

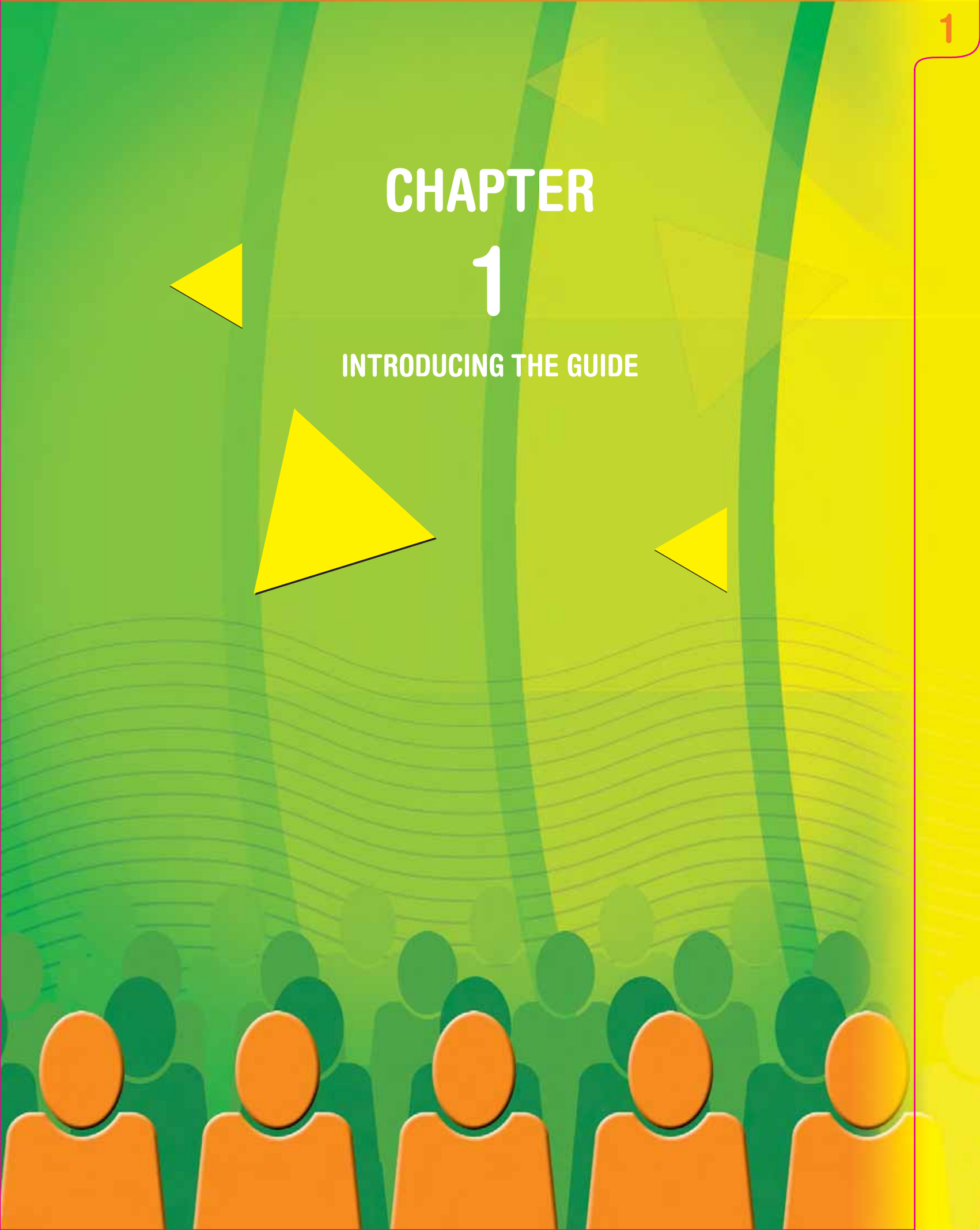
SECTION 1 IS AN INTRODUCTION TO THE GUIDE AND TO ORGANISATIONAL STRUCTURING. THE SECTION CONTAINS THE FOLLOWING:

- **CHAPTER 1: INTRODUCING THE GUIDE**
- **CHAPTER 2: UNDERSTANDING ORGANISATIONAL STRUCTURE AND DESIGN**
- **CHAPTER 3: THE REGULATORY FRAMEWORK**
- **CHAPTER 4: ORGANISATIONAL STRUCTURING PROCESS**
- **CHAPTER 5: TROUBLESHOOTING AND FREQUENTLY ASKED QUESTIONS**

CHAPTER

1

INTRODUCING THE GUIDE



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.

