

6. ORGANISATION STRUCTURES AND RELATED ISSUES

- 6.1 Public Sector organisations under the remit of the Pay Research Bureau consist of Ministries/Departments, Parastatal and Other Statutory Bodies, Local Authorities, Rodrigues Regional Assembly and Private Secondary Schools. Although the details vary for these different types of organisations, the general structure is based on a hierarchy of grades with defined roles and responsibility.
- 6.2 In its last Report, the Bureau recommended, the setting up of a Standing Committee to examine and approve all requests pertaining to creation of grades in-between general reviews in Ministries/Departments/Organisations. Guidelines on organisational design and creation of grades were equally provided. Additionally, recommendations were made to enhance organisational performance and improve service delivery and adaptive capability of public sector organisations.
- 6.3 To elicit response from Management, a Circular was issued to them requesting their proposals on re-engineering/structural change including, *inter alia*, delayering, merging of grades, multi-skilling, creation of additional levels, re-definition of job specification/enlargement/enrichment and restyling of grades which may enable their organisation to have a fit-for-purpose structure to deliver on their mandate more efficiently and effectively.
- 6.4 Most of the proposals submitted pertained to the creation of additional levels either on the basis of functional considerations or to improve promotional prospects of employees or else to align on existing structures of other organisations. A few representations related to the creation of units/sections to be staffed by the existing grades without major change brought in their duties and responsibilities. In such cases, Management was advised to proceed administratively as it only entailed a re-organisation of work activities. Unions on their part also submitted various demands for new grades. They were duly explained on the principles adopted for the creation of grades.
- 6.5 All the representations were carefully examined and appropriate recommendations have been made in Volume 2 of our Report.
- 6.6 Activities of public sector organisations are primarily organised into functional departments/divisions with a mix of tall and flat hierarchies. Though the former is predominant, the Bureau has always been advocating for flatter structures as a matter of policy for improved performance. However, in view of their importance, we have purposely maintained certain multi-layered structures like the disciplined forces, general services and structures with a large workforce. There are also some other cases where, due to specificities of the organisations and the resulting disturbance of existing arrangements, we have refrained from merging of levels.

Observations

6.7 In many cases, it has been observed that Management tends to proceed in an unstructured manner in the development of their organisation structures. One such distortion in the overall structure occurs when Organisations/Departments either try to fit people to structures or fit structures to people. In a few instances, senior positions are proposed to accommodate employees who have acquired additional qualifications or reckon long tenure in the organisation without paying regard to functional considerations. There is also a tendency to align on the structure of other organisations without considering the limiting factors, thereby adding layers to an already existing tall structure to create opportunity for vertical advancement.

Standing Committee on Creation of Grades

6.8 The Bureau recommended in its last Report the setting up of a Standing Committee on the Creation of Grades under the Chairmanship of the Secretary for Public Service, with the view to ensuring that the process of creation of grades is more efficient and effective. The Committee is tasked to examine and approve all requests pertaining to creation of grades in between general reviews in Ministries/Departments/Organisations.

6.9 We have observed, however, that in some instances Management continued to create grades after the publication of the 2021 Report without going through the above mechanism, though we expressed our concern on such situation. It is also worth highlighting that in the last Report, we urged Ministries/Departments/Organisations to follow the established procedures, the moreso the creation of the grades concerned has indeed resulted in inconsistencies vis-à-vis the Bureau's framework. **We resultantly anew advise Management to follow established procedures where there is need to create grades in-between reviews.**

6.10 **The Bureau, therefore, recommends that the Standing Committee under the Chairmanship of the Secretary for Public Service of the MPSAR and comprising representatives of the Prime Minister's Office, Ministry of Finance and Pay Research Bureau should continue to examine and approve all requests pertaining to creation of grades in-between general reviews in Ministries/Departments/Organisations.**

6.11 **Notwithstanding recommendation made at paragraph 1.18 of this Volume, all provisions regarding creation of grades in Volume 2 of this Report, should be implemented prospectively on a date to be determined by this Standing Committee.**

6.12 **We further reiterate that the salary grading of new grades as approved by the Standing Committee on Creation of Grades, will only be provided when all technical specifications for their creation, as required by the Bureau, have been met.**

Organisational Design

6.13 To address the above challenges, it is necessary to streamline the development and review of organisation structures. In undertaking these processes, Management should begin by assessing its current workforce through a Human Resource Planning (HRP) exercise as this is fundamentally tied to organisation structure. It should then proceed by examining the structure to determine what is working and what is not. Making the existing structure work should, however, be the first priority. Only when there is a misalignment of the workforce and structure that Management should consider a change in the organisation structure.

