



# Tool 1

## Developing Principles

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### Quick guide

Define a focused set of principles to guide your work on organizational structure. Frame principles as concise, forward-looking, actionable, and prescriptive propositions. Principles should first be defined on the level of strategic objectives and relevant for the work on organizational structure as a whole. Principles can also be formulated as criteria on the level of individual design elements, e.g. to guide work on unit structure or organizational shape.

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### Purpose

Align stakeholders; support intuition in coming up with ideas and solutions; create a resource to draw on regarding critical trade-offs; allow to judge options and solutions (“does that option confirm to our principles?”).

### Approach

- In a working group meeting or workshop setting and after introducing key criteria for principles (concise, forward-looking, actionable, and prescriptive) let participants brainstorm potential principles individually. Collect and cluster output on a whiteboard. Use the material to consolidate a list of principles.
- In subsequent meetings, regularly refer to the principles or start meetings with a quick review of principles to ensure the work is on track. Utilize principles in discussing and judging design options
- *Output*  
A set of 3 to maximum 7 principles (more than 7 principles typically dilute the effectiveness of principles)

## Examples for principles

- “The organizational structure should embody key imperatives of our strategy”
- “Our organizational structure should allow for cross-organizational cooperation and learning”
- “As a rule, span of control in the entire organization should not be below 8 and not exceed 12 direct reports” (Example for criteria on spans and layers)



### Common issues ...

Principles are perceived as too generic and not prescriptive

### ... and how to deal with them

Ask team members to give specific examples on when the principle would be adhered to or broken. Sharpen principles based on a common understanding of the examples