TO ALL:
Executive Authorities
Members of Executive Council

Dear Colleagues

2015 DIRECTIVE ON CHANGES TO THE ORGANISATIONAL STRUCTURES BY DEPARTMENTS

An assessment of the implementation of the 2006 Minister for Public service and Administration (MPSA) Directive on Organisational Structuring, revealed various gaps with the implementation of the organisational design function in the public service. The identified gaps, amongst others, include lack of mechanisms to monitor compliance, differences between the organisational structures of provincial departments responsible for the similar mandate and delivery of same services, lack of adherence to the organisational design principles, lack of consideration of the implications on employee compensation and the roles of various stakeholders within the organisational design function value chain.

I therefore, issue the attached Directive on changes to the organisational structures by departments, with the applicable annexures, in terms of section 41(3) of the Public Service Act, 1994 (Proclamation 103 of 1994). The 2015 Directive specifies requirements and determinations on changes to the organisational structures that should be subject to consultation with MPSA by departments prior to the approval thereof by the relevant Executing Authorities. Please note that the attached Directive replaces the 2008 MPSA Directive on Organisational Structuring which specifies requirements and determinations on changes to the organisational structures that should be subject to consultation with MPSA.

To give effect to the objectives of the Directive, the DPSA and National Treasury, in collaboration with departments will introduce and implement measures to improve the quality of organisational structures in the public service. These measures shall also be aimed at ensuring value for money, justifiable distribution of posts between core and support functions and ensuring that the organisational structures are responsive to the mandate, vision and the strategy of departments. Priority measures include:

(a) Assisting departments with the development of sector specific generic functional structures;
(b) Development of the Directive to determine norms and standards for the creation of Senior Management Services (SMS) posts on the organisational structures of provincial and national departments;
(c) Development of guidelines on the more standardized post provisioning norms and standards for programme 1 functions;
(d) Development and implementation of a methodology to monitor compliance with regard to the implementation of organisational structures, after consultation with the MPSA;

(e) Maintaining an updated and reliable information management system on approved organisational structures; and

(f) Review of the organisational design competency certificate course to capacitate practitioners on theoretical and practical aspects of organisational design function in the public service, with particular emphasis on work measurement, in collaboration with the National School of Government.

The management of changes to the organisational structures and the implementation of the approved organisational structure, after consultation with the MPSA, must be conducted in line with the principles included in this Directive. The Directive takes effect on 01 September 2015.

The DPSA will provide on-going advice and support to departments on the implementation of the Directive. This will include capacity building sessions to be conducted through the existing national and provincial organisational design and job evaluation fora. The DPSA will be available to make presentations on the Directive to departments and relevant structures, should it be necessary. Your department can contact Mr. Kenny Govender, DDG: Governance if you require assistance in this regard.

In case of any enquiries please contact the Chief Director: Organisational Design and Macro-Organising at the following address:
Private Bag X916
PRETORIA
0001
Tel: (012) 336 1000/1403

MR NATHI MTHETHWA, (MP)
MINISTER FOR PUBLIC SERVICE AND ADMINISTRATION
2015/19/1/02
TO ALL:
Directors-General
Heads of Provincial Departments
Heads of Government Components

Dear Colleagues

2015 DIRECTIVE ON CHANGES TO THE ORGANISATIONAL STRUCTURES BY DEPARTMENTS

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The Minister for Public Service and Administration has issued the attached Directive on changes to the organisational structures by departments, with the applicable annexures, in terms of section 41(3) of the Public Service Act, 1994 (Proclamation 103 of 1994). The 2015 Directive specifies requirements and determinations on changes to the organisational structures that should be subject to consultation with MPSA by departments prior to the approval thereof by the relevant Executing Authorities. Please note that the attached Directive replaces the 2006 MPSA Directive on Organisational Structuring which specifies requirements and determinations on changes to the organisational structures that should be subject to consultation with MPSA.

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Staatsdiens en Administrasie . Ditirelo tas Puso le Tsamaiso . Ditshetlalo tas Mmuso le Tsamaiso . tMnyango wemSebenzi kaHulumeci nokuPhata
Muhlashe wa Tshehuetsa ya Muvuso na Vhulungu . Kgoro ya Ditirelo tla Mmulo . Ndzawulo ya Vutirela-Mflumo na Valeswari
LiTiko le Tebasebenti biHulumende nkuPhata . lSebe leNkonzo enRhumende noLawulo . UmNyango wemSebenzi kaRhumende nkuPhata
(d) Development and implementation of a methodology to monitor compliance with regard to the implementation of organisational structures, after consultation with the MPSA;
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[Signature]
MR M DIPHOFA
DIRECTOR-GENERAL: DEPARTMENT OF PUBLIC SERVICE AND ADMINISTRATION
2015/08/12-7
ORGANISATIONAL DESIGN DIRECTIVE ON CHANGES TO THE ORGANISATIONAL STRUCTURES BY DEPARTMENTS

ISSUED BY THE MINISTER FOR PUBLIC SERVICE AND ADMINISTRATION

2015
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LIST OF ACRONYMS:

DG:    Director-General
CFO:   Chief Financial Officer
DPSA:  Department of Public Service and Administration
EA:    Executive Authority
HOD:   Head of the Department, includes reference to the Head of Government Component
HRIS:  Human Resource Information System
MTEF:  Medium-Term Expenditure Framework
MPSA:  Minister for Public Service and Administration
NDP:   National Development Plan
OD:    Organisational Design or Development. In the context of this document also refers to Organisational Design.
OSD:   Occupation Specific Dispensation
PERSAL: Public Service Salary Payment System
PSA:   Public Service Act, 1994 (as amended)
PSR:   Public Service Regulations, 2001 (as amended)
DEFINITIONS

In this Directive, any word or expression to which a meaning has been assigned in the PSA and PSR, bears the meaning assigned to it and, unless the context otherwise indicates -

Additional to the establishment: Employment of personnel in addition to the approved establishment on a temporary basis.

Approved organisational structure: The organisational architecture of a department, configured into units at different levels, describing purposes, functions and funded posts for each unit, which has been consulted with the MPSA and finally approved by the relevant Executive Authority.

Delegated Authority: Authorised decision-maker.

