

A STRATEGIC APPROACH TO ORGANISATIONAL DESIGN IN A PROVINCIAL GOVERNMENT DEPARTMENT

by

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DECLARATION

I, Nyeleti Charmaine Mabunda (student number 2017046448), declare that

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Mrs N.C. Mabunda

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LIST OF ABBREVIATIONS

CEO	Chief executive officer
CFO	Chief financial officer
DPME	Department of Planning, Monitoring and Evaluation
DPSA	Department of Public Service and Administration
MPSA	Minister of Public Service and Administration
MTEC	Medium-Term Expenditure Committee
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
OTP	Office of the Premier
UFS	University of the Free State
ZBB	Zero-based budgeting

CHAPTER 1:

OVERVIEW OF THE STUDY

1.1 INTRODUCTION

This chapter provides an introduction to the study that was undertaken with a view to analyse the effectiveness of the organisational design process in a public institution. The primary purpose of the institution is to promote diversity, social cohesion, and nation building (Provincial Government Department, 2020, p. 12). Although the institution is known to the researcher, its name and the provincial administration where it is located were changed to Provincial Government Department and XYZ respectively to protect its identity. The Provincial Government Department consists of a head office and five district offices.

According to the Department of Public Service and Administration (DPSA, 2010), government departments must align their organisational structure to their strategic plans to ensure effective implementation of their strategies. The DPSA (2010) emphasises that the mandates and strategic priorities of the government can hardly be achieved unless departments align their organisational structures to their departmental strategies. Financial pressure in the provincial fiscus has seen budget cuts, which have impacted negatively on the Provincial Government Department's ability to align the organisational structure (a core element of organisational design) to business strategies (Provincial Government Department, 2015, p. 13). This study was therefore conducted to analyse the organisational design process in a particular provincial government department in an effort to seek ways of improving it.

1.2 BACKGROUND

The Provincial Government Department in this study derives its legal mandate from the South African Constitution (No. 108 of 1996), which designates the functions of the Provincial Government Department as that of provincial legislative competence (Republic of South Africa, 1996, Schedule 4). The department is experiencing challenges in the area of organisational design.

The significance of organisational design lies in its definition as "a process of integrating the structure, processes, and people to aid strategy implementation"

(Aronowitz, De Smet & McGinty, 2016, p. 25). The DPSA (2010) states that government departments or institutions need operative organisational structures to achieve the mandates and priorities of the government.

The Minister of Public Service and Administration (MPSA) issued the Directive on Changes to the Organisational Structures by Departments, which outlined the requirements for organisational design in the public service (DPSA, 2016b). The directive states that the organisational structure must be funded within the department's current compensation of employees' budget and over the Medium-Term Expenditure Framework (MTEF), as verified and confirmed by the relevant Treasury. Another critical requirement of the directive is that government departments must revise their organisational structures in case of changes in their strategic mandates or when there is a change in the strategic focus, based on a three- to five-year strategic review process (DPSA, 2015, pp. 10, 13). The directive further states that in the public service, the strategy of a government department is informed by its legal and electoral mandates.

Furthermore, the Directive on Changes to the Organisational Structures by Departments highlights that a change in the departmental environment will lead to a change in strategy, which necessitates the department to evaluate its operating environment, business processes, and organisational capacity to establish if it is well positioned to achieve its strategy. This notion is supported by Pearce and Robinson (2015), who concur that the strategic direction of an organisation should inform organisational design and structure.

Even though the legal mandates of the Provincial Government Department are enshrined in the Constitution and therefore remain unchanged, the department continues to experience financial pressure, which makes it difficult to redesign or implement the current organisational structure. According to Kavale (2012), structure is not just an organisational chart but comprises, among others, positions and people. However, several resolutions have been made in the province that affect the development and implementation of organisational structures, particularly in relation to the creation and filling of posts.

In 2010, after approval of the current organisational structure of the Provincial Government Department, the Provincial Executive Committee directed all

departments within the province to ensure a reduction in personnel expenditure by freezing all non-critical positions (XYZ Province, 2010, Exco Decision Number 145). This was followed by an instruction note from the Provincial Treasury, which required departments to reduce their personnel expenditure by 37%, commencing from the financial year 2012/2013 until 2013/2014 (XYZ Province, 2012, Instruction Note 01). Furthermore, the Provincial Treasury advised the Provincial Government Department that due to the current head count in the public service and the fiscal position of the province, no additional funding would be made available to cater for unfunded posts in the approved organisational structure or for the creation of new posts (XYZ Province, 2017; 2019). The financial pressure faced by the department hinders its organisational design process as it cannot successfully align the organisational structure to the strategy or fill all positions in the current organisational structure.

