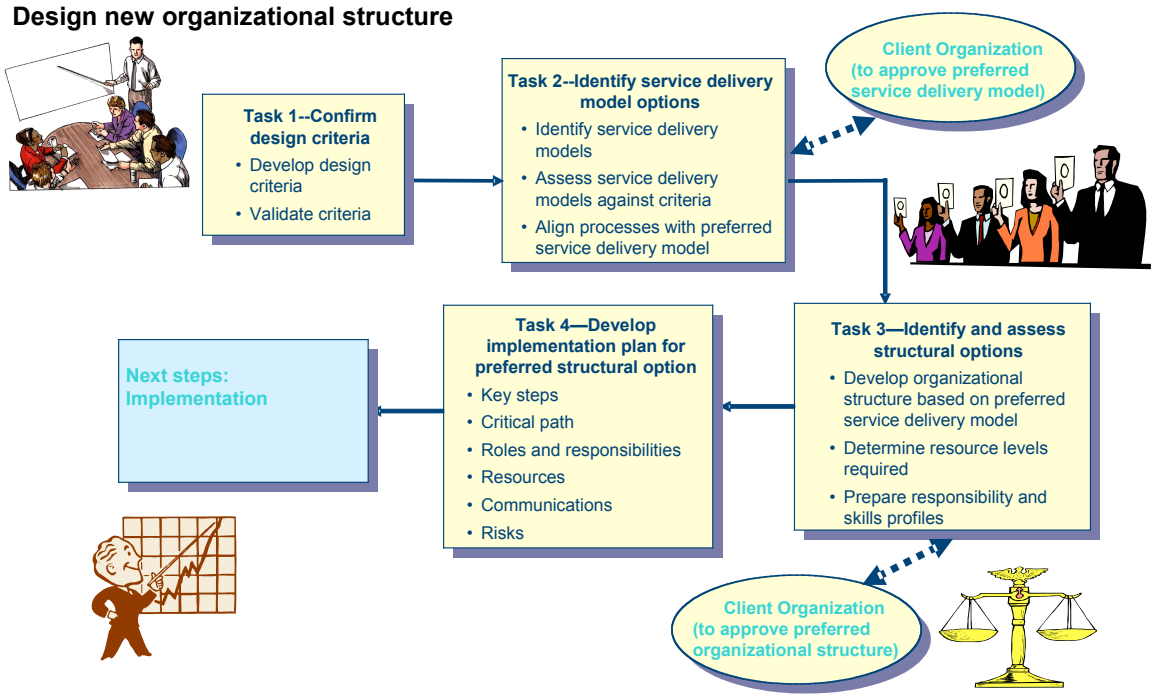
Organizational Design Toolkit

We provide below highlights of the approach to developing/confirming the preferred service delivery model and organizational structure for an organization.

The key steps are:

- The development of design criteria
- The assessment and selection of a preferred service delivery model
- The development of a new organizational structure around the preferred service delivery model
- The development of an implementation plan
- The necessary implementation support to make it happen.



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Some overall themes of our approach are:

- **Close alignment with "to be" process design.** The development of the service delivery model should be aligned with the redesigned processes and revised approaches in how the services will be delivered.

- **Form follows function.** The approved service delivery model should be closely aligned with the redesigned or "to be" processes. In turn, the organizational structure will be developed based on the preferred service delivery model.

- **At each step, we consider the full range of options, and then narrow these down over time to the preferred approach.** At the outset, we would be looking at the service delivery model options, filtered by structural options. We would then explore options that consider alternate groupings of processes and aligned with the preferred service delivery model, and finally, evaluate the options in terms of the design of specific positions.

- **Joint action planning of the organizational change with the client organization**. The client organization should be involved in key decision points at each step, in particular:

  - the approval of the design criteria
  - the assessment and approval of the preferred service delivery model
  - the review and approval of the preferred structural option.