Department: A national department, national government component, the office of the Premier, a provincial department, or a provincial government component listed in schedules 1 to 3 of the PSA.

Establishment: The posts which have been created for the normal and regular requirements of a department.

Executive Authority: As defined in the PSA and PSR is in relation to-(a) the Presidency or a national government component within the President's portfolio, means the President;
(b) a national department or national government component within a Cabinet portfolio, means the Minister responsible for such portfolio;
(c) the Office of the Public Service Commission, means the Chairperson of the Commission;
(d) the Office of a Premier or a provincial government component within a Premier's portfolio, means the Premier of that province; and
(e) a provincial department or a provincial government component within an Executive Council portfolio, means the member of the Executive Council responsible for such portfolio;

Function: Logical grouping of actions or activities directed at meeting a particular objective. A function can also be defined as high-level activities that are mandated in terms of the key objectives of an organisational unit.

Functional Decomposition: The process of disaggregating functions from a legal mandate, into core major functions, then to processes, then into key sub-functions, then into minor functions for each sub-function, then into basic functions and lastly into tasks and activities. This process if correctly done provides an estimate at which performer level posts should be pitched.

Components/Functional Heads: Employees in the Senior Management or Supervisory level responsible for the management of the units.

Functional Structure: A structure where similar or related functional activities are grouped together, without posts, to form components to deliver on particular services.

Generic functional structure: The organisational architecture of departments in a sector, configured into units at different levels, containing purposes and functions per unit, with or without posts, developed in a cooperative and consultative manner with the national sector department and all provincial departments within that sector, which is recommended after consultation with the MPSA, serving as a baseline blueprint to which the approved organisational structures of sector departments should be aligned.
Geographical dispersion: The situation where the operations of an organisation are widely dispersed and managers at a central office must directly supervise and manage such operations, which is rather different from cross-sectional and longitudinal monitoring and evaluation of how the operations are managed by a coordinating manager.

Head of the department: The incumbent of a post mentioned in Column 2 of Schedule 1, 2 or 3 of the PSA, 1994 and includes any employee acting in such post.

Job: The basic duties, tasks, functions, competency requirements and responsibilities according to which one or more posts of the same grade are established.

Job evaluation: A systematic, fair and consistent means of measuring the relative value/weight of jobs in an organisation (in this case the Public Service as a single source employer). Job evaluation measures jobs, not the jobholders or their performance. It also does not measure job loading (volume of work) or determine the job price.

Organisational review and design: A process of assessing the current organisational structure and ensuring alignment to the organisational mandate and strategic objectives, with the ultimate aim of improving the efficiency and effectiveness of the organisation. Also refers to organisational structuring or process of assessing organisational environment, capacity and current business processes to identify challenges and successes and determine alternate solutions and capabilities to the design of the future state.

Organisational structure: A functional structure that incorporates the staff establishment information. It shows a pattern of relationships among positions and people in the organisation, dividing work among them and co-ordinating their activities to achieve the goals and objectives of the organisation.

Organisational Functionality Assessment (OFA): OFA is a process to systematically assess and diagnose whether all the necessary service delivery enablers are in place to support delivery processes in an optimum and accountable manner which informs the appropriate organisational structure in line with the life cycle needs of a department.

Post: A post/job for which financial provision exists on the approved establishment as referred to in Part III B.2 (b) and (c) of the Public Service Regulations, 2001. There are different types of posts such as full-time permanent, full-time temporary, part time permanent and part time.

Post provisioning norm: is the total number of posts to be created for a post level or occupational class based on contextual factors.

Post provisioning: The rational allocation of posts created for a post level or occupational class to drive the core mandate of a department.

Programme: A main division within a department's budget that funds a clearly defined set of objectives based on the services or functions within the department's legislative and other mandates. It also constitutes a management unit established within a department responsible for the delivery of that defined set of services and functions.
Programme 1: Administration functions: Often referred to as corporate management or support services functions, which are not directly involved in the delivery of services to the public, but rather provide support services to all functions within the department, including to other support functions such as human resource management, finance management, strategic planning, monitoring and evaluation, legal services, organisational design, office support services, security, communication and formation and communication technology and general office support services.

Proposed organisational structure: The organisational structure of a department, configured into units at different levels, containing purposes and functions per unit and posts, including posts additional to the establishment to functionally resource such units, as approved in principle by the relevant Executive Authority after internal consultation in that respective department and submitted to the MPSA for consultation.

Sub-programme: A constituent part of a programme, that defines the services or activities, which contribute to the achievement of the objective(s) of the programme of which it forms a part. Some of the defined services or activities could include key projects identified by a department.

Span of Control: The span of control refers to the number of employees that directly report to a manager or supervisor.

Work measurement: The application of techniques designed to establish the time for an average worker to carry out a specified task at a defined level of performance. It is concerned with the length of time it takes to complete a work task assigned to a specific job.
1. **INTRODUCTION**

1.1. In terms of the PSA, EAs have all those powers and duties necessary regarding the internal organisation of the department concerned, including its organisational structure and establishment, the transfer of functions within that department, human resources planning, the creation and abolition of posts and provision for the employment of persons additional to the fixed establishment.

1.2. The competency of EAs regarding the internal organisation of departments is exercised within the norms and standards determined by the MPSA. The MPSA gives effect to the organisational design norms and standards on the changes to organisational structures by departments and the implementation of the approved organisational structures through the PSA, the PSR, and the relevant Guidelines, Directives and Frameworks.

1.3. In 2006, the MPSA, under section 41 of the PSA, 1994, (Proclamation 103 of 1994) amended the PSR In line with the January 2006 Cabinet Lekgota decision which stated that, the EAs can only approve organisational structures of their Department(s) after consultation with the MPSA with effect from July 2006. To that end, the MPSA issued a Directive on 27 June 2006, in terms of section 41(3) of the PSA, 1994, read in conjunction with PSR 1/III/B.2.A:

1.3.1. PSR 1/III/B.2 (a) provides that an EA shall, based on the strategic plan of his/her department, determine, after consultation with the MPSA, the department’s organisational structure in terms of its core and support functions.