The department's 2011/2012 Annual Performance Plan reflects that the organisational structure was approved in 2010 with 782 posts, whereas 353 posts are funded or have received financial provisioning to enable them to be filled (Provincial Government Department, 2011, p. 10). However, several departmental documents, including strategic plans and annual performance plans, reflect that the approved organisational structure was not fully implemented, and the total number of funded posts is decreasing due to budgetary constraints.

According to the 2015-2020 departmental strategic plan, the department is still operating on the organisational structure approved in 2010 and the total number of funded posts was 303 (Provincial Government Department, 2015, p. 13). The 2018/2019 Annual Performance Plan reflects that the organisational structure was approved in 2010 and has a total number of 335 funded posts (Provincial Government Department, 2018, p. 24). The current five-year strategic plan (2020-2025) confirms that the organisational structure was approved in 2010 and that only 298 posts on the approved organisational structure of the department are funded (Provincial Government Department, 2020, p. 29). This represents a 16% decline in the total number of funded posts from 353 in the 2011/2012 financial year to 298 in the current planning cycle.

The 2019/2020 audit outcomes released by the Office of the Auditor-General indicate that the organisational structure has not been revised since 2010 and may

therefore not support the implementation of the department's strategic plan (Provincial Government Department, 2020, p. 15). The Auditor-General recommended that the department must undertake a thorough review process to align the organisational structure to government priorities for social cohesion and accelerated economic growth (Provincial Government Department, 2020, p. 15). These findings were repeated in the Auditor-General's 2020/2021 report. The Auditor-General recommended that the Provincial Government Department must act swiftly and revise its organisational structure to ensure effective implementation of the strategy (Auditor-General, 2021). The Auditor-General further recommended funding the organisational structure over the MTEF as required by the legislative framework that governs organisational design in the public service (Provincial Government Department, 2020, p. 15).

According to the department's Human Resource Compliance Reports, the department has been in the process of reviewing the current organisational structure since the financial year 2014/2015 (Provincial Government Department, 2014-2015). The accounting officer's reports to the Audit Committee reflect that the department is still in the process of reviewing the organisational structure (Provincial Government Department, Third Quarter – 2016/17 to Second Quarter – 2020/21). Moreover, the Auditor-General emphasised that there is an urgent need to review the current organisational structure approved in 2010, as it may not respond to the department's current strategic priorities (Provincial Government Department, 2021).

Table 1.1. depicts the timeline of the organisational structure of the Provincial Government Department :

Table 1.1: Timeline of the organisational structure of the Provincial Government Department

2010	2011	2012-2013	2014-2015	2016-2017	2018	2019-2020	2021
• The organisational structure of the Provincial Government Department is approved with 782 positions. • The Provincial Executive Committee issues a directive on the reduction of personnel and the freezing of non-critical posts.	• Implementation of the organisational structure commences. • The organisational structure consists of 353 funded or active posts, while 429 posts are not funded or did not receive financial provisioning to enable them to be filled.	• The Provincial Treasury issues an instruction note on the reduction of personnel expenditure by 37%. • The department implements the Treasury Instruction Note and the 2010 Executive Committee decision.	• The total number of funded or active positions is reduced to 303 posts. • The department embarks on an organisational structure review process to reduce personnel expenditure in line with provincial directives.	• The MPSA issues a directive on changes to organisational structures by departments. • The department continues with the review of the organisational structure.	• The organisational structure consists of 335 funded or active posts. • Organisational structure review process is still ongoing.	• The department has 298 funded or active positions. • The Auditor-General advises the department to revise the organisational structure. • The review of the organisational structure is still ongoing	• The Auditor-General advises the department to intensify the review of the organisational structure. • The process of reviewing the organisational structure is still ongoing.

Source: Compiled by the researcher

1.3 PROBLEM STATEMENT

The problem that the study investigated is the inability of the Provincial Government Department to align its organisational structure to its strategies and the adverse effect this has on its ability to deliver on its mandate. From the background provided, it is clear that the Provincial Government Department is facing serious challenges with its current organisational design process.

Firstly, the current organisational structure has not been fully implemented since it was approved in 2010 and contains a high rate of vacant and unfunded posts due to budgetary constraints, which further creates a challenge as the department is expected to deliver services to communities with limited human resource capacity. The table below provides the current status of posts in the Provincial Government Department:

Table 1.2: The status of posts in the department

Description	Total
Funded posts	298
Vacant unfunded posts	484
Total overall	782

Secondly, there are unusual delays in the departmental organisational design process. Although two administrations have been elected since the approval of the organisational structure in 2010, the process of reviewing the structure is not finalised, which compels the department to operate with the same organisational structure that was approved in 2010.

