Integration-Coordination Tools

The development of these tools was funded by a grant from IRC4HR®
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Digital transformation is different because of the combination of these 8 challenges. Challenges are connected.

Integration & coordination

Leadership

New demands

Spread innovation

Shift to digital

Scope, scale, and speed

Change Capabilities

Efficiency & Innovation

Ambidexterity

Front-Back

Customer-focus

Hierarchies & Networks

Leverage knowledge

Efficiency & Innovation

Integration & coordination

Connect digital efforts

Organization redesign is required

The key barrier to digital transformation is today’s organization.
Integration-Coordination Tools

- This challenge has to do with aligning parts and units of the organization around a common digital transformation roadmap that addresses local and global digital investments.
- Leaders need to provide clear direction regarding what should be decided globally and what should be decided locally.
- These tools are intended to help raise awareness of the challenge and to provide useful guides to actions you can take to design a more coordinated approach to digital transformation.
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Key Insights about Integration-Coordination

- The need for integration and coordination never stops and yet in many cases the approach to integration and coordination is temporary, such as a cross functional team that is formed around a project and then dissolves. More permanent structural designs and networks need to be put in place to assure that integration and coordination takes place.

- Some of the solutions to the problem are technical as well as social. Platforms like Slack, Google Docs, or Microsoft Teams can be useful in helping groups of people stay connected and work together virtually.

- Lawrence & Lorsch’s classic 1967 book Organization and Environment concluded that when the competitive environment of organizations became more complex, organizations needed both more differentiation (specialization) and integration. As digital transformation efforts become more complex and multi-faceted, we see the same requirement. We need to design integration mechanisms that are capable of handling the integration of the many projects and specialists involved. Organizational social networks can be used for this purpose (See Michael Arena’s book, Adaptive Space) but need to be designed intentionally rather than left to chance.

- Currently in many organizations rewards encourage working independently rather than in a coordinated fashion. Even where bonuses depend in part on overall organization performance, leaders interpret this to mean that they should not fail at doing their part rather than seeking ways to work collaboratively to improve organizational performance. Both rewards and processes for working collaboratively need to be included in the design of the organization.
**Galbraith Star Model for Integration**

**Strategy**
Achieve integration and coordination

**People**
Select or identify people who are active networkers: brokers, connectors and energizers

**Rewards**
Reward collaboration instead of individual performance

**Processes**
Create social and technical forums for learning and collaboration

**Structure**
Build cross functional teams and networks
Stages of Digital Transformation

As transformation becomes more complex, so does the need for integration and coordination.

Initialization

Single forays into digitalization of processes such as supply chain management, EMR, order to cash, CRM, employee records or manufacturing (robotics); little use of artificial intelligence.

Diversification

Different business units or functions undertake separate, uncoordinated, non-strategic digital projects; artificial intelligence is applied sparingly.

Alignment

A Chief Digital Officer creates a digital migration roadmap and leads efforts to align, simplify and leverage digitalization efforts across the enterprise; data pools are created and mined; artificial intelligence is applied ubiquitously; new business models are considered.

Transformation

Shift from old to new business models completed; all aspects of organization are digitalized.
Things You Can Do

- Create an enterprise-wide digital transformation council that brings representatives of local units together into a global forum to develop a local-global digitization roadmap.
- Create “linking mechanisms”: a network of roles that connect digital innovators, teams, full or part-time boundary spanning roles, and/or technology platforms that support teamwork.
- Reward collaborative behaviors and outcomes.
- Develop a collaborative culture.
The STARLab Alliance, Inc. is a non-profit learning consortium focused on creating next generation organization design and leadership models.

The Digital Organization Design STARLab is a year-long learning experience that allows participants and subject matter experts to collectively explore and prototype practical and innovative responses to digitalization. STARLab Participants include 3-6 senior leaders from 10 companies, well-into the digital transition of their business models, who will partner with leadership and organization experts. The STARLab accelerates learning and creates organization design solutions that optimize the application of advanced technologies and human capital approaches to achieve agility and sustainable effectiveness.

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