- **At each step of the process, we describe the organization in a greater level of detail and precision.** From the service delivery approach to grouping the processes to organizational groupings to specific positions and reporting relationships.

The design of the new organizational structure is described in detail in the project plan. We have also included more information on the deliverables after each step of the work plan.

Detailed work plan

Task 1—Confirm design criteria

The consultant and client organization should identify some of the key design criteria for the new organization structure. In this task, we will complete this process, so that we have a list of the criteria/features of the desired end-state. Key

activities will include the development, and then the validation, of the design criteria.

1.1 Review case for change

As a first step in designing the new organizational structure, we will confirm at a **high level** the need for change, and summarize the advantages and disadvantages of the existing organization structure. This effort will be closely linked with other process design or improvement work, and will serve primarily as a starting point for the work on the "to be" design.

1.2 Develop design criteria

We will propose overall design principles and criteria to help in formulating and assessing service delivery models and organizational structure options. These principles should be closely aligned to the overall strategic objectives, for example:

- Making the function more strategic
- Enhancing the value of the function and building a stronger relationship with clients and service delivery partners
- Reducing transaction and administrative costs
- Enriching the job responsibilities of service delivery staff.

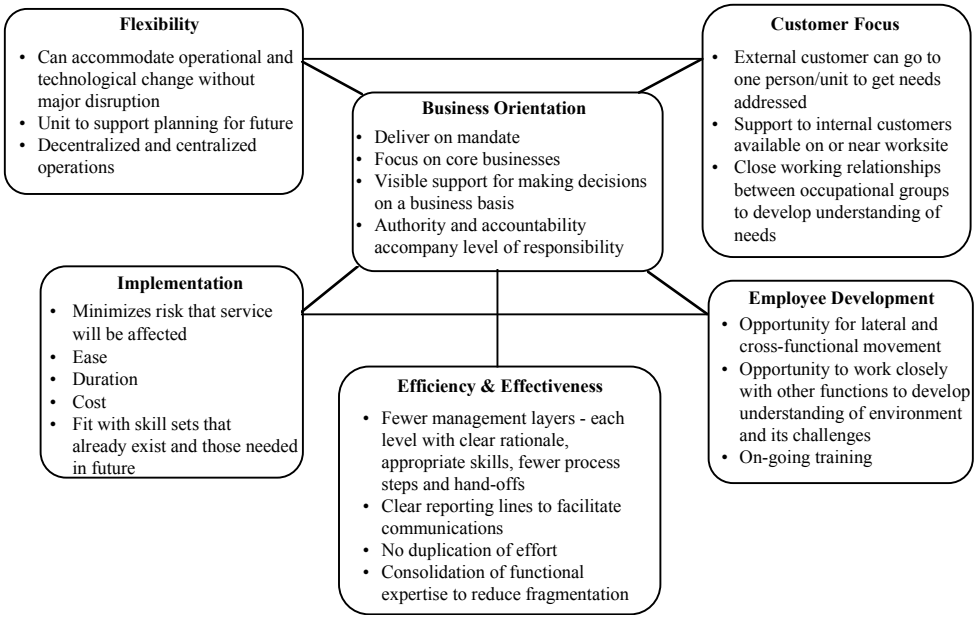
We have provided on the following page examples of the organizational design criteria that could be used as a starting point for discussion purposes.