The organisational structure may not support the department in delivering on its mandate because although the legal mandates of the department remain unchanged, the emphasis on departmental mandates changes with each electoral cycle, which requires the department to develop a fresh strategy based on the new strategic priorities of the government.

Lastly, the Provincial Government Department is not complying with the directive issued by the MPSA on changes to organisational structures by departments as its current organisational structure is not fully funded, and it has failed to revise the organisational structure after a new strategy was developed.

It is not clear which organisational design approach will suit the department that is being studied given its limited personnel budget. The need to align the organisational structure to the strategy with limited budget necessitates the department to find alternative ways of realigning the organisational structure and to deliver on its mandates with its available resources. The cause of delay in finalising the review of the organisational structure to align it to the departmental strategy since 2010 also needs to be investigated. According to the reports issued by the Provincial Office of the Premier (OTP), other departments within the provincial administration have successfully revised their organisational structures, regardless of the current fiscal position of the province (XYZ Province, 2020).

The challenges of non-compliance by the Provincial Government Department with the regulatory framework and the difference between the theory and practice of organisational design in the department necessitate an analysis of the process and thus form part of this research.

1.4 RESEARCH QUESTIONS

1.4.1 Key research question

The study's key research question is as follows: What strategic approach would improve the effectiveness of the organisational design process in the Provincial Government Department?

1.4.2 Secondary questions

The secondary questions that the study sought to answer are as follows:

- What is the influence of the strategic plan and the budget on the process of organisational design in the Provincial Government Department?
- What process is followed to design the organisational structure in the Provincial Government Department?
- What is the capacity of the Provincial Government Department regarding the implementation of its mandate?
- What is the Provincial Government Department's decision-making process with regard to the funding of posts?

- What are the limitations of the current organisational design process in the Provincial Government Department?
- What alternative organisational design approach will suit the Provincial Government Department in view of its available resources?

1.5 RESEARCH OBJECTIVES

1.5.1 Primary objective

The primary objective of this study was to determine a strategic approach to the organisational design process in a provincial government department.

This was undertaken to explore alternative organisational design approaches to enhance the process in view of the budgetary constraints facing the department.

1.5.2 Secondary objectives

The secondary objectives of the study were as follows:

- To conduct a literature review on the influence of strategic planning and the budget on the process of organisational design in the Provincial Government Department.
- To evaluate the process of designing the organisational structure in the Provincial Government Department.
- To evaluate organisational structure against the mandates of the Provincial Government Department.
- To evaluate the Provincial Government Department's decision-making process regarding the funding of posts.
- To identify the limitations of the Provincial Government Department's current organisational design process.
- To identify an alternative approach to streamlining the organisational design process.

1.6 RESEARCH METHODOLOGY

1.6.1 Research design

There are three different research approaches, namely quantitative, qualitative, and mixed-methods research designs.

Quantitative research focuses on the quantity or amount of data and a process is articulated or defined in terms of the quantity of data recorded (Goundar, 2019).

Data are assessed based on numerical judgements and the evaluation of statistics. Quantitative research requires a large number of participants to enable the researcher to generalise findings to a larger group (The Open University, 2016).

Qualitative research is “naturalistic, interpretative approach, concerned with exploring phenomena and taking the perspectives and accounts of research participants as a starting point” (Riechie et al., 2013, p. 3).

Mixed-methods research is defined as a “research strategy that allows the use of various methods or data sources to create a broad understanding of a research problem or test its validity by combining information from diverse sources” (Carter, Bryant-Lukosius, DiCenso, Blythe and Neville, 2014, p. 3). Johnson and Onwuegbuzie (2004, quoted in Dawadi et al., 2021) highlight that the mixed-methods design offers great prospects for answering research questions by bringing together the strengths of both the quantitative and qualitative research approaches while offsetting the shortcomings of each method.

A qualitative research design was used for the purposes of this study to examine and gain insight into the organisational design process of the Provincial Government Department. This was deemed the most suitable research design approach for the study as the researcher needed to gain more insight regarding the current organisational design process to assess and improve its effectiveness. The study benefited from this approach as the researcher was able to engage with the views and perspectives of different officials. Furthermore, the application of the qualitative research method allowed the researcher to understand the views of the participants and their perceptions of the process, which were important for providing a point of orientation.

