

BIG IDEA

Devolution

They say that structure should follow strategy, but too often it's the other way around. Arbitrary factors and givens, such as what the boss likes or current fashions and technology, shape the design of governance and organisational structure, and then we have to live with the consequences.

It's better to start by thinking about what problem we want to solve or what we want to achieve and then consider which arrangements might do the job. We should also look at what we might have to do to mitigate the inevitable side effects of the choice we opt for.

Thus devolution – desired by many leaders and quite the fashion in some circles – might be great for empowering communities, but only if that is what they want. This is sometimes a big 'if', since many may not relish replacing the integrated big proposition of the centralised institution with a model that is open to the caprice and politics of local tin-pot dictators. Mixed models are possible, but have high transaction costs – a price that may be worth paying if it gets us what we want.

➔ To see Nigel Nicholson's book, *The 'I' of Leadership: Strategies for seeing, being and doing* (Jossey-Bass, £18.99), go to ioleadership.com