6.14 We are, therefore, hereunder proposing a framework, though not exhaustive, for Management to adopt while designing public sector organisation structure:

- ensure that grades are created based strictly on functional considerations;
- provide clarity of roles and accountabilities within processes to determine responsibility and avoid confusion and increase efficiency and transparency;
- ensure adequate number of management levels with minimum clear reporting line to ease decision taking and achieve results;
- assess the structures thoroughly to avoid top-heavy hierarchies;
- streamline operations by grouping related activities so that business processes function efficiently; and
- facilitate the flow of information and coordination of activities at all levels to improve decision making process.

6.15 With the ongoing reforms in the public sector, many organisation structures may have to be re-engineered to respond to the evolving work environment in improving efficiency in Government, as and when the need would arise. We firmly hold that for **successful structural changes, Management should also undertake consultation with stakeholders to ensure genuine two-way discussions about whether a change is required and the kind of change that is appropriate. Their support is, therefore, vital for the realisation of a new structure.**

Restyling of Grades

6.16 As the purpose of restyling a job appellation is to convey an immediate understanding and identification of the work performed by a position, a few appellations have been reviewed accordingly. Certain grades have also been retitled owing to requirements of legislations and a few others to bring a greater

harmony across organisations. However, the Bureau has refrained from acceding to requests for restyling certain grades where it was found to have grading implications and/or no connection with the duties and responsibilities devolving thereupon.

- 6.17 In the last Report, we highlighted that a few grades have been restyled in the Civil Establishment Order (CEO) or by Management of a few Parastatal Bodies/Local Authorities without following the appropriate procedures. Consequently, such practices have given rise to internal imbalances in the present structures. **Hence, we reiterate that all requests for retitling of grades and the reasons thereof should be submitted to the Bureau for consideration through the parent Ministry and the MPSAR. The latter being the sole authority for updating the CEO, should ensure that the appellations of grades are strictly in accordance with our recommendations or as approved by the High Powered Committee.**

Merging of Grades

- 6.18 Merging of levels should be considered in cases where there is overlapping of duties and no close supervision is required. Hence, **the Bureau recommends that merging of grades should be consistent with organisational requirements.**

Abolition of Grades

- 6.19 It has been observed that Management of a few organisations have proceeded with the filling of vacant posts which they agreed to abolish against creation of another level. Consequently, this practice has led to duplication of grades and technical difficulties which need further redress particularly when another level has been created against abolition of the position concerned. We have also noticed that some Ministries/Departments have requested for the creation/reinstatement of certain grades which they have abolished in the CEO in-between general reviews. **The Bureau holds that Management should refrain from resorting to such practice unless it can show a genuine organisational need for the grade concerned.**

Grades with no Promotion Prospects

- 6.20 There are cases where the duties and responsibilities cannot be carried out by incumbents in other grades and there may be no alternative than to proceed with the creation of stand-alone grades. Consequently, to the extent possible, the Bureau is providing some incentives in terms of merged appellations coupled with enhanced salary scales to ensure career earnings for some grades in this situation. **However, Management should, as far as possible, abstain from creating another supervisory level where such provision has been made, to avoid overlapping of duties and superfluous supervision.**

Trainee Grades

6.21 Due to recruitment difficulties encountered in certain grades which are impacting service delivery and operational efficiency, the Bureau is making provision for trainee positions to support recruitment at entry level. This initiative aims to ease recruitment constraints and facilitate the development of a pool of qualified personnel to meet organisational needs.

The Way Forward

6.22 Artificial Intelligence (AI) is the buzzword now. It is undoubtedly a powerful catalyst to increase the efficiency and effectiveness of organisations. However, there is need to proceed thoughtfully and strategically in adopting AI. While maintaining the human elements required to drive growth and innovation, organisations should also consider structures that can leverage AI’s capabilities. In so doing, careful attention should be paid to organisational design’s technical and human aspects in order to find the right balance between AI efficiency and human capabilities for improved service delivery.