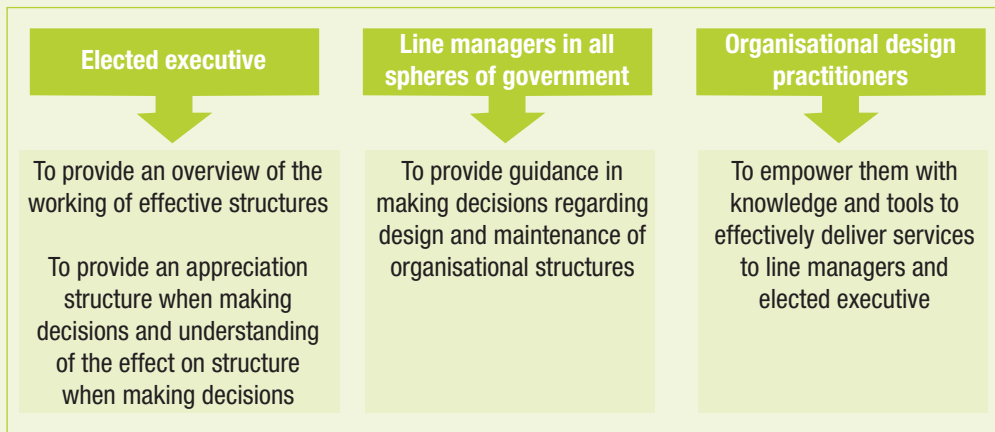
1.2 PURPOSE OF THE GUIDE

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:



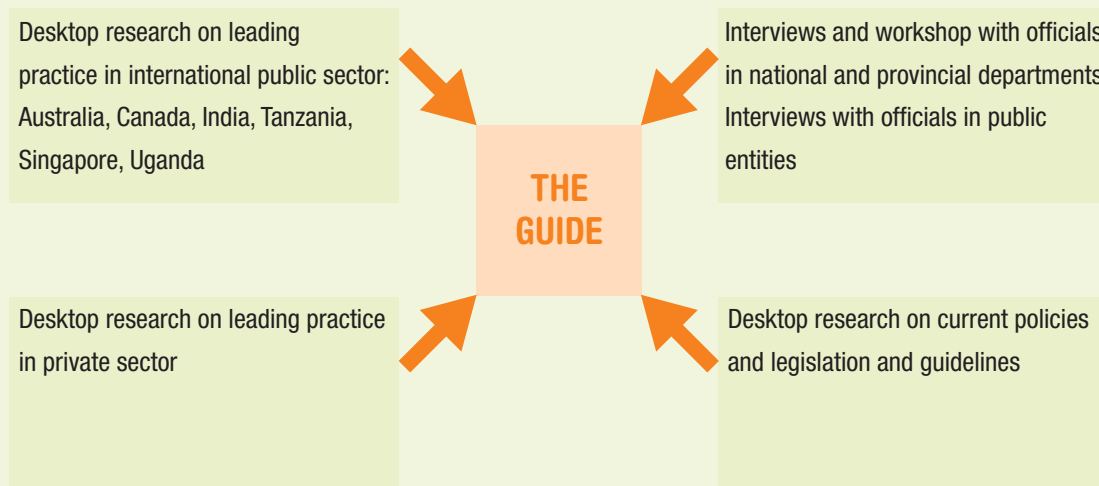
Whilst it is important to read all sections of the Guide, not everybody may be able to do so due to time constraints. In this case we recommend that:

- 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 .