Putting the “Design” Back into Organizational Design: The Case of High Social Value-Creative Business Models

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ABSTRACT

Currently there is no veritable role for design, designers, or design methodology associated with ‘organizational design’. Rather, the design of an organization is a byproduct of tactics and management bureaucracy. In postmodern, post-industrial, and post-capitalist organizational entities the role of design is subordinate and residual at best. In this concept paper the authors demonstrate that (a) an entrepreneurial and organic perspective on design is challenged by the paradigmatic and transformational effects of information and information technology on firm; and (b) that the apparent problematic absence of a design theory and the existence of the firm can be reconciled via the involvement of design managers with their presumed design-methodological grounding. They advocate substituting the anachronistic evolutionary speciation of organizational design with a perspective based on ‘intelligent design’.

Keywords: Complex Information Technology-Intensive Firms, Creative Business Model, High Social Value, Intelligent Design, Organizational Design, Organizational Design Variables

INTRODUCTION

So the story goes: when you put several thousand almost ethical people to work together in an organization, you still get…Enron.

The phenomenon of the ‘organization’ has been studied for some time and more formally since Adam Smith’s Wealth of Nations (Smith, 2001). It is a field of ever-increasing interest and it is as vibrant and prolific as ever, for academicians and practitioners alike: partly because of our general love-hate relationship with organizational life - “hate it, can’t live without it”; partly because of the peculiar notion of the organization as a constructed system, yet at the same time populated with biological...
organisms. With respect to the latter, we demonstrate that thinking about organizations in the business disciplines and from the vantage point of management studies is disproportionately inward-oriented and self-serving. Indeed, it is skewed towards capturing past best practices of containing and controlling the messy organic part represented by humans in the system while reducing the designed aspect of the system to mere structural elements. Even if Enlightenment displaced physical coercion previously used to effect control in favor of today’s mere psychological and contractual versions, we submit that this is an unsustainable proposition in the light of unprecedented externally- as well as internally-environmental turbulence, tension, transformation, and transience. The conditions of the information technology-centric, “new” economy, dominated by experience products, its demand for social value, and its feature of networked relationships call for proactive and ‘prospective’ open systems (for the notion of ‘prospectors’, i.e. organizations seeking change and able to effect it (see Miles and Snow, 1978). Yet, our management and leadership focus is on the internal system, sociology, size, and structure.

While we have found some encouraging advances that have been made to enlarge the above perspective with a transdisciplinary approach (see Spohrer & Kwan, 2009), including design, and in the process promoting a entirely new discipline called “SSMED” (Service Science, Management, Engineering, and Design), or integrating architectural dimensions such as the service science approach proposed by Targowski (2009), we think that the field remains underrepresented in terms of research and merits another pass.

To the already existing contributions above, as well as to the supporting disciplines of organizational development, change management, and innovation leadership we therefore want to add to the benefit of future practitioners, thinkers and modelers by sensitizing them to the underutilized variable of ‘design’ of dynamic, open, and adaptive organizational systems. While we attempt this first part via a theoretical concept approach, we ultimately propose a composite methodology by supporting the potential successful outcomes with empirical evidence collected as part of our research on “complex information technology-intensive firms”.

THE ORIGINS OF AN INSUFFICIENTLY LEVERAGED DESIGN APPROACH

Unprecedented levels of environmental complexity, speed of change, and intensity of transience are rendering it increasingly difficult to appreciate the benefits of coordinated human productive activity in ‘organizations’ as originally and more ideally conceived by such prominent representative contributors to organization studies as Adam Smith, Max Weber, Ronald Coase, or Peter Drucker.

Adam Smith captured the essence of the firm as a more sustainable alternative to the preceding centuries of trial and error to coordinate human innovative capabilities and generative energy (Smith, 2001). Under trial and error, resources were being repeatedly wastefully sacrificed; consequently, economic expansion was slow and social progress constrained. To meet the insatiable consumptive aspirations of the enlightened post-agrarian society, a novel construct was necessary. It would by far exceed the limitations of social structura-

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