

Guide and Toolkit on Organisational Design



the dpsa

Department:
Public Service and Administration
REPUBLIC OF SOUTH AFRICA



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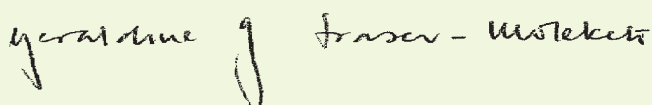
MINISTER'S FOREWORD

The Ministry for Public Service and Administration is at the forefront of government's continuing efforts to improve the capacity and organisation of the state. In October 2004, President Mbeki asked Ministers whether the South African public service was capacitated, organised and resourced to deliver on the government's socio-economic objectives in the context of the developmental state. Following a report by the Forum of South African Directors-General on the capacity of the state, Cabinet directed that the Public Service Regulations be amended to state that Executive Authorities should consult with the Department of Public Service and Administration (dpsa) prior to approving their Departments' organisational structures. This was embodied in a Directive issued in July 2006. Cabinet also mandated the dpsa to design guidelines to assist departments with their organisational structuring. As a consequence, the 'Guide on How to Design, Implement and Maintain Organisational Structures in the Public Sector' was developed.

The purpose of the Guide is to:

- Serve as a practical instrument to support practitioners and managers in designing, implementing and maintaining organisational structures in the public sector.
- Provide a common framework for organisational design in the public sector.
- Serve as a continuous improvement and capacity building instrument by sharing information about good practices.
- Provide decision makers (Executive Authorities and Heads of Department) with information on organisational structuring that can assist them when making decisions about their departmental structures.

The developmental state is heavily reliant on the strength and capability of the system of government to successfully implement the range of programmes designed to respond to the developmental challenges we are facing. I would like to encourage all persons with an interest in public administration and management to use the Guide as an essential tool in ensuring that we create the machinery of state that can respond to the development challenges in South Africa.



Geraldine Fraser-Moleketi

Minister for the Public Service and Administration

GLOSSARY OF TERMS

Terms	Description
Delegation	<ul style="list-style-type: none"> Delegation refers to assigning a job, duty, authority or responsibility to another to complete the job, duty, authority or responsibility.
Division of labour	<ul style="list-style-type: none"> The division and distribution of work among the various positions or persons who are involved in doing a job. Division of labour may be required to get things done quicker; to reduce costs; to prevent fraud; to reduce risk; and to improve morale by enriching jobs.
Empowerment	<ul style="list-style-type: none"> Empowerment means giving people the authority, resources and technical know-how to do the job and holding them accountable for results.
Executive Authority	<ul style="list-style-type: none"> For national departments, the Executive Authority would be the Minister responsible for the relevant department. For provincial departments, the Executive Authority is either the Premier of the province or the Executive Council portfolio, depending on the department.
Formal organisational structure	<ul style="list-style-type: none"> The formal organisational structure refers to the organisational architecture as depicted on an organogram or position chart. It refers to, among other things, the formal lines of authority, decision making, and promotion.
Governance structures	<ul style="list-style-type: none"> The governance structures refer to all the processes, policies, forums, committees and teams (task teams, decision making teams, review teams, advisory teams) which are utilised to ensure the flow of information, quick decision making, effective collaboration and coordination, collective measurement and rewards.
Organisational architecture	<ul style="list-style-type: none"> Organisational architecture refers to the overall structure of the organisation (for example functional, process, service line, and customer type) and the structures lower down in the hierarchy (teams, matrix, projects and networks). It does not include the specific details of each role or position.
Organisational design	<ul style="list-style-type: none"> Organisational design refers to the process of aligning the structure of the organisation with its objectives, with the ultimate aim of improving the efficiency and effectiveness of the organisation. Organisational design work can be triggered by the need to improve service delivery or specific business processes, or as a result of a new mandate. Organisational design work includes more than designing a structure. It involves: <ul style="list-style-type: none"> Understanding the imperative for change and the environment. Understanding the business processes, workflows, roles and responsibilities, volumes of work, activity analysis and resources. Designing and testing new models or structures. Planning and managing the transition from the old structure to the new. Implementing and monitoring the change.
Organisational development	<ul style="list-style-type: none"> Organisational development may be seen as a planned, comprehensive and systematic process aimed at improving the overall effectiveness of the organisation. It involves intervening in the processes, structure and culture of the organisation. There is a strong emphasis on organisational behaviour, human resource development and organisational change. Organisational design can be viewed as an organisational development intervention.

Process	<ul style="list-style-type: none">• Process refers to an organised group of related activities that together create a service or product of value to citizens. Process is further defined at different levels, from the organisational value chain of major processes to related and organised tasks and activities performed by an individual, group or technology.
Role or job design	<ul style="list-style-type: none">• Role, or job design, refers to the designing of specific roles or jobs to be performed in the organisation. This will include:<ul style="list-style-type: none">o All the activities to be performed.o The standards for the outputs to be generated.o The input requirements (safety issues, technology, equipment, manuals).o The incumbent requirements (skills, competencies, knowledge, qualifications, attributes).o The reporting line (up and down).o The authority and decision making powers.
Span of control	<ul style="list-style-type: none">• Span of control refers to the number of direct reports per manager. The span of control is expressed as a ratio, for example, 7:1 meaning seven direct reports to one manager.
Work design	<ul style="list-style-type: none">• Work design refers to the designing and grouping of tasks in such a way that it optimises the effort and eliminates obstacles and duplication. This would include consideration of:<ul style="list-style-type: none">o Required skills and available skills.o Simplicity of work.o Uniformity of work.o Geographical and physical location.

LIST OF ACRONYMS

Acronym	Description
AsgiSA	• Accelerated and Shared Growth Initiative for South Africa
AU	• African Union
CFO	• Chief Financial Officer
COPQ	• Cost of poor quality
CSF	• Critical success factors
dpsa	• Department of Public Service and Administration
EA	• Executive Authority
EXCO	• Executive Committee
FTE	• Full-time equivalent
IBSA	• India, Brazil and South Africa
IDP	• Integrated Development Plan
ICT	• Information and communication technology
KPI	• Key performance indicator
LRA	• Labour Relations Act, 1995
M&E	• Monitoring and evaluation
MPSA	• Minister for Public Service and Administration
MTEF	• Medium-term Expenditure Framework
NEPAD	• New Partnership for Africa's Development
OD	• Organisational design or organisational development (In this Guide OD will refer to organisational design)
PFMA	• Public Finance Management Act, 1999
PGDS	• Provincial Growth and Development Strategy
PSA	• Public Service Act, 1994
PSR	• Public Service Regulations, 2001
RACI	• Responsible, accountable, consulted and informed
SADC	• Southern African Development Community
SCOPA	• Standing Committee on Public Accounts
SIPOC	• Supplier, Input, Process, Output, Customer
UN	• United Nations

EXECUTIVE SUMMARY

BACKGROUND

The South African public sector is important for the sustainable growth and development of the country. One of its major responsibilities is to ensure that all citizens have access to and receive the services they need. The way in which public sector institutions are structured has an impact on how effectively they can deliver services to citizens.

In 2006, Cabinet decided that the Department of Public Service and Administration (dpsa) should develop guidelines to assist departments with their organisational structuring. This decision followed from a review of the capacity of departments by the Forum of South African Directors General (FOSAD). The review identified a number of shortcomings in organisational structures in the public service. Cabinet also decided that the Public Service Regulations must be amended to include a requirement for departments to consult the Minister for Public Service and Administration when restructuring affects the three top tiers of government departments.

The dpsa developed the “*Guide and Toolkit on Organisational Design*” (hereafter referred to as the Guide) as one element of its programme of support and capacity building for departments.

The purposes of the Guide are to:

- Serve as a practical tool to support practitioners and managers in designing, implementing and maintaining organisational structures in the public sector.
- Provide a common framework for organisational design in the public sector.
- Serve as a tool for continuous improvement by sharing information about good practices.
- Provide decision makers (Executive Authorities and Accounting Officers) with information on organisational structuring that can assist them when making decisions about their departments’ structures.

Although the Guide has been developed using the public service (national and provincial departments) as the frame of reference, it can be applied to local government and to other public sector organisations.

In developing the Guide, the dpsa drew on international practice in the public sector and on the insights and experiences of practitioners and managers in the South African public sector (both the public service and public entities).

A QUICK TOUR OF THE GUIDE

The Guide is divided into three sections, each containing a number of chapters. The table below gives a brief summary of each section.

Section name	Description	Chapters
SECTION 1: Guide overview	<p>This section is essentially an introduction to the Guide and to organisational structuring. It provides a brief background on the development of the Guide; discusses the regulatory framework governing organisational structuring and then proceeds to outline the conceptual aspects of organisational structuring and design.</p> <p>Senior managers and Executive Authorities will find Section 1 useful as it contains information they need to comply with the Public Service Regulations and their roles in the organisational structuring process.</p>	<p>Chapter 1: Introducing the Guide</p> <p>Chapter 2: The regulatory framework</p> <p>Chapter 3: Understanding organisational structure and design</p> <p>Chapter 4: The organisational structuring process</p> <p>Chapter 5: Frequently asked questions</p>
SECTION 2: Organisational structuring process	<p>This section of the Guide targets practitioners. The intention is to encourage practitioners across the public sector to adopt a disciplined approach to organisational structuring, based on good practice.</p> <p>The section expands on the process outlined in Chapter 4 and takes the practitioner through each phase of the organisational structuring process step by step. Each phase and step are described in detail, with guidance on tools that can be used to execute the work.</p>	<p>Chapter 6: Overview of design process</p> <p>Chapter 7: Phase 1 – Diagnosis</p> <p>Chapter 8: Phase 2 – Determining requirements</p> <p>Chapter 9: Phase 3 – Designing a new structure</p> <p>Chapter 10: Phase 4 – Business case and planning implementation</p> <p>Chapter 11: Phase 5 – Implementing a new structure</p> <p>Chapter 12: Phase 6 – Monitoring and evaluating the structure</p> <p>Chapter 13: Project management</p> <p>Chapter 14: Managing change</p>
SECTION 3: Tool kit	<p>This section of the Guide provides the details of the tools that can be used for organisational structuring. The tools are presented according to the particular phase of the structuring process. The range of tools is comprehensive (over 80 tools and templates) to allow practitioners the flexibility to choose those tools that best suit their circumstances.</p>	<p>Chapter 15: Tools inventory</p> <p>Chapter 16: Tools for Phase 1</p> <p>Chapter 17: Tools for Phase 2</p> <p>Chapter 18: Tools for Phase 3</p> <p>Chapter 19: Tools for Phase 4</p> <p>Chapter 20: Tools for Phase 5</p> <p>Chapter 21: Tools for Phase 6</p> <p>Chapter 22: Tools for managing change and transition</p>

KEY ELEMENTS OF THE GUIDE

The Guide is a detailed document, and necessarily so as it provides a step-by-step approach to a relatively complex undertaking such as restructuring a public sector organisation. Users of the Guide can benefit from the document if they understand the following key ingredients for organisational structuring:

- The importance of effective organisational structures.
- The underlying philosophy and principles of organisational design.
- The regulatory framework.
- The generic process of organisational structuring.
- The appropriate tools and how to use them.

Why we need an effective organisational structure

Effective organisational structures in the public sector matter to the nation, the government, public sector organisations, and the individuals employed in those organisations. If we are to design effective organisational structures, we need to understand the interests of these players.

Players	Interests
National interest (citizens)	<ul style="list-style-type: none"> • Public sector organisations ultimately exist to provide value to its shareholders, namely the citizens and residents of the country. The outputs delivered by public sector organisations, whether they are protection services, social grants or regulatory outputs such as policies and legislation, must contribute to the “common good”.
Government	<ul style="list-style-type: none"> • Government needs a well-organised machinery to implement its strategic priorities and deliver on its electoral mandate. Effective organisational structures are an imperative for the developmental state.
Public sector organisations	<ul style="list-style-type: none"> • Public sector organisations need effective structures to deliver on their legislative mandates and on priorities set by the government.
Employees	<ul style="list-style-type: none"> • Employees need effective organisational structures so that they can perform their jobs effectively and derive satisfaction from their work.

Underlying philosophy and principles

There is a popular misconception about organisational structure and design, namely that it is an easy process of drawing boxes on the organogram. The Guide aims to shift the thinking of managers and practitioners to move beyond the boxes on the organogram. It therefore challenges practitioners and managers to develop an understanding of the underlying philosophy and principles that inform organisational structure and design.

There are no prescribed organisational design principles for the public sector in South Africa. We can however derive organisational design principles from our understanding of why we need effective organisations in the South African public sector. The table below sets out some principles that can guide the design of our public sector organisations.

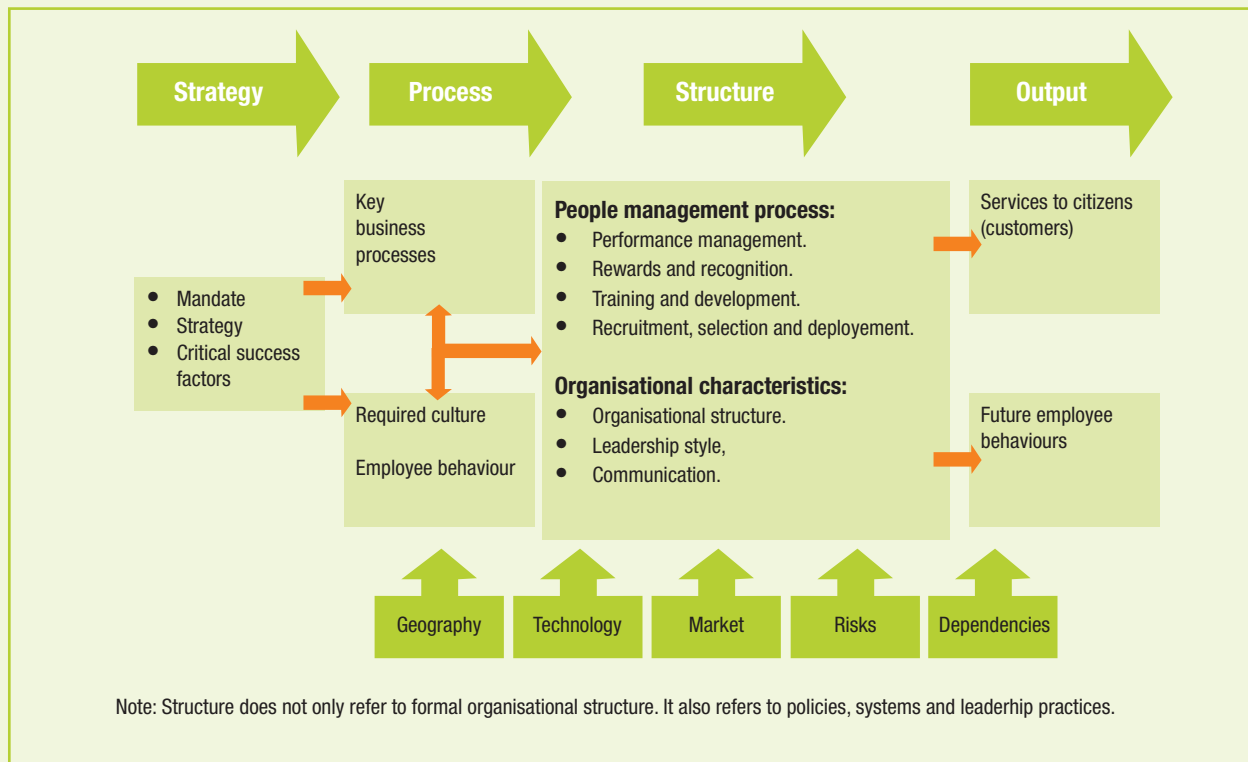
Principles	Considerations
Constitutional values of public administration	<ul style="list-style-type: none">The values and principles in Chapter 10 of the Constitution should inform organisational design. This means that organisational design should promote, for example fair and equitable service delivery; efficient and effective use of resources; transparency; and accountability.
Focus on strategic priorities	<ul style="list-style-type: none">Organisational design should be informed by and be responsive to the strategic priorities of government and the department/institution. Priorities in all three spheres of government need to be considered. In the provincial sphere the Provincial Growth and Development Strategies (PGDS) define provincial priorities and in the local government sphere the Integrated Development Plans (IDP) reflect local government priorities.
People first (Batho Pele)	<ul style="list-style-type: none">Organisations should be designed with the users and beneficiaries of services in mind. Organisational design should also take into consideration the different types of users of the organisation and how to meet their different requirements.
Intergovernmental relations and cooperative governance	<ul style="list-style-type: none">Organisational structure should foster sound intergovernmental relations and cooperative governance. Organisational design should aim to break down “silos” or “stovepipes” in government rather than reinforce them. This means that organisational design needs to be done within the ambit and spirit of the Inter-Governmental Relations Framework Act and the Constitution. It also means designing for integrated service delivery across the three spheres of government and amongst public sector organisations within the respective spheres of government.
Global perspective	<ul style="list-style-type: none">Organisational structures should be responsive to South Africa's role in the global economic, social and political arena. This means designing organisations to respond to the NEPAD, AU and SADC agendas; the UN obligations; and other multilateral institutions, for example IBSA, the G77 and the G20.
Foster professionalism and service ethos	<ul style="list-style-type: none">Organisational structure should promote the building of a professional cadre of civil servants required to achieve the goals of the developmental state. This means designing the organisation to direct behaviour that is consistent with the Constitutional values of public administration. It also means that organisational design should strengthen human capital in the public sector.
Foster learning and innovation	<ul style="list-style-type: none">Organisational design should foster learning and innovation, particularly in service delivery. This means that organisational structures should enhance internal and external communication; and encourage information sharing and knowledge management.

There have been major shifts in organisational design over the past decade, in response to changing national and global imperatives and changing needs of organisations' clients, citizens or service recipients. Some of these shifts have penetrated the public sector in countries such as the United Kingdom, the United States and Australia, and some public entities in South Africa. The table below compares the conventional model of organisational structure with the new and emerging thinking. Many organisations use a mixture of the "old" and the "new".

Conventional model	Emerging model
Individual position/job as basic unit of organisation.	Team as basic unit (team roles becoming more fluid, based on multiskilled individuals).
External relationships dealt with by dedicated specialists, namely, public relations officers.	Densely networked internally and with the environment (individuals responsible for building own relationships).
Vertical flow of information.	Horizontal and vertical flow of information.
Decisions come down, information flows up (purely central).	Decisions made where the information resides (decentralised as far as possible).
Hierarchy (deep structures).	Flat (larger span of control, empowered staff, information sharing).
Emphasis on structure.	Emphasis on process.
Control-oriented (rules and standard procedures to manage risk, increase predictability and fairness).	Directed towards self-organisation (results and outcomes-oriented (less red tape, more projects, communities of practice, "do what needs to be done").
Fixed hours.	Flexibility (Flexihours, part-time).
Upward career path.	Flexible career paths (not only managerial).
Standardised evaluation and reward system.	Customised evaluation and reward systems based on output, type of team, type of measures.
Single strong culture with expectation of homogeneous behaviour.	Diversity of viewpoints and behaviour (there is still a strong emphasis on values which ensures common direction of behaviour).
Local value chain (all in-house).	Value chains crossing borders and organisations (outsourcing, networking).

There is a tendency to design organisational structure without careful consideration of the organisation's strategy or what it is trying to achieve or improve. In a number of instances, the problem to be addressed cannot be dealt with through restructuring. Not surprisingly, there are many cases of ineffective restructuring or unnecessary restructuring.

The Guide promotes a fundamental principle of organisational structure, namely that the design of the organisational structure should be preceded by an understanding of the business processes in the organisation, which in turn should be preceded by an understanding of the organisation's strategy. This principle is illustrated in the diagram below.



The regulatory framework

All those involved in organisational structuring should have a clear understanding of the regulatory framework so that they can:

- Plan the organisational structuring process in their departments.
- Follow the correct legal and administrative procedures in organisational structuring.
- Avoid unnecessary delays resulting from following incorrect procedures.
- Minimise the risks of non-compliance.

The Guide directs the users to the important policies and legislation, namely:

- The South African Constitution, 1996.
- The Public Service Act, 1994.
- The Public Service Regulations, 2001.
- The Public Finance Management Act, 1999 and Treasury Regulations.
- The Labour Relations Act, 1995.
- Collective agreements.
- The White Paper on the Transformation of the Public Service, 1995.
- The White Paper on the Transformation of Service Delivery (Batho Pele), 1997.
- Departmental policies and legislative mandates.
- Minimum capacity requirements for certain functions.
- Guides issued by the dpsa in areas of human resources and service delivery.

The Guide identifies the key decision makers in the organisational structuring process and the authority they may exercise. The focus here is on the Minister for Public Service and Administration, Premiers, Executive Authorities and Accounting Officers. Below is a summary of their powers in organisational structuring.

Who is involved	What powers do they have	Conditions for exercise of power
Minister for Public Service and Administration	<ul style="list-style-type: none"> • Makes the rules and issues directives on the administration of the public service. • May make a determination on the: <ul style="list-style-type: none"> o Allocation of any function to a department. o Abolition of a function. o Transfer of a function from a department to any other body. o Transfer of a function from any other body to a department. • Advises the President on the establishment or abolition of any department or organisational component in the national sphere. • Advises the President on designation (name of department or organisational component or head). 	<ul style="list-style-type: none"> • Must consult relevant EAs on the transfer or abolition of functions. • Authority to make determinations on functions is confined to the national sphere.
Premier	<ul style="list-style-type: none"> • May make a determination on the: <ul style="list-style-type: none"> o Allocation of any function to a department. o Abolition of a function. o Transfer of a function from a department to any other body. o Transfer of a function from any other body to a department. 	<ul style="list-style-type: none"> • Authority to make determinations on functions is confined to the provincial sphere. • Must approach MPSA for proclamation to amend schedule to Public Service Act. • Must consult MPSA on organisational structure according to MPSA Directives.
Executive Authority	<ul style="list-style-type: none"> • Determines the department's structure. • Defines posts needed to carry out functions. • Grades new jobs. • Conducts human resource planning. 	<ul style="list-style-type: none"> • Organisational structure must be based on strategic plan. • Job grading and human resource planning must be done according to PSR. • Must consult MPSA on organisational structure according to MPSA Directives. • Must consult MPSA if organisational structuring involves transfer of functions to another entity.
Accounting Officer	<ul style="list-style-type: none"> • Carries out organisational structuring functions under delegated authority from the Executive Authority. • Is responsible for ensuring that organisational structure is funded in current budget and MTEF. 	<ul style="list-style-type: none"> • Must consult and seek written consent from National Treasury if intending to establish a new entity. • Obligated to draw up inventory of assets and liabilities when transferring functions to another entity.

Consultation is important in any organisational structuring and the Guide provides a useful framework for practitioners on whom and when to consult, and the purpose of the consultation. The framework appears below.

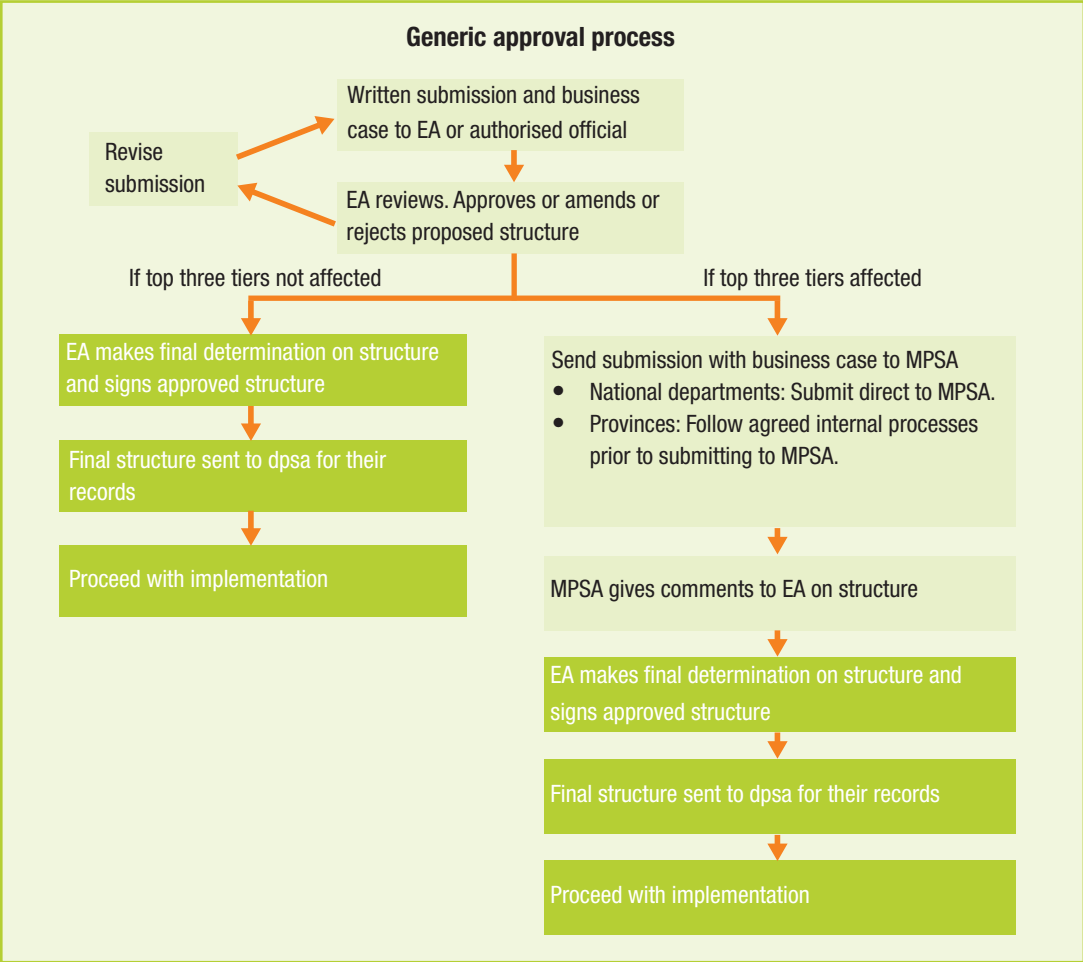
Whom to consult	When to consult	Why?
Executive Authority	<ul style="list-style-type: none"> Before embarking on an organisational structuring that requires EA's approval. Consult EA at regular points in the process. 	<ul style="list-style-type: none"> To obtain initial go-ahead. To obtain EA's strategic and political perspective. To secure EA's commitment to and support for the process.
Staff	<ul style="list-style-type: none"> Always consult those affected or likely to be affected by the organisational structuring. Other staff who have knowledge or experience of a particular area or service. 	<ul style="list-style-type: none"> To obtain their views on problems, challenges and opportunities and how to respond to these. To secure their support for proposed changes.
Managers	<ul style="list-style-type: none"> Always consult the manager who is responsible for unit that is the subject of structuring. Consult other managers during various phases (e.g. CFO regarding budget). 	<ul style="list-style-type: none"> To obtain initial go-ahead (if they have delegated authority). To obtain their strategic and managerial perspective. To secure their commitment to and support for the process.
Trade unions	<ul style="list-style-type: none"> If staff are affected or likely to be affected in terms of sections 189 and 197 of the Labour Relations Act. 	<ul style="list-style-type: none"> To comply with good labour relations practice and legislation.
Internal and external users of services	<ul style="list-style-type: none"> In diagnostic phase of organisational structuring. If service delivery is likely to be affected. 	<ul style="list-style-type: none"> To obtain their views on problems, challenges and opportunities and how to respond to these. To secure their support for proposed changes.
Other government departments	<ul style="list-style-type: none"> During various phases if changes are likely to have an impact on the other department's operations. If restructuring is likely to affect occupational categories or levels that are also used by other departments (e.g. social workers). 	<ul style="list-style-type: none"> To obtain their views on proposed changes. To obtain support for proposed changes.
External stakeholders	<ul style="list-style-type: none"> In diagnostic phase of a major organisational structuring process. 	<ul style="list-style-type: none"> To obtain their views on problems, challenges and opportunities and how to respond to these. To secure their support for proposed changes
MPSA	<ul style="list-style-type: none"> If there are changes to the top three tiers of the organisation's structure. If functions are to be transferred into or out of the organisation. If intending to establish a new entity. 	<ul style="list-style-type: none"> To obtain comments on proposed changes. To obtain approval for the transfer of functions and changes to Schedule to Public Service Act. To obtain approval for new entity and changes to Schedule to Public Service Act.
National Treasury	<ul style="list-style-type: none"> If intending to establish a new entity. 	<ul style="list-style-type: none"> To obtain approval for new entity and changes to Schedule to PFMA.

It is good practice to prepare a business case for any restructuring of the organisation, whether or not it is required for consultation with the MPSA and/or the National Treasury. The Guide proposes a business case for restructuring that includes the elements below:

Headings	Considerations
Executive summary	<ul style="list-style-type: none"> Precise and brief description of problem or opportunity to be addressed; what the proposed structure will achieve; impact on service delivery, operations and staff; and financial implications.
Background	<ul style="list-style-type: none"> What problem, need or opportunity has to be addressed. Describe the current situation in department or unit. Include useful statistical information relating to service delivery, service users, performance, inputs (staff, infrastructure and budgets), processes.
The proposed structure	<ul style="list-style-type: none"> Objectives: what will the proposed structure achieve. Describe the proposed organisational architecture and the number and types of positions required. Indicate the governance structures required to achieve the objectives. Strategic alignment: how the proposed structure would align with the strategic plan and mandate. Behaviour alignment: how the proposed structure would guide required employee behaviour and support the required culture. Methodologies used in arriving at proposed structure.
Alternatives to restructuring	<ul style="list-style-type: none"> List viable alternatives considered. Why they were eliminated.
Impact of the new structure	<ul style="list-style-type: none"> Impact on service delivery: increase or decrease in service delivery points, extension of service hours, changes in service norms and standards. Impact on staff: increase in or reduction of staff, internal reorganisation, training. Impact on infrastructure: information and communication technology, office space, furniture. Impact on external stakeholders: suppliers, service delivery partners in government and civil society.
Benefits (financial and non-financial)	<ul style="list-style-type: none"> Cost of new or revised structure for the current year and MTEF. Availability of funding. Benefits of proposed structure regarding leadership, service delivery, citizen convenience, employee optimisation, supplier management, social impact, process efficiency and effectiveness, infrastructure optimisation (financial and non-financial). Detailed cost-benefit analysis is required for establishing a new entity.
Risk management	<ul style="list-style-type: none"> Identify and assess probability of and impact of key risks on proposed structure and implementation. Propose strategies to mitigate risks.

Headings	Considerations
Implementation plan	<ul style="list-style-type: none">• High-level implementation plan with major phases, deliverables and target dates for completion.• Roll-out or phased implementation.• Change management strategy.• Roles and responsibilities of those involved in implementation.• Costs to carry out implementation plan.
Consultation process	<ul style="list-style-type: none">• Who was consulted.• What consultation processes were used.• What was the outcome of consultations.
Monitoring and evaluation	<ul style="list-style-type: none">• What indicators will be used to monitor and evaluate the structure.• How will changes be monitored and evaluated.• Who will be responsible for monitoring and evaluation.
Review and sign-off	<ul style="list-style-type: none">• Describe by whom and how the business case analysis was reviewed and signed off, for example, human resource manager, line manager, EXCO, Director General and Executive Authority.

The Guide outlines a generic approval process for organisational structuring that is applicable to national departments. It is acknowledged that approval procedures applicable to provincial departments will vary from province to province.



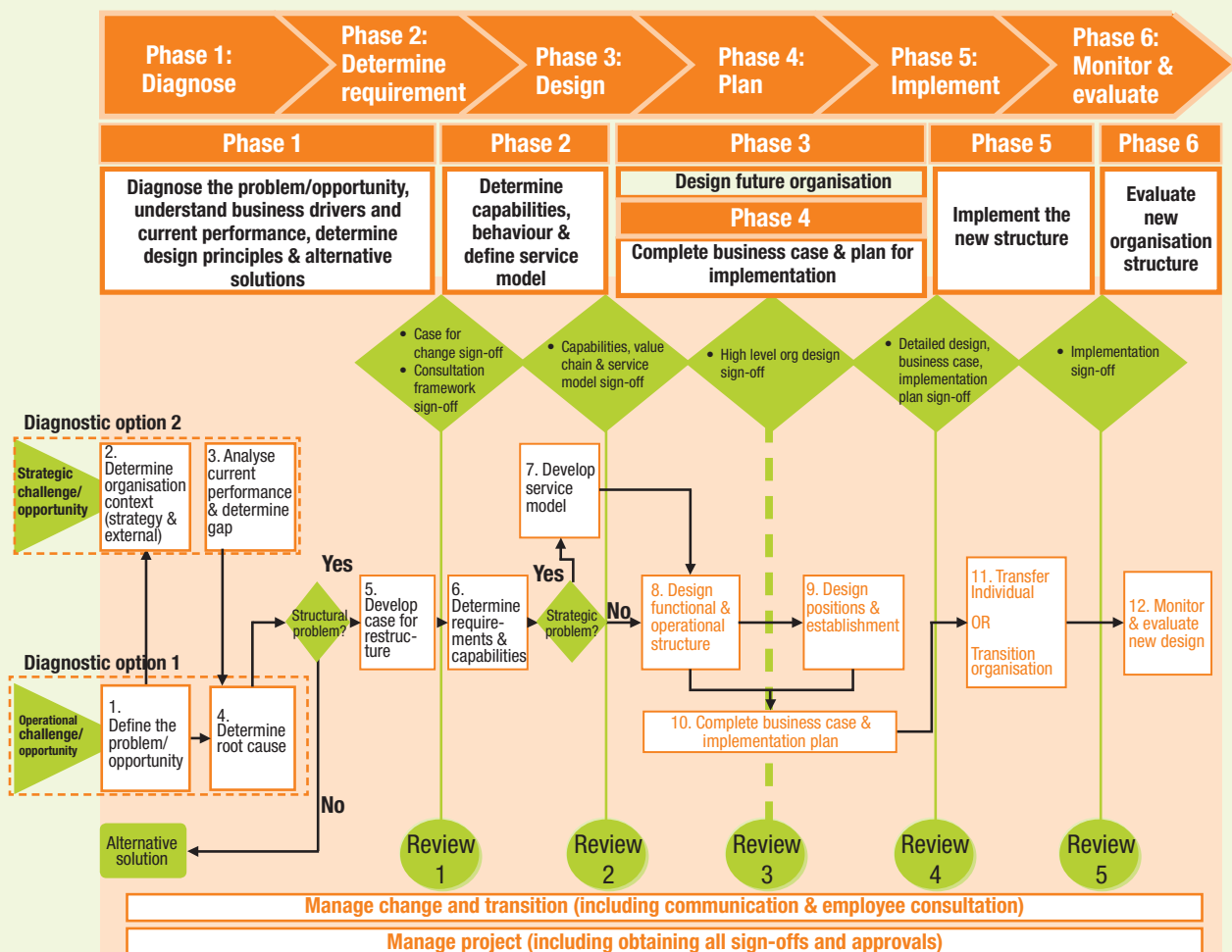
The organisational structuring process

To assist practitioners, the Guide sets out a logical, phased approach to organisational structuring. The phase-review approach consists of:

- Six phases with 12 steps.
- Two decision points.
- Five review points.
- Two transversal work streams.

The phase-review structure is composed of six phases that are separated by five review points. Each phase has steps with identifiable deliverables to guide design teams. Phase 1 is preceded by a request for initiation of the organisational structuring process.

The review points represent the standardised points in the process where the go/no-go decisions are made. Each design initiative must pass through these review points in order to continue. All the required deliverables must be completed in order to move through the review point to the next phase of the process. The organisational structuring process is illustrated in the diagram below.



The phases, steps and review points are summarised below:

Phases	Steps	Description
Phase 1: Diagnosis	Steps 1 and 4	<ul style="list-style-type: none"> Diagnostic option 1: Define the problem and its root cause(s) for operational or individual position related problems (e.g. the organisation as a whole is performing well but a certain region is struggling or unit is not performing as well as other similar units).
	Steps 1 to 4	<ul style="list-style-type: none"> Diagnostic option 2: Define the problem, determine or review the current organisational context (strategy and external realities) and its current performance (results and internal effectiveness) in order to determine the gap between required and actual.
	Decision point 1	<ul style="list-style-type: none"> Based on information on problem and root cause, take a decision on whether it is a structural or non-structural organisational problem.
	Step 5	<ul style="list-style-type: none"> In cases of structural organisational problems, complete a case for change including success criteria and design principles for the new or adjusted structure.
Phase 2: Determine requirements	Step 6	<ul style="list-style-type: none"> Define the organisational processes and associated requirements for the organisation to achieve the strategic objectives.
	Decision point 2	<ul style="list-style-type: none"> Decide if it is necessary to first develop a service model (step 7) or proceed directly to step 8 (designing structure).
	Step 7	<ul style="list-style-type: none"> If the restructuring involves tiers 1-3, construct an operating/service model to provide a pictorial representation of how the organisation will operate.
Phase 3: Design	Step 8	<ul style="list-style-type: none"> Design initial formal functional and operational structure with purpose and function and the governance structures which will enable the functional/operational structure to function.
	Step 9	<ul style="list-style-type: none"> Complete positions and establishment upon approval of the functional/operational structure.
Phase 4: Planning	Step 10	<ul style="list-style-type: none"> Complete the full business case for consideration by the relevant EA and MPSA and an implementation plan which includes implementation strategy, risk analysis, dependency analysis, technology and infrastructure requirements, layout (if applicable), impact analysis, employee migration strategy, monitoring and review plan.
Phase 5: Implementation	Step 11	<ul style="list-style-type: none"> Implement the structure which includes progress reports, project team meetings, issues management, risk management, change management, and communication.
Phase 6: Monitor and review	Step 12	<ul style="list-style-type: none"> Monitor and evaluate the success of the adjusted or new organisational structure based on the monitoring and review strategy.
Transversal work streams		
Manage change	<ul style="list-style-type: none"> Ensure effective management of the change and the impact on stakeholders through communication, training, consultation, targeted focus groups, labour relations management. 	
Manage project	<ul style="list-style-type: none"> Ensure effective management of the design process and its associated review points. It includes ensuring delivery of all outputs and deliverables, managing effort, obtaining sign-off/approval and monitoring the schedule and task execution. 	

Review	Description
Review 1:	Review the proposed case for change which includes the structure success indicators and design principles. The deliverable should also indicate the alternative solutions considered before deciding on a structural adjustment.
Review 2:	Review the business processes as presented in a value-added chain process map, the required capabilities to execute the business processes and the operating/service model required to direct the processes and capabilities towards effective service delivery.
Review 3:	Review the functional and operational structure including the proposed governance structures which are required to enable the functional/operational structure.
Review 4:	Review the detailed designed organisational structure with positions, job descriptions and establishment. Further review the detailed business case (cost, benefits, risk reduction, etc.) and full implementation plan for consideration by the relevant EA and MPSA.
Review 5:	Review the implementation of the structure in the operating environment and measure performance against targets.

The tool kit

The tool kit is comprehensive. It provides tools and templates for each step of the organisational structuring process. These tools are rated “Highly recommended”, “Recommended” or “Nice-to-have”, to assist practitioners in selecting tools. There is a description of each tool and how to use it. The tool kit also provides practical examples of how to use the tools and templates for guidance. The tools are organised according to the steps of the organisational structuring process as shown in the tools inventory below.

Phase	Types of tools		
Phase 1: Diagnosis	Steps 1 and 4 (Define problem and identify root cause) tools	Steps 2 and 3 (Strategic context and performance analysis) tools	Step 5 (Case for change) tools
	<ul style="list-style-type: none"> • Business excellence model. • Burke and Litwin model. • Root cause analysis. • Brainstorming. • Pareto analysis. • Cost of poor service delivery. • Fault tree analysis. • SWOT. • 7 S. • Dependencies map. 	<ul style="list-style-type: none"> • Determine critical success factors. • Value driver analysis. • Business focus matrix. • Service drivers review. • Benchmarking. • SWOT analysis of the critical success factors. • Critical success factor/ key performance factor vs. behaviour analysis. • Stakeholder requirement analysis. • Gap analysis. 	<ul style="list-style-type: none"> • Success indicator definition. • Structure questionnaire. • Design principles.

Phase	Types of tools	
Phase 2: Determine requirements	Step 6 (Determine capacity requirements) tools	Step 7 (Develop service model) tools
	<ul style="list-style-type: none"> • Backward process analysis and engineering (SIPOC). • Citizen requirements analysis. • Process health check criteria. • Business process maps. • Quick structured map. • Process analysis and optimisation. • Dependencies map. • Process requirements matrix. • External requirements analysis. • Risk analysis. • Service capacity planning. • Organisational capability analysis. • Behaviour enabler identification. • Behaviour/structure analysis framework. • Structure constraints review. • Maturity analysis. • Structure assessment questionnaire. 	<ul style="list-style-type: none"> • Service model checklist.
Phase 3: Design	Step 8 (Design organisational architecture) tools	Step 9 (Design positions) tools
	<ul style="list-style-type: none"> • Structure gap map. • Structure selection matrix. • Governance structure requirements matrix. • Benchmarking. • Behaviour/structure analysis framework. • Culture Print. • Industry best practices. • Organisational charts. • Structure assessment questions. 	<ul style="list-style-type: none"> • Staffing norms table. • Full-time equivalent calculation. • Single-column process chart. • Management span of control: diagnostic grid. • Group size effect chart. • Job description templates. • Position impact analysis. • RACI analysis. • Work synthesis. • Work process analysis.
Phase 4: Business case and planning	Step 10.1 (Develop business case) tools	Step 10.2 (Develop implementation plan) tools
	<ul style="list-style-type: none"> • Business case template. • Cost of poor service. • Cost-benefit analysis. • Activity based costing. • Costing tool. 	<ul style="list-style-type: none"> • Implementation options. • Stakeholder influence analysis. • Force field analysis. • Dependency analysis template. • Impact analysis. • Risk analysis. • Costing tool. • Implementation plan. • Burke and Litwin model.

Phase	Types of tools	
Phase 5: Implementa- tion	Step 11 (Implementation) tools	
	<ul style="list-style-type: none"> • Implementation plan. • Structure issues log. • Progress report (to be agreed upon as part of project management approach). 	
Phase 6: Monitoring and evaluation	Step 12 (Monitor and evaluate) tools	
	<ul style="list-style-type: none"> • M&E framework. • Monitoring and evaluation planning template. • Monitoring and evaluation report template. 	
Transversal processes	Change management tools	Project management tools
	<ul style="list-style-type: none"> • Change strategy checklist. • External requirements identification. • Real-time strategic change (RTSC) methodology. • Framework for consultation. • Framework for selling case to key decision makers. • Checklist – obtaining approval from Executive Authority. • Checklist – consulting the MPSA. • Leadership/sponsorship alignment. • Communication planning matrix. • Force field analysis (refer to step 10.2). 	<ul style="list-style-type: none"> • Implementation schedule (refer to step 10.2). • Review checklists. • Progress report templates (to be agreed upon as part of project management approach). • Impact analysis (refer to step 10.2).

All tools are explained fully in Chapter 3 of this Guide.

OWNERSHIP OF THE GUIDE

The Guide is published by the dpsa and is a living document that belongs to all officials working in organisational development in the public sector. It will benefit from suggestions made by those who use it. Any additions or suggestions for improvement and queries can be addressed to the Department of Public Service and Administration.

CHAPTER 1

1. INTRODUCING THE GUIDE

1.1 WHY THE GUIDE WAS DEVELOPED

The South African public sector is important for the sustainable growth and development of the country. One of its major responsibilities is to ensure that all citizens have access to and receive the services they need. The way in which public sector institutions are structured has an impact on how effectively they can deliver services to citizens.

Improving service delivery, especially services that have an impact on the lives of poor and marginalised people, remains a priority for the government. In 2005 the Forum of South African Directors General (FOSAD), on instruction from the Cabinet Lekgotla, conducted capacity assessments of selected government departments to identify obstacles to service delivery. These capacity assessments identified poor practices in organisational design as one of the obstacles to effective service delivery.

Main findings of FOSAD assessments

Organisational structure development focuses on the creation of posts and not on job purpose and job functions.

Span of control varies substantially between departments.

Duplication of roles as a result of poor understanding of responsibilities in policy-making function.

Insufficient consideration of service delivery models when departments are structured or restructured.

Non-core functions such as supply chain management and monitoring and evaluation do not receive necessary attention.

In response to these findings, the Cabinet Lekgotla of January 2006 decided that the Public Service Regulations must be amended. This amendment would require Executive Authorities to consult the Minister for Public Service and Administration prior to approving their departments' organisational structure. The amendment came into effect on 1 July 2006.

The Cabinet Lekgotla also decided that the dpsa must develop guidelines on organisational structures to address the problems identified in the FOSAD review.

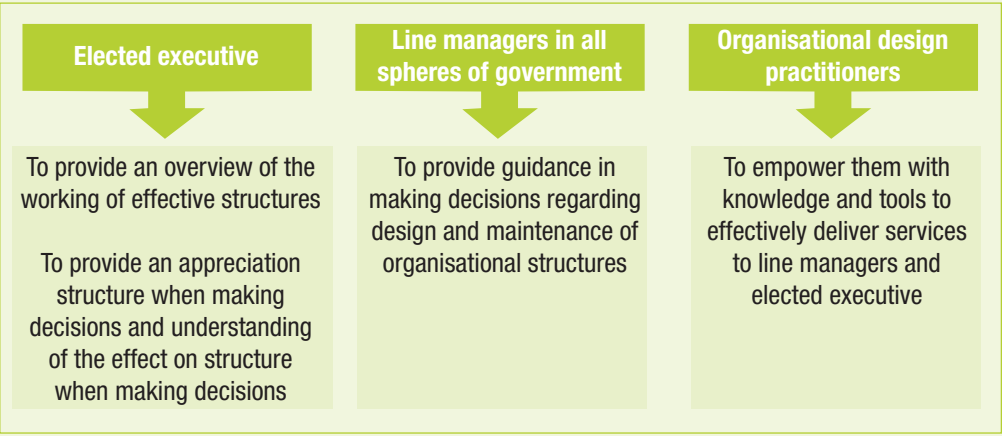
1.2 PURPOSE OF THE GUIDE

The purposes of the Guide are to:

- Serve as a practical tool to support practitioners and managers in designing, implementing and maintaining organisational structures in the public sector.
- Provide a common framework for organisational design in the public sector.
- Serve as a continuous improvement tool by sharing information about good practices; and
- Provide decision makers (Executive Authorities and Accounting Officers) with information on organisational structuring that can assist them when making decisions about their departments' structures.

1.3 WHO SHOULD USE THE GUIDE

The Guide is a useful tool for anyone dealing with organisational development issues and who would like to gain an understanding of the functioning, design and maintenance of organisational structures. In particular, the Guide is focused on the following three categories of role players:



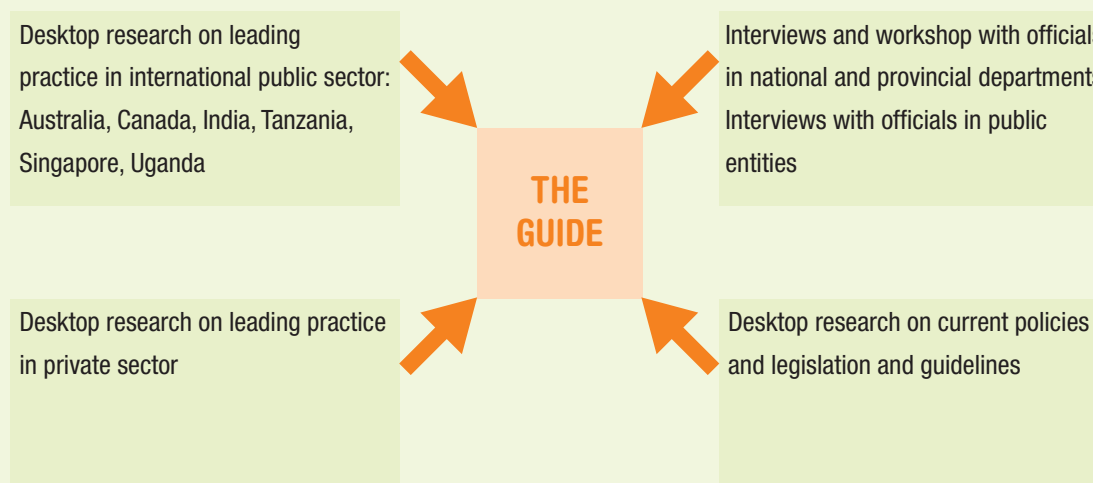
Whilst it is important to read all sections of the Guide, not everybody may be able to do so due to time constraints. In this case we recommend that:

- If you are a member of the executive or a line manager, you may find Section 1 (Guide overview) an informative introduction to the topic.
- If you are a practitioner, you will find Section 2 (Organisational structuring process) and Section 3 (Tool kit) useful as they provide detailed guidance on organisational structuring and the tools for structuring. Practitioners should also read Section 1 to familiarise themselves with important aspects such as the regulatory framework.

The Guide can be used by all three spheres of government. Although the Guide has been developed using the public service (national and provincial departments) as the frame of reference, it can be applied to local government and to other public sector organisations.

1.4 HOW THE GUIDE WAS DEVELOPED

The Guide represents a combination of desktop research on international practice in the public sector and draws on the insights and experiences of practitioners and managers in the South African public sector (both the public service and public entities). The diagram below shows the sources used in developing the Guide.



The international research focused on the following elements:

- Practices and processes for aligning organisational structure with organisational strategy, core processes, public expectations and service efficiency.
- Design principles that inform organisational structure.
- Methodologies used in organisational design.
- Types of organisational structures used.
- Monitoring and evaluation of the effectiveness of organisational structures.
- Good or best practices employed.
- Poor or bad practices.

Officials from national and provincial departments were interviewed as part of the Guide development process. The interviews assessed the level of knowledge and skills in organisational design amongst practitioners and managers. Importantly, the interviews identified areas of focus for the Guide. The draft Guide was workshopped with officials from national and provincial departments and the inputs by these officials helped to shape the final document.

1.5 CONTENTS OF THE GUIDE

The Guide is a practical document. It will take you through the steps in the organisational structuring process. Although the Guide is a practical document, this does not mean that basic concepts and theory should be ignored. The Guide is a learning tool for those who wish to enhance their understanding and practice of organisational design.

The Guide aims to strike a balance between comprehensiveness and depth. It therefore does not contain everything you might want to know about organisational structuring. There is a useful set of tools and further resource references in the Annexure to the Guide. You should also refer to the references for important policy documents in the main body of the Guide.

The Guide is divided into three sections:

- Section 1: Sets the scene for the Guide and for organisational structuring
- Section 2: A step-by-step process for organisational structuring
- Section 3: Tools that can be used in the different phases of the organisational structuring process

The outline of the Guide is as follows:

Component	Content
Section 1: Guide overview	
Chapter 1	Chapter 1 provides the background and purpose of the Guide, as well as other administrative issues such as ownership of the Guide.
Chapter 2	Chapter 2 discusses the importance of organisational structure and the principles that inform approaches to organisational structure.
Chapter 3	Chapter 3 provides an overview of the regulatory framework , dealing with relevant legislation, requirement for consultation, consequences of non-compliance and the prescribed authorisation process.
Chapter 4	Chapter 4 describes the generic organisational structuring process and identifies different types of structuring interventions that might occur in the public sector.
Chapter 5	Chapter 5 proposes selected challenges that can be solved by structures and answers some frequently asked questions about organisational structures.
Section 2: Organisational structuring process	
Chapter 6	Chapter 6 provides an overview of a generic process for organisational structuring. The process is divided into six phases, each of which is discussed in greater detail in subsequent chapters.
Chapter 7	Chapter 7 describes Phase 1: Diagnostic phase – how to diagnose the problem or opportunity, understanding the current business drivers and performance.
Chapter 8	Chapter 8 describes Phase 2: Determining requirements for the structure. This includes determining capabilities and behaviour and defining the service delivery model.
Chapter 9	Chapter 9 describes Phase 3: Designing the future organisation . This includes designing the high-level structure or architecture as well as designing the positions within the structure.
Chapter 10	Chapter 10 describes Phase 4: Planning – completing the business case and planning implementation.
Chapter 11	Chapter 11 describes Phase 5: Implementing the new structure .
Chapter 12	Chapter 12 describes Phase 6: Evaluating the new structure .
Chapter 13	Chapter 13 discusses setting up and managing the organisational structuring project .
Chapter 14	Chapter 14 discusses change management .
Section 3: Tool kit	
Chapter 15	Chapter 15 introduces the tool kit and provides an inventory of tools .
Chapter 16	Chapter 16 describes tools for use in Phase 1 (Diagnosis).
Chapter 17	Chapter 17 describes tools for use in Phase 2 (Determining design requirements).
Chapter 18	Chapter 18 describes tools for use in Phase 3 (Designing future organisation).
Chapter 19	Chapter 19 describes tools for use in Phase 4 (Planning business case and implementation).
Chapter 20	Chapter 20 describes tools for use in Phase 5 (Implementation).
Chapter 21	Chapter 21 describes tools for use in Phase 6 (Monitoring and reviewing).
Chapter 22	Chapter 22 describes tools for managing change and transition of the workforce .

CHAPTER 2

2. UNDERSTANDING ORGANISATIONAL STRUCTURE AND DESIGN

2.1 INTRODUCTION

This chapter aims to shift our thinking of organisational structures beyond the boxes on the organogram. It is important for practitioners to develop an appreciation for and understanding of the philosophy that underpins the practice of organisational design and to locate their work in a broader context.

The chapter covers the following:

- What is organisational structure?
- Why do we need effective organisational structures?
- What principles should inform organisational design?
- Towards a philosophy for organisational structuring

2.2 WHAT IS ORGANISATIONAL STRUCTURE?

There are many definitions of organisational structure.

- A useful way of viewing organisational structure is to see it as the configuration of the organisation so that it can achieve its goals.
- Organisational structure defines how work or tasks are organised and allocated. Structure can be used to standardise work or to create specialised functions.
- Organisational structure defines positions in the organisation and the relationship between these positions. In doing so, organisational structure defines particular position of the decision making and authority in organisations.
- Organisational structure creates a framework for order and for the coordination of the myriad of tasks that are carried out in the organisation. Organisational structure is a vehicle through which managers can plan, organise, direct and control the activities in the organisation.
- Organisational structure is the end result of the process of organisational design. In other words, organisational design is the process of structuring or restructuring an organisation.

2.3 WHY DO WE NEED EFFECTIVE ORGANISATIONAL STRUCTURES?

Effective organisational structures in the public sector matter to the nation, the government, public sector organisations, and the individuals employed in these organisations. If we are to design effective organisational structures, we need to understand the interests of these players.

The national interest

Public sector organisations exist ultimately to provide value to its shareholders, namely, the citizens and residents of the country. The outputs delivered by public sector organisations, whether they are protection services, grants, identity documents, or regulatory outputs such as policies and legislation, must contribute to the “common good”. A public sector with effective organisational structures is therefore essential for delivering value to its shareholders, the citizens.

The government's interest

The government needs the public sector to implement its strategic priorities so that it can deliver on its electoral mandate. The South African government has set itself a number of priorities and initiatives for the Second Decade of Freedom that make effective structures for public sector organisations an imperative.

These priorities include:

- Accelerated and shared growth of the economy.
- Halving poverty and unemployment by 2014.
- Improving safety and security for all.
- Fighting corruption.
- Deepening democratic governance.
- Peace, security and development on the African continent.

These priorities and initiatives should be understood within the broader context of the developmental state. The developmental state means that the state intervenes in the economy and in society for the “common good”. In the South African context this means that the state actively seeks to address poverty, inequality and underdevelopment through a range of interventions such as Comprehensive Social Security, the Expanded Public Works Programme, the Community Development Worker Programme and SMME support programmes. The developmental state seeks to draw millions of people from the Second Economy into the First Economy. Importantly, the developmental state prioritises poor people and sees them as active agents in their own development.

Many of the interventions are conceptualised by government clusters or sectors and cut across departmental boundaries. Not surprisingly, one of the key features of the developmental state is the push factor towards integrated planning and integrated service delivery.

The developmental state needs a well-organised machinery to respond to these initiatives and drive the implementation of these priorities. Some of the implications of the developmental state for organisational structure and design appear in the table below.

Objective	Implications for organisational structure
Push towards integrated service delivery	Public sector organisations need to be designed in a way that delivers integrated or seamless service across the three spheres of government . Service delivery also needs to be integrated or coordinated between departments or organisations within the respective spheres of government.
Exploring innovative service delivery models	Public sector organisations need innovative service delivery models to respond to the needs of poor people who are a priority for the developmental state. Multipurpose community centres, one-stop service points and public-private partnerships are some of the models in use.
Engaging citizens as active agents in their own development	Organisations need to engage users and beneficiaries of services as active rather than passive recipients of services. This means building in structures to consult citizens about the services they need and how best to deliver them; as well as creating structures for monitoring and evaluating citizen satisfaction .
Working in interdepartmental teams	Demands for integrated or seamless service will increasingly require public sector organisations to structure themselves to plan and deliver in interdepartmental teams .
Empowering front-line staff	Daily transactions between citizens and the state occur through front-line staff. The responsive service delivery envisaged in the developmental state requires an organisational design that empowers staff with information, skills and an appropriate level of authority to make decisions.
Fostering an ethos of service	Organisational structure needs to direct the behaviour of officials towards service to the public (as opposed to becoming a self-serving elite).

Public sector organisations' interests

A government department or institution needs effective organisational structures to deliver on its mandate and on the priorities set by government. In practical terms this means that:

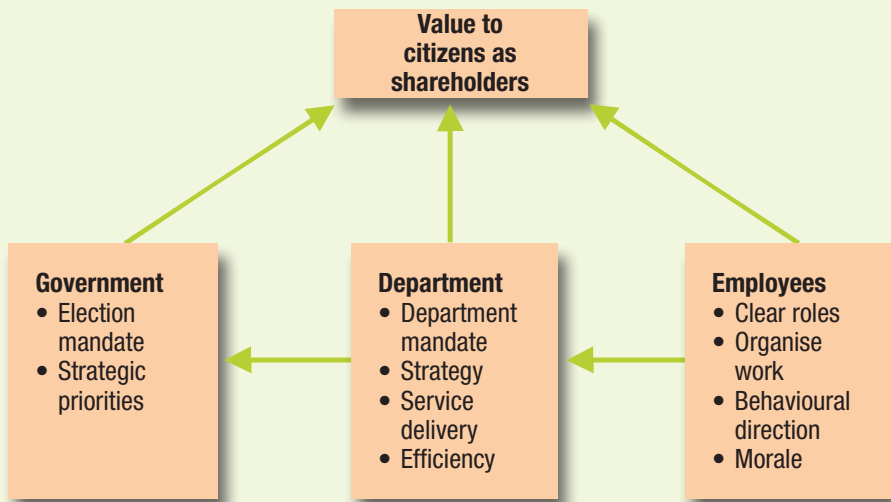
- An effective organisational structure is necessary to implement the strategic plan of the department. If the structure is not aligned with the strategic plan of the department, the department is not likely to achieve its objectives.
- An effective organisational structure is necessary for effective service delivery. Structures are the vehicles through which services are delivered.
- An effective organisational structure can assist with efficiency and the optimal utilisation of resources. How the organisation is structured influences how financial and human resources are allocated and used. Duplication of roles and work, delays in decision making, unequal workloads and under- or over-budgeting for activities can result from poor organisational structure.
- An effective organisational structure is necessary for staff morale. The way in which the organisation is structured will influence the morale, energy, and enthusiasm of the employees.
- An effective organisational structure can assist in fostering the appropriate organisational culture for delivering on the mandate and strategic priorities.

Employees' interests

Individuals and teams need effective organisational structures. An effective organisational structure:

- Provides individuals with a clear definition of their roles in the organisation and where they fit into the organisation.
- Helps individuals and teams to organise their work and achieve their goals.
- Provides individuals with clarity on decision making structures and processes in the organisation.
- Directs individuals towards the kind of behaviour expected of them in the organisation.
- Serves as a positive influence on staff morale.

The diagram below shows how effective organisational structure serves the interests of the different role players.



2.4 ORGANISATIONAL DESIGN PRINCIPLES

There are no prescribed organisational design principles for the public sector in South Africa. We can, however, derive organisational design principles from our understanding of why we need effective organisations in the South African public sector. The table below sets out some principles that can guide the design of our public sector organisations. These principles are mutually reinforcing and should not be applied in isolation.

Principles	Considerations
Constitutional values of public administration	<ul style="list-style-type: none">• The values and principles in Chapter 10 of the Constitution should inform organisational design. This means that organisational design should promote for example, fair and equitable service delivery; efficient and effective use of resources; transparency; and accountability.
Focus on strategic priorities	<ul style="list-style-type: none">• Organisational design should be informed by and be responsive to the strategic priorities of government and the department/institution. Priorities in all three spheres of government need to be considered.• Reference should be made to the principles as contained in the National Spatial Perspective.• In the provincial sphere the Provincial Growth and Development Strategies (PGDS) define provincial priorities and in the local government sphere the Integrated Development Plans (IDP) reflect local government priorities.

Principles	Considerations
People first (Batho Pele)	<ul style="list-style-type: none"> Organisations should be designed with the users and beneficiaries of services in mind. Organisational design should also take into consideration the different types of citizens and how to meet their different requirements.
Intergovernmental relations and cooperative governance	<ul style="list-style-type: none"> Organisational structure should foster sound intergovernmental relations and cooperative governance. Organisational design should aim to break down “silos” or “stovepipes” in government rather than reinforce them. This means that organisational design needs to be done within the ambit and spirit of the Inter-governmental Relations Framework Act and the Constitution. It also means designing for integrated service delivery across the three spheres of government and amongst public sector organisations within the respective spheres of government.
Global perspective	<ul style="list-style-type: none"> Organisational structures should be responsive to South Africa’s role in the global economic, social and political arena. This means designing organisations to respond to the NEPAD/AU and SADC agendas; the UN obligations; and other multilateral institutions, for example IBSA, the G77 and the G20.
Foster professionalism and service ethos	<ul style="list-style-type: none"> Organisational structure should promote building a professional cadre of civil servants required to achieve the goals of the developmental state. This means designing the organisation to direct behaviour that is consistent with the Constitutional values of public administration. It also means that organisational design should strengthen human capital in the public sector.
Foster learning and innovation	<ul style="list-style-type: none"> Organisational design should foster learning and innovation, particularly in service delivery. This means that organisational structures should enhance internal and external communication; and encourage information sharing and knowledge management.

2.5 TRENDS IN ORGANISATIONAL DESIGN

There are seven important shifts in emphasis that are shaping the organisation of the future:

- From fat to lean = the new staffing principle.
- From vertical to horizontal = the new organisation.
- From homogeneity to diversity = the new workforce.
- From information hoarding to knowledge sharing = the new power source.
- From company to project = the new loyalty.
- From physical assets to intellectual property = the new value proposition.
- From stabilisation to capacity to change = the new base for business success.

The way in which organisations are structured has shifted from closed hierarchies to open, networked formats. Let's look at these shifts in more detail:

Conventional model	Emerging model
<ul style="list-style-type: none">Individual position/job as basic unit of organisation.	<ul style="list-style-type: none">Team as basic unit (team roles becoming more fluid, based on multiskilled individuals).
<ul style="list-style-type: none">External relationships dealt with by dedicated specialists, namely public relations officers.	<ul style="list-style-type: none">Densely networked internally and with the environment (individuals responsible for building own relationships).
<ul style="list-style-type: none">Vertical flow of information.	<ul style="list-style-type: none">Horizontal and vertical flow of information.
<ul style="list-style-type: none">Decisions come down, information flows up (purely central).	<ul style="list-style-type: none">Decisions made where the information resides (decentralised as far as possible).
<ul style="list-style-type: none">Hierarchy (deep structures).	<ul style="list-style-type: none">Flat (larger span of control, empowered staff, information sharing).
<ul style="list-style-type: none">Emphasis on structure.	<ul style="list-style-type: none">Emphasis on process.
<ul style="list-style-type: none">Control-oriented (rules and standard procedures to manage risk, increase predictability and fairness).	<ul style="list-style-type: none">Self-organising-oriented (results and outcomes-oriented) (less red tape, more projects, communities of practice, "do what needs to be done").
<ul style="list-style-type: none">Fixed hours.	<ul style="list-style-type: none">Flexibility (flexihours, part-time).
<ul style="list-style-type: none">Upward career path.	<ul style="list-style-type: none">Flexible career paths (not only managerial).
<ul style="list-style-type: none">Standardised evaluation and reward system.	<ul style="list-style-type: none">Customised evaluation and reward systems based on output, type of team, type of measures.
<ul style="list-style-type: none">Single strong culture with expectation of homogeneous behaviour.	<ul style="list-style-type: none">Diversity of viewpoints and behaviour (there is still a strong emphasis on values which ensures common direction of behaviour).
<ul style="list-style-type: none">Local value chain (all in-house).	<ul style="list-style-type: none">Value chains crossing borders and organisations (outsourcing, networking).

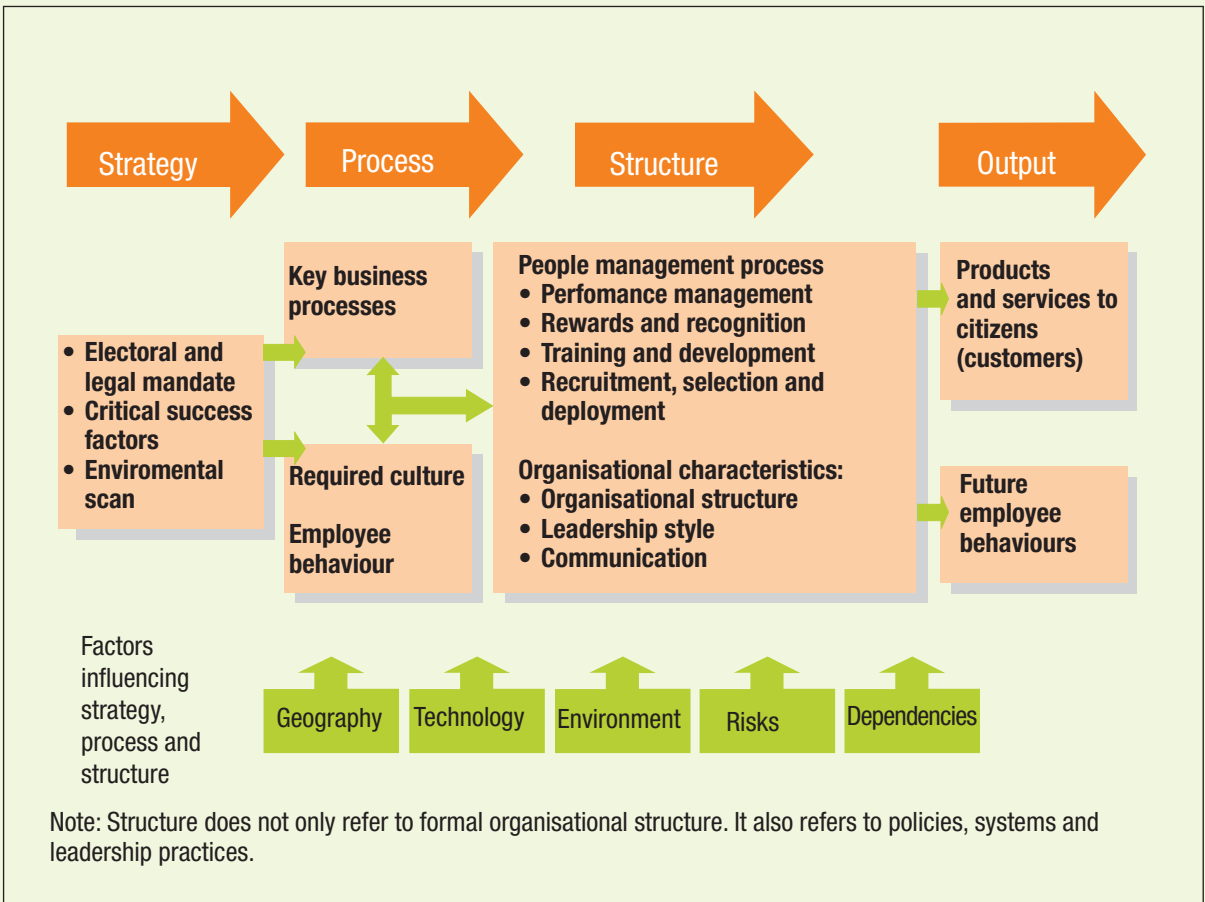
These are models and trends and not all would be applicable to your organisation's circumstances or the context of the South African public sector. For example, it is unlikely that a lean public service can deliver effectively on the priorities of the developmental state.

2.6 TOWARDS A PHILOSOPHY

2.6.1 STRUCTURE FOLLOWS PROCESS FOLLOWS STRATEGY

There is a tendency to design organisational structures without careful consideration of the organisation's strategy or what it is trying to achieve or improve. An organisational structure is not an end in itself, but a means of achieving a particular strategy or delivery of outputs (goods and services). The rationale for any structuring intervention should be to address a strategic need or to improve the performance of the organisation. The suggested sequence of events for restructuring is as follows:

- First** review your strategy or identify the problem.
- Secondly** you need to understand which business processes the organisation, the unit, or the team would need to perform or improve.
- Thirdly** consider structure as a possible solution to the strategy or process improvement requirements.



2.6.2 ORGANISATIONAL STRUCTURE DIRECTS EMPLOYEE BEHAVIOUR

Formal and informal organisational structures direct employee behaviour. For example, if there are no team structures in the organisation, people will behave as individuals. If hierarchy is very important then information flow will tend to be slow.



