achieve success. Design firms should follow Tesla’s lead and create a mission statement that can be used “as the starting point for all organizational endeavors” and a “direction to follow in all business practices” (Chinowsky and Byrd, 2001, p. 33).

Define Organizational Goals – Both Efficiency and Effectiveness

Strong organizational goals for successful design firms are not necessarily unique to the design industry but are proven - efficiency and effectiveness. “Efficiency is a primary focus on inputs, use of resources and costs. Effectiveness is a focus more on outputs, products or services, and revenues” (Burton et al., 2015, p. 16). Both should be equally valued when it comes to organizing and leading design professionals. “Companies that manage design

effectively and efficiently attain better performance than those that do not. Therefore, good design does not emerge by chance or by simply investing in design but rather as the result of a managed process” (Chiva and Alegre 2009, p. 424). This “managed process” and how it is attacked and embraced on a daily basis separates successful design firms as those who have a chance of optimizing both efficiency and effectiveness as organizational goals.

Embracing a Leadership Mandate – Servant Leadership for the Design Leader

There are many different types of leadership models out there for design leaders to emulate and deploy that would be effective for different organizational situations. However, servant leadership is almost always the most effective when managing designers and SMEs. By definition, servant leaders are “attentive to the concerns of their followers, emphasize with them, and nurture them. Servant leaders put followers first, empower them, and help them deploy their full personal capacities” (Northouse, 2016, p. 225). Design services are executed by those who have the ability and passion to design. For a design to be successful, the designers on the team must be capable of, organized, and motivated to create. How they relate or not to their leader has a direct impact on their performance. Strategic design leaders know this and do all they can to serve first those that are following them. Servant leaders also seek to include their followers in generating ideas and making decisions that are most effective for the organization and the clients they serve (Dyck and Wong, 2010, p. 18). Design professionals are trained and compensated to generate new ideas. Therefore, wise design servant leaders welcome and challenge their followers to engage in solving organizational challenges.

Communicating the Strategic Vision for All

Successful communication means connecting to people at all levels of an organization. Everyone is given the opportunity to be introduced to the vision, strategy and organization of the firm and provided the required incentives to embrace and align with the entire team. It is critical for leaders to have open and frequent “strategic conversations” with those that they lead (Ackerman and Eden, 2011, p. 39). The topics should vary from pressing issues of the day to strategy and opportunity related to the future. The goal of formulating a strategic vision should be not limited to passive participation of all, but true engagement that seeks to build

relationships, “trust and a positive sense of their individual worth” and how they are crucial members of the team and its organizational goals (Ackerman and Eden, p. 22). “Strategic management is about agreeing where to practically focus energy, cash, effort and emotion” (Ackerman and Eden, p. 41). Conversations must be encouraged to start and continue throughout the organization for a strategic vision to have a chance at being fully embraced.

DEVELOP A STRATEGY

Developing an organizational strategy involves many different elements to achieve both individual and organizational success. Defining how the marketplace will be served, developing a plan for the environment, designing and developing the team, embracing strategy as a team, handling risk and conflict are all critical parts of a design organization’s strategy. The following section introduces each of these one by one.

Define How the Marketplace Will Be Served

Design organizations are comprised of designers with a wide variety of skillsets. These skillsets are mostly transferable to a wide a variety of project types, but by seeking to serve every client on any conceivable project type will mean that true expertise will not be afforded the time to be developed. Therefore, it is critical to build a design team that will focus on serving certain clients over others. This require marketing discipline and focus. Occasionally, projects come to a firm through a relationship that are really outside of the focus of the firm. When this happens, it is important to look at it strategically. Can this project be executed with excellence? Will this project open up new opportunities for the firm? Or, will this project take us away from our core focus areas and clients at a time we can least afford it. Successfully serving the marketplace does not mean serving the entirety of clients possible. Clients should be sought, identified, developed and served who will benefit both them and the design firm.

