

6. REVIEW OF ORGANISATION STRUCTURES

- 6.1 Effective structures are a *sine qua non* for public sector organisations to deliver on their mandates and on government policies and priorities. A Review of Pay and Grading Structures provides an opportunity for such organisations to revisit their structures and functioning. In so doing they try to achieve, amongst others, greater operational efficiency and the desired results to meet the set strategic objectives and improve responsiveness of services to match the customers' expectations. A Review, in fact, gives Management time to look back on what has worked and what hasn't and come up with new structures that are cost effective and beneficial to both the employees and the service.

Public Sector Organisations under PRB

- 6.2 The Bureau reports upon public sector organizations which include Ministries, Parastatal and other Statutory Bodies, Municipal Councils, District Councils, Rodrigues Regional Assembly and Private Secondary Schools.
- 6.3 Currently there are 25 Ministries (including the Attorney General's Office) and a number of independent Offices/Services/Commissions/Constitutional bodies which comprise the Civil Service. These Ministries are further broken down into specific Directorates/Departments/Divisions/Services – most of them have more or less formalised and functional structures which are hierarchically organised and controlled, with different levels of responsibilities, a reporting line and adequate communication and coordination mechanism to get things done and deliver on their respective objectives. Depending on government decision, portfolios of Ministries and the organization structures can be altered.
- 6.4 As regards Parastatal Bodies, they are quasi-autonomous bodies operating under a legal framework that sets parameters for their operations. They are normally headed by a Director or General Manager who reports to a Board. Most Parastatal Bodies have a hierarchy of personnel who have specific areas of operations. Their grading structures are normally aligned on what obtains in the Civil Service for grades at same levels of operation except for the specific or core ones.
- 6.5 At the level of Local Authorities which function under the Local Government Act, there are two types of structures namely, Municipal Councils and District Councils whose purpose are, *inter alia*, to promote the social, economic, environmental and cultural well-being of the local community and improve the quality of life of the people therein. They are administratively supervised by a Chief Executive who is assisted in his tasks by a complement of staff. The new Local Government Act 2011 provides for the organisational set up of any local authority to constitute six Departments, viz:- Administration, Finance, Land Use and Planning, Public Infrastructure, Public Health and Welfare.

- 6.6 Private Secondary Schools falling under the purview of the PRB have more or less similar structures as state secondary schools. The teaching staff has a career structure with a promotional route up to the grade of Rector. As regards the non-teaching staff, it consists mainly of employees in the library cadre, general services and workmen's group.
- 6.7 Like other body corporate, the Rodrigues Regional Assembly (RRA) is set up under the Rodrigues Regional Assembly Act (No 39 of 2001). Its organization structure comprises seven Commissions and a Regional Assembly. The RRA is under the overall administrative control of the Island Chief Executive. Each Commission (except for the Chief Commissioner's Office) is under the headship of a Departmental Head and has a portfolio of responsibility areas with appropriate grades organised in cadres.
- 6.8 Overall, as it stands now, the public sector employs some 87000 employees. Most of them are regrouped in about 1300 grades in the Civil Service, ranging from manual ones at the lowest echelon to the highest Administrative position of the Secretary to Cabinet and Head of the Civil Service. The majority of organisational units of the Public Sector like the Civil Service, comprise a mix of grades in a centralised structure of different size and height where top executives retain authority for most strategic and operating decisions. They work according to established principles and staff have predefined reporting lines and spans of control which are shown in an organisation chart.

Past Recommendations

- 6.9 In its last Report, the Bureau made recommendations to encourage organisations in moving towards flatter structures. Besides having the merit of reducing excess hierarchies, this measure, wherever accepted and applied, was used to provide longer salary scales so that the absence of career prospects was compensated through improved career earnings. In addition, levels were merged and certain polyvalent grades created for greater flexibility and functional mobility of staff. The composition as well as the terms of reference of the Standing Committee on Organisation Design was also redefined and guidelines set for the creation of grades.

Submissions Received

- 6.10 As is the case in every Review, Management of organisations was requested to make submissions on organisational restructuring including, *inter alia*, layering, merging of grades, multi-skilling, creation of additional levels, re-definition of job specification, job enlargement/enrichment and restyling of posts which may enable them to have a fit-for-purpose structure to deliver on their mandate more efficiently and effectively.

- 6.11 No major restructuring was proposed except for the creation of additional levels or merging of existing ones and at times abolition of existing grades against creation of new ones. Certain new appellations were suggested for existing grades. Similar demands were also made by the staff side.

Survey Results

- 6.12 Responses to a survey sent to Heads of Departments on organisation structure in 2011 revealed that some 80% of them were of the view that flatter structures are better than hierarchical ones for operational effectiveness. For a more responsive service, most of them suggested that structures should be lean, flexible and standard across the Public Sector. Computerisation of work processes and updating of Information Technology in use were also cited as important measures to boost the service.