2.6.3 ALL STRUCTURING HAS A SOUND BUSINESS CASE

When considering a possible restructuring of the department or unit, it is always a good idea to think about the benefits and the risks associated with the new structure. Only if the benefits outweigh the risks, should you proceed to restructure. A sound business case provides adequate answers to the following questions:

Questions to be addressed in a business case	Description of typical content	Corresponding heading of the business case as indicated in Chapter 3
What is the reason for considering a structure change?	<ul style="list-style-type: none"> A clear statement of the reason for the structural change decision: <ul style="list-style-type: none"> A performance problem? A change in strategy? A change in mandate? A new business unit, department, team? 	<ul style="list-style-type: none"> Background
Why is organisational structure regarded as a solution?	<ul style="list-style-type: none"> A clear indication why the problem or strategy requirement can be addressed through a structural change as opposed to other options, for example training, outsourcing, changing the strategy, or adjusting HR systems. 	<ul style="list-style-type: none"> Background Alternatives to restructuring
What is the proposed structure?	<ul style="list-style-type: none"> Providing a clear indication of the formal and informal structure. The formal structure can be seen in the organogram, and the informal or governance structures are all the meetings, forums, policies, committees, teams etc. which are required to deliver on the value proposition to the citizen. 	<ul style="list-style-type: none"> The proposed structure
What are the benefits of the structural change?	<ul style="list-style-type: none"> This section should indicate the financial and non-financial benefits and how the structure will improve service quality to the citizen, speed (internally and to the citizen), cost (reduction or improved return on capital employed), volume or any other KPI of the organisation. 	<ul style="list-style-type: none"> Impact of new structure Benefits
How will the structure be implemented?	<ul style="list-style-type: none"> What are the implementation considerations for implementing the structure? This includes: <ul style="list-style-type: none"> How the change and impact on people will be managed. What communication will have to take place. What training will be done. Where and when implementation will take place. 	<ul style="list-style-type: none"> Impact of new structure Risk assessment Implementation plan
How will the success and benefit be measured?	<ul style="list-style-type: none"> How will we make sure we know if the structure is effective? Typical measures to consider: <ul style="list-style-type: none"> Decision making cycles. Information lead time (how long do we wait for information). Reduction in duplication in jobs. 	<ul style="list-style-type: none"> Monitoring and evaluation Review and sign-off

CHAPTER 3

3. THE REGULATORY FRAMEWORK

3.1 INTRODUCTION

This chapter introduces you to the framework of policies and legislation that should guide you in your organisational structuring work. It:

- Identifies the key legislation and policies that guide organisational structuring in the public sector.
- Outlines the powers of the Executive Authority, the MPSA, the Premier and Accounting Officers in organisational structuring.
- Summarises the relevant sections of the Public Service Act, the Public Service Regulations, the Public Finance Management Act and the Labour Relations Act.
- Gives an overview of the requirements for consultation and submitting a business case.
- Identifies the main elements of the process for authorising organisational structuring.

A basic understanding of the regulatory framework will help you to:

- Plan the organisational structuring process in your department.
- Follow the correct legal and administrative procedures in organisational structuring.
- Avoid unnecessary delays resulting from following incorrect procedures.
- Minimise the risks of non-compliance.

Much of the information in this chapter is a summary or overview. You should therefore:

- Consult the specific legislation and policies for detailed information.
- Seek advice or opinions from the legal section of your organisation.
- Check for updates and amendments to legislation, policies and directives.

The regulatory framework described in this Guide confines itself to national and provincial government departments. If you are working in local government or in a public entity, you should refer to the legislation governing your particular organisation.

3.2 WHAT POLICIES AND LEGISLATION SHOULD YOU KNOW AND WHY?

The table below shows the policies and legislation that are most relevant to organisational structuring. The list is not exhaustive. As part of your planning for an organisational structuring exercise, you should check for all policies and legislation that may be relevant.

What should you know?	Why?
South African Constitution, 1996	<ul style="list-style-type: none">Chapter 10 sets out basic values and principles that underpin the administration of the public service and other organs of state.
Public Service Act, 1994	<ul style="list-style-type: none">It is the principal legislation governing the public service.It sets the overall framework for the organisation and administration of the public service.It sets out powers of the Minister for Public Service and Administration (MPSA), Premiers and Executive Authorities (EAs).
Public Service Regulations, 2001	<ul style="list-style-type: none">Outlines the rules for planning, work organisation and reporting in the public service.Prescribes what the EA may do with regard to organisational structures.Outlines the rules for transfer of functions between departments.
Public Finance Management Act, 1999 and Treasury Regulations	<ul style="list-style-type: none">Organisational structure must be within current budget and MTEF.Prescribe rules for establishment of a new entity and transfer of assets and liabilities to another entity.
Labour Relations Act, 1995	<ul style="list-style-type: none">Prescribes how to deal with staff who may be affected by restructuring.
Collective agreements between government as employer and organised labour	<ul style="list-style-type: none">Collective agreements reached in bargaining councils are binding on all parties to the agreement. Some agreements specifically cover restructuring.
White Paper on the Transformation of the Public Service (1995)	<ul style="list-style-type: none">Sets out eight transformation priorities for the public service. All these are relevant to organisational structuring.
White Paper on the Transformation of Service Delivery (Batho Pele) 1997	<ul style="list-style-type: none">Enhancing service delivery is one of the key considerations in organisational structuring.
Legislative mandate and policies of your organisation	<ul style="list-style-type: none">These define the business of your organisation.They influence how your organisation may be organised or structured.
Minimum capacity requirements for certain functions	<ul style="list-style-type: none">Some functions have minimum capacity requirements specified by the dpsa or other government agencies, for example, Minimum Capacity Requirements for Anti-Corruption. These could influence organisational structuring.

You should also familiarise yourself with other Guides previously issued by the dpsa to assist managers and practitioners. Some of these are listed below:

- Guide on Transformation and Restructuring: Human Resources (June 2006).
- Guidelines on Integrated Human Resource Planning in the Public Service.
- Guide on job descriptions.
- Guide on job evaluation.
- Batho Pele Handbook.

3.3 WHO ARE THE KEY DECISION MAKERS?

In organisational structuring the key decision makers are:

- Minister for Public Service and Administration.
- Premier (in the case of provincial administrations and provincial departments).
- Executive Authority.
- Accounting Officer (Director General or Head of Department).

Below is a summary of their powers in organisational structuring.

Who is involved?	What powers do they have?	Conditions for exercise of power
Minister for Public Service and Administration	<ul style="list-style-type: none"> • Makes the rules and issues directives on administration of the public service. • May make a determination on the: <ul style="list-style-type: none"> o Allocation of any function to a department. o Abolition of a function. o Transfer of a function from a department to any other body. o Transfer of a function from any other body to a department. • Advises the President on establishment or abolition of any department or organisational component in the national sphere. • Advises the President on designation (name of department or organisational component or head). 	<ul style="list-style-type: none"> • Must consult relevant EAs on transfer or abolition of functions. • Authority to make determinations on functions is confined to the national sphere.
Premier	<ul style="list-style-type: none"> • May make a determination on the: <ul style="list-style-type: none"> o Allocation of any function to a department. o Abolition of a function. o Transfer of a function from a department to any other body. o Transfer of a function from any other body to a department. 	<ul style="list-style-type: none"> • Authority to make determinations on functions is confined to the provincial sphere. • Must approach MPSA for proclamation to amend schedule to Public Service Act. • Must consult MPSA on organisational structure according to MPSA directives.
Executive Authority	<ul style="list-style-type: none"> • Determines the department's structure. • Defines posts needed to carry out functions. • Grades new jobs. • Conducts human resource planning. 	<ul style="list-style-type: none"> • Organisational structure must be based on strategic plan. • Job grading and human resource planning must be done according to PSR. • Must consult MPSA on organisational structure according to MPSA directives. • Must consult MPSA if organisational structuring involves transfer of functions to another entity.

Who is involved?	What powers do they have?	Conditions for exercise of power
Accounting Officer	<ul style="list-style-type: none">Carries out organisational structuring functions under delegated authority from Executive Authority.Must ensure that organisational structure is funded in current budget and MTEF.	<ul style="list-style-type: none">Must consult and seek written consent from National Treasury if intending to establish a new entity.Obligated to draw up inventory of assets and liabilities when transferring functions to another entity.

3.4 PUBLIC SERVICE ACT AND PUBLIC SERVICE REGULATIONS

Public Service Act, 1994 (as amended)	Public Service Regulations, 2001 (as amended)
<ul style="list-style-type: none">The Public Service Act is the principal legislation governing the public service:<ul style="list-style-type: none">It sets the overall framework for the organisation and administration of the public service.It regulates conditions of employment, terms of office, discipline, retirement and discharge of officials.It applies to national departments and provincial administrations.Chapter III of the Act deals with the organisation of the public service into national departments and provincial administrations. The Act does not however prescribe how departments should be structured.The Public Service Act gives the MPSA the authority to make regulations and issue directives on matters relating to the public service, including organisational structure.	<ul style="list-style-type: none">Part III of the Public Service Regulations deals with planning, work organisation and reporting requirements of national and provincial departments.PSR B.2 sets out the following conditions for organisational structuring:<ul style="list-style-type: none">The organisational structure of the department should be based on the department's strategic plan. PSR B.1 sets strategic plan requirements.The posts necessary to carry out the functions must be defined. These posts will constitute the department's official establishment.The posts must remain within the current budget and MTEF. This means that posts on the official establishment must be funded.New jobs must be graded using the job evaluation system referred to in Part IV of the PSR.Human resource planning must be done in accordance with PSR III D.PSR B.2 stipulates that the Executive Authority must consult the MPSA prior to making a final determination on the organisational structure. The MPSA specifies the circumstances that require consultation with the MPSA. These are set out in a directive issued by the MPSA and took effect on 1 July 2006.PSR III H outlines the rules for the transfer of functions between departments:<ul style="list-style-type: none">The principle is that resources (including personnel) must follow the function.The recipient department accepts accountability for the function from the date of transfer.The transfer of personnel must meet the requirements of the Labour Relations Act, 1995.The transfer of funds must meet the requirements of Treasury Regulations paragraph 6.5.

3.5 OTHER RELEVANT LEGISLATION

<p>Labour Relations Act, 1995</p>	<ul style="list-style-type: none"> • Organisational structuring is likely to have an impact on employees. It is therefore important that you have some knowledge of the Labour Relations Act (LRA). The LRA: <ul style="list-style-type: none"> o Is the country's primary labour legislation and applies to all organs of state, excluding the National Intelligence Agency, the South African Secret Service and the South African National Defence Force. o Section 189 of the LRA deals with the dismissal of employees for reasons relating to the operational requirements of the employer's business. It requires the employer to consult affected employees, the workplace forum or registered trade union. o Section 197 of the LRA deals with the transfer of employees from one business to another as a result of reorganisation. All rights and obligations that existed at the time of the transfer remain in force with the new employer. • The decision to restructure is the prerogative of the employer. The LRA does however place an obligation on the employer to consult those affected or likely to be affected by the restructuring. <p><i>Note: It is essential that you consult the dpsa Guide on Transformation and Restructuring: Human Resources. You should also consult the Labour Relations specialist or the legal division in your department to ensure that you have interpreted the provisions of the LRA correctly.</i></p>
<p>Public Finance Management Act, 1999</p>	<ul style="list-style-type: none"> • The Public Finance Management Act (PFMA) governs financial management in national and provincial government institutions including public entities. The important points to remember about the PFMA are: <ul style="list-style-type: none"> o Section 45 places a responsibility on all officials to use financial and other resources effectively, efficiently, economically and in a transparent manner. Take these aspects into account when restructuring. o Expenditure must be authorised before it is incurred. This means that all the necessary approvals must have been obtained before spending funds on the design and implementation of a new or revised organisational structure. o Section 63 (1) requires the Executive Authorities to perform their statutory functions within the limits of their approved budget. This means that the Executive Authority should only make a determination on an organisational structuring if there are sufficient funds in the budget and MTEF. o Section 38 (m) requires the Accounting Officer to consult and obtain written approval from the National Treasury when intending to establish a new entity. • Section 42 spells out the respective responsibilities of Accounting Officers when transferring assets and liabilities between departments (or other institutions) following the reorganisation of functions. The transferring department's Accounting Officer must do the following: <ul style="list-style-type: none"> o Draw up an inventory of assets and liabilities. o Provide the receiving department or institution with substantiating records. o Provide the receiving department or institution with the personnel records of staff to be transferred. o Both Accounting Officers must sign the inventory when the transfer takes place. o The transferring department's Accounting Officer must file a copy of the signed inventory with the relevant Treasury and the Auditor-General within 14 days of the transfer.

3.6 CONSULTATION AND SUBMISSION REQUIREMENTS

3.6.1 WHY CONSULT?

Consultation is an important and necessary step in any organisational structuring process. It is a process of dialogue that should contribute to making decisions about the organisational structure.

How extensively you consult and the format for the consultation will depend on the nature and extent of the organisational structuring exercise. If the organisational structuring exercise is comprehensive, it is likely that you will need to consult extensively.

There are statutory requirements for consultation in certain types of organisational structuring. You should familiarise yourself with these requirements from the outset. (Refer to the MPSA directive of 24 June 2006 and dpsa Guide on Transformation and Restructuring: Human Resources, June 2006.)

3.6.2 BENEFITS AND CHALLENGES

Consultation is an opportunity to enhance the organisational design process and is not simply a duty to be performed. Consultation has benefits and challenges:

Benefits	Challenges
<ul style="list-style-type: none">• Opportunity to provide accurate information to affected staff, management and stakeholders.• Opportunity to solicit insights and ideas from staff, management and stakeholders.• Creates a climate for building consensus on organisational structure.• Improves quality of decisions.• Generates ownership of organisational design process and outcome.	<ul style="list-style-type: none">• Not always clear whom to consult.• Can be time-consuming.• Can raise unrealistic expectations from stakeholders.• Requires skills in communicating, negotiating and building consensus.• Requires planning and resources to be performed effectively.

3.6.3 WHO SHOULD BE CONSULTED?

Whom you consult depends on the nature and extent of the organisational structuring you are undertaking and what you want to achieve with the consultation. The particular circumstances in your organisation, for example decision making processes and structures, will also influence the consultation. The table below provides a guide on whom to consult.

Whom to consult	When to consult	Why
Executive Authority	<ul style="list-style-type: none"> Before embarking on an organisational structuring that requires EA's approval. Consult EA at regular points in the process. 	<ul style="list-style-type: none"> To obtain initial go-ahead. To obtain EA's strategic and political perspective. To secure EA's commitment and support for the process.
Staff	<ul style="list-style-type: none"> Always consult those affected or likely to be affected by the organisational structuring. Other staff who have knowledge or experience of a particular area or service. 	<ul style="list-style-type: none"> To obtain their views on problems, challenges and opportunities and how to respond to these. To secure their support for proposed changes.
Managers	<ul style="list-style-type: none"> Always consult the manager who is responsible for the unit that is the subject of structuring. Consult other managers at various phases (e.g. CFO regarding budget). 	<ul style="list-style-type: none"> To obtain initial go-ahead (if they have delegated authority). To obtain their strategic and managerial perspective. To secure their commitment to and support for the process.
Trade unions	<ul style="list-style-type: none"> If staff are affected or likely to be affected in terms of sections 189 and 197 of the Labour Relations Act. 	<ul style="list-style-type: none"> To comply with good labour relations practice and legislation.
Internal and external users of services	<ul style="list-style-type: none"> In diagnostic phase of organisational structuring. If service delivery is likely to be affected. 	<ul style="list-style-type: none"> To obtain their views on problems, challenges and opportunities and how to respond to these. To secure their support for proposed changes.
Other government departments	<ul style="list-style-type: none"> At various phases if changes are likely to have an impact on the other departments' operations. If restructure is likely to affect occupational categories or levels that are also used by other departments (e.g. social workers). 	<ul style="list-style-type: none"> To obtain their views on proposed changes. To obtain support for proposed changes.
External stakeholders	<ul style="list-style-type: none"> In diagnostic phase of a major organisational structuring. 	<ul style="list-style-type: none"> To obtain their views on problems, challenges and opportunities and how to respond to these. To secure their support for proposed changes.
MPSA	<ul style="list-style-type: none"> If there are changes to the top three tiers of the organisation's structure. If functions are to be transferred into or out of the organisation. If intending to establish a new entity. 	<ul style="list-style-type: none"> To obtain comments on proposed changes. To obtain approval for transfer of functions and changes to Schedule to Public Service Act. To obtain approval for new entity and changes to Schedule to Public Service Act.
National Treasury	<ul style="list-style-type: none"> If intending to establish a new entity. 	<ul style="list-style-type: none"> To obtain approval for new entity and changes to Schedule to PFMA.

Helpful tips on consultation	Status
✓ Be clear about the objectives of consultation and what you want to achieve.	
✓ Identify whom to consult. Where possible, involve all those who will be affected by the outcome or who can contribute to the process.	
✓ There is no single “right” method for consultation. Choose the method or mix of methods that best suit the circumstances.	
✓ Have a realistic plan for consultation backed up with adequate resources.	
✓ Be transparent in your consultations.	
✓ Ensure that the information you provide in consultations is timely, clear, accurate and can be understood by participants.	
✓ Give feedback to participants about how the information has been used to inform decisions.	
✓ Treat everybody's views with respect.	
✓ Ensure that statutory consultations comply with legislation.	

3.6.4 CONSULTATION WITH THE MINISTER FOR PUBLIC SERVICE AND ADMINISTRATION

When making changes to the organisational structure, the Executive Authority is required to consult the MPSA. The MPSA decides which changes require consultation and the format for the consultation. This decision is contained in a directive that the MPSA issues. You should check to ensure that you have the latest directive.

The current directive which came into effect on 1 July 2006 requires that the Executive Authority consult the MPSA where changes are made to the top three tiers of a departmental organisational structure.

	National sphere	Provincial sphere
Tier number one	<ul style="list-style-type: none">• Structure and post establishment in the Ministry.• Director General.• Office of the Director General.	<ul style="list-style-type: none">• Premiers.• MECs.• Offices of Premiers.• Offices of MECs.• Offices of Heads of Department.
Tier number two	<ul style="list-style-type: none">• Deputy Director General/Branch head level.	<ul style="list-style-type: none">• Branch head level (mostly Chief Directors), some at DDG level.
Tier number three	<ul style="list-style-type: none">• Functions performed directly below tier number two.	<ul style="list-style-type: none">• Functions performed directly below tier number two.

The directive specifies the minimum information that the Executive Authority must forward to the MPSA in the consultation process. You should refer to the directive for the information.

You may wish to use the checklist below as a guide to ensure the completeness of the submission to the MPSA.

MPSA submission requirements	Status
✓ Covering letter signed by the Executive Authority supporting the proposed structure.	
✓ Organisational structure in format required by dpsa (with each page initialled by the Executive Authority or delegated official).	
✓ Electronic version of organisational structure (with version control indicated).	
✓ Business case for the structure or restructure.	
✓ If the Executive Authority has delegated the organisational structuring function, then the submission should include a copy of the written delegation.	

3.6.5 BUSINESS CASE GUIDELINES

The business case is a structured way of developing and presenting the ‘case’ for the organisational structure intervention. Developing a business case for organisational structuring is good practice irrespective of the scale of the organisational structuring. A good business case presents all the necessary information clearly so that decision makers can evaluate and approve, or decline, the proposal.

The business case for organisational structuring is the outcome of the processes described in Section 2 of the Guide. The table provides guidance on the main elements of a business case. The level of detail in the business case will depend on the size and complexity of the intervention.

You should also consult the relevant directives when submitting a business case to the MPSA as part of the formal consultation. If you are proposing to establish a public entity, you should consult the Guidelines for Public Entities published by the National Treasury.

Headings	Considerations
Executive summary	<ul style="list-style-type: none">• Precise and brief description of problem or opportunity to be addressed; what the proposed structure will achieve; impact on service delivery, operations and staff; and financial implications.
Background	<ul style="list-style-type: none">• What problem, need or opportunity has to be addressed.• Describe the current situation in department or unit.• Include useful statistical information relating to service delivery, service users, performance, inputs (staff, infrastructure and budgets), processes.
The proposed structure	<ul style="list-style-type: none">• Objectives: what will the proposed structure achieve.• Describe the proposed organisational architecture and the number and types of positions required.• Indicate the governance structures required to achieve the objectives.• Strategic alignment: how the proposed structure would align with the strategic plan and mandate.• Behaviour alignment: how the proposed structure would guide required employee behaviour and support the required culture.• Methodologies used in arriving at proposed structure.

Headings	Considerations
Alternatives to restructuring	<ul style="list-style-type: none">• List viable alternatives considered.• Why they were eliminated.
Impact of the new structure	<ul style="list-style-type: none">• Impact on service delivery: increase or decrease in service delivery points, extension of service hours, changes in service norms and standards.• Impact on staff: increase or reduction of staff, internal reorganisation, training.• Impact on infrastructure: information and communication technology, office space, furniture.• Impact on external stakeholders: suppliers, service delivery partners in government and civil society.
Benefits (financial and non-financial)	<ul style="list-style-type: none">• Cost of new or revised structure current year and MTEF.• Availability of funding.• Benefits of proposed structure as regards leadership, service delivery, citizen convenience, employee optimisation, supplier management, social impact, process efficiency and effectiveness, infrastructure optimisation (financial and non-financial).• Detailed cost-benefit analysis is required for establishing a new entity.
Risk management	<ul style="list-style-type: none">• Identify and assess probability of and impact of key risks on proposed structure and implementation.• Propose strategies to mitigate risks.
Implementation plan	<ul style="list-style-type: none">• High-level implementation plan with major phases, deliverables and target dates for completion.• Roll-out or phased implementation.• Change management strategy.• Roles and responsibilities of those involved in implementation.• Costs to carry out implementation plan.
Consultation process	<ul style="list-style-type: none">• Who was consulted.• What consultation processes were used.• What was outcome of consultations.
Monitoring and evaluation	<ul style="list-style-type: none">• What indicators will be used to monitor and evaluate the structure.• How will changes be monitored and evaluated.• Who will be responsible for monitoring and evaluation.
Review and sign-off	<ul style="list-style-type: none">• Describe who and how the business case analysis was reviewed and signed off, for example, HR manager, line manager, EXCO, Director General and Executive Authority.

3.7 PROCESS FOR AUTHORISATION

3.7.1 WHO CAN AUTHORISE ORGANISATIONAL STRUCTURING?

Authorisation, or approval, for organisational structuring takes place at various stages of the organisational structuring process. You may require authorisation at different points in the process as shown below:

- When initiating organisational structuring.
- On reaching certain milestones in organisational structuring process.
- Upon submitting proposed structure to Executive Authority.
- When submitting proposed structure to MPSA.
- When final structure is ready for implementation.
- When new structure is implemented.

The table below gives an indication of who can authorise organisational structuring. There will no doubt be variations within departments depending on the type of structuring.

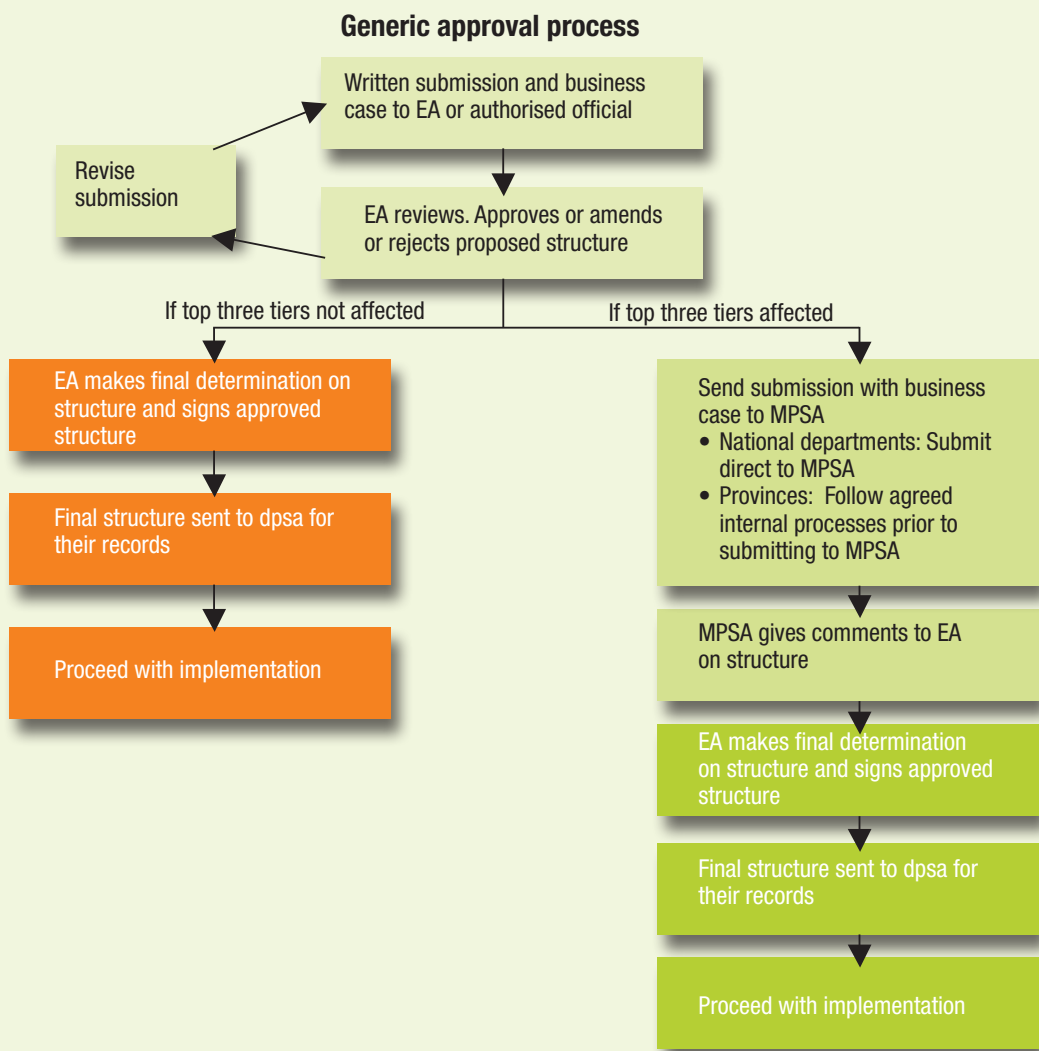
Phase	Type of structuring	Authorisation
Initiating organisational structuring exercise	<ul style="list-style-type: none"> • Major structuring. • New entity. • Transfer of function between departments. 	<ul style="list-style-type: none"> • Executive Authority.
	<ul style="list-style-type: none"> • Minor structuring. 	<ul style="list-style-type: none"> • Director General, Head of Department if delegated authority by EA.
Critical milestones during diagnostic and design phases	<ul style="list-style-type: none"> • Any organisational structuring. 	<ul style="list-style-type: none"> • Director General, Head of Department or executive Committee of department.
Submitting proposed structure and business case to EA	<ul style="list-style-type: none"> • Any organisational structuring. 	<ul style="list-style-type: none"> • Director General, Head of Department.
Submitting proposed structure and business case to MPSA	<ul style="list-style-type: none"> • Changes to top three tiers of departmental structure. 	<ul style="list-style-type: none"> • Executive Authority.
Submitting proposed structure and business case to dpsa and National Treasury	<ul style="list-style-type: none"> • Establishing new public entity or agency. 	<ul style="list-style-type: none"> • Executive Authority.
Final determination of organisational structure and staff establishment	<ul style="list-style-type: none"> • Any organisational structuring. 	<ul style="list-style-type: none"> • Executive Authority.
Implementation of new structure	<ul style="list-style-type: none"> • Any organisational structuring. 	<ul style="list-style-type: none"> • Executive Authority.

Some aspects of organisational structuring may also be delegated in some departments and provincial administrations. It is important that your organisation has a clear set of delegations for organisational structuring.

Helpful tips on delegation	Status
✓ Delegation aims to introduce efficiencies. Authority for organisational structuring should be delegated to as low a level as possible in the organisation.	
✓ Delegation should be supported by information and resources to enable delegates to carry out their delegated functions.	
✓ Delegation for organisational structuring must be in writing and kept on a delegated authority file.	
✓ The delegations should be reviewed at least once a year.	
✓ Delegation does not remove the accountability of the Executive Authority and Accounting Officer. They need to put in place the necessary controls and systems and monitor how officials are exercising their delegated authority.	

3.7.2 HOW DOES THE APPROVAL PROCESS WORK?

The approval or sign-off process will vary from department to department, depending on internal delegations and arrangements. There will also be variation amongst the provincial administrations. Some provinces have decentralised decision making on organisational structures from the Office of the Premier to departments while other provinces require departments to seek the approval of the Premier and/or the Provincial Cabinet for their organisational structures. The following diagram shows a generic approval process. It is important that **you** know what the approval process is in your department and/or province.



3.8 CONSEQUENCES OF NON-COMPLIANCE

If you do not comply with the regulatory framework, you may be placing the credibility and effectiveness of the organisational structuring at risk.

Specific consequences of non-compliance include:

Non-compliance	Consequences
Approving and implementing structure without sufficient funding	<ul style="list-style-type: none"> Unauthorised expenditure in breach of the PFMA may result in appearance before SCOPA.
Failure to consult MPSA on proposed structure in terms of MPSA directive	<ul style="list-style-type: none"> Changes to structure are null and void. Officials may be in their posts “illegally” and this has consequences for the validity of their decisions and expenditure incurred by them.
Failure to submit documents with minimum information required by MPSA	<ul style="list-style-type: none"> Delays in processing submission in the dpsa.
Failure to obtain determination from EA for proposed structure	<ul style="list-style-type: none"> Changes to structure are null and void. Officials may be in their posts “illegally” and this has consequences for the validity of their decisions and expenditure incurred by them.
Failure to consult trade unions or workplace forums when required by the LRA	<ul style="list-style-type: none"> Breach of the LRA and could lead to industrial dispute.
Failure to consult staff especially those directly affected by organisational structuring	<ul style="list-style-type: none"> Makes difficult process of organisational structuring more difficult, staff do not trust management and may undermine processes.

CHAPTER 4

4. ORGANISATIONAL STRUCTURING PROCESS

There are various types of structuring interventions, each with its unique challenges and process requirements. Although Chapter 6 provides for a generic organisational restructuring or structuring process, not all the steps would be required in each of the types of structuring interventions.

4.1 DIFFERENT TYPES OF INTERVENTIONS

The five types of organisational structuring are discussed in the table below:

Type of structuring intervention	Critical steps of each
1. Transferring a function out of the department to another department	<ul style="list-style-type: none"> The process is described in the Public Service Regulations.
2. Transferring a function into the department from another department	<ul style="list-style-type: none"> The process is described in the Public Service Regulations and will require a high-level analysis of the impact on the recipient department <ul style="list-style-type: none"> Design of the workflow. Design of the job/position. Standard implementation process.
3. Structuring for a mandatory function based on executive decision	<ul style="list-style-type: none"> High-level diagnostic activities. Communication. Design activities (architecture at a high level, job design at a detailed level). Consultation. Implementation. Measurement based on executive requirements of the new function.
4. Structuring for a new unit base on strategic imperatives	<ul style="list-style-type: none"> Diagnosis will focus on strategic requirements. Communication will be about the impact of the new structure. Designing will include architecture and job design. Consultation (full consultation process for first three tiers). Implementation. Measurement (based on strategic imperatives).
5. Restructuring of the current department or unit based on performance improvement requirements	<ul style="list-style-type: none"> Full problem statement and diagnosis. Communication (involvement of stakeholders to determine impact). Design (full architecture and job design). Consultation (full consultation process for top three tiers). Implementation (strong emphasis on workforce migration and labour relations). Measurement (based on success indicators and/or strategic imperatives).

4.2 OVERVIEW OF GENERIC STRUCTURING PROCESS

The diagram below provides an overview of a generic organisational structuring process.
The aim of the diagram is:

To –	define and explain the phase-review structure of the organisational design process
In a way that –	all managers and practitioners will have a clear understanding of The process to be followed. The relevant stages to be performed. The review stages to be passed.
So that –	organisational design (especially on tiers 1-3) is executed in a standardised, structured and disciplined manner.

4.2.1 PHASE-REVIEW APPROACH

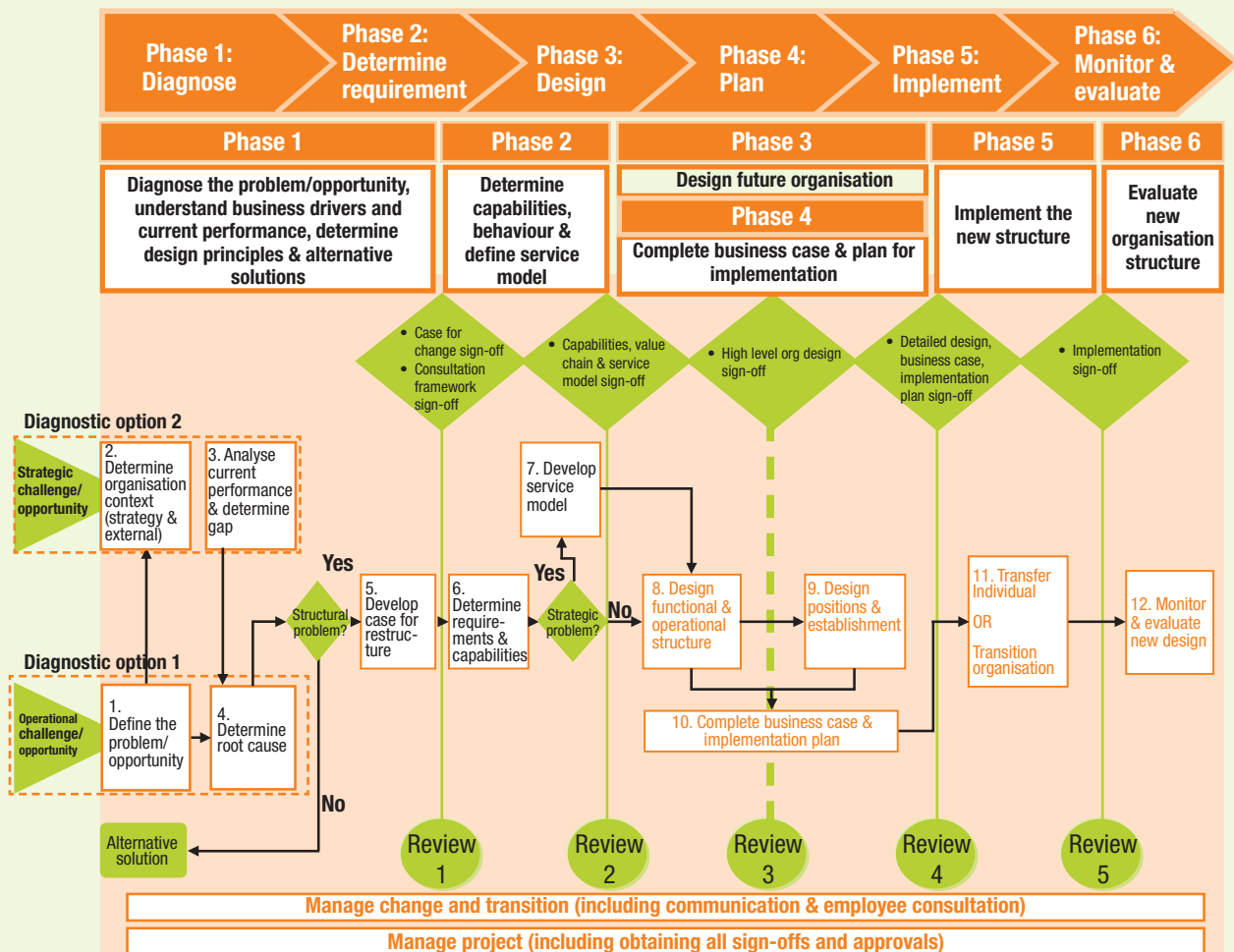
The phase-review approach consists of:

- Six phases with 12 steps.
- Two decision points.
- Five review points.
- Two transversal work streams.

The phase-review structure is composed of six phases that are separated by five review points. Each phase has steps with identifiable deliverables to guide design teams. Phase 1 is preceded by a request for initiation of the organisational structuring process.

The review points represent the standardised points in the process where the go/no-go decisions are made. Each design initiative must pass through these review points in order to continue. All the required deliverables must be completed in order to move through the review point to the next phase of the process.

4.2.2 DESCRIPTION OF PHASES AND STEPS



Phases	Steps	Description
Phase 1: Diagnosis	Steps 1 and 4	<ul style="list-style-type: none"> Diagnostic option 1: Define the problem and its root cause(s) for operational or individual position related problems (e.g. the organisation as a whole is performing well but a certain region is struggling or unit is not performing as well as other similar units).
	Steps 1 to 4	<ul style="list-style-type: none"> Diagnostic option 2: Define the problem, determine or review the current organisational context (strategy and external realities) and its current performance (results and internal effectiveness) in order to determine the gap between required and actual.
	Decision point 1	<ul style="list-style-type: none"> Based on information on problem and root cause, take a decision on whether it is a structural or non-structural organisational problem.
	Step 5	<ul style="list-style-type: none"> In cases of structural organisational problems, complete a case for change including success criteria and design principles for the new or adjusted structure.

Phases	Steps	Description
Phase 2: Determine requirements	Step 6	<ul style="list-style-type: none">Define the organisational processes and associated requirements for the organisation to achieve the strategic objectives.
	Decision point 2	<ul style="list-style-type: none">Decide if it is necessary to first develop a service model (step 7) or proceed directly to step 8 (designing structure).
	Step 7	<ul style="list-style-type: none">If the restructuring involves tiers 1-3, construct an operating/service model to provide a pictorial representation of how the organisation will operate.
Phase 3: Design	Step 8	<ul style="list-style-type: none">Design initial formal functional and operational structure with purpose and function and the governance structures which will enable the functional/operational structure to function.
	Step 9	<ul style="list-style-type: none">Complete positions and establishment upon approval of the functional/operational structure.
Phase 4: Planning	Step 10	<ul style="list-style-type: none">Complete the full business case for consideration by the relevant EA and MPSA (if tier 1-3 restructuring) and an implementation plan which includes implementation strategy, risk analysis, dependency analysis, technology and infrastructure requirements, layout (if applicable), impact analysis, employee migration strategy, monitoring and review plan.
Phase 5: Implementation	Step 11	<ul style="list-style-type: none">Implement the structure which includes progress reports, project team meetings, issues management, risk management, change management, and communication.
Phase 6: Monitoring and review	Step 12	<ul style="list-style-type: none">Monitoring and evaluating the success of the adjusted or new organisational structure based on the monitoring and review strategy.
Transversal work streams		
Manage change	<ul style="list-style-type: none">Ensure effective management of the change and the impact on stakeholders through communication, training, consultation, targeted focus groups, labour relations management.	
Manage project	<ul style="list-style-type: none">Ensure effective management of the design process and its associated review points. It includes ensuring delivery of all outputs and deliverables, managing effort, obtaining sign-off/approval and monitoring the schedule and task execution.	

4.2.3 REVIEW POINTS

The six stages are separated by the following reviews:

Review	Description
Review 1:	<ul style="list-style-type: none"> Review the proposed case for change which includes the structure success indicators and design principles. The deliverable should also indicate the alternative solutions considered before deciding on a structural adjustment.
Review 2:	<ul style="list-style-type: none"> Review the business processes as presented in a value-added chain process map, the required capabilities to execute the business processes and the operating/service model required to direct the processes and capabilities towards effective service delivery.
Review 3:	<ul style="list-style-type: none"> Review the functional and operational structure including the proposed governance structures that are required to enable the functional/operational structure.
Review 4:	<ul style="list-style-type: none"> Review the detailed designed organisational structure with positions, job descriptions and establishment. Further review the detailed business case (cost, benefits, risk reduction, etc.) and full implementation plan for consideration by the relevant EA and MPSA.
Review 5:	<ul style="list-style-type: none"> Review the implementation of the structure in the operating environment and measure performance against targets.

4.3 OUTPUTS AND DELIVERABLES

The outputs and deliverables of the organisational structuring process are described in the table below.

Phases	Major deliverables of the phases	Deliverables of the change management process	Deliverables of the project management process
Phase 1: Diagnosis	<p>Diagnostic option 1:</p> <p>Step 1:</p> <ul style="list-style-type: none"> Problem/opportunity definition and need for further diagnosis, AND <p>Step 4:</p> <ul style="list-style-type: none"> Root cause description. <p>Diagnostic option 2:</p> <p>Step 1:</p> <ul style="list-style-type: none"> Problem/opportunity definition and need for further diagnosis. <p>Step 2:</p> <ul style="list-style-type: none"> Organisational strategy implications (At least value drivers OR critical success factors) AND external requirements implications (at least a stakeholder requirements analysis). 	<ul style="list-style-type: none"> Communication strategy. Inform all participants in the diagnostic phase about the objectives, process and required outcomes. Identify potential dependencies and impacted parties with specific actions to address. Change readiness assessment (if required). Consultation framework for the remainder of the initiative to present to the EA. 	<ul style="list-style-type: none"> Project charter. Project schedule. Project team (if required). Diagnostic process and tools identified. Reports on progress. Convene review 1 meeting. Present diagnosis results for approval or rejection. Project team meeting agendas and minutes. Issues log. Sign-off sheets.

Phases	Major deliverables of the phases	Deliverables of the change management process	Deliverables of the project management process
Phase 1: Continue	<p>Step 3:</p> <ul style="list-style-type: none"> Gap analysis between current and required performance (at least a gap analysis and employee behaviour analysis). <p>Step 4:</p> <ul style="list-style-type: none"> Root cause description. <p>Step 5:</p> <ul style="list-style-type: none"> Case for change: Alternatives considered. <ul style="list-style-type: none"> Justification for proposed structure adjustments. Structure success indicators. Design principles. 		
Phase 2: Determining requirements	<p>Step 6:</p> <ul style="list-style-type: none"> SIPOC analysis (Customer, Output, Process, Input, Supplier). Relevant process maps (value-added chain, flow chart, time-responsibility maps, quick structured process descriptions). Capability requirements. A list of external requirements. <p>Step 7:</p> <ul style="list-style-type: none"> Operating/service model. 	<ul style="list-style-type: none"> Change management strategy. Change readiness assessment. Leadership alignment analysis. Stakeholder analysis and engage stakeholders. Communicate progress and results of the review meeting to relevant parties. 	<ul style="list-style-type: none"> Design plan and schedule. Report on progress. Convene review 2 meeting. Obtain approval of service model. Sign-off sheets. Project team meeting agendas and minutes. Issues log. Sign-off sheets.
Phase 3: Design	<p>Step 8: High-level structure</p> <ul style="list-style-type: none"> Functional structure vertical and horizontal alignment (purpose and function). Operational structure vertical and horizontal alignment (purpose and function). Governance structure (purpose and function). <p>Step 9: Detailed structure</p> <ul style="list-style-type: none"> Detailed process maps as required with metrics indicators. Organogram with positions and establishment (vertical and horizontal alignment). 	<ul style="list-style-type: none"> Communicate organisational architecture and service model. Consult with unions and employee representatives on impact of changes. 	<ul style="list-style-type: none"> Set up design team. Report on progress. Convene review 3 meeting. Obtain approval for high-level organisational design. Project team meeting agendas and minutes. Issues log. Sign-off sheets. Updated project schedule.

Phases	Major deliverables of the phases	Deliverables of the change management process	Deliverables of the project management process
Phase 4: Planning	<p>Step 10.1: Business case:</p> <ul style="list-style-type: none"> • Key performance indicators. • Financial and non-financial benefits. • Impact on own department, other departments and service recipients (citizens). • Cost of implementation. • Time to first benefit realisation. • Sustainability of benefits. • Risks and dependencies. • Assumptions. <p>Step 10.2: Implementation planning:</p> <ul style="list-style-type: none"> • Implementation strategy. • Implementation monitoring and reporting process. • Monitoring and evaluation plan. 	<ul style="list-style-type: none"> • Communicate the results of MPSA consultation. • Change strategy and plan. • Communication plan. • Training plan. • Workforce transition plan. • Labour relations management plan. 	<ul style="list-style-type: none"> • Report on progress. • Convene review 4 meeting. • Obtain approval for implementation plan and establishment. • Arrange consultation with MPSA for inputs. • Project team meeting agendas and minutes. • Issues log. • Sign-off sheets. • Updated project schedule.
Phase 5: Implementation	<p>Step 11: Implement:</p> <ul style="list-style-type: none"> • Training report. • Communication report. • Progress report. • Adjustments to the designed structure as necessary. • Updated process maps. 	<ul style="list-style-type: none"> • Communicate progress to the organisation. • Communicate with stakeholders. • Identify areas that or individuals who resist change and address the resistance. • Measure employee morale. • Measure progress, identify small wins and celebrate them. 	<ul style="list-style-type: none"> • Establish implementation team. • Execute implementation plan. • Arrange training. • Arrange migration of workforce. • Arrange recruitment and selection. • Arrange physical and technology infrastructure for expanded structure OR reallocation if required. • Arrange induction of new employees. • Review impact and report progress. • Obtain lessons learnt and review potential adjustments. • Obtain approval for adjustments from steering committee OR

Phases	Major deliverables of the phases	Deliverables of the change management process	Deliverables of the project management process
Phase 5: Continue			<ul style="list-style-type: none">• Sign off implementation once governance structures are in place and all internal staff have been reallocated.• Project team meeting agendas and minutes.• Issues log.• Sign-off sheets.• Updated project schedule.
Phase 6: Monitoring and evaluation	Step 12: Monitoring and evaluation report (three, six and 12 months)		

4.4 ROLES AND RESPONSIBILITIES IN DESIGN PROCESS

Role player	Phase 1: Diagnosis	Phase 2: Requirements	Phase 3: Design	Phase 4: Plan	Phase 5: Implement	Phase 6: Monitor and evaluate
Executive Authority	<ul style="list-style-type: none">• Initiate the diagnosis.• Inform MPSA of potential restructuring (if needed).		<ul style="list-style-type: none">• Provide resources.			
Director General or Head of Department	<ul style="list-style-type: none">• Initiate diagnosis.• Inform EA of potential restructuring.• Participate in strategic diagnosis.		<ul style="list-style-type: none">• Provide resources.			<ul style="list-style-type: none">• Report to EA.
Management	<ul style="list-style-type: none">• Initiate or request and perform diagnosis.• Participate in strategic and operational diagnosis.	<ul style="list-style-type: none">• Support project team to review and map processes.	<ul style="list-style-type: none">• Provide input into the design.	<ul style="list-style-type: none">• Provide input into the plan.	<ul style="list-style-type: none">• Implement.• Assist project team.• Communicate to direct reports.	<ul style="list-style-type: none">• Monitor performance of structure.
Employees and representatives	<ul style="list-style-type: none">• Participate in operational diagnosis.	<ul style="list-style-type: none">• Participate in consultation forums.	<ul style="list-style-type: none">• Employee forums.• Input into design.	<ul style="list-style-type: none">• Provide input into the plan.		

Role player	Phase 1: Diagnosis	Phase 2: Requirements	Phase 3: Design	Phase 4: Plan	Phase 5: Implement	Phase 6: Monitor and evaluate
Practitioner/ project team	<ul style="list-style-type: none"> Perform diagnosis. Generate case for change report. 	<ul style="list-style-type: none"> Analyse and map processes. 	<ul style="list-style-type: none"> Design and communicate. 	<ul style="list-style-type: none"> Plan for implementation. 	<ul style="list-style-type: none"> Assist line managers in implementing. Manage change. 	<ul style="list-style-type: none"> Assist line manager in monitoring. Measure and report.
Project manager	<ul style="list-style-type: none"> Assemble project team. 	<ul style="list-style-type: none"> Progress reporting. 	<ul style="list-style-type: none"> Progress reporting. 	<ul style="list-style-type: none"> Progress reporting. 	<ul style="list-style-type: none"> Progress reporting. 	<ul style="list-style-type: none"> Progress reporting. Benefits report.

4.5 ROLES AND RESPONSIBILITIES AT REVIEW POINTS

Phase roles	Review 1	Review 2	Review 3	Review 4	Review 5
Executive Authority	<ul style="list-style-type: none"> Review case for change and approve or reject. 			<ul style="list-style-type: none"> Approve or reject structure. Approve or reject implementation. 	
Minister for Public Service and Administration				<ul style="list-style-type: none"> Review business case and structure. Comments on these to EA. 	
Director General or Head of Department	<ul style="list-style-type: none"> Participate in Steering Committee for tiers 1-3. 	<ul style="list-style-type: none"> Participate in Steering Committee for tiers 1-3. 	<ul style="list-style-type: none"> Participate in Steering Committee for tiers 1-3. 	<ul style="list-style-type: none"> Participate in Steering Committee for tiers 1-3. 	<ul style="list-style-type: none"> Participate in Steering Committee for tiers 1-3.
Management	<ul style="list-style-type: none"> Participate in Steering Committee on request. 	<ul style="list-style-type: none"> Participate in Steering Committee on request. 	<ul style="list-style-type: none"> Participate in Steering Committee on request. 	<ul style="list-style-type: none"> Participate in Steering Committee on request. 	<ul style="list-style-type: none"> Participate in Steering Committee on request.
Practitioner/ project team	<ul style="list-style-type: none"> Prepare deliverables. 	<ul style="list-style-type: none"> Prepare deliverables. 	<ul style="list-style-type: none"> Prepare deliverables. 	<ul style="list-style-type: none"> Prepare deliverables. 	<ul style="list-style-type: none"> Prepare deliverables.
Project manager	<ul style="list-style-type: none"> Arrange review. Submit deliverables. Obtain sign-off or give feedback to project team. 	<ul style="list-style-type: none"> Arrange review. Submit deliverables. Obtain sign-off or give feedback to project team. 	<ul style="list-style-type: none"> Arrange review. Submit deliverables. Obtain sign-off or give feedback to project team. 	<ul style="list-style-type: none"> Arrange review. Submit deliverables. Obtain sign-off or give feedback to project team. 	<ul style="list-style-type: none"> Arrange review. Submit deliverables. Obtain sign-off or give feedback to project team.
Steering committee	<ul style="list-style-type: none"> Review deliverables. Approve or reject. 	<ul style="list-style-type: none"> Review deliverables. Approve or reject. 	<ul style="list-style-type: none"> Review deliverables. Approve or reject. 	<ul style="list-style-type: none"> Review deliverables. Approve or reject. 	<ul style="list-style-type: none"> Review deliverables. Approve or reject.

CHAPTER 5

5. TROUBLESHOOTING AND FREQUENTLY ASKED QUESTIONS

5.1.1 WHAT CHALLENGES CAN BE SOLVED BY RESTRUCTURING?

Restructuring, as with any other solution, can solve some challenges and may not be an appropriate solution to other challenges. The table below provides an overview of the type of challenges that restructuring can address and those that it is not suited for.

What challenges can be solved by restructuring?	What challenges cannot and should not be solved by restructuring?
<ul style="list-style-type: none"> • Access to service by citizens. • Service delivery and quality. • Citizen inconvenience. • Risk management. • Cost. • Productivity/Functioning. • Morale. • Communication and flow of information. • Organisational flexibility and responsiveness. • Internal redundancies and inefficiencies. • Accountability and role clarity. 	<ul style="list-style-type: none"> • Promotions. • Job grading. • Disciplinary challenges. • Incompetence (Lack of skills and training). • Non-conformance to standards.

5.1.2 FREQUENTLY ASKED QUESTIONS ABOUT ORGANISATIONAL STRUCTURING

Question	Answer	Relevant section of the Guide
1. Under what circumstances should we restructure?	<ul style="list-style-type: none"> • You need to diagnose the problem to see whether it is a structuring problem in the first place. You also need to consider different options to solve the problem. Restructuring is not always the answer. 	<ul style="list-style-type: none"> • Chapter 5
2. Is there a standard process for organisational structuring?	<ul style="list-style-type: none"> • There is a recommended standard process for organisational structuring. The main phases of the process are: <ul style="list-style-type: none"> o Diagnose the situation. o Determine capabilities and service model. o Design future organisation. o Complete business case. o Implement structure. o Evaluate structure. 	<ul style="list-style-type: none"> • Chapter 4 • Chapter 6

Question	Answer	Relevant section of the Guide
3. Who should drive the organisational structuring process?	<ul style="list-style-type: none"> This depends on the scale and complexity of the organisational structuring intervention and the particular circumstances in your organisation. In the case of a major structuring exercise, a senior manager with the requisite authority is usually tasked to drive the process. This senior manager ideally should be supported by a team which would include OD experts. The important thing is to ensure that roles and responsibilities in the organisational structuring process are clearly spelt out and that people are held accountable for their work in the process. 	<ul style="list-style-type: none"> Chapter 4 Chapter 6 Chapter 13
4. Can any manager change organisational structures?	<ul style="list-style-type: none"> The Authority to change organisational structures rests with the Executive Authority. Managers can only change organisational structures if the Executive Authority has delegated this power to them in writing. The Executive Authority must consult the MPSA before approving a structure that involves changes to the top three tiers of the organisation. Refer to Chapter 3 for details. 	<ul style="list-style-type: none"> Chapter 3
5. How often should we review the structure?	<ul style="list-style-type: none"> The structure of the organisation should be reviewed at every strategic planning cycle. Reviewing the structure should not automatically lead to restructuring. Restructuring should be done in line with the budgeting guidelines and cycle to ensure opportunity to include additional positions in the budget. 	<ul style="list-style-type: none"> Chapter 3 Chapter 7
6. When should we consult and whom should we consult?	<ul style="list-style-type: none"> Consultation depends on the extent of the organisational structuring. As a general rule, staff who will be affected should be consulted. There are also external stakeholders who may have to be consulted, for example other departments, users of services, parliamentary committees and trade unions. The MPSA must be consulted if the restructuring involves changes to the top tiers of the organisation. 	<ul style="list-style-type: none"> Chapter 3
7. What information should we include in a submission to the MPSA?	<ul style="list-style-type: none"> The MPSA will specify in a directive what information should be included. A submission would include a business case for the structure and a complete organogram. Guidelines for a business case appear on page 19-1 in the Guide. 	<ul style="list-style-type: none"> Chapter 3
8. What happens to the submission that we send to the MPSA?	<ul style="list-style-type: none"> Officials in the dpsa will analyse the structure and advise the MPSA. The analysis will be done in terms of the information requested in the directive. The officials will also contact your department if they need further information. 	<ul style="list-style-type: none"> Chapter 3

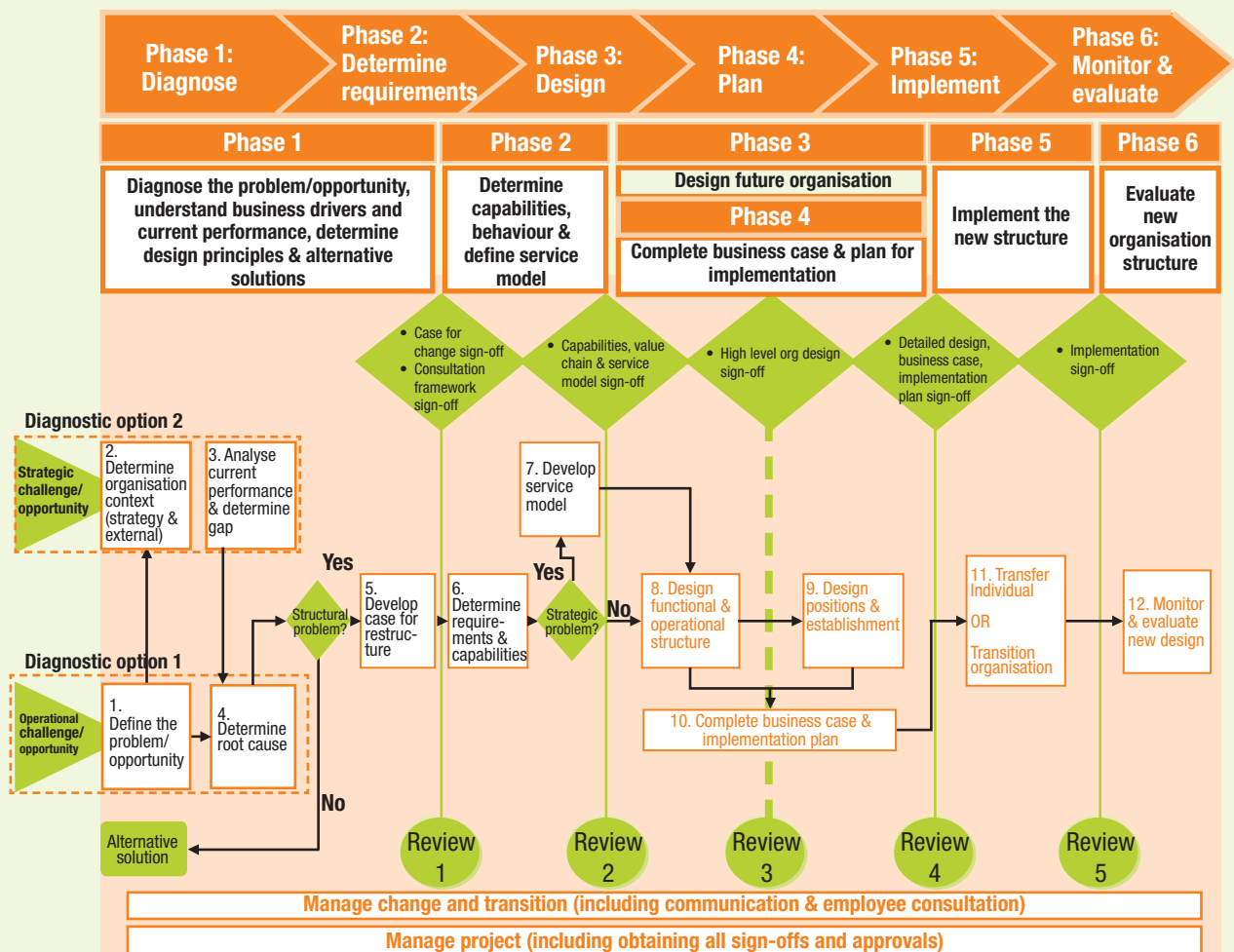
Question	Answer	Relevant section of the Guide
9. How much time do we need to carry out organisational structuring?	<ul style="list-style-type: none"> This depends on the scale and complexity of the organisational structuring. Rushing organisational structuring will not save you time in the long run. Dragging out an organisational structuring process can result in uncertainty and fatigue amongst staff. The important thing is to plan the process thoroughly so that you know how much time you should spend on each of the phases of the process. 	<ul style="list-style-type: none"> Chapter 13
10. What information about the organisational structure should be documented?	<ul style="list-style-type: none"> The purpose and functions as they describe the business of the organisation. The functions should cascade into the components of the organisation. Number of posts, post levels and designations. 	<ul style="list-style-type: none"> Chapter 3
11. Do we need to sign off each page of the approved organisational structure?	<ul style="list-style-type: none"> It is good practice to sign off each page of the approved organisational structure. This is a good internal control measure. It prevents people from making unauthorised changes to the organisational structure. It also helps you to identify the correct version of the organisational structure. The organisational structure should be signed off by the person with the delegated authority to do so. 	<ul style="list-style-type: none"> Chapter 3
12. Should structures be linked to the organisation's strategic plan?	<ul style="list-style-type: none"> Yes, structures should be informed by your organisation's strategy and therefore linked to the strategic plan. 	<ul style="list-style-type: none"> Chapter 3
13. Should the structure be costed?	<ul style="list-style-type: none"> Yes, the structures should be costed. The Accounting Officer is responsible for ensuring that the structure can be funded from the current budget and within the MTEF. 	<ul style="list-style-type: none"> Chapter 3 Chapter 10
14. Should unfunded posts be included in the organisational structure?	<ul style="list-style-type: none"> Unfunded posts should not be included in the organisational structure as this skews the post establishment data. An organisation can develop a "blueprint" organisational structure for planning purposes, but this should not be captured on the PERSAL system. 	
15. Can I distribute the Guide to others?	<ul style="list-style-type: none"> Yes, you may distribute the Guide as widely as you wish. The more people who know about the Guide and use it, the more likely we are to improve organisational structuring in the public sector. 	
16. Where can I get assistance?	<ul style="list-style-type: none"> Contact the dpsa Chief Directorate: Macro-Organisation of the State. 	

CHAPTER 6

6. OVERVIEW OF DESIGN PROCESS

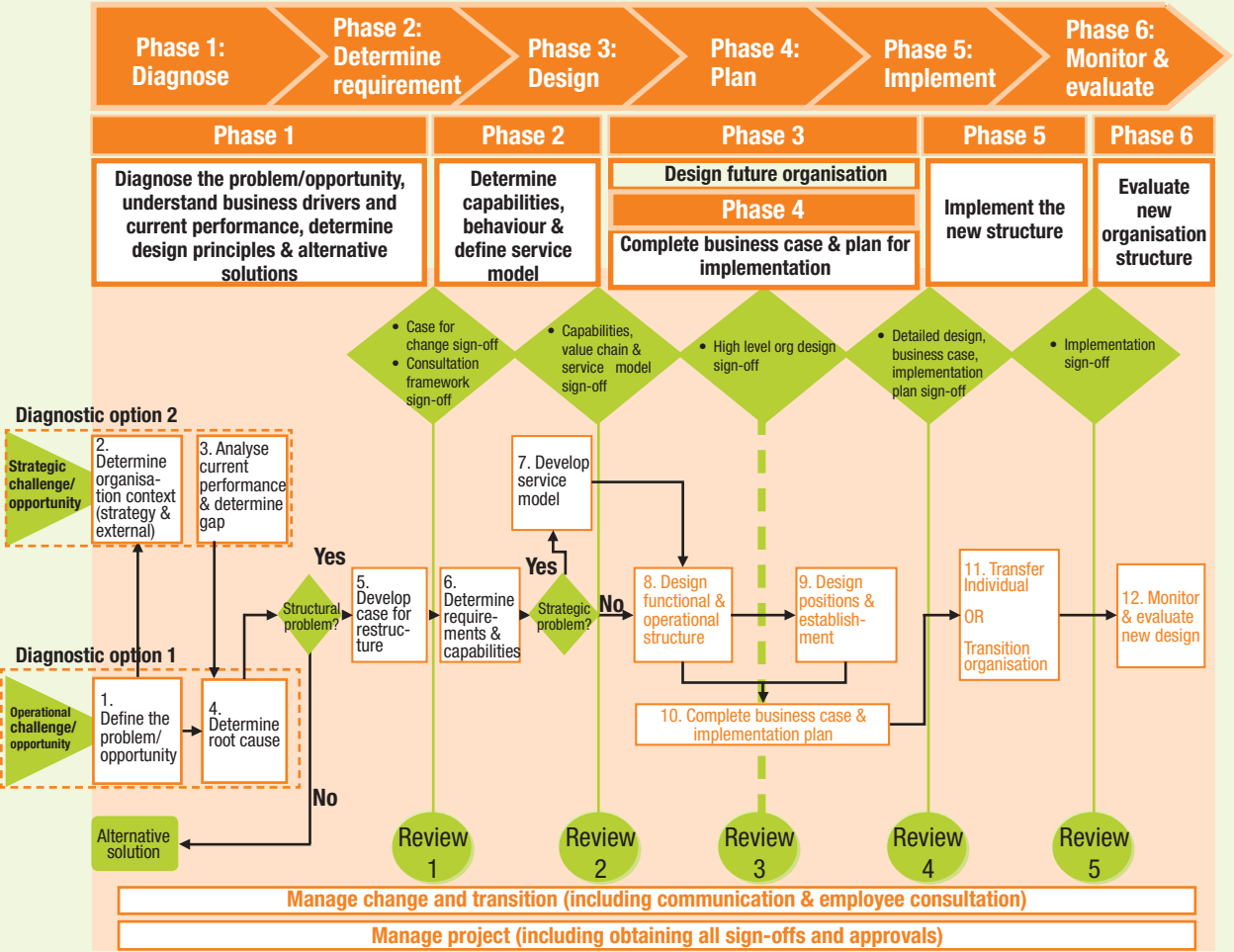
6.1 INTRODUCTION

As indicated in Chapter 4 of the Guide, the suggested generic process for organisational structuring in the public sector consists of six phases and five review points, each with its specific sequence of steps and relevant tools and techniques.



6.2 OVERVIEW OF DESIGN PHASES

The phase-review process is composed of six phases with the first phase being preceded by the request or initiation process as shown in the diagram below.



Phases	Steps	Description
Phase 1: Diagnosis	Diagnostic process options	<ul style="list-style-type: none">Diagnostic option 1: For nonstrategic challenges/opportunities Include steps 1 and 4: Define the problem and its root cause(s) for operational or individual position related problems (e.g. the organisation as a whole is performing well; a certain region is struggling or one unit is not performing as well as other similar units; number of complaints is too high, employee morale is low, budgetary expenditure above budgetary guidelines)Diagnostic option 2: For strategic challenges/opportunities Include steps 1-4: Define the problem, determine or review the current organisational context (strategy and external realities) and its current performance (results and internal effectiveness) in order to determine the gap between required and actual.

Phases	Steps	Description
	Step 1: Define the problem/opportunity	<ul style="list-style-type: none"> • Step 1.1 Collect high-level information by using a structured model. • Step 1.2 Analyse the information by using the same structure model and start grouping issues together to develop a better understanding. • Step 1.3 Identify and define the problem clearly. • Step 1.4 Complete the project charter (if required).
	Step 2: Review organisational context	<ul style="list-style-type: none"> • Step 2.1 Analyse the core mandate and value drivers (what does the organisation promise its stakeholders?) • Step 2.2 Analyse the broad policy environment. • Step 2.3 Analyse the service delivery environment and constraints. • Step 2.4 Define the critical success factors for strategic/mandatory success. • Step 2.5 Formulate the ideal state. (What does the organisation need to achieve, why would it be necessary, how would the organisation go about doing it, to whom should the service be rendered, where should the service be rendered and what would be the key performance indicators of success?)
	Step 3: Review organisational performance	<ul style="list-style-type: none"> • Step 3.1 Analyse the current organisational performance by using appropriate tools and techniques e.g. benchmarking, stakeholder analysis, surveys, interviews, and reviews. • Step 3.2 Determine the gap between current and future requirements and presenting it in an understandable manner.
	Step 4: Determine root cause	<ul style="list-style-type: none"> • Step 4.1 Collect the data through appropriate techniques. • Step 4.2 Analyse and determine the root cause through appropriate techniques. <p>These two steps can actually be completed in one focus group session depending on the approach.</p>
	Decision point 1	<p>Based on this information a decision is taken on whether it is a structural or non-structural organisational problem.</p> <ul style="list-style-type: none"> • Determine the type of problem by using the appropriate tool. • Identify alternative solutions (which might include structuring). • If structuring is not appropriate, another solution needs to be found.
	Step 5: Develop case for change	<p>In cases of organisational structure problems, complete a case for change, including success criteria and design principles for the new or adjusted structure.</p> <ul style="list-style-type: none"> • Step 5.1 Determine success factors for the structure in the future (what does the structure need to facilitate, enable, ensure, provide?) • Step 5.2 Determine design principles (how will we make sure the success factors are achieved?) • Step 5.3 Complete the case for change which presents the justification for the suggested restructuring.

Phases	Steps	Description
Phase 2: Requirements	Step 6: Determine structure requirements	<ul style="list-style-type: none">• Step 6.1 Determine critical structure and capability requirements including stakeholder requirements, organisational processes and associated requirements for the organisation to achieve its strategic objectives. This includes determining the capability requirements.• Step 6.2 Determine additional external design requirements which will impact on the success of the organisation in future.
	Decision point 2	<ul style="list-style-type: none">• The next step is either design of the architecture or developing a service model, depending on the type of restructuring.
	Step 7: Design service model	<ul style="list-style-type: none">• If the restructuring is to address a strategic problem/opportunity (for example, change in mandate) an operating/service model should be constructed to provide a pictorial representation of how the organisation will operate.• Step 7.1 Segment the service users.• Step 7.1 Align macroprocesses with service user segments.• Step 7.3 Develop alternative service models.• Step 7.4 Identify key enablers to support the service model.
Phase 3: Design	Step 8: Design organisational architecture	<p>Initial formal functional and operational structure design with purpose and function and the governance structures which will enable the functional/ operational structure to function.</p> <ul style="list-style-type: none">• Step 8.1 Determine core organisational architecture.• Step 8.2 Select the core structure.• Step 8.3 Determine non-core organisational structure.• Step 8.4 Consider alternative service delivery forms.• Step 8.5 Design governance structures. <p>Positions and establishment are completed upon approval of the functional/ operational structure.</p>
	Step 9: Design positions	<ul style="list-style-type: none">• Step 9.1 Determine layers of work (how many levels).• Step 9.2 Determine work roles and levels of work (how many positions for each level).• Step 9.3 Determine unity and span of control (how do we structure the units and how many people in each).• Step 9.4 Consider other individual job or team variables for design (optimal team, centralised/decentralised, group size, different structure challenges).• Step 9.5 Compile role/job descriptions.• Step 9.6 Determine establishment.

Phases	Steps	Description
Phase 4: Planning	Step 10	<p>Complete the full business case for consideration by the relevant EA and MPSA (if tier 1-3 restructuring) and draft an implementation plan which includes implementation strategy, risk analysis, dependency analysis, technology and infrastructure requirements, layout (if applicable), impact analysis, employee migration strategy, monitoring and review plan.</p> <ul style="list-style-type: none"> Step 10.1 Complete the business case. Step 10.2 Complete the implementation planning.
Phase 5: Implementation	Step 11	<ul style="list-style-type: none"> Implement the structure which includes progress reports, project team meetings, issues management, risk management, change management, communication etc.
Phase 6: Monitor and evaluate	Step 12	<ul style="list-style-type: none"> Monitor and evaluate the success of the adjusted or new organisational structure based on the monitoring and review strategy.
Transversal work streams		
Manage change	Ensure effective management of the change and the impact on stakeholders through communication, training, consultation, targeted focus groups and labour relations management.	
Manage project	Ensure effective management of the design process and its associated review points. It includes ensuring delivery of all outputs and deliverables, managing effort, obtaining sign-off/approval and monitoring the schedule and task execution.	

