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To: Personnel Committee **Date:** 29 November 2012

Subject: Organisational Design Principles – Spans and Layers

Classification: Unrestricted

Summary: This paper provides a summary of the progress made on the implementation of the organisational design principles specified in Bold Steps for Kent and the stated intention of achieving no more than six levels of management from Corporate Director to front line service delivery. The model being utilised to help achieve this is Decision Making Analysis (DMA).

1. BACKGROUND

1.1 There is a commitment within the organisation design principles to develop a structure that is as flat as possible and to create effective spans of control. All newly created structures are applying the principles of DMA (Decision Making Accountability). The aim is to move from an organisation which in December 2011 was 11 layers deep with an average span of control of 5.2 FTE to an organisation with 6 layers from Corporate Director to the front line and has an average span of 7 FTEs.

2. SYSTEMS AND PROCESS

2.1. In order to maximise the potential that the DMA model and discipline offers, the principles need to integrate into a number of associated HR and management processes.

2.2 Pay & Grading – with the support of HAY (external body and author/owner of our grading system) we have cross referenced all of our managerial grades to DMA levels. This provides an additional check to avoid duplication of management when determining structures and grades within them. We have also sought to reduce administration by integrating a number of processes into a single document. This will cover the Job Description, Person Specification, Grading document and will be the basis of other manager/employee conversations.

2.3 Resourcing – we are currently formulating a standard practice for workforce planning as part of the revised business planning process. This will reflect DMA levels and enable “pathways” to be developed for

career progression within the organisation through appropriate talent management schemes.

- 2.4 Training – the recently revised Kent Manager design has been predicated on the DMA levels to give managers an indication of the level they are operating at to enable them to prioritise the competencies we expect them to demonstrate as a Kent Manager.
- 2.5 As we continue to provide support to the structural change taking place throughout the County Council, all our HR advice is based upon the principles of DMA and the expectation of the organisation to achieve the reported target. Exceptions are reported via the Corporate Director to CMT.

3. COMMUNICATION AND MONITORING

- 3.1 The awareness of the principle is relatively well established from its inclusion within Bold Steps, however we are increasing an appreciation of what this means in practice both from general communication - Kmail article “The right people – the right decisions” and posting a Frequently Asked Questions document on KNet, as well as in direct support of senior managers who are managing change programmes.
- 3.2 All exceptions to the design principles are reported to CMT for agreement for a temporary structure. Such a level of commitment and scrutiny is essential if the model is to be successfully and consistently applied.
- 3.3 The average number of levels of management and spans of control are included in regular reports to the respective DMTs and in the 6 monthly reports on the workforce to this Committee. Our latest analysis indicates that we have already reduced to 9 levels and retained an average span of 5.2 FTEs.

4. CONCLUSION

- 4.1 Using these principles in our restructuring exercises of the last year has already seen a shift in the levels and with the volume of restructuring ahead of us there is a reasonable prospect of us moving nearer the aspiration of six layers of management.
- 4.2 Our continued success will require a sustained commitment to the design principles and resolute stance on exceptions and challenges. This needs to be the case consistently across the organisation and therefore appropriately considered by CMT with progress reported to Personnel Committee.

5. RECOMMENDATION

- 5.1 The Personnel Committee agrees to note the progress made on implementing the design principle using the DMA model.

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