1.3.2. PSR 1/III/B.2A provides that: “Directives issued in terms of section 3(3)(e) [PSA 3(2) as amended] as of the Public Service Act, 1994, shall specify which determinations on the organisational structure of the department, shall be subject to consultation with the Minister. For purposes of such consultation, the information to be provided shall be set out in such Directive. [Regulation B.2 as amended by Government Notice No. R. 412 of 8 April 2006 with effect from 1 July 2006].”

1.4. This Directive is issued to outline requirements linked to organisational design principles and information to be supplied, and to specify which principles, protocol and procedures on the organisational structure of the department, shall be subject to consultation with the Minister. The OD Directive specifies requirements and which principles and procedures on changes to the organisational structures should be consulted with the MPSA by departments prior to the approval thereof by the relevant Executive Authority and implementation of the approved organisational structures after consultation with the MPSA. The Directive is also supported by the Guidelines on Organisational Structuring in the Public Services accessed from the DPSA website (www.dpsa.co.za).

1.5. Section 16A of the PSA of 1994, provides the MPSA with the necessary authority to oversee compliance with the afore-mentioned prescripts and may apply corrective and compliance measures in response to non-compliance of the Act.
2. AUTHORISATION AND SCOPE OF APPLICATION

2.1. The Directive is issued in terms of section 41(3) of the PSA, read with PSR 1/III/B.2A.
2.2. The Directive applies to all departments and government components, both nationally and provincially, unless a deviation is approved by the MPSA in terms of clause 3.
2.3. This Directive repeals the 2006 Directive issued by MPSA specifying which changes to the organisational Structure of a department must be consulted with the MPSA prior to the approval thereof by the relevant EA.

3. DEVIATION

3.1. The Directive is applicable to all departments and government components, unless the content of the Directive is contrary to the laws governing the employment of certain employees provides otherwise. The MPSA may, under justifiable circumstances, authorize a deviation from the provision of this Directive.

4. COMMENCEMENT

4.1. This Directive shall take effect on 01 September 2015 and replaces the 2006 Directive.
4.2. All consultation requests received before 01 September 2015 will be dealt with in terms of the 2006 Directive on Organisational Structuring.

5. PURPOSE

5.1. To give effect to the provisions of the PSA and the PSR by establishing norms and standards to guide the implementation of the organisational design function in the public service.
5.2. Stipulate monitoring provisions and consequences for non-compliance.

6. OBJECTIVES OF THE DIRECTIVE

The objective of this Directive is to:

6.1. Emphasise the minimum levels of compliance in terms of the PSA and PSR, with regard to the implementation of organisational designs in the public service;
6.2. Stipulate the guiding principles, conditions, requirements, procedures and protocols to enhance the execution of the organisational design function in the public service;
6.3. Ensure the standardization of organisational design processes;
6.4. Ensure that the organisational structures are responsive to the mandate and vision of the department and contribute to the attainment of the strategic objectives of the department;
6.5. Promote value for money and achieve the envisaged impact in the manner in which the department is configured and capacitated;
6.6. Ensure the effective maintenance of organisational structures to gain stakeholder confidence in the organisational design functional area;
6.7. Empower practitioners and decision makers with a view to enhance the implementation of the organisational design function in the public service;
6.8. Guide departments in developing internal organisational review and redesign policies; and
6.9. Strengthen compliance monitoring and reporting.
7. TRIGGERS FOR ORGANISATIONAL DESIGN CHANGE

The organisational review and redesign processes shall vary in scope and complexity, and the impact on staff must be considered. To avoid continuous review and changes that have the potential to affect implementation of programmes or the functioning of the departments, changes to the organisational structure of the departments should be limited to the following conditions, informed by principles as set out in the PSR:

7.1. **Structuring based on amended mandate or change to the strategic focus:** based on 3-5 year strategic review processes. Change in the organisation’s environment often compels a change in strategy, which in turn, may require departments to assess the internal and/or external environment, organisational capacity and current business processes to determine if the organisation is well positioned to support the strategy. In the public service, the departmental strategy is mostly informed by the electoral and legal mandate of the department. In terms of PSR 1/II B.2, an Executive authority shall, based on the strategic plan of the department-
(a) determine, after consultation with the Minister, the departments organisational structure in terms of its core and support functions;
(b) define the posts necessary to perform the relevant functions while remaining within the current budget and medium-term expenditure framework of the department, and the posts so defined shall constitute the department’s approved establishment;
(c) grade proposed new jobs according to the job evaluation system referred to in Part IV; and
(d) engage in the human resource planning in accordance with regulation III D with a view to meeting the resulting human resource needs.

7.2. **Splitting of departments,** as may be determined by the President or the relevant Premier.

7.3. **Transferring a function between departments,** as may be determined by the President or the relevant Premier.

7.4. **Establishment and abolition** of the departments, as may be determined by the President or the relevant Premier.

7.5. **Organisational structuring based on a macro-organisation of the state,** as may be determined by the President.

7.6. Re-structuring emanating from the adverse findings of an organisational functionality assessment (OFA) and organisational performance improvement processes: warning signs for structural change in this regard are usually required when strategies and policies are not poorly implemented. High-level diagnosis should be conducted to inform the business case and/or the rationale for such.

7.7. **Other proposed changes that affect functional configuration and the staff establishment** i.e. abolition of posts or functions, redesigning of posts or functions and relocation of posts or functions. High-level diagnosis should be conducted to inform the business case and/or the rationale for such or the nature and scale of the exercise shall inform the organisational review and redesign processes to be followed by departments, in line with the requirements of the PSA and PSR’s. The process to be followed must be guided by the phases, consisting of different steps, as well as decision making and review points, in line with DPSA Guide and toolkit on Organisational Structuring available on the DPSA website.
8. FUNDAMENTAL ORGANISATIONAL DESIGN ASPECTS AND PRINCIPLES

8.1. The organisational design processes should consider the democratic values and principles enshrined in Chapter 10 (s195(1)) of the Constitution, which amongst others emphasises the promotion of efficient, economic and effective use of resources, responsiveness to people's needs and good human-resources management.