6.3 OVERVIEW OF REVIEW POINTS

The six stages are separated by five review points:

Review	Description
Review 1:	<ul style="list-style-type: none"> Review the proposed case for change which includes the structure success indicators and design principles. The deliverable should also indicate the alternative solutions considered before deciding on a structural adjustment.
Review 2:	<ul style="list-style-type: none"> Review the business processes as presented in a value-added chain process map, the required capabilities to execute the business processes and the operating/service model required to direct the processes and capabilities towards effective service delivery.
Review 3:	<ul style="list-style-type: none"> Review the functional and operational structure including the proposed governance structures that are required to enable the functional/operational structure.
Review 4:	<ul style="list-style-type: none"> Review the detailed designed organisational structure with positions, job descriptions and establishment. Further review of the detailed business case (cost, benefits, risk reduction etc.) and full implementation plan for consideration by the relevant EA and MPSA.
Review 5:	<ul style="list-style-type: none"> Review the implementation of the structure in the operating environment and measure performance against targets.

6.4 OUTPUTS AND DELIVERABLES OF THE ORGANISATIONAL STRUCTURING PROCESS

The outputs and deliverables for each phase of the organisational structuring process are summarised in the table below. Use the table as a reference to check the deliverables as you progress through the organisational structuring process.

Phases	Major deliverables of the phases	Deliverables of the change management process	Deliverables of the project management process
Phase 1: Diagnosis	<p>Diagnostic option 1:</p> <p>Step 1:</p> <ul style="list-style-type: none">• Problem/opportunity definition and need for further diagnosis, AND <p>Step 4:</p> <ul style="list-style-type: none">• Root cause description. <p>Diagnostic option 2:</p> <p>Step 1:</p> <ul style="list-style-type: none">• Problem/opportunity definition and need for further diagnosis. <p>Step 2:</p> <ul style="list-style-type: none">• Organisational strategy implications (at least value drivers OR critical success factors) AND external requirements implications (at least a stakeholder requirements analysis). <p>Step 3:</p> <ul style="list-style-type: none">• Gap analysis between current and required performance (at least a gap analysis and employee behaviour analysis). <p>Step 4:</p> <ul style="list-style-type: none">• Root cause description. <p>Step 5:</p> <ul style="list-style-type: none">• Case for change:<ul style="list-style-type: none">o Alternatives considered.o Justification for proposed structure adjustments.o Structure success indicators.o Design principles.	<ul style="list-style-type: none">• Communication strategy.• Inform all participants in the diagnostic phase about the objectives, process and required outcomes.• Identify potential dependencies and impacted parties with specific actions to address.• Change readiness assessment (if required).• Consultation framework for the remainder of the initiative to present to the EA.	<ul style="list-style-type: none">• Project charter.• Project schedule.• Project team (if required).• Diagnostic process and tools identified.• Reports on progress.• Convene review 1 meeting.• Present diagnosis results for approval or rejection.• Project team meeting agendas and minutes.• Issues log.• Sign-off sheets.

Phases	Major deliverables of the phases	Deliverables of the change management process	Deliverables of the project management process
Phase 2: Determining requirements	<p>Step 6:</p> <ul style="list-style-type: none"> SIPOC analysis (Customer, Output, Process, Input, Supplier). Relevant process maps (value-added chain, flow chart, time-responsibility maps, quick structured process descriptions). Capability requirements. A list of external requirements. <p>Step 7:</p> <ul style="list-style-type: none"> Operating/service model. 	<ul style="list-style-type: none"> Change management strategy. Change readiness assessment. Leadership alignment analysis. Stakeholder analysis and engage stakeholders. Communicate progress and results of the review meeting to relevant parties. 	<ul style="list-style-type: none"> Design plan and schedule. Report on progress. Convene review 2 meeting. Obtain approval of service model. Sign-off sheets. Project team meeting agendas and minutes. Issues log. Sign-off sheets.
Phase 3: Design	<p>Step 8: High-level structure</p> <ul style="list-style-type: none"> Functional structure vertical and horizontal alignment (purpose and function). Operational structure vertical and horizontal alignment (purpose and function). Governance structure (purpose and function). <p>Step 9: Detailed structure</p> <ul style="list-style-type: none"> Detailed process maps as required with metrics indicators. Organogram with positions and establishment (vertical and horizontal alignment). 	<ul style="list-style-type: none"> Communicate organisational architecture and service model. Consult with unions and employee representatives on impact of changes. 	<ul style="list-style-type: none"> Set up design team. Report on progress. Convene review 3 meeting. Obtain approval for high-level organisational design. Project team meeting agendas and minutes. Issues log. Sign-off sheets. Updated project schedule.
Phase 4: Planning	<p>Step 10.1: Business case</p> <ul style="list-style-type: none"> Key performance indicators. Financial and non-financial benefits. Impact on own department, other departments and service recipients (citizens). Cost of implementation. Time to first benefit realisation. Sustainability of benefits. Risks and dependencies. Assumptions. <p>Step 10.2: Implementation planning</p> <ul style="list-style-type: none"> Implementation strategy. Implementation monitoring and reporting process. Monitoring and evaluation plan. 	<ul style="list-style-type: none"> Communicate the results of MPSA consultation. Change strategy and plan. Communication plan. Training plan. Workforce transition plan. Labour relations management plan. 	<ul style="list-style-type: none"> Report on progress. Convene review 4 meeting. Obtain approval for implementation plan and establishment. Arrange consultation with MPSA for inputs. Project team meeting agendas and minutes. Issues log. Sign-off sheets. Updated project schedule.

Phases	Major deliverables of the phases	Deliverables of the change management process	Deliverables of the project management process
Phase 5: Implementation	Step 11: Implement <ul style="list-style-type: none">• Training report.• Communication report.• Progress report.• Adjustments to the designed structure as necessary.• Updated process maps.	<ul style="list-style-type: none">• Communicate progress to the organisation.• Communicate with stakeholders.• Identify areas that or individuals who resist change and address the resistance.• Measure employee morale.• Measure progress, identify small wins and celebrate them.	<ul style="list-style-type: none">• Establish implementation team.• Execute implementation plan.• Arrange training.• Arrange migration of workforce.• Arrange recruitment and selection.• Arrange physical and technology infrastructure for expanded structure OR reallocation if required.• Arrange induction of new employees.• Review impact and report progress.• Obtain lessons learnt and review potential adjustments.• Obtain approval for adjustments from steering committee OR• Sign off implementation once governance structures are in place and all internal staff have been reallocated.• Project team meeting agendas and minutes.• Issues log.• Sign-off sheets.• Updated project schedule.
Phase 6: Monitoring and evaluation	Step 12: Monitoring and evaluation report (three, six and 12 months)		

6.5 ROLES AND RESPONSIBILITIES IN PROCESS

Phase roles	Phase 1: Diagnose	Review 1	Phase 2: Requirements	Review 2	Phase 3: Design	Review 3	Phase 4: Plan	Review 4	Phase 5: Implement	Review 5	Phase 6: Monitor and evaluate
Executive Authority	<ul style="list-style-type: none"> Initiate the diagnosis. Inform MPSA of potential restructuring. 	<ul style="list-style-type: none"> Review case for change and approve or reject. 			<ul style="list-style-type: none"> Provide resources. 			<ul style="list-style-type: none"> Approve or reject structure. Approve or reject implementation. 			
Minister for Public Service and Administration								<ul style="list-style-type: none"> Review business case and implementation plan. Review structure. Make recommendation. 			
Director General/ Head of Department	<ul style="list-style-type: none"> Initiate diagnosis. Inform EA of potential restructuring. Participate in strategic diagnosis. 	<ul style="list-style-type: none"> Participate in steering committee for tiers 1-3. 		<ul style="list-style-type: none"> Participate in steering committee for tiers 1-3. 	<ul style="list-style-type: none"> Provide resources. 	<ul style="list-style-type: none"> Participate in steering committee for tiers 1-3. 		<ul style="list-style-type: none"> Participate in steering committee for tiers 1-3. 		<ul style="list-style-type: none"> Participate in steering committee for tiers 1-3. 	<ul style="list-style-type: none"> Report to EA.
Management	<ul style="list-style-type: none"> Initiate or request and perform diagnosis. Participate in strategic and operational diagnosis. 	<ul style="list-style-type: none"> Participate in steering committee on request. 	<ul style="list-style-type: none"> Support project team in reviewing and mapping processes. 	<ul style="list-style-type: none"> Participate in steering committee on request. 	<ul style="list-style-type: none"> Provide input into the design. 	<ul style="list-style-type: none"> Participate in steering committee on request. 	<ul style="list-style-type: none"> Provide input into the plan. 	<ul style="list-style-type: none"> Participate in steering committee on request. 	<ul style="list-style-type: none"> Implement. Assist project team. Communicate to direct reports. 	<ul style="list-style-type: none"> Participate in steering committee on request. 	<ul style="list-style-type: none"> Monitor structure performance.

Phase roles	Phase 1: Diagnose	Review 1	Phase 2: Requirements	Review 2	Phase 3: Design	Review 3	Phase 4: Plan	Review 4	Phase 5: Implement	Review 5	Phase 6: Monitor and evaluate
Employees and representatives	<ul style="list-style-type: none">● Participate in operational diagnosis.		<ul style="list-style-type: none">● Participate in consultation forums.		<ul style="list-style-type: none">● Employee forums.● Input into design.		<ul style="list-style-type: none">● Provide input into the plan.				
Practitioner/ project team	<ul style="list-style-type: none">● Perform diagnosis.● Generate case for change report.	<ul style="list-style-type: none">● Prepare deliverables.	<ul style="list-style-type: none">● Analyse and map processes	<ul style="list-style-type: none">● Prepare deliverables.	<ul style="list-style-type: none">● Design and communicate.	<ul style="list-style-type: none">● Prepare deliverables.	<ul style="list-style-type: none">● Plan for implementation.	<ul style="list-style-type: none">● Prepare deliverables.	<ul style="list-style-type: none">● Assist line managers with implementation.● Manage change.	<ul style="list-style-type: none">● Prepare deliverables.	<ul style="list-style-type: none">● Assist line manager with monitoring.● Measure and report.
Project manager	<ul style="list-style-type: none">● Assemble project team.	<ul style="list-style-type: none">● Arrange review.● Submit deliverables.● Obtain sign-off or give feedback to project team.	<ul style="list-style-type: none">● Progress reporting.	<ul style="list-style-type: none">● Arrange review.● Submit deliverables.● Obtain sign-off or give feedback to project team.	<ul style="list-style-type: none">● Progress reporting.	<ul style="list-style-type: none">● Arrange review.● Submit deliverables.● Obtain sign-off or give feedback to project team.	<ul style="list-style-type: none">● Progress reporting.	<ul style="list-style-type: none">● Arrange review.● Submit deliverables.● Obtain sign-off or give feedback to project team.	<ul style="list-style-type: none">● Progress reporting.	<ul style="list-style-type: none">● Arrange review.● Submit deliverables.● Obtain sign-off or give feedback to project team.	<ul style="list-style-type: none">● Progress reporting.● Benefits report.
Steering committee		<ul style="list-style-type: none">● Review deliverables.● Approve or reject.		<ul style="list-style-type: none">● Review deliverables.● Approve or reject.		<ul style="list-style-type: none">● Review deliverables.● Approve or reject.		<ul style="list-style-type: none">● Review deliverables.● Approve or reject.		<ul style="list-style-type: none">● Review deliverables.● Approve or reject.	

6.6 TOOLS INVENTORY

There are many tools available to assist you with the organisational structuring process. The tools inventory gives you a selection of tools recommended in the Guide. These tools have been organised according to the phases and steps of the organisational structuring process. The next chapters in the Guide will show you which tools to apply at specific steps in the process. There are also further explanations of the tools and their application in Section 3 of the Guide.

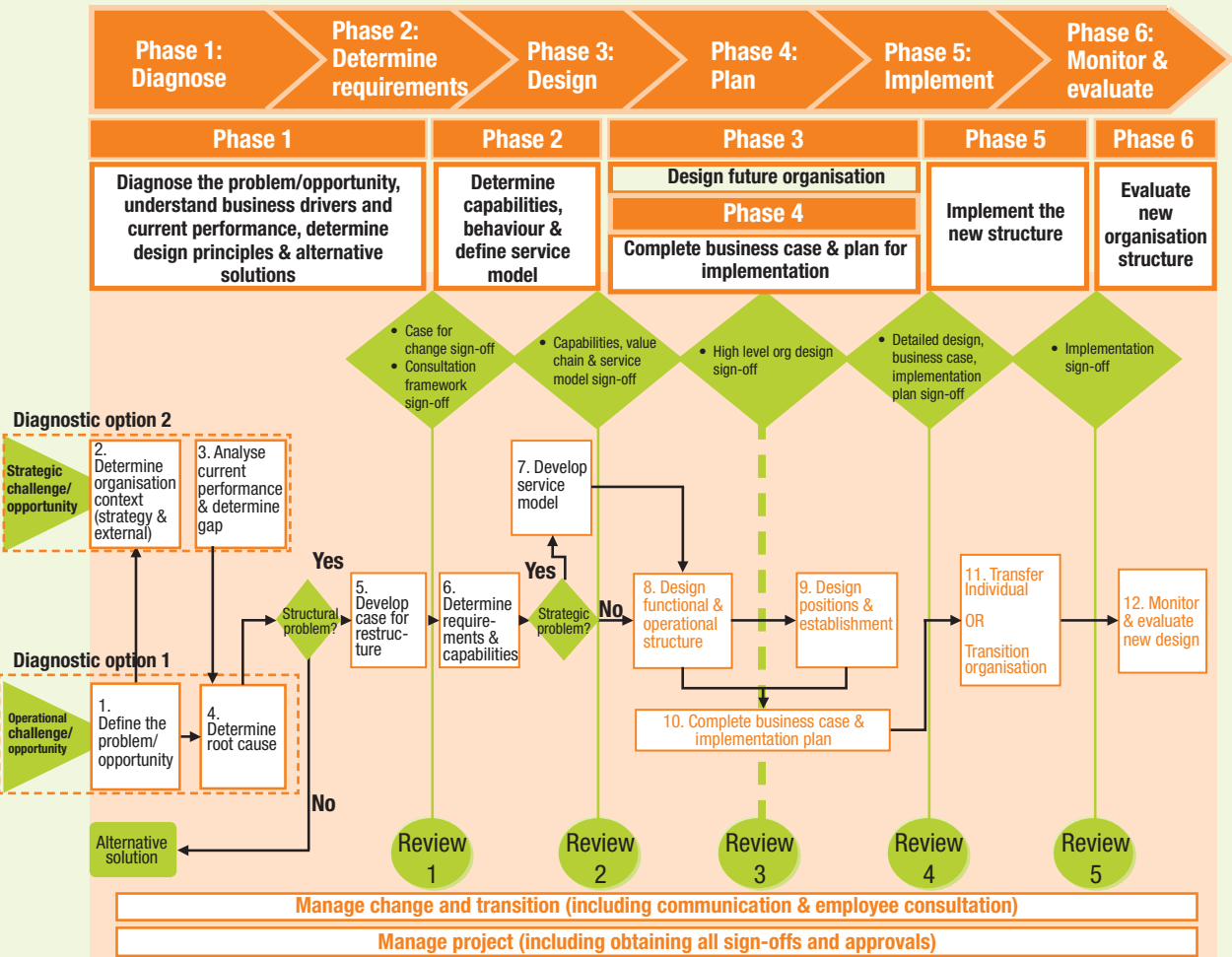
Phase	Types of tools		
Phase 1: Diagnosis	Steps 1 and 4 (Define problem and identify root cause) tools	Steps 2 and 3 (Strategic context and performance analysis) tools	Step 5 (Case for change) tools
	<ul style="list-style-type: none"> • Business excellence model. • Burke and Litwin model. • Root cause analysis. • Brainstorming. • Pareto analysis. • Cost of poor service delivery. • Fault tree analysis. • SWOT. • 7 S. • Dependencies map. 	<ul style="list-style-type: none"> • Determine critical success factors. • Value driver analysis. • Business focus matrix. • Service drivers review. • Benchmarking. • SWOT analysis of the critical success factors. • Critical success factor/ key performance factor vs. behaviour analysis. • Stakeholder requirement analysis. • Gap analysis. 	<ul style="list-style-type: none"> • Success indicator definition. • Structure questionnaire. • Design principles.
Phase 2: Determine requirements	Step 6 (Determine capacity requirements) tools	Step 7 (Develop service model) tools	
	<ul style="list-style-type: none"> • Backward process analysis and engineering (SIPOC). • Customer requirements analysis. • Process health check criteria. • Business process maps. • Quick structured map. • Process analysis and optimisation. • Dependencies map. • Process requirements matrix. • External requirements analysis. • Risk analysis. • Service capacity planning. • Organisational capability analysis. • Behaviour enabler identification. • Behaviour/structure analysis framework. • Structure constraints review. • Maturity analysis. • Structure assessment questionnaire. 	<ul style="list-style-type: none"> • Service model checklist. 	

Phase	Types of tools	
Phase 3: Design	Step 8 (Design organisational architecture) tools	Step 9 (Design positions) tools
	<ul style="list-style-type: none">• Structure gap map.• Structure selection matrix.• Governance structure requirements matrix.• Benchmarking.• Behaviour/structure analysis framework.• Culture Print.• Industry best practices.• Organisational charts.• Structure assessment questions.	<ul style="list-style-type: none">• Staffing norms table.• Full-time equivalent calculation.• Single-column process chart.• Management span of control: diagnostic grid.• Group size effect chart.• Job description templates.• Position impact analysis.• RACI analysis.• Work synthesis.• Work process analysis.
Phase 4: Business case and planning	Step 10.1 (Develop business case) tools	Step 10.2 (Develop implementation plan) tools
	<ul style="list-style-type: none">• Business case template.• Cost of poor service.• Cost-benefit analysis.• Activity based costing.• Costing tool.	<ul style="list-style-type: none">• Implementation options.• Stakeholder influence analysis.• Force field analysis.• Dependency analysis template.• Impact analysis.• Risk analysis.• Costing tool.• Implementation plan.• Burke and Litwin model.
Phase 5: Implementation	Step 11 (Implementation) tools	
	<ul style="list-style-type: none">• Implementation plan.• Structure issues log.• Progress report (to be agreed as part of project management approach).	
Phase 6: Monitoring and evaluation	Step 12 (Monitor and evaluate) tools	
	<ul style="list-style-type: none">• M&E framework.• Monitoring and evaluation planning template.• Monitoring and evaluation report template.	
Transversal processes	Change management tools	Project management tools
	<ul style="list-style-type: none">• Change strategy checklist.• External requirements identification.• Real-time strategic change (RTSC) methodology.• Framework for consultation.• Framework for selling case to key decision makers.• Checklist – obtaining approval from Executing Authority.• Checklist – consulting the MPSA.• Leadership/sponsorship alignment.• Communication planning matrix.• Force field analysis (refer to step 10.2).	<ul style="list-style-type: none">• Implementation schedule (refer to step 10.2).• Review checklists.• Progress report templates (to be agreed as part of project management approach).• Impact analysis (refer to step 10.2).

CHAPTER 7

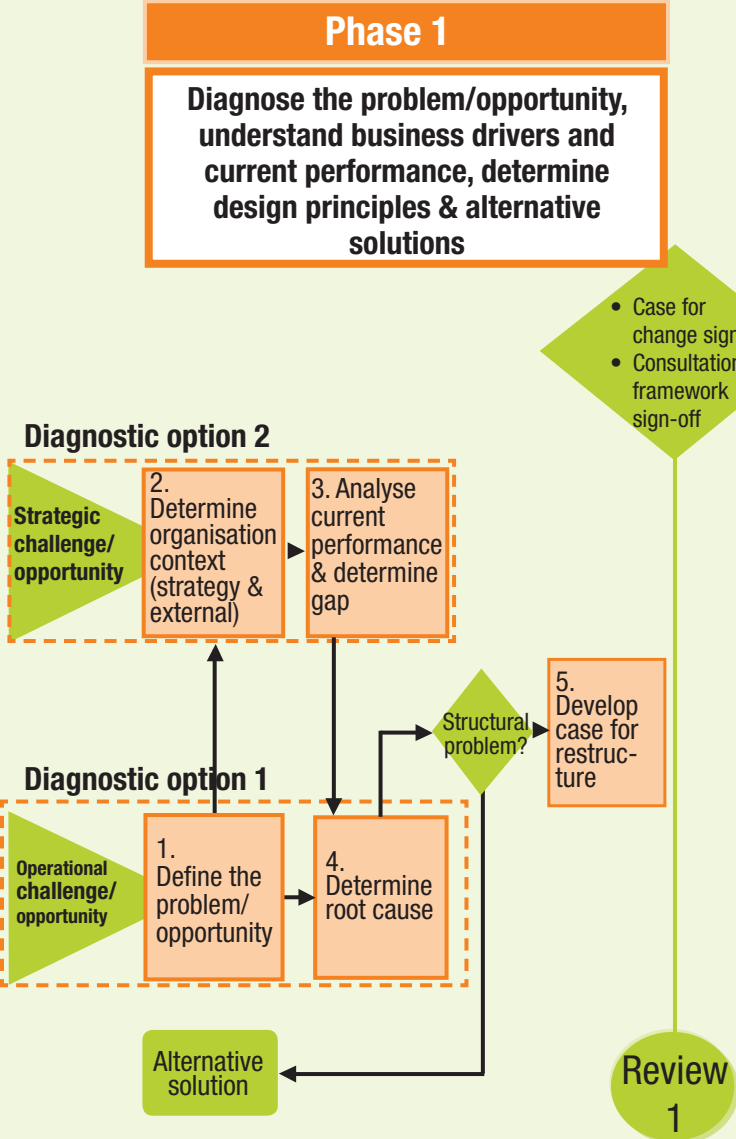
7. PHASE 1: DIAGNOSIS

7.1 OVERVIEW OF PHASE 1



Phase 1 consists of the following:

- Steps 1 to 5 of the overall organisational structuring process.
- Decision point 1.
- Review point 1.



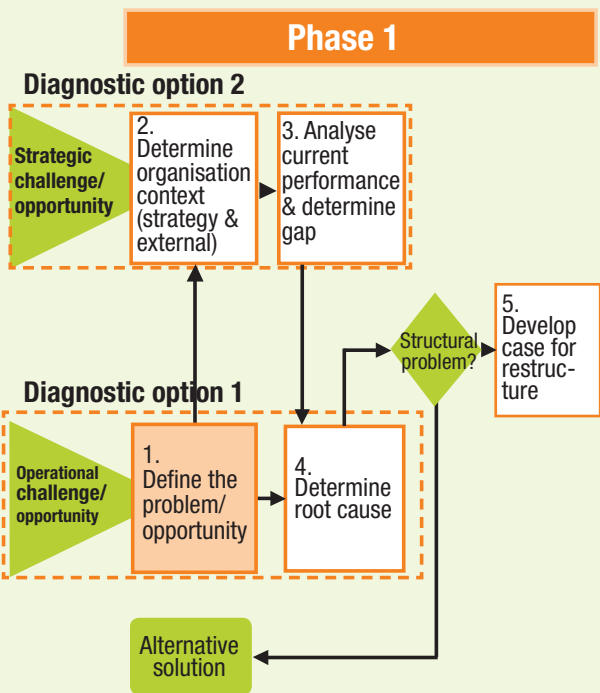
Purpose

To understand the problem/ opportunity or current organisational strategy, structure, roles and working methods in order to inform development of the future organisational design

Objectives

- Collect and analyse information about the problem/opportunity including current organisational structure, roles, KPIs, processes, technology, and staff location.
- Identify the root cause and potential solutions OR identify strengths to preserve in future organisational design, and/or issues to address in the future organisational design.

7.2 STEP 1: IDENTIFY AND DEFINE THE PROBLEM/OPPORTUNITY



Purpose

The first step in the diagnostic phase is to define the problem/opportunity. This can be a strategic challenge/opportunity or an operational challenge/opportunity.

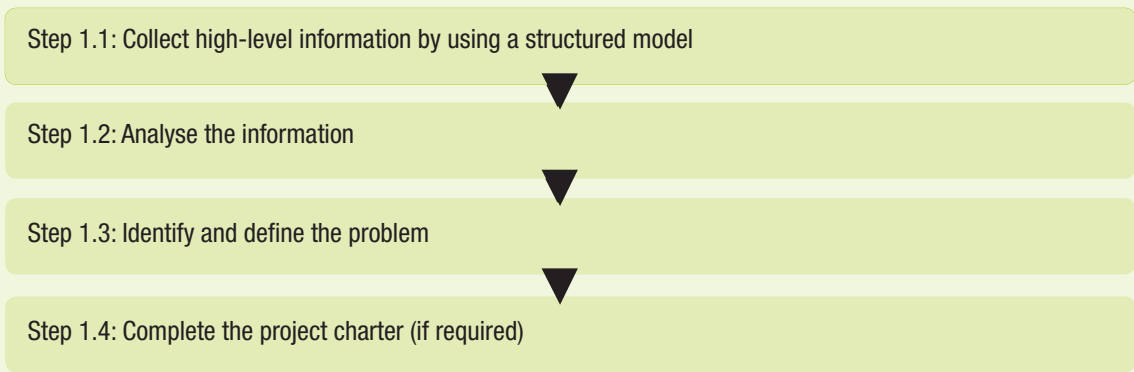
Objectives

- To identify and clearly define the problem to avoid unnecessary changes in structure.
- To determine the types of problems/opportunities and categorise these.

Possible approaches

- Accept the problem statement from the primary client/service recipient (line manager).
- Review the problem by using the suggested tools to analyse the possible problem.

7.2.1 PROCESS FOR STEP 1



7.2.2 TOOLS FOR STEP 1

Tools	Highly recommended	Recommended	Nice to have
Business excellence model	X		
Burke and Litwin model	X		

Tools for problem analysis and organisational performance analysis		
Diagnostic tool	Explanation	When to use it
Business excellence model	<ul style="list-style-type: none">• The business excellence model provides a framework for assessing the aspects of performance that make an organisation successful.• It is based on business excellence criteria and provides for a structured review of generic organisational enablers and result areas.	<ul style="list-style-type: none">• This tool provides a good basis for identifying the institutional problem or challenge that needs to be addressed in order to improve organisational performance or deliver on the organisation’s mandate.
Burke and Litwin model	<ul style="list-style-type: none">• The model makes the following key points:<ul style="list-style-type: none">o The external environment is the most powerful driver for organisational change.o Changes in the external environment lead to changes in the “transformational” factors within an organisation – its mission and strategy, its organisational culture and its leadership. These factors have an impact across the organisation and its staff.o Changes in transformational factors lead to changes in the “transactional” factors – the structure, systems, management practices and climate. These are more operational factors and may not have an organisation-wide impact.• Together, changes in transformational and transactional factors affect motivation, which in turn impacts on individual and organisational performance.	<ul style="list-style-type: none">• It can be used to diagnose the root cause of organisational performance problems.• It can be used as a framework for planning a change strategy – the key levers for major organisational change are the transformational factors.• It can be used to plan the implementation of a restructuring process by using the transactional and individual factors as areas to consider for implementation of the new structure.• However, to be effective and sustainable, changes in transformational and transactional factors need to be consistent with each other.

7.2.3 HOW TO EXECUTE STEP 1

Step 1.1 Collect high-level information

When defining the problem or opportunity it is important to collect the relevant information that will enable you to obtain the best possible appreciation of the problem or opportunity. Collect information on all the symptoms that present themselves or information on the actual potential of the opportunity.

Step 1.2 Analyse the information

When analysing information it is always a good idea to use a structured approach to obtain a clear picture of what the information is telling you. This means organising your information into meaningful categories, consolidating information and identifying trends. The Guide provides two tools to use for this purpose, namely the Business excellence model and the Burke and Litwin model. Both tools will assist you in organising and analysing information.

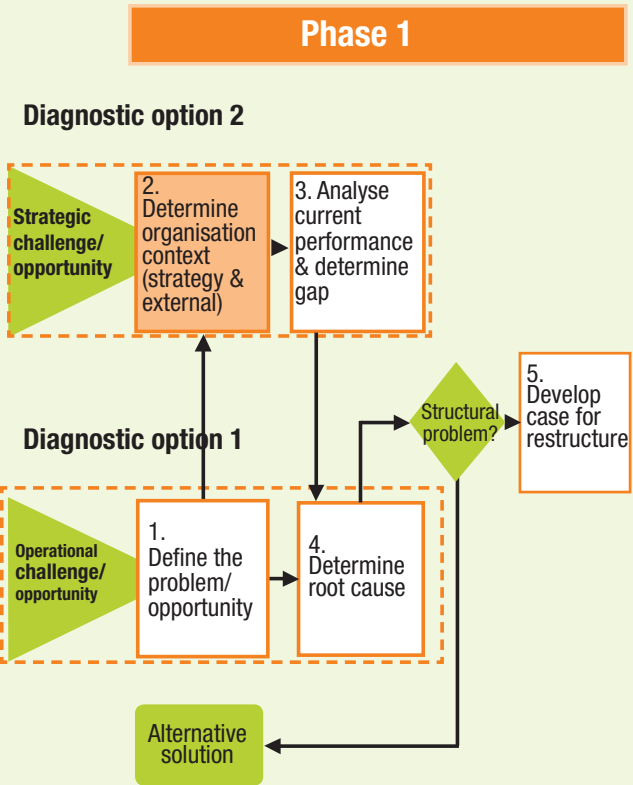
Step 1.3 Identify and define the problem

By taking the groupings of the information as you organised them in the specific tool you used, you need to find the links and summarise this in a concise statement which will provide an accurate indication of the problem or opportunity. Ensure that the statement includes all the relevant aspects that you identified in the analysis.

Step 1.4 Complete the project charter (if required)

If you have not already completed the project charter, this is the opportune time to do so. Refer to Chapter 13 of the Guide – Planning and managing an organisational structuring.

7.3 STEP 2: DETERMINE THE ORGANISATIONAL CONTEXT



Purpose

- If the problem is strategic or transformational in nature we need to understand where the organisation wants to be in future so as to inform development of the design of the organisation-to-be.

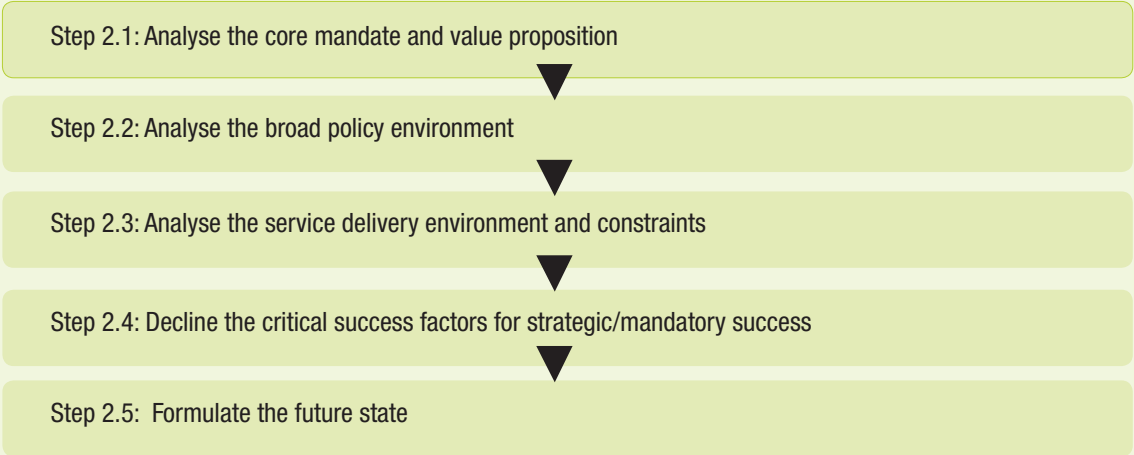
Objectives

- Articulate a statement of the organisation's strategic imperatives.
- Understand what achievement of the strategic objectives would look like in practice.

Possible approaches

- Gather and review existing mandate and strategy documents.
- Management should explore the meaning of the documented strategy in practice.
- Conduct focus groups and individual interviews.
- Perform benchmarking exercises.

7.3.1 PROCESS FOR STEP 2



7.3.2 TOOLS FOR STEP 2

Tools	Highly recommended	Recommended	Nice to have
Determine critical success factors	X		
Determine service drivers	X		
Value driver analysis		X	
Business focus matrix		X	

Strategy analysis tools		
Tool	Explanation	When to use it
Critical success factor/behaviour matrix	<ul style="list-style-type: none"> A useful tool, depending on how the strategic plan is developed, is to: <ul style="list-style-type: none"> Analyse each key success factor (KSF) and the behaviour which will be required from employees OR Conduct a similar analysis on the key performance indicators (KPIs). 	<ul style="list-style-type: none"> Useful for situations where a whole organisation or sections of an organisation need to be restructured. Not applicable to individual jobs or job family adjustments.
Determine service drivers	<ul style="list-style-type: none"> A tool to understand where the organisation wants to be in future so as to inform development of the design of the organisation-to-be. The tool also enables the review of the impact of the anticipated future in practice. Understand what completion of the strategic objectives would look like in practice. 	<ul style="list-style-type: none"> This is an alternative to the value driver analysis. You do however require the strategic objectives of the department or unit which you need to review.
Value driver analysis	<ul style="list-style-type: none"> The value driver analysis is a tool designed to analyse the activities which enable the department to provide the value promise to the service users/ stakeholders. There are three groups of stakeholders i.e. employees, service users/citizens, and government/investors and for each of the groups the department has a specific value proposition. Once the activities have been identified, the design principles for the organisational architecture can be identified. 	<ul style="list-style-type: none"> This is one of the most powerful methods to determine service/value drivers and how the organisation needs to organise itself. Use for organisational alignment for the total and individual units in the organisation.
Business focus/ value proposition matrix	<ul style="list-style-type: none"> Ulrich et al introduced the business focus/value proposition matrix. It provides an opportunity to clarify the business focus of the department (which has a specific structural implication) and the value proposition (the promise to the service user/citizen). This can be used to clarify the focus of the organisational architecture. A service-oriented business focus with speed as a value proposition will require strongly devolved decision making and multidisciplinary teams. A derivative of this is to do a matrix on the different service user segments i.e. high- vs. low-income groups, rural vs. urban groups, technology-enabled vs. non-technology-enabled etc. 	<ul style="list-style-type: none"> Total organisational restructuring. Unit or directorate restructuring. Structuring a new unit or organisation. An alternative to value driver or service driver analysis.

7.3.3 HOW TO EXECUTE STEP 2

Step 2.1 Analyse the core mandate and value proposition

The core mandate or mandates reflect the organisation’s main reason for existence. It is the “bottom line” against which the organisation’s performance in terms of both outputs and outcomes will ultimately be measured. It therefore follows that these mandates must be accurately identified and analysed. The core mandate can be found in legislation, major policy documents and strategic planning documents.

The core mandate implies a specific set of value propositions to stakeholders and there are a number of tools to determine this. The team or line manager needs to select the most appropriate tools for the specific circumstances.

Step 2.2 Analyse the broad policy environment

As for the broad policy environment, it should be borne in mind that an organisation does not function in isolation. An organisation in the public sector always functions within a wider policy framework and context.

In the case of	Consider the following:
A national organisation	<ul style="list-style-type: none">• The national government strategy.• The broad policy directions and goals of the national government.• The cluster guidelines at national level. <p>Other trends that might be benchmarked are:</p> <ul style="list-style-type: none">• International trends.• Other intergovernmental structures.
A provincial organisation	<ul style="list-style-type: none">• The broad policy directions and policy goals of the national government (as taken up in, among others, the AsgiSA policy framework, the National Spatial Development Framework).• The broad policy directions and goals of the provincial government.• Sector or cluster policy guidelines at both the national and the provincial level. <p>Other trends might include:</p> <ul style="list-style-type: none">• International public policy trends in respect of the specific function(s).• Policy directions and statements of intergovernmental relations structures.

Step 2.3 Analyse the service delivery environment and constraints

What are the societal issues or stakeholder requirements that need to be addressed? This has to a large extent been done if a value driver analysis was completed. If the value drivers have not been defined, this might be the appropriate step to do so.

An alternative could just be to brainstorm the issues which are forcing this structuring intervention. A force field analysis could also be used to determine the extent of these issues and the major challenges in addressing the issues. The future impact of the societal issues and stakeholder requirements can be analysed by using a business focus matrix or service driver analysis.

A further review must also be done to do a reality check on things which we cannot change or will not go away in the near future: geographical constraints, physical constraints, technology, and life cycle of the organisation, other departments and regulatory requirements. These should be used when designing the service model.

NOTE: Do not assume something cannot change. Be sure that it is a given and will remain so for the medium term at least.

Step 2.4 Define the critical success factors for strategic/mandatory success

Based on the value drivers, the realities, the stakeholder requirements and the policy environment, the team now needs to identify the critical success factors for the organisation and therefore for the anticipated new structure. The critical success factors can be identified by using the Critical Success Factor tool as described on page 16-6 in Section 3 of the Guide.

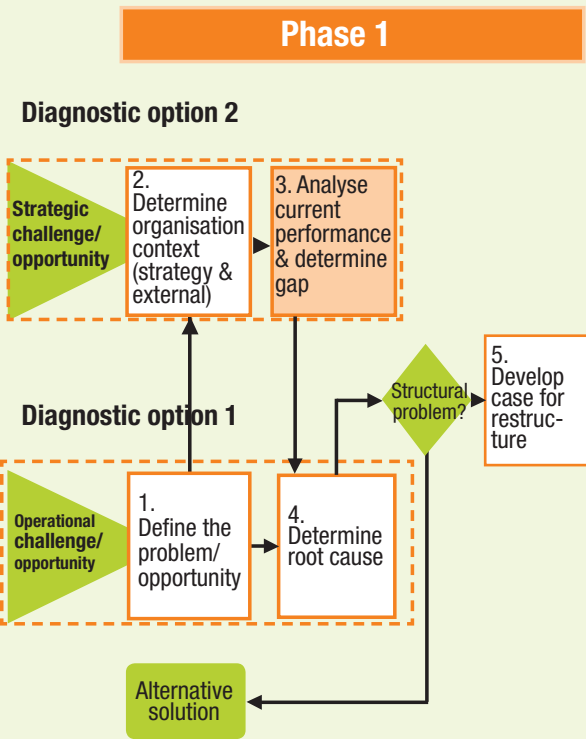
Step 2.5 Formulate the future state

In order to consolidate all the information on the current organisational context and future requirements, we need to translate them into a future state description. This description includes the following about the future requirements to achieve the mandate of this organisation:

- What does the organisation need to achieve?
- Why would it be necessary?
- How would the organisation go about doing it?
- To whom should the service be rendered?
- Where should the service be rendered?
- What are the key performance indicators of success?
- What would be the key challenges in achieving these indicators? (What would require assistance from government? The legislative environment and its limitations?)

This document will form the basis for step 3 where the current performance of the organisation will be assessed against this statement.

7.4 STEP 3: ANALYSE CURRENT ORGANISATIONAL PERFORMANCE



Purpose

To understand the current organisational strategy, structure, roles and working methods in order to inform development of the future organisational design

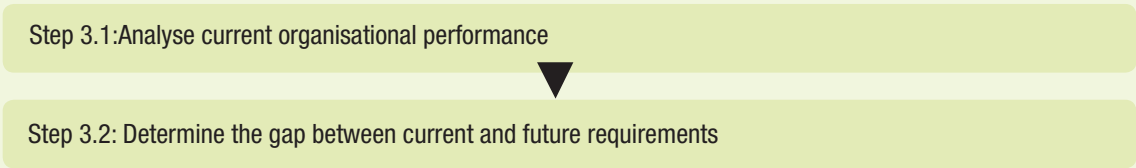
Objectives

- Gather and analyse information about the current organisational structure, roles, KPIs, processes, technology, staff, location etc.
- Identify strengths to preserve and/or issues to address in the future organisational design.

Possible approaches

- Involve employees in reviewing the current performance.
- Use analysis tools to review the current performance against the future state.
- Review current performance against key indicators.

7.4.1 PROCESS FOR STEP 3



7.4.2 TOOLS FOR STEP 3

Tools	Highly recommended	Recommended	Nice to have
Benchmarking			X
SWOT analysis of the critical success factors	X		
Critical success factor/key performance factor vs. behaviour analysis		X	
Stakeholder requirement analysis	X		
Gap analysis tool	X		

Organisational performance analysis tools		
Tool	Explanation	When to use it
Benchmarking	<ul style="list-style-type: none"> A planned process for selecting and collecting information which will assist the organisation in assessing either their current level of performance in relation to others, or to identify solutions to specific performance challenges which the organisational experiences. It is used to compare your processes/structures with others in a different context to collect information which will assist you in designing your interventions. 	<ul style="list-style-type: none"> Useful tool to verify the current performance of the organisation. Use if you have time to do benchmarking.
SWOT analysis of the critical success factors	<ul style="list-style-type: none"> SWOT analysis is a tool for assessing and communicating the current position of an organisation or a restructuring option in terms of its internal strengths and weaknesses (things we control) and the external opportunities and threats (things we do not control) it faces. 	<ul style="list-style-type: none"> This is the quickest and easiest tool to use when reviewing organisational performance. You do however need to have a good understanding of the critical success factors.
Critical success factor/ key performance factor vs. behaviour analysis	<ul style="list-style-type: none"> A high-level analysis tool to review the link between the current employee behaviour and the organisational structure. 	<ul style="list-style-type: none"> This should be a standard tool for every restructuring exercise. The identification of required behaviour is as important as knowing what needs to be done.
Stakeholder requirement analysis	<ul style="list-style-type: none"> To determine segmented stakeholder or citizen requirements which are realities and need to be addressed by the organisation. It distinguishes between three generic types of groups, but can be expanded to include investors/donors. 	<ul style="list-style-type: none"> If you do not use the tool to review performance, you will have to use it to determine requirements in step 6. There is no better way of focusing any restructuring than taking a real hard look at how you are able to give citizens or service users what they want and what you promise.
Gap analysis tool	<ul style="list-style-type: none"> Gap analysis is the name given to identifying, specifying and taking action on the gap between the situation as is and the situation as we would like it to be. 	<ul style="list-style-type: none"> The standard tool to establish the performance gap of the organisation.

7.4.3 HOW TO EXECUTE STEP 3

Step 3.1 Analyse the current organisational performance

The current organisational performance can be reviewed by using any of the tools identified for step 3 in Section 3 of the Guide. The information about the current performance may not be as readily available as one might think, especially process related information, for example:

- Turnaround time, processing time, rework, downtime, idle time.
- Volume, unit cost, time spent on non-core activities, waste.
- Cost to the service recipient to obtain access to the service (travel, queuing, telephone calls, more than one visit, incorrect or inaccurate information, or time spent to contact the organisation).

This information can be collected by surveys, interviews, focus groups, and observations. Remember that this analysis is not focused on any individual position, but on assessing the current health of the organisation and its collective capability to perform at the required level.

The SWOT analysis is an easy-to-use tool and is versatile enough to provide useful information about what needs to be addressed and what needs to be maintained and built upon in the new structure.

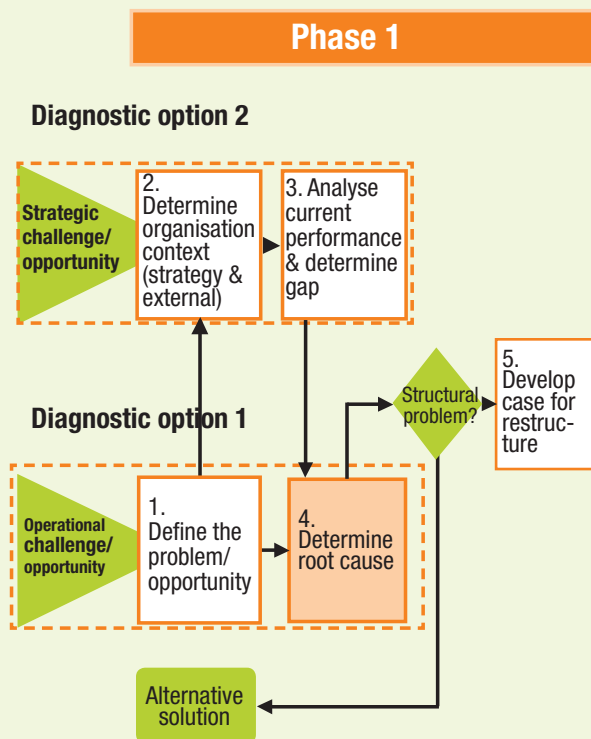
If the stakeholder analysis was done during the previous step, it can be used effectively to illustrate the current performance against stakeholder requirements.

Benchmarking could be used to do a reality check against other similar organisations and their performance and capabilities.

Step 3.2 Determine the gap between current and future requirements

Integrate the current performance review data and the future state requirements into a gap analysis to determine how significant the gap is, and where the performance gap exists. The performance gap does not provide the root cause for the variance, but will indicate where the focus should be for future performance.

7.5 STEP 4: IDENTIFY ROOT CAUSE OF THE PROBLEM



Purpose

If operational problem with no impact on strategic direction: After the problem has been defined, the root cause of the problem is the next important piece of information to determine whether an adjustment to the organisational structure is an appropriate solution to the problem.

If strategic problem or opportunity: After the gap analysis between required and actual performance, the root cause of the performance problem is the next important piece of information to determine whether an adjustment to the organisational structure is an appropriate solution to the problem.

Objective

Identify the root cause by utilising appropriate tools to ensure the correct diagnosis of the situation and provide the basis to determine the appropriate course of action.

Possible approaches

- Documentation and literature review.
- Focus groups (structured or unstructured).
- Individual interviews (structured or unstructured).
- Utilising quantitative or qualitative tools.
- Combination of the above.

7.5.1 PROCESS FOR STEP 4

Step 4.1: Collect data



Step 4.2: Analyse data and determine root cause

7.5.2 TOOLS FOR STEP 4

Tools	Highly recommended	Recommended	Nice to have
Root cause analysis	X		
SWOT	X		
7 S	X		
Dependencies map	X		
Brainstorming		X	
Cost of poor service delivery		X	
Pareto analysis			X
Fault tree analysis		X	

Tools for identifying root cause of problem

Tool	Explanation	When to use it
Root cause analysis	<ul style="list-style-type: none"> This methodology is similar to the fault tree analysis in identifying possible causes of a problem and then breaking the causes down in turn to determine all possible contributing factors to a specific situation. This is done in a diagrammatic manner called the “fishbone” diagram. 	<ul style="list-style-type: none"> Whenever a problem is defined or identified. This can be substituted with the fault tree.
SWOT	<ul style="list-style-type: none"> SWOT analysis is a tool for assessing and communicating the internal issues (strengths and weaknesses) and external issues (opportunities and threats) in a structured manner. 	<ul style="list-style-type: none"> Universal tool which can be used to diagnose various aspects: strategic, internal, risks, determining design principles etc.
7 S	<ul style="list-style-type: none"> This tool describes seven key interdependent organisational variables that need to be taken into account in organisational design. The method provides an opportunity to think about the “formal hard issues” of an organisation – its strategy and structure – and the “soft issues” – its management style, systems and procedures, staff, skills and shared values (i.e. culture). 	<ul style="list-style-type: none"> Used as a tool to perform an internal diagnosis of the organisation’s health. This can be substituted with the Burke and Litwin model or the business excellence model.
Dependencies map	<ul style="list-style-type: none"> This tool assists in identifying the interdependencies between different functions currently in the organisation or between different managerial positions. The tool can also be adapted to identify interdependencies between business processes. 	<ul style="list-style-type: none"> Used specifically when there is an overlap or duplication of duties OR internal conflict about outputs and responsibilities.
Brainstorming	<ul style="list-style-type: none"> This methodology and its derivative called the nominal group technique are used to obtain the inputs from groups concerned with the identification of the problem or the potential solution. It is used to encourage more creative problem solving. 	<ul style="list-style-type: none"> A versatile qualitative tool and can be used for various applications: to identify problems, identify possible root causes, identify requirements, design principles, prioritise etc.

Cost of poor service delivery	<ul style="list-style-type: none"> The cost of poor service delivery is a quantitative method to determine the cost of process inefficiencies. The method is based on the following formula: $TOC \text{ (total operating cost)} = EFTW \text{ (essential first-time work price)} + PSDC \text{ (poor service delivery cost)}$. The method quantifies the direct (actual) and indirect (lost opportunities) cost of rework, waste, duplication, time wasted etc. You can use this method to build the business case. 	<ul style="list-style-type: none"> Useful when confronted with an efficiency problem i.e. people are very busy, but do not seem to achieve much, or there is a significant checking/reviewing activity in the process or there is a lot of idle time, actual waste, duplication of tasks or long queues or delays in deliveries.
Pareto analysis	<ul style="list-style-type: none"> This is a statistical analysis tool to determine the 20% of the causes which are responsible for 80% of the “problems”. The process identifies the vital few and the useful many factors which collectively contribute to the problem or situation. 	<ul style="list-style-type: none"> Used specifically when confronted with limited resources and a need to determine where the resources would make the biggest impact.
Fault tree analysis	<ul style="list-style-type: none"> This helps to identify the linkages between different issues by linking them in a hierarchical way to a specific problem or challenge. It is used to link issues which contribute to an organisational problem, and to help to identify the underlying or root causes. 	<ul style="list-style-type: none"> An alternative to the root cause analysis which indicates the causal relationship between variables (not recommended when using the root cause analysis).

7.5.3 HOW TO EXECUTE STEP 4

Step 4.1 Collect data

Collecting data might seem an easy task, but more often than not, the data are not readily available. It is therefore important that you use the appropriate data collection tools to ensure that you collect data that are reliable and accurate and do so in the most cost-effective manner.

Data	Examples of things you can use
Qualitative data	<ul style="list-style-type: none"> Brainstorming. Focus groups. Interviews. Structured interviews. Diagnostic models.
Quantitative data	<ul style="list-style-type: none"> Financial statements. Fault reports. System reports. Number of complaints.

Ensure that you know how to collect the data and the process you need to follow. If you did a gap analysis on the current performance, some of the data have already been collected and you might want to expand on the information you have.

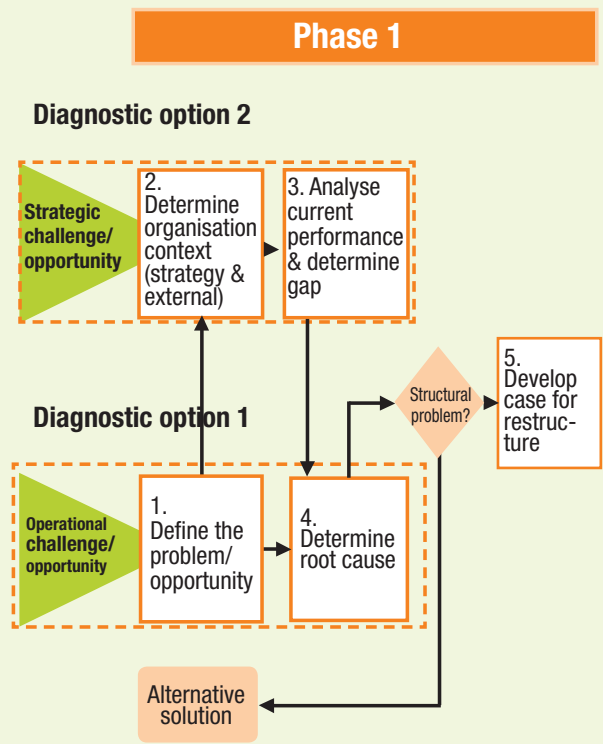
Before consolidating the data you need to understand which tool would be used to analyse the information:

If	Then
You use the root cause analysis tool for analysis	You can do the collection and analysis during the same brainstorming or focus group session
You need to use a cost of poor service quality tool	You need to collect specific data which should be as accurate as possible and should be consolidated into the different categories of the tool.

Step 4.2 Analyse and determine root cause

To analyse and determine the root cause there are a number of tools available which are broadly divided into two categories: statistical (quantitative) tools and qualitative tools. The tool you want to use must be suitable for the type of data you have at your disposal. Some tools can be used for both types of data, for example SWOT analysis, fault tree, and 7 S. Others, for example cost of poor service delivery and Pareto analysis, require accurate quantitative data to justify their usage.

7.6 DECISION POINT 1: IS IT A STRUCTURAL PROBLEM?



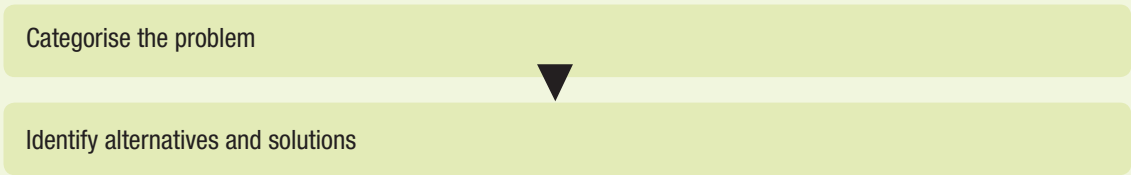
Purpose

To ensure that the correct solution is applied to the problem, or to avoid restructuring the organisation when alternative solutions are available

Objectives

- Review the problem and determine the relevance of an adjusted organisational structure as a solution.
- Review alternative solutions to ensure that structuring is only done if required.

7.6.1 PROCESS FOR DECISION POINT 1



7.6.2 TOOLS FOR DECISION POINT 1

Tools	Highly recommended	Recommended	Nice to have
Problem/solution matrix	X		
Alternatives selection table	X		

Tool	Explanation	When to use it
Problem/solution matrix	<ul style="list-style-type: none">The tool assists the practitioner in determining whether the problem is a structure-related problem, or could potentially be solved through an alternative intervention.	<ul style="list-style-type: none">Should be a standard framework to consider when deciding to restructure or not.
Alternatives selection table	<ul style="list-style-type: none">The tool assists in identifying different solutions to address the strategic requirement or problem. Adjusting or developing a formal organisational restructure is one of the options to consider.	<ul style="list-style-type: none">Reality check to support the solution selection matrix.

7.6.3 WHAT TO DO AT DECISION POINT 1

Categorise the problem

To categorise the problem we need to keep in mind that not all root causes of problems can be solved by restructuring interventions. There are numerous examples of restructuring which did not address the root cause or were inappropriate for the type of problem:

- Improved service delivery is often cited as the main reason for “restructuring”. However, there is little evidence that other service delivery improvement measures (such as alternative service delivery models/mechanisms and business process re-engineering) have been considered before embarking on “restructuring” exercises.
-
- “Restructuring” is commonly perceived as the cure for non-performance and other organisational ailments, with little if any consideration of proper organisational diagnosis and evidence-based interventions.

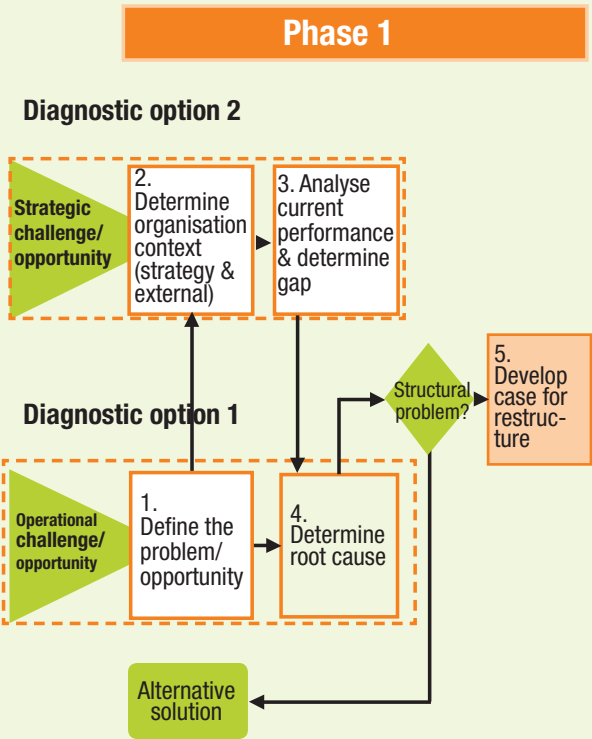
Use the problem categorisation tool to determine whether the root cause can be solved by reviewing or adjusting the organisational structure, or whether an alternative solution should be used. (Review the Problem/solution matrix tool as indicated for decision point 1 in Section 3 of this document).

Identify alternatives and solution

The identification of alternatives is important to avoid an unnecessary restructuring exercise. The different types of alternative interventions in the *Alternatives selection table* will assist you in identifying and therefore justifying the appropriate option to address the root cause or problem statement.

If the root cause(s) of the problem can be addressed through restructuring, proceed to step 5 to develop the case for restructuring. If the root cause(s) cannot be addressed through restructuring, you should inform and advise the decision makers or project sponsor about the need to pursue alternatives to restructuring.

7.7 STEP 5: DEVELOP CASE FOR RESTRUCTURING



Purpose

To consolidate the information collected (on the problem, its causes, the future requirements and the gap) into a case for restructuring as the most appropriate intervention. This includes the success indicators for a new structure and the design principles which need to be incorporated into the new structure.

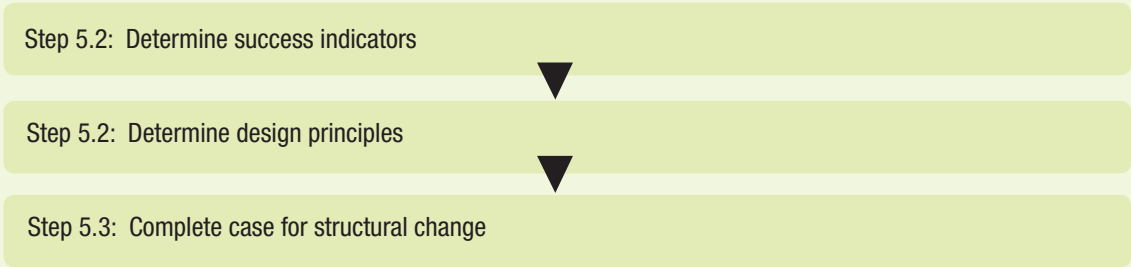
Objective

Provide a consolidated overview of why restructuring is the most appropriate intervention and what the requirements are for the new structure.

Possible approaches

- Use a design team to assist in defining the success indicators and design principles.
- Develop the indicators and design principles and consult with others.

7.7.1 PROCESS FOR STEP 5



7.7.2 TOOLS FOR STEP 5

Tools	Highly recommended	Recommended	Nice to have
Success indicator identification	X		
Structure questionnaire	X		
Design principles	X		

Tools for developing the case for restructuring		
Tools	Explanation	When to use it
Success indicator identification	<ul style="list-style-type: none">Assists in defining the success for the initiative. The tool identifies the success indicator and the medium for information collection.	<ul style="list-style-type: none">Should be used without exception with any change or adjustment to organisational structures.This tool is applicable when restructuring an entire organisation, or a component of the organisation.
Structure questionnaire	<ul style="list-style-type: none">A set of structured questions to assist with the integration of the diagnostic information collected.It also provides the guiding questions for formulating a case for change or high-level business case.	<ul style="list-style-type: none">This tool can be used for all types of restructuring and should be considered when formulating any case for change or high-level business case.
Design principles	<ul style="list-style-type: none">A list of design principles derived from information on:<ul style="list-style-type: none">The service recipient requirement analysis (which could be obtained from the value driver analysis or the service recipient requirements analysis).The external requirements analysis (which is obtained from the risk, external requirements).The dependency analysis (which is obtained from the impact analysis or the dependency analysis).The process requirements analysis (which is obtained from the analysis of business processes).	<ul style="list-style-type: none">This is the most frequently used type of tool for restructuring.

7.7.3 HOW TO EXECUTE STEP 5

Step 5.1 Determine success indicators

In order to implement a new structure successfully, we need to understand what would be the indicators of success, in other words, we need to start with the end in mind.

Success indicators must be clear statements of what the organisation would be like or how people will interact or how the service quality will be improved once the new structure is in place. This forms the basis for the monitoring and evaluation process after the implementation.

You can use the Success indicator tool to assist you with this exercise. Section 3 of the Guide (page 16-32) gives examples of indicators derived through using the Success indicator tool.

There are other important issues which you also need to consider in defining the success indicators, for example government policy direction, new government-wide initiatives, and interaction with other government departments and organs of state.

Step 5.2 Determine design principles

The organisational design principles need to support the success indicators, and should therefore be developed with the success indicators in mind.

The design principles provide direction to the design process and ultimately serve as a reality check on whether or not the process was a sound one.

You can use the Design principles tool on page 16-34 in Section 3 of the Guide. This tool can be customised to align with the success indicators.

It is important to note that the design principles provided are interrelated and should not be applied in a mutually exclusive manner. The principles are indeed mutually reinforcing and must therefore be applied holistically to achieve the intended impact.

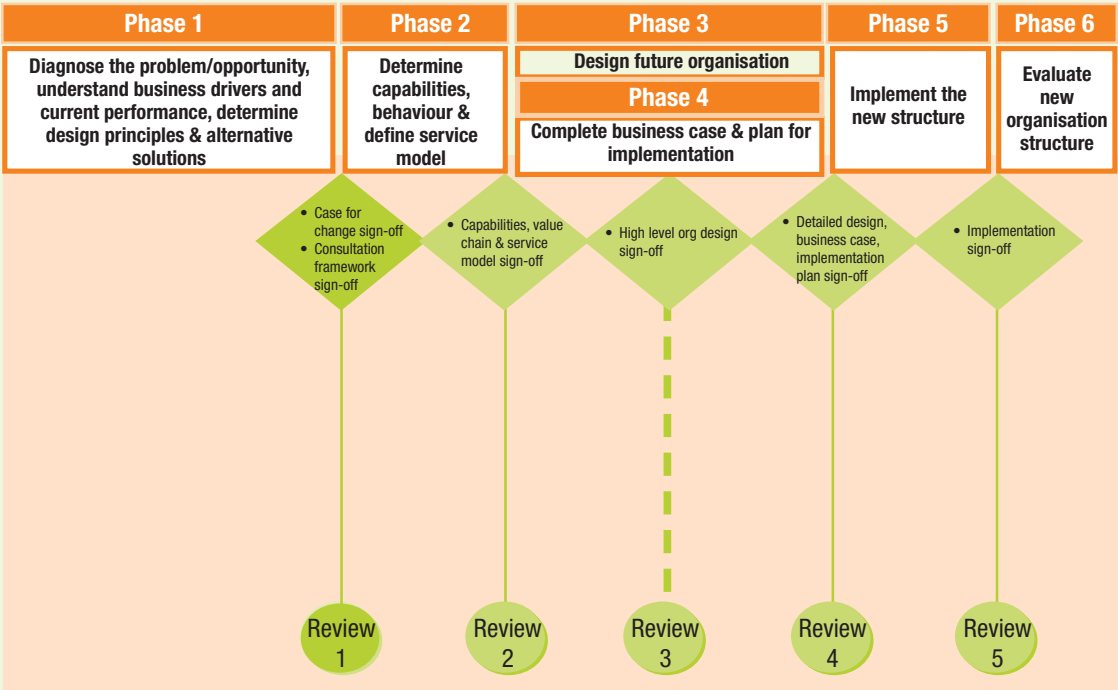
Step 5.3 Complete case for structural change

The case for structural change is basically the consolidation of all the information collected which indicates a need for structural intervention. The typical questions to address, apart from the design principles and success indicators, are as follows:

- How is your organisation, division, or unit structured currently? (Draw a chart.)
- What are the strengths and limitations of this structure? (It might be useful to ask both internal and external stakeholders.)
- How does your current structure serve or fail to serve the needs of your service recipients?
- How are your business processes helped or hindered by your current structure? (Think about coordination needs – for example, which steps in each business process are highly interdependent?)
- How do employees feel about the current structure?
- Would a different structure improve morale, productivity, or opportunities for creativity?
- How might a different structure eliminate or improve weaknesses in the current one?

The case for change document should provide clear answers to the above questions to arrive at a well-informed decision on whether or not to proceed with restructuring.

7.8 REVIEW POINT 1: CASE FOR CHANGE



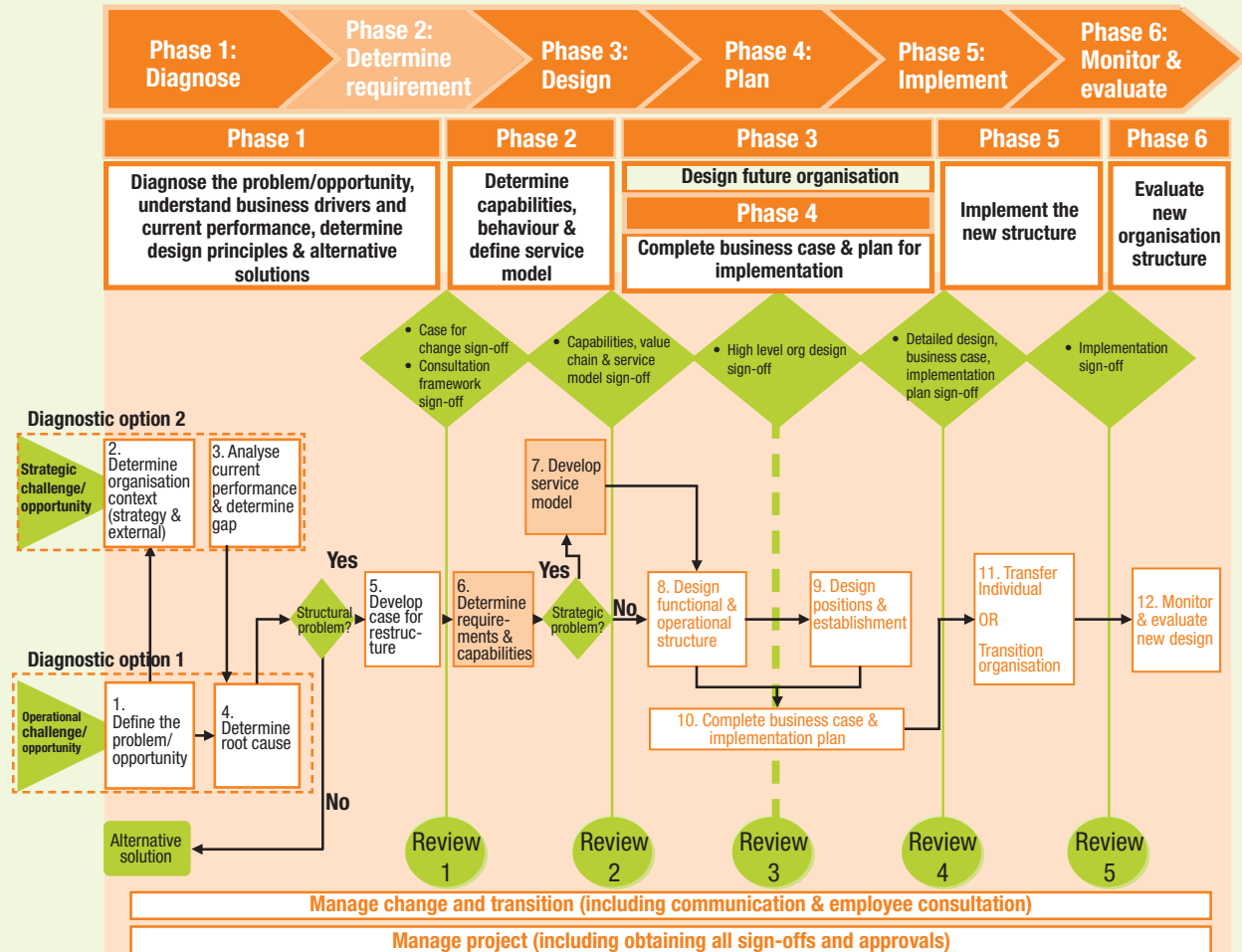
7.8.1 GUIDE FOR REVIEW POINT 1

Area for review	Specific focus	Accepted, rejected or adjusted
Project management	• Is there a problem statement or terms of reference for the initiative?	
	• Is a project team required and has it been established?	
	• Is a steering committee required and fully functional?	
	• Do we need external service providers and has the process of selection been initiated?	
	• Do we have the budget for the next two phases of the project?	
	• Do we have the schedule for the next two phases?	
	• Are there any project issues outstanding?	
Case for change	• Is the case for restructuring sound and based on thorough analysis of alternative options?	
	• Are the design principles aligned with future organisational requirements?	
	• Do we have a clear understanding of success indicators for the structure to achieve the future requirements?	
	• Do we understand the root cause of the problem or organisational performance challenges?	
Change management	• Are there a communication plan and consultation framework for the change?	
	• Does the structural change have a clear vision?	
	• Does a consultation framework exist for the rest of the project?	
	• Are all stakeholders informed of the pending structural change?	

CHAPTER 8

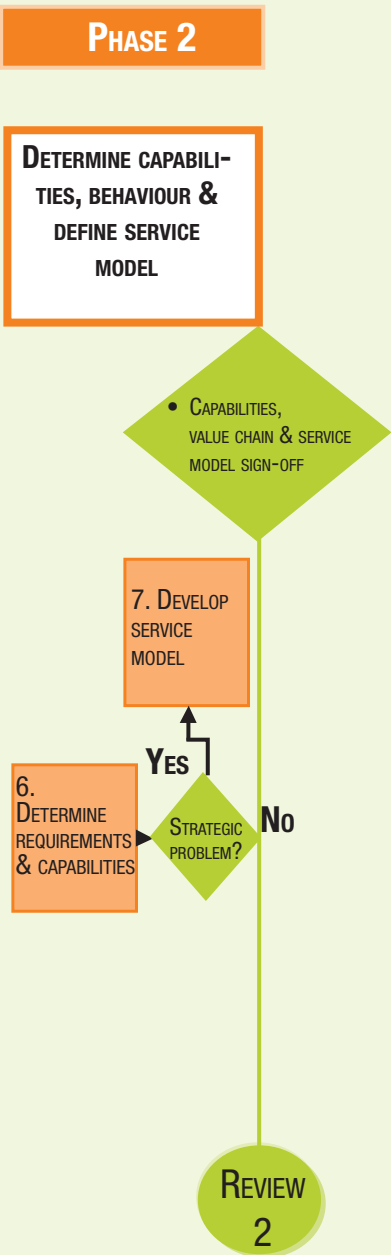
8. PHASE 2: DETERMINE REQUIREMENTS

8.1 OVERVIEW OF PHASE 2



Phase 2 consists of the following:

- Steps 6 and 7 of the overall organisational structuring process.
- Decision point 2.
- Review point 2.