Develop a Plan for the Environment

The environment is defined as “everything outside the boundary of the organizational unit of analysis” (Burton et al., 2015, p. 47). This means everything from clients, competitors, partners,

governments, suppliers, subcontractors and the general community itself. Planning a strategy that defines how all would be interacted with could take a lifetime. Therefore, it is important to focus on the relevant elements in the environment that will impact the strategy of the organization. In some ways, “the choice of your strategy defines the relevant external environment” (Burton et al., p. 47). The environment represents “unpredictability and complexity” that a successful organizational strategy will address (Burton et al., p. 48). Designers should not write of the complexity of an environment but do the hard work to understand what factors will most likely influence their own organization. Similarly, an organizational strategy should have enough margin in it to weather some short-term marketplace unpredictability. Studying the external environment as it relates to organizational strategy will provide a long-term advantage to the design organization.

Design and Develop the Team

Design leaders spend a tremendous amount of time designing successful projects for clients. It is commonly stated that the average building design requires about 10,000 unique decisions. Designers are uniquely trained to identify and select potential options very quickly and correctly. However, when it comes to talent selection and placement of new talent within a team, designers too often fail to be as diligent as they should. Attracting and retaining talent is a game that design leaders should aspire to master. “Talent is the lynchpin to realize an organization’s economic ambitions” (Sahay, 2015, p. 184). Design leaders should develop a strategy and process to first drive desirable talent to their organization, place them within the right spot, and then seek to develop them so they aspire to stay engaged and committed to the organization. The top organizations that consistently “win the attention of highly coveted talent and compels them to follow and engage” will have strong functioning design teams capable of serving clients better than most (Sahay, p. 185). The design organization’s strategy must substantially address how it plans to win the design talent battle.

Embrace Strategy as a Team

It is not enough to attract top design talent and assume success will follow. This talent needs to understand and truly embrace strategy of the organization as a team. Patrick Lencioni

(2002) discusses in his book, *The Five Dysfunctions of a Team*, the importance that trust has in knitting a team together. It is foundational for any team who desires to function effectively and efficiently. A design firm must have individuals who first trust each and then they will have the capacity to embrace an organizational strategy as a team. Once a strategy is embraced and those within the organization trust each other, then an organization's goals and mission have a chance at success. Without it, we go back to the simple fact that most design organizations today will not be around ten years from now.

Handling Risk and Conflict

On the surface, how an organization handles risk and conflict, may be very different strategic processes. However, successful organizations treat risk both seriously, with the same attention, and with the prudence and knowledge that either left unaddressed could bring down the organization. So, strategically they both need a path for resolving. There are “two stages” in the process “risk analysis and risk management” (Chapman, 2001, p. 147). What are the risks or sources of conflict? Once identified, how are we going to manage or mitigate their impact on our organization? Running towards the challenges that risk and conflict present rather than away will prepare any organization, not just design firms, with the ability to overcome them in a deliberate and strategic manner.

DESIGN THE SOLUTION

Once the foundation of strategy of an organization has been developed, then the design and functioning of the organization can be completed. The following addresses not every item within organizational design, but it does highlight some of the more important ones related to design organizations. Creating organizational alignment, configuring the organization, executing design tasks for clients, leading people, and planning for setbacks and dividends will provide a clear path for achieving success as a design organization.

Creating Organizational Alignment

Design leaders intuitively know the importance of achieving organizational alignment and congruence when designing a facility for a client. The same thing can be said for the designer's organization itself. Talent needs internal alignment amongst its team to ensure its capability and capacity to effectively and efficiently serve external clients. Design leaders need to lead by creating alignment within the organization. "Leadership exists when a group of two or more people has created common direction, alignment, and commitment" (Hughes et al., 2014, p. 14). Design organizations that achieve alignment and commitment free leaders to focus on the external challenges from the environment, strengthen client relationships, and identify new talent that will help the organization achieve success.

Configuring the Organization

Design firms often start with one person, the Principal, launching out to conquer the world. When you are a firm of one, the organizational design is very simple. The challenge begins when the first team member is brought on especially if they are of equal ability. Then the next joins and the complexities increase. The designer leader quickly learns that what worked for them as a firm of one will no longer work moving forward. As an organizational structure of a firm grows and matures, it enjoys increased opportunity and ever-increasing challenges. Burton, Obel, and Håkonsson (2015), define four primary organizational configurations that are applicable to design firms and actually represent the life cycle of many firms as they develop: simple, functional, divisional, and matrix. Simple structures dominate the majority of smaller firms and then they start to fail once they move to a functional or specialization approach (Burton et al., 2015, p. 74). Those that survive this stage often transform into a divisional structure that allows for a wide variety of clients to be served in different semi-autonomous groups within the organization. The matrix is reserved for the mega design firms often those that are publicly traded such as AECOM or Jacobs. Design leaders can be successful in all four organizational configurations, but they need to understand which one to choose depending on the type of firm they desire to be at the time. Designers who design too complex of a building for a client knows it will fail just as much designing spaces that are too small. There is no right way

or wrong way here – but, design leaders need to understand which configuration will serve them best at the time for their organization.