8.2. In terms of PSR 1/III B.2, an Executive authority shall, based on the strategic plan of the department-

(e) determine, after consultation with the Minister, the departments organisational structure in terms of its core and support functions;

(f) define the posts necessary to perform the relevant functions while remaining within the current budget and medium-term expenditure framework of the department, and the posts so defined shall constitute the department's approved establishment;

(g) grade proposed new jobs according to the job evaluation system referred to in Part IV; and

(h) engage in the human resource planning in accordance with regulation III D with a view to meeting the resulting human resource needs.

8.3. The department's organisational structure in terms of its mandate/core and Programme 1: Administrative functions shall be based on the strategic plan of the department, illustrating how the functional analysis was conducted to define the mandate, strategy and policy mandates. There should be alignment of functions between the strategic level and implementation level to inform the service delivery chain.

8.4. The organisational design process shall consider the content and processes as well as influential contextual factors and realities of the departments such as geography/typography, technology, environment and the service delivery model.

8.5. Proposed functional organisational structures should be aligned to the approved sector specific generic structures, where applicable. Any deviation from the sector specific generic functional structure should be justified, as the generic functional structures are based on the key sector legislative mandates.

8.6. Programme 1: Administration functions in the organisational structures of departments, should be aligned to the generic functional structure as issued by the MPSA. The MPSA may, under justifiable circumstances, authorize a deviation from the generic functional structure.

8.7. Departments should conduct the organisational redesign process based on available resources and the organisational structure to be consulted with the MPSA, must only contain funded posts.

8.8. No unfunded posts must be captured on the HRIS/PERSAL system after consultation with the MPSA and the approval of the organisational structure by the relevant EA.
8.9. Where the creation of posts is based on the redirection of funding from an abolished redundant post to the other, the affected post must first be abolished, thereafter the details of the newly funded post must be captured on the approved organizational structure and PERSAL/HRIS.

8.10. The current and the proposed organisational structure must contain functional and staff establishment information as illustrated in Annexure A.

8.11. An organisational human resource capacity assessment report should consider the outcomes of work measurement investigations techniques so as to inform the creation or abolition of any post. The outcome of this process should also assist in determining the effective utilization of existing posts to ensure optimum use and correct placement of human resources.

8.12. The grading of proposed jobs should be conducted in terms of the job evaluation and job grading system, except where the grade of a job has been determined in terms of an OSD or by the Minister in terms of the Regulation and Directive on the process to coordinate the grading of an entire occupational category or certain level within an occupation category that is utilised by more than one department;

8.13. PSR 1/III/1.2 states that at least once every three years, an EA shall review job descriptions and titles and, where necessary, redefine them to ensure that they remain appropriate and accurate. In line with the above requirements departments are expected to conduct a regular assessment of functional areas and capacity requirements to ensure their appropriateness to the current strategic plan to inform the review of the job descriptions.

8.14. The configuration of Offices of Executive Authorities and capacity requirements should be in line with the provisions as contained in the Ministerial Handbook and the PSR.

8.15. The newly proposed posts that have been consulted with MPSA which could not be funded at the time of the approval of the organisational structure must form part of the approved human resource plan to inform future capacity requirements. Upon confirmation of the need and funding, appropriate processes should be followed for the creation and approval of any new post.

8.16. Departments shall use the following standardised designation for post/rank, unless otherwise determined by other legislative requirements or collective agreement (OSD):

(a) Head of Department: As indicated in Schedules 1,2 and 3 of the PSA, 1994.
(b) Branch: Deputy Director-General (PL 15)
(c) Chief Directorate: Chief Director (PL 14)
(d) Directorate: Director (PL 13)
(e) Sub-directorate: Deputy Director (PL 11 and 12)
(f) Unit: Assistant Director (AD) (PL 9 and 10 or equivalent specialist/line function nomenclature.)
### Table: 1. Post Levels, unless otherwise determined by other legislative requirements such as the OSD.

<table>
<thead>
<tr>
<th>Post Levels</th>
<th>Definitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head of Department (HOD)</td>
<td>A Head of Department means the incumbent of a post mentioned in Column 2 of Schedule 1, 2 or 3 of the PSA, 1994 and includes any employee acting in such post. A post of Superintendent-General or a post with a different designation than a DG, but on the same grading, who is the head of a department which has been set up in terms of the PSA, 1994. The Heads of Government Components have the same powers as the HODs.</td>
</tr>
<tr>
<td>Deputy Director-General (DDG)</td>
<td>A DDG post that is usually aligned to the head of a programme on salary level 15.</td>
</tr>
<tr>
<td>Chief Director (CD)</td>
<td>A post of CD (level 14) or a post with a different designation on the same grading as that of a CD.</td>
</tr>
<tr>
<td>Director</td>
<td>A post of Director (level 13) or a post with a different designation on the same grading as that of a Director.</td>
</tr>
<tr>
<td>Deputy Director (DD)</td>
<td>A post of DD (level 11/12) or a post with a different designation on the same grading as that of DD.</td>
</tr>
<tr>
<td>Assistant Director (ASD)</td>
<td>A post of ASD (level 09/10) or a post with a different designation on the same grading as that of ASD.</td>
</tr>
</tbody>
</table>

8.17. The span of control needs to ensure that the number of employees who report directly to a specific supervisor or manager need to be balanced and appropriate for effective control, support and oversight, whilst ensuring maximum productivity, initiative and innovation by employees. The number varies with the type of work considering factors such as geographical location of workplaces, capability and skills of workers and similarity of tasks. Although the span of control need not be the same for each supervisor, a balanced workload must be maintained by ensuring the minimum numbers of employees are supervised and a cost benefit analysis needs to be applied to ratios within the maximum posts allowed per unit level. The span of control ratios need to consider accountability, information dissemination, knowledge acquisition, learning and growth.

8.18  Sector specific departments should determine post provisioning norms to ensure that there is a balanced workload according to work complexity and the right number of people at each functional unit. The allocation of posts to specific functional units should be aligned to the sector specific post provisioning norms, where applicable.

9. **Consultation Requirements on the Approval of the Organisational Structure of the Department**

9.1. PSR 1/III/B.2A provides that: "Directives issued in terms of section 3(3)(e) [PSA 3(2) as amended] of the Public Service Act, 1994, shall specify determinations on the organisational structure of the Department subject to consultation with the MPSA and for purposes of such consultation, the information to be provided shall be set out in such Directive."