According to Mohajan (2018), qualitative research can play a critical role in highlighting potential causes, effects, relationships, and active processes. Qualitative research promotes flexibility and openness, which are critical for conceptualising, understanding, and properly describing people's experiences (Creswell, 2014). Bryman, Bell, Hirschsohn, Dos Santos, Du Toit, Masenge, Van Aardt and Wagner (2014) concur that qualitative research can be beneficial if one needs to explore and understand an occurrence. Strauss and Corbin (2008, cited in Mohajan, 2018, p. 1) state that "qualitative research is inductive in nature and the researcher generally explores meanings and insights in a given situation".

1.6.2 Sampling method

Blackstone (2012, p. 79) defines sampling as a "process of selecting observations that will be analysed for research purposes". The researcher selected a purposive non-probability sampling method. Non-probability sampling is defined as a "sampling technique for which a person's (or event's or researcher's focus's) likelihood of being selected for membership in the sample is unknown" (Blackstone, 2012, p. 79). There are different types of non-probability samples, including purposive samples, snowball samples, quota samples, and convenience samples.

In this study, purposive sampling was selected because the researcher had specific perspectives in mind that she wanted to investigate. It was therefore necessary for her to select research participants who would cover a complete range of those perspectives (Blackstone, 2012). The researcher selected participants based on their ability to understand and purposefully contribute to the study. Departmental managers who have been involved in the organisational design process of the Provincial Government Department and provincial organisational design specialists were selected because they would be able to provide information-rich responses. A total of 18 people participated in the study before data saturation was reached. Twelve officials occupying management positions in the Provincial Government Department's head office and in district offices participated in the study. Six of the participants were organisational design experts from other government departments in the province.

1.6.3 Data-collection method

The researcher used semi-structured interviews to collect data. Semi-structured interviews allow researchers to ask questions in different ways and sequence, based on a particular topic about which they would like to hear from the participants (Blackstone, 2012). The primary aim is to obtain information from participants about their thoughts on the topic at hand and, most importantly, to hear them describe it in their own words (Blackstone, 2012).

1.6.4 Data saturation

According to Saunders, Lewis and Thornhill (2019), saturation is applied in qualitative research as a method for suspending the collection and analysis of data. Morse (2015, p. 587) claims that saturation is “present in all qualitative research”. The study reached data saturation after 18 interviews were conducted as the data were sufficient to be replicated and new coding was no longer possible.

1.6.5 Data analysis

The researcher used the thematic method to analyse the collected data. According to Alhojailan (2012), thematic analysis increases the strengths of research findings by allowing the researcher to retain the transparency of his or her method and ensures that readers understand the researcher’s conclusions. Harding (2018) states that thematic analysis uses codes and categories to classify connections and discrepancies between the participants’ accounts. In this context, the collected data were categorised by means of coding themes. Blackstone (2012, p. 79) states that “coding involves identifying themes across interview data by reading and rereading (and rereading again) interview transcripts until the researcher has a clear idea about what sorts of themes come up across the interviews”.

1.7 ETHICAL CONSIDERATIONS

Siti, Binti, Arifin, Nur, Zuraidah and Razana (2018) state that human subjects must be protected by applying the correct ethical principles in any research study. Siti et al. (2018) add that in a qualitative research study, ethical considerations play an important role since the study process is of a more detailed nature.

The following sections discuss the ethical issues considered by the researcher during this study.

1.7.1 Informed consent and voluntary participation

Siti et al. (2018) identify three aspects that are required in the process of obtaining consent: firstly, consent must be given voluntarily; secondly, the participants must comprehend what is required of them; and, lastly, all people involved must be capable of giving consent.

The researcher requested approval to conduct research in the Provincial Government Department, which was granted. The study also obtained approval from the University of the Free State's (UFS) Ethics Committee before commencing with the collection of data. The ethical clearance number of the study is **UFS – HSD2022/1469/22** (see Appendix A). All potential participants were contacted individually after permission was obtained from all gatekeepers and they were briefed on the research process and its implications to enable them to make an informed decision regarding participating in the study.

1.7.2 Anonymity and confidentiality

Participants have the right to remain anonymous and to believe that their responses will be treated as confidential (Creswell, 2020). The researcher used numbers instead of names to identify the participants to protect the anonymity and confidentiality of those who participated in the study. Furthermore, the research instrument did not require the participants to provide any demographic information that could make them identifiable. Creswell (2020) argues that the anonymity of participants cannot be protected in one-on-one interviews as is the case with questionnaires. The researcher ensured that the identity of the participants was known only to her and was not revealed during data analysis or when reporting the findings.