Executing Design Tasks in Service to Clients

One of the most telling ways to see how a design firm is organized is by diving into its client design and service processes and most specifically its tasks. “Task design is decomposing work into sub-tasks while considering the coordination among the sub-tasks to meet organizational goals” (Burton et al., 2015, p. 163). The mosaic created by looking at all of the tasks and how they are performed, by who, and how they relate to each other will highlight either a very functioning and well-ordered organization or reveal the behind the scenes chaos that typically resides at most firms today. In the chaos of delivering professional design services to ever needy clients, too often organizational ideals and goals are overlooked or ignored as the client crisis of the day takes over. It is important for design leaders to examine when these drops have occurred on previous projects to then try and predict when they will occur on new projects. Some of this may be obvious (as in way too much work being thrown at overly stretched design team), but more often than not a task done differently and in closer coordination with other tasks may make all of the difference in achieving both client satisfaction and organizational goals.

Leading People

Most successful design firms are filled with individuals who exhibit a high degree of professionalism. The size of the firm determines its internal complexities related to relationships and interdependencies. Large firms tend to work on large scale projects requiring heavy coordination and reliance on both organizational positional power and personal power. “Position power is the power a person derives from a particular office or rank in a formal organizational system” and “personal power the influence a leader derives from being seen by follower as likeable and knowledgeable” (Northouse, 2016, pp.11-12). Smaller firms can be simple in their organization and in how they operate especially when it comes to handling people. In small firms, a single leader may dominate and act like a Maestro calling all of the shots and directing

others on how to perform on a daily basis (Burton et al., 2015, p. 163). Larger firms must have leaders who know how to delegate and handle people in a completely different manner. They must develop into true leaders who have built a team that can operate organizationally aligned with very little daily input from the top leaders related to client service and team member interaction. For these firms to be successful, they must have individuals at all levels who can be trusted to perform aligned with the firm's strategy and within the framework of its organizational design.

Planning for Setbacks and Dividends

The strength of an organizational leadership, strategy, and design is often measured by how it handles change. "Strategic leadership often involves significant organizational change" (Hughes et al., 2014, p. 14). When organizational leadership is forced to deal with a setback either coming from the environment or within the organization itself, the resiliency of the organization will be tested. The sudden death of a leader, a key client going out of business, an economic recession can all bring about disaster for design organizations not prepared to face these challenges. In 2008, the United States experienced the great recession which eliminated almost 30% of the jobs in the design and construction industry and almost 17% of organizations in the industry disappeared completely (Rohner, 2016). Is your firm positioned strong enough to survive during a major set-back? Additionally, what happens when an expected gain or dividend comes your firm's way. Maybe it is a commission that was unexpected or newly found talent that will take your firm to the next level. Does your organization have the right vision, organizational strategy and design to capitalize on this windfall? Both the setback and the dividend could in the long-term destroy your organization. However, with proper planning, strategy and organizational development your firm cannot just survive, but thrive.

SUMMARY

Too often, design leaders over-serve their clients at the expense of their own organizational development. Capturing a vision, developing a strategy, and designing a solution for an organization is too often ignored by designers as they struggle to pour all of their creatively and

thinking into meeting client needs of the day. However, design leaders can truly benefit from embracing a formal process that starts with identifying an organization's scope and goals, creating a mission statement, embracing servant leadership and clearly communicating to their team their vision for the future. Building off of this, design leaders should define how the marketplace will be served, develop a plan for the environment, develop the team, and show how they will handle risk and conflict. Finally, design leaders should focus on organizational design itself by seeking alignments, executing design tasks efficiently and effectively, leading people and preparing for setbacks or dividends related to their organization. Designers it is time to embrace organizational strategy and design – it is time to thrive.

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