Purpose

The purpose of this phase is to collect as much information as possible to determine the capabilities, behaviour and service model that the structure needs to support in order for the organisation to be successful in the future.

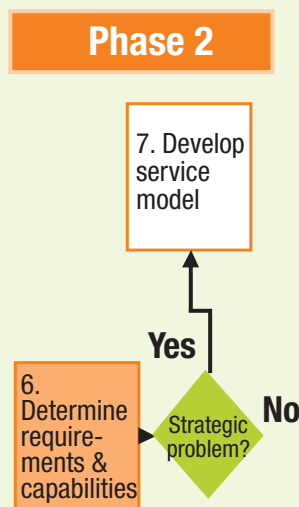
Objectives

- To identify all the requirements for internal and external performance.
- To define the most appropriate service model for the organisation given the capability requirements and constraints.

Possible approaches

- The process should ideally be highly interactive with subject experts participating in the process mapping and identification of capability requirements.
- The service model can be drafted by the project team.

8.2 STEP 6: DETERMINE REQUIREMENTS AND CAPABILITIES



Purpose

To determine the internal and external requirements for the organisation to be successful in future, taking into consideration the problems and opportunities.

Objective

Determine what we need to incorporate into the structure to ensure that it addresses all the requirements for future success.

8.2.1 PROCESS FOR STEP 6

Step 6.1: Determine critical structure and capacity requirements



Step 6.2: Identify external factors which might influence the design

8.2.2 TOOLS FOR STEP 6

Tools	Highly recommended	Recommended	Nice to have
Backward process analysis and engineering (SIPOC)	X		
Service recipient requirements analysis		X	
Process-structure alignment requirements		X	
Business process maps	X		
Quick structured map			X
Process analysis and optimisation		X	
Dependencies map	X		
Process-supplier matrix	X		
External requirements analysis	X		
Risk analysis	X		
Service capacity planning		X	
Organisational capability analysis	X		
Behaviour enabler identification	X		

Tools	Highly recommended	Recommended	Nice to have
Behaviour/structure analysis framework	X		
Structure constraints review		X	
Maturity analysis		X	
Structure assessment questionnaire	X		

Tool	Explanation	When to use it
Backward process analysis (SIPOC)	This involves the fundamental review and redesign of an organisation’s business processes. It aims to move from traditional division of labour towards the creation of integrated cross-functional work processes. The underpinning philosophy is that integrated work units are more flexible and can respond more readily to service recipients and service demands.	Suggested standard tool for structure changes.
Service recipient requirements analysis	An analysis of the different service recipient groupings and their requirements in terms of speed (time), volume, quality (convenience, accuracy, first time right), cost (direct and indirect – e.g. having to return to the same place more than once, wait for long periods of time, actual payments to be made, etc.), safety, morale (nation building, transformation, peace, stability, etc.).	If the service user requirements have not been identified yet, this tool is an important mechanism for doing this. This tool forms the basis for value drivers and process analysis.
Process-structure alignment requirements	A list of questions to assist with the identification of process alignment issues, i.e. what is enabling the process and where are the constraints and barriers?	Use as a tool to support the process analysis. Use if the team needs to confirm their findings on any other requirements analysis tools.
Business process maps	This involves the development of a process architecture from value chain processes down to actual activities and finger movements if required. This includes developing the value chain and mapping the major processes to support process level. The process requires specialised skills, but is one of the best tools to identify dependencies, bottlenecks, constraints, flow of information and work issues and to ensure standardisation of work.	This forms the basis for the service model and for capacity analysis. It is a very important tool in the whole structuring process. Not required if the restructuring does not impact a whole department or unit.
Quick structured map	Quick structured mapping provides for a high-level process analysis with a view to identifying resources, skills, standards, procedural and input requirements.	An alternative to process flow charts. This tool is useful for analysing a process for the sake of information and confirmation of time and sequence of activities.

Tool	Explanation	When to use it
Process analysis and optimisation	Analysing the current performance of a process and identifying ways in which the process can be improved.	An optional tool to review process effectiveness. Can provide useful information for identifying capability.
Dependencies map	A tool to determine process dependencies and how these dependencies impact on the performance of the organisation.	Important tool to identify dependencies between business processes, which might be important for the service model design.
Process-supplier matrix	A tool to identify the inputs and suppliers required for each process and to determine the impact on the structure of using the different suppliers. The tool provides for a horizontal process-supplier analysis and for a vertical supplier involvement analysis.	Should be used as a standard tool to ensure that all processes are aligned.
External requirements analysis	External requirements analysis includes the review of geographic requirements, political imperatives, economical realities, social imperatives. The most widely used method is the PESTE analysis which reviews the political, economical, social, technology and environmental requirements.	Should be considered a standard tool for ensuring that there are no unintended resistance from outside parties to the new structure.
Risk analysis	Identifying and categorising risks to determine the high-impact risks which need to be managed more urgently and prioritise the management of the other risks.	A useful tool to determine the risk for the implementation of the structure.
Service capacity planning	A powerful tool for detailed planning of new processes/units/departments down to the layout of the physical setting.	Very useful tool for the design of new structures or significantly adjusted mandates and output targets.
Organisational capability analysis	The matrix reviews the skills, resources, standards and procedures which are required for effective execution of the transformation process (taking an input and transforming it into something more valuable).	Useful to prepare for service model design and work design. Very important to ensure that the structure makes provision for all the required organisational capabilities.
Behaviour enabler identification	Identifying the enablers and constraints for required employee behaviour.	Very good generic tool to be considered regardless of the type of structuring initiative.
Behaviour/structure analysis framework	A process of identifying and aligning organisational infrastructure processes with new processes and the required organisational characteristics and employee behaviour.	Alternative to the behaviour enabler identification.

Tool	Explanation	When to use it
Structure constraints review	A tool to identify constraints or certain givens which are not going to change in the short to medium term.	Alternative to identifying the constraints in the diagnostic phase. Very important to complete for any large-scale restructuring.
Maturity analysis	Provides an indication of how mature the organisation is based on key processes and practices that are employed in the organisation.	Useful tool for a reality check especially on large-scale restructuring interventions.
Structure assessment questionnaire	A structured questionnaire to review the current organisational structure against four generic requirements for effective structures.	Suggested use for every restructuring exercise.

8.2.3 HOW TO EXECUTE STEP 6

Step 6.1 Determine critical structure and capability requirements

Capabilities are the key things that the organisation needs to be able to do in order to deliver on its mandate and achieve its strategic objectives. In order to determine all the relevant capability requirements of the organisation, you will need to define what the business processes of the organisation need to be capable of doing in the future. Examples of capability requirements could be “To manage relationships with service recipients in remote rural areas” or “To develop new products or services”.

These capability requirements do not automatically imply a particular structure at this stage – you are simply identifying the capabilities needed by the organisation to deliver on its mandate. You need to take the opportunity to consider the future organisation without being influenced or limited by existing structures, roles or employees.

The Guide provides a number of tools for determining capability requirements and you should use the tools that best meet your needs. There are two tools that are very useful, if not essential for this analysis.

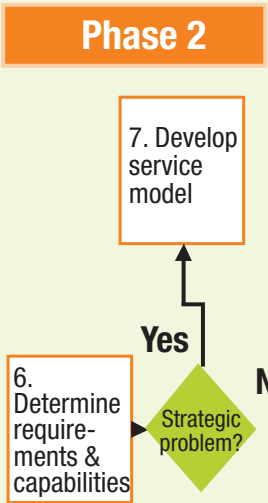
- The first tool is the backward process analysis or *SIPOC* (Supplier, Input, Process, Output, Customer) tool which guides the analysis of all requirements from the citizen’s (service recipient’s) point of view. By following this process you will be able to confirm the key processes, the process requirements and the inputs for overall organisational success. If you have already completed the value chain for the service model, the next step is to map the next level of processes supporting each of the value chain components. A matrix-type process map will assist you in linking process with responsibility and time. (Refer to the *Process Flow* tool is explained on page 18-26 in Section 3 of the Guide.)
-
- The second tool which you can use is the *Capability analysis* tool in order to categorise the organisation’s capabilities for each of the core organisation (macro-operational) processes. The tool will guide you in this process and will provide you with a list of capabilities which will be core to the success of the organisation.

Step 6.2: Identify external factors which might influence the design

The new or revised structure for the organisation has to incorporate external factors, such as dependency on information from other departments, the ability of the citizen to complete or understand the application process and the dependency on an expert partner to provide critical support to the organisation (for example, maintenance of police vehicles or delivery of medication on time). The recommended tools for this step are the *Process-supplier matrix* or the *External requirements analysis*. For a new organisational structure it might be useful to develop a detailed plan for the service requirements using the *Service capacity planning* tool.

Once you have identified all the requirements, you need to consolidate them into a capability statement for management, and internal and external stakeholders who might have an interest in the new structure.

8.3 DECISION POINT 2: IS IT A STRATEGIC PROBLEM?



Purpose

To decide whether to skip step 7: Develop a service model and proceed directly to step 8: Design organisational architecture, or not.

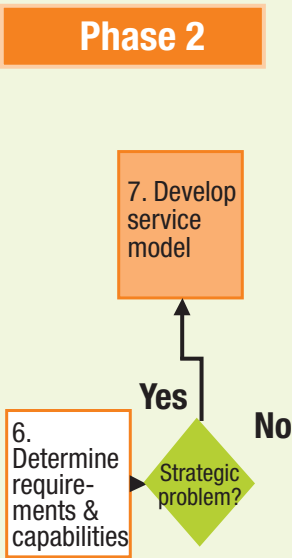
Objective

Review the problem or challenge and determine whether it is a strategic problem/challenge or an operational problem/challenge.

A **strategic problem/challenge** can be defined as one that impacts on the entire organisation. Addressing this problem/challenge requires a significant change in the way in which the department provides its services and therefore the total or substantial part of the organisational structure has to be changed. An example of a strategic problem/challenge would be the introduction of a new core function into the organisation by virtue of new legislation or policy.

An **operational problem/challenge** can be defined as a subdirectorate or smaller unit/team which needs to make some adjustments to the structure in order to be more effective or efficient. An example would be the Human Resources directorate which decided to centralise or decentralise its expert services.

8.4 STEP 7: DESIGN THE SERVICE MODEL



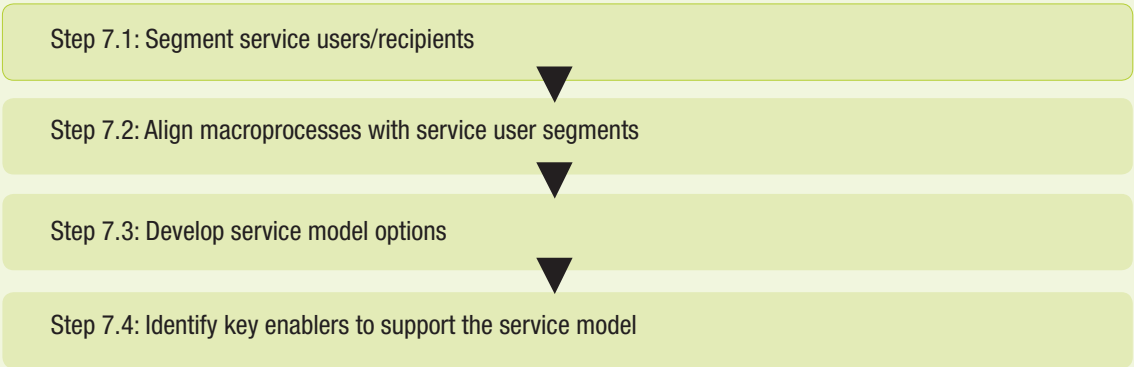
Purpose

- To develop a pictorial representation of the future organisation that shows the key groups, how they will interact and how they will interface with internal and external service recipients in order to deliver the strategy.
- To help management or organisational structuring project sponsor to agree to key groupings without being limited by current structures, people and politics and without getting involved in the detail of roles and reporting lines.

Objectives

- View the organisation from the perspective of operating blocks (divisions/units/macroteams/ types of roles).
- Consider different options for how these operating blocks could be arranged.
- Determine how they could interact in future – with one another and with service recipients.
- Reach agreement on the key principles represented in the operating model before beginning to develop the detailed design.

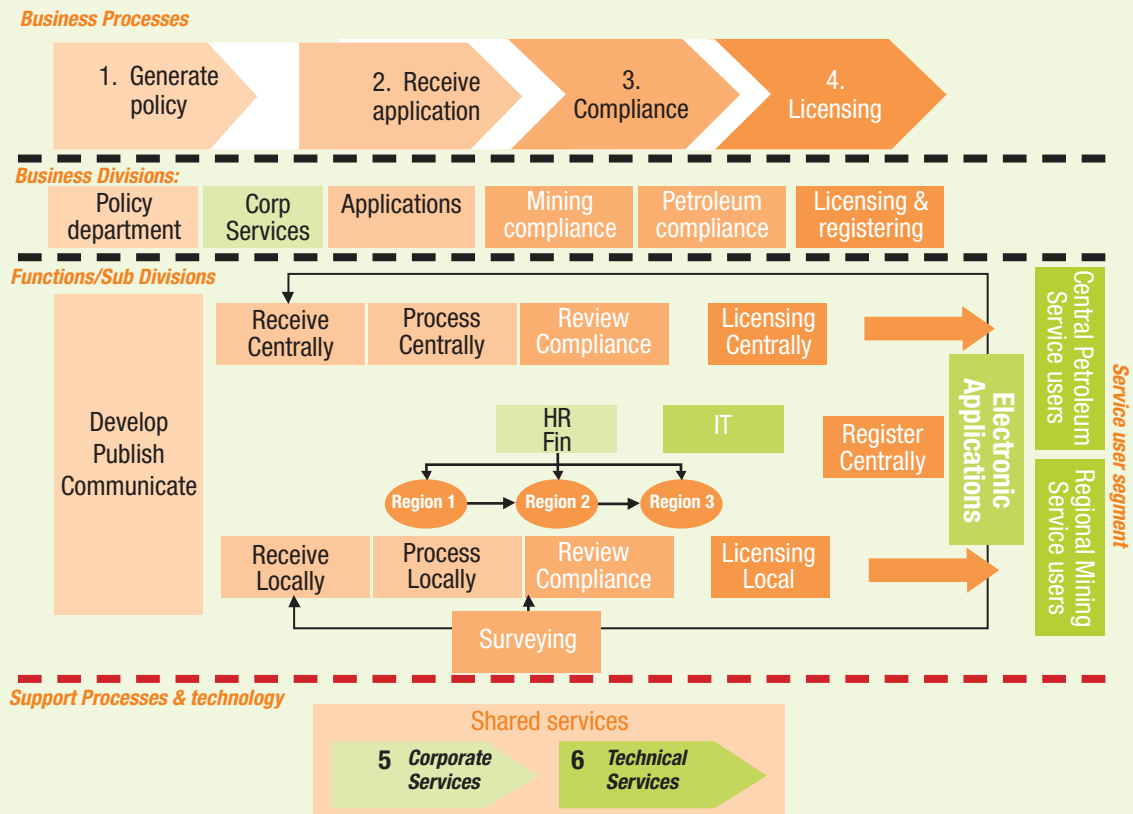
8.4.1 PROCESS FOR STEP 7



8.4.2 TOOLS FOR STEP 7

Tools	Highly recommended	Recommended	Nice to have
Service model design	X		

Below is a service model you can use as a guide. The service model is explained in greater detail on page 17-28 in Section 3 of the Guide.



8.4.3 HOW TO EXECUTE STEP 7

Step 7.1 Segment service users/recipients

- Review the service recipient requirements, for example geographical, preferred mode of interaction, speed, quality, and safety.
- Segment the users into groups which make sense to the organisation (for example geographic groups, demographic groups, socio-economic groups).
- Arrange these groups at the right-hand side of the page. (Refer to the Service model design tool for step 7 on page 17-28 in Section 3 of this document.)

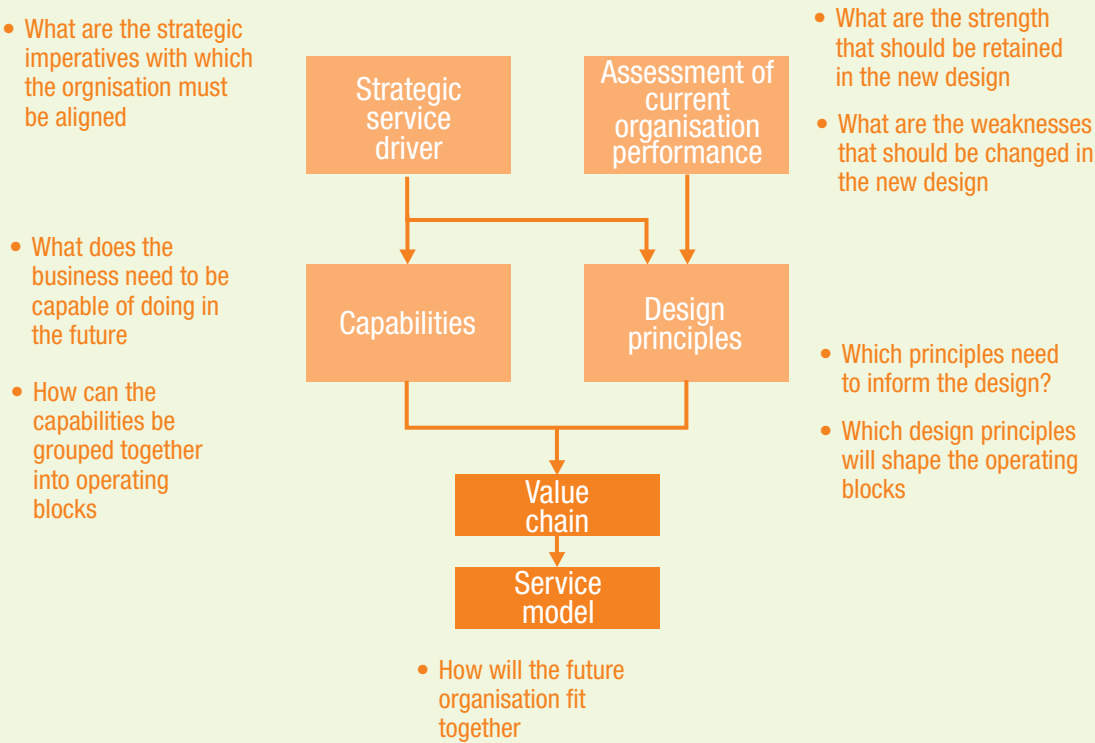
Step 7.2 Align macroprocesses with service user segments

The macro-operational processes have already been mapped, and the intention is not a detailed business process map yet. A broad macroprocess map is required because it will determine the design of the organisation’s structure. (Refer to the Service model design tool for step 7 on page 17-28 in Section 3 of this document.)

- Align the business processes with the various service recipient segments. For example, if service recipients are segmented on a geographical basis, the service processes are likely to be executed on a decentralised basis, while some processes may be executed on a centralised basis.
- Do a reality check with regard to the organisation’s mandate(s). (Are we flexible? Are we able to provide this service?)
- Identify the organisational structure components for the business or organisational divisions and subdivisions. This will enable you to move the different components around when developing the new service model.

Step 7.3 Develop service model options

The key inputs into the design of the service model are indicated in the model below:



The capabilities and the design principles have been identified and defined, and should provide useful information to identify potential alternative service models.

The alternative service delivery models available include the following: regional vs. central, outsourcing, in-sourcing, electronic interface, transfer/assignment of functions, public-private partnerships, networks, front office-back office split, one-stop services, and multipurpose community centres.

The key here is to find a service delivery model that is effective, efficient and empowering:

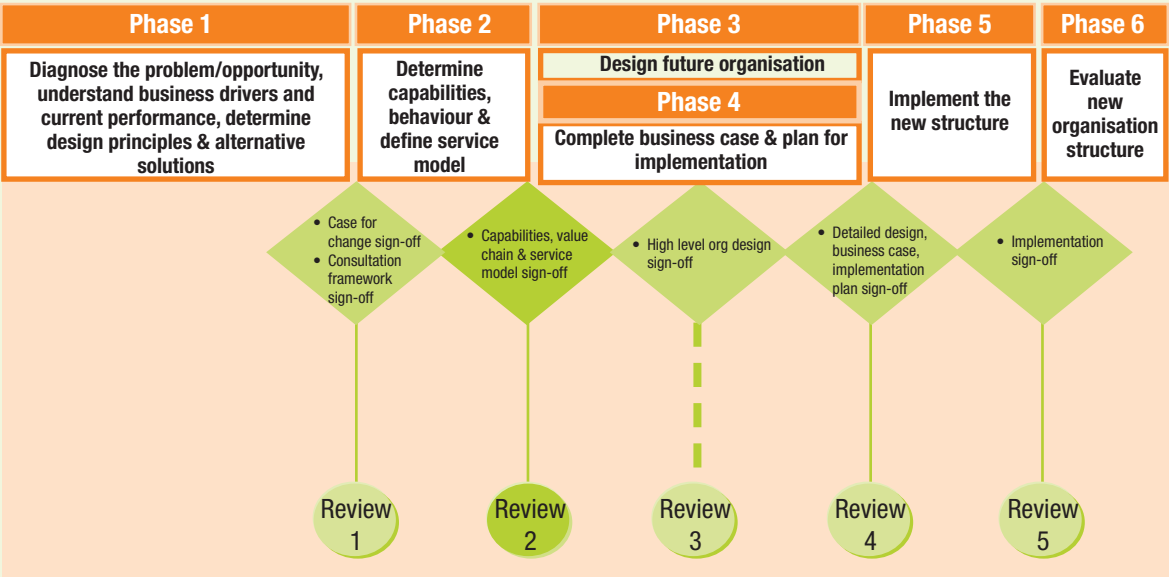
- Effective – ensure that the organisation’s mandate is executed and that the outcomes do, in fact, address the mandatory and stakeholder requirements. This means that the service delivery model must:
 - o Accommodate all the design principles identified (strategic alignment).
 - o Enable the organisation to execute the macro-operational processes effectively.
 - o Be aligned with the macro-environment to ensure a maximum degree of coordination and integration with other associated services to the citizen.
- Efficient – services should be delivered economically and in a manner that will ensure value for money, subject to the resource limitations of the organisation.
- Empowering – develops and uses the required capabilities of the organisation effectively.

Step 7.4 Identify key enablers to support the service model

The different service models will all require key technology, equipment, skills/knowledge, facilities or funding enablers, whether internal or external. The way in which information will flow, communication facilitated and data stored might be critical to the success of the service model. The availability and quality of equipment such as laboratory equipment, transport and protective clothing might be essential to the success of the business.

To complete the service model, you need to identify and indicate the use of key technology and/or equipment in delivering the service. For a highly specialised environment you might need to indicate the key skills and knowledge, or for project-oriented environments how the funding will be obtained. In other words, identify the infrastructure, core competencies or technology capabilities that will be needed to ensure that the service reaches the citizen/service recipient.

8.5 REVIEW POINT 2: SERVICE MODEL REVIEW

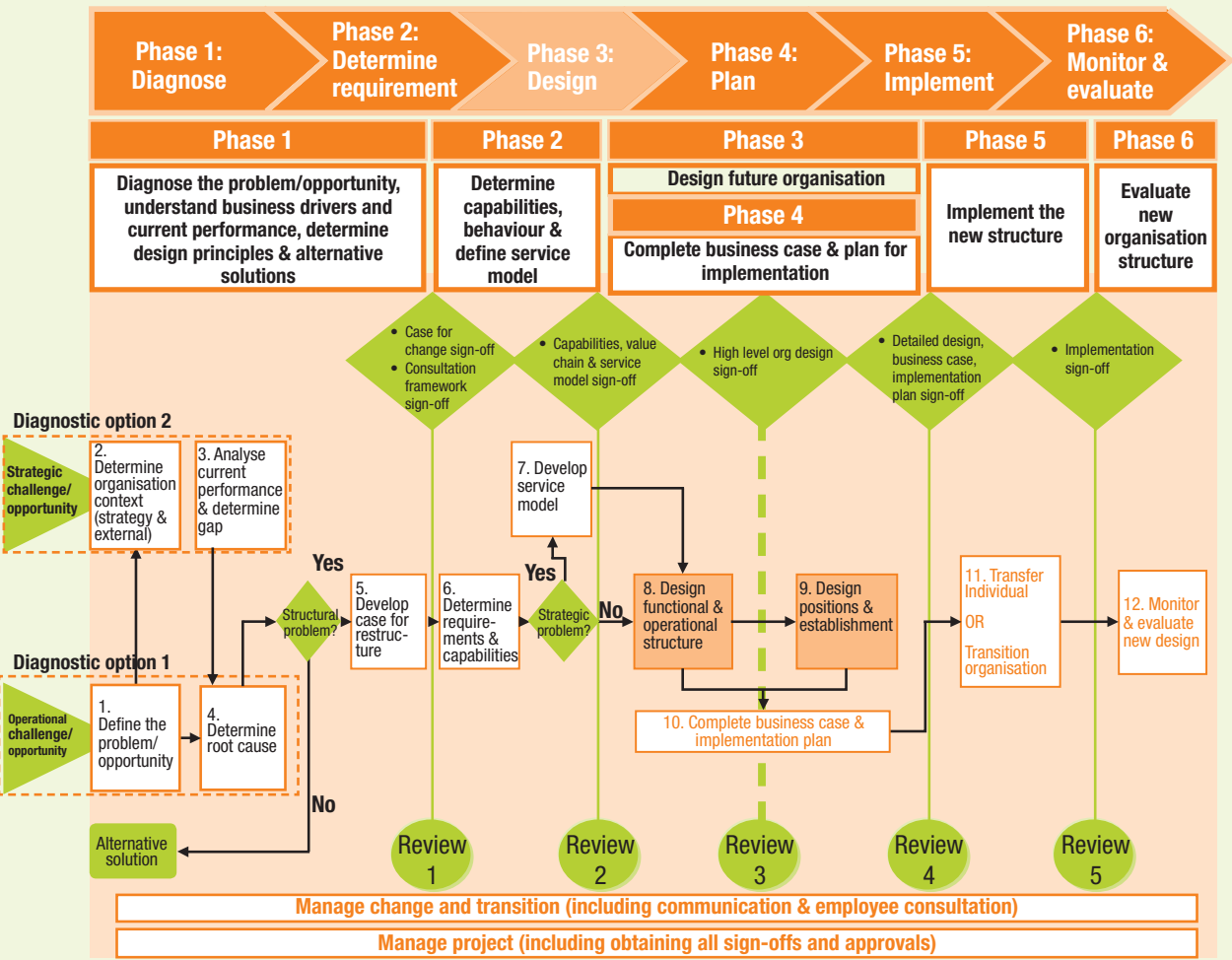


Area for review	Specific focus	Accepted, rejected or adjusted
Project management	• Have project risks been identified and planned for?	
	• Is a project team required and has it been established?	
	• Is a steering committee required and fully functional?	
	• Do we need external service providers and has the process of selection been initiated?	
	• Do we have the budget for the next two phases of the project?	
	• Do we have the schedule for the next two phases?	
	• Are there any project issues outstanding?	
Change management	• Is there a communication plan for the change?	
	• Does the structural change have a clear vision?	
	• Has a stakeholder analysis been performed and planned for?	
	• Have the required consultations taken place?	
	• Have all stakeholders been informed of the pending structural changes?	
Capability analysis	• Have all the capabilities been identified to ensure effective internal operations in future?	
	• Have all the capabilities been identified to ensure effective external service success in future?	
	• Have all the organisational processes been mapped in flow chart format?	
	• Have management capabilities been identified?	
Service model	• Is a new service model required and has it been developed?	
	• Does the model refer to “service user segments”, organisational processes, divisional and subdivisional structure, technology enablers?	

CHAPTER 9

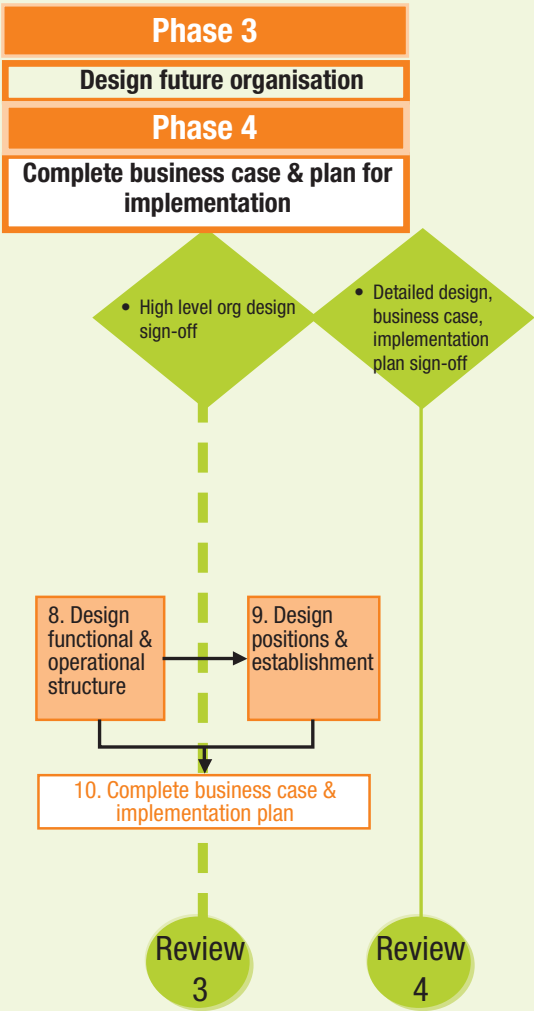
9. PHASE 3: DESIGN FUTURE ORGANISATION

9.1 OVERVIEW OF PHASE 3



Phase 3 consists of the following:

- Steps 8 and 9.
- Review point 3.



Purpose

Take the service model and use it to develop the top tiers of the future organisational structure, including:

- Management structure and high-level team structures.
- Very high-level role summaries for top-tier roles (using the capabilities).
- Team-level performance measures.

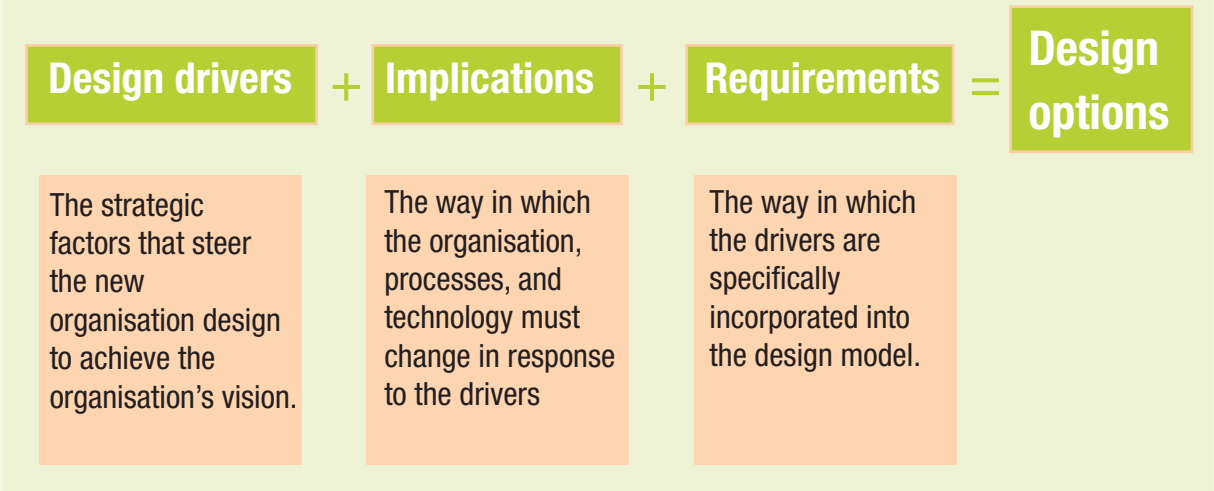
Objective

To develop an organisational architecture which will enable the organisation to be successful in the future and which will be aligned with the success indicators, design principles, capability requirements and the service model.

Approach

Highly interactive and iterative process, often involving development of alternative structure options and review against design principles.

Organisational design is an equation with three inputs:

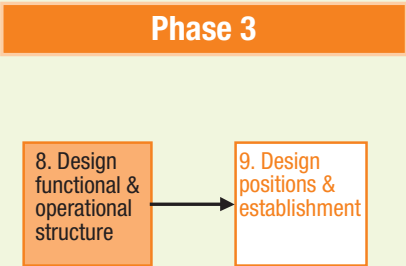


An organisation's design should be developed in the context of what the organisation is trying to achieve and the environment in which the organisation operates. Design an organisation that will be able to deliver value to its service recipients. This will be done through the development of a high-level organisational design, including roles, skills and culture profile. Current challenges in the operating environment have serious implications for today's public sector organisations. These include the following:

• Changes in the demographics of service recipients.
• Increasing rate of urbanisation, internal migration placing stress on services in urban areas.
• Changes in needs and demands of citizens and users of public services.
• Service speed becoming key.
• Service recipients becoming increasingly aware of their rights.
• Service recipients becoming less tolerant of poor service.
• Rapid strategy shifts.
• The need to use outside service providers to help deliver the service becoming an option, needing increased attention and management energy.
• National, government and departmental rate of change.
• Flatter structures that require a free flow of information from the organisation to the public.
• Decreasing certainty of outcomes.

Tools for designing organisational architecture	Tools for designing positions
<ul style="list-style-type: none">• Structure gap map• Structure selection matrix• Governance structure requirements matrix• Benchmarking• Behaviour/structure analysis framework• Culture Print• Organisational charts• Structure assessment questions tool	<ul style="list-style-type: none">• Staffing norms table• Full-time equivalent calculation• Single-column process chart• Management span of control: diagnostic grid• Group size effect chart• Job description templates• Position impact analysis• RACI analysis• Work synthesis• Work process analysis

9.2 STEP 8: DESIGN HIGH-LEVEL ORGANISATIONAL STRUCTURE



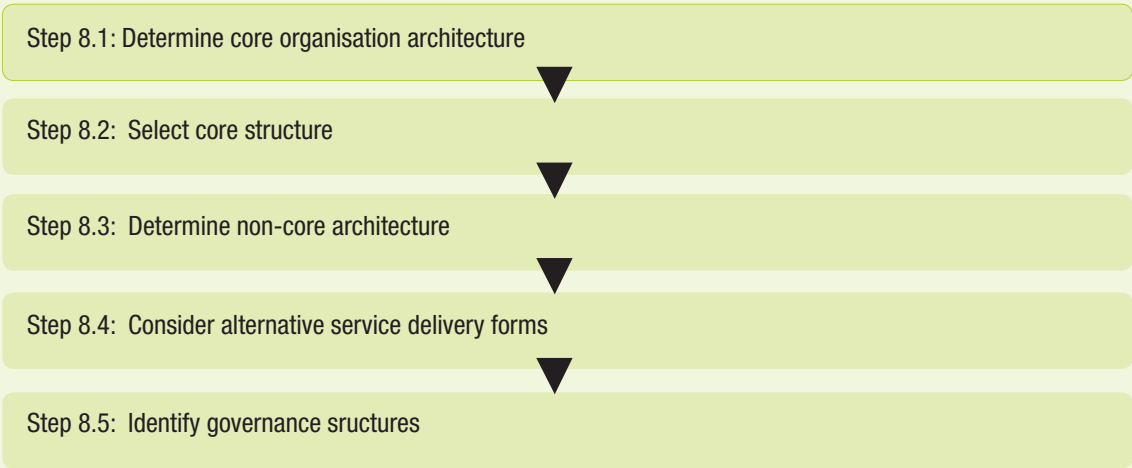
Purpose
To design the high-level organisational architecture and operational structure (subdivisions and units) for the future organisation.

Objective
Take the operating model and use it to develop the top tiers of the future organisational structure, including:

- Management structure and high-level team structures.
- Very high-level role summaries for top-tier roles (using the capabilities).
- Team-level performance measures.

Approach
Highly interactive and iterative process, often involving development of alternative structural options and review against design principles.

9.2.1 PROCESS FOR STEP 8



9.2.2 TOOLS FOR STEP 8

Tools	Highly recommended	Recommended	Nice to have
Structure gap map	X		
Structure selection matrix	X		
Governance structure requirements matrix	X		
Benchmarking			X
Behaviour/structure analysis matrix	X		
Culture Print		X	
Organisational charts	X		
Structure assessment questions	X		

Tool	Explanation	When to use it
Structure gap map	A tool to determine the gap between the current structure and the design principles.	Should be considered to be a standard tool.
Structure selection matrix	The structure selection matrix provides various structure options with the specific rationale for each structural type.	Applicable to every instance of structuring.
Governance structure requirements matrix	A table indicating the different types of governance structures and providing opportunity to consider the need and the potential benefit of such a governance structure.	This should be used as part of any restructuring exercise.
Benchmarking	A comparison of processes in a different context as a basis for the design of a series of interventions.	Useful tool and could be used to obtain information on organisational structures in similar organisations/departments/teams. (See step 3 tools for further explanations.)
Behaviour/ structure analysis matrix	The behaviour/structure analysis includes the review of behaviour requirements and the current ways in which it is encouraged or discouraged.	In cases where one of the reasons for the structural change has to do with a change in behaviour of employees. (See step 6 for further explanations.)
Culture Print	A culture assessment tool which is not described in the Guide. Any culture analysis would be useful as a tool, but the majority are proprietary intellectual property.	In cases where the organisational culture is not adequate to support the performance requirements and the structure needs to enable a more appropriate culture.
High-level organogram	A tool to map high-level structures in pictorial format with descriptions of each function or team in the organisation in terms of purpose and processes to be executed by the function/team.	A standard tool to be used with every restructuring.
Structure assessment questions	A structure questionnaire to review the current organisational structure against four requirements for effective structures: Levels of hierarchy, span of control, decision making and coordination.	Suggested use for every restructuring exercise.

9.2.3 HOW TO EXECUTE STEP 8

Step 8.1 Determine core organisational architecture

The fundamental principle in designing the high-level organisational architecture is to ensure that all the core organisational processes and support processes (which have been mapped and defined in the requirements phase and included in the service model) are adequately supported by the organisational structure.

You will need to review the core processes to determine the core business architecture. Core processes are those that are directly related to the functional mandate of the organisation, for example road safety, policing, health services, education and housing. The review of the core processes can be done by using process mapping or quick structured maps in order to achieve four things:

• Firstly	• To review the core business processes as mapped out during step 6. Be sure you have identified and distinguished between the different core processes, for example create policy; ensure compliance; license (these are the examples from the service design model).
• Secondly	• To determine logical points within the core process where a division of duties can be made, once the core processes have been identified. For example, licensing can be split into: receive application, process application, issue licence. The different processes can be executed by the same team or even the same person.
• Thirdly	<ul style="list-style-type: none"> • To define each of the subprocesses and to identify and define the key skills, knowledge areas, competencies and attributes required to execute each procedure in the subprocesses. • The normal process architecture is 1. value chain/major operating process, 2. subprocess, 3. procedure. Using the service design model example, this can be applied as follows: licensing (process), process application (subprocess) and verify information (procedure).
• Fourthly	• To identify and define the critical measure of success for each of the processes by determining key output measures (how will we know if the product or service we provide is of high quality?), process measures (how will we know if we are doing the right things?), the input measures (what do we need from external parties to make our process work?)

Examples of critical success measures

Types of measures	Measure	Target
Output measures	Number of licences approved	10 per day
Process measures	Turnaround time	Six days from application to approval
Input measures	Number of electronic applications	At least 30% of applications processed electronically

Step 8.2 Select core structure

The next step is to define the overall structure which will form the basis of the organisational functioning in the future. The question is “What does a successful structure look like?”

An organisation chooses a structure that best executes its business strategy. For the purpose of this Guide and in line with current best practice we will split the structure into two types, namely basic structures and advanced structures.

We will identify the following for each structure:

- Name of each structure.
- Rationale of implementing such a structure.
- Implementation application.
- Each specific structure’s advantages and disadvantages.

Examples of basic structures	Examples of advanced structures
<ul style="list-style-type: none"> • Functional structure. • Product/service line structure. • Service recipient based structure. • Geographical structure. 	<ul style="list-style-type: none"> • Matrix structure. • Process structure. • Simple structures (specialist, self-managed). • Network structure.
Derivatives of basic structures	Derivatives of advanced structures
<ul style="list-style-type: none"> • Divisional structures. • Business unit structures. • Federated/decentralised vs. centralised structures. • Shared services. • Product/service line/citizen. 	<ul style="list-style-type: none"> • Process matrix (matrix and process structure derivative). • Project matrix (matrix structure derivative). • Multidisciplinary team based structure (process structure derivative). • Hybrid structure.

Review the various structures and select the most appropriate structure by using the Structure selection matrix tool provided on page 18-3 in the Guide.

Note: The reason why we have done so much diagnostic work, identified the success criteria and design principles, identified the capabilities and developed a service model is to empower practitioners and managers to make informed decisions about the most appropriate future structure. But because the decisions we have made up to this point are both objective and subjective, it is quite possible for more than one approach to be appropriate and workable.

Step 8.3 Determine non-core architecture

Non-core processes refer to the support or enabling processes of the organisation. Unlike the core processes, the non-core processes do not have lives of their own – their existence is aimed at sustaining the core processes.

The following issues must now be considered:

<ul style="list-style-type: none"> • What types of staff support services are required (for example human resources, financial and supply chain management)?
<ul style="list-style-type: none"> • What types of enabling services are required (for example, research and development, knowledge management and strategic planning facilitation)?
<ul style="list-style-type: none"> • How should support and enabling services be provided? In-house, outsourced or combination?
<ul style="list-style-type: none"> • How do the support and enabling processes interface with the core processes, for example shared services, per core process/main function or any combination that will ensure both responsiveness and cost-effectiveness?

Follow the same process as the one described in step 8.2 to select the most appropriate structure for the support services in the organisation.

Note: Complete the organogram of the new structure by indicating all the organisational units (core and non-core), indicating the purpose of each of the components, the key processes each will be responsible for and the key measures/success indicators.

Step 8.4 Consider alternative service delivery forms

One of the key elements of an organisational structure is that organisations need not perform all their functions themselves or in-house. You might want to make use of alternative delivery solutions to provide a more effective and cost-effective service to citizens/service users.

Examples of alternative service delivery forms include:

- Outsourcing.
- In-sourcing.
- Public-private partnerships.
- Shared services.
- One-stop service centres.
- Multipurpose community centres.

Step 8.5 Identify required governance structures

Once you have defined the formal structure of the organisation, you will still need to define the governance structure. The governance structure lays down the institutional ‘rules of the game’ and guides the behaviour of people in the organisation. It includes all the policies, the standard operating procedures and those structures that do not appear on the organogram. The governance structure is the glue that makes possible the flow of information, decision making, risk management, innovation and learning. All these are necessary to ensure the sustainability of the organisation.

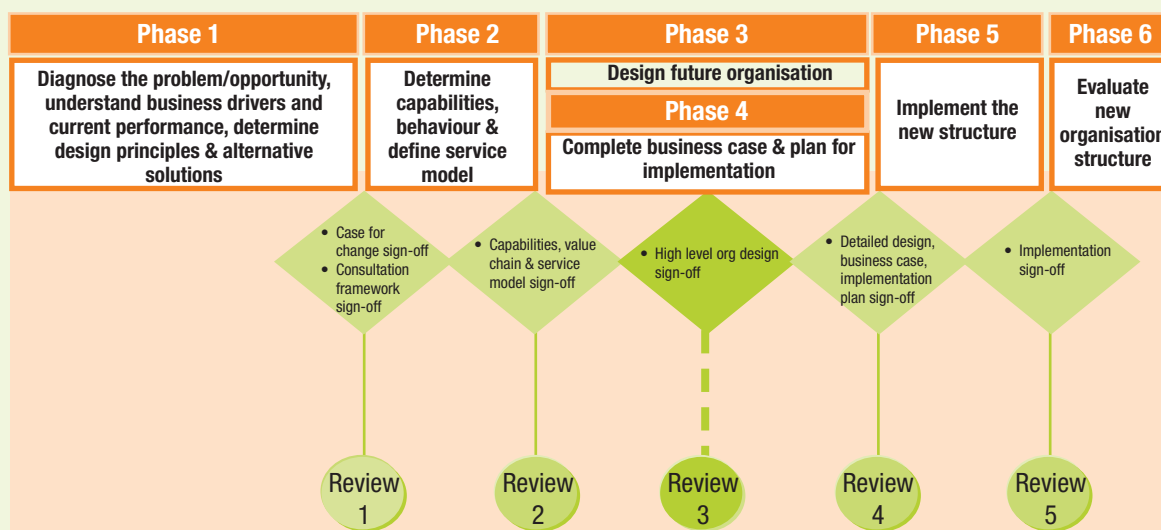
Examples of governance structures

- Executive Management Committee (EXCO).
- Policy committee.
- Fraud prevention support desk.
- Workplace forum.
- Audit committee.

Use the governance structure selection tool as described on page 18-11 in Section 3 of the Guide to select the important governance structures based on the following:

- The formal structure and its challenges.
- The behaviour required from employees (for example if employees need to start focusing on continuous improvement, a structure of process ownership or daily process measurement meetings might be considered).
- The success indicators and requirements (for example if the requirements are for quick decision making and multiskilling, there needs to be a governance structure to monitor decision making and encourage/enable multiskilling).

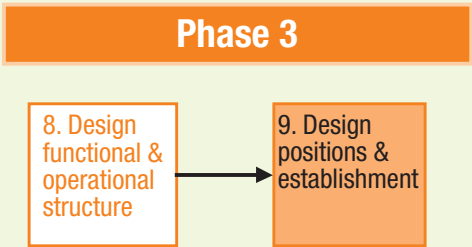
9.3 REVIEW POINT 3: REVIEW ORGANISATIONAL ARCHITECTURE



Before moving to step 9 to complete the detailed structure, it is useful to review and obtain sign-off of the high-level design you have developed thus far. This is to ensure that the high-level design is aligned with the organisation's requirements and the expectations of the decision makers.

Area for review	Specific focus	Accepted, rejected or adjusted
Project management	• Have project risks been identified and planned for?	
	• Has a high-level implementation plan been prepared?	
	• Is a steering committee required and fully functional?	
	• Do we need external service providers and has the process of selection been initiated?	
	• Do we have the budget for the next two phases of the project?	
	• Do we have the schedule for the next two phases?	
	• Are there any project issues outstanding?	
Change management	• Is there a communication plan for the change?	
	• Does the structural change have a clear vision?	
	• Has an impact analysis been done and planned for?	
	• Has a change readiness assessment been conducted?	
	• Has the high-level implementation plan been prepared?	
	• Have all stakeholders been informed of the pending structural adjustment?	
Formal structure	• Has an appropriate structure been selected based on detailed process maps?	
	• Has an organogram been completed with the purpose and processes of each organisational component?	
	• Have the key performance indicators of each organisational component been identified?	
	• Has the operational structure been defined?	
	• Are there any alternative service delivery options to consider?	
Governance structure	• Have governance structures been defined?	

9.4 STEP 9: DESIGN POSITIONS AND ESTABLISHMENT



Purpose

Once the high-level organisational design is completed we complete the detailed design, including:

- Finalising number of roles required and finalising all reporting lines.
- Finalising role titles.
- Developing individual performance measures.
- Developing role profiles or job descriptions, using standard templates.
- Validating all outputs with project sponsors and HR department.

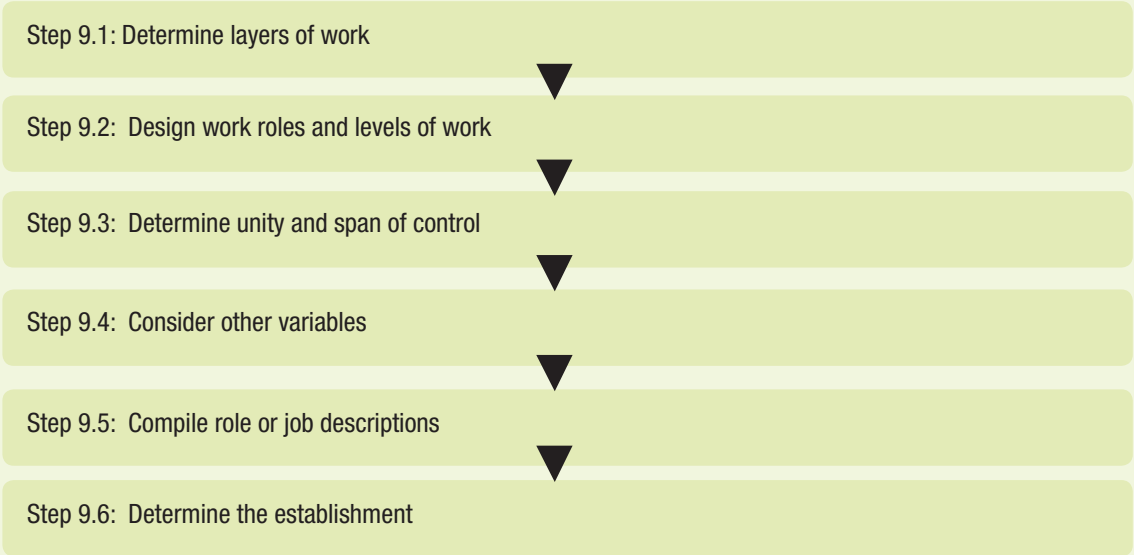
Objective

To determine the number of positions based on a well-researched structure and using recognised techniques and tools.

Approach

Very systematic and inclusive, making use of the subject experts and focus groups to assist with the job descriptions.

9.4.1 PROCESS FOR STEP 9



9.4.2 TOOLS FOR STEP 9

Tools	Highly recommended	Recommended	Nice to have
Staffing norms table	X		
Full-time equivalent calculation	X		
Single-column process chart		X	
Management span of control: diagnostic grid		X	
Position dependency map	X		
Group size effect chart		X	
Job description templates	X		
Position impact analysis	X		
RACI analysis		X	
Work synthesis	X		
Work process analysis	X		
Detailed process maps		X	

Tools	Description
Staffing norms table	<ul style="list-style-type: none"> Staffing norms are the standards which are calculated based on the specific quality, quantity and risk requirements of a specific job or task.
Full-time equivalent calculation	<ul style="list-style-type: none"> To determine the standard for the effort of an average person for a calendar year, in other words how much can one person achieve in one year.
Single-column process chart	<ul style="list-style-type: none"> Identifies all activities performed in a specific job, and categorises these in terms of operation, transport, inspection, delay and storage. Each activity is then quantified to determine the time spent on each and to determine how many of which category of tasks are actually required. Distance and volume are also recorded. This serves as an analysis tool to eliminate delays, group inspection and operational tasks and streamline storage activities.
Management span of control: diagnostic grid	<ul style="list-style-type: none"> A tool which reviews the typical managerial requirements in terms of remote management, planning and coordination, technical work complexity, extent of evaluation responsibilities and the transformation/change frequency. The complexity of the managerial requirements is then translated into a span of control grid which provides an indication of the general span of control a manager could realistically manage.
Position dependency map	<ul style="list-style-type: none"> A tool to determine and map the interdependencies for positions, processes and functions.
RACI analysis	<ul style="list-style-type: none"> Determining the responsibility of positions in the same process.
Group size effect chart	<ul style="list-style-type: none"> The group size grid reviews the team requirements in terms of nine dimensions of teamwork, namely problem solving, speed, participation, cohesion, consensus, flexibility, individual productivity, group productivity and overall management.
Work synthesis	<ul style="list-style-type: none"> A tool to determine which managerial position is dependent on which others for action.
Job description templates	<ul style="list-style-type: none"> A standard template to capture the content of a specific job or role
Work process analysis	<ul style="list-style-type: none"> A tool to review the current practices within a specific job or job family and identify potential improvements.
Detailed process maps	<ul style="list-style-type: none"> The mapping of support processes and procedures down to actual activities and finger movements, if required, based on the process architecture which was developed as part of the organisational architecture design.

9.4.3 HOW TO EXECUTE STEP 9

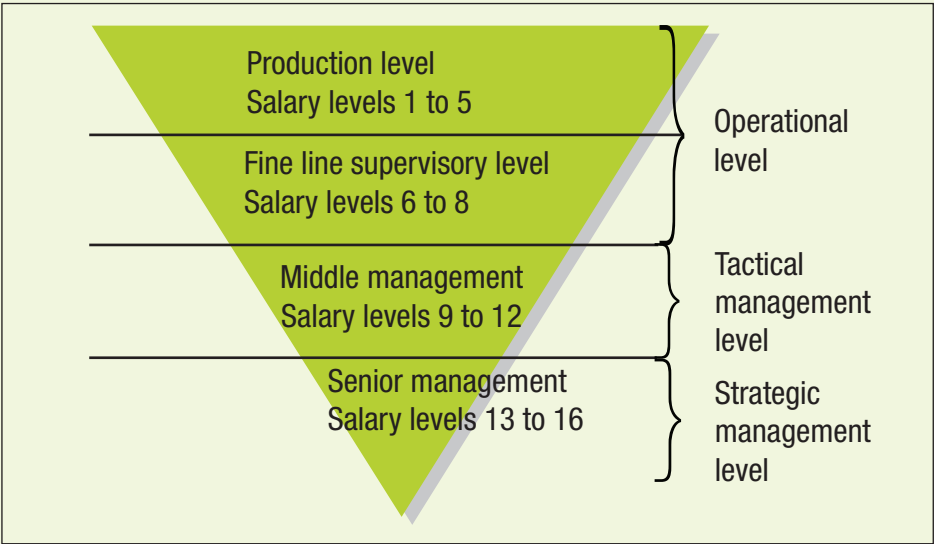
Step 9.1 Determine layers of work

This has to do with the various work levels in the organisation. The focus here is to translate the levels in the hierarchy of the organisation (or its subunits) into levels of work. The following issues are of particular importance in this regard:

- Determining the required work roles and levels of work.
- Using the principles of unity and span of control.
- Balancing the accountability, responsibility and decision making load across the various levels of work. This links strongly to the governance structures and whether one of the success indicators or design principles has been to centralise or decentralise the organisation.

Step 9.2 Design work roles and levels of work

A typical hierarchy for a large service delivery organisation within the public service could look something like this:



The main aim is to determine which work roles are required as a minimum for the effective and efficient execution of a particular operational process or function. In order to achieve this:

- Ensure that each level represents a specific, unique work role, and that each work role adds value to the overall service delivery value chain.
- Ensure that you have detailed mapped processes to procedural level.
- Perform an FTE calculation on the process to get an idea of how many positions will be required.

The current remuneration structure of the public service provides for 16 salary levels. This does not mean that all public service organisations should have 16 levels in the organisation hierarchy. Also, the fact that salary levels 13 to 16 represent the senior management level, does not necessarily mean that the organisation must have all levels of senior management in its hierarchy.

Note: Salary levels or job grading should not be a consideration at this stage. The focus should be on the minimum work roles and work levels that a particular process (subprocesses and procedures) will require to be fully executed. Use the tools on FTE calculation and tasks analysis to provide guidance in determining minimum requirements.

Step 9.3 Determine unity and span of control

Unity of control refers to the principle that one employee should, under normal operational circumstances, not report to more than one supervisor. A number of issues, such as lines of communication, responsibility and accountability, may arise in practice if this matter is not dealt with adequately.

Span of control refers to the number of employees that a supervisor can effectively supervise. The optimum ratio must be determined based on the particular circumstances of the organisation and the services it renders. For example, the higher the degree of functional specialisation, the lower the need for ongoing operational supervision, the wider the span of control, and thus the fewer levels required.

Step 9.4 Consider other variables

Other considerations for the design of roles or jobs are:

- Centralisation or decentralisation (how much decision making and autonomy do we allow?)
- Optimal group/team size.
- Matrix structure responsibilities and governance (who is responsible for managing performance?)
- Process ownership (is it a formal job or a role?)
- Multiskilling (do we design positions for multiskilling or rotate individuals between jobs?)
- Narrow or broad job design (do we create wide job descriptions, which creates the opportunity to be flexible, or narrow descriptions, which would limit flexibility?)

Step 9.5 Compile role or job descriptions

Complete the role or job descriptions for the various positions according to the standard template. Ensure clear indications of the following:

- Job title.
- Purpose.
- Key objectives/goals.
- Key result areas.
- Key performance indicators.
- Tasks or activities.
- Line authority (up and down).
- Decision making power.
- Knowledge, skills, competencies and attributes.

Step 9.6 Determine the establishment

Determine number of posts required

It is essential to use a sound methodology to determine the number of posts in a unit, particularly those at lower levels in the organisation. There are a number of valid techniques available, for example time-motion study, standard norms for work or movement, work measurement (single column or work synthesis) and establishment norms.

If you are not able to apply any technique, the “conservative organic growth method” should be used. This suggests a bare minimum number of posts initially with additional posts created over time.

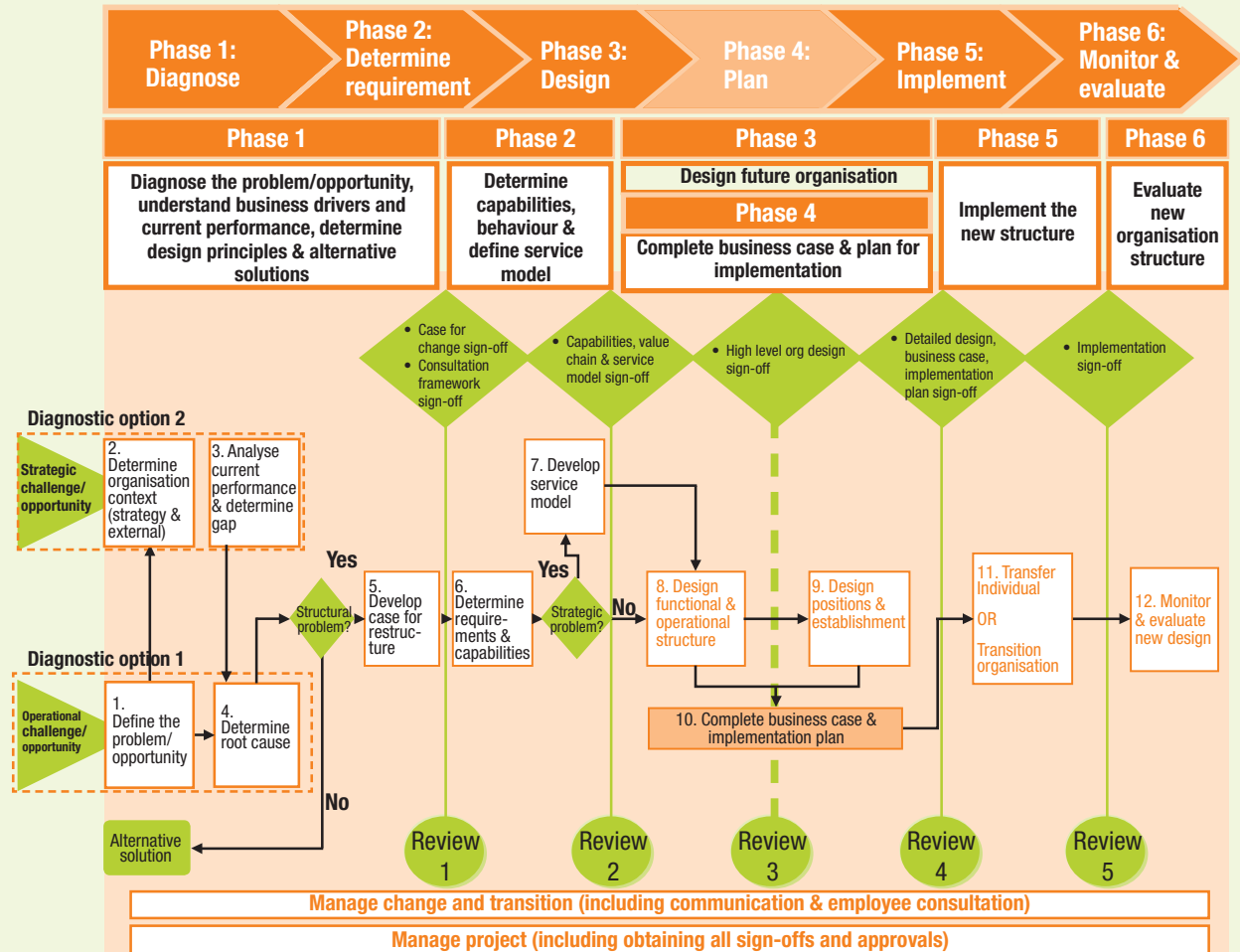
Job evaluation

The Public Service Regulations require that all newly created jobs should be subjected to a formal job evaluation process. This is to ensure that work of equal value is remunerated equally and to achieve a cost-effective work organisation. The MPSA has directed that the EQUATE Job Evaluation System be used for this purpose.

CHAPTER 10

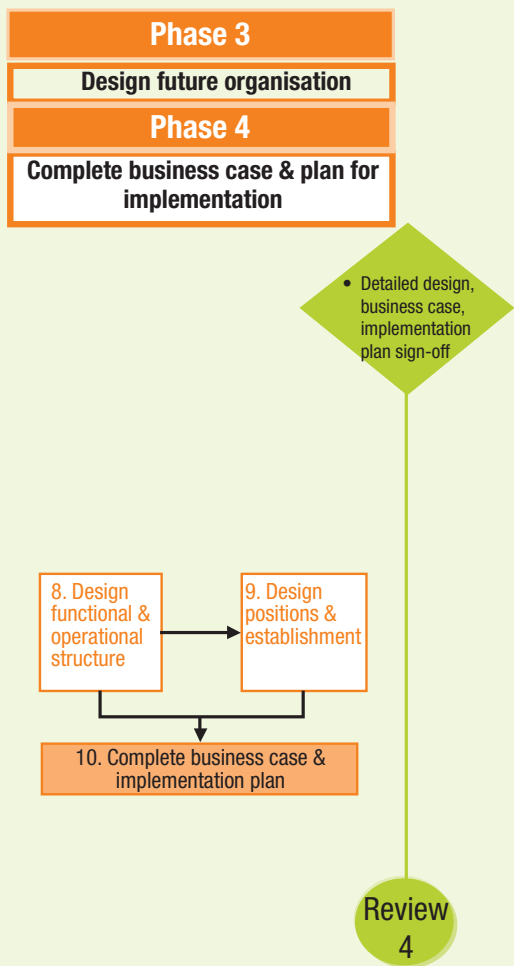
10. PHASE 4: BUSINESS CASE AND IMPLEMENTATION PLAN

10.1 OVERVIEW OF THE PROCESS



Phase 4 consists of the following:

- Step 10.
- Review point 4.



Purpose

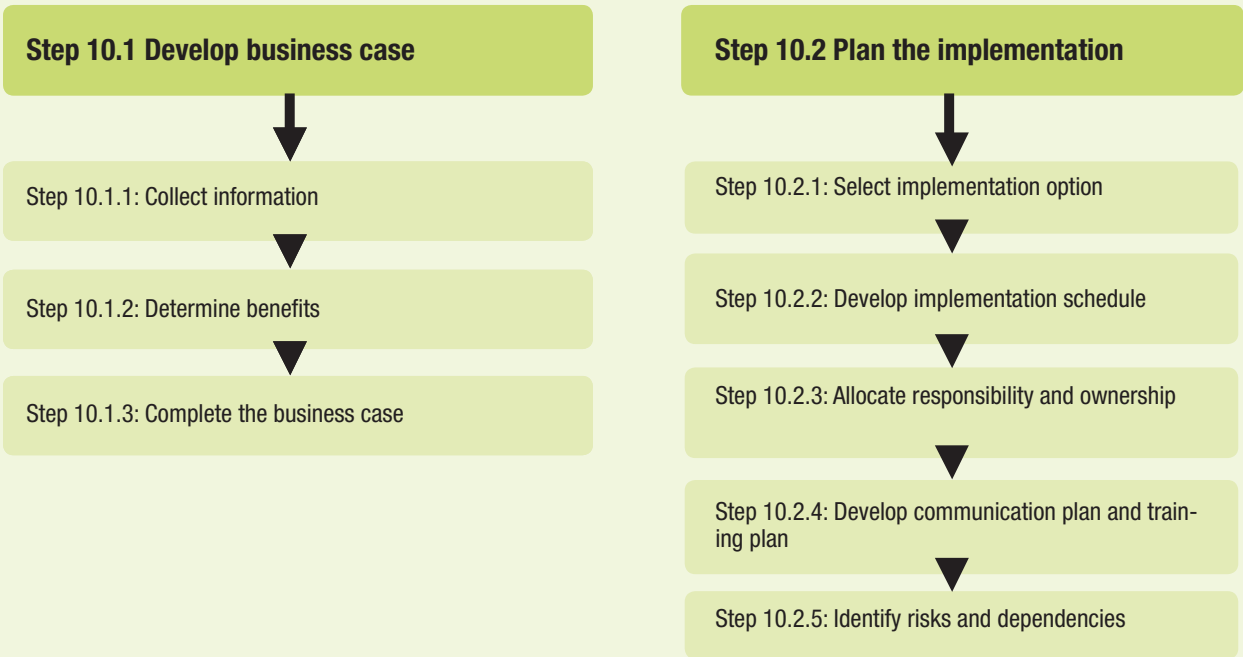
- Implementation planning is likely to include:
 - o The job-person matching process and timelines.
 - o Continued support requirements.
 - o Training considerations.
 - o Handover process and timelines.
 - o Process and timelines for using the new KPIs.
 - o Process and timelines for assessing the benefits of the new organisational design.
 - o A great deal of change management!

- Business case development includes the cost-benefit analysis and identifying and defining any other benefits in the future of the new structure.

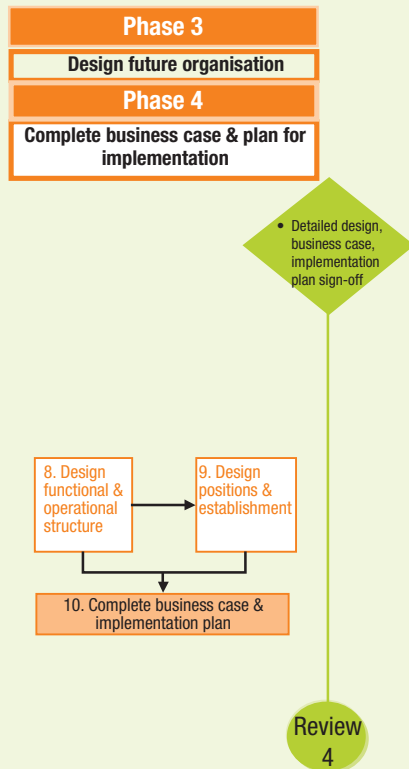
Objective

To establish a sound business case to guide the implementation decision.
To design the implementation plan.

10.1.1 PROCESSES FOR STEP 10



10.2 STEP 10.1: DEVELOP BUSINESS CASE



Purpose

To outline the expected tangible and measurable benefits associated with implementation of the new structure.

If a business case is required, more detailed assessment of current state of performance is needed at the beginning of the engagement.

Objective

To ensure that fully informed decisions can be taken about the feasibility of the new structure before implementation, and to ensure the roll-out is planned in detail.

Approach

Involve as many people as possible in putting the business case together.

The planning for implementation is done according to a standard format.

10.2.1 PROCESS FOR STEP 10.1

Develop business case step 10.1.1: Collect information



Develop business case step 10.1.2: Determine benefits



Develop business case step 10.1.3: Complete the business case

10.2.2 TOOLS FOR STEP 10.1

Tools	Highly recommended	Recommended	Nice to have
Business case template	X		
Cost of poor service		X	
Cost-benefit analysis	X		
Activity based costing			X
Costing tool	X		

Tools	Description
Business case template	<ul style="list-style-type: none">A standard business case development framework which enables you to draft a comprehensive business case.
Cost of poor service	<ul style="list-style-type: none">A tool to determine the cost of waste and poor quality for the organisation.The basic formula is: $TOC = EFTW \text{ price} + CPSD$.This means: Total operating cost (TOC) = Essential first-time work price (how much you pay your people to do things right the first time) (EFTW) + Cost of poor service delivery (CPSD).In the majority of organisations the equation is as follows: if $TOC = (100\%)$ then $EFTW = (70\%)$ and $CPSD = (30\%)$. The ideal is to reduce the cost of poor service delivery to less than 15% of your total expenses – this would be world-class. <p>Refer to the tool kit on page 16-21 for details on how to use this tool.</p>
Cost-benefit analysis	<ul style="list-style-type: none">A high-level or detailed comparison between the cost of the new structure and the potential benefits.Each of the line items has to be calculated individually and some may require some creativity and diligence.
Activity based costing	<ul style="list-style-type: none">Traditional accounting models allocate indirect cost on the basis of volume. As a result, the costs of high-volume products/activities tend to be overrated while low-volume products/activities tend to be underrated.Activity based costing calculates the true cost of products, citizens or services by attributing indirect costs (overheads) based on activities performed.Once the process for the service or activity has been mapped, the activity based costing exercise becomes easier.
Costing tool	<ul style="list-style-type: none">A basic costing of the new structure to determine the total cost of full implementation.

10.2.3 HOW TO DEVELOP THE BUSINESS CASE

Step 10.1.1: Collect information

The business case is the document which provides an overview of the expected impact if the new structure is implemented. In order to substantiate any business case it is important to collect information about the benefits of the new structure for the organisation.

Information which needs to be collected includes:

- Financial impact and cost savings.
- Process improvement and productivity improvements.
- Impact of the new structure on losses or fraud.
- Impact of the new structure on preventative actions.
- Unit cost and the impact of the new structure.
- Impact on cost of poor service.
- The total cost of the new structure (usually includes salaries, facilities, technology, telephone, stationery and travelling costs).

The Guide provides tools to calculate some of the information you will need for the business case. You can use the Basic costing tool on page 19-9 to determine the total cost of the structure. It may be useful to do detail costing using the Activity based costing tool on page 19-4 or the Cost of poor quality tool on page 16-21.

Step 10.1.2: Determine benefits

Once the information is collected, calculate the total cost and benefit to determine if there is a positive benefit, a break-even or if the cost would exceed the anticipated benefits.