1.7.3 Disclosure of insider status

Wilkinson and Kitzinger (2013) state that insider research is a type of research where the investigators study themselves, people like them, their families, or their

communities. Bakumal (2022, p. 3) concurs that “a researcher is considered an insider when he or she shares particular attributes with the participants of the study”. According to Flemming (2018), insider research is subject to scrutiny and is likely to be criticised for lack of objectivity. Lewis (1973, quoted in Wilkinson & Kitzinger, 2013) dismissed the claim that only outsider researchers can discover objective realities about a situation. Chavez (2008, quoted in Wilkinson & Kitzinger, 2013) agrees that the distinction between insider and outsider researchers is false, as they both must overcome the methodological challenges of identity and the knowledge they possess by virtue of their positions. Thorne and Paterson (2000, quoted in Wilkinson & Kitzinger, 2013) add that it is common for some insider researchers to produce objective findings, including health researchers, who have published a great deal of successful insider research for decades.

As a staff member of the Provincial Government Department, the researcher disclosed her “insider” status to the relevant committees and maintained the highest level of objectivity and professionalism throughout the research. The researcher only used her insider status strategically to make contact with the provincial organisational design experts as the participants of the study (Wilkinson & Kitzinger, 2013). The researcher’s insider position also contributed to the design of the study as the research instrument was designed based on a rich understanding of the issues that needed to be investigated (Flemming, 2018).

1.7.4 Privacy

The interview sessions with the participants were conducted in a private and quiet room, either in the office of the researcher or that of the respondent, to avoid disruptions and to maintain the confidentiality of the process.

1.8 TRUSTWORTHINESS AND RIGOUR OF THE STUDY

According to Ghafouri and Ofoghi (2016), all studies, including qualitative research studies, must consider the importance of trustworthiness and rigour. In qualitative research, rigour implies that if research is conducted meticulously, the data obtained will be truthful (Savin-Baden & Major, 2013). Pilot and Beck (2014, cited in Connelly, 2016, p. 1) concur that “rigour or trustworthiness of a study refers to the degree of confidence in data, interpretation and the methods used to ensure the quality of a

study". Gumba and Lincon (1989, quoted in Maher et al., 2018) suggested four criteria that must be satisfied to ensure the trustworthiness of research. These criteria are as follows:

1.8.1 Credibility

Credibility relates to the level of correctness of the research outcomes and the extent of their importance and quality as viewed by the participants (Mauldin, 2020). Qualitative studies are subject to researcher bias during data analysis and interpretation (Ghafouri & Ofoghi, 2016). Savin-Baden and Major (2013) agree that credibility indicates that the research findings are truthful and reflect some kind of reality. In this study, the researcher used triangulation to increase the credibility of the data.

1.8.2 Dependability

According to Merriam and Tisdell (2016), there must be consistency between the research findings and the data presented for a study to be dependable. Mauldin (2020) states that dependability certifies that the correct procedures were followed and that any alterations that occurred during the study are justified and explained in the final report. In this study, the researcher followed the same procedures for the same category of participants and ensured consistency in the questions asked to various participants of the same category.

1.8.3 Transferability

Transferability suggests that the findings of a study will be relevant for future use and the same findings will be achieved if it is conducted under the same conditions in the future (Ghafouri & Ofoghi, 2016). Merriam and Tisdell (2016) agree that transferability relates to the extent to which the research results can be replicated and used in similar situations. According to Fitzgerald, Gibson, McCarthy and Aboagye-Sarfo (2018), researchers must confirm that the participants of the study were recruited and selected based on their skills and that they are conversant with the phenomenon under investigation. In this study, the researcher provided a thorough description of the research site and the participants. The research findings and limitations were also discussed in detail.

1.8.4 Confirmability

Researchers must ensure that the research findings are informed by the experiences and ideas of the participants and not influenced by the researcher's preferences or thoughts (Savin-Baden & Major, 2013). Tobin and Begley (2004, quoted in Lorelli et al., 2017) concur that confirmability entails establishing that the researcher's interpretations and findings are as a result of the data obtained from the participants and it requires the researcher to illustrate how the conclusions were reached. Throughout the study, the researcher took a neutral position and avoided influencing the findings. The study supervisor checked the findings for accuracy and to identify potential bias.

1.9 SIGNIFICANCE OF THE STUDY

Analysing the effectiveness of organisational design in the Provincial Government Department may unearth the underlying factors that affect the process and reveal any dormant issues pertaining to organisational design in the department. Furthermore, the study will contribute to the existing body of knowledge as it will enable the researcher to identify the critical elements of organisational design and will facilitate the development of recommendations to enhance the effectiveness of the process.