9.2. In line with the above provision, the EAs shall consult with the MPSA on all changes to the organisational structure affecting all units or posts from salary level 9 to level 16 (PSA posts and equivalent grades in OSD posts) with regard to creation of units and posts and functional reorganisation within the key programmes.
9.3. Before creating a post for any newly defined job, or filling any vacancy, an EA shall confirm the need for the post to meet the department's objectives, and ensure that sufficient budgeted funds, including funds for the remaining period of the MTEF, are available for filling the post. In case of a newly defined job, the EA shall evaluate the job in terms of the job evaluate system, in line with the requirements of the PSR.

9.4. A composite summary of job evaluation outcomes and the recommencements of the job evaluation panel should be attached to the consultation documents.

9.5. The employment of employees additional to the post establishment in terms of PSR 1/III/G on fixed-term contract must be subjected to the above-mentioned consultation processes. The need for such positions, functions and roles, as well as, reporting arrangements for such medium term contractual posts must be provided. The consultation in this regard is not required if such appointments support funded projects and the process is conducted in line with the supply-chain processes or through donor funding.

9.6. The HoD shall forward a copy of the letter signed by the CFO to the National or Provincial Treasury for verification of the MTEF budget allocations on employee compensation, before the consultation request is forwarded to the EA for support and subsequently to the MPSA.

9.7. All EAs shall submit the following information when consulting with the MPSA in terms of Regulation 1/III/8.2A of the PSR, 2001:

### Table 2: Consultation Requirements on the organisational structure of the Department (PSA, PSR, PFMA and the Directive)

<table>
<thead>
<tr>
<th>CONSULTATION REQUIREMENTS</th>
<th>EVIDENCE REQUIRED</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.7.1. The consultation request signed by the EA.</td>
<td>Covering letter from EA to MPSA.</td>
</tr>
<tr>
<td>9.7.2. The business case attached to provide an understanding of the changes that</td>
<td>Management Service Report and submission adhering to the consultation</td>
</tr>
<tr>
<td>informed the proposed organisational structure. The analysis focuses on:</td>
<td>requirements.</td>
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<tr>
<td>- Understanding triggers for change.</td>
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<td>- Envisage impact based on the proposed changes.</td>
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<tr>
<td>- Outcomes of the organisational diagnosis that informed the business case.</td>
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<tr>
<td>- Outcomes of the organisational functionality assessment to diagnose whether all the</td>
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<tr>
<td>necessary service delivery enablers are in place to support delivery processes.</td>
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<tr>
<td>The organisational functionality assessment and OD guide containing organisational</td>
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<tr>
<td>diagnostic tools can be accessed from the DPSA website (<a href="http://www.dpsa.gov.za">www.dpsa.gov.za</a>).</td>
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</tr>
<tr>
<td>9.7.3 Strategic plan attached to provide an understanding of the alignment of the</td>
<td>A copy of the strategic plan.</td>
</tr>
<tr>
<td>organisational structure to the strategic objectives of the department.</td>
<td></td>
</tr>
<tr>
<td>9.7.4. Service delivery model illustrating how the model has informed the</td>
<td>A copy of the service delivery model illustrating alignment to the proposed</td>
</tr>
<tr>
<td>organisational design.</td>
<td>organisational.</td>
</tr>
<tr>
<td>- Describing the service delivery model developed by the department.</td>
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<tr>
<td>- Indicating to what extent alternative service delivery mechanisms have been</td>
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<td>considered in functional configuration and provision of the required capacity.</td>
<td></td>
</tr>
<tr>
<td>A copy of the service delivery model to be used to illustrate alignment to the</td>
<td></td>
</tr>
<tr>
<td>proposed organisational structure can be accessed from the DPSA website (<a href="http://www.dpsa.gov.za).">www.dpsa.gov.za).</a></td>
<td></td>
</tr>
<tr>
<td>CONSULTATION REQUIREMENTS</td>
<td>EVIDENCE REQUIRED</td>
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</tbody>
</table>
| 9.7.5. HoD’s assurance letter, supported by the National or Provincial Treasury to assess if the proposed organisational structure is in line with MTEF budget projections.  
- Providing a summary of the implementation plan on how posts will be funded **within the available budget** over the MTEF, based on the proposed levels.  
- Illustrating the percentage in cost of employee compensation based on the overall budget of the department.  
- Illustrating the percentage in cost of administration (programme 1) posts as compared to the line function posts.  
- Illustrating the percentage in cost of senior management posts as compared to operational posts.  
- Illustrating the percentage in cost of new posts, and its implication of the increasing staff establishment.  
N.B.: Before creating a post for any newly defined job, or filling any vacancy, an EA shall confirm the need for the post to meet the department’s objectives, and ensure that sufficient budgeted funds, including funds for the remaining period of the MTEF, are available for filling the post. In case of a newly defined job, the EA shall evaluate the job in terms of the job evaluate system, in line with the requirements of the PSR. | Assurance letter signed by the CFO and the HOD, as supported by the National or Provincial Treasury. |
| 9.7.6. Signature of the Head of Internal Audit unit in the submission, verifying that the consultation request complies with the requirements of the PSA, PSR and the Directive on matters pertaining to the organisational structuring. | Signature, by the Head of Internal Audit, within the submission verifying that the proposal complies with the PSA, PSR and the Directive on organisational structuring matters. |
| 9.7.7. The approved (current) organisational structure to track the changes. The OD register should accompany the consultation request reflecting the changes made to the current organisational structure during the implementation period. | The approved (current) organisational structure. |
| 9.7.8. The proposed organisational structure clearly:  
- Identifying purposes and functions.  
- Illustrating logical flow between purposes and functions.  
- Identifying functional workflow, based on effective and streamlined work processes and procedures necessary to carry out the objectives of the units.  
- Illustrating reasonable functional decomposition to inform the division of work and how fragmentation have been avoided. This is to ensure that an organisation is not split into many smaller components or jobs functionally decomposed into many over-specialised areas, especially in repetitive, routine and highly regulated activity-based functions like corporate resources and administrative support related functions.  
- Elimination of duplications and overlaps to ensure clear allocations of responsibility and accountability.  
- Ensuring alignment of purposes and functions to the sector generic functional structure, where applicable.  
- Indication that reporting lines and accompanying delegations of authority have been taken into account.  
- Reasonable span of control, considering the nature of the work i.e. complexity, routine and repetitive tasks, the degree of risk and coordination, degree of specialization, qualifications, required work experience and geographical dispersion.  
- Illustrating how units have been established considering the size and scope of each unit to ensure reasonable managerial and supervisory workload. | Proposed organisational structure (example contained Annexure A). |
| 9.7.9. Proposed organisational structure incorporating the post establishment information clearly identifying existing funded (in green) and newly created posts (in red). | Proposed organisational structure. |
- Illustrating how the skill gaps identified in the human resource plan are taken into consideration in identifying capacity requirements in proposed organisational structure i.e. linking identified skill gaps to the proposed posts.
- Analysis of work measurement outcomes that informed the creation of additional posts. Indicate whether the scope and size of each unit was established on scientifically based processes and how this has been done thus indicating if the work has been measured to ensure that each unit represents a reasonable managerial work load and whether production norms and the nature, extent and degree of difficulty of the work has been determined as well as whether the work is proportionately redistributed amongst existing posts.
- Illustrating the distribution of posts across the units and programmes i.e. Line vs. Corporate.
- Illustrating clear relationships between positions i.e. no staff supervising others at the same level and how existing posts facilitate career progression.
- List of posts additional to the establishment attached, including nature of appointment, nature of posts, level, number and location.

