ADAPTIVE STRATEGIC REORGANIZATION

Treating Organizational Design as an Empirical, Iterative Process

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March 2026

A companion white paper for the ElevateRTP workshop:

"Reorganizing Teams and Organizations in Uncertain Times"

The Reorganization That Never Ends

"Plans are useless, but planning is indispensable." Eisenhower's aphorism has become a cliché in leadership circles – and for good reason. It captures a truth that most organizations learn the hard way: the world does not hold still while you redesign the org chart. Yet the dominant model of reorganization remains a blueprint exercise. Leaders diagnose a problem, design a new structure, announce it, and hope the organization absorbs the shock. When the environment shifts six months later, the whole cycle begins again.

This paper proposes a different approach. **Adaptive Strategic Reorganization** treats organizational design not as a discrete event but as an empirical, iterative process – one that borrows from agile methodology at the strategic level and from systems thinking at the structural level. It is designed for leaders who operate under significant external constraints: budget freezes, headcount restrictions, policy mandates, leadership transitions. In other words, it is designed for most of us.

Why Reorganizations Fail

The literature on organizational change is remarkably consistent on one point: most reorganizations do not achieve their intended outcomes. John Kotter's widely cited research found that a majority of transformation efforts fail, not because the design was wrong, but because the process was mismanaged – too rigid, too top-down, too disconnected from the people who had to make it work. A quarter-century later, the pattern holds.

Three dominant approaches to reorganization share a common failure mode. The first – *the blueprint model* – treats organizational design as an architectural problem. Leaders conduct an assessment, draft a new structure, and execute a cutover. Jay Galbraith's Star Model is the most sophisticated version of this approach, aligning strategy, structure, processes, rewards, and people into a coherent design. The model is elegant and comprehensive. But it assumes a stable-enough environment that the five points of the star can be aligned before the ground shifts.

The second – *the change management model* – focuses on the human side. Kotter's eight-step framework, for instance, emphasizes urgency, coalition-building, and short-term wins. This is valuable but sequential. It presupposes a destination, then manages the journey there. When the destination itself is uncertain, the model strains.

The third – *the agile operations model* – imports iterative methodology from software development into organizational management, often without the appropriate

translation. Scrum boards, sprints, retrospectives. These practices are powerful, but they were designed for tactical execution – building products, shipping features, solving bounded problems. Applying them to organizational strategy or for scalability - say as scrum of scrum or through SAFe treats a people challenge as a process problem.

What all three approaches share is a structural assumption: that the organization can be *designed* in one pass and then managed through the transition. The blueprint model designs the future state. The change management model sequences the transition. The agile approach builds iteration and increments into the work - yet the model for staffing is static. None of them treats the design itself as subject to iterative refinement in real time. More importantly, they don't question the assumption that the goal of strategy is to create the design or build a plan in the first place.

Theoretical Foundations

Emergent Strategy and the Limits of Planning

The intellectual roots of Adaptive Strategic Reorganization begin with Henry Mintzberg's distinction between deliberate and emergent strategy. Mintzberg and Waters showed that realized strategy is rarely the pure implementation of an intended plan. It is a combination of deliberate choices and emergent patterns – strategies that form in the doing, not in the planning. The implication is powerful: strategy is not a document. It is a process. And if strategy itself is emergent, then the organizational structures designed to execute strategy must be capable of emergence too.

This is the gap in most reorganization thinking. We accept that strategy emerges. We accept that markets shift. But we still design organizations as if the structural answer can be known in advance. Adaptive Strategic Reorganization closes this gap by treating the organizational structure as a hypothesis – one that must be tested, refined, and iterated just as a product team iterates on a prototype.

Systems Thinking and the Viable System Model

If Mintzberg provides the epistemological grounding – the argument that structures cannot be fully planned – then Stafford Beer provides the architecture. Beer's Viable System Model (VSM) describes the five subsystems any organization needs to remain viable: operational units, coordination, control, intelligence (environmental scanning), and policy. The model is recursive: each operational unit is itself a viable system. This recursive property is essential for Adaptive Strategic Reorganization because it means structural changes at one level do not require a wholesale redesign at every level. You can iterate locally while maintaining systemic coherence.