Views of the Bureau

- 6.13 The Bureau has examined the survey findings and submissions of parties for creation/merging/abolition/restyling of grades at length. Drawing on the observation of the Fifth Pay Commission (India), and to which the Bureau fully subscribes, **the appropriate number of grades in an organisation is a matter of conscious judgement and decision** - either too many or too few grades may be problematic. As the Commission rightly pointed out, the distinction between work levels becomes too fine with too many grades resulting in jobs becoming more difficult to classify leading to disputes in the grading of specific posts and difficulties in establishing horizontal links. With too few grades on the other hand, there is a dilution of the strong motivation provided by promotion and a higher title. Nevertheless, to effectively achieve set objectives with both service and client orientation, **the Bureau advocates flatter and IT supported structures with polyvalent grades for greater flexibility.**
- 6.14 Concerning the merging of levels, the Bureau holds the view that this may be done subject to agreement of parties concerned, where there is considerable overlapping of responsibilities and accountabilities with no close or purposeful supervision between operational and supervisory posts. Cadres should not be restructured through merging only because of inadequate promotional opportunities or for the sake of alignment on other cadre structures. **Merging of grades in a hierarchy should be consistent with the functional needs and requirements of the organisations.**
- 6.15 Many requests have been made for the restyling of posts at times without strong justifications, only to benefit from a salary upgrading. The Bureau considers that the purpose of a job appellation/title is to convey an immediate understanding and identification of the work to be performed by the position. It should preferably be short but meaningful and descriptive. We have, therefore, refrained from acceding to certain requests for restyling where it was found to have grading implications and/or no nexus with the duties and responsibilities associated with

the posts. In other instances, for the sake of harmonisation and to clearly identify the job performed, a few appellations have been reviewed.

Creation of Grades

6.16 In view of the number of submissions received for the creation of grades and restructuring of cadres during the Review Exercise and also in between Reviews, the Bureau would like to emphasise the following:

- (i) **It is the responsibility of the Supervising Officer of the Ministry/ Department to ensure that optimum use is made of the existing human resources of his organisation. In particular, he must ensure that:**
 - (a) **manpower requirements match the prevailing workload; and**
 - (b) **the human resources of the organisation are fully utilised at the level at which they are expected to operate.**
- (ii) **Supervising Officers should encourage managers/supervisors of administrative units at all levels to continuously monitor staff requirements and ensure that individual officers have well-defined functions and tasks directed towards the accomplishment of organisational goals and objectives.**

6.17 Equally of note is that the Bureau has been very stringent in the creation of new posts and restructuring cadres. Wherever these have been done, they have been based strictly on functional considerations and in conformity with the guidelines for the creation of new grades as specified below:

Guidelines for Creation of New Grades

- (a) *The need for the creation of a grade must be well established.*
- (b) *It must be clearly stated whether the creation of the grade is warranted as a result of:*
 - (i) *the staffing of a new function linked to a new (or a change in) policy goal/objective or to the implementation of a project;*
 - (ii) *a new level of responsibility which must be created within an existing structure to increase organisational efficiency and effectiveness.*
- (c) *Information must be provided on the activities/operations/tasks associated with the new post and what they are intended to achieve. Wherever possible, the benefits to be derived must be quantified.*

- (d) *The creation of the grade must be envisaged only after the following possibilities of carrying out the new function have been explored:*
- (i) *re-allocation of duties;*
 - (ii) *redeployment of staff;*
 - (iii) *improvement of work methods;*
 - (iv) *use of new equipment;*
 - (v) *passing the work on to another organisation within the public sector where it can be done more efficiently and economically;*
 - (vi) *depending on priority of needs, postponing the work for another budget;*
 - (vii) *contracting out.*
- (e) *The number of grades to be created and their concomitant levels must also be fully justified. If the grades constitute a new structure, an organisation chart must be submitted depicting clearly its interlinkages within the broader organisation of the Ministry/Department.*
- (f) *The duties, responsibilities, qualifications (i.e. knowledge, skills and abilities), experience and personal qualities required for the grade must be accurately and clearly spelt out.*
- (g) *The following practices must be avoided:*
- (i) *multilayering, i.e. the creation of grades without taking into account the scope of the work and levels of responsibility involved. A new level is created only when it brings added value to the work;*
 - (ii) *creation of supervisory grades for the mere sake of giving promotion;*
 - (iii) *creation of isolated grades which are not integrated in a career structure;*
 - (iv) *creation of permanent grades to meet temporary needs.*

Conceptual framework for Organisation Design

6.18 After an in-depth examination of Public Sector Organisations, we found that there are good reasons to reform the Organisation Structure as a key strategy for improved efficiency. However, **making the existing mechanism work should be a first priority** and there is little need to revamp most structures completely. The restructuring should rather seek to address impediments and make adjustments to structures as appropriate, merge overlapping tasks, create multi-skilled positions, eliminate levels, respond to growth/pressure, reduce complexity, increase efficiency and improve service delivery. We also view that there is no one right design or structure that will suit all organisations, thus no “one size fits

all” situation. Each organisation has its own structural needs depending on its specificity though these needs may change over time.

6.19 We are, therefore, proposing a conceptual framework for organisation design. Though not exhaustive, this framework supports the drive for reforms and modernisation in the Public Sector that requires employees to deliver services by the most efficient and effective means, and organisations to work leaner and smarter, to meet citizen’s expectations.

6.20 An organisation should be so designed to:

- (i) allow for greater focus on deliverables, performance management and results;**
- (ii) improve the decision making process by facilitating the flow of information, promoting collaboration, pooling of knowledge of staff and minimising the reporting levels prior to decision taking;**
- (iii) streamline operations so that the various business processes are completed in an efficient and effective manner;**
- (iv) reduce duplication of efforts by defining properly the functions of Departments, Divisions, Sections and Units;**
- (v) provide scope for flexible deployment of people, promote equity, job satisfaction, motivation and commitment to organisation goals;**
- (vi) build change readiness by fostering ideas that are critically important for future growth and making the task of directing change part of the core responsibilities of top management;**
- (vii) reduce paper work and make more use of computers; and**
- (viii) provide officers with the basic tools (including training), required equipment and technology to carry out their work.**

6.21 It is essential that the structure of an organisation be clearly depicted in an organisation chart which should be regularly updated to reflect changes in either vertical or horizontal relationships, if any.