<table>
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<tr>
<th>9.7.10. Providing the rationale for creation of posts additional to the establishment.</th>
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<tr>
<td>- Illustrating that capacity in the EA Offices is in line with the Ministerial Handbook.</td>
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<td>- Providing job evaluation outcomes, as a minimum requirement, based on the recommendation of the panel to assess the justification of grading levels of the redesigned and new posts.</td>
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<td>- Assess if the designation of the posts and units are in line with the functions of the units, and if the name of the department in line with the PSA schedule in this regard.</td>
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<tr>
<th>9.7.11. An indication that the department considered implications for staffing and related to factors such as:</th>
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<tr>
<td>- Relocation of posts with incumbents.</td>
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<td>- The handling of excesses, if there are any.</td>
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<tr>
<td>- Illustration of how these factors will impact on the implementation of the proposed organisational structure.</td>
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</table>

A checklist to assist departments in ensuring adherence to the above requirements can be accessed from the DPSA website.

The standard procedures, protocol and approval process flow applicable to the organisational design function in the public service is contained in Annexure B.

9.8. The consultation with the MPSA shall be regarded as concluded based on the following:

(a) EA receipt of a signed letter from the MPSA containing recommendations, comments or advice on the organisational structure for approval.

(b) EA considered the content of the MPSA letter and approved the organisational structure for implementation in good faith by signing all the pages (including the date) to avoid unauthorized changes.

(c) MPSA receipt of the approved and signed organisational structure from the EA, after consideration of the comments of the MPSA, to update the database that shall inform future consultation requests. In case the organisational review and redesign process does not result in changes to the organisational structure affecting all posts from salary level 09 to level 16 (PSA posts, including OSD posts) with regard to creation of units and posts, the department is still required to submit the approved and signed organisational structure to the DPSA to update the database that shall inform future consultation requests.
(d) In the event that, after the organisational review and redesign process the macro-structure of the department is not affected (i.e. changes to the organisational structure affecting all posts from salary level 09 to level 16 (PSA posts, including OSD posts) with regard to creation of units and posts), the department is still required to submit the approved and signed organisational structure to the DPSA to update the database that shall inform future consultation requests.

(e) In the event that the relevant EA does not implement the advice of the MPSA, the relevant EA must inform the MPSA of such reasons thereof in writing.

10. COMPLIANCE MONITORING AND REPORTING

10.1. Compliance, monitoring and reporting on the changes to organisational structures and implementation of the approved organisational structures by departments, after consultation with the MPSA, shall be conducted in line with section 16A of the PSA and section 38 of the Public Finance Management Act, 1999.

10.2. The monitoring of compliance on the implementation of organisational structures by departments, after consultation with the MPSA must contribute to ensuring that departments are configured in such a way that they respond to their legislative mandate and achieve set strategic objectives of departments. If compliance is ignored, the consequences of non-compliance with legislative requirements can be very costly and can have a detrimental effect on the department.

10.3. Departments are required to keep an updated OD register that captures the changes to the approved organisational structures, after consultation with the MPSA. The template is contained as Annexure C.

MR NATHI MTHETHWA, (MP)
MINISTER FOR PUBLIC SERVICE AND ADMINISTRATION (ACTING)
2015/08/12
ANNEXURE A: AN EXAMPLE OF THE REQUIRED FORMAT OF THE ORGANISATIONAL STRUCTURE (FUNCTIONAL STRUCTURE AND POST ESTABLISHMENT)

Figure 1.

**BRANCH: CORPORATE MANAGEMENT**

**PURPOSE:** To manage and monitor the provision of Corporate Management Services.

**FUNCTIONS:**
1. Manage and coordinate the provision of strategic management services.
2. Manage and monitor the provision of human resource management services.
3. Manage the provisioning of legal advice services.
4. Manage and facilitate the provision of information communication and technology management services.
5. Manage and monitor the provision of security management services.
6. Manage the provision of office support and auxiliary services.

---

**LEGAL SERVICES**

**PURPOSE:** To manage the provision of legal services.

**FUNCTIONS:**
1. Provide sound legal advice and litigation support to the department.
2. Provide legal opinions.
3. Carry out all administrative legal actions to ensure compliance.
4. Handle litigation matters.
5. Draft and amend legislation and legal instruments.
6. Ensure legal compliance with national, international and continental instruments.
7. Advice on the drafting and monitoring of the service level agreements.

---

**INFORMATION COMMUNICATION AND TECHNOLOGY MANAGEMENT**

**Purpose:** To manage and facilitate the provision of information communication and technology management services.

**Functions:**
1. Develop and monitor the implementation of ICT policies, processes and procedures.
2. Provide and facilitate infrastructure and operational support services.
3. Provide and maintain ICT administrative systems and ensure data integrity.
4. Conduct ICT research and advice the department on ICT needs and requirements.

