Ten Principles of Good Organization Design[1]

When your design is complete, and before you start implementing it, check that it conforms to the following principles:

Customer focused	Enabling sets of people working together to produce and deliver products and services that meet customer requirements in the context of changing environments.
Empowered and autonomous units	Units should be designed around whole pieces of work - complete products, services or processes. The goal is to maximize interdependence within the work unit and minimize interdependence among work units.
Clear direction and goals	Units need to have a very clear purpose, defined output requirements, and agreed on performance measures.
Control of variance at source	Work processes and units should be designed so that variances (errors) can be detected and controlled at source. This implies that the work unit is provided with the information and tools to detect and prevent error.
Social and technical integration	The social and technical systems are seen as interlinked. (Technical systems include workflow, movement of information, work processes).[2]
Accessible information flow	The flow of information must be designed so that work unit members can create, receive, and transmit information as needed.
Enriched and shared jobs	Broader jobs increase autonomy, learning and individual motivation.
Good people management practices	The design of the unit should foster the good people management practices.
Management structure, processes and culture that support high performance	Typically high performance is achieved in open and flexible management systems where management is concerned with achieving alignment and 'good fit'. Structures are likely to be matrix or team based
Capacity to reconfigure	In an environment that is changing at an increasing pace there is advantage for those who can anticipate and respond to those changes quickly. Units should be designed to be adaptive and adaptable.

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[1] For an interesting discussion of this read Gareth Morgan, Images of Organization, Chapter 3 (Organizations as Organisms). See also Organization Design: the Collaborative Approach, by Naomi Stanford, Chapter 8.