Beer's work also introduces a critical concept: *requisite variety*. The complexity of an organization's internal management must match the complexity of its environment. When the environment becomes more volatile, the organization must increase its internal capacity to process variety – not by adding bureaucracy, but by distributing decision-making authority closer to the point of action. This principle directly informs the "test-fit" approach at the heart of Adaptive Strategic Reorganization.

Patterns of Strategy

Patrick Hoverstadt and Lucy Loh's *Patterns of Strategy* extends Beer's systems thinking into a practical strategic vocabulary. The book identifies eighty strategic patterns – recurring configurations of relationships between an organization and the actors in its environment. Some patterns are stable and benign (the "Jeeves" pattern, where an organization serves a dominant partner competently and reliably). Others are extractive, parasitic, or guerrilla in nature. What makes the framework distinctive is its emphasis on the relational dynamics between organizations rather than on the internal structure of any single organization.

For Adaptive Strategic Reorganization, Hoverstadt and Loh provide two essential contributions. First, they offer a language for diagnosing the strategic context in which a reorganization takes place – not in terms of internal capabilities, but in terms of the relational patterns that constrain and enable structural choices. Second, they demonstrate that strategic patterns are dynamic. They shift. An organization that was in a "Jeeves" relationship with its parent institution last year may find itself in a "Guerrilla" posture this year, operating at the margins of institutional tolerance to preserve essential capabilities. The structural implications of these two patterns are fundamentally different, and a reorganization process must be able to pivot between them.

Built to Change

Edward Lawler and Christopher Worley's *Built to Change* makes the argument that organizations should not be designed for stability and then retrofitted for change. They should be designed for change from the outset. Lawler and Worley's diagnostic framework for organizational agility identifies the structural conditions that enable continuous adaptation: flexible strategic intent, resource fluidity, distributed authority, and transparent information flows. Adaptive Strategic Reorganization borrows heavily from this insight. A test-fit reorganization is not a temporary concession to uncertainty. It is the permanent operating posture of an organization that takes its environment seriously.

The Framework: Adaptive Strategic Reorganization

Adaptive Strategic Reorganization synthesizes these strands into a coherent approach to organizational design under constraint. It operates on five interlocking principles.

1. Identify the Non-Negotiables

Every reorganization operates within constraints. Some are genuine non-negotiables – regulatory requirements, contractual obligations, accreditation standards, fiscal realities. Others are inherited assumptions that have calcified into policy. The first move in Adaptive Strategic Reorganization is to map the constraint landscape explicitly: what is truly fixed, what is merely conventional, and what is ambiguous enough to be tested. This is not an abstract exercise. It is the definition of the design space.

In a VUCA environment, the constraint landscape itself is dynamic. A budget freeze announced in January may be modified by March. A leadership vacancy may be filled by someone with a different vision. Mapping non-negotiables is therefore not a one-time assessment but a recurring practice – a discipline of distinguishing real boundaries from assumed ones.

2. Design as Hypothesis, Not Blueprint

The central commitment of Adaptive Strategic Reorganization is that any organizational design is a hypothesis about how work should be structured given current conditions. A hypothesis is testable. It generates predictions. And it is provisional – held with conviction but without rigidity. This posture borrows from agile methodology at the strategic level, moving beyond tactical sprints to treat the organizational structure itself as a product under development.

In practice, this means prototyping structural changes before committing to them. A "test-fit" reorganization places people into provisional roles, runs the new structure for a defined period, collects empirical feedback, and adjusts. This is David Snowden's probe-sense-respond logic applied to organizational design: in a complex environment, you cannot analyze your way to the right answer. You act, observe, and adapt.

3. Iterate at the Speed of Learning

Iteration is not the same as indecision. An iterative reorganization has a rhythm: define the hypothesis, run the test, gather feedback, refine the structure, and cycle again. The cycle length depends on the complexity of the change. Some structural adjustments can be tested in weeks. Others require a semester or a fiscal quarter. The point is not speed. The point is that the organization learns from each cycle and the next iteration is better informed than the last.