Examples of organizational design criteria

- Clear distinction between strategic, operational and transactional—Centralizing transactional processing.
- Clarity of roles and responsibilities—This includes the responsibility for each role in the process including decision-making and implementation.
- Fostering closer partnership between managers and HR specialists—The structure should have a customer-orientation.
- Providing managers/staff single points of contact for services—The structure provides clients a high degree of accessibility, through clearly identifiable, single points of contact, and simple, consistent processes and structures built around client needs.
- Limiting the number of organizational layers—Each level of management should have a clear rationale and necessity, with distinctive and measurable value-added.
- Maximizing spans of control—Ensuring a minimum of 5 to 7 direct subordinates.
- Breaking down functional silos.
- Increasing authority/accountability for decision-making—Authority and accountability should be delegated to the lowest practicable level.
- An efficient and effective decision-making process—Ensuring fewer, rather than more decision-making points, thereby reducing hand-offs, duplication and "touch" points
- Creating centres of expertise—Functional expertise should be consolidated in specific organisational units so as to eliminate the need for constant inter-unit consultation as well as the fragmentation of responsibility and authority.
- Establishing clear policy and process owner roles—Responsibility for improving and monitoring processes on an on going basis should be clear.
- Reducing the level of resources.
- Flexibility—Able to accommodate changes in priorities, partnerships with the private sector, and transfers of responsibilities.
- Focus on core competencies—Focus on those functions that are most essential to the business.
- Improving communications—Ease of communicating up and down the hierarchy, and laterally between organizational units.

There is a fundamental need to ensure that all the above organizational design criteria are closely linked to one another. We have also included in schematic form an example of how the design criteria are interrelated.

Example of interrelationships between design criteria



1.3 Validate design criteria

We will hold validation sessions in one or two workshops with managers to obtain their feedback on the proposed design criteria. We will also review the criteria with the client organization at an early stage of the project.

Task 1 Deliverable: Finalized design principles/ criteria

Task 2—Identify Service Delivery Model options

2.1 Identify service delivery models

In developing the service delivery models, we will consider a number of factors that complement and at other times contradict each other, for example:

- **Business processes.** The feasibility of each service delivery model will need to be assessed from a practical viewpoint considering such factors as optimizing the relationships with clients and stakeholders, establishing sufficient critical mass to handle certain types of transactions, avoiding duplication and overlap between organizational groups, and creating centres of expertise.

- **Overall governance of the function within the client organization.** More specifically, the preferred working relationships between the service and other partners within the client organization.

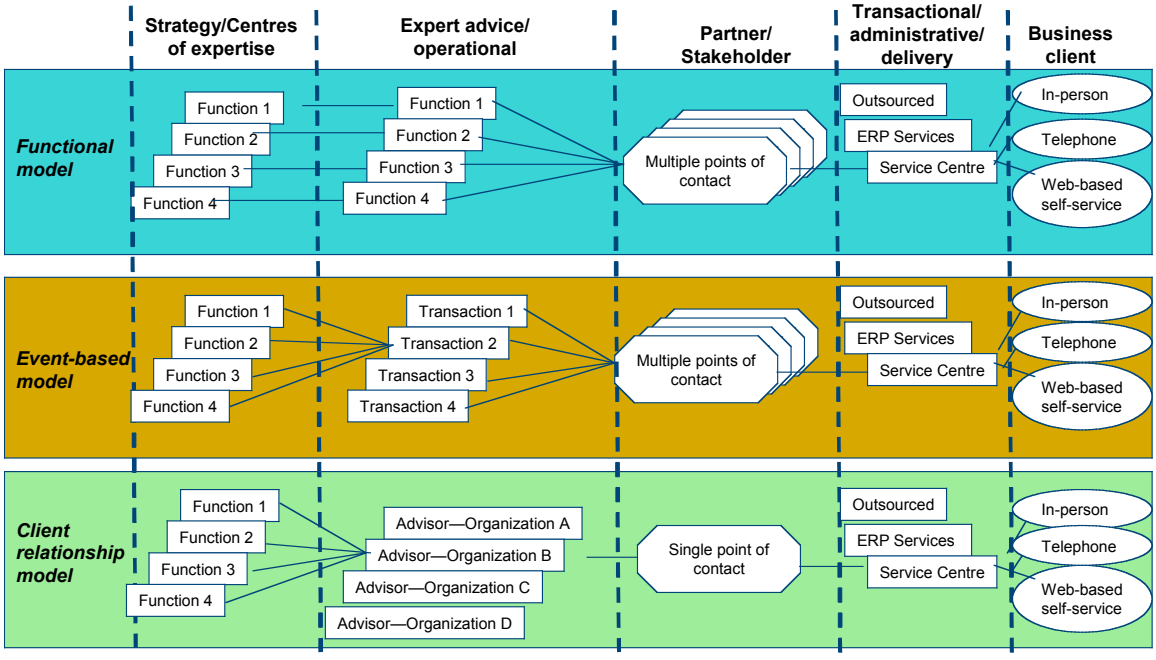
- **Best practices.** We will integrate into our analysis examples of service delivery models in other organizations.

