



## The Role of Organizational Design in 21<sup>st</sup> Century Organizations: George Jetson and the Star Model

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### **Abstract**

In the 1960s, the cartoon series *The Jetsons* gave the world a look into the 21<sup>st</sup> Century work and home life. In reality, technological advances have reached supersonic speed in the last two decades and companies are competing to find the “next big thing.” This article provides insights on designing an organization to best meet the future needs of both consumers and employees. Using the Star Model™ of organizational design, each of the model’s five points; strategy, people, structure, processes, and rewards are discussed. Future trends on demographics, technology, innovation, and working conditions are also reviewed to encourage strategic thinking. It is hoped this futuristic look at the five points of the Star will offer 21<sup>st</sup> Century organizational designers ideas and thoughts to meet the challenges of designing future organizations.

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How did they do it? A crystal ball? Few can argue Bill Hanna and Joe Barbera were not downright visionary as they scripted episode after episode of the animated sitcom *The Jetsons* in the early 1960s and again in the 1980s. Americans sat spellbound in front of their big square televisions and saw for the first time flat TV screens, a robotic maid, teleconferencing, video watches, talking phones, MRI-like medical equipment, flying cars, and vending machines which prepared meals to order. The Jetsons were a traditional American family who lived in the year 2062 and enjoyed conveniences both at home and at work which many TV viewers of the time could only imagine.

In today’s busy world, convenience sells. Consumers want products that will make their life easier and they want them right now. Technological advances have reached supersonic speed

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in the last two decades and companies are competing to find the “next big thing.” Most of the products that amazed the Jetsons’ TV audience in the 1960s have come to fruition along with

many others which Hanna and Barbera missed. As innovators search for ground-breaking products, leaders must ensure their organizations are structured as optimally as possible to meet consumer needs as well as those of their employees.

Organizational design expert Jay Galbraith suggests an organization must be designed in a way that its product or service creates value in the eyes of the customer in ways that competitors have difficulty copying. His Star Model for organizational design centers around five points; strategy, people, structure, processes, and rewards. Strategy drives the organization and the other four points of the star must align with the strategy and with each other for success. If one part of the Star Model is not aligned, the star can fall from the sky. This article looks at the five points of the star and offers 21<sup>st</sup> Century organizational designers ideas and thoughts as they design the organizations of the future.

### Strategy: Considerations for Future Strategists

*“There is only one thing worse than war and that is business, and Spacely has declared business on us” – Cogs Cogswell*

Technological advances are fueling an increasingly global marketplace where millions of customers and producers are able to sell and buy goods as well as collaborate on work, school, and projects. In developing a strategy to meet the future, experts Henry Mintzberg, Bruce Ahlstrand, and Joseph Lampel first recommend conducting an internal and external analysis using a strength, weakness, opportunity, and threat (SWOT) analysis. During this phase, developers consider the underlying structure of the industry and how social, political, and macroeconomic factors could influence the organization. Other considerations include organizational values and social responsibility. Once a strategy has been selected, Mintzberg and colleagues recommend it be tested for consistency with goals, consonance with the external environment, the competitive advantage it creates, and feasibility.

In looking to the future, the National Intelligence Council predicts four megatrends starting around 2030 that organizational designers may also want to consider in their SWOT analysis:

1. **Individual Empowerment.** This will accelerate, owing to poverty reduction, growth of the global middle class, greater educational attainment, widespread use of new communications and manufacturing technologies, and healthcare advances.
2. **Diffusion of Power.** Hegemonic powers will lessen. Power will shift to networks and coalitions in a multi-polar world.
3. **Demographic Patterns.** The demographic arc of instability will narrow. Economic growth might decline in “aging” countries. Sixty percent of the world’s population will live in urbanized areas; migration will increase.

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4. **Food, Water, Energy Nexus.** Demand for these resources will grow substantially owing to an increase in global population and its higher standard of living. Tackling problems pertaining to one commodity will be linked to supply and demand for the others.