1.10 RESEARCH DEMARCATION

The study focused on organisational design in the Provincial Government Department. The department consists of five district offices located in the five districts of the province. A total of 18 people participated in the study before reaching data saturation. Twelve officials occupying management positions in the Provincial Government Department's head office and in the district offices participated in the study. Six of the participants were organisational design experts from other government departments in the province. The total headcount of staff members in management positions in the Provincial Government Department was 56. The total headcount of organisational design practitioners was 10 as only one organisational design practitioner who met the inclusion criteria was invited per department

1.11 CHAPTER LAYOUT OF THE STUDY

The chapter layout of the study is summarised as follows:

Chapter 1 introduces the study and provides a description of the problem statement, as well as the research aim, objectives, and questions. Ethical considerations and the demarcation of the study are also provided.

Chapter 2 introduces the concepts of organisational design, strategic planning, and the budget process by referring to the literature and providing a summary of previous research on the organisational design process.

Chapter 3 presents a description of the research approach, including the data-collection and -analysis methods. It also describes the research design and methodology used for the study.

Chapter 4 presents the detailed findings of the study, including shortcomings, and discusses the findings in detail.

Chapter 5 provides a summary of the findings, discusses the study's limitations, makes recommendations, and presents a conclusion to the study.

1.12 CONCLUSION

The primary objective of this study was to analyse the effectiveness of the organisational design process of the Provincial Government Department. This was undertaken to explore alternative organisational design approaches to enhance the process in view of the budgetary constraints facing the department and included an analysis of the critical elements of organisational design and related processes such as strategic management and the budget process. Both head office and district officials in management positions participated in the study. Organisational design experts from the province were also requested to participate. The study will contribute to the great work already done by previous researchers and will provide a basis for new organisational design researchers.

CHAPTER 2: LITERATURE REVIEW

2.1 INTRODUCTION

This chapter provides a theoretical review of organisational design and presents a framework for the study as described in Chapter 1. The chapter starts by exploring various theoretical views of the concept of organisational design as the subject matter of this study. This is followed by discussions on other relevant concepts such as strategic management. The literature review consists of three sections. Section 2.2 provides a global theoretical view on the concept of organisational design. Section 2.3 provides a theoretical view on strategic management. Section 2.4 explores the concepts of organisational design, strategic management, and budget processes within the context of the South African public service. Both the global theoretical view and the meanings of the concepts in the South African public service are explored to determine if there are similarities or contradictions in their uses and applications. The last section, Section 2.5, provides the conclusion.

2.2 THE CONCEPT OF ORGANISATIONAL DESIGN

Organisational design means different things to different scholars, and while some have provided a broad definition of the concept, others have limited it to the process of designing and amending the organisational structure. The following sub-section discusses the meaning of organisational design as defined by different scholars.

2.2.1 Definitions of organisational design

According to Kennedy (2020, p. 268), organisational design involves “the selection and management of organisational culture and structure to aid the organisation in realising its goals”. Kennedy (2020) emphasises that an organisation must be designed and redesigned in line with internal and external changes and that this is one of the key functions of management. Robbins (2016, p. 77) defines organisational design as “a process of designing or amending an organisational structure”.

Aronowitz et al. (2016) argue that organisational design goes beyond designing an organisational chart. In their opinion, organisational design also includes business processes, employee performance management, recruitment, and skills development. Aronowitz et al. (2016, p. 25) therefore define organisational design as “the process of integrating the structure, processes, and people to aid strategy implementation”.

The Organisational Design Tutorial (2016) provides that organisational design not only deals with the design of organisational structure or the creation of posts; organisational design also involves the alignment of strategies, functions, processes, responsibilities, and roles with employees and departments in respect of the various products and processes that the company produces. Cheung-Judge and Holbeche (2015, quoted in Chivaka, 2018) concur that organisational design not only focuses on organisational structures but also includes the design and development of processes and policies.

Clearly, the definitions offered by different scholars of the concept of organisational design differ in emphasis. Some scholars consider organisational design as a process of aligning the organisational structure to the strategy. Other definitions place more emphasis on the integration of structure, processes, people, and policies to support the implementation of an organisation’s strategy. The Guide and Toolkit on Organisational Design takes cognisance of the fact that organisational design affects the business processes of a department (DPSA, 2010). For the purposes of this study, the definition provided by Aronowitz et al. (2016) was adopted, namely that organisational design is a process of aligning the organisational structure, processes, and people to aid strategy implementation. This definition was selected as it provides a broader understanding of organisational design and integrates both the organisational structure and business processes as critical elements that the study focused on.