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**SECURITY MANAGEMENT SERVICES**

**Purpose:** To manage and monitor the provisioning of security management services.

**Functions:**
1. Develop and implement security management policies, systems and procedures.
2. Monitor the adherence to implementation of information technology policies based on MISS.
3. Administer and monitor the implementation of security measures, including access control.
4. Provide staff vetting services.
5. Liaison with other security agencies.

---

**OFFICE SUPPORT AND AUXILIARY SERVICES**

**Purpose:** To manage the provision of office support and auxiliary services.

**Functions:**
1. Develop policies and processes with regard to the planning and provisioning of office support and auxiliary services.
2. Provide and maintain internal records Management services.
3. Provide registry services.
4. Provide messenger services.
5. Render food aid and office support services.
6. Provide cleaning services.
7. Provide reproduction and printing services.
8. Provide reception and switchboard.

---

1 Deputy Director-General L15
1 Admin Assistant L6

1 Chief Director-L14
1 Admin Assistant L6
ANNEXURE B: STANDARD PROCEDURES, PROTOCOL AND PROCESS ON ORGANISATIONAL STRUCTURING

The document provides the fundamental principles, procedures and protocol that apply to the organisational design processes in the public service. Adherence to the set principles, conditions and legislative framework is a requirement and of utmost importance. All tasked with the responsibilities of organisational structuring in the public service should understand the legislative provisions as set out in the Public Service Act, 1994, Public Service Regulations, 2001 (as amended) and this Directive.

<table>
<thead>
<tr>
<th>PRINCIPLES/PROCEDURES</th>
<th>REFERENCE</th>
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<tbody>
<tr>
<td>1. The Minister for Public Service and Administration (Minister) is responsible for</td>
<td>Section 3 of the Public Service Act, (PSA),</td>
</tr>
<tr>
<td>the development of norms and standards regarding organisational matters and the</td>
<td>1994</td>
</tr>
<tr>
<td>Minister give effect to the norms and standards by issuing regulations, directives</td>
<td>Section 3 of the Public Service Act, (PSA),</td>
</tr>
<tr>
<td>and determinations.</td>
<td>1994</td>
</tr>
<tr>
<td>2. The competency of EAs regarding the internal organisation of departments is</td>
<td>Section 3 of the Public Service Act, (PSA),</td>
</tr>
<tr>
<td>exercised within the norms and standards determined by the MPSA regarding the</td>
<td>1994</td>
</tr>
<tr>
<td>organisational structures and establishments of departments and other organisational</td>
<td></td>
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<tr>
<td>and governance arrangements in the Public Service.</td>
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<tr>
<td>3. In line with the PSR, based on the strategic plan of the department, an executive</td>
<td>PSR 1/II/B.2</td>
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<tr>
<td>authority shall—</td>
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<tr>
<td>(a) determine the department’s organisational structure in terms of its core</td>
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<td>mandated and support functions—</td>
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<tr>
<td>(i) in the case of a national department or national government component, after</td>
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<td>consultation with the Minister; and</td>
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<tr>
<td>(ii) in the case of a provincial department or provincial government component,</td>
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<tr>
<td>consult with the Minister after consultation with the relevant Premier;</td>
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<tr>
<td>(b) define and create the posts necessary to perform the relevant functions while</td>
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<tr>
<td>remaining within the current budget, the medium-term expenditure framework of the</td>
<td></td>
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<tr>
<td>department and the provisions established by the Minister for post provisioning for</td>
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<tr>
<td>different occupational categories, and the posts so defined and created shall</td>
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<td>constitute the department’s approved establishment;</td>
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<tr>
<td>(c) grade proposed new jobs according to the job evaluation and job grading systems,</td>
<td></td>
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<tr>
<td>except where the grade of a job has been determined in terms of an OSD or by the</td>
<td></td>
</tr>
<tr>
<td>Minister in terms of the regulation and Directive on the process to coordinate the</td>
<td></td>
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<tr>
<td>grading of an entire occupational category or certain level within an occupation</td>
<td></td>
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<tr>
<td>category that is utilised by more than one department; and</td>
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<tr>
<td>(d) engage in human resource planning and assess the human resources necessary to</td>
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<td>perform her or his department’s functions, with particular reference to the number</td>
<td></td>
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<td>of employees required, the competencies which those employees must possess and the</td>
<td></td>
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<tr>
<td>capacities in which those employees shall be appointed;</td>
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<tr>
<td><strong>PRINCIPLES/PROCEDURES</strong></td>
<td><strong>REFERENCE</strong></td>
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<tr>
<td>4. Based on the strategic plan of the department, an executive authority shall determine the department's organizational structure in terms of its core and support functions and define the posts necessary to perform the relevant functions while remaining within the current budget and medium-term expenditure framework of her or his department, and the posts so defined shall constitute the department's approved establishment.</td>
<td>PSR 1/II/B.2 (b)</td>
</tr>
<tr>
<td>5. An EA shall determine the organisational structure of a department after consultation with the MPSA.</td>
<td>PSR 1/ III/B.2A</td>
</tr>
<tr>
<td>6. Cabinet approved the MPSA directive for EAs to consult Minister for changes to organisational structures affecting the 3 top tiers (DDG, CD and Director levels) in July 2006.</td>
<td>MPSA Organisational Design Directive, 2006 (PSR 1/ III/B.2A)</td>
</tr>
<tr>
<td>8. Cabinet noted the following -</td>
<td>Cabinet decision of 8/12/2010</td>
</tr>
<tr>
<td>(a) the organizational development and design principles that are applicable to departments in the Public Service;</td>
<td></td>
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<tr>
<td>(b) the DPSA would further present organisational development and design principles to Provincial Executive Councils;</td>
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</tr>
<tr>
<td>(c) <strong>urged</strong> uniformity between Government Departments on these norms and standards; and</td>
<td></td>
</tr>
<tr>
<td>(d) <strong>approved</strong> that proposals be presented by the DPSA on the above matters.</td>
<td></td>
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<tr>
<td>9. The MPSA, since December 2010 has been engaging Provincial Executive Councils directly on the organisational design principles and processes and recorded all inputs and recommendations which may impact on the adjustment of the legislative provisions.</td>
<td>Cabinet decision of 08/12/2010</td>
</tr>
<tr>
<td>10. The development of generic functional structures for sector Departments.</td>
<td>Delivery Agreement, Outcome 12</td>
</tr>
<tr>
<td>11. Cabinet approved the repositioning of HR Functions and the proposed structures to be applied to all line departments.</td>
<td>Cabinet decision 11/06/2008</td>
</tr>
<tr>
<td>12. The approved departmental human resource plan must inform the human resource capacity requirements, and assist the department in anticipating and manage surpluses and shortages of staff.</td>
<td>Strategic Human Resource Planning Guidelines and Framework for the Public Service.</td>
</tr>
<tr>
<td>Decision Makers and Stakeholders</td>
<td>Purpose of Consultation</td>
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<tr>
<td>1. Departmental Task Team</td>
<td>Conduct organisational review process in line with the DPSA Guide on Organisational Structuring and work-study principles and practices. In case there is Provincial Organisational Review and Structuring protocol in place, representatives from the Office of the Premier should provide advice during the review and redesign process to ensure adherence to provincial requirements before the decision makers supports the proposal at departmental level. The DPSA approach is to finalize and resolve all identified organizational design issues at departmental level, in collaboration with the relevant department and the Office of the Premier before the request is submitted to the MPSA for consultation. Hence, it is advisable for departments, in collaboration with the Offices of the Premier to seek the DPSA advice in a form of a working session (not a formal consultation) on the draft proposal, at this stage. If necessary, the National Sector Departments will be consulted to provide advice on sectoral strategic alignment.</td>
</tr>
<tr>
<td>2. Internal Audit and Risk Management</td>
<td>Assess organisational review and redesign project’s risks and advice on the implementation of appropriate mitigation strategies. Ensure compliance with all legislative requirements and applicable norms and standards.</td>
</tr>
<tr>
<td>3. Chief Financial Officer and Budget Committee</td>
<td>Based on the budget information from the National/Provincial Treasury, provide advice on financial implications, before the decision-making authority approves the proposed changes.</td>
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<td>4. Manco/Executive Structure</td>
<td>Support the proposed changes submitted to the Director-General/Head for recommendation to the Minister.</td>
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<tr>
<td>5. Director-General/Head of the Department</td>
<td>Champion the organizational review and change management process. Ensure that all, and in particular affected staff are consulted on the rationale, processes, timelines and envisaged outcomes of the organisational review and redesign process. Ensure consultation with the trade unions in the Departmental Bargaining Chamber for buy-in and support. Staff need to understand who will be affected and how. The consultation need to be conducted in line with the relevant workplace agreements, which require management to undertake certain consultation processes. Recommend the proposed changes to the Executive Authority support.</td>
</tr>
<tr>
<td>6. Executive Authority</td>
<td>Support the proposed changes and submit the consultation request to the MPSA for advice and concurrence.</td>
</tr>
<tr>
<td>7. MPSA</td>
<td>Concur with the proposed organisational structure or provide advice in cases where concurrence could not be granted.</td>
</tr>
<tr>
<td>8. Executive Authority</td>
<td>Approve the final organisational structure, after consultation with the MPSA, by signing all the pages of the new structure to avoid unauthorized changes.</td>
</tr>
<tr>
<td>9. Executive Authority</td>
<td>Submit the approved organisational structure to the DPSA to serve as baseline information and to inform future consultation requests.</td>
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</table>
ORGANISATIONAL REVIEW AND REDESIGN PROCESS

