

Structuring for flow: logically organising work

Designing structure is not about drawing a prettier org chart. It's about making deliberate choices on how to group work, ensure it flows well, understand where decisions get made, and also consider the extent of skill mix required. Get it right and you reduce handoffs, clarify accountability, driving greater efficiency and effectiveness. Get it wrong and you add friction, coordination overhead, and 'shadow structures' that people invent to get the work done.

This article zooms in on the logic of grouping work by blending practical design rules with useful theory. It will help you build a structure that's coherent, flexible, and fit for purpose.

1. Leadership choices for structuring

Logical grouping means clustering activities that share things like purpose, customer, capability, or cadence so that:

- **Interdependence is internalised** (fewer cross-team handoffs, clearer ownership)
- **Decision rights are obvious** (the where and who of decision making, ideally closer to the work itself)
- **Interfaces are designed, not accidental** (only the necessary linking mechanisms remain)

It is much easier to adapt and flex the organisation to meet priorities if these three aspects of organising work are followed.

Design rule: take time to consider the work, and context in which it is done, to maximise the benefits associated with these first principles.

2. Ways to organise

The strategic intent of an organisation will help determine the organising philosophy and how work will be grouped. Jay Galbraith calls this 'departmentalisation' and offers 6 options:

1. **Function** – by specialised capability e.g., Data, Operations, Finance
2. **Product/Service** – by what you sell or deliver
3. **Customer/Segment** – by who you serve
4. **Geography** – by region, time zone, or regulatory context
5. **Process** – by end-to-end flow
6. **Project/Program** – by initiatives, transformations, or major accounts

Structure isn't just about how you group work; it's about where decisions get made. When the structure is weak, decisions get pushed up the hierarchy, managers become overloaded, and no one is quite sure who is accountable for what. Elliott Jaques' research shows that the most effective organisations follow these principles:

- Decision authority sits where people can see and own the results of their decisions over time.
- Separate line authority from coordinating authority.
- Routine decisions are made once and close to the work
- Clarity on the decisions a role does not make

Decision-making should sit as close as possible to where the work happens, as long as people have the skills, context and information they need to decide well. Keeping decisions at this level cuts down on escalations, speeds up the flow of work, and reduces how much information has to travel around the organisation.

Design rule: Avoid limiting options (most organisations operate in a hybrid way) and test using typical scenarios to highlight the advantages and potential trade-offs.

3. Connecting the work

Linking mechanisms act to coordinate and integrate work and information. Inevitably there will be handoff points as work flows through the organisation e.g. a product is created which must pass to the quality checking process, likely carried out by a different team for consistency and objectivity.

The 'link' itself could be a meeting or forum, job roles that span more than one area, technology, a specific process, common goals and objectives, service level agreements (SLAs), temporary task teams, and more.

Design rule: *the higher the interdependence between parts of the organisation, the stronger the linking mechanism must be.*

4. Classic dilemmas

The structuring discussion will uncover dilemmas to be considered. They are not 'either or' decisions but should be applied intentionally and with discipline.

Standardisation vs Integration

- Standardisation gives you repeatability, consistency, reliability, and cost advantage.
- Integration enables better visibility and delivery of cross-team outcomes.

There is a practical balance to be struck when considering this dilemma, generally standardising for stable, high volume activities and integrating where value creating work crosses boundaries.

Centralisation vs Decentralisation

- Centralise to concentrate scarce expertise, ensure consistency, and optimise organisation-wide resources.
- Decentralise to move decisions closer to the customer or context to enable agility.

Effective design depends on clarity over who holds decision authority, and a shared view on how much trust and autonomy sits with those delivering the work.

Specialist vs Generalist

- Specialists have deep expertise in a specific area.
- Generalists have broad knowledge across multiple domains.

The extent of skill mix informs the subsequent layers of management and spans of control. It should also be aligned with any specific organisation capabilities and the 'edge' it may have in the marketplace.

Insourcing vs Outsourcing

- Insourcing to keep the work within the organisation.
- Outsourcing the work to an external agency or vendor.

The considerations made here will impact linking mechanisms and the way work will be grouped. In practice, it is best to insource when the work is a core capability that gives competitive advantage. Outsourcing is useful to de-risk, have easy access to specialised resource, and take distraction away from delivering the value creating work.

5. Final thought

Structure is a means, not an end. It makes clear where there are interdependencies and visualises where teams and jobs may exist. The aim is to ensure logical groupings of work that allow for smoother flow, clearer accountabilities, and better outcomes. Understanding the component parts and choices to be made means flexibility can be 'designed' in, allowing the organisation to respond and adapt to a changing environment.