



Center for  
Applied  
Research

### ***Briefing Notes:***

## **Use of Idealized Design in Administrative Redesign and Downsizing**

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### **The Presenting Situation**

A medical school faced the implementation of a cap on the amount of allowable overhead for central administration that translated into a challenge to take out 10 percent of the budget on an annualized basis. A committee was charged with using this challenge to rethink the way business was done rather than a status preserving across the board approach.

In doing the work, it often was hard to differentiate when people varied over the desirability of a proposed change rather than its feasibility. Furthermore, we wanted to help the committee look at the overall set of ideas that were emerging and think about them as an interacting whole.

### **The Use of Idealized Design**

To clarify what people really thought would be ideal, freed up from political considerations, we developed an idealized design questionnaire listing suggested design features that had surfaced in interviews and brainstorming sessions. The instructions were to think about features of the administrative system as if one could design it as it ideally should be, without political constraints.<sup>1</sup> No element should be rejected for being infeasible (unless science fiction). If these elements could be implemented, the system as a whole needs to be viable, e.g., able to acquire the necessary resources and inputs and to serve its customers and constituencies in satisfactory ways. Each member of the committee was then asked to ballot from 1 (strongly agree) to 5 (strongly disagree) about each statement of a suggested design feature. Below are the major categories and some sample items.

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<sup>1</sup> Ackoff, Russell L. *Creating the Corporate Future*. New York: John Wiley & Sons, 1981.

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### ***Primary Structure***

- Consolidate mini-departments.
- Reorganize administrative units along service rather than functional lines with a goal of providing more efficient service.

### ***Education***

- Student operations would include financial aid, registrar, admissions, finance, room scheduling and course production.

### ***Faculty—Administrative Relationships***

- Faculty would take administrative roles only when they clearly added value to its direction and leadership.

### ***Planning Cycles***

- Develop strict sunset provisions for all new programs; provisions would include predetermined measures of financial independence and/or programmatic success.

### ***Personnel***

- Provide incentives for contributing members of the community to move easily within the institution.

### **The Challenge of Implementation**

The committee met to review their results. They experienced a mix of excitement about some of the ideas with high consensus that they really thought would be desirable and simultaneously felt discouraged that too many of these changes were “sacred cows.” To prevent the group from becoming immobilized, we identified 38 items that they felt might be “sacred cows” and, after some discussion, each member committed to voting on each item in terms of three attributes:

- Degree of sacredness: 1 (lowest) – 5 (highest)
- Strength of link to the mission: 1 (lowest) – 5 (highest)
- Potential link to economic impact if the attribute were implemented: 1 (lowest) – 5 (highest)

## The Results

The results were tabulated for the committee and generated a rich conversation about the interactions across the ratings. The consultants then suggested that two senior members of the Office of the Dean (one being the top academic leader and the other the top administrative leader) be invited to respond to the same questionnaire to trigger some useful conversation about what the constraints on the committee were, as it took up the challenge of trying to cut administrative costs yet preserve mission-related support.

The two senior leaders (one faculty and one administrative) substantially agreed on their ratings of sacredness, with 88 of 111 items rated the same or within one point of each other. The area of greatest difference between the two was the perceptions of mission linkage. Of 13 items with an over two-point difference, 11 were related to mission linkage.

Between the top leaders and the committee members, the patterns were as follows:

	Two Senior Leaders	Committee
<b>Sacred</b>	2.60	3.42
<b>Mission</b>	3.15	2.76
<b>Economic</b>	2.28	3.29

The senior administration saw the whole list as more mission linked, less sacred and less economically important than did the committee.

For the committee, 36 of 38 items had the average sacredness ratings exceed the average mission rating. This was interpreted that there was some increment of resistance to change beyond the mission-related value of the item. In contrast, for the two senior members of the Dean's office, only 8 of 36 items had sacredness exceed mission-related. One implication is that the view from the top sees the rationale for many features of the current situation as mission related, whereas those same attributes, when viewed from middle managers, are seen as "sacred cows" or linked to some powerful stakeholders' interests more than the institution's mission.

In light of the change to the committee to find cost savings (but to do so in ways that did not undercut the mission), we assumed that ideally one would like to move ahead on all items where the economic value was high and the mission link was low. Therefore, we looked at the result when one subtracted the average mission score from the average economic-impact score and rank ordered them. Again, there were significant perceptual differences. The tops administrators had only two items with a positive difference (each .5), nine at zero. In contrast, the committee had 30 of 38 times greater than zero, with nine items receiving values greater than one.

## **Discussion**

In this case, the variant of idealized design was used initially to help a committee break out of assumed constraints and think about what would be ideal designs, albeit in the context of the charge to cut central administration's budget by ten percent. As they became excited by possible ideas they could no longer hold at bay their sense of political unfeasibility. The language of "sacred cows" suggested that not only were these infeasible but almost undiscussable. The committee pushed ahead to share their own perceptions on which items were worth fighting to implement—e.g., had a significant economic impact and a low linkage to the mission.

Via the consultants taking the list up to the senior leaders, it created a context in which both specific items could be discussed as well as some clarifications of different perceptions about what was ideal and what was feasible. Predictably, the committee continued to believe that the top leadership was resisting some important changes that could have significant economic impact with little adverse effect on the mission. However, this process did help them move forward with a mixture of strategies (some incremental, some more significantly) in the idealized direction to achieve the specified target.

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