The following benefits are typically included in a good business case:

- Financial benefits: Detailed costing and financial benefit analysis.
- Non-financial benefits.
- Strategic benefits and alignment improvement.
- Process and performance improvement.
- Organisation's image and national benefit.

The cost-benefit analysis can be done by using the Cost-benefit analysis tool explained on page 19-3 in Section 3 of the Guide.

The benefit of the structure will not always be quantifiable and some of the benefits may be non-financial.

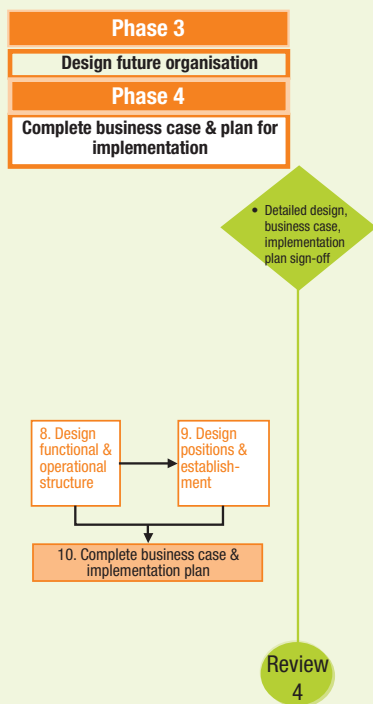
Step 10.1.3: Compile the business case

The business case document should include the following headings:

- Executive summary
- Background
- Description of proposed structure
- Impact
- Alternative options
- Risk assessment
- Cost-benefit analysis
- Implementation
- Consultation process
- Monitoring and evaluation
- Review and sign-off

For further information on the detail of each section, review the business case checklist included on page 19-2 in Section 3 of the Guide. If the business case has to be submitted to the MPSA and/or the National Treasury, you should check that you meet all the requirements for the business case that may be stipulated by the MPSA and the National Treasury.

10.3 STEP 10.2: PLAN THE IMPLEMENTATION



Purpose

The planning of the following implementation issues:

- The job: person matching process and timelines.
- Continuous support requirements.
- Training considerations.
- Handover process and timelines.
- Process and timelines for using the new KPIs.
- Process and timelines for assessing the benefits of the new organisational design.
- A great deal of change management!

Objective

To plan for an implementation which is as quick and effective as possible with as little as possible negative impact on current performance.

10.3.1 PROCESS FOR STEP 10.2



10.3.2 TOOLS FOR STEP 10.2

Tools	Highly recommended	Recommended	Nice to have
Implementation options	X		
Stakeholder management tool	X		
Force field analysis		X	
Dependency analysis template	X		
Impact analysis	X		
Risk analysis	X		
Costing tool	X		
Implementation plan	X		
Burke and Litwin model		X	

Tools	Description
Implementation options	<ul style="list-style-type: none"> Structured review of two generic implementation options.
Stakeholder management tool	<ul style="list-style-type: none"> Stakeholder management is a central part of planning for an implementation with change impact. It involves: <ul style="list-style-type: none"> Identifying the individuals or groups that will either be affected by the changes or have the ability to impact on the change process. Developing a strategy to manage these stakeholders.
Force field analysis	<ul style="list-style-type: none"> This is a technique for analysing the forces that help or hinder change. It can be useful, as part of drawing up a strategic change plan, for examining how feasible a strategic objective is and what areas need to be focused on in any associated action plan.

Tools	Description
Dependency analysis template	<ul style="list-style-type: none">• A tool to determine the dependencies on outside support and things you do not have control over.
Impact analysis	<ul style="list-style-type: none">• The impact analysis risk management matrix is situated along two axes – the impact of the change and the time frame of impact.• The degree of impact will therefore fall into one of four quadrants. The relevant strategies for responding to the degree of impact are set out in each of the quadrants.
Risk analysis	<ul style="list-style-type: none">• The risk management matrix is situated along two axes:<ul style="list-style-type: none">o The probability of an adverse outcome.o The scale of the impact if things do not go according to plan.• The degree of risk will therefore fall into one of four quadrants. The relevant strategies for responding to the degree of risk are set out in each of the quadrants.
Costing tool	<ul style="list-style-type: none">• A basic costing of the new structure to determine the total cost of full implementation.
Implementation plan	<ul style="list-style-type: none">• Implementation plan indicating the duration of the project, the work streams involved and the types of activities required to complete the project.
Burke and Litwin model	<ul style="list-style-type: none">• It can be used as a framework for planning a change strategy – the key levers for major organisational change are the transformational factors.• It can be used to plan the implementation of a restructure by using the transactional and individual factors as areas to consider for implementation of the new structure.

10.3.3 HOW TO DEVELOP AN IMPLEMENTATION PLAN

Step 10.2.1: Select implementation option

It is important to have a well-planned and managed implementation strategy from the outset to minimise the risks and costs associated with change. (Refer to Chapter 14 that discusses change management in detail.) As a first step in planning the implementation, you will need to decide on the implementation approach – will it be a phased approach or a “big bang” approach?

Each approach has its own advantages and disadvantages. Generally organisations use a phased approach, breaking the implementation effort into manageable chunks and looking for ‘quick wins’. The choice of approach should be determined by the particular circumstances of your organisation and other considerations such as the scale and complexity of the restructuring, the risks and the likely impact on the organisation. Use the table below to assist you in determining the approach that suits your organisation.

	Phased approach	Big bang approach
Description	<ul style="list-style-type: none"> • Transitions all processes at once for one particular division or unit, migrating other divisions or units over time. • Best used in a multidivision environment where the current system is highly decentralised. • Speed: More gradual than big bang. May result in multiple restructurings over a long period. • Risk: lower risk than big bang. However issues tend to be concentrated in one division or business process. • Business impact: Business impact can be minimised. Multiple restructuring teams may be required. 	<ul style="list-style-type: none"> • Transitions all organisational structures, systems and processes simultaneously for all business units in the organisation. • Best used when driven by an urgent business need and other options are not available. • Speed: High speed and concentrated pain for the department. • Risk: Very high risk as all divisions in the department and processes transition at the same time – it needs very well-tested contingency plans. • Business impact: Major business continuity risk throughout implementation and stabilisation period.
Advantages	<ul style="list-style-type: none"> • It provides opportunity to see the structure in practice before it is implemented throughout the organisation. • Opportunities for adjustment. • Lower risk than big bang approach. 	<ul style="list-style-type: none"> • Simultaneous impact on business units/people. • Shorter period of staff uncertainty. • Quick change from legacy structure and systems. • New staff may bring best practice experience to organisational design. • Opportunity to build a culture of delivery and skills.
Disadvantages	<ul style="list-style-type: none"> • It may take a long time to implement and may not deliver the anticipated results if the roll-out is delayed. • The cost of implementation may increase if the process takes too long. 	<ul style="list-style-type: none"> • High level of change management effort. • Difficulty in quickly changing established organisational structures and common policies and procedures.

Step 10.2.2: Develop implementation schedule

An implementation schedule is an important tool to use when planning to implement. When planning the implementation you need to consider the following:

- The number of people in the implementation team.
- The number of work streams which need to be implemented.
- The time frame for the implementation.
- The amount of change and communication which needs to take place.
- The geographic challenges.
- The budget available.
- Using external service providers to assist will impact your implementation plan, as you need to plan for the procurement and management of these external service providers.

Review the example of an implementation plan on page 20-2 in Section 3 of the Guide for further information.

Step 10.2.3: Allocate responsibility and ownership

Based on the implementation plan, you can then start allocating responsibilities for certain tasks or work streams with all the relevant tasks. The project sponsor should be involved in the planning. Ensure that the project sponsor and/or the steering committee signs the implementation plan and approves the proposed timelines.

Step 10.2.4: Develop communication plan and training plan

Training and communication are the cornerstone activities of change management and therefore important in a restructuring exercise.

When developing the training plan you need to consider the following:

- Who needs to be trained?
- What do they need to be trained in?
- Why do we need to train them?
- How will we train them (what will be the best way of developing the skills)?
- How many and when do we need to train them (just before the change, long in advance, small groups or large groups)?
- Who will do the training?
- What will it cost?
- Where do we find the material and what is the associated process? (buy vs. develop, generic vs. customised, electronic vs. hard copy)

The communication plan can be structured around the audience, based on the typical communication matrix as described on page 22-12 in Section 3 of the Guide.

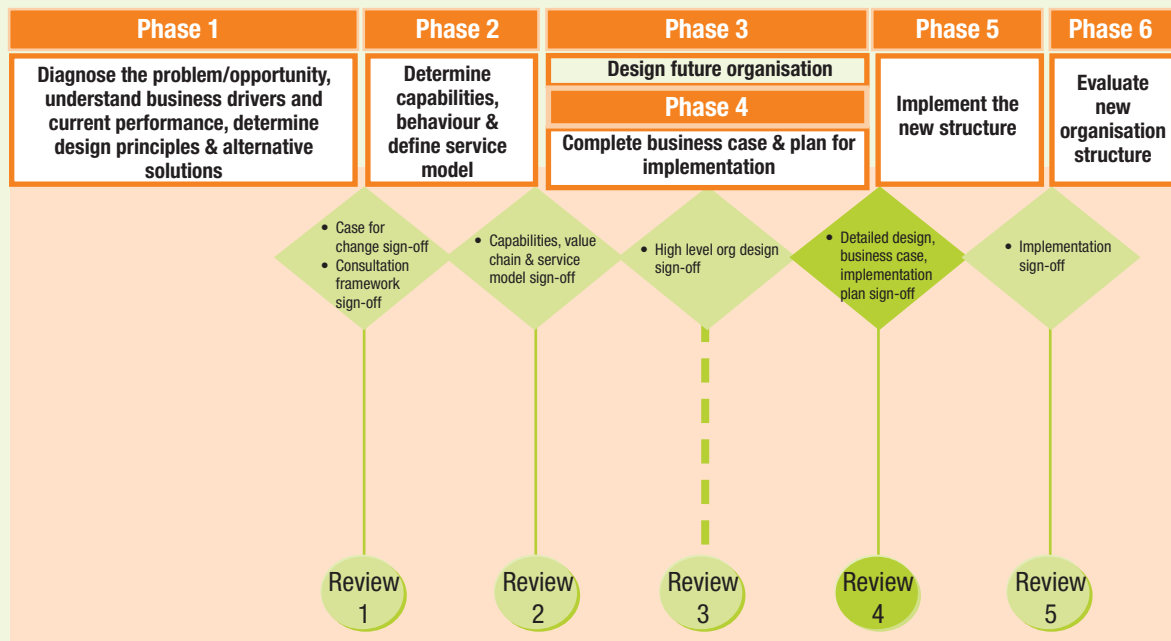
Step 10.2.5: Identify risks and dependencies

It is important to identify risks and dependencies when developing the implementation plan so that you can put in place the measures to manage these.

You can assess the risks (things that can go wrong) by using the risk analysis tool provided and explained on page 19-7 in Section 3 of the Guide. Ensure that you have contingency plans for all the major risks.

The dependencies (things over which you have limited or no direct control) refer to the need for input, support, funding, completion, approval, consultation etc. Make sure you have a good grasp of what you need from whom and how you are going to manage that dependency. Use the Dependency analysis tool provided on page 19-6 in Section 3 of the Guide.

10.4 REVIEW POINT 4: APPROVE DETAILED DESIGN AND IMPLEMENTATION PLAN

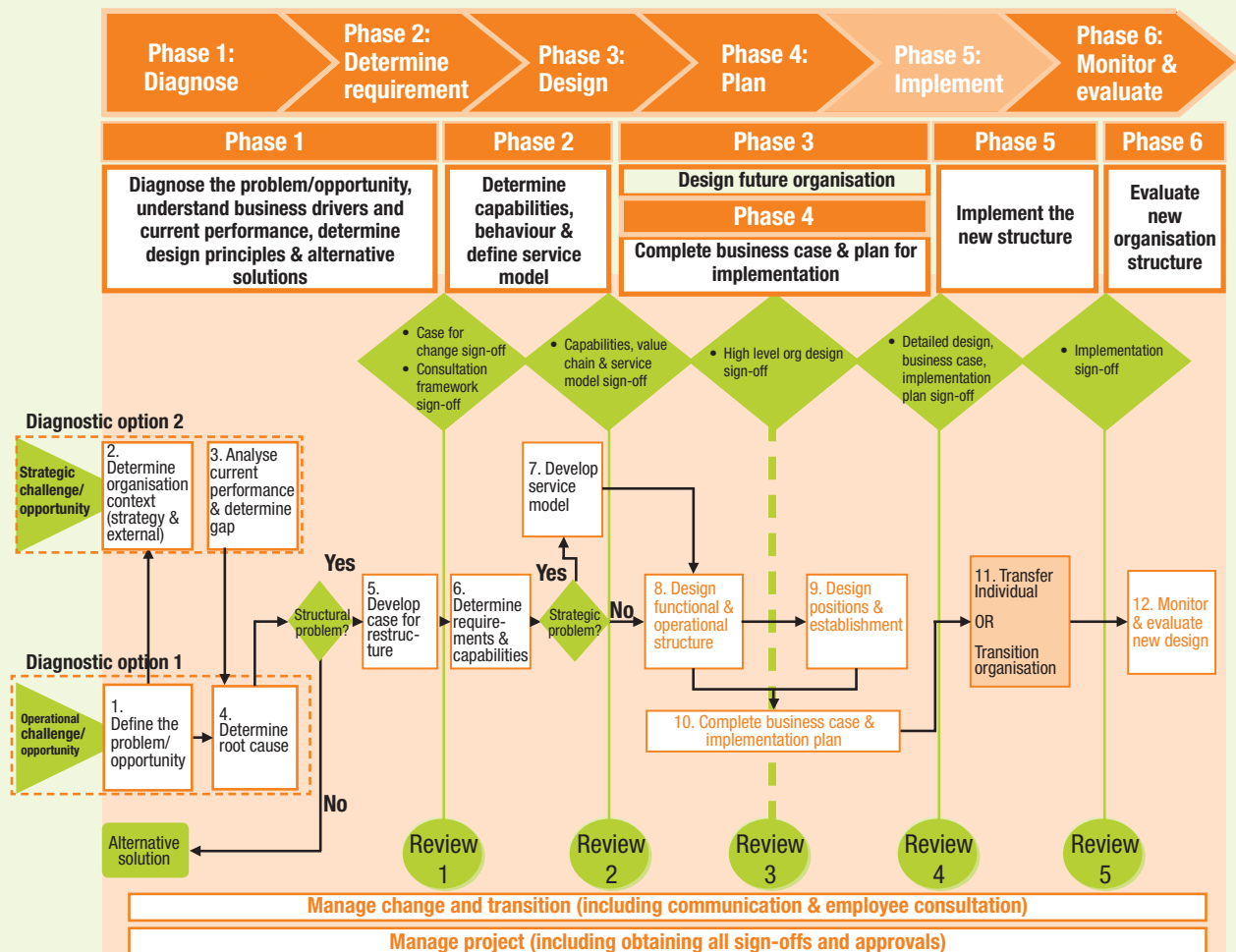


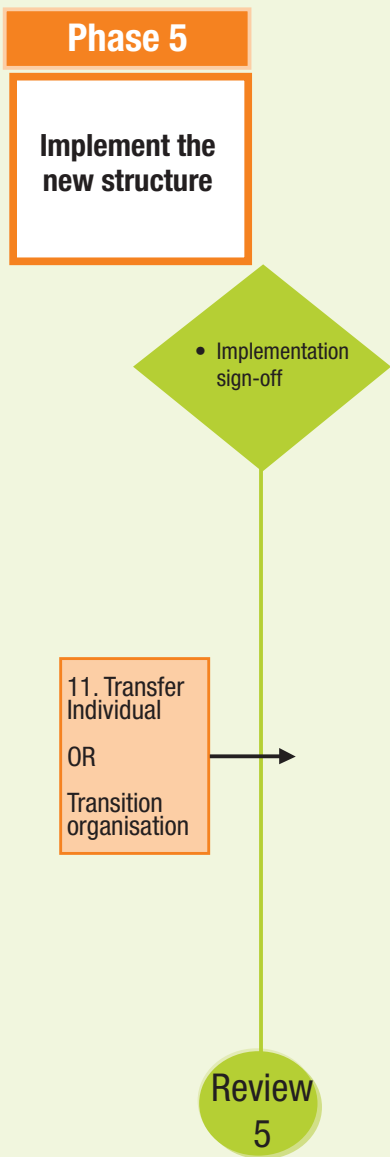
Area for review	Specific focus	Accepted, rejected or adjusted
Project management	• Have project risks been identified and planned for?	
	• Is a steering committee required and fully functional?	
	• Do we need external service providers and has the process of selection been initiated?	
	• Do we have the budget for the next two phases of the project?	
	• Do we have the schedule for the next two phases?	
	• Are there any outstanding project issues?	
Change management	• Is there a communication plan for the change?	
	• Does the structural change have a clear vision?	
	• Has an impact analysis been done and planned for?	
	• Has a change readiness assessment been conducted?	
	• Have all stakeholders been informed of the pending structural adjustment?	
Business case	• Are all the elements of the business case addressed in the document?	
	• Does the business case reflect a positive benefit?	
	• Are there enough non-financial benefits to justify the business case in the absence of cost benefit?	
Implementation plan	• Do we have a final implementation plan for the roll-out and monitoring of the structure after implementation?	
	• Does the plan address all the elements suggested for the plan?	
	• Is there an implementation schedule with dates and milestones?	

CHAPTER 11

11. PHASE 5: IMPLEMENTATION

11.1 OVERVIEW OF IMPLEMENTATION PROCESS





Purpose

- The coordination of the following implementations:
- Workforce migration (the job-person matching process and timelines).
- Implementation support (continuous support, information and adjustments).
- Training.
- Handover process and timelines.
- Process and timelines for using the new KPIs.
- Process and timelines for assessing the benefits of the new organisational design.

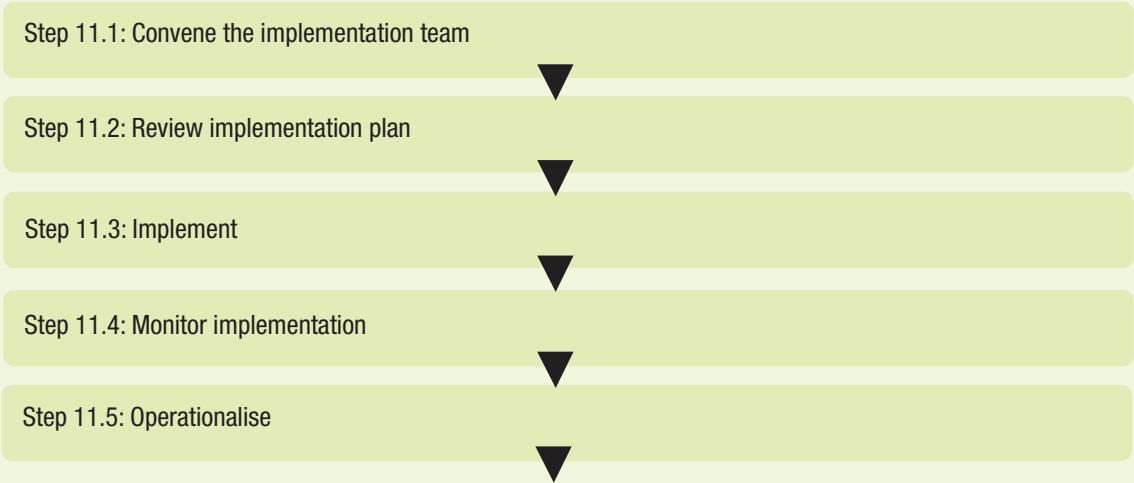
Objective

To implement the new structure as effectively as possible and to limit any negative impact on current performance.

Approach

The approach will be determined by the nature of the change and the implementation strategy.

11.1.1 PROCESS FOR STEP 11



11.1.2 TOOLS FOR STEP 11

The tools for implementation have already been explained in step 10.2 (Implementation planning) and an example of an implementation plan is shown on page 20-2 in Section 3 of the Guide.

11.1.3 HOW TO EXECUTE STEP 11

Step 11.1: Convene the implementation team

The size and composition of the implementation team will vary depending on the scale and complexity of the organisational structuring. The table below gives you an indication of the categories of resources that would typically be involved in implementing a new structure and the respective responsibilities of these resources.

Resources	Responsibilities
Process owners	<ul style="list-style-type: none"> Delivering against agreed critical milestones. Identifying appropriate individuals to fulfil key roles by a certain time. Identifying 'business functional experts' accountable for answering business questions for their area with ongoing responsibility for policy decisions and continuous improvement (in many cases these people are likely to be a subset of the holders of key roles or line managers of the holders of key roles). Ensuring compliance to agreed objectives for holders of key roles and business functional experts. Establishing consistent communications/understanding across their audience groups involved in new/changed processes. Holding line managers accountable for capability development and assessment.
Implementation owners	<ul style="list-style-type: none"> Ensuring implementation logistics at a given site are completed on time (for example training facilities ready, training requirements identified and met, profiles assigned, site communications plan in place and executed on time). Signing off the implementation plan. Completing the implementation team activities. Defining contingency plans.
Change delivery managers	<ul style="list-style-type: none"> Responding to all implementation queries/information requests. Building understanding of the solution. Supporting the department/unit in the completion of key activities, for example training needs analyses, impact assessments, and communications.
Human resources	<ul style="list-style-type: none"> Ensuring that all individuals required to fill key roles have been identified. Ensuring that transition plans/documentation is in place to enable the take-up of key roles. Ensuring that any replacement roles required have been identified and sourced. Ensuring that a comprehensive suite of human resource processes (relocation packages, grading, contracts, salary changes) required to support organisational changes (for instance key role sourcing) are in place. Ensuring that any redundancy, consultation, recruitment activities required to enable the fulfilment of key roles by the required dates are in place. Ensuring that top line organisational structure is signed off by function by senior managers. Ensuring that headcount requirements for organisational structure are agreed with the senior management. Defining appropriate assessment guidelines. Validating the training and communications approach.

Step 11.2: Review implementation plan

There is often a delay between the development of the implementation plan and the start of the implementation process. During this time, there could be events or factors that impact on the implementation and may necessitate an adjustment to the implementation plan.

It is therefore good practice to review the implementation plan at the start of the implementation phase, identify risks and required adjustments and obtain approval from the sponsor or steering committee for the recommended adjustments to the timeline, activities or resource requirements.

Step 11.3: Implement

The main implementation activities are shown in the table below.

Implementation activities	Explanation
Communication	A clear and unambiguous communication framework must be developed and reflected in order to sustain the organisational structure, to ensure that the roles, responsibilities and communication channels involved in the ongoing support of the business are clear.
Project management and schedule updating	This is explained in more detail in Chapter 13 (Planning and managing organisational structuring) of the Guide.
Progress reporting	A regular update on progress against the planned schedule. This will also include lessons learnt and suggested adjustments to the sites which were restructured first (if in a phased implementation).
Change management and reviewing impact	This is explained in more detail in Chapter 14 of the Guide.
Risk management and reporting	The identification of risks, the developing of contingency plans and the monitoring of the identified risks on a regular basis. This will include reporting on risks and barriers to implementation which have to be addressed by either the sponsor, the steering committee or other stakeholders.
Issue management and reporting	The identification and management of project issues form part of project management. This includes the registering of issues (for example staffing, leave issues, competence, time, budget) and then escalating the issues to the relevant authorities.
Implementation or structure adjustment management	This includes the substantiation of and planning for adjustments to the structure as approved for implementation. In structuring interventions in large organisations, the probability of this happening is high.
Training and awareness	Training and awareness are an important step to ensure successful implementation with sustainable results.

Step 11.4: Monitor implementation

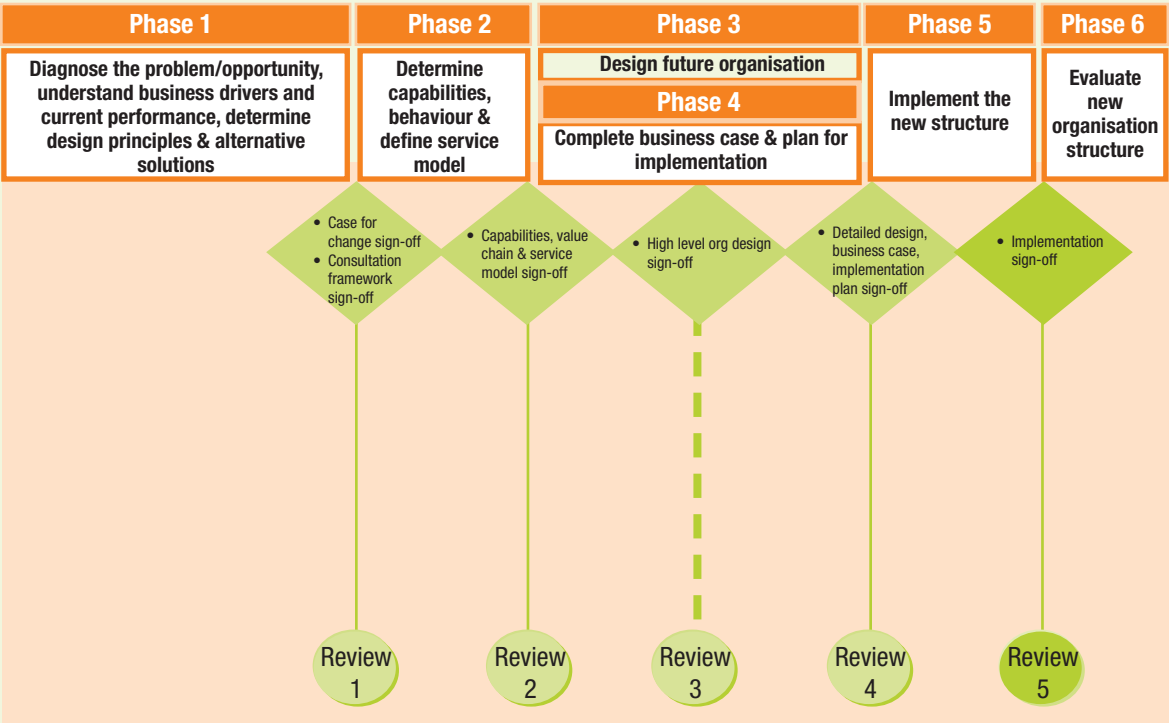
During the implementation certain adjustments will have to be made to current practices or documentation. The monitoring of these adjustments is essential for the full alignment of the strategy, processes and structure. The typical activities include:

Monitoring activities	Explanation
Identify required adjustments	<ul style="list-style-type: none"> Monitoring and identifying potential adjustments to the approved structure during the implementation.
Job descriptions	<ul style="list-style-type: none"> Adjusting and readjusting job descriptions based on potential adjustments to the structure during implementation.
Policy adjustments	<ul style="list-style-type: none"> Policy adjustments to accommodate governance structures, empowerment, decision making, risk management.
People requirements	<ul style="list-style-type: none"> Monitoring the staffing rate (if recruitment needs to take place, staff need to apply for positions, redeployment, retrenchment).
Technology and infrastructure	<ul style="list-style-type: none"> Monitoring the technology and infrastructure impact or needs and addressing these needs as soon as possible to prevent negative expectations around the new structure.
Process adjustments	<ul style="list-style-type: none"> Process improvements or engineering which needs to take place will impact on the operations of the organisation and can result in a drop in productivity during the adjustment. It is necessary to monitor the productivity and plan for maintaining current levels during the implementation.

Step 11.5: Operationalise

Although not all restructuring will require a formal sign-off of the implementation, it is good practice to establish the discipline of signing off and accepting the new structure as effective from a given date. Where there is no formal sign-off or effective starting date, there is the risk that restructuring becomes a perpetual process, resulting in restructuring fatigue amongst staff and instability in the organisation.

11.2 REVIEW POINT 5: IMPLEMENTATION SIGN-OFF

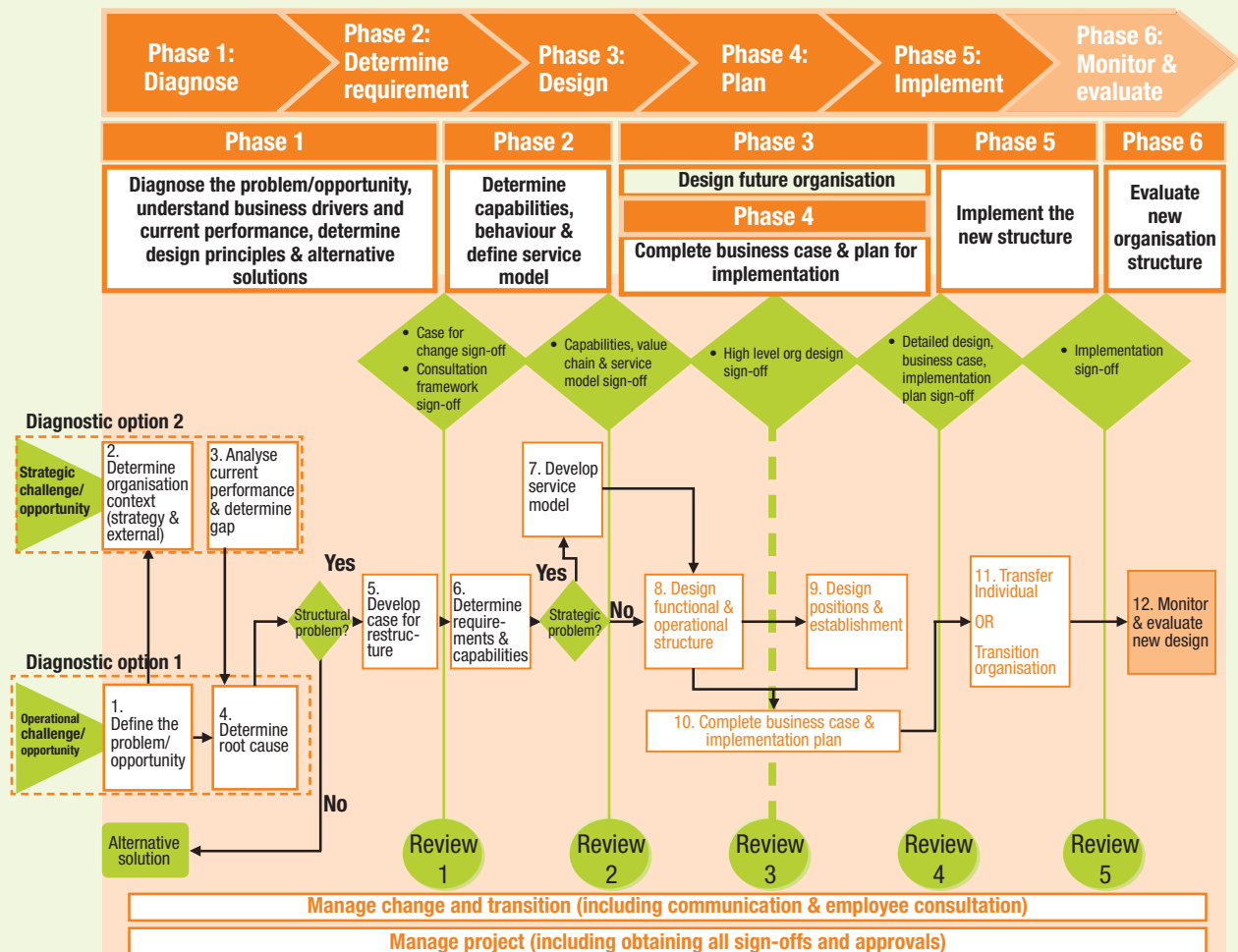


Area for review	Specific focus	Accepted, rejected or adjusted
Project management	• Have project risks been identified and planned for?	
	• Do we need external service providers and has the process of selection been initiated?	
	• Do we have the budget for the monitoring and evaluation?	
	• Do we have a monitoring schedule?	
	• Are there any project issues outstanding?	
Change management	• Have line managers taken over the change management?	
	• Are there any change issues outstanding?	
Monitoring and evaluation	• Has the monitoring and evaluation process been defined?	
	• Have key performance indicators been identified and baselined?	
	• Has the monitoring and evaluation plan been completed?	

CHAPTER 12

12. PHASE 6: MONITOR AND EVALUATE

12.1 OVERVIEW OF MONITORING AND EVALUATION PROCESS



Phase 6

Evaluate
new
organisation
structure

12. Monitor
& evaluate
new design

Purpose

The monitoring and evaluation of the new structure.

Objective

To determine what works and what does not work and how this can be improved or strengthened.

Approach

There are a variety of options when monitoring and evaluating:

- Collecting information yourself.
- Collecting information by all employees collectively.
- Central analysis and reporting vs. team reporting.
- Observations, KPIs, reviewing results, groups and interviews.

12.1.1 PROCESS FOR STEP 12

Step 12.1: Develop the M & E framework



Step 12.2: Implement the framework



Step 12.3: Report the results



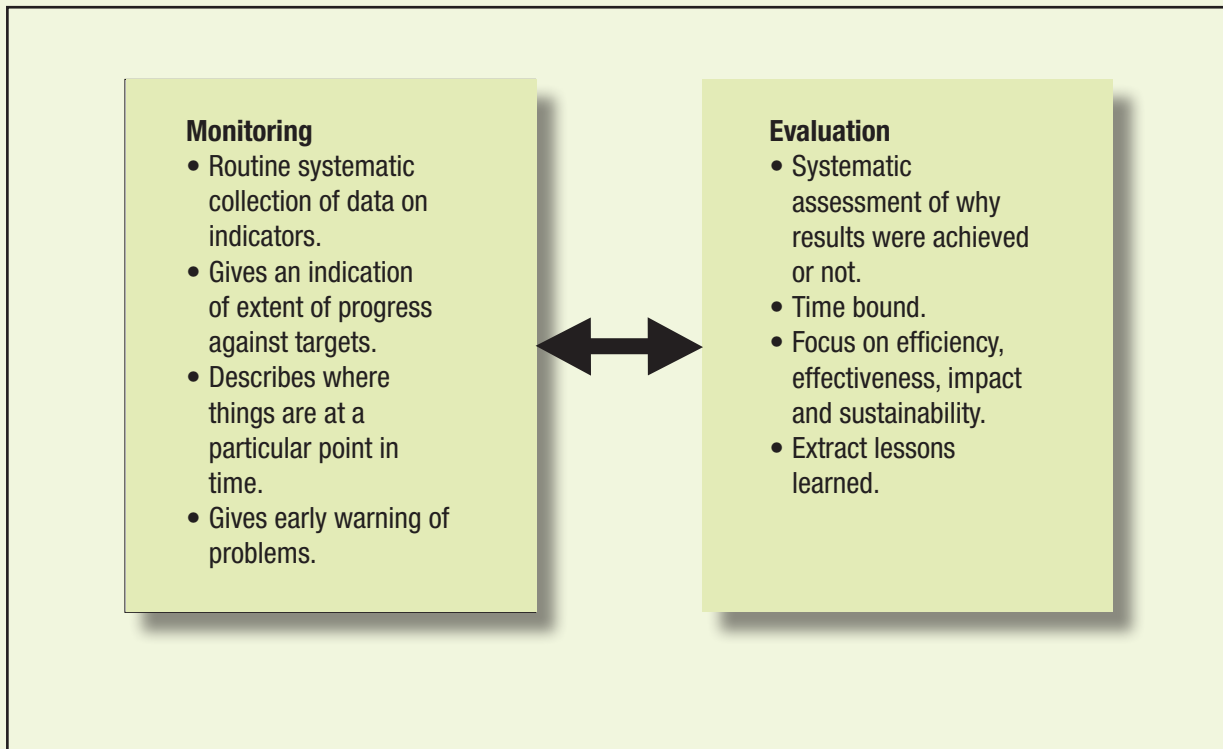
Step 12.4: Take corrective action



Monitoring and evaluation (M&E) is a useful management tool. It helps you to:

- Track progress with implementation of a programme or strategy.
- Detect problems as early as possible.
- Assess the efficiency and effectiveness of a particular programme or strategy.
- Account for progress or results.
- Learn from what works and what does not work.

M&E has become increasingly important in the public service with government's drive to improve service delivery and general efficiency of the public service. The terms “monitoring” and “evaluating” are used interchangeably. However, they are two distinct, but complementary, processes as shown in the figure below.



12.1.2 WHY MONITOR AND EVALUATE STRUCTURE?

Monitoring and evaluation too often is an afterthought in the organisational design process. There are a number of reasons why you should monitor and evaluate the new or revised structure:

- To keep track of progress with the implementation of the new or revised structure.
- To alert you to problems with the structure early on so that you can take or recommend corrective action.
- To determine whether or not the structure is achieving the objectives set out in the business case for the structure (or restructure).
- To provide information and learning that can assist your organisation in improving its performance.

12.1.3 TOOLS FOR STEP 12

The following tools can be used for monitoring and evaluation:

- M&E framework.
- Monitoring and evaluation planning template.
- Monitoring and evaluation report template.

12.1.4 HOW TO EXECUTE STEP 12

Step 12.1: Develop the M&E framework

The M&E framework sets out what you will monitor and evaluate, how you will go about it, who will collect information, what information you will collect, when and how you will report results. Below is a suggested framework that you can adapt to suit your needs.

Monitoring process planning elements	Description
Aim	<ul style="list-style-type: none">To monitor progress with implementation.
What will we use to measure progress?	<ul style="list-style-type: none">Time frames and other targets set in implementation plan.
How will we collect information?	<ul style="list-style-type: none">Monthly progress reports by the implementation team.Staff survey.Comments box.
Reporting results	<ul style="list-style-type: none">Monthly progress report to EXCO.Quarterly progress report to Executive Authority.
Corrective action	<ul style="list-style-type: none">Recommendations to be made in progress reports.System for following up corrective action to be put in place.
Timing of the monitoring	<ul style="list-style-type: none">Can begin as soon as implementation of the new structure starts.
Who should do it?	<ul style="list-style-type: none">Internal team can do the monitoring. Identify upfront who will be responsible for monitoring the implementation of the structure.
What resources will be required?	<ul style="list-style-type: none">Outline the budget (staffing and finance) for monitoring the implementation.

Evaluation process planning elements	Description
Aims	<ul style="list-style-type: none">To evaluate the effectiveness of the new or revised structure.
What will we use to evaluate effectiveness?	<ul style="list-style-type: none">Objectives set out in the business case.Benefits of the new structure as set out in the business case, for example:<ul style="list-style-type: none">Financial benefits.Benefits for service recipients.Internal process benefits.People and innovation benefits.
How will we collect information?	<ul style="list-style-type: none">Questionnaires.Interviews with citizens.Observations.Review of documents, including internal and external reports.

Evaluation process planning elements	Description
Reporting results	<ul style="list-style-type: none"> Written report documenting the results of the evaluation. Presentation to management. Presentation to staff and stakeholders.
Corrective action	<ul style="list-style-type: none"> Report should contain recommendations for corrective action: <ul style="list-style-type: none"> What action is needed. Who should take action. By when should action be taken. Who will be accountable for taking corrective action. Follow-up or routine monitoring of corrective action.
Timing of the evaluation	<ul style="list-style-type: none"> The new structure needs time to be implemented and embedded. Evaluating too early can give inaccurate results. It is preferable to evaluate no earlier than 12 months following the implementation.
Who should do the evaluation?	<ul style="list-style-type: none"> The evaluation can be done by an internal team. It is advisable to have the evaluation done by those who were not involved in the organisational design. An external evaluator can lend objectivity to the evaluation, especially if contentious issues are likely.
What resources will be required?	<ul style="list-style-type: none"> Outline the budget (staffing and finance) for evaluating the effectiveness of the structure.

The following potential areas of benefit should be evaluated:

Areas of benefit	Explanation
Financial benefits (direct and indirect)	<ul style="list-style-type: none"> The direct savings, increase in revenue, reduced unit cost, percentage of funds spent on actual service delivery vs. admin, overheads, expenses, equipment rental, procurement, reduced losses/damage.
Service recipient and service provision benefits	<ul style="list-style-type: none"> Increased volume, decreased waiting time, improved satisfaction, reduced cost to receive service, reduced queuing time, number of queries not answered by the first service provider (employee), reduced accidents, infections, deaths.
Internal process benefits	<ul style="list-style-type: none"> Reduction in processing time, increased volume of product/people serviced, turnaround time (from application to delivery), rework and downtime, transaction time, number of telephone calls not answered, reduced fraud, reduced legal action, reduced risk or hazardous events.
People and innovation benefits	<ul style="list-style-type: none"> Improved morale, reduced absenteeism, increased competence, increased number of ideas, number of employees involved in service recipient service, increased employee alignment, citizen/service recipient exposure, improved image, motivation, or decreased staff turnover, dissatisfaction, vulnerability, exposure, ambiguity, confusion.

Complete the monitoring and evaluation planning template provided on page 21-2 in Section 3 of the Guide.

Step 12.2: Implement the framework

The M&E framework you establish under this step will guide your implementation.

Helpful tips	Addressed Yes/No
✓ Before implementing the framework, test it with others in your organisation and make refinements.	
✓ Ensure that management are aware of the framework and support it.	
✓ Ensure that you have sufficient resources to conduct the monitoring and evaluation.	
✓ Allocate responsibility for the work.	

Complete the data collection part of the monitoring and evaluation planning template provided on page 21-2 in Section 3 of the Guide.

Step 12.3: Report the results

Helpful tips	Addressed Yes/No
✓ Keep reports concise and clear.	
✓ Ensure that all relevant people receive the results. Have a checklist of who should receive the results and reports.	
✓ Add presentations to explain the results, especially where there has been a major or complex evaluation.	
✓ Ensure that results and recommendations are supported by evidence.	

Complete the monitoring and evaluation report template.

Step 12.4: Take corrective action

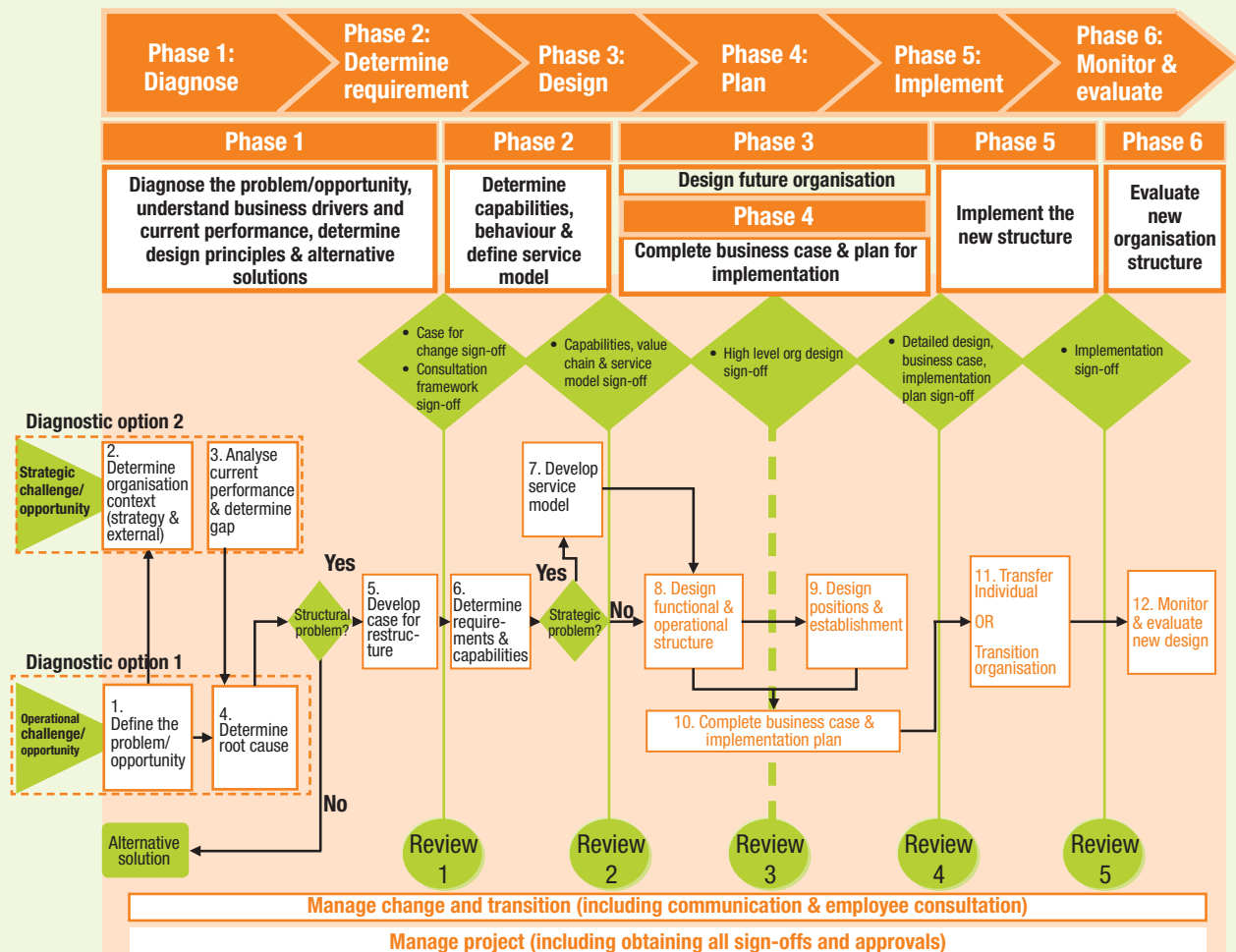
One of the aims of M&E is to identify areas for change or improvement. When monitoring the implementation of the structure, you may come across problems in the implementation.

Helpful tips	Addressed Yes/No
✓ When you uncover a problem with the structure, identify the problem accurately.	
✓ Make clear proposals for corrective action. This should include: <ul style="list-style-type: none">• What action is needed.• Who should take action.• By when should action be taken.• Who will be accountable for taking corrective action.	
✓ Put in place the mechanism for follow-up or routine monitoring of corrective action.	

CHAPTER 13

13. PLANNING AND MANAGING AN ORGANISATIONAL STRUCTURING PROJECT

13.1 OVERVIEW OF PROCESS



Organisational structuring can be challenging. It often involves an array of stakeholders with competing interests and views on what has to be done. It therefore requires sound project management to get the job done well, on time and within budget.

This chapter will assist you in planning and managing the organisational structuring process. The key steps are:

- Obtaining authorisation for the project.
- Preparing the project charter.
- Developing the project structure.
- Preparing a detailed project plan.
- Managing project implementation.

13.2 OBTAINING AUTHORISATION FOR THE PROJECT

The starting point for an organisational structuring is to secure the authorisation or approval for the project from the person with the authority to do so. This will vary from organisation to organisation and would also depend on the complexity or sensitivity of the organisation structuring. In many instances, it will be the Executive Authority or the Accounting Officer (Director General or Head of Department) who will give the initial go-ahead.

It may be useful to obtain approval in principle at the outset, followed by approval of the terms of reference.

Helpful tips	Status
✓ Get the authorisation in writing.	
✓ Be sure that the person authorising the organisational structuring has the requisite authority.	

13.3 PREPARING THE PROJECT CHARTER

You will need a clear project charter (terms of reference) to guide the project. The project charter sets out the key requirements for and expectations of the organisational structuring project. It forms the basis for the “contract” between the client and the practitioner. A clear, well-structured project charter can minimise confusion and misunderstandings amongst the parties involved in the organisational structuring. The project charter also serves as the basis for obtaining formal authorisation for the project.

The main objectives of the project charter are:

- To identify the reasons for the organisational structuring project and what it is expected to achieve.
- To describe briefly what the project will entail and what it will not do.
- To establish the scope and focus of the project.
- To guide the execution of the project.
- To give an indication of the schedule and time frames.
- To give an indication of the resources required for the project.

It is advisable to involve the client (the person commissioning the organisational structuring) and other stakeholders in developing the project charter. You can benefit from their insights and experiences and so improve the clarity of your document.

Note: Drafting the project charter may sometimes only be possible after you have identified and defined the problem or opportunity. Based on the problem statement, it will be easier to draft the project charter and to think intelligently about the project going forward.

The table below provides a checklist for drafting the project charter:

Component	Description	Status
Project title	<ul style="list-style-type: none"> Gives an indication of the broad intention of the project. 	
Project purpose	<ul style="list-style-type: none"> A brief statement that captures the aims of the organisational restructuring project. 	
What gave rise to the project	<ul style="list-style-type: none"> A brief explanation of what precipitated the project, for example change in policy, new legislation, or new initiative to be carried out by the organisation. 	
Expected outcomes	<ul style="list-style-type: none"> What the project aims to achieve, for example improvement in delivery of a particular service. 	
Who are the clients of the project	<ul style="list-style-type: none"> Indicate who the main client is. The main client is the person who commissions the project and ultimately must be satisfied with the outputs and outcomes of the project. The main client could be a manager in the organisation, the DG or Head of Department, or the Executive Authority. 	
Scope of the project	<ul style="list-style-type: none"> Which parts of the organisation are affected – is it the entire department, branch or chief directorate? It is important to state explicitly what the project will not cover. 	
Who are stakeholders	<ul style="list-style-type: none"> Identify other stakeholders who might have an interest in the project. This could be another unit in the organisation, another government department, service users, and parliamentary committees. 	
How the project will be executed	<ul style="list-style-type: none"> Give a broad indication of the project approach and methodology, for example will you be doing a rapid diagnosis or detailed diagnosis; will you conduct interviews or will most of the work be desktop research; will there be site visits? 	
High-level project plan	<ul style="list-style-type: none"> The high-level project plan would include the following: <ul style="list-style-type: none"> Project phases. Outputs and deliverables for each project phase. Critical milestones with target dates. 	
Project deliverables	<ul style="list-style-type: none"> Indicate types of documents, for example diagnostic report; business case; or-ganogram. Other deliverables could include consultative workshops with staff and other stakeholders. 	
Project team	<ul style="list-style-type: none"> An indication of the kind of team required. This would include consideration of the different areas of expertise required; will the work be done by external consultants or will internal resources be used (or both internal and external resources)? 	
Project governance structure	<ul style="list-style-type: none"> Indicate if there will be a steering committee. Who will sign off the various phases of the project? 	
Resources required	<ul style="list-style-type: none"> Estimate the number of person days required and costs. Other costs associated with the project, for example equipment, printing, workshop facilities. 	
Logistical issues	<ul style="list-style-type: none"> If there are particular logistical issues associated with the project, for example travel to site offices away from headquarters; workshops to be organised. 	
Communication implications	<ul style="list-style-type: none"> Who should be informed about the project? When should they be informed? What format should communication and information take? 	

13.4 DEVELOPING THE PROJECT STRUCTURE

The project structure is the machinery or architecture for executing the project. It identifies the roles and responsibilities of the key people involved. If the organisational structuring project is relatively small, the project structure should be kept simple.

The table below sets out a generic project structure for a large organisational structuring project.

Role	Responsibilities
Project sponsor or champion	<ul style="list-style-type: none">• Usually a very senior official in the organisation.• Drives change management processes.• “Sells” the project to the senior executive and/or the Executive Authority.• Likely to chair the steering committee/reference group.• Signs off those aspects of the project that are within his/her authority.
Project steering committee or reference group	<ul style="list-style-type: none">• Provides strategic guidance for the project.• Acts as a sounding board.• Usually composed of managers and others who can provide expert opinion and advice.
Project quality assurance/ project coordinator	<ul style="list-style-type: none">• In large projects a senior manager is usually responsible for providing quality assurance for the project.• Engages with stakeholders especially where there are difficult issues.
Project manager	<ul style="list-style-type: none">• Leads the planning, design and execution of the project.• Monitors progress.• Responsible for ensuring that all deliverables and documents are produced.• Liaises with stakeholders.• Facilitates communication about the project.• Ensures that all approvals and sign-offs occur.
Project team (practitioners, consultants)	<ul style="list-style-type: none">• Responsible for carrying out various tasks in the organisational structuring.• Can be organised in work streams.
Project administrator	<ul style="list-style-type: none">• Provides administrative and logistical support for the project.

In addition to defining the roles and responsibilities, it is also useful to decide how often the structures should meet, for example the steering committee could meet at critical review points, whereas the project team could meet weekly. It is also important to decide who can make which decisions.

13.5 PREPARING A DETAILED PROJECT PLAN

The project charter will provide you with the basis for preparing a more detailed project plan. At this stage you would have identified the project team and you should involve the team in the development of the project plan. The level of detail of the project plan will be informed by the level of complexity of the organisational structuring project. There are many project planning tools available, so use the one that best suits your needs.

13.6 MANAGING PROJECT IMPLEMENTATION

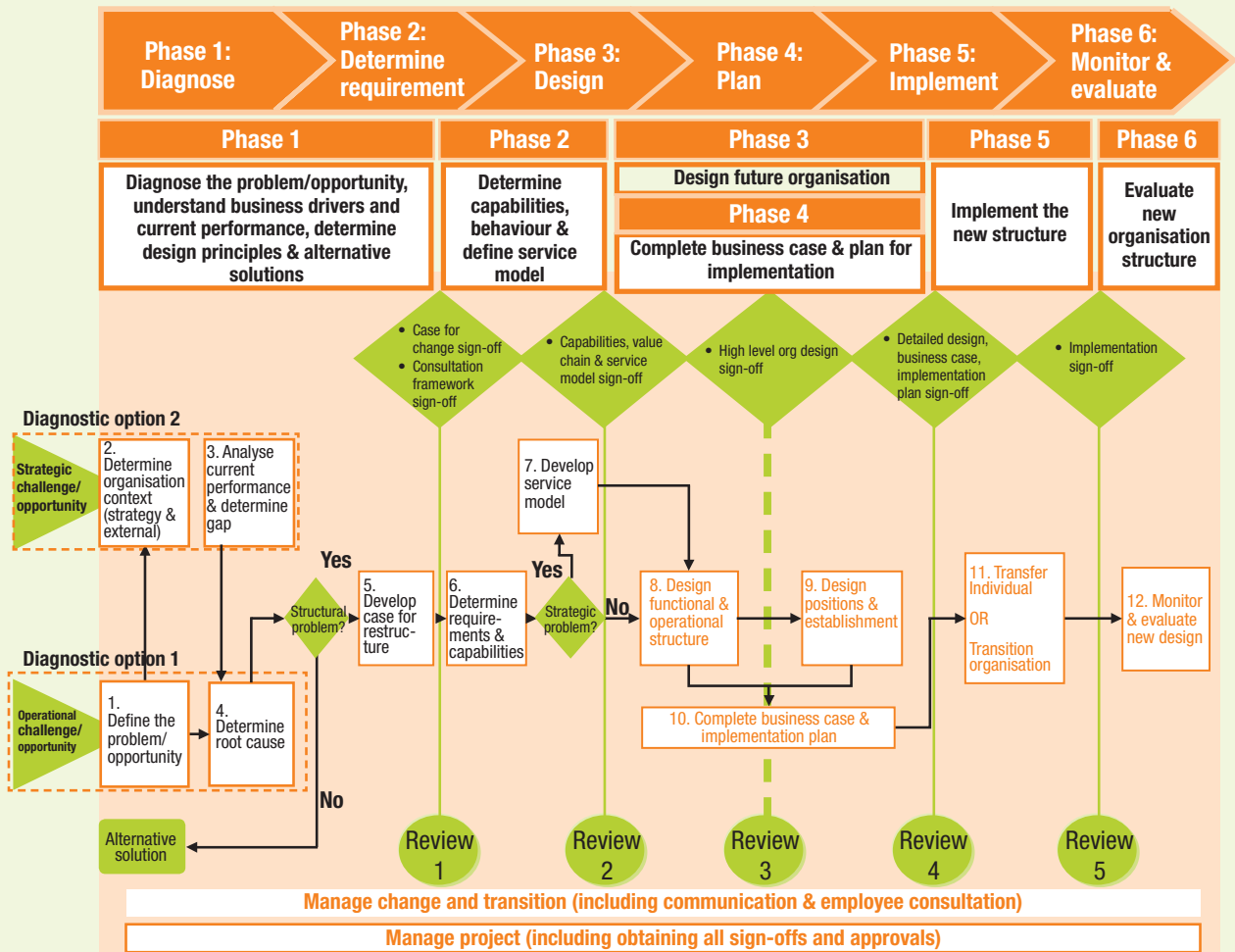
The project manager will have a number of responsibilities during the execution of the organisational structuring project. The main responsibilities are:

- To monitor progress of the project against critical milestones.
- To ensure that deliverables and outputs are met.
- To ensure that all logistical arrangements are made.
- To manage tender processes and consultants.
- To convene regular project team meetings as well as meetings with the project sponsor and/or project client.
- To ensure that documentation for each critical review point is prepared.
- To submit progress reports to the governance structure (steering committee).
- To ensure that all approvals and sign-offs occur.
- To submit final documents (for example, formal submissions and business case) to the project client.

CHAPTER 14

14. MANAGE CHANGE AND TRANSITION

14.1 OVERVIEW OF PROCESS

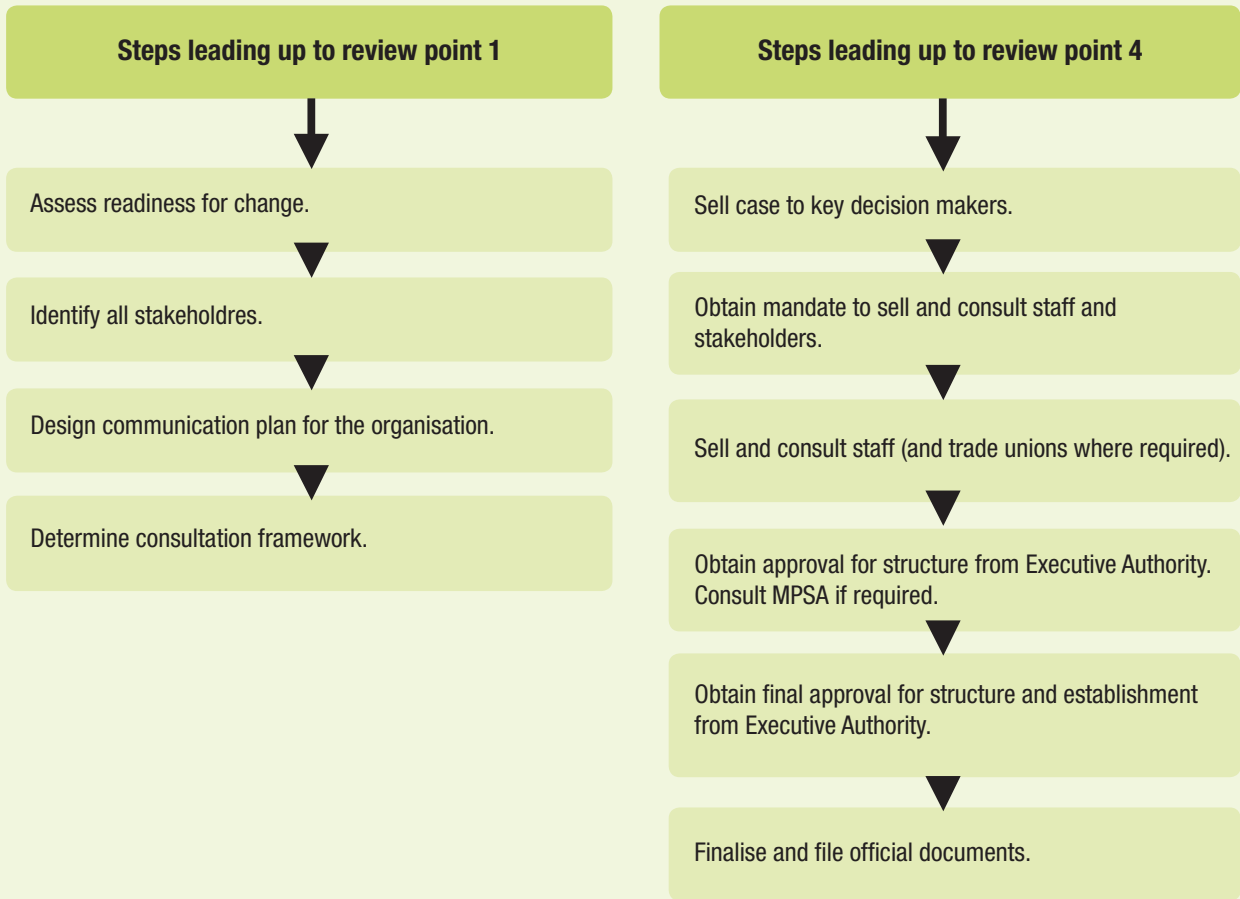


Managing change and transition cuts across all the phases of the organisational structuring process. It includes communication and consultation with staff and key stakeholders.

How effectively change and transition are managed has a major impact on the final outcome of the organisational structuring process. It is therefore essential that you plan the change and transition processes thoroughly and devote sufficient time and resources to these processes.

Although managing change and transition cuts across all phases of the organisational structuring process, there are specific tasks leading up to different review points in the process.

14.2 PROCESS FOR MANAGING CHANGE



14.3 TOOLS FOR PLANNING AND MANAGING CHANGE

Tools	Highly recommended	Recommended	Nice to have
Change strategy checklist	X		
External requirements identification		X	
Real-time strategic change (RTSC) methodology	X		
Sell and consult process	X		
Sell the case to key decision makers framework	X		
Obtain approval from Executive Authority	X		
MPSA consultation checklist	X		
Leadership/sponsor alignment	X		
Stakeholder influence analysis	x		
Communication planning matrix	X		
Force field analysis		X	

14.4 HOW TO PLAN AND MANAGE CHANGE

14.4.1 STEPS LEADING UP TO REVIEW POINT 1

Assess readiness for change

Organisational structuring almost invariably involves change. Whether the change is minor or significant, it is useful to assess the organisation's readiness for change in the early phase of the organisational structuring process. Some of the key elements of this assessment would include:

- Is there a vision to drive change?
- Are people willing and ready to change?
- Will the leadership support change?
- Does the organisational culture support change?
- Are there identifiable champions for change?
- Does the organisation have the capacity and capability to follow a new direction?

This assessment can be done using the tools on pages 22-2 in Section 3.

Tools	Highly recommended	Recommended	Nice to have
Change strategy checklist	X		
Leadership/sponsor alignment	X		

Identify all stakeholders

There will be a range of stakeholders in the organisational structuring process. These can be categorised as follows:

Categories	Example
<ul style="list-style-type: none"> • Directly affected by organisational structuring process. 	<ul style="list-style-type: none"> • Staff.
<ul style="list-style-type: none"> • Influence process and outcome of the organisational structuring. 	<ul style="list-style-type: none"> • Senior managers in other parts of the organisation. • Trade unions. • Other departments. • Parliamentary committee.
<ul style="list-style-type: none"> • Have an interest in the outcome of the organisational structuring. 	<ul style="list-style-type: none"> • Service users. • Donors.

You will need to identify all the key stakeholders and assess the likely impact and influence they have. This stakeholder analysis is essential so that you can develop an effective communication plan to inform and manage the expectations of stakeholders. The tools on page 22-7 in Section 3 of the Guide will assist you in doing this analysis.

Design communication plan for the organisation

Effective communication throughout the organisational structuring process is essential. Organisational structuring processes can increase anxiety and tension within the organisation, especially amongst staff that are likely to be affected by the process. A communication plan will help you to target and structure your communication efforts.

Tools to assist you in developing a communication plan are contained on page 22-11 in Section 3 of the Guide.

Tools	Highly recommended	Recommended	Nice to have
Stakeholder influence analyses	X		
Communication matrix	X		

Determine consultation framework

Effective consultation requires a clear framework to guide the consultation. The consultation framework should set out the following clearly:

- Who should be consulted?
- What outcomes do you want from the consultation?
- When will you consult them?
- What format will the consultation take?
- What documentation do you need for the consultation?

You should refer to Chapter 2 for guidance on statutory consultation.

14.4.2 STEPS LEADING UP TO REVIEW POINT 4

Once you have completed the business case and implementation plan, you need to get support from decision makers and stakeholders for the structure. If you build in consultation from the outset of the structuring process, it will be easier to sell the proposed structure to the decision makers, staff and other stakeholders.

This section of the Guide gives you generic steps for selling and consultation. You can adapt these to suit your particular circumstances. You can also refer to Chapter 2 of the Guide for more information on consultation. The table below summarises the selling and consultation process.

Whom to consult or sell to	What do you want from them	What format could you use	What documentation do you need
Decision makers: 1. Unit manager. 2. EXCO. 3. DG or HOD. 4. Executive Authority.	<ul style="list-style-type: none"> Agreement with proposed structure. Mandate to sell and consult on the structure. 	<ul style="list-style-type: none"> Presentation at EXCO meeting. Meeting to brief Executive Authority. Formal submission to EA. 	<ul style="list-style-type: none"> Business case. Summary of business case. Presentation slides.
Staff	<ul style="list-style-type: none"> Support for proposed structure and its implementation. 	<ul style="list-style-type: none"> Information sessions. Written comments and submissions from staff. 	<ul style="list-style-type: none"> Summary of business case. Presentation slides. FAQs about the structure.
Trade unions or workplace forum (if required in terms of section 197 and 189 of the Labour Relations Act – see page 3-5)	<ul style="list-style-type: none"> Support for proposed structure and its implementation. 	<ul style="list-style-type: none"> Information sessions. Written comments and submissions from trade union. 	<ul style="list-style-type: none"> Summary of business case. Presentation slides. FAQs about the structure.
MPSA (if top three tiers of structure are changed)	<ul style="list-style-type: none"> Concurrence on the proposed structure. 	<ul style="list-style-type: none"> Formal submission. 	<ul style="list-style-type: none"> Business case and submission requirements as set out by dpsa.

Sell case to key decision makers

The first step is to sell the proposed structure to the decision makers in your organisation. You will have to convince them that the proposed structure is the most feasible and most desirable of the options that you have explored. Your arguments will be set out in the business case.

A well-written business case is only part of the selling task. You will need to make a convincing presentation to the decision makers.

Helpful tips	Addressed Yes/No
✓ Prepare a presentation pack that includes a summary of the business case and presentation slides.	
✓ Request sufficient time for you to make the presentation to the relevant managers or EXCO of your organisation.	
✓ Anticipate the questions decision makers may ask and be prepared to respond.	
✓ If you are briefing the Executive Authority, prepare a briefing pack. The Executive Authority may need to have the briefing pack prior to the briefing session.	

Obtain mandate to sell and consult staff and stakeholders

You will need a mandate (or authorisation) from the decision makers before you can proceed to sell and consult on the structure with staff and other stakeholders. It is important that you have a clear mandate. This will minimise confusion and conflict in the consultation process.

Helpful tips	Addressed Yes/No
✓ Obtain the mandate in writing from the person who has authority.	
✓ Agree on whom to consult and for what purpose.	
✓ Be clear about the parameters of the mandate, for example, you may have the mandate to listen to concerns but not to negotiate changes to the structure.	
✓ Agree on who will be on the selling and consultation team. Be sure that the team has the expertise to respond to questions.	
✓ Agree on the time that will be allowed for selling and consultation. Set a cut-off date for the process.	
✓ Agree on the format for consultation, for example briefings with staff and written submissions from staff.	
✓ If consulting trade unions, ensure that you have labour relations experts as part of your consultation team.	
✓ Indicate what you will do with the information collected through the consultation process.	

Sell the structure to staff

If you have consulted staff in the earlier phases of the structuring exercise, it may be easier to sell the structure. But do not take it for granted that all staff will support the proposed structure.

Helpful tips	Addressed Yes/No
✓ Plan briefing or information sessions thoroughly. Consider inviting manageable groups of staff. Set aside sufficient time for the sessions so that staff do not feel rushed.	
✓ Prepare a concise, clear presentation and handouts for the sessions.	
✓ Anticipate questions that staff might ask and be prepared to respond to these.	
✓ Decide who from the organisational design team will be present at the sessions.	
✓ Let staff know what will happen following the briefings.	

Consult trade unions

If your organisation is embarking on a major restructure that will affect the staff in your organisation, it will be necessary to consult the trade unions represented in your organisation. See page 22-6.

Helpful tips	Addressed Yes/No
✓ It is essential that you consult the dpsa Guide on Transformation and Restructuring: Human Resources. You should also consult the labour relations specialist or the legal division in your department to ensure that you have interpreted the provisions of the LRA correctly.	

Obtain approval from Executive Authority

If the restructure does not involve changes to the top three tiers of the organisation, the Executive Authority can approve the structure.

Helpful tips	Addressed Yes/No
✓ Prepare a formal submission to the Executive Authority.	
✓ Include in the submission the final organogram for the signature of the Executive Authority (or his/her delegate).	
✓ Include an implementation plan with time frames and roles and responsibilities.	
✓ Highlight issues raised in the consultation process that might impact on implementation.	

Consult the MPSA

If the restructuring involves changes to any of the top three tiers of the organisation, the Executive Authority must consult the MPSA. Refer to Chapter 2 of this Guide for more information on the directive from the MPSA on consultation.

Helpful tips	Addressed Yes/No
✓ Ensure that the submission and business case to the MPSA meet the requirements set out by the MPSA in the directive.	
✓ The submission to the MPSA should be signed by the Executive Authority or the delegated official.	
✓ Keep a copy of the submission and business case.	
✓ Respond promptly to requests for further information and clarification from the dpsa.	

Obtain final approval from Executive Authority

Once the MPSA has commented on the proposed structure, you may proceed to obtain formal approval for the structure from the Executive Authority.

Helpful tips	Addressed Yes/No
✓ Prepare a formal submission to the Executive Authority.	
✓ Include in the submission the final organogram for the signature of the Executive Authority (or his/her delegate).	
✓ Include an implementation plan with time frames and roles and responsibilities.	
✓ Highlight issues raised by the MPSA that might impact on implementation.	
✓ Submit a copy of the final approved organogram to the dpsa for their records.	

Finalise and file official documents

It is important to keep an accurate record of the structuring process, consultations and the final approved structure. This will make it easier to trace how and why decisions were made. Complete and accurate records will also assist in monitoring the implementation and evaluating the impact of the structure.