Although no one has a crystal ball, it is important for organizational designers to consider all conceived future possibilities. In her book, *Strategic Thinking and the New Science*, Irene Sanders suggests both insight and foresight be used to scan across disciplines and industries to see emerging conditions, paradigm shifts, and opportunities for innovation. Other identified scenarios include global volatility and imbalances which could result in economic or political collapse, the potential for increased conflict among nation states, regional instabilities, the impact of new technologies, and the future role of the United States in the international system. Organizations and institutions must be able to adapt quickly enough to channel change and not be overwhelmed by it.

In addition to these “big picture” considerations, it is imperative organizational designers gather data on local industry and environmental trends. The 21<sup>st</sup> century will continue to be volatile and strategies should be ready to meet the challenge of finding more adaptive forms of organization that can quickly respond to changes.

### People: Future Workforce

*“These three hour work days are killing me!” - George Jetson*

Given unemployment rates as high as nine percent recently, George Jetson would probably be pleased to have a 40-hour week job if he lived in 2015. Could his nine-hour per week job really be part of the future? Designers of future organizations need to consider that, in less than twenty years, lower birth rates and longer life expectancies will greatly reduce the ratio of workers to retirees. Futurist George Friedman predicts the longer-living retirees will continue to consume goods and services driving up costs of the more scarce labor and, with it, inflation. There will be a need not only to replace the retirees, but the demand for both highly skilled and less skilled healthcare workers will skyrocket due to the burgeoning aging population. *The Monthly Labor Review* predicts labor shortages in four out of every five occupations because of the 33.7 million jobs which will be left vacant by retirees by 2020.

The United States will not be the only country experiencing an aging population and a corresponding labor shortage. Friedman predicts every industrialized country will be facing the problem – some countries will be in even more of a dilemma. While politicians today argue about how to keep illegal immigrants out, Friedman suggests by 2030 the United States will be battling European countries to induce them to come to the U.S. instead of Europe.

Organizations need to plan now how they can meet the future labor shortages. Workers who previously may have endured long hours and commutes and less than ideal working conditions may demand a more convenient work place in the future. In *Futurework - Trends and*

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*Challenges for Work in the 21st Century*, the U.S. Department of Labor suggested there are three pillars that employees want from their employers: economic security over a lifetime, a balance between work and family, and workplaces that are safe and fair. Organizations should consider these aspects as they consider their design for the future.

Today, there are people who endure hostile work environments because of a lack of work alternatives. In the future scramble to get the best manpower, this will rarely be the case. Organizations should be designed with policies to protect employees' rights and dignity. In a 2012 *Forbes Magazine* article, Mark Fidelman predicts that future leaders will use technology to measure employees' level of satisfaction with the work environment to "rebalance the work environment to support greater collaboration, serendipitous encounters, informal knowledge flows and more profit."

### **Structure: Future Workplaces**

*"Imagine putting you back on a four day week. What does he think this is? The 20th Century?"*

- George Jetson

Despite the technological advances George Jetson enjoyed, he still fought traffic in getting to his workplace where he sat down in front of a computer – much like today. The real-world advances in technology will impact what the future workspace looks like and even where it is located. Instead of "cubical farms," many future organizations will evolve into a virtual space or a combination of virtual and physical space. Mobile electronic devices already permit people to work from home, a coffee shop, a park, an office, across the city or across the world. This trend will only intensify in the future.

Headquarters buildings may still exist but in lieu of traditional office spaces, it is predicted hybrid workspaces will offer different options for employees. *CNN Money's* Andrew Laing says there will be spaces for those who feel the need to work in a quiet space as well as areas designed for team collaboration. Some workspaces would be deliberately planned to facilitate employees' generation of innovative concepts, sharing the ideas through collaborative software, or saving them for future study. These options should benefit innovation and productivity as well as improve employee satisfaction.

Another advantage is employers will be able to hire talent from countries around the world either on a permanent or as-needed basis. This would allow organizations to both take advantage of the human intellect available but also to provide "boots on the ground" for global efforts and outreach. With teleconferencing, email, instant messaging, and program management software, work can be accomplished from anywhere that has Internet connectivity. *U.S. News and World Report* notes telecommuting not only provides a convenience to the employee but also boosts productivity anywhere from 13% to 22%.

