

Governance for organisational success

The organisation structure may look good. Teams are logically grouped. Capabilities are mapped. Roles are clear. But now what? How do things actually operate?

This is where governance steps in – it could be described as the often-invisible scaffolding that holds everything together. When done well, governance brings order without rigidity, clarity without micromanagement, and progress without panic. It's what decisions get made, the operating systems that support work and information flow, and the metrics that all are aligned against.

Governance isn't bureaucracy. It's the rhythm, rituals, and rules that allow an organisation to *breathe, move, and adapt*. Good governance doesn't restrict; it empowers action.

1. Decision rights: who holds the pen?

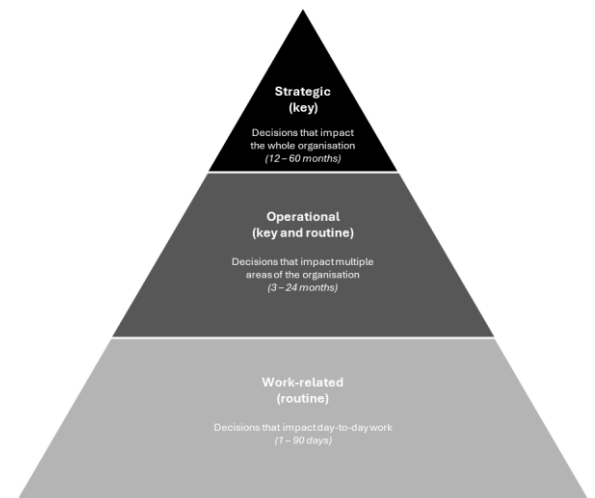
At the heart of governance lies a simple question: who decides what?

Get this wrong, and you either end up with chaos or stagnation. The ideal is a design where authority aligns with accountability, and decision-making is distributed to the *right level*, not just the *highest level*.

This is where Elliott Jaques' Stratified Systems Theory is relevant. Organisations function best when work is structured in "strata" – levels of complexity based on time horizons and cognitive capability. A frontline team might operate within a 1-week horizon. A CEO? More like 5 years.

People should make decisions appropriate to their stratum. Organisations may make temporary adjustments to respond to external factors e.g. during the COVID pandemic many organisations escalated short-term decisions to higher levels due to the criticality of the situation. But too often, senior leaders hoard decisions that could be handled by others, bottlenecking progress and stifling autonomy. Worse, when the wrong people are expected to make complex decisions, anxiety and poor outcomes follow.

The idea of 'flat' organisations or holacracy (self-managing teams) may be valid for some organisations. Regardless, they still require clear decision rights and governance structures to avoid disorder.



Governing principle: Match decision rights to accountability and context.

2. Operating rhythms: the pulse of the organisation

Every organisation has a heartbeat – a rhythm. But is yours steady that keeps things moving forward, or irregular, causing confusion and discomfort?

Operating rhythms are the meetings, forums, rituals, cadences and systems that keep teams aligned. They are where strategy becomes execution, where blockers get unblocked, and where signals from the system (and customers) are noticed before they become alarms.

You want consistency without rigidity. Weekly huddles, monthly reviews, quarterly retrospectives – these should be designed *for the work*, not copied from someone else’s “best practice.” They should include the right people, at the right level, with the right information.

Don’t forget the informal stuff either: daily stand-ups, cross-team lunches, Slack rituals – these too can be part of your governance if they help maintain connection, alignment, and pace.

The technology, applications, and data used enable transparency, traceability, insight, and drive better decision making. They serve to embed governance into everyday workflows.

Governing principle: Put ‘the work’ at the heart of your governance.

3. Metrics and feedback: what gets noticed gets nurtured

Let’s be honest: what you measure tells people what you *really* care about. Not the posters. Not the vision statement. Not the social media posts.

But metrics aren’t just about performance tracking – they’re about learning. They’re a governance mechanism that helps organisations stay honest, spot trends, and course correct.

Great metrics are **TOTAL**:

- **Transparent** – visible to those who need to act on them, not hidden in executive silos.
- **Organisation-relevant** – connected like a golden thread through the organisation
- **Team-relevant** – tailored to the level of work and the team’s sphere of control
- **Actionable** – they don’t just tell you something’s wrong; they help you do something about it.
- **Lagging and leading** – measuring both outcomes and inputs.

And let’s not forget feedback – the human side of measurement. What are your forums for reflection? How do you harvest insight from people closest to the work (and the customer)? Is feedback routine, safe, and used?

Governing principle: Measure what matters. Use feedback for insight and engagement.

Design rule: good governance feels like clarity, not control

Governance isn’t about locking everything down. It’s about liberating the right action by the right people at the right time.

Our first principles of organisation design come into play here: ‘clear decision rights don’t restrict; they empower action’.

- **Be deliberate** – design governance that serves your purpose and the work, not legacy habits.
- **Match complexity with clarity** – simplify to empower, don’t oversimplify to avoid thinking.
- **Create coherence** – align decisions, operating rhythms, and metrics.

With strong governance, you don’t just operate – you scale, evolve, and can better respond.

Three questions to shape governance

1. **Where are decisions getting stuck, and who should really be making them?**
2. **What operating rhythms help us stay aligned without wasting time?**
3. **What metrics and feedback loops keep us honest, learning, and focused on what matters most?**

If you are struggling to answer the above, it might be time to redesign your governance system – not as a bureaucratic burden, but as a strategic enabler of better outcomes.

Final thought:

Great governance is not about trying to simplify a complex system or downgrade risks – it's about creating the conditions where people can act with confidence, learn quickly, and adapt intelligently. It's not about locking things down, but about creating the rhythm, feedback, and alignment needed to move forward together.