CHAPTER 15

15. INTRODUCING THE TOOL KIT

15.1 HOW THE TOOL KIT IS ORGANISED

There are many tools available to assist you with the organisational structuring process. The tools inventory gives you a selection of tools recommended in the Guide. These tools have been organised according to the phases and steps of the organisational structuring process. There are also further explanations of the tools and their application.

The tools in the tool kit appear in the same order as in Section 2 of the Guide to make it easier to navigate.

15.2 TOOLS INVENTORY

Phase	Types of tools		
Phase 1: Diagnosis	Steps 1 and 4 (Define problem and identify root cause) tools	Steps 2 and 3 (Strategic context and performance analysis) tools	Step 5 (Case for change) tools
	<ul style="list-style-type: none"> • Business excellence model. • Burke and Litwin model. • Root cause analysis. • Brainstorming. • Pareto analysis. • Cost of poor service delivery. • Fault tree analysis. • SWOT. • 7 S. • Dependencies map. 	<ul style="list-style-type: none"> • Determine critical success factors. • Value driver analysis. • Business focus matrix. • Service drivers review. • Benchmarking. • SWOT analysis of the critical success factors. • Critical success factor/ key performance factor vs. behaviour analysis. • Stakeholder requirement analysis. • Gap analysis tool. 	<ul style="list-style-type: none"> • Success indicator definition. • Structure questionnaire. • Design principles.
Phase 2: Determine requirements	Step 6 (Determine capacity requirements) tools	Step 7 (Develop service model) tools	
	<ul style="list-style-type: none"> • Backward process analysis and engineering (SIPOC). • Customer requirements analysis. • Process health check criteria. • Business process maps. • Quick structured map. • Process analysis and optimisation. • Dependencies map. • Process requirements matrix. • External requirements analysis. • Risk analysis. • Service capacity planning. • Organisational capability analysis. • Behaviour enabler identification. • Behaviour/structure analysis framework. • Structure constraints review. • Maturity analysis. • Structure assessment questionnaire. 	<ul style="list-style-type: none"> • Service model checklist. 	

Phase	Types of tools	
Phase 3: Design	Step 8 (Design organisational architecture) tools	Step 9 (Design positions) tools
	<ul style="list-style-type: none">• Structure gap map.• Structure selection matrix.• Governance structure requirements matrix.• Benchmarking.• Behaviour/structure analysis framework.• Culture Print.• Industry best practices.• Organisational charts.• Structure assessment questions.	<ul style="list-style-type: none">• Staffing norms table.• Full-time equivalent calculation.• Single-column process chart.• Management span of control: diagnostic grid.• Group size effect chart.• Job description templates.• Position impact analysis.• RACI analysis.• Work synthesis.• Work process analysis.
Phase 4: Business case and planning	Step 10.1 (Develop business case) tools	Step 10.2 (Develop implementation plan) tools
	<ul style="list-style-type: none">• Business case template.• Cost of poor service.• Cost-benefit analysis.• Activity based costing.• Costing tool.	<ul style="list-style-type: none">• Implementation options.• Stakeholder influence analysis.• Force field analysis.• Dependency analysis template.• Impact analysis.• Risk analysis.• Costing tool.• Implementation plan.• Burke and Litwin model.
Phase 5: Implementation	Step 11 (Implementation) tools	
	<ul style="list-style-type: none">• Implementation plan.• Structure issues log.• Progress report (to be agreed as part of project management approach).	
	Step 12 (Monitor and evaluate) tools	
Phase 6: Monitoring and evaluation	<ul style="list-style-type: none">• M&E framework.• Monitoring and evaluation planning template.• Monitoring and evaluation report template.	

Transversal processes	Types of tools
Change management	<ul style="list-style-type: none"> • Change strategy checklist. • External requirements identification. • Real-time strategic change (RTSC) methodology. • Framework for consultation. • Framework for selling case to key decision makers. • Checklist – obtaining approval from Executive Authority. • Checklist – consulting the MPSA. • Leadership/sponsorship alignment. • Communication planning matrix. • Force field analysis (refer to step 10.2).
Project management	<ul style="list-style-type: none"> • Implementation schedule (refer to step 10.2). • Review checklists. • Progress report templates (to be agreed as part of project management approach). • Impact analysis (refer to step 10.2).

CHAPTER 16

16. TOOLS FOR PHASE 1: DIAGNOSIS

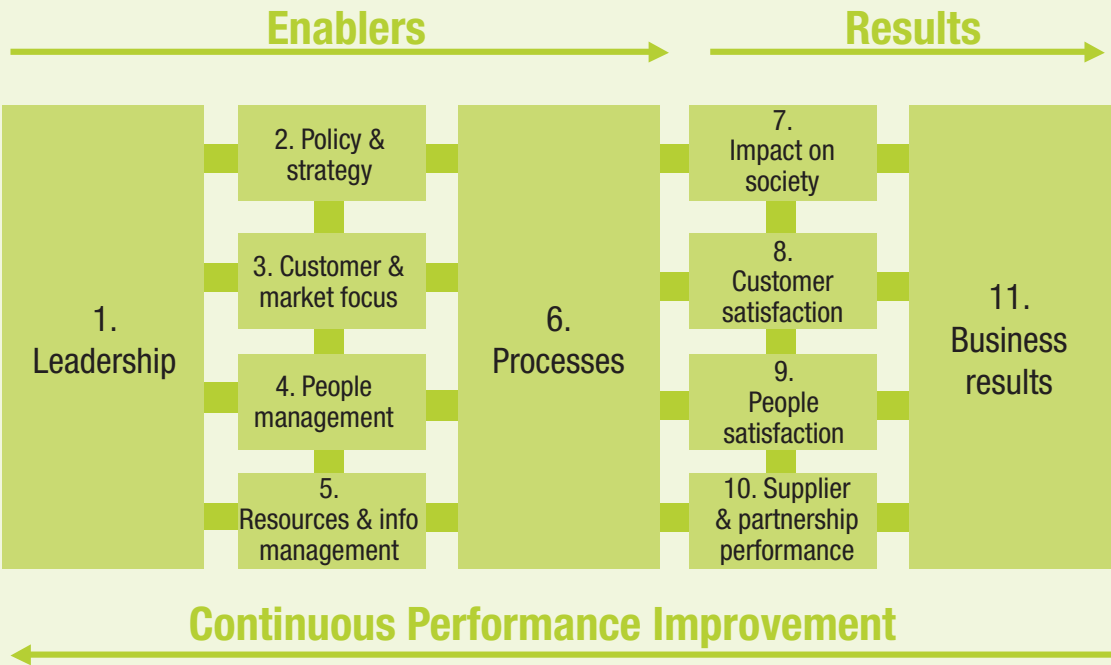
16.1 TOOLS FOR STEP 1: IDENTIFYING PROBLEM/OPPORTUNITY

Tools	Highly recommended	Recommended	Nice to have
Business excellence model	X		
Burke and Litwin model	X		

16.1.1 TOOL 1: BUSINESS EXCELLENCE MODEL

What is it?	How to use it	When to use it
<ul style="list-style-type: none">The business excellence model provides a framework for assessing the aspects of performance which make an organisation successful.It is based on the business excellence criteria and provides for a structured review of generic organisational enablers and result areas.	<ul style="list-style-type: none">Start by systematically working through the different categories of the model by using the questionnaire provided below.Mark the categories where potential problems or challenges might lie.Review the categories again and define the problem in detail by referring to all the identified problem/challenge areas.	This tool provides a good basis for identifying the institutional problem or challenge which needs to be addressed in order to improve organisational performance or adhere to the departmental mandate.

The process of continuous performance improvement can be graphically portrayed as follows:



Problem categories	Types of problems/opportunities	Yes/No
Leadership and management related	<ul style="list-style-type: none"> • Lack of direction or discipline. • Managerial positions vacant. • Uneven workload between managers. • Lack of authority for managers to make decisions. • Hierarchy and bureaucracy valued. 	
Mandate or strategy related	<ul style="list-style-type: none"> • Lack of a clear strategy. • Inability to execute the strategy. • Additional mandatory tasks. • Unrealistic targets. • Difficult changes in the department. • Lack of client focus, inability to respond to client needs. • Lack of flexibility, unable to adapt quickly. 	
Policy related	<ul style="list-style-type: none"> • Long decision making cycles. • Lack of authority for people to perform their jobs. 	
People management related	<ul style="list-style-type: none"> • Recruitment and selection practices. • Employee competence and skills levels. • Reward and remuneration. • Recognition. • Freeze on recruitment, eliminating of functions, additional responsibility without adequate authority. • Role design and job grading. • No adequate decision making power. 	
People behaviour related	<ul style="list-style-type: none"> • Low morale and frustration with red tape. • No achievement of individual performance targets. • Not working towards a common goal. • Lack of discipline or pride. • Fraudulent behaviour. • Destructive internal competition. • Unwillingness or inability to share information. • Performing tasks which are non-core to the department. 	
Client management related	<ul style="list-style-type: none"> • Access to service or high inconvenience factors. • Long turnaround times in responding to clients. • Lack of client information. • Long queues and waiting times. • Poor quality of service. 	
Client behaviour related	<ul style="list-style-type: none"> • Client satisfaction levels are decreasing. • Client complaints are increasing. • Client involvement and suggestions low. • Fraudulent behaviour. • Mistrust. 	
Technology and information	<ul style="list-style-type: none"> • Lack of technology support. • Lack of integrated solutions. • Access to information. • Information quality. • Sharing of information. 	

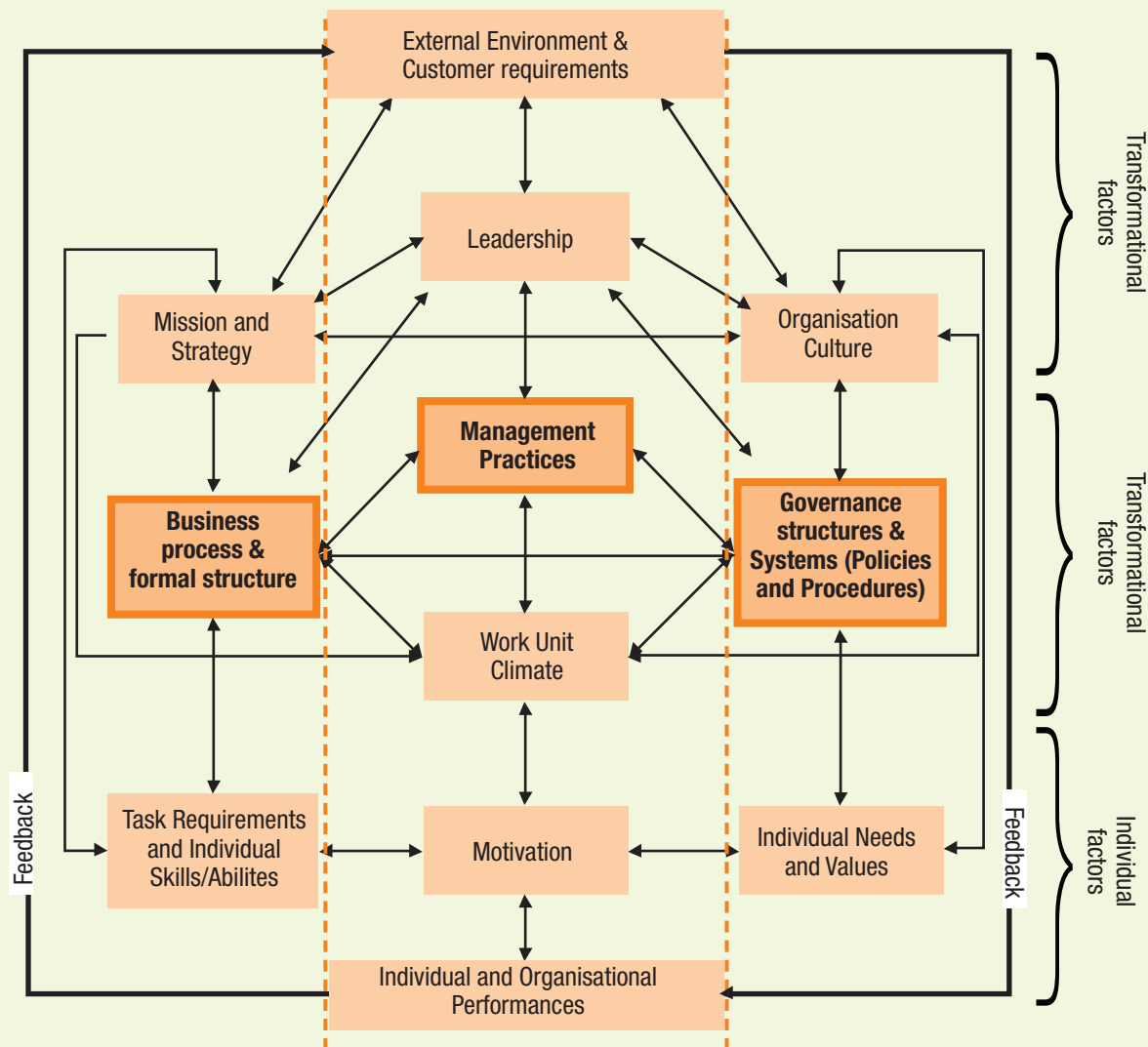
Problem categories	Types of problems/opportunities	Yes/No
Resource related	<ul style="list-style-type: none"> Not enough people to do the job. Equipment and facility quality. 	
Process and service delivery related	<ul style="list-style-type: none"> Inability to deliver required levels of service. Duplication of tasks. Unequal workload. Rework and time wasting. Sequencing of tasks and work flow (handover). Lack of standards for process speed or quality. Volume problems. 	
Supplier or partner related	<ul style="list-style-type: none"> Performance of external providers. Selection/appointment of outside providers. Procurement process. 	
Cost related	<ul style="list-style-type: none"> High cost of service. Budget allocation. 	

16.1.2 TOOL 2: BURKE AND LITWIN MODEL

What is it?	How to use it	When to use it
<ul style="list-style-type: none"> The Burke and Litwin model is a model of organisational change and performance. It makes the following key points: <ul style="list-style-type: none"> The external environment is the most powerful driver for organisational change. Changes in the external environment lead to changes in the “transformational” factors within an organisation – its mission and strategy, its organisational culture and its leadership. These factors have an impact across the organisation and its staff. Changes in transformational factors lead to changes in the “transactional” factors – the organisational structure, systems, management practices and climate. These are more operational factors and may not have an organisation-wide impact. Together, changes in transformational and transactional factors affect motivation, which in turn impacts on individual and organisational performance. 	<ul style="list-style-type: none"> Gather data on relevant boxes by utilising any relevant research technique, e.g. groups, desk research, surveys, diagnostic instruments, and interviews with key stakeholders throughout the organisation. Summarise findings in a report by using the various factors as headings for the report to senior managers. This report should indicate the interrelationships between the various factors (refer to the graphical representation of the model below) to indicate how a structural adjustment (formal or governance) would address organisational performance. Key issues and questions to consider when using the model for diagnosis or planning are summarised in the table below. 	<ul style="list-style-type: none"> It can be used to diagnose the root cause of organisational performance problems. It can be used as a framework for planning a change strategy – the key levers for major organisational change are the transformational factors. It can be used to plan the implementation of a restructuring by using the transactional and individual factors as areas to consider for implementation of the new structure. However, to be effective and sustainable, changes in transformational and transactional factors need to be consistent with each other.

Dimensions of model	Key questions
1. External environment and citizens	<ul style="list-style-type: none"> • What are the key external drivers? • Do we know how these are likely to impact on the organisation? • Who are the citizens and do we know what they require and think of us?
2. Mission and strategy	<ul style="list-style-type: none"> • What does top management see as the organisation's mission and strategy? • Is there a clear vision and mission statement? • What are employees' perceptions of these? • Can we address the citizen requirements with this strategy?
3. Leadership	<ul style="list-style-type: none"> • Who provides overall direction for the organisation? • What is the current vs. ideal style of leadership? • How is leadership developed throughout the organisation?
4. Organisational culture	<ul style="list-style-type: none"> • What are the overt and covert rules, values, customs and principles that guide organisational behaviour? • What is the gap between the current culture and the required culture to achieve the strategy?
5. Business processes and formal structure	<ul style="list-style-type: none"> • What are the business processes which need to be executed? • How is the organisation and its people currently organised in specific areas and levels of responsibility and how should they ideally be organised? • What are the key decision making, communication and control relationships?
6. Governance structures and systems	<ul style="list-style-type: none"> • What structures, forums, or committees are in place to ensure coordination, flow of information, collaboration, risk management, etc? • What are the organisation's policies and procedures, including systems for reward and performance appraisal, management information, HR and resource planning, etc?
7. Management practices	<ul style="list-style-type: none"> • How do managers use human and material resources to carry out the organisation's strategy? • What is their style of management and how do they relate to subordinates?
8. Work unit climate	<ul style="list-style-type: none"> • What are the collective impressions, expectations and feelings of staff? • What is the nature of relationship with work unit colleagues and those in other work units?
9. Task and individual skills	<ul style="list-style-type: none"> • What are the task requirements and individual skills/abilities/knowledge needed for task effectiveness? • How is job-person fit ensured? Are competency frameworks, motivational fit, geographic fit, etc. taken into consideration when matching people with positions?
10. Individual needs and values	<ul style="list-style-type: none"> • What do staff value in their work? • What are the psychological factors that would enrich their jobs and increase job satisfaction?
11. Motivation	<ul style="list-style-type: none"> • Do staff feel motivated to take the action necessary to achieve the organisation's strategy? • Of factors 1-10 above, which seem to be impacting most on motivation?
12. Individual and organisational performance	<ul style="list-style-type: none"> • What is the level of performance in terms of productivity, citizen satisfaction, quality, etc? • Which factors are critical for motivation and therefore performance?

The mutual linkages between transformational factors, transactional factors and individual factors are illustrated in the diagram below.



16.2 TOOLS FOR STEP 2: DETERMINE ORGANISATIONAL CONTEXT (MACRO)

Tools	Highly recommended	Recommended	Nice to have
Determine critical success factors	X		
Value driver analysis		X	
Business focus matrix		X	
Service drivers review	X		

16.2.1 TOOL 3: DETERMINE CRITICAL SUCCESS FACTORS

What is it?	How to use it	When to use it
<ul style="list-style-type: none">• Critical success factors are those key focus areas which, if you are able to fully implement them, the organisation will have a very high probability of business success.• The critical success factors are informed by the mandate/vision and the required values/culture of the organisation.• The critical success factors inform the design principles of the organisational structure and serves as excellent reality checks for the alignment of the structure and strategy.	<ul style="list-style-type: none">• Review the mandate or vision to understand what the organisation would need to be good at.• Review the values or required culture to understand what the organisation would collectively have to do to realise these values or culture.• Use the balanced scorecard categories as a thinking tool to determine critical success factors for the organisation. Try not to identify more than eight to 10 critical success factors for the organisation.• Review the implication of each of the factors for the future organisational design.	<ul style="list-style-type: none">• Useful for situations where a whole department or sections of a department need to restructure.• Not applicable to individual jobs or job family adjustments.

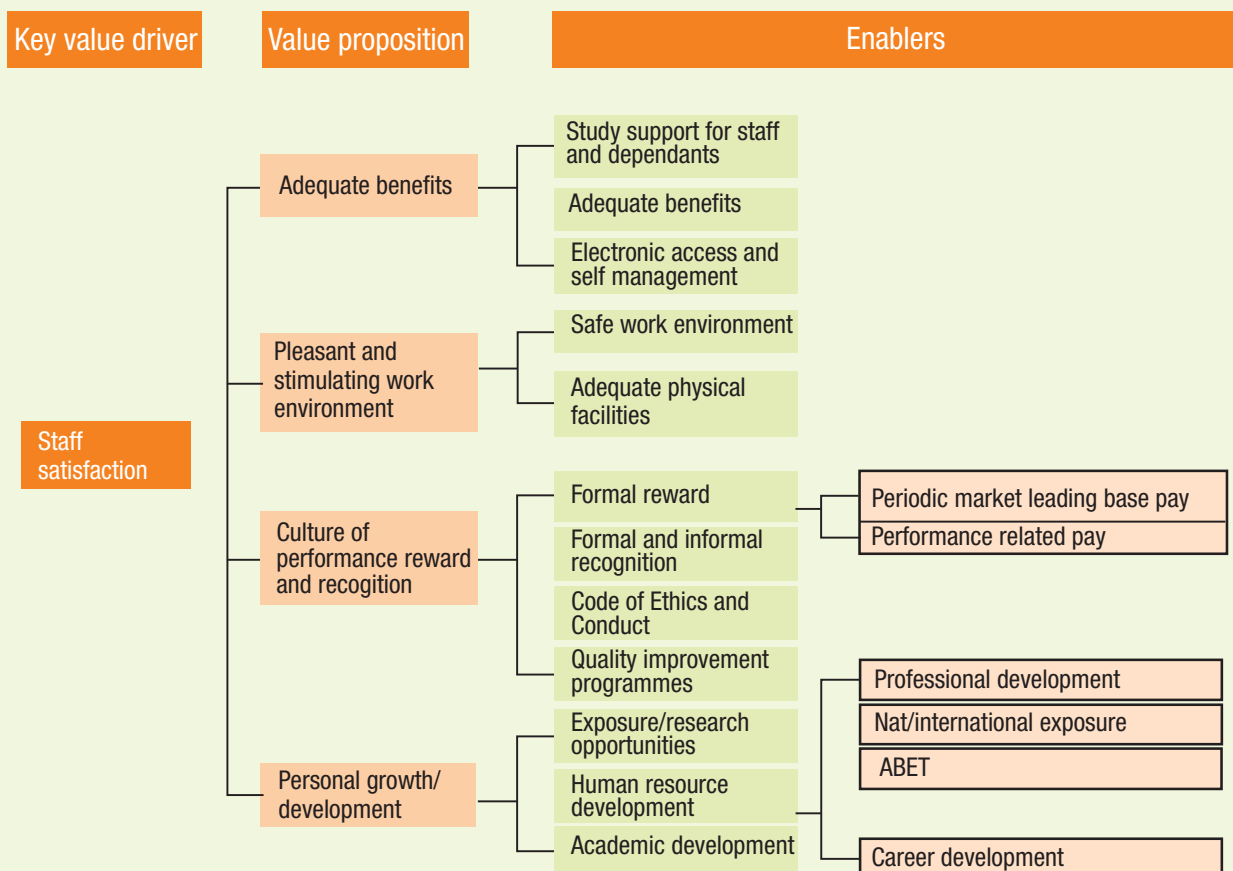
To determine the organisation’s critical success factors, start by asking yourself what your structure needs to ensure. That would include design principles and success indicators. Use the following template:

Critical success factors	Strategic direction
<ul style="list-style-type: none">• Learning and innovation critical success factors:• Process management critical success factors:	Mandate/Vision
<ul style="list-style-type: none">• Citizen management critical success factors:• Service results and cost critical success factors:	Culture/Values

16.2.2 TOOL 4: VALUE DRIVER ANALYSIS

What is it?	How to use it	When to use it
<ul style="list-style-type: none"> The value drivers of a public sector organisation would be those things that are of value to stakeholders and what they want from the organisation. Value drivers are what determines value for the citizens, service recipients, the employees and the government. The difference between business drivers and value drivers is that business drivers focus on a consolidated view and value drivers are determined per stakeholder group. 	<ul style="list-style-type: none"> Determine stakeholder groups. Determine what the key value propositions would be for each group of stakeholders. Identify the drivers for the key value propositions and link them logically (drivers can be linked to more than one key value driver). Quantify the value drivers if possible. For the purposes of identifying business value drivers the value trees do not need to include more than three levels of drivers. 	<ul style="list-style-type: none"> This is one of the most powerful methods to determine service/value drivers and how the organisation needs to organise itself. Use for organisational alignment for the total and individual units in the organisation.

An example of value drivers of employee satisfaction:



16.2.3 TOOL 5: BUSINESS FOCUS MATRIX

What is it?	How to use it	When to use it
<ul style="list-style-type: none">• A tool to determine the business focus of the organisation. The tool identifies five business focus areas: product, customer, technology, production and distribution and also five value propositions to stakeholders/customers: cost, quality, speed, service and innovation.• The tool enables the organisational design specialist or manager to identify some of the key design principles when designing the structure.	<ul style="list-style-type: none">• Determine the business focus by allocating no more than 60 points and no fewer than 10 points to each business focus area.• Determine the value propositions by allocating no more than 60 and no fewer than 10 points to each value proposition.• Cross-reference by adding the totals of the business focus and the customer value proposition to determine the primary (highest score) and secondary (second highest score) business focus areas.• Determine the impact of each focus area on the future structure.	<ul style="list-style-type: none">• Total organisational restructuring.• Unit or directorate restructuring.• Structuring a new unit or department.• An alternative for value drivers or service driver analysis.

		Product focus (Focus on same product or minimum service for all)	Customer focus (Focus on different service/product for different needs)	Technology focus (Controls a process to ensure good governance, risk management, effectiveness etc. SARS, Reserve Bank, Mint)	Production capability (Focus on assisting as many as possible as quickly as possible (e.g. application, payments)	Distribution focus (Focus on distributing goods (Post Office); linking customers to potential partners, information sources)	Total
		50 +	10 +	10 +	20 +	10	= 100
Low cost Low direct and indirect cost	40 +	90			60		
Quality Promises product quality without exception	30 +	80			50		
Speed Promises the product to the citizen as fast as possible	10 +						

Service Promises flexibility and service that the citizens value	10 +						
Innovation Promises continuous improvement and innovative service solution	10						
Total:	= 100						

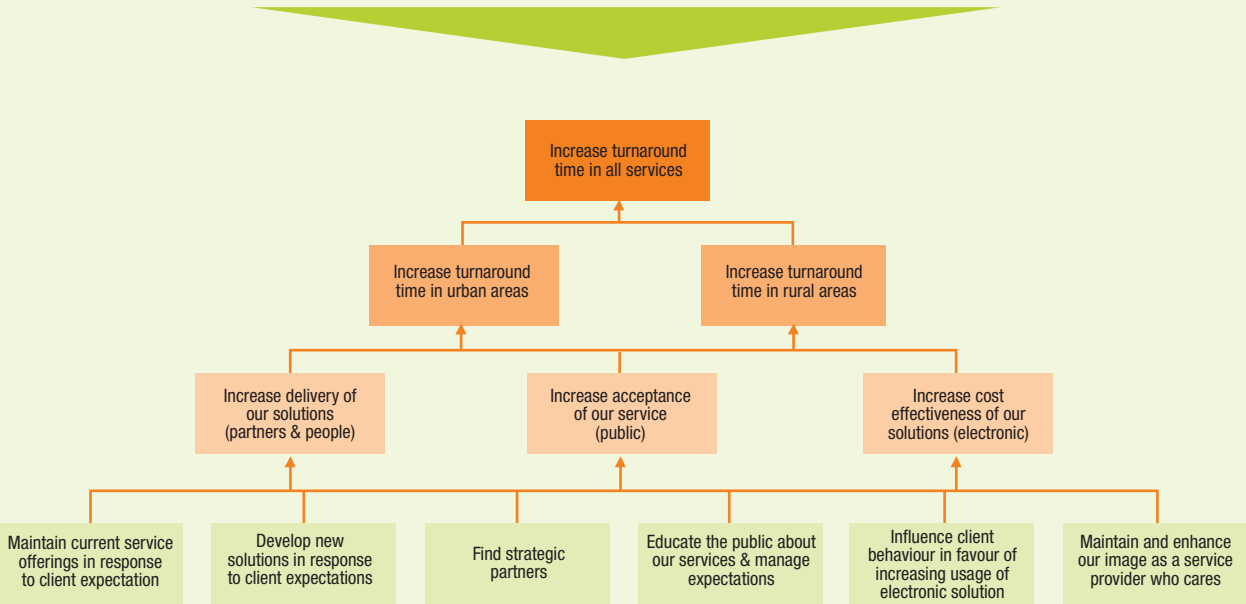
Business dimensions	Things we need to be good at	Our structures need to ensure the following (Success indicators and design principles)
Business focus	Primary focus: Product (<i>see analysis</i>)	1. 2. 3.
	Secondary focus: Production capability (<i>see analysis</i>)	4. 5. 6.
Value proposition (promise to the citizen)	Primary promise(s): Low cost (<i>see analysis</i>)	7. 8. 9.
	Secondary promise(s): Quality (<i>see analysis</i>)	10. 11. 12.

16.2.4 TOOL 6: SERVICE DRIVER REVIEW

What is it?	How to use it	When to use it
<ul style="list-style-type: none"> A tool to understand where the organisation wants to be in future so as to inform development of the design of the organisation-to-be. The tool also enables the review of the impact of the anticipated future in practice. The tool enables an understanding of what completion of the strategic objectives would look like in practice. 	<ul style="list-style-type: none"> Review existing vision and strategy and facilitate a workshop to explore what the strategy means in practice. Confirm working 'strategic objectives' and the required actions to execute on each of the strategic objectives. Identify the key business drivers by reviewing the implications for each of the business driver categories i.e. service offering, customer, competent people, culture, clear definition of success, more money, better information flow, quick response time and accuracy. Map the information in a business driver tree. 	<ul style="list-style-type: none"> This is an alternative to the value driver analysis. You do however require the strategic objectives of the department or unit which you need to review.

What is it?	How to use it	When to use it
	<ul style="list-style-type: none">Identify the design principles for each of the business driver categories. (Review the implications of each objective for each business driver and formulate your design principles.)	

Strategic objectives	Actions	Business driver categories				
		Implications for service offerings	Implications for citizen management	Implications for people management	Culture required to be successful	How will we know if we are successful?
• Objective 1						
• Objective 2						
• Objective 3						
• Objective 4						
• Objective 5						
Our structure needs to ensure the following (design principles and success indicators):						



16.3 TOOLS FOR STEP 3: ANALYSE CURRENT ORGANISATIONAL PERFORMANCE

Tools	Highly recommended	Recommended	Nice to have
Benchmarking			X
SWOT analysis of the critical success factors	X		
Critical success factor/key performance factor vs. behaviour analysis		X	
Stakeholder requirement analysis	X		
Gap analysis tool	X		

16.3.1 TOOL 7: BENCHMARKING

What is it?	How to use it	When to use it
<ul style="list-style-type: none"> A planned process for selecting and collecting information which will assist the organisation in assessing either their current level of performance in relation to others, or to identify solutions to specific performance challenges which the organisation experiences. In other words it is used to compare your processes/structures with others in a different context to collect information which will assist you in designing your interventions. 	<ol style="list-style-type: none"> Prepare for benchmark: <ul style="list-style-type: none"> Decide what to benchmark. Assemble team to develop the process. Understand own process. Document own process (as-is) and communicate. Collect information: <ul style="list-style-type: none"> Clarify what to benchmark. Select measures to benchmark against. Determine whom to benchmark. Decide how data will be collected. Develop questionnaire(s) or review guides. Collect information. Analyse the results. Take action: <ul style="list-style-type: none"> Define recommendations. Communicate the findings and recommendations. Set new performance standards based on measures which were benchmarked. Develop action plan. 	<ul style="list-style-type: none"> Useful tool and should be used to verify the current performance of the organisation. Use if you have time to do benchmarking.

Benchmarking template

Heading	Detail		
Why and what do we need to benchmark			
• Problem statement			
• Benchmark team members			
• Current constraints, problems, challenges			
• What is the “as-is” process/ structure?			
Planning for collection of information			
• What do we need to benchmark? • (structures, trends, best practice, performance)			
• What measures would we be benchmarking? • (speed, volume, quality, cost, safety, satisfaction levels)			
• Whom would we benchmark? • (internal/external, public/private, industry/non-industry, large/small)			
• Whom would we benchmark? • (internal/external, public/private, industry/non-industry, large/small)			
• How will data be collected? • (Mode: physical, electronic, telephonic. Method: observation/questions, one-on-one/groups, push (we collect)/pull (they complete)	Mode:	Method:	
• What instruments do we need, when and by whom? • (questionnaire, interview guide, observation guide)	What	Who	When
• Plan to collect information.	Where	Who	When
• Plan to analyse results.	How	Who	When

16.3.2 TOOL 8: SWOT ANALYSIS OF CRITICAL SUCCESS FACTORS

What is it?	How to use it	When to use it
<ul style="list-style-type: none">SWOT analysis is a tool for assessing and communicating the current position of an organisation or a restructuring option in terms of its internal strengths and weaknesses (things we control) and the external opportunities and threats (things we do not control) it faces.It provides a perspective on what would be required to build on strengths, minimise weaknesses, take advantage of opportunities and deal with threats.	<ul style="list-style-type: none">Identify the critical success factors of the organisation (if not available).Determine the strengths and weaknesses of the organisation to execute the critical success factors.Determine the opportunities and threats which might prevent the organisation from executing the critical success factors.Organise the information according to the matrix below and review this with key employees and stakeholders.Note that some strengths can also be weaknesses when viewed from a different perspective. The same applies to opportunities and threats.Develop strategies on the basis of a cross-impact analysis. (Formulate design principles based on the current strengths and opportunities, and based on the current weaknesses and threats to the organisation.)	<ul style="list-style-type: none">This is the quickest and easiest tool to use when reviewing organisational performance.You do however need to have a good understanding of the critical success factors.

	Opportunities	Threats
	1. 2. 3. 4.	1. 2. 3. 4.
Strengths 1. 2. 3. 4.	Develop design principles to make sure the current strengths and opportunities are incorporated.	Additional issues which may or may not be important
Weaknesses 1. 2. 3. 4.	Additional issues which may or may not be important.	Develop design principles to eliminate the current weaknesses and mitigate the threats/risks associated with the current structure.

16.3.3 TOOL 9: CRITICAL SUCCESS FACTOR VS. BEHAVIOUR

What is it?	How to use it	When to use it
<ul style="list-style-type: none">A high-level analysis tool to review the link between the current employee behaviour and the organisational structure.	<ul style="list-style-type: none">Identify the critical success factors.Determine the categories of employee behaviour to be used. Typical categories are: work attitude/behaviour, team behaviour, inter-personal behaviour, citizen support behaviour.Brainstorm the required behaviour for each critical success factor.Review the current behaviour of employees and list only those behaviours which are contrary to the required behaviour.Identify potential structural or governance process reasons for current employee behaviour (these are the things which should be addressed when restructuring).	<ul style="list-style-type: none">This should be a standard tool for every restructuring exercise. The identification of required behaviour is as important as knowing what needs to be done.

Critical success factors	Required employee behaviour to ensure success (Typical categories are work attitude/behaviour, team behaviour, interpersonal behaviour, citizen interface)	Current employee behaviour which prevents success (What behaviours are employees displaying which prevent success/ are not the required behaviours?)	Structural reasons for the gap (What in the current structure or governance structure is preventing employees from displaying the required behaviour and not incentivising them to do so?)
CSF 1			
CSF 2			
CSF 3			
CSF 4			

16.3.4 TOOL 10: STAKEHOLDER REQUIREMENTS ANALYSIS

What is it?	How to use it	When to use it
<ul style="list-style-type: none"> To determine segmented stakeholder or service user requirements which are realities and need to be addressed by the organisation. It distinguishes between three generic types of groups, but can be expanded to include investors/donors. 	<ul style="list-style-type: none"> Select the stakeholder groups and identify the different segments of a stakeholder group. Review and confirm the performance categories (the generic categories are speed, quality, cost, volume, safety and morale). Formulate the requirements of each stakeholder group in quantitative form, for example, citizens require a passport to be issued within two days from application. Review the collective requirements under each category and identify the structural implications of achieving each. 	<ul style="list-style-type: none"> If you do not use the tool to review performance, you will have to use it to determine requirements in step 6. There is no better way of focusing any restructuring than taking a real hard look at how you are able to give the citizens what they want and what you promise.

Stakeholders	Segments Groups	Requirement categories					
		Speed and convenience	Quality	Cost	Volume	Safety	Morale
Employees	Management						
	Non-management						
	Contractors						
Government	Executive						
	Other departments						
	Other						
Service recipients	High income						
	Low income						
	Rural						
	Urban						
Donors							
Our structure needs to ensure the following (success indicators and design principles):							

16.3.5 TOOL 11: GAP ANALYSIS

What is it?	How to use it	When to use it
<ul style="list-style-type: none">Gap analysis is the name given to identifying, specifying and taking action on the gap between the situation as is and the situation as we would like it to be.	<ul style="list-style-type: none">Define the area of analysis (e.g. efficiency, competence, system performance, business results).Analyse/describe the existing situation in detail, including metrics of performance areas or criteria (the tool as provided includes business excellence criteria).Analyse/describe the desired situation with metrics in the same way as the existing situation analysis.Specify the gap or what we need to improve.	<ul style="list-style-type: none">The standard tool to establish the performance gap of the organisation.

Areas of excellence	Current business focus and activities and ability to provide adequate service levels	Required business focus and activities and service levels	What do we need to improve, change, and do differently?	Implications for new or adjusted structure
<i>Example</i>	<i>Promises speed but turnaround on applications is six months.</i>	<i>Increased speed of applications to one month.</i>	<i>Gap = improve turnaround time by five months.</i>	<i>More processing in the front office and improved speed in the back office (multidisciplined teams?)</i>
Leadership and managerial behaviour				
Strategic, policy mandatory compliance				
Citizen promise and service levels				
Employee behaviour and satisfaction				
Government value requirement				
Internal process efficiencies and effectiveness				
Partnership performance				
Service cost and financial performance				

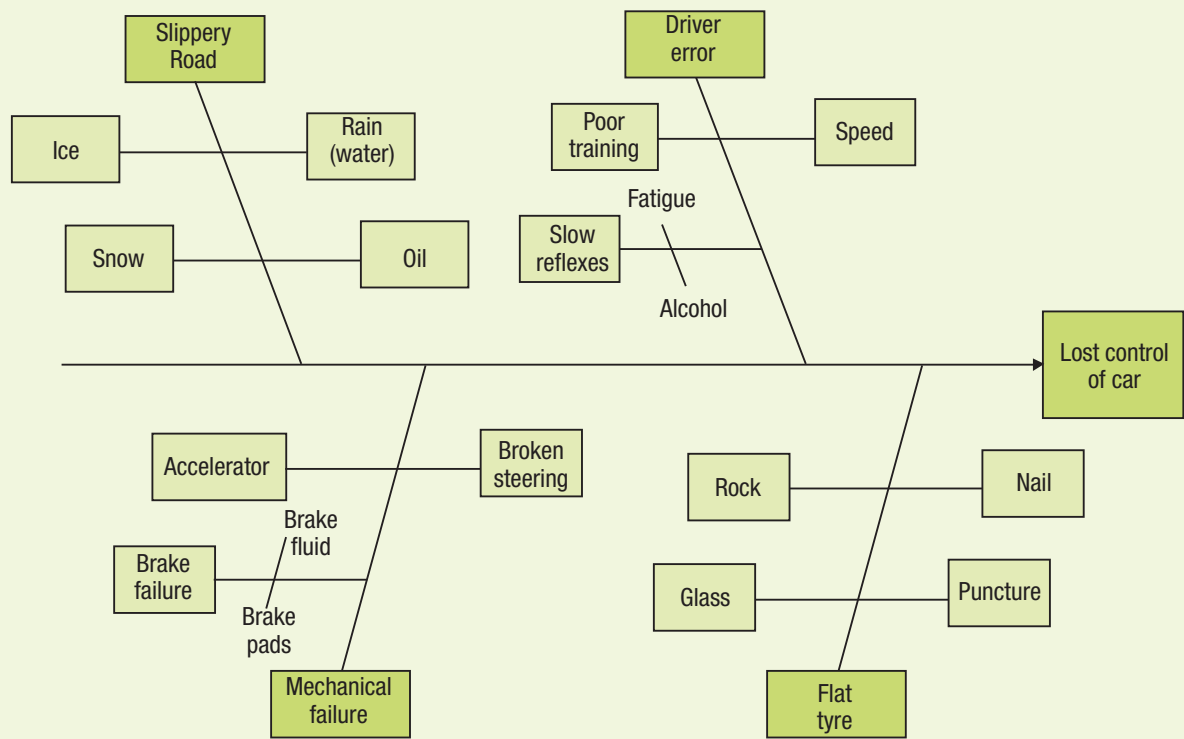
16.4 TOOLS FOR STEP 4: IDENTIFY ROOT CAUSE

Tools	Highly recommended	Recommended	Nice to have
Root cause analysis	X		
Brainstorming			X
Pareto analysis			X
Cost of poor quality		X	
Fault tree analysis		X	
SWOT	X		
7 S		X	
Dependencies map		X	

16.4.1 TOOL 12: ROOT CAUSE ANALYSIS

What is it?	How to use it	When to use it
<ul style="list-style-type: none">Because of its shape, this tool is also called the fishbone diagram. Cause-effect is, however, more descriptive of its purpose.The tool has three important features: visual, identification of interrelationships and is usually based on hypothetical data which have to be researched further.The most important consideration in using the tool is a clear understanding of the cause-effect relationship.There are four classes of causes: what? (objects –equipment, material), why? (conditions – motivation), when? (time or sequence – time of day), where? (place – warehouse, computer).	<ul style="list-style-type: none">Define clearly the effect or symptom for which the cause must be identified.Place the effect, problem or symptom at the right-hand side of a straight line.Use brainstorming or any other approach to identify possible causes. Group the causes into major causes.Each major cause is now written in a box and connected to the straight line (spine of the diagram).Identify causes for each major cause in turn and if possible identify further subcauses for each cause identified and continue doing this until each branch reaches a root cause (in other words this is where the major cause starts).	<ul style="list-style-type: none">An essential tool for analysing any cause of any type of problem.

Example of root cause analysis



16.4.2 TOOL 13: BRAINSTORMING

What is it?	How to use it	When to use it
<ul style="list-style-type: none">• A group process which focuses on generating as many options as possible for a specific problem statement without any constraints on the number or quality of options identified.• Other types of models can be used as a guide to generating ideas, e.g. the excellence model criteria on page 16-1 can be used to generate ideas on each of the criteria.	<ul style="list-style-type: none">• Define the problem statement or the purpose of the brainstorming.• Confirm the four rules:<ul style="list-style-type: none">o No criticism or evaluation of any kind.o Quantity of ideas.o Build on others' ideaso Be unconventional.• Review practical rules:<ul style="list-style-type: none">o Take turns.o Only one idea per turn.o You may pass a turn.o Do not explain idea.• Facilitation:<ul style="list-style-type: none">o Write issues down where all can see them.o Only confirm, do not reformulate.o Stop before people get tired.o Process ideas.o Group ideas.o Prioritise ideas.o Select the most appropriate idea(s).	<ul style="list-style-type: none">• Very useful and optional tool for more than one type of group exercise.

16.4.3 TOOL 14: PARETO ANALYSIS

What is it?	How to use it	When to use it
<ul style="list-style-type: none">• Tool gets its name from the economist Vilfredo Pareto (1848-1923), who observed that a small minority of people held the majority of the wealth.• The Pareto principle suggests that in any group of factors contributing to a problem or effect, a relative few account for the bulk of the effect or problem. For example, a few of the employees account for the majority of absentees or in a meeting a few people tend to make the majority of comments.• The principle also applies to identifying potential structural issues. For example, we might find that a single position is responsible for the majority of information flow problems; the majority of our complaints come from rural areas but we do not have an office there; duplication of duties between two roles is responsible for the majority of service problems.• Use it to prioritise problems, analyse symptoms, identify root causes, and prove structure effectiveness.	<ul style="list-style-type: none">• Determine what data need to be collected.• Collect the data (observation, questionnaires, counting queries/ complaints/absenteeism/ costs).• Plot the data on a Pareto diagram by ranking the items identified from highest to the lowest.• Assign weights to different responses e.g. happy = 0, very unhappy = 10.• Identify the vital few elements by multiplying the score by the weight.• Add all the scores to get a total. Determine the vital few by dividing the score for each category by the total.• Data can be organised (stratified) in the following ways:<ul style="list-style-type: none">o Products or services.o Observable symptoms.o Geographical location.o Reason/rationale.o Cost.o Per process/function/job.	<ul style="list-style-type: none">• One of the most frequently used statistical tools, and should be used when you have limited resources to throw at a problem or an opportunity.• Optional tool.

Example: Customer satisfaction results (see table and graph as example of how this tool can be used).

The customer satisfaction questionnaire consists of five categories:

- Accuracy of information.
- Service at the counter.
- Problem resolution.
- Convenience (service location).
- Time to deliver the product.

Each category has four possible answers, each with a different weight to indicate importance:

Delighted	–	0
Satisfied	–	2
Not satisfied	–	4
Very unhappy	–	8

In the example below, the responses to the first category, “accuracy of information”, are 20 respondents indicated delight, 10 satisfied, 5 not satisfied and 10 unhappy.

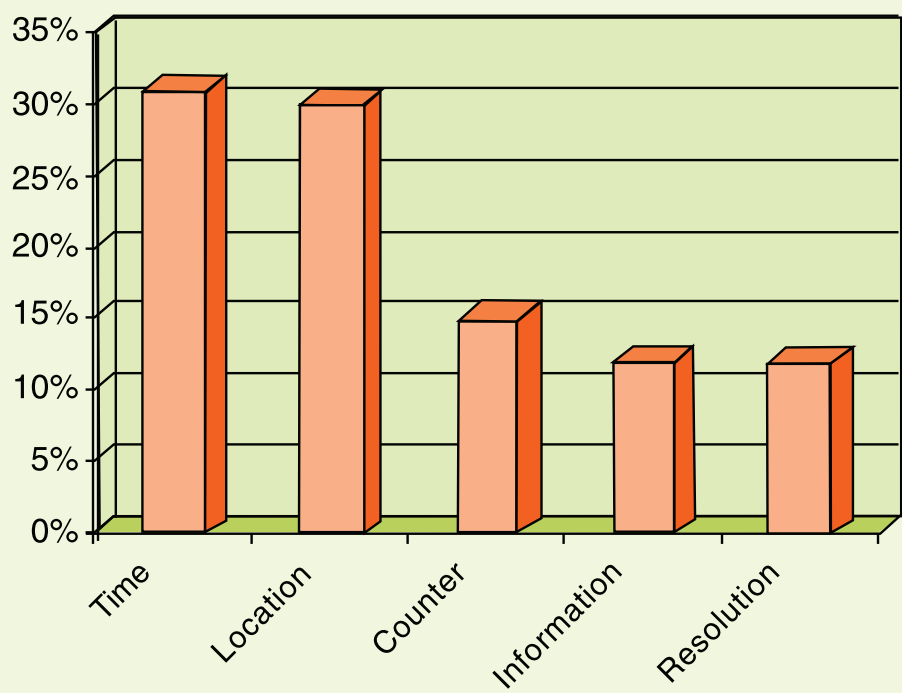
The next step is to multiply the response by the weight: 20 for delight x 0 weight = 0, 10 for satisfied x 2 weight = 20 etc. Do this for all the categories and add the total weighted scores for each category e.g. for accuracy = 120, service at counter = 130 etc. The total score is 890.

To determine the significant few, divide the score by the total to get a percentage for the specific category, e.g. accuracy of information represents 13% of the total score (120/890 = 13%).

The last step is to plot the results on a histogram chart as indicated below.

Categories	Delighted Weight=0	Satisfied Weight=2	Not satisfied Weight=4	Very unhappy Weight=8	Score	%
Accuracy of information	Response=20 20x0=0	Response=10 10x2=20	Response=5 5x4=20	Response=10 10x8=80	120	120/890=13%
Service at the counter	Response=10 10x0=0	Response=15 15x2=30	Response=15 15x4=60	Response=5 5x8=40	130	130/890=15%
Problem resolution	Response=20 20x0=0	Response=10 10x2=20	Response=10 10x4=40	Response=5 5x8=40	100	100/890=11%
Convenience (service location)	Response=0 0	Response=20 10x2=20	Response=10 10x4=40	Response=25 25x8=200	260	260/890=30%
Time to deliver the product	Response=0 0	Response=0 0	Response=20 20x4=80	Response=25 25x8=200	280	280/890=31%
Total					890	100%

The results plotted on a histogram chart would look like this:



16.4.4 TOOL 15: COST OF POOR SERVICE DELIVERY

What is it?	How to use it	When to use it
<ul style="list-style-type: none"> A methodology based on the following formula: $TOC = EFTW \text{ price} + CPSD$, i.e. TOC (total operating cost) equals EFTW (essential first-time work price) plus CPSD (cost of poor service delivery). In the majority of organisations the equation is as follows: $TOC (100\%) = EFTW (70\%) + CPSD (30\%)$ (85+15% would be world-class). $CPSD = POAQ$ (price of attaining quality) (initially 1-5%) + $COPQ$ (cost of poor quality) (initially 20% of turnover). $POAQ = POP$ (price of prevention – training, inspection, test) + POA (price of appraisal – checking). $COPQ = COR$ (cost of rework) + COW (cost of waste). Example: CPSD in documentation: POP = cost for training on word processing. POA = cost of proofreading. COR = cost of delays, etc. due to misfiled information. COW = cost of time lost due to wrong reporting. 	<ul style="list-style-type: none"> Determine the price of preventing poor quality (POP), including training, testing, hiring, system, additional resources, etc. Determine the price of appraisal to prevent poor quality (POA), including checking, proofreading, inspection, auditing, appraisals, etc. Calculate the price of attaining quality (POAQ) by adding POP and POA. Determine the cost of rework (COR) including all rework activities, wasted time, citizen cost, stationery cost, lost production as a result of rework. Determine the cost of waste/mis-takes/tasks not completed (COW), including time lost, opportunity losses, compensation paid, legal costs, additional resource (contractors), cost to the citizen. Calculate the cost of poor quality (COPQ) by adding COR and COW. Calculate the total cost of poor service delivery (CPSD) by adding POAQ and COPQ. 	<ul style="list-style-type: none"> Optional tool, but very important to use if you are not sure what the actual business case for the new structure is, or if you need to find out how effective and efficient a process really is.

(Adapted from E vd Heever & T Cox, 2002. "Service delivery improvement management". Unpublished)

Example: Document production environment

To determine the total cost of poor service delivery (CPSD), you investigate the document production process and identify the following cost items:

- Price of preventing poor quality (POP):**
 - You find two activities that are used to prevent poor quality i.e. training and testing of equipment before starting to print.
 - The training (work processing and equipment) takes five days per employee.
 - They were trained on MS Word and on using the equipment.
 - You determine the average cost of lost production and salary per day as R400,00 pp and the cost of training per person per day as R400,00.
 - The cost of the testing activities includes the cost of 10 pages per machine (five machines), ink, and power.

- Price of quality assurance (POA):
 - o You find two activities that are used to ensure the quality of the product – inspecting the binding and printing quality and making sure all the pages are in the document.
 - o You calculate that inspecting the quality of the document takes five seconds per document and an average of 5 000 documents are checked each day.
 - o The average hourly rate of the employees is R50,00 per hour.
 - o This results in five seconds costing R0,07 ($R50/3\,600 \text{ seconds} \times 5 \text{ seconds} = R0,07$).
 - o The cost of proofreading is the same as the quality inspection.

Price of attaining quality (POAQ)				
Cost elements	Unit(s) of measure	Cost per unit	Number of units	Total
Price of preventing poor quality (POP)				
1. Training	Cost per man day	R400 salary R400 training	10 people x 1 day each = 10	R8 000,00 (one-off)
2. Testing	Cost per page pd	R5,00 per page	10 pages x 5 machines	R250 pd = R60 000 pa
Price of appraisal to prevent poor quality (POA)				
3. Quality inspection	Cost per document	R0,076	R0,076 x 100 (random docs)	R7,60 pd = R1 824 pa
4. Content inspection	Cost per document	R0,076	R0,076 x 100 (random docs)	R7,60 pd = R1 824 pa
Total (The total amount spent to ensure quality of the product)				R950 pd R228 000 pa

- You further identify the cost of rework (COR):

There are direct and indirect costs associated with this item.

 1. Inspections reveal that certain documentation had to be reprinted, which resulted in lost production and waste.

The lost production was calculated per average document size (150 pages x R0,20 per page = R30,00 per document) and the number of documents which had to be reprinted per day (100 per day).
 2. Because of the rework, documents had to be sorted to make sure only the correct documents reach the client.

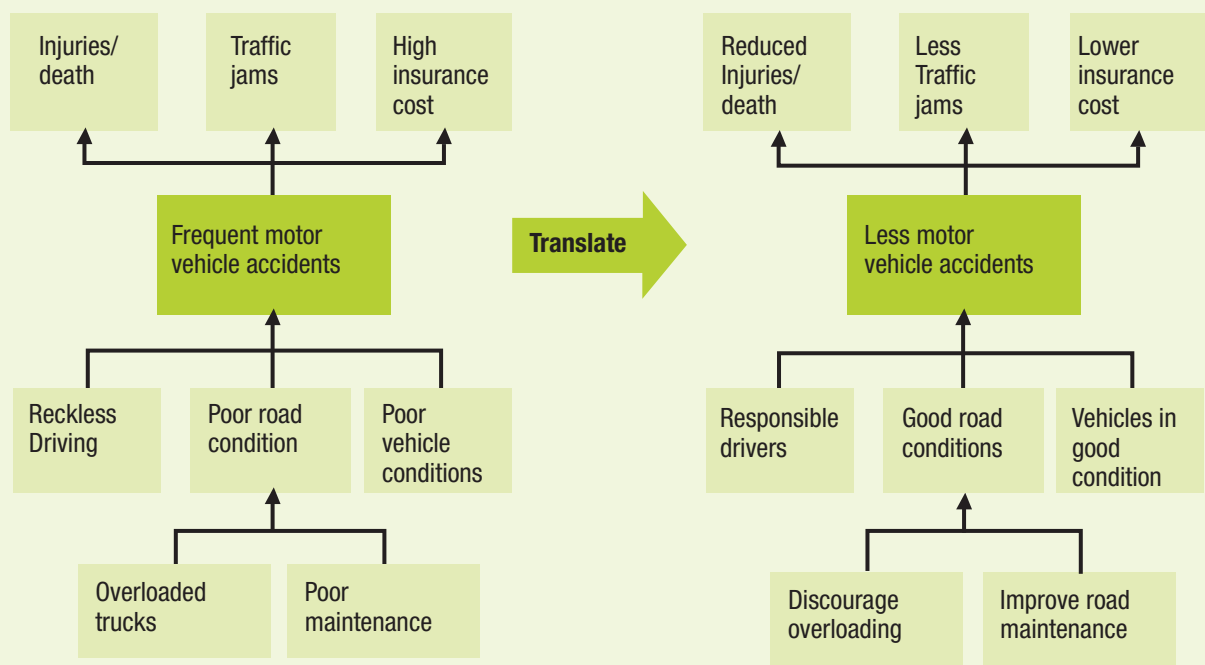
Three employees spent on average about 60 minutes per day sorting documentation to be collected (average R50 ph for 3 hours = R150).
 3. The average waiting time for clients to collect documentation or the courier company to collect is 20 minutes.

The average hourly rate for public servants is R150 and 20 minutes of waiting time = R50 per person.
About 100 clients collect documents each day which = R5 000,00 waiting time per day.
- Cost of waste includes all the additional material which had to be purchased and the loss of volume which you decide is equal to the number of documents which had to be reprinted.

Cost of poor quality (COPQ)				
Cost elements	Unit(s) of measure	Cost per unit	Number of units	Total
Cost of rework (COR)				
1. Loss in production	Documents to be redone per day	R0,20 per page	100 docs x 150 pages = 1 500	R3 000 pd R720 000 pa
2. Cost of sorting	Time spent sorting	R50 ph	1 hour for 3 employees per day	R150
3. Cost of waiting	Time spent waiting by clients	R150 ph	100 clients per day, each waiting 20 minutes	R5 000 pd R1,2m pa
Opportunities lost (COW – cost of waste)				
4. Additional product to be procured	Cost per page	R0,15	1 500 additional pages	R2 325 pd
	Cartridges	R1 000	1 cartridge per day	R558 000 pa
	Glue	R1 per doc	100 docs per day	
	Covers	R5 per cover	2 covers per document	
5. Additional volume	Documents per day	R0,20 per page	100 docs x 150 pages = 1 500	R3 000 pd R720 000 pa
Total				R11 475 pd R2,75m pa

16.4.5 TOOL 16: FAULT TREE ANALYSIS

What is it?	How to use it	When to use it
<ul style="list-style-type: none"> Fault tree analysis helps to illustrate the linkages between a set of complex issues or relationships by fitting them into a hierarchy of related factors. It is used to: <ul style="list-style-type: none"> Link the various issues or factors which may contribute to an organisational problem. Identify root causes of a problem. The important assumption underlying the fault is the hierarchical relationship between cause and effect. 	<ul style="list-style-type: none"> Identify the major existing problems/issues based on available information (e.g. by brainstorming). Select one important problem for analysis, e.g. poor information quality. Develop the fault tree by beginning with the direct causes of the problem, e.g. incorrect information from citizens, incorrect capturing of information. After completing the fault tree, translate the different causes and effects into objectives, e.g. high accident rate – reduce accident rate by 40%. This will provide the opportunity to determine success factors for the structural design process. 	<ul style="list-style-type: none"> This process can help to distinguish the underlying or root causes of an institutional problem from their effects and guide advisers towards the critical issues that need to be tackled in institutional development. For example, poor budgetary processes or late arrival of funds in a Ministry may be effects of a poor or non-existent public expenditure management process or poorly articulated priorities – or no money.



16.4.6 TOOL 17: SWOT ANALYSIS

What is it?	How to use it	When to use it
<ul style="list-style-type: none">• The SWOT analysis is a tool for assessing and communicating the current position of an organisation or a restructuring option in terms of its internal strengths and weaknesses (things we control) and the external opportunities and threats (things we do not control) it faces.• It provides a perspective on what would be required to build on strengths, minimise weaknesses, take advantage of opportunities and deal with threats.	<ul style="list-style-type: none">• Gather and summarise initial insights from internal interviews and relevant documents. The 7 S or excellence models on page 16-1 can be used to gather information on strengths and weaknesses and the PESTE analysis (analysis of political, economic, socio-cultural, technological and ecologic factors) and customer value propositions can be used to identify opportunities and threats.• Organise the information according to the matrix below and review this with key employees and stakeholders.• Note that some strengths can also be weaknesses when viewed from a different perspective. The same applies to opportunities and threats.• Develop strategies on the basis of a cross-impact analysis. (Formulate design principles based on the current strengths and opportunities, and based on the current weaknesses and threats to the organisation.)	<ul style="list-style-type: none">• Good tool, to be used whenever it is appropriate.

	Opportunities 1. 2. 3. 4.	Threats 1. 2. 3. 4.
Strengths 1. 2. 3. 4.	Develop design principles to ensure that the current strengths and opportunities are incorporated.	Additional issues which may or may not be important.
Weaknesses 1. 2. 3. 4.	Additional issues which may or may not be important.	Develop design principles to eliminate the current weaknesses and mitigate the threats/risks associated with the current structure.

16.4.7 TOOL 18: 7 S ANALYSIS

What is it?	How to use it	When to use it
<ul style="list-style-type: none">• The 7 S framework describes seven key interdependent organisational variables that need to be taken into account in organisational design.• The 7 S model has proved to be a useful tool for analysing internal issues in an organisation.• While it is not as robust as the excellence models or other models like the Burke-Litwin model, it is easy to use.• The authors developed the model in the context of their research into the key attributes of excellent private sector organisations.	<ul style="list-style-type: none">• Use the 7 S framework as a basis for discussion of organisational design with key stakeholders in the organisation and relevant experts.• Special attention should be paid to the relationships between the seven variables. Gather data on each of the areas based on desk research and interviews with key stakeholders throughout the organisation.• Summarise findings in a report for senior staff. This report can then be used as a basis for identifying which boxes relate to which executives and managers, and can be useful in helping them understand the complex performance and change issues they are trying to manage.• Key questions to include are summarised in the table below.	<ul style="list-style-type: none">• Use it only to consider internal variables.• If you used the Burke and Litwin model to define the problem, the 7 S is not necessary.

Element	Key questions for each element
Strategy	<ul style="list-style-type: none">• How clear is the vision and goals of the organisation?• Is everybody aware of the business focus when they plan the strategy?• Are all the stakeholders who should be involved part of the process?
Structure	<ul style="list-style-type: none">• Does the current structure enable quick decision making, flow of information, service delivery to all citizens according to their requirements, ensure equal distribution of workload, etc.?• Is there a link between the structure and the strategy?• Are all the roles and responsibilities clearly defined?• Are governance structures in place to ensure participation of key stakeholders – staff, other Ministries and service users in determining how the organisation should deliver its service?
Staff	<ul style="list-style-type: none">• Are they effectively utilised and do we have enough people?• Does the organisation encourage the right behaviour?
Skilled	<ul style="list-style-type: none">• Are staff fully competent and do they have high morale?• Are jobs designed to ensure the right skills are utilised in the right place?• Are there enough opportunities for staff to develop and grow?
Style	<ul style="list-style-type: none">• Is the leadership style of Ministers/senior civil servants conducive to a high-performance, high-service-oriented environment?• Do employees feel that they are important and are there efforts to make the work environment conducive to effective service?• Is information shared and communicated effectively and regularly enough?
Shared values	<ul style="list-style-type: none">• What is the nature of the overt and covert rules, values, customs and principles that guide organisational behaviour?• To what extent are core professional values internalised?
Systems	<ul style="list-style-type: none">• How effective are the human, financial and technology systems that support objectives?• Nature of incentives within HR and budgeting policies and procedures.

Adapted from Peters and Waterman: McKinsey 7S framework.

16.4.8 TOOL 19: DEPENDENCIES MAP

What is it?	How to use it	When to use it
<ul style="list-style-type: none">• A tool to determine and map the interdependencies for positions, processes and functions.• It provides a clear overview of requirements and critical tasks which need to be executed for the organisation to function effectively.	<ul style="list-style-type: none">• Determine the components to be reviewed: Processes, positions, functions etc.• Review the interdependencies per row. In the example below, the IT manager position is the first position in the left-hand column of row 1. Review the requirements of the IT manager from all the other positions in the header row.• Complete the analysis and identify critical dependencies which have to be incorporated into the design principles for each column and each row.	<ul style="list-style-type: none">• To be used when role confusion, duplication, idle time, blaming etc. are some of the symptoms of the current situation.

The following is an example of a dependencies map:

	IT manager	Facilities manager	HR manager	Important implications for new structure
IT manager	<ul style="list-style-type: none">N/A.	<ul style="list-style-type: none">Information about office hours.	<ul style="list-style-type: none">HR policies.HR processes.Recruitment.	
Facilities manager	<ul style="list-style-type: none">New technologies.Security system support.	<ul style="list-style-type: none">N/A.	<ul style="list-style-type: none">Recruitment of staff.Office space requirements.	
HR manager	<ul style="list-style-type: none">HR software.System performance.	<ul style="list-style-type: none">Information about office hours.Adequate space.	<ul style="list-style-type: none">N/A.	
Important implications for the new structure				

16.5 TOOLS FOR DECISION POINT 1: IS IT A STRUCTURAL PROBLEM?

Tools	Highly recommended	Recommended	Nice to have
Problem/solution matrix (including problem categorisation matrix)	X		
Alternative prioritisation	X		

16.5.1 TOOL 20: PROBLEM/SOLUTION MATRIX

What is it?	How to use it	When to use it
<ul style="list-style-type: none">A tool to categorise the type of problem/challenge or solution as structure or non-structure-related problems.The structure-related problems can be solved by permanent structural or governance solutions.The non-structure-related problems can be solved by formal systems, procedures or informal ad hoc solutions.The matrix is not a definitive tool, but a guide for decision making.	<ul style="list-style-type: none">Identify the problem and link the problem to the typical solution category (formal or informal).Some problems appear in more than one quadrant to facilitate due deliberation on the appropriate solution to the problem.Review the potential solutions and select the appropriate option(s) from the potential solutions matrix.Use the information to confirm the structure-related problems/opportunities to be addressed through the formal design process.	<ul style="list-style-type: none">Should be a standard framework to consider when deciding to restructure or not.

Part I: The problem categorisation matrix

	Formal–solution-related problems (Formal structure, systems and policy)	Informal/governance-solution-related problems (Committees, forums, groups, events, communication, awareness)
Structure related (problems which can be solved by adjustments to structure)	<ul style="list-style-type: none">• Access to service by citizens.• Service delivery and quality.• Citizen inconvenience.• Risk management (e.g. trends of corruption).• Cost (e.g. top-heavy organisation, high cost and low service delivery).• Productivity/functioning.• Organisational flexibility and responsiveness.• Internal redundancies and inefficiencies.• Accountability and role clarity.• Span of control.• Duplication of roles or role uncertainty.• Workload.• Task bundling.• Flow of information (speed and accuracy of information).• Decision making.• Non-core business problems (options for outsourcing or partnering).	<ul style="list-style-type: none">• Service delivery and quality.• Citizen inconvenience.• Risk management.• Productivity/functioning.• Organisational flexibility and responsiveness.• Morale.• Communication.• Flow of information (speed and accuracy of information).• Decision making.• Service delivery and quality.• Deviant behaviour by individuals.• Lack of strategic clarity.
Non-structure-related (problems which cannot or should not be solved by means of structural solutions)	<ul style="list-style-type: none">• Promotions issues.• Job grading issues.• Disciplinary challenges.• Incompetence (lack of skills and training).• Non-conformance to standards.• Lack of a clear strategy.• Uncertainty of outputs or performance criteria.• Systems ineffectiveness.• Individual needs and values.• Managerial competence and leadership practices.	<ul style="list-style-type: none">• Individual needs and values.• Managerial competence.• Leadership practices.

Part II: Problem/solution matrix

	Types of formal structure solutions (Formal structures)	Types of governance structure solutions (Committees, forums, groups, events, communication, awareness)
Structure related (Problems which can be solved by means of structural adjustments)	<ul style="list-style-type: none"> • Formal organisational structure adjustments: <ul style="list-style-type: none"> • Functional. <ul style="list-style-type: none"> o Product/service line. o Citizen. o Divisional or geographic. o Process. o Matrix. • Business model adjustments: <ul style="list-style-type: none"> o Outsourcing. o Networking. o Small/large. • Business process adjustments: <ul style="list-style-type: none"> o Re-engineering. o Downsizing. o Rightsizing. • Physical infrastructure. • Position related: <ul style="list-style-type: none"> o Span of control. o Decision making power. o Authority. o Task bundling. 	<ul style="list-style-type: none"> • Teams (decision making teams). • Forums (employee forums). • Groups (process management groups, strategic review groups). • Committees (audit, finance, risk management). • Quality management systems. • Monitoring systems. • Risk management systems. • Employee benefits. • Visual management. • Team charters. • Standard meetings. • Process ownership.
	<ul style="list-style-type: none"> • Types of formal solutions which become part of day-to-day operations 	<ul style="list-style-type: none"> • Types of informal interventions • (Events, forums, groups, communication, awareness)
Non-structure-related (problems which cannot or should not be solved by means of structural solutions)	<ul style="list-style-type: none"> • Processes. • Procedures. • Policy. • Systems (technology). • Systems (HR management). • Physical infrastructure. • Budgets. 	<ul style="list-style-type: none"> • Awareness campaigns. • Roadshows. • Events. • Culture programmes. • Communication. • Employee assistance programmes. • Day care, health care.

16.5.2 TOOL 21: INTERVENTION IDENTIFICATION

What is it?	How to use it	When to use it
<ul style="list-style-type: none">• The tool can be used as a stand-alone tool for use in the case of less complex problems or can be used in conjunction with the problem/solution matrix.• The tool can be used in preparation for structure discussions, as a decision making tool or as input into the business case.• The tool assists in selecting the best-fit solution to the problem.	<ul style="list-style-type: none">• Clearly formulate the problem statement or group of related problems. This information can be generated by using the problem/solution matrix or by using information generated by any other diagnostic tool.• Identify potential options:• Brainstorming of potential solutions.• Use generic solutions (the tool provides for some generic considerations, but is not definitive and can be expanded).• Rank the potential solutions in order of priority.• Provide comments about the implementation and rationale for selection.	<ul style="list-style-type: none">• Reality check to support the solution selection matrix.

The following table can be used if you want to use intervention identification as a tool:

Problem statement		
Options	Best fit (Indicate where N/A and rank the rest in order of priority (1-x)	Comments on the rationale and potential implementation considerations
• Upskilling/multiskilling of staff.		
• Outsourcing of non-core functions.		
• Utilising consultants.		
• Utilising contract workers.		
• Creating partnerships with private sector or other departments.		
• Formal structure change (restructuring).		
• Governance structure change (incentives, HR system, culture change, leadership).		
• Systems development or technology implementation.		
• Other.		

16.6 TOOLS FOR STEP 5: DEVELOP A CASE FOR CHANGE TOOLS

Tools	Highly recommended	Recommended	Nice to have
Success indicator identification	X		
Structure questionnaire		X	
Design principles	X		

16.6.1 TOOL 22: SUCCESS INDICATOR IDENTIFICATION

What is it?	How to use it	When to use it
<ul style="list-style-type: none"> To determine the indicators of success, in other words what would success look like for us OR how will we know if we are successful? It provides a basis for determining design principles in complementing the organisational and problem analysis. 	<ul style="list-style-type: none"> Identify the areas for success (the tool provided uses stakeholder groupings and balanced scorecard indicators as basis). Identify the results (i.e. 95% service recipient satisfaction, 1 000 new houses built) and behaviour (all employees willing to go the extra mile, service users utilising the internet more often) which will indicate success in each block. Clearly indicate in detail how we will know if we are successful. Include these success indicators as part of the case for change. 	<ul style="list-style-type: none"> Should be used without exception with any structural change or adjustment. This tool is applicable to an overall organisational restructuring or a unit or team structure adjustment.

Areas for success	We will know we are successful when we achieve the following results or behaviour by our employees:			
	Cost and overall benefit of service	Service quality	Service delivery process	People capacity, innovation and learning
Government (Our value proposition and their requirements)	<ul style="list-style-type: none"> Treasury approves 100% of budget. No qualification from the OAG. 	<ul style="list-style-type: none"> 100% service user satisfaction. No legal proceedings. 	<ul style="list-style-type: none"> No duplication of tasks. Full alignment with other departments. 	
Employees (Our value proposition and their requirements)	<ul style="list-style-type: none"> Each employee will be able to explain how he/she makes a difference. 	<ul style="list-style-type: none"> No service user waits more than three days for an answer. No service user spends more than 30 minutes without an answer to his/her query. 	<ul style="list-style-type: none"> Employees support each other to improve. 	<ul style="list-style-type: none"> Each employee is part of a process improvement group. All employees are 100% competent and multiskilled.