- **Creation of centres of expertise.** To the extent possible, functional expertise should be consolidated in specific organizational units so as to eliminate the need for constant inter-unit consultation as well as the fragmentation of responsibility and authority.

- **Technology.** Access to services and information through web-based self-services and the optimal use of technology.

We have shown below some high level preliminary examples of what the service delivery models could look like, showing the interrelationships between functions carried out at the strategic, operational and transactional level. These relationships are multi-faceted, and would be explored in detail during this step. It will also be possible to develop models that combine elements of the three models summarized below.

Preliminary examples of service delivery model options



2.2 Assess service delivery models against design criteria

We will assess the service delivery models against the design criteria. If useful, we may wish to rate each model against the design criterion on a scale of 1 to 5, or low to high. In doing this rating, it is typically the discussion

generated by the rating exercise that is the most useful rather than the ratings themselves. We have provided an example for illustrative purposes.

Example of approach to assessing service delivery model options

Assessment Chart

Organizational options	Responsiveness 1 2 3 4 5 (low) (high) W.F. = 20	Flexibility 1 2 3 4 5 (low) (high) W.F. = 30	Centre of expertise 1 2 3 4 5 (low) (high) W.F. = 10	Increased Authority & accountability 1 2 3 4 5 (low) (high) W.F. = 20	Reduce resources 1 2 3 4 5 (low) (high) W.F. = 20
Option A	1	1	4	2	2
Option B	3	2	3	2	1
Option C	2	3	3	1	5
Option D	5	2	1	5	3

2.3 Align processes with the preferred service delivery model

Once a particular service delivery model is seen as the preferred way ahead, we will then proceed to review how processes should be best grouped within this service delivery model concept. In developing this grouping, we would again be led by the design criteria, in particular:

- Group activities that logically fit together, and that are part of the same process (i.e., from client request to final output to client)
- Provide sufficient degree of control to each group for specific outputs—minimize need for pass-offs, consultations, approvals
- Ensure that there is no duplication between groups
- Provide good client interface (e.g., single point of contact)
- Consider mix of expertise required—look for proper fit, consider multi-skilling possibilities
- Keep in mind volume of work to ensure grouping is manageable.

Task 2 Deliverables: Service delivery model options
Preferred service delivery model
Alignment of redesigned processes/functional groups with new service delivery model

Task 3—Identify and assess structural options

At this step, we will examine the changes required to the existing organizational structure to be aligned with the new service delivery model, consider the range of options that are consistent with the new service delivery model, and then describe the optimal "to be" organizational design in terms of functions, number of management layers, reporting relationships, accountabilities, decision-making authorities, position types and skills.

The organization structure improvements will necessarily reflect the change brought about by process redesign, the changed focus of the service delivery model, and the increased use of technology to accomplish service delivery, cost and efficiency objectives. These will be the catalysts driving the organization structure improvements.