Joseph and Sengul's recent review of organization design literature emphasizes this iterative dynamic. They note that middle managers frequently modify and adapt

incomplete top-level designs through an iterative process of feedback and redesign – a process that conventional models treat as implementation failure but that Adaptive Strategic Reorganization treats as the mechanism of organizational learning.

4. Distribute Requisite Variety

Following Beer's cybernetic principle, Adaptive Strategic Reorganization pushes decision-making authority to the level closest to the relevant complexity. When the environment is volatile, centralized decision-making becomes a bottleneck. The organization cannot process enough variety fast enough. Distributing authority – giving operational units the autonomy to adapt within defined parameters – increases the organization's capacity to respond without requiring every adaptation to flow through a central design process.

This does not mean decentralization for its own sake. It means calibrating the level of autonomy to the level of environmental complexity. Beer's VSM provides the diagnostic: if System 4 (environmental intelligence) is detecting changes faster than System 3 (operational control) can respond, the variety balance is off. The structural response is to push more decision rights to System 1 (operational units) while strengthening the coordination mechanisms that keep them aligned.

5. Read the Relational Pattern

Hoverstadt and Loh's strategic patterns provide the external lens. Before redesigning an organization, a leader must understand the relational dynamics in which the organization is embedded. Is the organization a trusted partner, an internal startup, a guerrilla unit navigating institutional resistance? Each pattern implies different structural priorities. A trusted partner optimizes for reliability and service quality. A guerrilla unit optimizes for speed and concealment. Designing a structure without diagnosing the pattern produces elegant solutions to the wrong problem.

In constrained environments – higher education, government, regulated industries – the relational pattern is especially important because the constraints are often relational, not technical. A reorganization that ignores the political dynamics of its institutional context will be structurally sound and politically dead.

Implications for Practice

Adaptive Strategic Reorganization is not a theory waiting for application. It emerged from practice – specifically, from a complex reorganization at NC State Continuing and Lifelong Education, where a division of 150 staff members navigated budget constraints, headcount freezes, leadership transitions, and shifting institutional priorities simultaneously. The approach was not planned in advance as a methodology. It was

recognized, in retrospect, as the pattern that emerged when a team refused to treat organizational design as a one-shot exercise.

The practical implications follow directly from the five principles. Leaders should begin any reorganization by mapping the constraint landscape, distinguishing genuine non-negotiables from inherited assumptions. They should design provisional structures and name them as such – test-fits, not permanent solutions. They should build feedback loops into the process: regular check-ins, retrospectives, and honest assessment of what is working and what is not. They should distribute decision-making authority to the level that matches the complexity of the environment. And they should read the relational pattern, understanding the political and institutional dynamics that constrain their design space.

Perhaps the most important implication is cultural. Adaptive Strategic Reorganization requires a leadership posture that treats uncertainty as a design condition, not a failure of planning. This is uncomfortable for organizations that equate stability with competence. It demands a willingness to say, publicly, "This is our best hypothesis for how to organize right now. We will learn from it and adjust." That kind of honesty – strategic humility paired with operational discipline – is rare. It is also what distinguishes organizations that thrive under constraint from those that merely survive.

Conclusion

The environment will not hold still. Budgets will shift. Leaders will turn over. Policies will change in ways no one predicted. The organizations that navigate this volatility are not the ones with the best blueprint. They are the ones that build the capacity to redesign themselves continuously – iterating on structure the way a product team iterates on a prototype, reading their environment the way a systems thinker reads a pattern, and distributing authority the way a cybernetic model distributes requisite variety.

Adaptive Strategic Reorganization is not a new theory. It is a synthesis – drawing from Mintzberg's emergent strategy, Beer's viable systems, Hoverstadt and Loh's strategic patterns, Lawler and Worley's built-to-change framework, and the iterative discipline of agile methodology. What is new is the application: treating organizational design itself as the domain of iteration, rather than relegating iteration to the tactical work that happens within a fixed structure. In volatile times, the structure is the strategy. And strategy, as Mintzberg taught us, is always emerging.

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