Service users/ recipients (Our value proposition and their requirements)	<ul style="list-style-type: none">• 1 000 new houses built.• 10 000 people with shelter.	<ul style="list-style-type: none">• 100% satisfaction.	<ul style="list-style-type: none">• 40% of us- ers apply via telephone or the internet.	
Based on the required performance and behaviour, we need to consider the following design principles for the new structure:	<ul style="list-style-type: none">• All divisions are fully aligned when budgeting.• Quick, accurate and consistent flow of informa- tion.	<ul style="list-style-type: none">• As close as possible to the service user.• As close as possible to a one-stop shop (no unnecessary handovers).	<ul style="list-style-type: none">• Employee involvement.• Alignment with other departments (no duplication).	<ul style="list-style-type: none">• Continuous improvement.• Multidisciplinary workforce (optimal utilisation of multiskilled employees)

16.6.2 TOOL 23: ORGANISATIONAL STRUCTURE QUESTIONNAIRE

What is it?	How to use it	When to use it
<ul style="list-style-type: none">• A set of structured questions to assist the integration of the diagnostic information collected to date.• It also provides the guiding questions for compiling a case for change or high-level business case.	<ul style="list-style-type: none">• Review each of the questions in sequence and provide an explanation for each by using the information collected in the diagnostic phase.	<ul style="list-style-type: none">• This tool can be used for all types of restructuring and should be considered when compiling any case for change or high-level business case.

Case for change questions	Explanation
<ul style="list-style-type: none">• How is your organisation, division, or department structured today? (Draw a chart.)	
<ul style="list-style-type: none">• What are the strengths and limitations of this structure? (It might be useful to ask both internal and external stakeholders.)	
<ul style="list-style-type: none">• How does your current structure serve or fail to serve the needs of citizens?	
<ul style="list-style-type: none">• How are your business processes helped or hindered by your current structure? (Think about coordination needs – for example, which steps in each business process are highly interdependent?)	
<ul style="list-style-type: none">• How do employees feel about the current structure?	
<ul style="list-style-type: none">• Would a different structure improve morale, productivity, or opportunities for creativity?	

Case for change questions	Explanation
<ul style="list-style-type: none">How might a different structure eliminate or improve weaknesses in the current one?	
<ul style="list-style-type: none">What would be the success indicators for the future structure?	
<ul style="list-style-type: none">What are the design principles to ensure that the new structure improves on the current one?	

16.6.3 TOOL 24: DESIGN PRINCIPLES

What is it?	How to use it	When to use it
<ul style="list-style-type: none">Design principles are the criteria which the design team identifies to guide the development and evaluation of a new structure.Design principles should be used to ensure focus in the design process of the formal and governance structures.	<ul style="list-style-type: none">The table below provides a generic set of design principles, but these principles should be reviewed in view of the diagnosis, the success indicators and the structure questions.Once the design principles have been agreed, the team then determines the relative priority of each of the design principles.Once the priorities have been established, the team then reviews the principles for their applicability in the design process, that is, applicable to the formal or governance structures or to both structures.Include these principles in the case for change.	<ul style="list-style-type: none">This is the most frequently used type of tool for restructuring.

Example of a design principle table:

Design principles	Detail of principle	Priority	Formal structure	Governance structure
1. Optimal alignment (Structure must ensure alignment with instruments of governance).	<ul style="list-style-type: none">• Ensure planning and budget cycle alignment.• Ensure adequate information to plan strategic and operational programmes of action• Generate accurate and adequate information to justify budgetary requirements to Treasury.			
2. Structure must support focus on citizen’s needs.	<ul style="list-style-type: none">• The way in which the organisation seeks to serve clearly identified target groups of service recipients should be evident from the structure.• All roles should include opportunities for interaction with service recipients.			
3. Optimal coordination (Structure must support an integrated working method).	<ul style="list-style-type: none">• Purpose of each team and its contribution to the overall departmental objectives must be clear.• No functional silos.			
4. Structure must enable increased focus on the relationship between advocacy/ promotional activity and results.	<ul style="list-style-type: none">• Clear definition of high-level responsibilities of each role, along with key interdependencies.• Clear definition of the key outputs that each role is accountable for delivering.			
5. Holistic governance – distinction of responsibilities between hub level and central must be clear.	<ul style="list-style-type: none">• Focus on the whole and not parts of the system of governance.• Clear definition of the activities which will be carried out by roles based in the regions and those which will be carried out centrally.• A consistent structure and titles should be maintained across the regions.			
6. Required level of integration (structure must provide flexibility for individuals to expand their skills).	<ul style="list-style-type: none">• Roles should be designed so that staff have the flexibility to cover other roles within the same team where required.• Design for critical mass in respect of resource utilisation.			
7. Allocation of responsibilities between teams must be clear.	<ul style="list-style-type: none">• Clear interfaces between teams.			
8. Contribute to goals of the developmental state.	<ul style="list-style-type: none">• Must be informed by the broader priorities of the developmental state.• Must be consistent with principles of the developmental state.			

CHAPTER 17

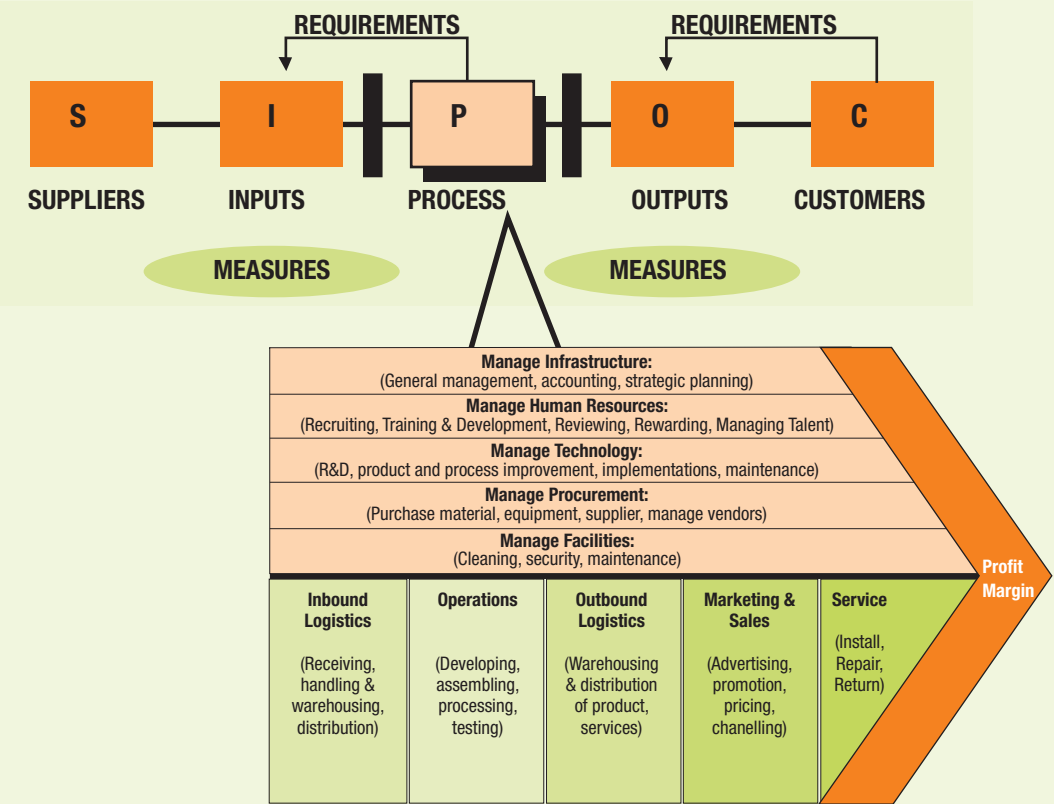
17. TOOLS FOR PHASE 2: DETERMINE REQUIREMENTS

17.1 TOOLS FOR STEP 6: DETERMINING REQUIREMENTS AND CAPABILITIES

Tools	Highly recommended	Recommended	Nice to have
Backward process analysis and engineering (SIPOC)	X		
Service recipient requirements analysis		X	
Process-structure alignment requirements		X	
Business process maps	X		
Quick structured map			X
Process analysis and optimisation		X	
Dependencies map	X		
Process-supplier matrix	X		
External requirements analysis	X		
Risk analysis	X		
Service capacity planning		X	
Organisational capability analysis	X		
Behaviour enabler identification	X		
Behaviour/structure analysis framework	X		
Structure constraints review		X	
Maturity analysis		X	
Structure assessment questionnaire	X		

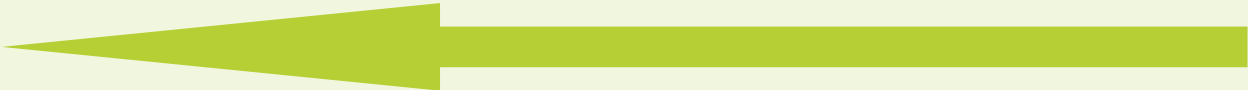
17.1.1 TOOL 25: BACKWARD PROCESS ANALYSIS

What is it?	How to use it
<ul style="list-style-type: none">• The backward process analysis tool is based on the SIPOC acronym indicating Supplier, Input, Process, Output, and Customer.• The analysis process, however, starts by identifying the customer (citizen in your case) and working backward towards input requirements. It is therefore more appropriate to refer to it as the “Copsis” model rather than “Sipoc”.• Although developed for the private sector, the tool is applicable to the public sector – customers are citizens and users of public services.	<ul style="list-style-type: none">• The following value-added chain provides an overview of the sequential thinking and analysis pattern associated with the backward analysis process.<div><div>Determine business customers</div><div>Determine citizen requirements</div><div>Identify key business processes</div><div>Map the key business processes</div><div>Identify standards, resources</div><div>Determine input requirements</div></div>• Identify the customers (citizens) or reconfirm the customers (this might have been completed as part of the diagnostic phase).• Determine the key requirements, value propositions or expectations of each customer or customer grouping/segment in detail (this might also be completed during the diagnostic phase).• Determine the business processes required to provide the customers/stakeholders with what they need or expect. Each customer requirement invariably requires the organisation to be good at executing certain business processes. Refer back to the value and business drivers, identify the key activities which will enable delivery, and list them against each requirement. (This may result in the same process being identified more than once.)• In order to be fully aware of what is required to execute the process, the requirements for each process have to be identified. Process requirements include skills, knowledge, standards, norms, equipment and facilities and standard procedures which will enable the replication of the same process at the same level of performance by anybody involved in the execution of the process.• Identify the input requirements in detail for each process (raw material, application form, information, model, etc. which will be transformed into something more valuable, i.e. the customer requirement).• Identify the suppliers for each input required to execute the process and list them.
When to use it	
<ul style="list-style-type: none">• The review of business processes with the end in mind should be used almost without exception if service and service orientation are at all important in the structural design.	



Adapted from Michael E. Porter, Competitive Advantage: Creating and Sustain Superior Performance, 1985

Example of SIPOC:

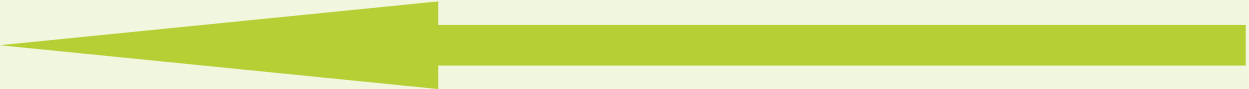


Supplier	Inputs	Process	Output/product	Customer outcome
<ul style="list-style-type: none">• Patient.• Investors.• Medical schools.	<ul style="list-style-type: none">• Money.• Information.• Doctor.• Nursing staff.• Resources.	<ul style="list-style-type: none">• Surgery.• Meal supply.• Ward service.• Pre-/post-op.• Admission.• Finance.	<ul style="list-style-type: none">• Three meals a day.• Operation not longer than planned.• Cost no more than quoted.• Minimum discomfort.	<ul style="list-style-type: none">• Healthy and productive again.

Process analysis:

What is it?	How to use it
<ul style="list-style-type: none">• Process analysis describes the activities that take place in a business and relates them to an analysis of the competitive strength of the business. Influential work by Michael Porter suggested that the activities of a business could be grouped under two headings:<ul style="list-style-type: none">o Primary activities – those that are directly concerned with creating and delivering a product (e.g. component assembly).o Support activities, whilst not directly involved in production, may increase effectiveness or efficiency (e.g. human resource management). It is rare for a business to undertake all primary and support activities.• The aim is to determine segmented citizen requirements which are realities and need to be addressed by the organisation.• It distinguishes between three generic types of groups, but can be expanded to include investors/donors.	<ul style="list-style-type: none">• List all the citizen requirements and our value propositions (make sure the requirements are detailed and quantifiable).• Identify the key business processes required to provide the citizens with what they need or what we are promising (value proposition).• Identify in turn all the support processes the organisation needs to fulfil in order to enable the execution of the key business processes.

Example



Support activities to ensure that primary processes and activities are executed fully	Primary processes and activities to ensure citizen satisfaction	Citizen requirements
		1
		2
		3
		4

17.1.2 TOOL 26: DETERMINE CUSTOMER REQUIREMENTS

In any structuring exercise, it is important to take note of the following:

For...	The organisation needs to...
Investors (government) and citizens (service recipients)	Build its value proposition.
Citizens and employees	Grow the business.
Employees and investors	Invest in human resources.

What is it?	How to use it	When to use it
<ul style="list-style-type: none"> The aim is to determine segmented citizen requirements which are realities and need to be addressed by the organisation. It distinguishes between three generic types of groups, but can be expanded to include investors/donors. 	<ul style="list-style-type: none"> Select the citizen groups and identify the different segments of a stakeholder group. Review and confirm the performance categories (the generic categories are speed, quality, cost, volume, safety and morale). Formulate the requirements of each stakeholder group in quantitative form, for example requires new passport within two days after application. Review the collective requirements under each category and identify the structural implications to achieve each. 	<ul style="list-style-type: none"> If the service user requirements have not yet been identified, this tool is an important mechanism to do it. This tool forms the basis for value drivers and process analysis.

Stakeholders	Segments Groups	Requirement categories					
		Speed and convenience	Quality	Cost	Volume	Safety	Morale
Government	Executive						
	Other departments						
	Other						
Citizens	High income						
	Low income						
	Rural						
	Urban						

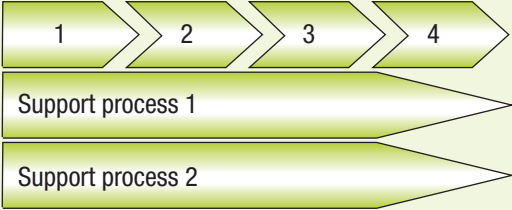
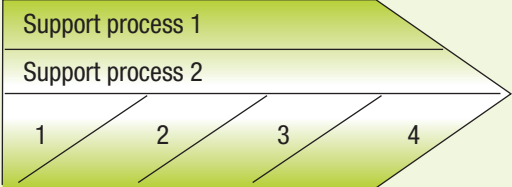
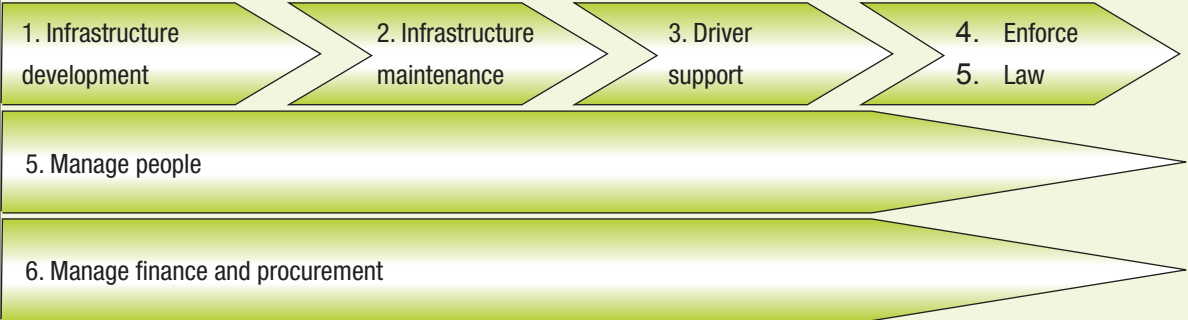
17.1.3 TOOL 27: PROCESS STRUCTURE ALIGNMENT REQUIREMENTS

What is it?	How to use it	When to use it
<ul style="list-style-type: none">A tool to identify process inefficiencies and subsequent structural flaws.	<ul style="list-style-type: none">Review each of the questions in the questionnaire and determine which of the situations are applicable to your organisation.Identify either a process design or structural design intervention to address the identified process or structural inefficiency or ineffectiveness.	<ul style="list-style-type: none">Use as a support tool for the process analysis.Use if the team needs to confirm their findings on any other other requirement analysis tools.

Process identification considerations	New processes/procedure to address the need	Structural impact
<ul style="list-style-type: none">What is the downstream effect (the effect on other processes, effect of receiving late delivery or poor quality from suppliers inside or outside the organisation and silo approaches), if people are unable to perform according to certain expectations?		
<ul style="list-style-type: none">Does the organisation compensate for poor quality or poor service, e.g. poor quality of work, not delivering on time, spelling errors, incorrect figures, etc. What is the effect when people deliver outstanding work versus when people deliver poor quality work? There should be a “carrot and stick” scenario embedded in the organisation.		
<ul style="list-style-type: none">Does the organisation employ people to check other people’s work? As soon as work is checked for correctness, the structure is allowing for and building inefficiencies into processes.		
<ul style="list-style-type: none">Are things done right the first time around? If not, why not? What can be done to rectify the situation?		
<ul style="list-style-type: none">How can the business improve on a specific process and how can the organisation understand what it is that citizens want?		
<ul style="list-style-type: none">Is the organisation structured according to its own internal requirements or according to what the citizen wants?		
<ul style="list-style-type: none">What are the risks causing inefficiencies in our processes?		
<ul style="list-style-type: none">Do we really know what the citizens’ requirements are; are they clarified and tied back to the specific process?		

17.1.4 TOOL 28: BUSINESS PROCESS MAPS

Option 1: Value-added chain (VAC) map

What is it?	How to use it
<ul style="list-style-type: none">A value chain or value-added chain map is a high-level sequential representation of how key groups of tasks (processes) add value to the final product or service.This type of map is used to create a picture of the business' or organisation's main activities which can be divided into two groups:<ul style="list-style-type: none">Primary or key business activities/processes are those which directly influence the final product or service.Support activities/processes are those that enable and support the execution of the key business processes, e.g. finance, HR, IT, security, and audit.	<ul style="list-style-type: none">Identify the primary reason for the organisation's/team's existence: To ensure safe access to and from our communities for commercial and private purposes.Determine the last major process which is to be executed to achieve the reason for existence: Last process.Group the value drivers and capabilities into two categories.There are two ways of depicting the value chain or VAC:VAC map<div></div>Porter value chain<div></div>
When to use it	
<ul style="list-style-type: none">This map forms the basis for the service model and for capacity analysis. It is a very important tool in the whole structuring process.Not required if the restructuring does not impact a whole department or unit.	
<p>Example: VAC map for Provincial Department of Transport</p> <div></div>	

Examples of primary activities:





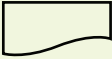
Primary activity	Description
Inbound logistics	<ul style="list-style-type: none">All those activities concerned with receiving and storing externally sourced materials.
Operations	<ul style="list-style-type: none">The manufacture of products and services – the way in which resource inputs (e.g. materials) are converted into outputs (e.g. products).
Outbound logistics	<ul style="list-style-type: none">All those activities associated with getting finished goods and services to buyers.
Marketing and sales	<ul style="list-style-type: none">Essentially an information activity – informing buyers and consumers about products and services (benefits, use, price etc.).
Service	<ul style="list-style-type: none">All those activities associated with maintaining product performance after the product has been sold.

Examples of support activities:

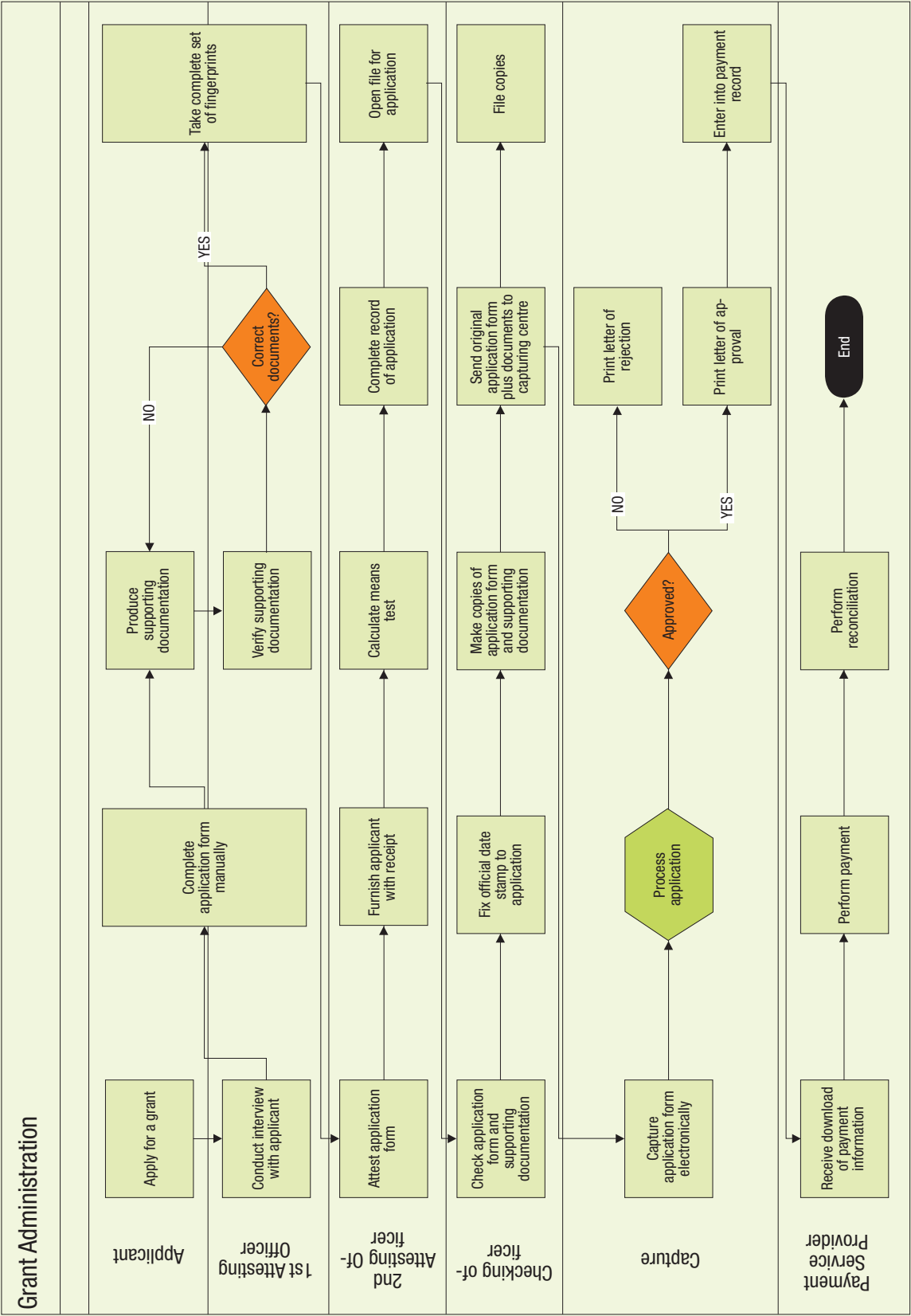
Support activities	Description
Procurement	<ul style="list-style-type: none">This concerns how resources are acquired for a business (e.g. sourcing and negotiating with materials suppliers).
HR management	<ul style="list-style-type: none">Those activities concerned with recruiting, developing, motivating and rewarding the workforce of a business.
Technology development	<ul style="list-style-type: none">Activities concerned with managing information processing and the development and protection of knowledge in a business.
Infrastructure	<ul style="list-style-type: none">Concerned with a wide range of support systems and functions, such as finance, planning, quality control and general senior management.

Option 2: Flow chart map

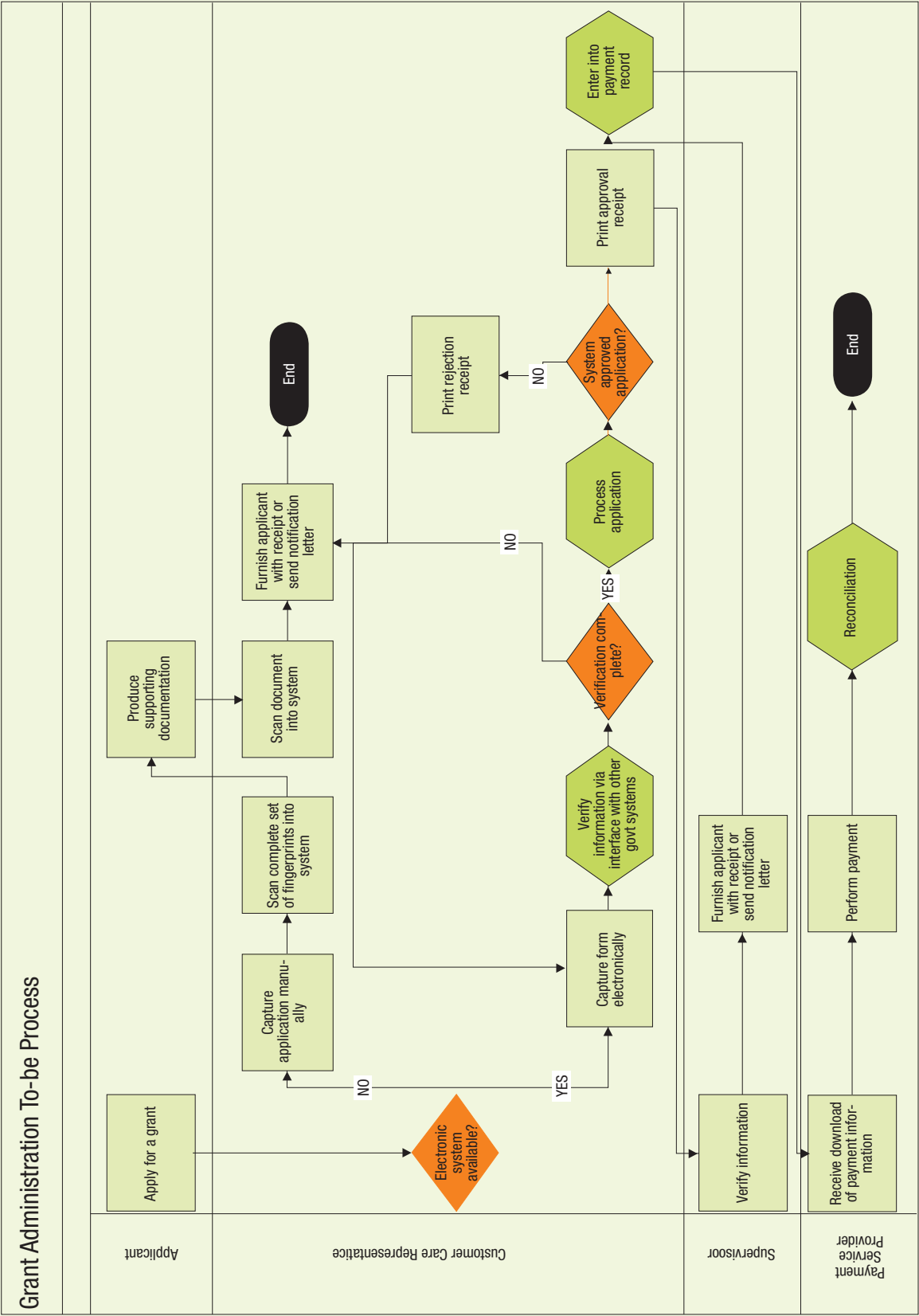
What is it?	How to use it	When to use it
<ul style="list-style-type: none">The purpose of process mapping is to use diagramming to understand the process we currently use and ask what is expected of us; what should we be doing to provide better citizen focus and satisfaction?	<div><div>1.</div><div>Step 1: Determine the boundaries.</div><div><div>a.</div><div>Where does a process begin?</div></div><div><div>b.</div><div>Where does a process end?</div></div></div> <div><div>1.</div><div>Step 2: List the steps.</div><div><div>a.</div><div>Use a verb to start the task description.</div></div><div><div>b.</div><div>The flow chart can either show sufficient information to understand the general process flow or detail every finite action and decision point.</div></div></div> <div><div>2.</div><div>Step 3: Sequence the steps.</div><div><div>a.</div><div>Use post-it notes so that you can move tasks.</div></div><div><div>b.</div><div>Do not insert arrows until later.</div></div></div>	

What is it?	How to use it	When to use it
<ul style="list-style-type: none">• Process mapping identifies the best practices the organisation needs to incorporate and find appropriate benchmarks to measure how we can arrive at better ways of communicating our services.	<p>3. Step 4: Draw appropriate symbols.</p> <p>Start with the basic symbols:</p> <div><div></div><div>a. Ovals show input to start the process or output at the end of the process.</div><div></div><div>b. Boxes or rectangles show tasks or activities performed in the process.</div><div></div><div>c. Arrows show process direction flow. If there are feedback arrows, make sure feedback loop is closed, i.e. it should take you back to the input box.</div><div></div><div>d. Diamonds show points in the process where yes/no questions are asked or a decision is required. Usually there is only one arrow out of an activity box. If there is more than one arrow, you may need a decision diamond.</div><div></div><div>e. Deliverables should be clearly indicated if it is a detailed procedure map.</div></div> <p>4. Step 5: Draft system model.</p> <div><div>a. Draw charts using system model approach.</div><div>b. Input – use information based on people, machines, material, method, and environment.</div><div>c. Process – use subsets of processes in series or parallel.</div><div>d. Output – use outcomes/desired results or deliverables.</div><div>e. Control – use best in class business rules.</div><div>f. Feedback – use information from surveys or feedback.</div></div> <p>5. Step 6: Check for completeness.</p> <div><div>a. Include pertinent chart information, using title and date for easy reference.</div></div> <p>6. Step 7: Finalise the flow chart.</p> <div><div>a. Ask if this process is being run the way it should be.</div><div>b. Are people following the process as charted?</div><div>c. Do we have consensus?</div><div>d. What is redundant; add what is missing.</div></div>	<ul style="list-style-type: none">• This tool is useful in identifying operational requirements for information flow, work flow, decision making, handover, etc.• If the restructuring requires operational structure design, the tool should be considered for all key or critical processes of the value chain.

Example of as-is process map (combination-type map)



Example of map of process-to-be



17.1.5 TOOL 29: QUICK STRUCTURED MAPS

What is it?	How to use it	When to use it
<ul style="list-style-type: none">• A quick tool to map high-level processes and identify support processes without skills and knowledge about specialised mapping tools or methodologies.• The quick structured map is used in support of the value-added chain map (VAC) to provide additional information and overview of process complexities and dependencies.• It provides an opportunity to analyse processes and identify opportunities for improvement.• The link to organisational structures is made via the value-added chain.	<ul style="list-style-type: none">• Identify the value-added chain component, e.g. manage human resources.• Define the process.• Clarify the organisational context (owner, executer).• Use SIPOC to analyse the process (remember, it starts with the customer (citizen) – first ask what the citizen wants, then how to give it to the citizen, then what inputs are required and then who the supplier will be).• Identify key performance indicators based on citizen requirements (speed, quality, volume, cost).• Identify the sequential subprocesses. Although processes will not always follow in sequence and there will be feedback loops and decision points, the idea is to identify the subprocesses in order to determine what activities need to be performed.	<ul style="list-style-type: none">• An alternative to process flow charts.• This tool is useful to analyse a process for the sake of information and confirmation of time and sequence of activities.

Example of a quick structured map for human resource management:

1. Process description

Level-one value chain process common name	Manage Human Resources
Objective(s) of the process explained in this document	To perform all actions related to the management of the human resources of the company. This includes all aspects of planning, developing, compensating, and relationship management of the company's workforce .

2. Organisational context

Business unit owner	Manages Human Resources
Department/unit owner	Human Resources
Responsible process owner(s)	Human Resources Manager

3. Process analysis

Suppliers Who provides me with the inputs?	Trigger (input) What is required to start the process?	Customer requirements (outputs) What are the citizen requirements of the end results?	Customer Who uses the end results of the process?
Executive Committee HR Manager	Start or change in organisation	To determine human resources strategy and organisational structure	Executive Committee
Line managers	Planning	Business continuity and employee growth	Line manager, employees
Line managers Employees	Request from line manager or employee	Employees should have adequate skills to perform duties. Employees would like to grow in their careers.	Employees
Line managers	Vacancies identified	Vacancies to be filled by suitable candidates.	Line managers
Line managers	Employee appointed	Employee should be adequately remunerated and have access to benefits as well as pension options.	Employees

4. Key performance indicators

Type	Dimension	Measure (KPI)	Target	Information source
Key output measures (lagging)	Quality	Appointed employees match required skills	80%	HR database
		Average number of training days per employee	10 days	HR database
	Speed	Time from vacancy to employee appointment	14 days	HR database
	Cost	Employee setup cost	<R30k	HR database, financial system
Key process measures (leading)	Quality	Employee turnover rate	10%	HR database
		Accurate salary payments	99%	Valid complaints received
	Speed	Time to negotiate collective bargaining agreement	14 days	Tracking of negotiation procedures
	Cost	Resource cost percentage of overall expenses	10%	HR database, financial system
Input measures (leading)	Quality	Accurate information on employee		
	Speed			
	Cost	Funds for salary payments and other HR activities	100%	Treasury

Process analysis (subprocesses)

Step number	Role player	Action	Average processing time	Potential results
# 1 HR-010	HR Manager	Define Human Resources strategy		Human Resources strategy and vision defined. Programmes to support strategy and vision defined and implemented.
# 2 HR-020	HR Manager	Plans and manages HR programmes and plans		Policies and procedures developed. Training programmes developed. Performance appraisal process and recognition plans developed. Headcount and salary plans developed.
# 3 HR-030	Executive Board and HR Manager	Design and maintain organisational structure		Organisational structure designed. Organisational positions defined. Reporting lines established. Personnel budget created. Job vacancies posted.
# 4 HR-040	HR Manager and line managers	Career and succession planning		Business continuity ensured. Career plans ensured. Training and development needs established. Succession plans developed.
# 5 HR-050	Recruitment agent, line managers, HR Manager	Manage recruitment, hiring and integration		Suitable candidates employed to fill positions.
# 6 HR-060	Training coordinator	Develops and trains workforce		Employees have adequate skills to perform duties and to grow their careers.
# 7 HR-070	Payroll administrator, line managers	Manage remuneration and classification		Adequate compensation for employees. Employees suitably promoted or transferred.
			0	Minutes/hours/days

17.1.6 TOOL 30: PROCESS ANALYSIS AND OPTIMISATION

What is it?	How to use it	When to use it
<ul style="list-style-type: none">• A benchmark tool for process optimisation.• It provides a structured analysis of each business process against standard optimisation criteria.	<ul style="list-style-type: none">• Identify the business processes for the organisation or unit.• Write these processes and their definitions in the top row (you can increase the number of columns).• Evaluate each process against each of the criteria and rank the process as good, medium or poor.	<ul style="list-style-type: none">• An optional tool to review process effectiveness.• Can provide sound information for the capability identification.

Analyse current business processes against the characteristics of optimal processes	Process 1 <i>Good, medium, poor</i>	Process 2 <i>Good, medium, poor</i>	Process 3 <i>Good, medium, poor</i>
The assignment rights of decisions in the organisation are clear to all, transparent and aligned with best practice.			
The methods of rewarding are clear to all, fair and aligned with strategic intent.			
The structure of systems to evaluate the performance of both individuals and business units are clear and enjoy the support of all levels of employees. In this regard, the organisation collects measurements diligently because everyone in the organisation wants feedback and wants to know how well they are doing.			
Every person understands the big picture and exactly how he/she “fits” into it and accordingly adds specific value. This understanding underpins the value proposition to clients, employees and investors.			
Every process is defined, understandable to all and followed to ensure consistent service quality.			
We talk to customers and have agreements, e.g. service level agreements, in order to meet their requirements.			
Continuous improvement is a way of life, problems are opportunities to improve and processes are easy to change.			
The organisation ensures that suppliers understand and provide it with what it needs to provide the required service to customers.			

17.1.7 TOOL 31: DEPENDENCIES MAP (PROCESS DEPENDENCIES)

What is it?	How to use it	When to use it
<ul style="list-style-type: none">• A tool to determine and map the interdependencies for positions, processes, functions, etc.• It provides a clear overview of requirements and critical tasks which need to be executed for the organisation to function effectively.	<ul style="list-style-type: none">• Determine the components to be reviewed: Processes, positions, functions, etc.• Review the interdependencies per row. Example: The IT manager position is the first position in the left-hand column, row 1. Review the requirements of the IT manager from the perspective of all the other positions in the header row.• Complete the analysis and identify critical dependencies which have to be incorporated into the design principles for each column and each row.	<ul style="list-style-type: none">• Important tool to identify dependencies between business processes, which might be important for the service model design.

	IT manager	Facilities manager	HR manager	Important implications for job description
IT manager	<ul style="list-style-type: none">• N/A	<ul style="list-style-type: none">• Information about office hours	<ul style="list-style-type: none">• HR policies.• HR processes.• Recruitment.	
Facilities manager	<ul style="list-style-type: none">• New technologies.• Security system support.	<ul style="list-style-type: none">• N/A	<ul style="list-style-type: none">• Recruitment of staff.• Office space requirements.	
HR manager	<ul style="list-style-type: none">• HR software.• System performance.	<ul style="list-style-type: none">• Information about office hours.• Adequate space.	<ul style="list-style-type: none">• N/A	
Important implications for the job descriptions				

17.1.8 TOOL 32: PROCESS-SUPPLIER MATRIX

Suppliers (According to what standards should we execute the process, what are the norms for this type of work?)	Input requirements (Collective skills and knowledge required to execute the process)	Process
1. Applicant (who needs to be trained or informed by the service provider) 2. Printer 3. IT service provider	1. Accurate completion of application form 2. Adequate application forms 3. Electronic application forms	Example: Application process
•	•	• Process/activity 1
•	•	• Process/activity 2
•	•	• Process/activity 3
•	•	• Process/activity 4

	Supplier type 1	Supplier type 2	Supplier type 3	Important implications for new structure
Process/activity 1	• N/A			•
Process/activity 2		• N/A		•
Process/activity 3			• N/A	•
Important implications for the new structure	•	•	•	•

17.1.9 TOOL 33: RISK ANALYSIS

What is it?	How to use it	When to use it
<ul style="list-style-type: none"> The risk management matrix is situated along two axes: <ul style="list-style-type: none"> The probability of an adverse outcome. The scale of the impact if things do not go according to plan. The degree of risk will therefore fall into one of four quadrants. The relevant strategies for responding to the degree of risk are set out in each of the quadrants. 	<ul style="list-style-type: none"> Identify possible problems and decide which quadrant they fall into and then plan accordingly for their management. Risk is not static, and regular risk assessments should be carried out to ensure that circumstances have not led to the need for a revised assessment and handling strategy. 	<ul style="list-style-type: none"> A useful tool to determine the risk for the implementation of the structure. This links back to the given identified during the diagnostic phase.

Example of risk analysis

Risk category	Specific risk event	Probability (1-10 scale)	Impact (1-10 scale)	Risk factor /100
People				
Client				
Process				
Technology				
Environment				
Funding				

	High impact	Low impact
High probability	Address in detail in structure. (Be careful not to create another risk in the way you manage the known risk.)	Address in governance structures at least.
Low probability	Include in governance structure process for review.	Address if required.

17.1.10 TOOL 34: SERVICE CAPABILITY PLANNING

What is it?	How to use it	When to use it
<ul style="list-style-type: none">A planning process which starts with the end in mind.Each of the capability criteria builds on the previous criteria to ensure an integrated aggregate plan with adequate attention to detail and contingency requirements.	<ul style="list-style-type: none">Work from the top to the bottom of the planning tool.Start by first defining (in detail) the output associated capacity requirements. Define the structural implications this might have. (For example, the output requirements are visiting 10 sites a day, but one person can only perform three visits and you only have two people. Structurally, you need to increase capacity.)Continue with the same process till the last row of the table.	<ul style="list-style-type: none">Very useful tool for the design of new structures or significantly adjusted mandates and output targets.

Service capability criteria	Detailed description	Structural requirements to ensure service capabilities
Output capacity How many services do we need to provide? (Who is the customer, how often, how much, how long, what kind, etc.) How many goods do we need to produce?		
Location Where will we have to render the service or produce the product?		
Aggregate plan What is the overall demand for the products or services? How many will be produced or provided on an annual basis?		
Master schedule How much demand do we forecast? How will we meet the demand on a month-to-month basis?		
Processes Which core processes do we need to provide the services to meet the anticipated demand? (Process, subprocesses, standards, knowledge and skills, resources, policies and procedures.		
Process requirements What standards, knowledge and skills, resources, policies and procedures)		
Facilities layout Layout or distribution of facilities and infrastructure		
Input What information, raw material, funding, backup and support do we need?		

17.1.11 TOOL 35: ORGANISATIONAL CAPABILITY PLANNING

What is it?	How to use it	When to use it
<ul style="list-style-type: none">A tool to determine the capability requirement for a process.	<ul style="list-style-type: none">Identify each task or procedure and ask the following four questions for each:<ul style="list-style-type: none">What skills are required to execute it?What resources are required?What standards should be in place?What standard procedures should be followed?	<ul style="list-style-type: none">Useful to prepare for work design.

Option 1: Process execution based capability identification

	Standards <i>(At what standards should we execute the process, what are the norms for this type of work?)</i>	Resources <i>(What permanent resources do we require: facilities, technology, and people?)</i>	Procedures <i>(What governance procedures are required, e.g. decision making, sharing of information, quality assurance, and risk management?)</i>	Skills and knowledge <i>(Collective skills and knowledge required to execute the process)</i>
Example: Application process	<ul style="list-style-type: none">10 minutes to process an application.One person should complete at least 20 applications per day.	<ul style="list-style-type: none">Based on forecast 100 applications requiring five FTEs.		<ul style="list-style-type: none">Computer skills.Systems knowledge.End-to-end process knowledge.
Process 1				
Process 2				
Process 3				

Option 2: Identification of capability based on process results

	Customer facing capabilities	Internal facing capabilities	Partnerships	Management capabilities
Process 1				
Process 2				
Process 3				

17.1.12 TOOL 36: BEHAVIOUR ENABLER IDENTIFICATION

What is it?	How to use it	When to use it
<ul style="list-style-type: none">• The table provides an opportunity to review the enablers and constraints for required behaviour by employees.• Strong values and collective effort provide for competitive advantage. This tool identifies the things which need to be incorporated into the new structure and those which need to be changed and improved.	<ul style="list-style-type: none">• If the required behaviour of employees has not yet been identified, identify the type of behaviour which will be required of employees if the organisation is to be successful in future.• Review each of these behaviours against the behaviour enablers to determine what practices are currently encouraging or discouraging the required behaviour.• This provides important input into the operational structuring.	<ul style="list-style-type: none">• Very good generic tool to be used, regardless of the type of structuring initiative.

What kind of behaviour do we need employees to display to achieve our strategy?

Behaviour enablers	What in our people management will promote the required behaviour?	What in our people management prevents the required behaviour?
Quality of people/colleagues (abilities, general behaviour, motivation/attitude)		
HR management (staffing, T&D, performance management, remuneration)		
Organisational management (organisational structure, leadership, culture [the unwritten rules] and communication)		
Operations (technology, facilities, R&D, processes)		
Strategy (outsourcing, marketing, EE, BEE)		

17.1.13 TOOL 37: BEHAVIOUR-STRUCTURE ANALYSIS FRAMEWORK

What is it?	How to use it	When to use it
<ul style="list-style-type: none">The process of identifying and aligning organisational infrastructure processes with “new” processes and ensuring that organisational characteristics can support new behaviours. The following graphic illustration depicts the gap that needs to be addressed to reach the future end state.	<ul style="list-style-type: none">As with the behaviour enablers tool, you first need to identify the ideal behaviour.Review the way in which the different organisational layers should and can be used to encourage the required behaviour.Identify the structural components (formal and governance structures which will be required in the new structure).	<ul style="list-style-type: none">Alternative to the behaviour enabler identification.

Behaviour requirements	Strategy layer	Operational layer	HR process layer	Structure	Leader-ship	Communication
Behaviour 1						
Behaviour 2						
Behaviour 3						
Behaviour 4						

17.1.14 TOOL 38: STRUCTURE CONSTRAINTS REVIEW

What is it?	How to use it	When to use it
<ul style="list-style-type: none">A tool to identify constraints or certain givens which are not likely to change in the short- to medium-term future.It provides an opportunity to review the organisation’s external environment and constraints that need to be taken into account in designing the structure.	<ul style="list-style-type: none">Review each of the constraints to identify specific considerations for the new structure or for the project team.Rank the considerations to determine which will have the biggest impact on the new structure or the process of restructuring.	<ul style="list-style-type: none">Alternative to identifying the constraints in the diagnostic phase.Very important to complete for any large-scale restructuring.

Constraints	Considerations to be taken into account when structuring the organisation	Ranking
Organisation and country maturity (Process, technology, developmental state, access, socio-economic reality, view of public service, willingness for self-service)		
Dependencies between the main operating divisions (Sequential nature of work flow, decision making process, duplication)		
Service and legal risks (Health, safety, corruption, recipient behaviour)		
Financial constraints (Current and future, prioritisation)		
Regulatory requirements		
Resource and physical constraints (Technology, equipment, geography, infrastructure, people)		
Skills constraints (Availability, quality, time to develop)		

17.1.15 TOOL 39: MATURITY ANALYSIS

What is it?	How to use it	When to use it
<ul style="list-style-type: none">• Maturity models provide an indication of how mature the organisation is, based on key processes and practices that are employed.• The maturity level is indicative of the effectiveness and efficiency of the organisation and the probable quality of its outcomes. Typically they identify five maturity levels against a number of key organisational features.• Each maturity level is a plateau in which one or more processes have been transformed from a lower level to achieve a new level of capability.• It implies a progression through informal, repeatable, well-defined, managed and continuously improving levels against organisational features such as administration, planning, integration and involvement.	<ul style="list-style-type: none">• Assess your organisation against the criteria.• Determine your overall level of maturity.• Review the business practices of the organisation further against the maturity levels.• Identify the implications of the level of maturity for the new structure and the way in which it needs to be implemented and governed.	<ul style="list-style-type: none">• Useful tool for a reality check, especially in large-scale restructuring interventions.

Example of a maturity analysis table:

Levels	Description	Own organisational maturity	Implications for the new structure
1. Localised use	<ul style="list-style-type: none">Where individual staff members innovate in their rendering of services, but those innovations are limited by existing organisational practices and are not transferred or sustainable in the longer term.	<ul style="list-style-type: none">	<ul style="list-style-type: none">
2. Internal coordination	<ul style="list-style-type: none">Where a degree of sharing of assets and resources developed and individuals' uses of organisational practices are managed in line with overall strategic plans.	<ul style="list-style-type: none">	<ul style="list-style-type: none">
3. Process redesign	<ul style="list-style-type: none">Where the organisation moves beyond automating existing approaches and begins to apply organisational practices more systematically to redesigned processes.	<ul style="list-style-type: none">	<ul style="list-style-type: none">
4. Network redesign and embedding	<ul style="list-style-type: none">Where the redesigned processes become part of the essential day-to-day work of the organisation and management processes have been established to ensure their reliability.	<ul style="list-style-type: none">	<ul style="list-style-type: none">
5. Redefinition and innovative use	<ul style="list-style-type: none">Where the technology is used to offer new 'customer services' in new ways to 'new' stakeholders.	<ul style="list-style-type: none">	<ul style="list-style-type: none">

Template for reviewing maturity levels of business practices:

Business practices	Level 1	Level 2	Level 3	Level 4	Level 5	Implication for structures
Clinical governance						
Corporate governance						
Performance management and improvement						
Risk management						
Shared vision						
Business planning						
Robust personal development plans for ALL staff						
Medium-term strategic planning						
Accountability agreements						
Clear policies and procedures						
Shared service agreements						
High-performance teams						
Performance management systems						
Understanding functions						
Communication plans						

17.1.16 TOOL 40: STRUCTURE ASSESSMENT QUESTIONNAIRE

What is it?	How to use it	When to use it
<ul style="list-style-type: none"> A structure questionnaire to review the current organisational structure in terms of four requirements for effective structures: <ul style="list-style-type: none"> Levels of hierarchy. Span of control. Decision making. Coordination. 	<ul style="list-style-type: none"> Review each of the questions and answer each question. Identify the implications for the design as regards levels of hierarchy, span of control, decision making and coordination. 	<ul style="list-style-type: none"> Suggested use for every restructuring exercise.

Questionnaire to determine the four requirements for effective structures:

Management layers (levels of hierarchy)	
<ul style="list-style-type: none"> How many levels of management do you have in your present organisation? (The number of levels might be different in different parts of the organisation.) 	
<ul style="list-style-type: none"> What are the costs and benefits of each level of management to the organisation as a whole? To each manager or supervisor? To the workers reporting to each manager? 	
<ul style="list-style-type: none"> In terms of your goals, business processes, and key success factors, are there places where it might be desirable to eliminate a level of management? What would be the possible drawbacks or benefits of doing this? How would the work formerly done by the managers at that level be dealt with? 	
<ul style="list-style-type: none"> Are there places where it might be beneficial to add a level of management? What value would it contribute to the organisation? What are the downsides of doing this? How can they be overcome? 	
Spans of control	
<ul style="list-style-type: none"> What is the span of control for each of the managers and supervisors in your organisation? 	
<ul style="list-style-type: none"> Do any of these seem to warrant investigation? (Suggestion: first look at spans of four or fewer and spans of 10 or more.) 	
<ul style="list-style-type: none"> Describe any challenges that might be due to an overly narrow or overly broad span. 	
<ul style="list-style-type: none"> Would it make sense to consider changing the span of control in particular cases? What do the relevant managers and supervisor think? 	
<ul style="list-style-type: none"> Will changing spans of control lead to more or fewer levels of hierarchy? If so, what would be the ripple effects? 	
<ul style="list-style-type: none"> If the spans of control are broadened, how can the expectations and skills of managers and workers be changed so that they can work successfully within the new span? What else needs to change to make the new span work? 	

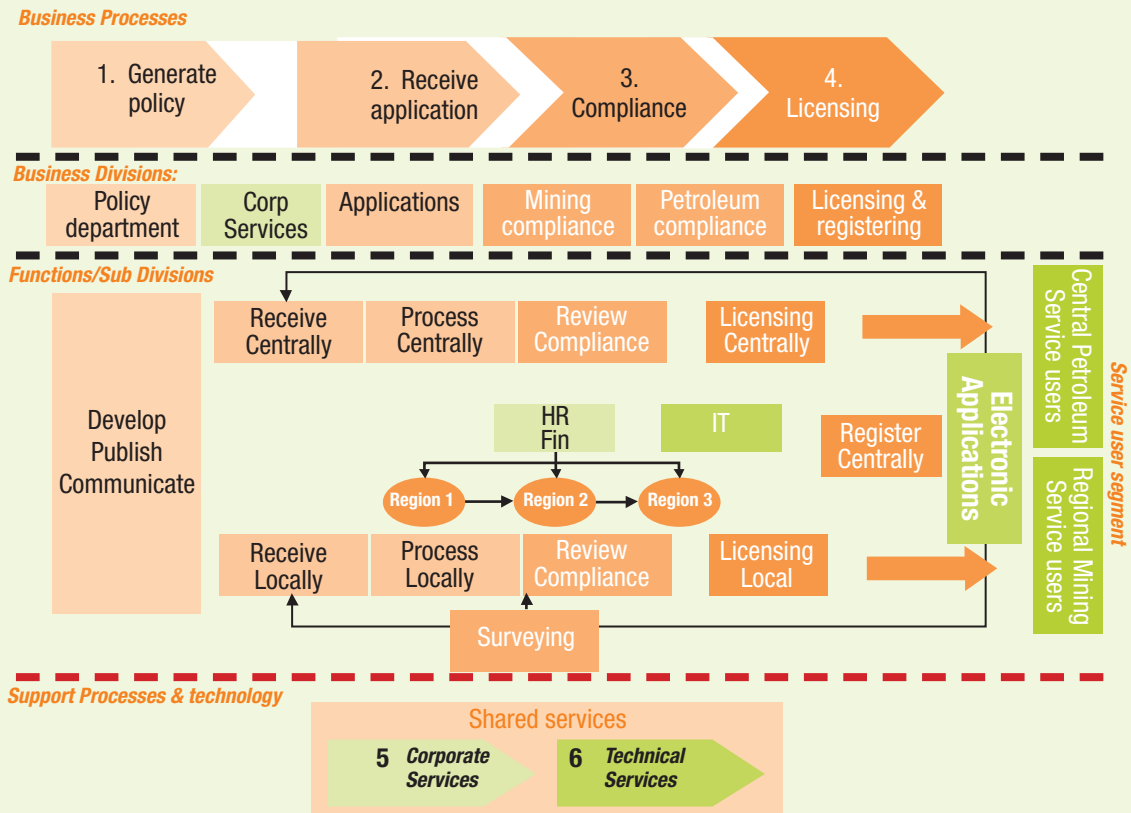
Decision making	
• What kinds of decisions can be made and action taken at each level in the organisation?	
• Could some decisions be delegated to lower levels?	
• How would such a delegation in specific cases affect your goals, business process, and success factors?	
• What additional knowledge and skills do employees need at lower levels to make these decisions? How would people’s roles and jobs change?	
• What decisions must be centralised at the top level of the organisation, and why?	
Coordination and control	
• When does the organisation use the following methods to coordinate and/or control work?	
o Supervision.	
o Standardising processes.	
o Standardising outcomes.	
o Standardising inputs.	
o Employee commitment.	
o Employee teams.	
• Describe any problems that have occurred in your work situation due to the technique used.	
• Are any informal coordination and control methods used that sometimes replace the formal methods? If so, would you consider enforcing the formal methods? How about changing the formal methods?	
• If a different organisational structure were in place, what would be the most appropriate techniques for coordinating and controlling work in different parts of the organisation?	

17.2 TOOLS FOR STEP 7: DESIGN OPERATING/SERVICE MODEL

17.2.1 TOOL 41: SERVICE MODEL DESIGN

What is it?	How to use it
<ul style="list-style-type: none">• The operating/service model consists of organisational processes to which functions are allocated.• There are three approaches for building an operating model: Top-down, bottom-up or concurrent streams.• Every operating model has many advantages and drawbacks. Understanding these and making the right implementation choice require a very broad understanding of the organisation.	<ul style="list-style-type: none">• Complete the future work flows.• Group processes or parts of processes under functions and allocate responsibility for the execution of processes or parts of processes.• Key questions to be answered by the model:<ul style="list-style-type: none">◦ Who are the customers (citizens)?◦ How do we interface with these customers?◦ How do internal customers interface with one another?◦ Which teams need to interact with other parts of the organisation/third-party partnerships?◦ How do we integrate our suppliers?◦ Which operating blocks need to work closely together/ share information?◦ How do we group capabilities so that we can deliver within the operating blocks?• Are there different options interaction of the operating blocks or delivery of the strategic objectives?

Example of a business/service model



CHAPTER 18

18. TOOLS FOR PHASE 3: DESIGN ORGANISATIONAL STRUCTURE

18.1 TOOLS FOR STEP 8: DESIGN FUNCTIONAL AND OPERATIONAL STRUCTURE

Tools	Highly recommended	Recommended	Nice to have
Structure gap map	X		
Structure selection matrix	X		
Governance structure requirements matrix	X		
Benchmarking			X
Behaviour/structure analysis matrix (refer to step 6 tools)	X		
Culture Print		X	
Industry best practices		X	
Organisational charts	X		
Structure assessment questions (refer to step 6 tools)	X		

18.1.1 TOOL 42: STRUCTURE GAP MAP

What is it?	How to use it	When to use it
<ul style="list-style-type: none"> A tool to determine the gap between the current structure and design principles identified in step 6. 	<ul style="list-style-type: none"> Transfer the ratings from both the current and desired structure data collection tables to the first and second columns. Determine the gap between current and desired structure states by converting low ratings to 1, medium ratings to 2, and high ratings to 3. Find the difference between the desired rating number and the current rating number to determine the gap. Indicate the gap by shading the box from left to right to indicate the size of the gap: <ul style="list-style-type: none"> Small (<i>difference of 0</i>) = 1 box shaded Medium (<i>difference of 1</i>) = 2 boxes shaded Large (<i>difference of 2</i>) = 3 boxes shaded Determine the effort (low, medium, or high) that it will take to close the gap. 	<ul style="list-style-type: none"> Should be considered to be a standard tool.

Design principles/structure characteristics	Current rating	Desired rating	Gap (numeric difference)		
			0	1	2
• Adaptability to market/customer events					
• Diversity of products/services/geographies/markets					
• Task integration					
• Complexity of work					
• Economies of scale					

Example of a structure gap map

Structure characteristics	Current rating	Desired rating	Gap (numeric difference)		
			0	1	2
Adaptability to market/customer events	L	H			
Diversity of products/services/geographies/markets	M	M			
Task integration	H	M			
Complexity of work	L	M			
Economies of scale	L	H			


18.1.2 TOOL 43: STRUCTURE SELECTION MATRIX

What is it?	How to use it	When to use it
<ul style="list-style-type: none">• A tool to assist in selecting an appropriate structure for the organisation.• It provides for both traditional and non-traditional structures.• It further provides matrices to review the advantages and disadvantages of any given structure.	<ul style="list-style-type: none">• Review each of the structure types and their respective rationales to identify the best fit for the capability requirements and the service model.• Categorise the appropriateness for the organisational architecture and lower operational structures.• Identify the structure or selection of structures which best suit your requirements.• Review the advantages and disadvantages before making a final decision.	<ul style="list-style-type: none">• Applicable to every instance of structuring.

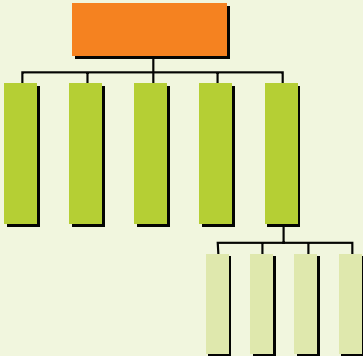
Example of a structure selection matrix

Structure type	Rationale	Appropriateness for organisational architecture	Appropriateness for lower hierarchy
Functional structure	• Routine tasks with specialised resources.		
	• Small to medium size in stable environment.		
	• Focus on efficiency and technical quality within.		
Divisional structure	• Technological interdependence across functions.		
	• Product/service specialisation and innovation.		
Process-orientated structure	• Large size where contribution to value chain must be clear.		
	• Variation in tasks and changing environment.		
	• Coordinating work flow that is highly interdependent.		
	• Customer-focused.		
Project-based organisation	• Adaptable to fast changing external environment.		
	• Clear accountability for specific deliverables.		
Geographical form	• Sensitivity to regional R&D demands.		
	• Speed to market and access to citizens.		
Matrix organisation structure	• Multiple expertise focused on a problem (i.e. project teams).		
	• Dual focus on unique products/services and technical specialisation (citizen, product, service line).		
	• Processing large amount of complex information.		
	• Pressure for shared resources and opportunities for technical staff to generalise.		
Hybrid structure	<ul style="list-style-type: none"> • Typically, there is no single structure that perfectly achieves a Company's business strategy. The implementation of a hybrid structure allows an organisation to tailor the design to best achieve its business strategy by combining the strengths and eliminating the weaknesses of various models. • The hybrid structure enables an organisation to reap the benefits of a particular structure while also mitigating its weaknesses by incorporating characteristics of one or more structures. • By combining multiple structures, an organisation may potentially achieve exponential benefits. 		

Simple structure

Structure	Rationale	Application
<div><div>Farm</div><div>Sellers / Dealers</div><div></div></div>	<ul style="list-style-type: none">The organisation is small enough for everybody to do more or less everything.	<ul style="list-style-type: none">In general applicable to smaller organisations and seldom utilised in larger organisations.
	Advantages	Disadvantages
	<ul style="list-style-type: none">Fewer handovers.Quick response time.Improves ownership.	<ul style="list-style-type: none">Control risk.Duplication.Lack of standardisation.

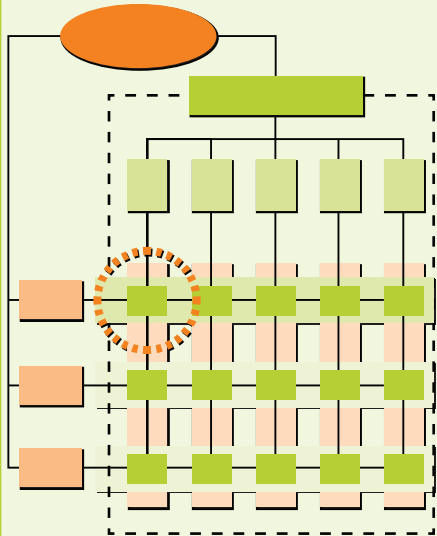
Functional structure

Functional structure	Rationale	Application
<div></div>	<ul style="list-style-type: none">Grouping of specialised resources.Optimising allocation of scarce resources.Quality driven within a function (to be the best HR specialists).Separation of specialist areas, e.g. HR, finance.	<ul style="list-style-type: none">Stable environment with routine technology.Central decision making (strong risk management).Low need for collaboration across functional units.Best for single product line, single market, single expertise tasks.
	Advantages	Disadvantages
	<ul style="list-style-type: none">Standards: Encourages consistent standards and functional loyalty.Risk management: Complements centralised control and risk management.Economies of scale: Creates efficiencies through economies of scale.Simplicity: Clarity of roles and relationships, easier supervision and easier to mobilise specialised skill.	<ul style="list-style-type: none">Slow decisions: Difficult to obtain quick decisions or actions.Inflexible: Lacks flexibility and common problem solving or goal focus.Limited sharing of information: Limits horizontal information flow.Tends to produce bottlenecks as work moves horizontally across functions.Limited customer focus: no collective focus.

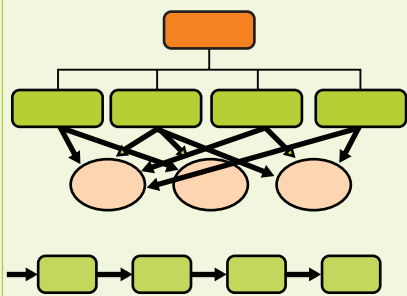
Divisional (strategic business unit) structure

Divisional structure	Rationale	Application
<pre>graph TD; CEO[CEO] --- VIP_Finance[VIP Finance]; CEO --- VIP_Human_Resources[VIP Human Resources]; CEO --- VIP_RnD[VIP R&D]; CEO --- VIP_Production[VIP Production]; CEO --- VIP_Marketing[VIP Marketing]; VIP_RnD --- HR1[HR]; VIP_RnD --- RnD1[R&D]; VIP_RnD --- Operations1[Operations]; VIP_RnD --- Marketing1[Marketing]; VIP_RnD --- Finance1[Finance]; VIP_Production --- HR2[HR]; VIP_Production --- RnD2[R&D]; VIP_Production --- Operations2[Operations]; VIP_Production --- Marketing2[Marketing]; VIP_Production --- Finance2[Finance]; VIP_Marketing --- HR3[HR]; VIP_Marketing --- RnD3[R&D]; VIP_Marketing --- Operations3[Operations]; VIP_Marketing --- Marketing3[Marketing]; VIP_Marketing --- Finance3[Finance];</pre>	<ul style="list-style-type: none">• Each unit is responsible for the design, production, and sales of a product or family of products.• All resources are directly available to the unit.• Product development life cycle is shorter.	<ul style="list-style-type: none">• Units within a product or service line model are responsible for the design, production, and sales of a product or family of products.• Strongly product focused with multiple products for different citizens.
	Advantages <ul style="list-style-type: none">• Adaptable to changes in customer needs as regards product or service.• Product contribution/revenue/profit easily calculated.• Accountability is clear.• Coordination across functions within the division is easier.• Speed and quality of decision making are enhanced.	Disadvantages <ul style="list-style-type: none">• High cost structure due to poor economies of scale.• Duplication of efforts.• Reduced specialisation of skill.• Difficulty in coordination of multiple products within a single geographic area.• Potential conflicts between product unit and business unit interests.

Matrix structures (project based or process based)

Matrix structure	Rationale	Application
	<ul style="list-style-type: none">• Multiple expertise focused on a problem, career opportunities for technical staff to generalise.• Just-in-time projects: Organising teams of people from various sections or disciplines for the duration of a project reporting to a project leader on day-to-day duties and to original line area for specialised input and support.• Decentralised support services: Allocating specialists to product or service areas with responsibility for service quality resides in the specialist area, but day-to-day service delivery resides in the product area.	<ul style="list-style-type: none">• Quite frequently utilised across the spectrum of organisations and seems to improve speed.• There seems to be a trend for support services to get closer to their clients. This results in allocating individuals to certain areas to improve service delivery.
	Advantages <ul style="list-style-type: none">• Individuals can be chosen according to the needs of the project.• The use of a project team which is dynamic and able to view problems in a different manner.	Disadvantages <ul style="list-style-type: none">• Taking people out of their original positions puts pressure on the remaining personnel.• Conflict of loyalty between line and project leader.• Independence makes performance management difficult.• Cost increase to carry additional project managers.

Process-oriented structures

Process structure	Rationale	Application
	<ul style="list-style-type: none">• Many organisations choose to be process-oriented, with the basic objective of focusing on the customer to prevent suboptimal solutions and a lack of common focus among business units.• Contribution to value chain clear.• Customer-focused.	<ul style="list-style-type: none">• Best seen as an alternative to the functional structure.• Potential for new processes and radical change to processes.• Reduced working capital.• Need for reducing process cycle times.• Process ownership structure where one individual or group of individuals (multiprofessional or single discipline) takes ownership and responsibility for the development and implementation of a specific business process.• Integrated process team with all the functions in the value chain integrated into one team with a manager or team leader taking responsibility for coordination and line responsibility. Examples are found in the insurance and banking industries where multiprofessional teams execute end-to-end process.• Process-oriented matrix organisation.
	Advantages <ul style="list-style-type: none">• Offers great flexibility.• Reinforces professional identity and development.• Encourages interfacing of activities across departments.• Uses staff resources efficiently – scarce resources allocated rationally.• Multiple expertise is brought to bear on a problem.• Creates vertical and horizontal information flow.• Conducive to innovation.	Disadvantages <ul style="list-style-type: none">• May result in higher overheads because of doubling the number of managers.• Increases potential conflict between functional and project team managers (overlaps of authority and responsibility).• Results in ambiguity for employees in reporting relationships.• Difficult to measure costs.• Difficult to apply in practice.• Some managers cannot deal with the ambiguity and behavioural demands.

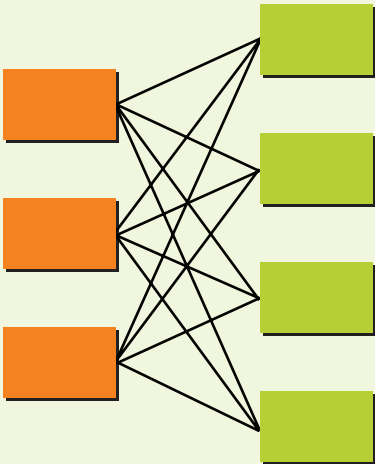
Intermediary (hybrid) structures

Hybrid structure	Rationale	Application
	<ul style="list-style-type: none">• Two or more traditional forms of organisational design combined.• Often found in large businesses with diverse strategies, markets, and products.• May be the result of mergers/ acquisitions or an intermediate form of structure during a gradual shift of emphasis.	<ul style="list-style-type: none">• Combination of two or more organisational designs.• Large businesses with diverse strategies, markets, and products.• Result of mergers or acquisitions or an intermediate form.• Effectively targets issues/ solutions.
	Advantages	Disadvantages
	<ul style="list-style-type: none">• Ability to target issues/ solutions.• Ability to leverage strengths and weaknesses of models being combined.	<ul style="list-style-type: none">• Some duplication.• Managerial control and coordination may be more difficult.• Must be open to making adjustments to the model as some consequences may be unpredictable due to uniqueness of the model chosen.

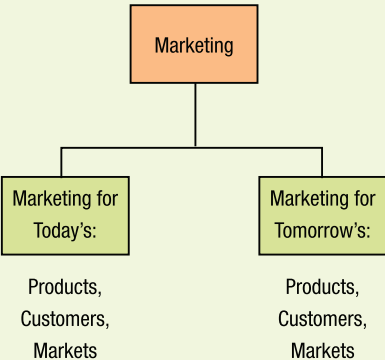
Geographic structure

Geographical structure	Rationale	Application
<pre>graph TD; CEO[CEO] --> R1[Region 1]; CEO --> R2[Region 2]; CEO --> R3[Region 3]; R3 --> M[Marketing]; R3 --> O[Operations]; R3 --> RD[R&D];</pre>	<ul style="list-style-type: none">• Each region has full control of all activities within its geographic boundaries.• Geographic regions report directly to the CEO.• Corporate retains responsibility for strategic planning.	<ul style="list-style-type: none">• Regions within a geographic model have full control of all activities within their geographic boundaries.• Use the geographic model in the case of:<ul style="list-style-type: none">o Low value-to-transport cost ratio and service delivery on site.o Closeness to customer for delivery or support.o Perception of the organisation as local is advantageous.o Geographical market segments needed.
	Advantages <ul style="list-style-type: none">• Economies of scale possible when regional manufacturing facilities can be shared.• Emphasises geography as a profit centre, which demands product development and marketing focused on a geographic area.• Quality of local management (with respect to customers and markets) is higher and more targeted.	Disadvantages <ul style="list-style-type: none">• Duplication of processes and high overheads.• Potential conflicts among regions and corporate headquarters regarding regional/local policies versus national policies.• Product variations and new technologies are not easily transferred.• Flow of products to other worldwide markets is more difficult.• Global business strategy is more difficult to implement.• Functional areas (R&D, marketing, etc.) are difficult to coordinate across geographies.