3.1 Develop organizational structure based on service delivery model

Based on the preferred service delivery model and the appropriate grouping of functions, we would develop organizational structural options, and describe the proposed organizational structure with a greater level of specificity. In doing so, we would describe in greater detail:

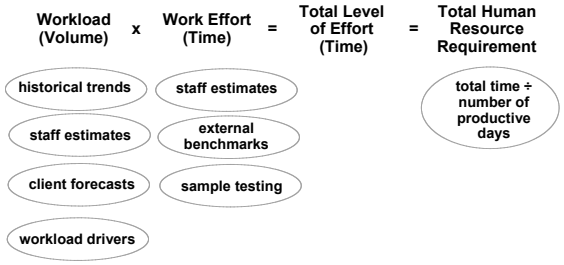
- The delineation of the required tasks into units, jobs, and positions
- The number of management layers
- A summary of the processes, functions and services carried out by each group
- The reporting relationships between the functions within the hierarchy
- A summary of the overall accountabilities of each group head
- Guidelines for the type of decisions that must go to senior management versus decisions that can be made at a lower level
- The types of positions within each group, and a high level of summary of the duties of each position
- A high level of summary of the skills required within each group

3.2 Determine resource levels required (e.g., number of people)

Determining the level of resources will be done using a mix of top-down and bottom-up approaches:

- At a macro level, we will establish the overall level of resources that is appropriate. This will be based in part on external benchmark comparisons, but also in part on the scope and level of services expected by clients and service delivery partners.

- At a micro "bottom up" level, we will estimate the level of resources needed to carry out the various functions



3.3 Prepare responsibility & skills profiles

During this step, we will list at a high level the key duties/responsibilities of each generic type of position and determine key skills, experience, qualifications required for each position. The responsibility/skills profiles are precursors to the job descriptions, but prepared at a higher macro level. We will not be developing detailed competency profiles at this stage. An example of a responsibility/skills profile is provided below.

Example of responsibility/skills profiles

Key duties: Staffing Advisor
- Help managers to prepare HR plans
- Develop succession plans with senior managers
- Advise managers re recruitment strategies/sources
- Lead recruitment campaigns
- Assist managers in staffing process
- Recommend improvements to staffing process

Knowledge requirements:
- Knowledge of Federal public service staffing process
- Knowledge of Bank operations
- Knowledge of recruitment strategies

Skills:
- Highly developed communications skills
- Client relations skills
- Leadership skills

Education: Bachelor degree, Human Resources/ Industrial Relations

Experience:
- Minimum 10 years in human resources, of which five years in staffing

Recommended Classification level:

Task 3 Deliverables:
Organizational structure options
Preferred organizational structure
Description of new organizational structure
Identification of resource requirements
Responsibility and skills profiles

Task 4—Develop implementation plan for preferred structural option

A detailed timeframe and project plan will be developed for implementation of the preferred structural option. The plan will cover roles and responsibilities, training, skill requirements, downsizing, evaluating progress, establishing standards, and costs.

The organizational structure improvements are not simply a paper exercise – they will ultimately have an impact on and involve real people, your staff and colleagues. The client organization will need to decide on an overall implementation strategy that reflects the specific circumstances of the organization.

Regardless of the approach pursued, critical elements of the implementation plan would include:

- **Key steps**—The plan will describe the activities and tasks to implement the new organizational structure. For example, such tasks could include communicating the structure to staff, preparing more detailed work descriptions, revising job classification levels, staffing leadership positions, matching existing people to the new structure, implementing learning/transition programs, and relocating staff.
- **Critical path**—Timelines and milestones will be identified so that it is clear when certain phases have been completed, what is the logical sequencing and relationship between tasks, and when the new structure becomes operational in part and in totality.
- **Roles and responsibilities**—Determining who will be responsible for each activity and task required to implement, who will have decision-making authority, who will be the champion for the overall organizational redesign, and what team members will be involved.
- **Resources**—The estimated level of effort (in time) and non-salary resources to implement the redesigned organizational structure. Costs could be for activities such as recruitment, training, relocation.
- **Educational / communications strategy**—Key messages and the tools to be used to communicate the organizational changes (e.g., staff meetings, periodic updates).
- **Risks**—Key risks and mitigation plans to address these risks.

Task 4 Deliverables: Implementation strategy and plan