How Organisation Design Can Rescue the SDGs

By Phanish Puranam , INSEAD

We're not on track to meet any SDGs by 2030. Organisation designers can help.

Time is running out for the United Nations' **Sustainable Development Goals (SDGs)**. Adopted by all UN member states in 2015, the seventeen SDGs seek to eradicate poverty, inequality and counter climate change by 2030.

Officially called the "2030 Agenda for Sustainable Development," UN Secretary-General Ban-Ki moon heralded it be a **"blueprint for a better future"** that would "transform the world" through "renewed global partnership."

But we're not on track. Halfway to 2030, **we're behind on almost every goal**.

The pandemic, the "existential threat of climate change" and a record-number of violent conflicts puts our world in "grave danger," warns the UN's **Sustainable Development Goals Report 2022**. Covid-19 wiped out more

than four years of progress on poverty eradication, one quarter of the world's population lives in countries affected by conflict (the highest number since World War II) and extreme weather impacts billions. Meanwhile, global greenhouse emissions are expected to increase this decade by almost 14 percent. These crises "threaten the very survival of humanity," warns Liu Zhenmin, Under-Secretary-General for Economic and Social Affairs.

The SDGs are a path towards coping with these existential threats – or **"grand challenges"** as academics now call them, but they cannot be pursued successfully by any one actor. The SDGs without exception require collaboration between a variety of private and public actors across the world, ranging from individuals to states (in fact, **SDG 17**, which focuses on global partnerships, is itself an acknowledgment of this idea).

Getting many actors with diverging perspectives and incentives to collaborate effectively towards a common goal is a difficult problem. It is also the problem that defines the field of organisation design.

The organisational challenges behind the SDGs

Over the last few years, I've worked with several colleagues in academia as well as the UN to explore how organisational design thinking can help achieve the SDGs – through a campaign called **"Organizing for Good**," organised by the **United Nations Refugee Agency** (UNHCR) and the **Organizational Design Community** (ODC) and also in a forthcoming **paper on private-public collaborations**.

My approach to organisation design classifies any multi-actor system with a goal to be an organisation, including project teams, departments, divisions, entire companies, communities and strategic alliances. What's common to all these systems is that to exist, they must solve the same problems: division of labour (what needs to be done, who does what) and integration of effort (how to motivate and coordinate actors). The solutions could vary, but the core problems are universal.

From this perspective, the complex web of private-public partnerships needed to make real progress on any SDG is a **"meta-organisation"** – an organisation whose members are themselves distinct organisations. They come with their own special additional challenge – there is no formal structure of authority within them that empowers one actor to direct others' behaviour. But by studying business ecosystems, e-commerce platforms,

mega-projects and open-source software development communities (all meta-organisations), researchers have discovered that effective meta-organisations succeed when some actors take on the role of "**architects**" or "orchestrators" of the system.

The role is akin to the organiser of a party; even if you can't order the guests to dance this way or eat that (without acquiring a reputation for being a weird host), you can choose the food, the venue, the music and the guest list. It's a delicate balance between orchestration and participation: get too heavy-handed and nobody will show up (or come back for the next party), do nothing and nothing (interesting) will happen. Successful architects of meta-organisations, like good party organisers, are knowledgeable about what people want and like, what they know how to do and who gets along well with whom. They also must take initiative. My co-author Vivianna Fang He and I refer to this as the **"hidden hand"** approach to design, contrasting it with the "invisible hand" of the market and the "visible hand" of authority.

In my **research** with Gerry George, Thomas Fewer, Anita McGahan and Sergio Lazzarini, we conducted an extensive review of what we know about public-private partnerships that have attempted to tackle the various grand challenges that the SDGs aim to address. We concluded three things:

1. Meta-organisations that tackle grand challenges need to be capable of *iterative learning by doing* as one does not typically start with a clear understanding of the complex problem at hand. This means that in some sense they resemble a giant **agile development project**.

2. Given how varied in power and resources the members are, these meta-organisations need to find robust processes for *participative self-design* – since there are no single powerful central actors. Design decisions about division of labour and integration of effort such as who does what and who gets what, must be taken through a process of consensus, or at least consultation.

3. The need for skillful *orchestration* – aligning all efforts towards a common **goal** without necessarily exercising power – is ideally met by n on-private actors such as governments or UN agencies when it comes to pursuing SDG's. They are naturally suited to take on this role as they often have the reputation, the local knowledge and legitimacy to

influence others, even when they lack sufficient power.

None of this is easy to implement and merely recognising these organisational design challenges will not magically help us meet the SDGs. But it shows us the next steps quite clearly, in my view.

Build orchestration capabilities to meet the SDGs

The main advantage to thinking about all organisations (including meta-organisations) as having the same universal problems, is that we can learn from solutions in one setting and apply them to another, with appropriate refinements. In organisational design, we know of a large bag of tricks that orchestrators in a variety of meta-organisations pursue; I believe that these are starting points for pursuing SDGs too.

For instance, as any good party host knows, the guest list is the single most important decision. Who you bring into a system affects how well it functions – skills at member selection matter in meta-organisations. The problem with a number of private-public coalitions is that many partners are selected based on technical efficiency or lowest bid alone (to avoid corruption), but without regard to their value alignment or ability to engage in collective iterated adaptation.

How one sets up the division of labour also matters enormously in meta-organisations. Whether and how we compartmentalise work will affect the possibility of future conflicts and the ability to adapt rapidly to new information. These are old problems in other domains (such as computer hardware design or even military operations) and there is a wealth of possible solutions to try out in the context of the grand challenges.

How to motivate members of a meta-organisation when you can't simply pay them is another old problem in other domains. **In** online platforms, reputation is the driving force behind active participation. No one wants to look bad online; a "bad" business review or a viral tweet can make or break an organisaton's reputation. What if we leveraged reputation to incentivise better SDG collaboration? If the UN or a reputable third-party established a five-star rating system that evaluated how private actors contributed to the SDGs, then actors may be motivated to improve.

I want to emphasise that these are starting points, not final solutions. Think of them as the candidate molecules in a drug discovery process which must

nonetheless go through the rigours of clinical trials before being adopted. Organisational design thinking can offer a large pool of such candidate solutions to tackle SDGs.

To rescue the SDGs, start with Goal 17

In last year's annual UN report, UN Secretary-General António Guterres declared: "We need an urgent rescue effort for the SDGs".

It's a tall order, but the sobering reality. Even if it's unlikely that we can achieve any of the SDGs by 2030, we must **act** now to achieve them at all, even if takes longer. My suggestion is that we start with SDG 17 – the final goal should be our first: **"Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development"**. Organisation designers know a thing or two about this. Let us make that count.

Find article at

https://knowledge.insead.edu/responsibility/how-organisation-design-can-rescue-sdgs

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About the author(s)

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