Network and virtual structures

Network and virtual structure	Rationale	Application
	<ul style="list-style-type: none">Philosophy – Enterprise focuses on what it does best/core competency and outsources/creates strategic alliances to deal with remaining business functions.	<ul style="list-style-type: none">Where the organisation has a very high level of maturity in its leadership style, process management and efficiencies.
	Advantages <ul style="list-style-type: none">Focus on core business.Access to leading edge development.Frees up cash required for capital investment.Frees up key people to focus on mission critical work.Costs for upskilling are not borne by this organisation.	Disadvantages <ul style="list-style-type: none">Control: Risk may be high if services are not delivered. Dependencies may negatively affect additional operations if services are not delivered.Long-term costs of outsourcing may be high.Adequately competent people to manage alliances are rare.Alignment of strategic partners with strategic intent.Service level agreements may not cover all future situations.

Time-based structures

Time-based structure	Rationale	Application
	<ul style="list-style-type: none">Dual organisations with a different focus: one providing service for “to-day’s” needs and one developing and anticipating services for “tomorrow”.Commonly seen in marketing and sales, products and processes and research and development.	<ul style="list-style-type: none">Commonly seen in:<ul style="list-style-type: none">Marketing.Sales.Products and processes.Research and development.
	Advantages <ul style="list-style-type: none">Could be used to phase in services in the organisation.Specific and controlled focus on growth and innovation.Ensures quick response to market changes.Useful as industry will develop new and different products.Long-term future becomes more tangible.Increases ability to track costs, develop new products, and new markets.	Disadvantages <ul style="list-style-type: none">Costly.Creates duplication of some business activities.Can reduce economies of scale.Requires clear and logical distinctions between new and current.

18.1.3 TOOL 44: GOVERNANCE STRUCTURE REQUIREMENTS MATRIX

What is it?	How to use it	When to use it
<ul style="list-style-type: none">A table indicating the different types of governance structures and providing opportunity to consider the need and the potential benefit of such a governance structure.	<ul style="list-style-type: none">Review each of the governance structures and determine what needs to be done (if anything) and how this will improve the effectiveness of the selected structure.Clearly indicate the needs and the benefit next to the selected governance structure.	<ul style="list-style-type: none">This should be used as part of any restructuring exercise.

An example of a typical governance structure requirement matrix:

Governance structure requirements	What needs to be done?	How will this improve the functioning of the organisation?
Policy or procedural adjustments (What adjustments to policies and procedures need to be made to support the new structure?)		
Decision making governance structures (Committees, forums, devolution [delegation] of authority, coordinating bodies, service level agreements and policies)		
Service delivery monitoring structures (Customer satisfaction forums, customer relations teams, performance review, business excellence forum/team, communities of excellence)		
Innovation management structures (Communities of excellence, idea generation and portfolio management, multi-work-level meetings, process office, reward and recognition, innovation management process, regular benchmarking, multidisciplinary project team approach)		
Risk management structures (Audit committee, financial committee, budget committee, health and safety forum, security forum, ethical committee, strategic planning team)		
Process management structure (Process improvement groups, visual management, daily meetings, process review meetings, end-to-end process ownership, process measurement, balanced scorecard metrics)		
Organisational culture (Value champions, value teams, team charters, team and organisational culture audits, labour forums, 360 degree assessments, consequence management)		

18.2 TOOLS FOR STEP 9: DESIGN POSITIONS AND ESTABLISHMENT

Tools	Highly recommended	Recommended	Nice to have
Staffing norms table	X		
Full-time equivalent calculation	X		
Single-column process chart	X		
Management span of control: diagnostic grid	X		
Group size effect chart		X	
Job description templates	X		
Position impact analysis	X		
RACI analysis		X	
Work synthesis	X		
Work activity process analysis		X	

18.2.1 TOOL 45: STAFFING NORMS TABLE

What is it?	How to use it	When to use it
<ul style="list-style-type: none">Staffing norms are the standards which are calculated based on the specific quality, quantity and risk requirements of a specific job or task.The norms will vary from organisation to organisation and job type to job type.The norms are the guidelines which are used to determine how many people are required to perform a job or a group of jobs.	<ul style="list-style-type: none">The staffing norms table is designed to guide the practitioner in identifying the typical variables which will influence the decision on staff complement.Review each job or group of jobs against the suggested staffing considerations and determine the standard or norm for each job or group of jobs (e.g. minimum two on duty, four shifts [three on duty and one off duty], day shift requires four people based on FTE calculation and legislative requirements) = two permanent day and eight shift workers.	<ul style="list-style-type: none">This should be used as part of any restructuring exercise.

Example of a staffing norms table

Staffing considerations	Quantity considerations	Quality considerations	Risk considerations	Tools to be used
Legislative requirements	<ul style="list-style-type: none"> Work hours. 	<ul style="list-style-type: none"> Basic conditions. 	<ul style="list-style-type: none"> Safety requirements. Segregation of duties. Health requirements. 	<ul style="list-style-type: none"> Document review.
Environmental variables	<ul style="list-style-type: none"> Distance to travel. 	<ul style="list-style-type: none"> Accessibility. Harshness. 	<ul style="list-style-type: none"> Safety policies. Health and safety. 	<ul style="list-style-type: none"> Time/motion. Observation. Measurement (temp, light, etc.).
Working hours	<ul style="list-style-type: none"> 24 hrs in three shifts. 	<ul style="list-style-type: none"> 24/7 availability. 	<ul style="list-style-type: none"> May not work more than 40 hrs per week. 	<ul style="list-style-type: none"> Shift calculation. FTE. PTS (pre-determined time standards).
Work/task	<ul style="list-style-type: none"> Volume of tasks. Effort required per task. 	<ul style="list-style-type: none"> Speed (Response time?) Interdependencies. Complexity (repetitive or dynamic). Standardised or non-standardised work. 	<ul style="list-style-type: none"> Skills availability. Potential impact of mistakes. Interdependencies with other jobs. 	<ul style="list-style-type: none"> Single-column analysis. FTE calculation. Work sampling. RACI. Position impact. Work process analysis.
Industry		<ul style="list-style-type: none"> Complex or stable. 		<ul style="list-style-type: none"> Industry analysis.
Equipment available	<ul style="list-style-type: none"> Availability. Equipment capacity. 	<ul style="list-style-type: none"> Reliability. Condition. 	<ul style="list-style-type: none"> Complexity of equipment or system? Manual input required (short term/ long term)? 	<ul style="list-style-type: none"> Observations. Interviews. Performance tracking.
Part of the organisation		<ul style="list-style-type: none"> Core or non-core. Managerial/ non-managerial. 	<ul style="list-style-type: none"> High risk or low risk. 	<ul style="list-style-type: none"> Management span of control grid. RACI. Position impact. Risk analysis.
People morale	<ul style="list-style-type: none"> Appropriate team size. 	<ul style="list-style-type: none"> Need for supervision. 	<ul style="list-style-type: none"> Boredom. 	<ul style="list-style-type: none"> Group size effect. Work process analysis. Job enrichment'

18.2.2 TOOL 46: FULL-TIME EQUIVALENT CALCULATION

What is it?	How to use it	When to use it
<ul style="list-style-type: none">Full-time equivalent is the standard for the effort of one person for a year.The standards for full-time equivalents can be expressed in hours (1 800 per year), capacity (25 children per teacher), or volume (150 applications per day).The FTE provides an indication of what an average, fully competent person will be able to achieve.	<ul style="list-style-type: none">Map the process which needs to be executed to task level: Process, procedure, task, activity.Identify and list all the tasks.Determine the effort (total number of hours) required to execute the tasks over a calendar year. (make sure they are recurring and not one-off).Calculate the total number of hours required to execute the process.Determine the number of positions required by dividing the number of hours by the FTE standard, e.g. process requires 8 000 hrs per year, FTE = 1 800, therefore number of positions = 4+.	<ul style="list-style-type: none">This should be used as part of any restructuring exercise.

Example calculation of FTE standard (hours)

Full-time equivalent variables	Standard p.a.	Standard per month
Total working days	261 working days	21 working days (average)
Public holidays	11 calendar days	1 (average)
Total leave (non-productive days)	22 working days	1,8 working days (average)
Total productive potential (total – holidays – leave)	228 days	19 days (average)
Total hours available (days x 8 hrs)	1 824 hrs	152 hrs
Productivity standard (based on environmental, safety, legislative, skills variables, what is the potential productivity of the average worker?)	75%	75%
Full-time equivalent (standard/norm) (total hours available x productivity standard for the average worker)	1 368 hrs	114 hrs (average)

Staff requirements (how many people are required to do the work based on the FTE norm?)

Procedure/task	Effort required to complete the tasks/ procedure (hours, not lapsed time)	Frequency (hourly, daily, weekly, monthly, bimonthly, etc.)	Total hours p.a.	Full-time equivalent (total hours/FTE standard)
Procedure 1/task 1				
Procedure 2/task 2				
Procedure 3/task 3				
Procedure 4/task 4				

18.2.3 TOOL 47: SINGLE-COLUMN PROCESS CHART

What is it?	How to use it	When to use it
<ul style="list-style-type: none">• A tool to review the types of activities executed by an individual in a specific job.• The tool distinguishes between the five types of activities: Operations, transport, inspection, delay and storage.• The tool assists in capturing observations and identification of improved methods of work.	<ul style="list-style-type: none">• Capture all work conducted.• Categorise the activity according to type.• Calculate the number of activities conducted, distance travelled and time spent on each of the activities.• Review the current method and group tasks to ensure that all the inspection tasks happen at the same time, and that the transport activities are as economical as possible.	<ul style="list-style-type: none">• Use to evaluate repetitive low-level work which is fairly manual-intensive.

An example of the single-column process chart

Department			Study No.		Date							
Division:			Observed by:									
Section:			Chart starts with:									
Present/proposed method	Man/material chart		Chart ends with:									
Task description:												
Abbreviations:												
Step No.	Details of operation		Operation	Inspection	Delay	Transport	Storage	Quantity	Distance	Time	Remarks	
			○	□	D	→	△					
			○	□	D	→	△					
			○	□	D	→	△					
			○	□	D	→	△					
			○	□	D	→	△					
			○	□	D	→	△					
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			○	□	D	→	△					
			○	□	D	→	△					
			○	□	D	→	△					
			○	□	D	→	△					
SUMMARY		Total number of steps	Operation		Inspections		Delays		Transport		Storage	
			No.	Time	No.	Time	No.	Time	No.	Time	No.	Time
		Old method										
		New method										

18.2.4 TOOL 48: MANAGEMENT SPAN OF CONTROL: DIAGNOSTIC GRID

What is it?	How to use it
<ul style="list-style-type: none">• A tool to assist in determining the span of control for managerial positions at all levels in the organisation.• The grid distinguishes between five dimensions impacting on ability to manage and coordinate staff: geographic variables, planning, technical work, evaluation requirements, and change frequency.	<ul style="list-style-type: none">• Review the complexity of the environment and calculate the total by adding the values of the various blocks selected.• Determine the level of the managerial position and compare the total obtained on the diagnostic grid with the suggested span of control on the span of control sheet.

Diagnostic grid

Time away from work	Seldom 1	Occasionally 2	Regularly 4	Often 8	Very often 16
Planning requirements	Minimal 1	Little complexity 2	Moderate complexity 4	Complex 6	Highly dynamic environment 8
Specialisation of work	Routine work 2	Somewhat specialised 5	Fairly specialised 8	Quite specialised 12	Highly specialised 16
Evaluation to be conducted	Spot checks 1	Basic analysis 2	Investigations 3	Special investigations 4	Comprehensive with audit trails 5
Change requirements	Minor improvements 5	Process modifications 9	Process improvements 11	Major initiatives 13	Transformation 14
Total					

Span of control

SPAN OF CONTROL SHEET																																													
Diagnostic grid score	48	47	46	45	44	43	42	41	40	39	38	37	36	35	34	33	32	31	30	29	28	27	26	25	24	23	22	21	20	19	18	17	16	15	14	13	12	11	10	9					
A			4	4	4	5	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	20	20	20																				
B						4	4	4	5	5	6	7	8	8	9	10	10	11	12	12	13	14	14	15	16	16	17	18	18	19	19	20	20	20	20	20	20	20	20						
D							4	4	4	5	5	6	6	7	7	8	8	9	9	10	10	11	11	12	12	13	13	14	14	15	15	16	16	17	17	18	18	19	19	20					
D									4	4	4	5	5	5	6	6	6	7	7	8	8	8	9	9	10	10	10	11	11	12	12	12	13	13	14	14	14	15	15	16					
E												4	4	4	4	5	5	6	6	6	7	7	7	8	8	8	9	9	9	10	10	10	11	11	11	12	12	12	13	13					

18.2.5 TOOL 49: POSITION DEPENDENCY MAP

What is it?	How to use it	When to use it
<ul style="list-style-type: none">• A tool to determine and map the interdependencies for positions, processes and functions.• It provides a clear overview of requirements and critical tasks which need to be executed for the organisation to function effectively.	<ul style="list-style-type: none">• Determine the components to be reviewed: Processes, positions, functions, etc.• Review the interdependencies per row. Example: The IT manager position is the first position in the left-hand column of row 1. Review the requirements of the IT manager from the perspective of all the other positions in the header row.• Complete the analysis and identify critical dependencies which have to be incorporated into the design principles for each column and each row.	<ul style="list-style-type: none">• When designing positions. It can be used to eliminate duplication and do horizontal workload alignment.

	IT manager	Facilities manager	HR manager	Important implications for job description
IT manager	<ul style="list-style-type: none">• N/A.	<ul style="list-style-type: none">• Information about office hours.	<ul style="list-style-type: none">• HR policies.• HR processes.• Recruitment.	
Facilities manager	<ul style="list-style-type: none">• New technologies.• Security system support.	<ul style="list-style-type: none">• N/A	<ul style="list-style-type: none">• Recruitment of staff.• Office space requirements.	
HR manager	<ul style="list-style-type: none">• HR software.• System performance.	<ul style="list-style-type: none">• Information about office hours.• Adequate space.	<ul style="list-style-type: none">• N/A.	
Important implications for the job descriptions				

18.2.6 TOOL 50: RACI ANALYSIS/TASK ANALYSIS

What is it?	How to use it	When to use it
<ul style="list-style-type: none">• A task analysis based on the RACI acronym which represents R=responsible, A=accountable, C=consulted and I=informed.• This is used to review responsibilities which are then reflected in the job descriptions.• It is also used to review horizontal workload balance.• The task analysis uses the same table, but expands the explanations to include the following:<ul style="list-style-type: none">o Capture.o Evaluate.o Execute.o Input.o Approve.o Develop.• Review/read etc.• The task analysis reviews the position task link in more detail.	<ul style="list-style-type: none">• List the tasks to be performed as part of a process (this suggests a detailed process map: process, procedure, task, activity).• Review the involvement of each position with each of the tasks by indicating either R, A, C, I or a combination A/R.• Identify the tasks which do not have responsibility or accountability OR where more than one position has accountability and responsibility.• Review the job descriptions based on the information.	<ul style="list-style-type: none">• Standard tool for job design.

Example: RACI analysis (R=Responsible A=Accountable C=Consulted I=Informed)

	Position 1	Position 2	Position 3	Position 4
Task 1	R	C	I	A/R
Task 2		C		
Task 3	I		R	A

Example: Task analysis

	Position 1	Position 2	Position 3	Position 4
Task 1	Capture	Read	Approve	Review
Task 2	Capture	Develop	Evaluate	Input
Task 3	Review	Approve	Execute	Execute

18.2.7 TOOL 51: GROUP SIZE EFFECT CHART

What is it?	How to use it	When to use it
<ul style="list-style-type: none">It provides an indication of optimal group size based on what the team needs to achieve.The chart indicates the baseline (norm) as a group from eight to 12 and compares smaller and larger groups to the norm.	<ul style="list-style-type: none">Identify the dimension or task the group would have to be good at.Review the appropriate group size for the task.Select the appropriate group/team size.	<ul style="list-style-type: none">When designing work teams as part of the operational structure.

Size Dimension	Under 4	4-7	8-12	13-18	Over 18
Collective problem solving	Worse	Equal	Baseline	Much better	Worse
Speed of decision making	Better	Much better	Baseline	Worse	Much worse
Participation of members	Much better	Better	Baseline	Worse	Much worse
Togetherness	Much better	Better	Baseline	Worse	Much worse
Flexibility	Much better	Better	Baseline	Worse	Much worse
Individual productivity	Worse	Equal	Baseline	Slightly worse	Much worse
Group performance	Worse	Slightly worse	Baseline	Better	Worse
Collective focus	Worse	Worse	Baseline	Best	Worse
Team management	Slightly worse	Equal	Baseline	Equal	Worse

18.2.8 TOOL 52: JOB DESCRIPTION REQUIREMENTS

What is it?	How to use it	When to use it
<ul style="list-style-type: none">A standard template to capture the content of a specific job or role.	<ul style="list-style-type: none">Obtain all information required for the new job and complete the required fields as indicated.	<ul style="list-style-type: none">In all circumstances where a new job has to be designed or reviewed and implemented as part of the structure.

A. JOB INFORMATION SUMMARY
1. Job title/job category
2. Qualifications and experience
3. CORE
4. Grade and salary
5. Name of the component
6. Organisational placement (simplified organogram indicating superior and direct reporting relationships)
7. Decision making authority
8. Location
9. Date on which the description is completed/reviewed

B. PURPOSE OF THE JOB

The purpose is an accurate, short statement about the position's/job's overall purpose or reason for existence. It also serves to give some indication about how a job can be linked to the organisation's mission and objectives.

C. MAIN OBJECTIVES/KEY PERFORMANCE AREAS

Describe the objectives or key performance areas of the position and the associated success indicators for each objective which must be achieved to fulfil the overall purpose of the position.

OBJECTIVE/KEY PERFORMANCE AREA	TASKS (optional)	PERFORMANCE INDICATORS
Example: Improved service user satisfaction with response time and quality of information.		<ul style="list-style-type: none">• % achieved on a service user satisfaction index.• Average turnaround time on requests.• Number of queries to manager as a result of incorrect information.
Key performance area 1		
Key performance area 2		
Key performance area 3		
Key performance area 4		

E. INHERENT REQUIREMENTS

INHERENT REQUIREMENTS	LEARNING AREAS AND INDICATORS
Technical skills: (Examples) <ul style="list-style-type: none">• Writing skills.• Typing skills.• Computer skills.• Reading and language skills.• Vocational skills (HR, finance, policing, firefighting, research, etc.)	
Behavioural competencies: (Examples) <ul style="list-style-type: none">• Communication skills.• Negotiation skills.• Planning.• Problem solving.	
Knowledge areas: Any specific area of knowledge or awareness within a specific discipline.	
Attributes: (Examples) <ul style="list-style-type: none">• Result-oriented.• Patient.• Service-oriented.• Love for people.• Detail-oriented.• Quick decision making.• Ability to work under pressure.	

F. CAREER PATH

Progression to the next higher post	Progression to the next higher salary range
<ul style="list-style-type: none">Name of post.Nature of work.Requirements.Process to achieve the next higher position.	<ul style="list-style-type: none">Next higher salary.Requirements.Process to achieve the next range.

18.2.9 TOOL 53: WORK SYNTHESIS

What is it?	How to use it	When to use it
<ul style="list-style-type: none">To determine the variance between the actual time and effort spent on a task and the suggested time and effort based on the job description and responsibilities.	<ul style="list-style-type: none">List all the tasks the individual executes during a month.List the detailed activities for each task and determine the time spent on the different activities per day, which adds up to a time for the task.Determine the frequency of activities per month and calculate the effort per month on a specific task (multiply hours by number of days).Determine the required effort either by asking the person, consulting the line manager or content expert or a combination of both.Determine the variance (V) by dividing the effort per month (E) by the required effort (RE).	<ul style="list-style-type: none">Alternative to the single-column activity analysis. This tool may be more appropriate for analysing non-repetitive, high-level work.

Suggested table for this tool:

Key result area	Tasks	Detailed activities, volume and frequency of these activities	Hours per day (H)	Days per month (D)	Effort per month (E)=(H)x(D)	Required effort per month (RE)	Variance V=(E)/(RE)

Use the following questionnaire to complete the above table:

PROCESS EVALUATION QUESTIONNAIRE					
DATE: / /					
PERSON(S) INTERVIEWED:					
	CURRENT SITUATION	SUBSTANTIATION	ALTERNATIVE	TO-BE	
INPUT CRITERIA Determine input/link [Document ref.] [Structure]	<ul style="list-style-type: none">What is needed?	<ul style="list-style-type: none">Why is this needed?	<ul style="list-style-type: none">What else can be provided/ who else can provide this?	<ul style="list-style-type: none">What is supposed to be provided/who is supposed to provide this?	
PURPOSE OF ACTIVITY Eliminate unnecessary activity [Authority/policy]	<ul style="list-style-type: none">What is done?	<ul style="list-style-type: none">Why is it done?	<ul style="list-style-type: none">What else can be done?	<ul style="list-style-type: none">What is supposed to be done?	
PLACE OF ACTIVITY Combine or change place [Geographical location]	<ul style="list-style-type: none">Where is this done?	<ul style="list-style-type: none">Why is it done there?	<ul style="list-style-type: none">Where else can it be done?	<ul style="list-style-type: none">Where is it supposed to be done?	
SEQUENCE OF ACTIVITY Combine or change time or sequence in process [Standard operating procedure flow]	<ul style="list-style-type: none">When is it done?	<ul style="list-style-type: none">Why is it done then?	<ul style="list-style-type: none">When else can it be done?	<ul style="list-style-type: none">When is it supposed to be done?	
PERSON RESPONSIBLE Combine or change person/unit	<ul style="list-style-type: none">Who is doing it?	<ul style="list-style-type: none">Why is this unit doing it?	<ul style="list-style-type: none">Who else can do it?	<ul style="list-style-type: none">Who is supposed to do it?	
METHOD OF WORK Simplify or improve and computerise Standard operating procedure / system]	<ul style="list-style-type: none">How is this done?	<ul style="list-style-type: none">Why is it done like that?	<ul style="list-style-type: none">How else can it be done?	<ul style="list-style-type: none">How is it supposed to be done?	

18.2.10 TOOL 54: WORK/ACTIVITY PROCESS ANALYSIS

What is it?	How to use it	When to use it
<ul style="list-style-type: none">A tool to review the current practices within a specific job or job family and identify potential improvements.	<ul style="list-style-type: none">List all the tasks the individual executes during a specific period e.g. a day/ week/month.Review the activities (by interviewing subject experts) according to the review criteria by first stating the current situation, then understanding why that is the situation, thirdly identifying alternatives to the current situation and fourthly formulating an ideal scenario based on the alternatives.Review criterion 1: Review the purpose of each of the activities to determine what is supposed to be done.Review criterion 2: Review the sequence of activities to determine the best possible time and sequence to do the job.Review criterion 3: Review the method utilised to identify the best way of doing the job.Review criterion 4: Review the actual person or position responsible for performing the activities.Review criterion 5: Review the geographic location where the work is done to identify the best place for the activities to take place.Review criterion 6: Review all the input requirements to perform the tasks to ensure that all enablers are in place for effective performance of the job.	<ul style="list-style-type: none">When individual jobs are reviewed with the objective of optimising specific activities.This tool can be used to further review information collected from work synthesis and process engineering.

CHAPTER 19

19. TOOLS FOR PHASE 4: BUSINESS CASE AND IMPLEMENTATION PLAN

19.1 TOOLS FOR STEP 10.1: DEVELOP BUSINESS CASE

Tools	Highly recommended	Recommended	Nice to have
Business case template	X		
Cost of poor service	See step 4 tools		
Cost-benefit analysis	X		
Activity based costing			X
Costing tool	See implementation tools		

19.1.1 TOOL 55: BUSINESS CASE TEMPLATE

Elements	Considerations	Status Yes/No
Executive summary	<ul style="list-style-type: none"> Precise and brief description of problem or opportunity to be addressed; what proposed structure will achieve; impact on service delivery, operations and staff; and financial implications. 	
Background	<ul style="list-style-type: none"> What problem, need or opportunity has to be addressed? Describe the current situation in department or unit and include useful statistical information relating to service delivery, service users, performance, inputs (staff, infrastructure and budgets), and processes. 	
Description of proposed structure	<ul style="list-style-type: none"> Objectives: what will the proposed structure achieve? How does the proposed structure align with the strategic plan and mandate? Methodologies used in arriving at proposed structure. 	
Impact	<ul style="list-style-type: none"> Impact on service delivery: increase or decrease in service delivery points, extension of service hours, changes in service norms and standards. Impact on staff: increase in or reduction of staff, internal reorganisation, training. Impact on infrastructure: information and communication technology, office space, furniture. Impact on external stakeholders: suppliers, service delivery partners in government and civil society. 	
Alternative options	<ul style="list-style-type: none"> List viable alternatives considered. Reasons for elimination 	

Risk assessment	<ul style="list-style-type: none"> Identify and assess probability and impact of key risks on proposed structure and implementation. Propose strategies to mitigate risks. 	
Cost- benefit analysis	<ul style="list-style-type: none"> Cost of new or revised structure – current year and MTEF. Availability of funding. Benefits of proposed structure (financial and non-financial). Detailed cost-benefit analysis is required for establishing a new entity. 	
Implementation	<ul style="list-style-type: none"> High-level implementation plan with major phases, deliverables and target dates for completion. Roll-out or phased implementation. Change management strategy. Roles and responsibilities of those involved in implementation. Costs of carrying out implementation plan. 	
Consultation process	<ul style="list-style-type: none"> Who has been consulted? What did the consultation processes comprise? What was the outcome of consultations? 	
Monitoring and evaluation	<ul style="list-style-type: none"> What indicators will be used to monitor and evaluate? How will changes be monitored and evaluated? Who will be responsible? 	
Review and sign-off	<ul style="list-style-type: none"> Describe by whom and how the business case analysis was reviewed and signed off, e.g. HR manager, line manager, EXCO, DG and Executive Authority. 	

19.1.2 TOOL 56: COST-BENEFIT ANALYSIS

What is it?	How to use it	When to use it
<ul style="list-style-type: none"> A high-level or detailed comparison between the cost of the new structure and the potential benefits. Each of the line items has to be calculated individually and some may require some creativity and diligence, e.g. waste reduction or loss prevention. 	<ul style="list-style-type: none"> List all the cost items, calculate each of them and add the total cost of the new structure. List all the benefits and savings items, calculate each of them and add the total savings (benefits). Subtract the cost from the benefits to determine whether there is a positive benefit or not. 	<ul style="list-style-type: none"> To establish the business case for the new structure.

Tangible cost-benefit analysis

Cost	Total cost	Benefits	Total savings
Implementation cost		Direct savings	
• Service providers		• Overheads	
• Project team		• Travelling	
• Project expenses		• Reduced legal cost	
• Capital expenses		• Other	
• Other			
Additional operating cost		Indirect savings	
• Salaries		• Waste reduction	
• Technology cost		• Loss prevention	
• Facilities cost		• Unit cost reduction	
• Stationery cost		• Other	
• Other			
Total		Total	

Intangible cost-benefit analysis

Implementation losses	Total cost	Implementation benefits	Total savings
Loss of productive hours		Customer satisfaction	
Loss of focus		Performance improvement	
Risk of poor alignment		Less rework and idle time	
Other		Employee morale	
Other		Other	
Total		Total	

19.1.3 TOOL 57: ACTIVITY-BASED COSTING

What is it?	How to use it
<ul style="list-style-type: none">Traditional accounting models allocate indirect cost on the basis of volume. As a result, the costs of high-volume products/activities tend to be overrated, while those of low-volume products/activities tend to be underrated.Activity-based costing calculates the true cost of products, customers or services by attributing indirect costs (overheads) based on activities performed.Once the process for the service or activity has been mapped, the activity-based costing exercise becomes easier.	<ul style="list-style-type: none">Define the cost objects (products, customers, services or anything else that incurs cost), indirect activities (overheads) and resources used for the indirect activities (overheads).Determine the total cost per indirect activity (loading, receiving, calculating, checking, computing, promoting, buying, selling, reading orders, etc.).Identify the cost drivers for each resource (time, material, connectivity, salaries, assets, fuel, etc.).Calculate the total overheads per process, product, customer, and service.Divide the total cost by overheads per product, customer, service.

Example of an activity-based costing exercise:

Define cost items	Determine cost	Determine cost driver	Allocate cost				Calculate cost
Tables Bookshelves			Tables		Bookshelves		200 tables 300 shelves
Activities			Cost driver	Amount	Cost driver	Amount	True cost per item
1. Engineering	R5 000	Days	20 days	2 000	30 days	3 000	R101,50 per table
2. Set-up	R2 000	Number of	2 set-ups	800	2 set-ups	1 200	
3. Assembly	R20 000	FTEs	100 FTEs	12 000	50 FTEs	8 000	R65,66 per shelf
4. Storage	R3 000	m²	50 m²	2 500	10 m²	500	
5. Distribution	R10 000	Loads	10 loads	3 000	20 loads	7 000	
Total	R40 000			20 300		19 700	

19.2 TOOLS FOR STEP 10.2: PLAN IMPLEMENTATION

Tools	Highly recommended	Recommended	Nice to have
Implementation options	X		
Stakeholder influence analysis	See change management tools		
Force field analysis	See change management tools		
Dependency analysis template	X		
Impact analysis	X		
Risk analysis	X		
Costing tool	X		
Implementation plan	See phase 5 in Chapter 11.		
Burke and Litwin model	See step 1 on page 7-3.		

19.2.1 TOOL 58: IMPLEMENTATION OPTIONS TABLE

	Phased approach	Big bang approach
Description	<ul style="list-style-type: none"> Transitions all processes at once for one particular division or unit, migrating other divisions or units over time. Best used in a multidivision environment where the current system is highly decentralised in terms of systems, personnel, etc. Speed: More gradual than big bang. May result in multiple restructurings over a long period. Risk: lower risk than big bang. However, issues tend to be concentrated in one division or business process. Business impact: Business impact can be minimised. Multiple restructuring teams may be required. 	<ul style="list-style-type: none"> Transitions all organisational structures, systems and processes simultaneously for all business units in the organisation. Best used when driven by an urgent business need and other options are not available. Speed: High speed and concentrated pain for the department. Risk: Very high risk as all divisions in the department and processes transition at the same time – it needs very well-tested contingency plans. Business impact: Major business continuity risk throughout implementation and stabilisation period.
Advantages	<ul style="list-style-type: none"> It provides opportunity to see the structure in practice before it is implemented throughout the organisation. Opportunities for adjustment. Lower risk than big bang approach. 	<ul style="list-style-type: none"> Simultaneous impact on business units/people. Shorter period of staff uncertainty. Quick change from legacy structure and systems. New staff may bring best practice experience to organisational design. Opportunity to build a culture of delivery and skills.
Disadvantages	<ul style="list-style-type: none"> It may take a long time to implement and may not render the anticipated results if the roll-out is delayed. The cost of implementation may increase if the process takes too long. 	<ul style="list-style-type: none"> High level of change management effort. Difficulty in quickly changing established organisational structures and common policies and procedures.

19.2.2 TOOL 59: DEPENDENCY ANALYSIS TEMPLATE

What is it?	How to use it	When to use it
<ul style="list-style-type: none">A tool to determine the dependencies on outside support and things you do not have control over.	<ul style="list-style-type: none">Identify all implementation work streams.Review each work stream against the types of dependencies.Identify potential dependencies for each work stream and include these under the appropriate heading in the table: delaying, interruptive, completion.Identify appropriate actions to manage the dependencies.	<ul style="list-style-type: none">Use the tool to identify and plan for the management of dependencies.

Example of dependency analysis template

Types of dependencies	Delaying dependencies <i>Implementation cannot start without this dependency being addressed</i>	Interruptive dependencies <i>Implementation can continue, but will depend on this dependency in future</i>	Completion dependencies <i>Implementation cannot be completed without this dependency being completed</i>	Actions to be taken
Example: Decision making	Implementation cannot start without approval of CEO.	New people cannot be appointed without approval from employment equity committee.	New process improvement teams cannot be fully operationalised without approval from strategic committee.	
Critical decisions				
Resource allocation (funding, equipment, facilities, people)				
Other initiatives or projects				
Technology changes				
Skills/knowledge (Development/availability)				
Stakeholder support (communication)				
Management support				
Information				

	Delaying dependencies	Interruptive dependencies	Completion dependencies
Internal dependency	Address immediately through steering committee.	Address as part of the project schedule.	Incorporate as part of the final decision point.
External dependency	Address through managerial support.	Address as part of the project schedule.	Incorporate as part of the final decision point.

19.2.3 TOOL 60: RISK ANALYSIS

What is it?	How to use it	When to use it
<ul style="list-style-type: none"> The risk management matrix is situated along two axes: - The probability of an adverse outcome. - The scale of the impact if things do not go according to plan. The degree of risk will therefore fall into one of four quadrants. The relevant strategies for responding to the degree of risk are set out in each of the quadrants. 	<ul style="list-style-type: none"> Identify possible problems and decide which quadrant they fall into and then plan accordingly for their management. Risk is not static, and regular risk assessments should be carried out to ensure that circumstances have not led to the need for a revised assessment and coping strategy. 	<ul style="list-style-type: none"> A useful tool to determine the risk for the implementation of the structure. This links back to the given identified during the diagnostic phase.

Risk category	Specific risk event	Probability (1-10 scale)	Impact (1-10 scale)	Risk factor /100
People				
Client				
Process				
Technology				
Environment				
Funding				

	High impact	Low impact
High probability	Address in detail in structure. (Be careful not to create another risk in the way you manage the known risk.)	Address in governance structures at least.
Low probability	Include in governance structure process for review.	Address if required.

19.2.4 TOOL 61: IMPACT ANALYSIS

What is it?	How to use it	When to use it
<ul style="list-style-type: none">• The impact analysis risk management matrix is situated along two axes:<ul style="list-style-type: none">o The impact of the change.o The time frame of impact.• The degree of impact will therefore fall into one of four quadrants. The relevant strategies for responding to the degree of impact are set out in each of the quadrants.	<ul style="list-style-type: none">• Identify all impacted parties.• Determine the short- and medium-term impact of the new structure.• Identify strategies by using the impact-time matrix.	<ul style="list-style-type: none">• A useful tool to determine the impact of the implementation of the structure.• This links back to the stakeholder analysis conducted in the diagnostic phase.

Impacted parties	Short-term impact	Medium-term impact	Strategies to mitigate or enhance/sell
Impact on service delivery (increase or decrease in service delivery points)			
Impact on staff (increase in or reduction of staff)			
Impact on infrastructure (ICT, facilities upgrade, shortage of space, etc.)			
Impact on external stakeholders (suppliers, donors, other departments)			

	High impact	Low impact
Short term	Address in detail. (Be careful not to create another risk in the way you manage the known risk.)	Contingency plans.
Medium term	Prepare for future impact and communicate the impact.	Monitor the potential impact.

19.2.5 TOOL 62: COSTING TOOL

What is it?	How to use it	When to use it
<ul style="list-style-type: none">A basic costing of the new structure to determine the total cost of full implementation.	<ul style="list-style-type: none">Identify all positions.Determine salary level of each position.Determine actual salary.Determine infrastructure cost.Determine number of positions.Determine number of vacancies.Actual cost (excluding vacancies).Total cost (costing all positions).	<ul style="list-style-type: none">Use this type of tool for every restructuring initiative.

Costing tool template:

Post	Salary level	Salary	Infrastructure cost	No. of positions	No. of vacancies	Actual cost	Total cost

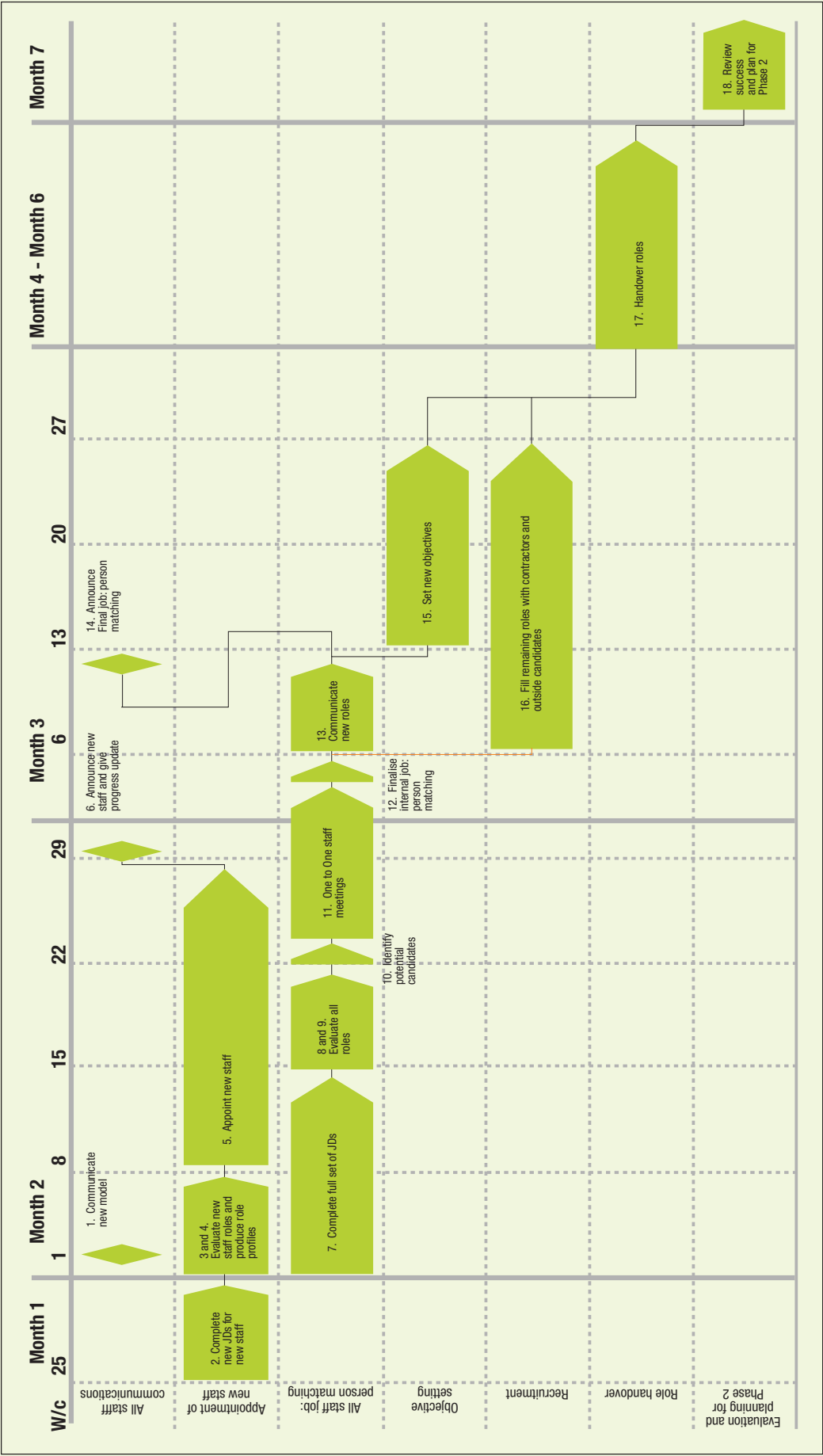
CHAPTER 20

20. TOOLS FOR PHASE 5, STEP 11: IMPLEMENTATION

20.1.1 TOOL 63: IMPLEMENTATION PLAN

What is it?	How to use it	When to use it
<ul style="list-style-type: none">A plan indicating the time, work streams and activities required to complete the structuring exercise.	<ul style="list-style-type: none">Identify the different major tasks or work streams which need to be executed to complete the structuring.Break each of the work streams down into activities or groups of tasks which need to be done in order to complete the work stream or major task.Determine the time required to complete each of the tasks and indicate all the tasks which can be done simultaneously.	<ul style="list-style-type: none">Use this type of tool for every restructuring initiative which requires the coordination of different resources.

20.1.2 IMPLEMENTATION PLAN



CHAPTER 21

21. TOOLS FOR PHASE 6, STEP 12: MONITORING AND EVALUATION

Tools	Highly recommended	Recommended	Nice to have
Monitoring and evaluation framework	X		
Monitoring and evaluation planning template	X		
Monitoring and evaluation report template	X		

21.1.1 TOOL 64: MONITORING AND EVALUATION FRAMEWORK

The monitoring and evaluation framework sets out:

- What you will monitor and evaluate.
- How you will monitor and evaluate.
- Who will collect information.
- What information should be collected.
- When and how you will report results.

The following is a suggested framework that you can adapt to suit your needs:

Monitoring process planning elements	Description	Monitoring planning
Aim	<ul style="list-style-type: none"> • To monitor implementation progress. 	
What will we use to measure progress?	<ul style="list-style-type: none"> • Time frames and other targets set in implementation plan. 	
How will we collect information?	<ul style="list-style-type: none"> • Monthly progress reports from the implementation team. • Staff survey. • Comments box. 	
How will we report results?	<ul style="list-style-type: none"> • Monthly progress report to EXCO. • Quarterly progress report to Executive Authority. 	
Corrective action	<ul style="list-style-type: none"> • Recommendations to be made in progress reports. • System for following up corrective action to be put in place. 	
Timing of monitoring	<ul style="list-style-type: none"> • Can begin as soon as implementation of the new structure starts. 	
Who should do it?	<ul style="list-style-type: none"> • Internal team can do the monitoring. Identify upfront who will be responsible for monitoring the implementation of the structure. 	
What resources will be required?	<ul style="list-style-type: none"> • Outline the budget (staffing and finance) for monitoring the implementation. 	

Evaluation process planning elements	Description	Evaluation planning
Aim	<ul style="list-style-type: none">To evaluate the effectiveness of the new or revised structure.	
What will we use to evaluate effectiveness?	<ul style="list-style-type: none">Objectives set out in the business case.Service delivery indicators.Staff retention rates.Customer satisfaction ratings.	
How will we collect information?	<ul style="list-style-type: none">Questionnaires.Interviews with customers.Review of documents, including internal and external reports.	
How will we report results?	<ul style="list-style-type: none">Written report documenting the results of the evaluation.Presentation to management.Presentation to staff and stakeholders.	
Corrective action	<p>Report should contain recommendations for corrective action:</p> <ul style="list-style-type: none">What action is needed.Who should take action.By when should action be taken.Who will be accountable for taking corrective action.Follow-up or routine monitoring of corrective action.	
Timing of evaluation	<ul style="list-style-type: none">The new structure needs time to be implemented and embedded. Evaluating too early can produce inaccurate results. It is preferable to evaluate no earlier than 12 months following the implementation.	
Who should conduct the evaluation?	<ul style="list-style-type: none">The evaluation can be conducted by an internal team. It is advisable not to have the evaluation conducted by those who were involved in the organisation design. An external evaluator can lend objectivity to the evaluation, especially if there are likely to be contentious issues.	
What resources will be required?	<ul style="list-style-type: none">Outline the budget (staffing and finance) for evaluating the effectiveness of the structure.	

21.1.2 TOOL 65: PLANNING AND DATA COLLECTION TEMPLATE

1. SOLUTION OVERVIEW	
Solution	Description
Restructuring description	<ul style="list-style-type: none"> Provides an overall description of the intended restructuring and what the organisation would look like afterwards (if restructuring is an option).
Description of problem or opportunity	<ul style="list-style-type: none"> Gives an overall description of the business problem or opportunity that the project will be addressing. This should not include technical specifications or jargon, but should focus on the business area concerned, the market offering and how it will benefit or add value to the customer. "Why is the project important to the organisation?"
Proposed solution or strategy	<ul style="list-style-type: none"> Provides an overview of the suggested solution which may or may not include restructuring as an option.
Potential benefit and solution management considerations	<ul style="list-style-type: none"> Gives an overall description of the business benefits of addressing the problem or opportunity. This should include quantitative and qualitative benefits which the business area will have to measure and prove.

2. BENEFIT DESCRIPTION	
2.1 Financial benefits	
Direct benefits (financial) (examples)	KPIs/measure (examples)
<ul style="list-style-type: none"> Reduced overheads (staff, equipment, facilities). 	<ul style="list-style-type: none"> 10% reduction on salary bill. 10% reduced monthly equipment cost. 10% savings on facilities.
<ul style="list-style-type: none"> Reduced transaction costs (reduce the cost of providing the service through technology, fewer phone calls). 	<ul style="list-style-type: none"> Reduced unit cost (cost per passport reduced by R10). Increased number of citizens serviced per service counter per day (from 40 to 70 per day). Travelling costs reduced by 10%.
<ul style="list-style-type: none"> Reduced cost of poor quality (less waste, less downtime [waiting time], less checking [auditing]) 	<ul style="list-style-type: none"> Reduction in rework of applications from 20 to fewer than five per day. Reduction in hard copy waste (no hard copy waste). No waiting time for anybody in the team (no idle time due to other people needed to complete a task). Reduced checking of quality.
<ul style="list-style-type: none"> Reduced material and other expenses 	<ul style="list-style-type: none"> Less inventory (from R5m to R1m). Savings on procurement (reduction of 20% in services procured). Reduced utilisation of external service providers.
<ul style="list-style-type: none"> Reduced losses/damages 	<ul style="list-style-type: none"> Fraud reduced by x%. Damage reduced by x%. Legal costs reduced by x%.

Indirect benefits (financial)	KPIs/measure (example)
<ul style="list-style-type: none">Cost of duplication	<ul style="list-style-type: none">Application handed over only once till completion.No duplication of tasks between teams/units/other departments.All employees fully utilised (no idle time because of process or structure).
<ul style="list-style-type: none">Service recipient costs (reduction in direct cost for service recipients to receive the service [less travelling time, shorter distance to travel, reduced number of phone calls, single point of contact, electronic applications, etc.]).	<ul style="list-style-type: none">Reduced average cost of travelling by recipients.

2.2 Process benefits	
Direct benefits (examples)	KPIs/measures (examples)
<ul style="list-style-type: none">Reduced transaction costs (reduce the cost of providing the service through technology, fewer phone calls).	<ul style="list-style-type: none">Reduced unit cost (cost per passport reduced by R10).Increased number of citizens serviced per service counter per day (from 40 to 70 per day).
<ul style="list-style-type: none">Increased volume per day (waiting time in queues, submitting more than one application, single point of contact, etc.)	<ul style="list-style-type: none">Reduced waiting time.Increased number of applications processed (from two to 10 per day)
<ul style="list-style-type: none">Cost of duplication	<ul style="list-style-type: none">Application handed over only once till completion.No duplication of tasks between teams/units/other departments.All employees fully utilised (no idle time because of process or structure).
<ul style="list-style-type: none">Reduced losses/damages (fewer incidents which have an indirect impact on departmental costs).	<ul style="list-style-type: none">Fewer accidents.Fewer injuries.Fewer infections.
<ul style="list-style-type: none">Reduced turnaround time.	<ul style="list-style-type: none">Turnaround time reduced.Average waiting time in queues.Maximum two phone calls required by service recipients.

2.3 Service quality benefits	
Qualitative benefits (examples)	• KPIs/measures (examples)
<ul style="list-style-type: none"> Service recipient costs (reduction in direct cost for service recipients to receive the service [less travelling time, shorter distance to travel, reduced number of phone calls, single point of contact, electronic applications, etc.] 	<ul style="list-style-type: none"> Reduced average travelling distance to service points. Increased number of electronic applications.
<ul style="list-style-type: none"> Reduced losses/damages (reduction in incidents which have an indirect impact on departmental costs). 	<ul style="list-style-type: none"> Fewer accidents. Fewer injuries. Fewer infections.
<ul style="list-style-type: none"> Customer satisfaction 	<ul style="list-style-type: none"> Reduced travelling costs/time. Reduced waiting time. Increased quality of information. One-stop service (no handover from one person to another).
<ul style="list-style-type: none"> Improved image of service delivery 	<ul style="list-style-type: none"> Nine hours' uninterrupted service per day. 80% of phone calls answered in five rings.
<ul style="list-style-type: none"> Service experience 	<ul style="list-style-type: none"> Reduced number of complaints.

2.4 Employee benefits	
Intangible benefits	• KPIs/measures (examples)
<ul style="list-style-type: none"> Improved employee morale 	<ul style="list-style-type: none"> 90% employee satisfaction. Increased number of innovations and ideas implemented. Reduced number of incidents of miscommunication. Reduced number of duplications or uncertainties.
<ul style="list-style-type: none"> Innovation 	<ul style="list-style-type: none"> Increased number of ideas implemented. Increased number of employees involved in decision making. Increased number of employees involved in process improvement groups.

3. ASSUMPTIONS AND PREREQUISITES	
Identify the key assumptions made when identifying benefits	
Key assumption	Rationale

4. SOLUTION MANAGEMENT APPROACH	
What is the proposed approach to collecting each of the KPIs?	
KPI	Approach

5. SAMPLING TECHNIQUE		
What sample size will be taken for each KPI and why?		
KPI	Sampling technique	Rationale

6. MONITORING AND EVALUATION PLAN	
6.1 Roll-out and operationalisation	
What are we going to do to operationalise the monitoring and evaluation plan?	
Activities	Timing

6.2 Monitoring sequence and timing		
KPI measurement	Timing	Frequency

7 BENEFIT TRACKING RECORD	
7.1 Baseline KPI	
KPI	Baseline status (status when the decision was taken to restructure)
Cost and financial	
1	
2	
Process and service delivery	
3	
4	
Citizen and service quality	
5	
6	
Employees and innovation	
7	
8	

7.2 Landed KPI	
KPI	Actual status (status as measured after restructuring)
Cost and financial	
1	
2	
Process and service delivery	
3	
4	
Citizen and service quality	
5	
6	
Employees and innovation	
7	
8	

7.3 Baseline comparison		
Baseline KPI	Landed KPI	% Variance
1		
2		
3		
4		
5		
6		
7		
8		

7.4 Benefit comparison		
Proposed rand benefit	Landed rand benefit	% Variance
1		
2		
3		
4		
5		
6		
7		
8		

21.1.3 TOOL 66: PROGRESS REPORT

1. VARIANCE EXPLANATION		
Highlight issues that drove variation in realised benefits to the original proposed benefit		
Benefit realised	% variance (anticipated vs actual benefit)	Reason

2. ACTIONS TO ADDRESS	
Identify issues which resulted in variance and devise plans to prevent recurrence.	
Issues	Proposed action

3. KEY LESSONS	
What should be documented as key lessons for future projects?	
Key lessons	Suggested actions

CHAPTER 22

22. TOOLS FOR CHANGE MANAGEMENT

Tools	Highly recommended	Recommended	Nice to have
Change strategy checklist	X		
External requirements identification		X	
Real-time strategic change (RTSC) methodology	X		
Framework for consultation	X		
Selling the case to key decision makers framework	X		
Obtaining approval from Executive Authority	X		
MPSA consultation checklist	X		
Leadership/sponsor alignment	X		
Stakeholder influence analysis	X		
Communication planning matrix	X		
Force field analysis		X	

22.1.1 TOOL 67: CHANGE STRATEGY CHECKLIST

What is it?	How to use it	When to use it
<ul style="list-style-type: none"> A checklist for practitioners to use when developing a change strategy. It reflects the most important areas of change and provides information on the different issues to be addressed. It does not indicate how the changes should be managed. 	<ul style="list-style-type: none"> Review each issue as indicated on the checklist. Answer yes or no to each question. Identify all the no answers and start re-viewing the standard strategies for each of the issues. Select the most appropriate strategies and plan for implementation. 	<ul style="list-style-type: none"> Standard tool in the tool kit.

Element	Issue	Yes/ No
Change vision	• Is there a compelling and inspiring vision that is driving change (such as improved service delivery, more motivated people, improved work environment)?	
	• Do we know what the indicators would be of a successful change?	
	• Has the vision been communicated?	
Change strategy	• Do we know what the enabler of and barriers are to the change?	
	• Are people willing and ready to change?	
	• Do we have an agreed approach to the change?	
Commitment	• Are our leaders aligned and willing to support the change?	
	• Are the employees committed to restructuring?	
	• Are we doing enough to ensure commitment?	
Capacity and leadership	• Is there a change sponsor or champion who will lead change?	
	• Are the relevant line managers willing and able to support the restructuring?	
	• Are we engaging with powerful stakeholders who can influence the success of the restructuring?	
	• Do employees have the skills needed to perform in the new organisation?	
	• Do we have change agents (a guiding coalition) to drive the change?	
Culture	• Does the organisational culture support the change?	
	• Do we have plans and resources to sustain the change?	
	• Are we engaging sufficiently with employees and stakeholders?	

Identify all the items with a No answer and review the possible actions in the table below:

Issue	Action if not in place
• Is there a compelling and inspiring vision that is driving change (such as improved public services)?	• Formulate a clear change strategy and involve as many as realistically possible to assist. Hold visioning workshop with key stakeholders.
• Do we know what the indicators would be of a successful change?	• Facilitate a visioning workshop with key stakeholders to assist in identifying key measures/targets for the restructuring.
• Has the vision been communicated?	• Develop a clear communication strategy for all potential stakeholder groups.
• Do we know what the enablers of and barriers are to the change?	• Perform a force field, risk and stakeholder analysis to determine the enablers of and barriers to change.
• Are people willing and ready to change?	• Assess readiness for change to minimise the risk of reform failure. Ideally this should be done early (preferably when there is still scope to alter the design of the reform) in order to increase understanding of the impact of reform, identify high-risk areas that will need to be managed, understand stakeholders' concerns/insights/emotional responses to change and key issues for the communications strategy.

Issue	Action if not in place
<ul style="list-style-type: none"> Do we have an agreed approach to the change? 	<ul style="list-style-type: none"> Select the best framework for managing the change process. Experience demonstrates the effectiveness of an impartial, senior project manager and a committed project management unit acting as a catalyst in the reform process. Develop a project plan (based on the other activities listed in this table).
<ul style="list-style-type: none"> Are our leaders aligned and willing to support the change? 	<ul style="list-style-type: none"> Do a leadership alignment exercise to determine whether the sponsors and leaders are willing and able to support the proposed change.
<ul style="list-style-type: none"> Are employees committed to the restructure? 	<ul style="list-style-type: none"> Review readiness for change, increase the number of employees involved in the process. Encourage team building.
<ul style="list-style-type: none"> Are we doing enough to ensure commitment? 	<ul style="list-style-type: none"> Communicate the benefits and quick wins regularly. Target highly influential employees who are negative and influence others negatively as well.
<ul style="list-style-type: none"> Is there a change sponsor or champion who will lead change? 	<ul style="list-style-type: none"> Ensure a change sponsor and representative steering committee.
<ul style="list-style-type: none"> Are the relevant line managers willing and able to support the restructuring? 	<ul style="list-style-type: none"> Consider overview training. Do a leadership alignment to determine how committed the managers are.
<ul style="list-style-type: none"> Are we engaging with powerful stakeholders who can influence the success of the restructuring? 	<ul style="list-style-type: none"> Do a stakeholder analysis and strategise around powerful stakeholders. Develop communication plan and start engaging with these parties.
<ul style="list-style-type: none"> Do employees have the skills needed to perform in the new organisation? 	<ul style="list-style-type: none"> Present skills training. Conduct awareness campaign and roadshows.
<ul style="list-style-type: none"> Do we have change agents (a guiding coalition) to drive the change? 	<ul style="list-style-type: none"> Identify change sponsor and change agents. (This can be done through interviews and/or a “change readiness workshop”.)
<ul style="list-style-type: none"> Does the organisational culture support the change? 	<ul style="list-style-type: none"> Conduct culture analysis. Review values and awareness of what people should expect of colleagues.
<ul style="list-style-type: none"> Do we have plans and resources to sustain the change? 	<ul style="list-style-type: none"> Draft workforce transition plan. Prepare handover plan.
<ul style="list-style-type: none"> Are we engaging sufficiently with employees and stakeholders? 	<ul style="list-style-type: none"> Ensure that as many employees as possible participate in teams. Establish a change forum. Communication: A sound communications plan should consider the audience, message, media, frequency, goals, responsibility, feedback mechanisms and tools to measure effectiveness of communication.

22.1.2 TOOL 68: EXTERNAL REQUIREMENTS IDENTIFICATION

What is it?	How to use it	When to use it
<ul style="list-style-type: none">A distinct feature of the proposed change management approach is the design and implementation of change management processes appropriate to the context and dynamics of change within the organisation. This should be done through actively promoting a cocreation approach in determining the needs and crafting the solution for change. Embedded in this approach should be the active informing and active engaging of managers, employees and functions' stakeholders throughout the various phases of the restructuring.Change management will consist of the elements in the template below, managed in a systematic and integrated manner.	<ul style="list-style-type: none">Review each focus area and its related description to determine whether it has been addressed or not.If it has been addressed, mark yes and if not, mark no next to each focus area.Plan to address all the focus areas with a no answer.	<ul style="list-style-type: none">Standard tool in the tool kit.

Focus areas	Description	Addressed Yes/No
Effective change enablement	<ul style="list-style-type: none">Creating the right conditions for a critical mass of managers and staff in the functions to manage the change processes within themselves and their teams.	
Effective communication	<ul style="list-style-type: none">Creating a continuous flow of information and dialogue within the organisational community, those affected by the possible changes as well as their stakeholders.	
Effective stakeholder management	<ul style="list-style-type: none">Mapping and managing the various stakeholders that impact on the functions as well as those being impacted upon by the various functions.	
Effective labour relations management	<ul style="list-style-type: none">Continually ensuring that the various risks from an LRA viewpoint are identified and managed within the framework of agreements between the organisation and its trade unions, as well as the framework of relevant labour legislation.	
Effective empowerment and staff consultation	<ul style="list-style-type: none">Engaging the entire function in ways that lead to ownership of, commitment to, and alignment with a shared purpose and direction.	
Defined preferred future	<ul style="list-style-type: none">A collective "image of potential" for the future that motivates action today.	

Focus areas	Description	Addressed Yes/No
All risks and dependencies considered	<ul style="list-style-type: none"> A continual focus on the internal and external environments of the department. 	
Establishment of a common database	<ul style="list-style-type: none"> A common understanding of strategic issues informs the discretion of people at all levels in the functions so that they can make wise decisions, individually and collectively. 	
Effective community	<ul style="list-style-type: none"> Fostering an environment where individuals come together and integrate with a shared purpose and common direction, as part of something larger than themselves that they helped create and that they believe in. 	
Focus on here and now	<ul style="list-style-type: none"> Simultaneous discovery, planning and implementation of individual, group and organisation-wide changes. Decisions and actions are taken as if the future were now, thereby blurring the line between “here” and “there”. 	

22.1.3 TOOL 69: REAL-TIME STRATEGIC CHANGE (RTSC) METHODOLOGY

What is it?	How to use it	When to use it
<ul style="list-style-type: none"> Within the framework of the CLR, the second methodology that will be used, especially where large numbers of managers and employees are involved, is the real-time strategic change (RTSC) methodology. 	<ul style="list-style-type: none"> Using large-scale meetings, this methodology allows for a critical mass of managers and employees to participate in: <ul style="list-style-type: none"> Understanding the need for change in their functions. Analysing the current reality and deciding what needs to change in their functions. Generating ideas about how to change existing processes in their functions. Alignment regarding the strategy, business plan and operating model of the function. Implementing and supporting change in their functions and making it work. Revitalisation or renewal for the way forward. 	<ul style="list-style-type: none"> An alternative strategy for change management and leadership.

22.1.4 TOOL 70: SELL AND CONSULT PROCESS

What is it?	How to use it	When to use it
<ul style="list-style-type: none">An overview of all the parties to be consulted as part of a restructuring process in the public sector.	<ul style="list-style-type: none">Review the different stakeholder groups in terms of their requirements.Plan:<ul style="list-style-type: none">To provide appropriate information.For the consultation process.	<ul style="list-style-type: none">A standard process in every significant organisational structuring intervention.

Whom to consult or sell to	What do you want from them?	What format could you use?	What documentation do you need?
Decision makers: <ol style="list-style-type: none">Unit manager.EXCO.DG or HOD.Executive Authority.	<ul style="list-style-type: none">Agreement with proposed structure.Mandate to sell and consult on the structure.	<ul style="list-style-type: none">Presentation at EXCO meeting.Meeting to brief Executive Authority.Formal submission to Executive Authority.	<ul style="list-style-type: none">Business case.Summary of business case.Presentation slides.
Staff	<ul style="list-style-type: none">Support for proposed structure and its implementation.	<ul style="list-style-type: none">Information sessions.Written comments and submissions from staff.	<ul style="list-style-type: none">Summary of business case.Presentation slides.FAQs about the structure.
Trade unions or workplace forum (if required in terms of sections 197 and 189 of the Labour Relations Act)	<ul style="list-style-type: none">Support for proposed structure and its implementation.	<ul style="list-style-type: none">Information sessions.Written comments and submissions from trade union.	<ul style="list-style-type: none">Summary of business case.Presentation slides.FAQs about the structure.
MPSA (if top three tiers of structure are changed)	<ul style="list-style-type: none">Concurrence on the proposed structure.	<ul style="list-style-type: none">Formal submission.	<ul style="list-style-type: none">Business case and submission requirements as set out by dpsa.

22.1.5 TOOL 71: FRAMEWORK FOR SELLING THE CASE TO KEY DECISION MAKERS AND STAKEHOLDERS

What is it?	How to use it	When to use it
<ul style="list-style-type: none"> The first step is to sell the proposed structure to the decision makers in your organisation. You will have to convince them that the proposed structure is the most feasible and most desirable of the options that you have explored. Your arguments will be set out in the business case. A well-written business case is only part of the selling task. You will need to make a convincing presentation to the decision makers. 	<ul style="list-style-type: none"> You will need a mandate (or authorisation) from the decision makers before you can proceed with selling and consulting on the structure with staff and other stakeholders. It is important that you have a clear mandate. This will minimise confusion and conflict in the consultation process. If you have consulted staff in the earlier phases of the structuring exercise, it may be easier to sell the structure. But do not take it for granted that all staff will support the proposed structure. If your organisation is embarking on a major restructure that will affect the staff in your organisation, it will be necessary to consult the trade unions represented in your organisation. 	<ul style="list-style-type: none"> A standard process in every significant organisational structuring intervention.

Checklist: Selling to and consulting with staff and unions	Addressed Yes/No
Selling the structure to key decision makers	
✓ Prepare a presentation pack that includes a summary of the business case and presentation slides.	
✓ Request sufficient time for you to make the presentation to the relevant managers or EXCO of your organisation.	
✓ Anticipate the questions decision makers may ask and be prepared to respond.	
✓ If you are briefing the Executive Authority, prepare a briefing pack. The Executive Authority may need to receive the briefing pack prior to the briefing session.	
✓ Obtain decision making mandate.	
✓ Get the mandate in writing from the person who has authority.	
✓ Agree on whom to consult and for what purpose.	
✓ Be clear about the parameters of the mandate, for example, you may have the mandate to listen to concerns, but not to negotiate changes to the structure.	

Checklist: Selling to and consulting with staff and unions	Addressed Yes/No
✓ Agree on the constitution of the selling and consultation team. Be sure that the team has the expertise to respond to questions.	
✓ Agree on the time that will be allowed for selling and consultation. Set a cut-off date for the process.	
✓ Agree on the format for consultation, for example, information sessions with staff and written submissions from staff.	
✓ Indicate what you will do with the information collected through the consultation process.	
Selling the structure to the staff	
✓ Plan briefing or information sessions thoroughly. Consider inviting manageable groups of staff. Set aside sufficient time for the sessions so that staff do not feel rushed.	
✓ Prepare a concise, clear presentation and handouts for the sessions.	
✓ Anticipate questions that staff might ask and be prepared to respond to these.	
✓ Decide which members from the organisational design team will be present at the sessions.	
✓ Let staff know what will happen following the briefings.	
Selling to trade unions	
✓ It is essential that you consult the dpsa Guide on Transformation and Restructuring: Human Resources. You should also consult the labour relations specialist or the legal division in your department to ensure that you have interpreted the provisions of the LRA correctly.	

22.1.6 TOOL 72: CHECKLIST: APPROVAL FROM EXECUTIVE AUTHORITY

If	Then
The restructuring process does not involve changes to the top three tiers of the organisation	The Executive Authority can approve the structure.
The restructuring involves changes to the top three tiers of the organisation	The MPSA has to be consulted before implementation.

Consider the following during the approval process:

Helpful tips	Addressed Yes/No
✓ Prepare a formal submission to the Executive Authority.	
✓ Include the final organogram in the submission for the signature of the Executive Authority (or his/her delegate).	
✓ Include an implementation plan with time frames and roles and responsibilities.	
✓ Highlight issues raised by the MPSA that might impact on implementation.	
✓ Submit a copy of the final approved organogram to the dpsa for their records.	

22.1.7 TOOL 73: MPSA CONSULTATION CHECKLIST

If the restructuring involves changes to any of the top three tiers of the organisation, the Executive Authority must consult the MPSA. Refer to Chapter 2 of this Guide for more information on the MPSA's directive on consultation.

Consider the following during this process:

Helpful tips	Addressed Yes/No
✓ Ensure that the submission and business case to the MPSA meet the requirements set out by the MPSA in the directive.	
✓ The submission to the MPSA should be signed by the Executive Authority or the delegated official.	
✓ Keep a copy of the submission and business case.	
✓ Respond promptly to requests for further information and clarification from the dpsa.	

22.1.8 TOOL 74: LEADERSHIP/SPONSOR ALIGNMENT

What is it?	How to use it	When to use it
<ul style="list-style-type: none">The sponsor evaluation is a questionnaire which looks at key aspects of the sponsor's attitudes and readiness to change.	<ul style="list-style-type: none">Ideally, work through the questionnaire in discussion with the sponsor.Discuss each question in some depth, rather than quickly selecting a response.Alternatives are to ask him/her to complete it, or complete it yourself based on what you believe to be the sponsor's views on the proposed change (in the latter case, you will need to confirm the consistency of your marks with the sponsor).	<ul style="list-style-type: none">Standard tool in the tool kit.

The following questionnaire can be used to evaluate the sponsor's attitudes and readiness:

I believe I have a full appreciation of the impact of the changes on the people in the organisation.	1	2	3	4	5
I am very willing to commit whatever resources (which are at my disposal) are required for the change project to succeed.	1	2	3	4	5
I am very willing to demonstrate personal support for the change (e.g. meet privately with key individuals).	1	2	3	4	5

I am able and willing to reward promptly those who facilitate implementation.	1	2	3	4	5
I am able and willing to express displeasure with those who inhibit the acceptance of the change.	1	2	3	4	5
I am willing and able to make sacrifices for the project, even if the costs are high.	1	2	3	4	5
I am willing to maintain strong and sustained commitment until the change has been implemented.	1	2	3	4	5
I have a clear idea why the proposed change is required.	1	2	3	4	5
I am prepared to put effort into communicating the reasons for change.	1	2	3	4	5
I will be rewarded for helping to implement the proposed change.	1	2	3	4	5
The proposed change is in accordance with the values of this organisation.	1	2	3	4	5
The change being proposed is vital.	1	2	3	4	5
My senior colleagues agree with the proposed changes.	1	2	3	4	5
If this proposed change is implemented, it may call into question my previous decisions or performance.	1	2	3	4	5
The proposed change will have a major impact on the organisation.	1	2	3	4	5

Use the following score:

1 = Unacceptable

2 = Poor

3 = Average

4 = Good

5 = Very good

22.1.9 TOOL 75: STAKEHOLDER INFLUENCE ANALYSIS

What is it?	How to use it
<ul style="list-style-type: none"> This tool analyses the influence and impact of the structure on various stakeholders. It can be used to determine who needs to be informed and who needs to be involved to ensure that the structuring initiative is successful. It also provides an opportunity for the restructuring team or manager to identify action plans for each of the stakeholders who will be impacted or needs to be involved. 	<ul style="list-style-type: none"> Identify the various stakeholders (the analysis provides for generic groups of stakeholders, but the tool can be expanded to include specific stakeholders or individuals). Rate each stakeholder on their possible attitude towards the structuring initiative (allocate 1 for a very positive attitude, 3 for an intermediate attitude and 5 for a very negative attitude). Rate each stakeholder on their potential influence on the initiative (1 = little to no influence on the outcome, 2 = some influence but cannot totally derail the process, 3 = powerful and can stop or derail the process). Calculate an impact factor for each stakeholder by multiplying the possible attitude factor and the potential influence factor to get a total out of 15.

Stakeholders	Possible attitude <i>1=Positive</i> <i>5=Negative</i>	Potential to influence 3=Powerful 2=Some 1=Little	Influence factor (Attitude x influence=15)	Communication actions to be taken
Government				
Citizens				
Employees				
Suppliers				
International counterparts				

22.1.10 TOOL 76: COMMUNICATION PLANNING MATRIX

What is it?	How to use it
<ul style="list-style-type: none">A tool to match the type of information with the channel, audience, responsibility and frequency.	<ul style="list-style-type: none">Identify the different types of information required and identify the appropriate channel, the target audience, the responsible parties and the frequency.

	Urgent information (Information about decisions taken, urgent meetings, quick wins, new information, late adjustments to agendas, etc.)	Regular information (Information about the project team, the process, milestones, interesting facts, etc.)	Strategic information (All information pertaining to the rationale, benefits, impact of the anticipated structure change)
Channel and medium (E-mail, voicemail, intranet, newsletters, group sessions, personal letters, gatherings, forums, banners, posters, telephone calls, etc.)			
Audience (Primary and secondary, stakeholder groups: employees, government, citizens)			
Responsibility (Who takes responsibility for what information, to which audience through which channel?)			
Timing/frequency (How often will this take place?)			