2.2.2 The impact of organisational design on organisational performance

Buchanan and Huczynski (2019) highlight that organisational design is not only concerned with decisions regarding the kind of organisational structure to be adopted, selecting job titles, and specifying reporting lines on the organogram.

According to Buchanan and Huczynski (2019), organisational design affects the behaviour and roles of employees, by concurrently guiding and restricting them.

Organisational designers outline an organisation's formal structure that aids a varied set of roles, filled by persons who probably have different interests, to accomplish the objectives of the organisation. It plays a role in the effectiveness and success of an organisation by enabling individual employees, groups, and departments or units to realise their goals (Buchanan & Huczynski, 2019).

Effective organisational design enhances a firm's ability to create value as it promotes development, coordination of activities, as well as the allocation and utilisation of organisational resources and capabilities (Joseph et al., 2019). Chichoki and Irwin (2014) state that organisational design influences culture, which in turn impacts on the success of the organisation. Good organisational design practice links all these together to create a healthy and strong culture. Furthermore, organisational design can accelerate the flow of information and streamline decision making, thereby ensuring quicker decision making and enabling firms to be more responsive (Chichoki & Irwin, 2014).

2.2.3 The organisational design process

Deloitte (2014, n.p.) developed a comprehensive organisational design process to help organisations to achieve better results. The first step of the process requires the organisation to define its strategic objectives and evaluate its status. This involves gaining clarity and an understanding of the organisation's vision and strategy and developing organisational design principles. Once these have been clarified, an organisation can develop its organisational design options, define the impending core capabilities, and develop an operating model. This is followed by the actual design of the organisation, which involves the development of the high-level structure and the alignment of business processes, workflows, and governance. Thereafter, a detailed structure is developed, followed by job profiles and the transition strategy as part of the actual design phase. Once the actual design is completed, the organisation is ready to transition. The transition phase requires the development and implementation of a detailed workforce transition plan, as well as

constant monitoring of success and opportunities for improvement. Figure 2.1 illustrates the process.