Telecommuting from the local area can also benefit both the employee and the organization. Employees can avoid time spent in traffic and utilize it to balance their family or hobby time. The

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office is also close in case certain equipment is needed or for face-to-face meetings and brainstorm sessions.

### **Processes: A Systems Approach**

*“Our home food dispenser broke and I had to wait 20 seconds at the checkout counter, such inefficiency” - Jane Jetson*

In George Jetson’s world, industry competition was intense. Spacely Space Sprockets and their rival, Cogswell Cogs, were continually trying new ways to improve their processes in order to gain an advantage on the other. In order to remain competitive in the future, expert Jatinder Gupta suggests technology must be leveraged to develop an intelligence enterprise which will combine knowledge management with intelligent business operations creating an enterprise-wide view of operations, ensuring those business processes are linked to the business strategy. In their book, *Intelligent Enterprises of the 21st Century*, Gupta and Sushil Sharma contend that through intelligent business operations, organizations of the future will be able to introduce more flexibility into their work processes while reducing overhead and other expenses. Relationships with suppliers and other stakeholders will also benefit from the collaboration of information and resources. Organizations will also be able to respond to opportunities and changes in the external environment significantly faster.

An example of an organization leading the way in creating an intelligent enterprise is eBay. Big data expert Hamish Barwick reports the online mega-store uses three business intelligence platforms to provide analytical data to 12,000 internal users who range from scientists to sales persons. One platform is a central information system which provides access to all analytics and information from all the business intelligence platforms. eBay’s director of data, Alex Liang, noted “Because the business environment is much more complex, you cannot have one analyst working independently. People must be working with each other to get deep data insight.”

Enterprise and business intelligence will be a key driver in the success of future organizations. How and what information is gathered, who gets it, and what level of empowerment do people have when they get the information, are considerations organizational designers need to take into account when developing business processes.

### **Rewards: More than Money**

*“You can’t tempt Jetson with money, can you?” – Mr. Spacely*

On a positive note, George Jetson was able to support his family comfortably off of his salary. On the flip side, he had to put up with Mr. Spacely, who often seemed to be on his case. Fortunately, his dealings with Mr. Spacely were limited to his nine-hour work weeks which probably made things quite bearable. George stayed with Spacely Space Sprockets because he felt he was rewarded appropriately.

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Jay Galbraith suggests the purpose of reward systems is “to align the goals of the employee with the goals of the organization” and to “provide motivation and incentive for the completion of the strategic direction.” Reward systems can include both extrinsic and intrinsic rewards. Extrinsic rewards of the future could include salaries, benefits, workplace options, stock options, pay-for-skill salary practices, flexible hours, bonuses, or gain-sharing. Intrinsic rewards will become more important in the future when labor becomes scarcer. Kenneth Thompson reports this category of rewards includes providing a sense of meaning to the work, an ability to choose how to accomplish the work, a sense of competence that one is doing their work well, and a sense of purpose – the work matters.

As the workforce shrinks, it will become more important for organizational designers to offer a wide menu of extrinsic and intrinsic rewards. The rewards system should facilitate a balance of work and family, which can benefit both the employee and the organization. Employees who achieve this enjoy better health, feelings of wellbeing, and job satisfaction and are more likely to remain with an organization as a productive long-term member of the team. Organizations also benefit through greater loyalty and lower absenteeism rates along with associated replacement costs. Innovative organizational designers should carefully consider how compensation, benefits, recognition, and working conditions will fuel employee behavior to support organizational goals and strategies.

### **Conclusion**

Although a cartoon, one could assert that *The Jetsons* came closer to predicting the future than any other science fiction medium of the time. Technology and convenience drove their day-to-day life both at home and at work. The Star Model provides organizational designers with a framework from which to develop the businesses that can provide the “conveniences” of the future. Although no one can predict the future with 100% accuracy, a thoughtful and careful analysis of trends and predictions can guide strategy development. The resulting strategy will drive the development of the other four points of the star; people, structure, processes, and rewards. Alignment between all five points of the star will be crucial in developing the agile, flexible organization that will succeed in George Jetson’s 2062.

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