The nature and scale of the exercise shall inform the organisational review and redesign processes to be followed by departments, in line with the requirements of the PSA and PSR. The process to be followed must be guided by the following seven phases, consisting of different steps, as well as decision making and review points, in line with DPSA Guide and toolkit on Organisational Structuring available on the DPSA website:

Phase 1: Diagnostic.
Phase 2: Determine organisational requirements.
Phase 3: Design a functional structure.
Phase 4: Determine staff establishment requirements and the costing thereof.
Phase 5: Completion of the full business case for consideration by the relevant EA and MPSA.
Phase 6: Implementation phase.
Phase 7: Monitoring and evaluating the success of the adjusted or new organisational structure.

The organisational review and redesign processes must be managed as a project. The organisational structuring process is a change process that must be facilitated from top management level and should be consultative in nature, as the change may affect staff, systems and processes to a greater or lesser degree. Managers should be in a position to anticipate such changes and be ready to lead and deal with the change.

OVERVIEW OF THE ORGANISATIONAL REVIEW AND DESIGN PROCESS
Amongst others, the following legislative framework must guide the implementation of the organisational review and re-design process:

(a) Public Service Act, 1994, (Proclamation 103 of 1994).
(b) Public Finance Management Act, 1999 (Act 1 of 1999)
(c) Labour Relations Act, 1995 (Act 65 of 1995).
(d) Public Service Regulations, 2001 as amended.
(e) National Treasury Regulations.
(f) Minister for Public Service and Administration Directive on Organisational Structuring.
(g) Minister for Public Service and Administration Directive on Job Evaluation.
(h) National Development Plan, 2001 as amended.
(i) Public Service Collective Agreements.
(j) Respective Departmental policies and legislative mandate.
(m) Guides and Directives issued by the DPSA in areas of human resources and service delivery.
(n) Guide on the organisational Structuring in the Public Service.
(o) Guide on Transformation and Restructuring: Human Resources (June 2006)
ANNEXURE C: TEMPLATE TO REGISTER AND UPDATE THE CHANGES TO THE APPROVED ORGANISATIONAL STRUCTURES, AFTER CONSULTATION WITH THE MPSA

<table>
<thead>
<tr>
<th>The name of the Organisational Structure Change initiator</th>
<th>Date of receipt of the request</th>
<th>Summary Motivation and outcomes of the OD Investigation</th>
<th>Impact of the findings on the organisational structure</th>
<th>The current state</th>
<th>Reference to the Delegated Authority approved the changes on the structure</th>
<th>Date of Approval</th>
<th>File or submission No.</th>
<th>Signature and Date by Head of the Organisational Design Unit</th>
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A copy of the Register must accompany all the consultation requests forwarded to the MPSA.