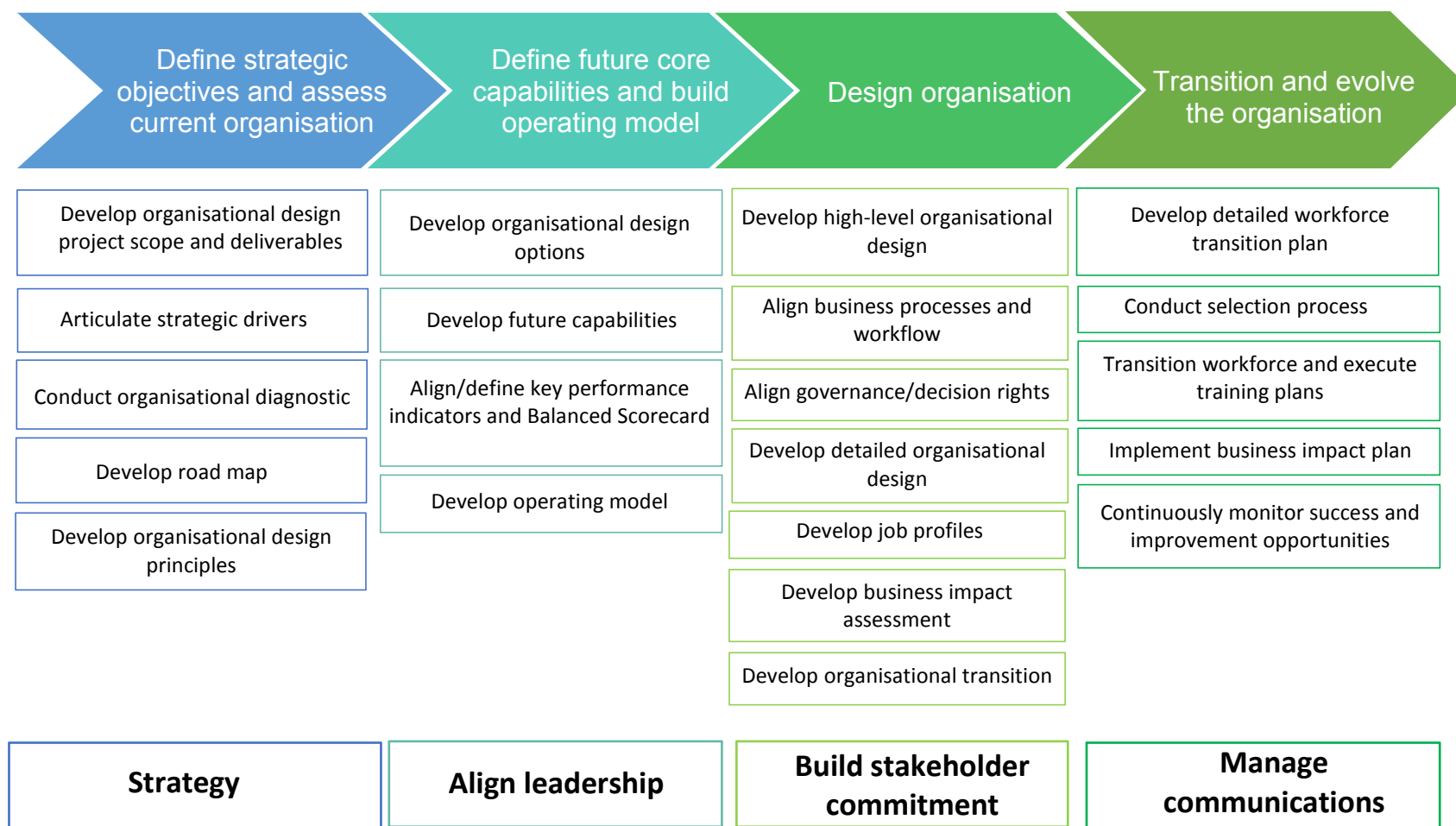


Figure 2.1: Organisational design process

Source: Deloitte (2014, n.p.)

2.2.4 The challenges of organisational design

Most organisational design projects start with good intentions but only a few achieve the expected results. Deloitte (2014) agrees that organisational design projects sometimes do not achieve the business case standards that provided the rationale for the initiation of the project in the first place. Some organisational design projects are initiated to achieve benefits that cannot be attained through organisational design alone – or even at all. Furthermore, most organisational design projects fail because they advance to the design phase without sufficient analysis having been conducted and where analysis was conducted, it was based on high-level or incomplete information. Deloitte (2014) adds that organisational design projects also fail because in most cases this responsibility is shifted to middle managers to design and implement without any participation or support from the senior executives.

Chichoki and Irwin (2014) concur that most organisations believe that organisational design is just the redrawing of an organisational structure without analysing the other elements of an organisation or even thinking about the envisaged design. According to Chichoki and Irwin (2014), organisational design is conducted without understanding or access to training and practical information.

2.2.5 The elements of organisational design

Tomislav, Aleksic and Maja (2013) suggest that the key elements of organisational design are business processes and organisational structure. According to Tomislav et al. (2013), the first scholars to address the need for organisations to align business processes and organisational structure include, among others, Henning and Nordsieck. Tomislav et al. (2013) emphasise that both the business processes and organisational structure are important in organisational design although their focus is slightly different. Business processes and organisational structure are discussed in detail in the following sub-sections.

2.2.5.1 Business processes

(a) Definitions

According to Kaniški and Vincek (2017, p. 55), a business process is a “set of business activities put together with a goal of creating added value for a specific

customer or market”. Wang and Zhou (2019, p. 4) define a business process as a comprehensive, vigorously coordinated set of tasks or activities that must be executed to realise the strategic goals of an organisation.

Bourgeois, Smith, Wang and Mortati (2019, p. 163) define a process as a “series of tasks that are completed in order to accomplish a goal”. A business process therefore refers to a “process that is focused on achieving a goal for a business”.

(b) Process orientation concept

According to Kaniški and Vincek (2017), every organisation has business processes that are implicit in nature and inherent to the organisation from its inception. As different activities take place within an organisation and on diverse levels of hierarchy, various business processes can be identified, which define the organisation itself (Kaniški & Vincek, 2017). Tomislav et al. (2013) state that process orientation focuses on the workflow in an organisation and provides a horizontal perspective of the organisation’s activities. According to Tomislav et al. (2013), the process dimension of an organisation removes functional barriers and ensures integration and coordination of units within the organisation.

Kaniški and Vincek (2017) concur that process orientation provides a horizontal perspective and allows greater coordination and connection for various departments or units within an organisation, into an interrelated unit. According to Kaniški and Vincek (2017), this ensures that the roles of individual activities and their impact on the organisation are considered. Wang and Zhou (2019) emphasise that process-orientated organisations are more likely to defeat functional silos that hinder the flow of information and the value created by the organisation than traditional organisations.

Tomislav et al. (2013) state that organisations that incorporate the process characteristic into their designs can see improvement in the coordination of functional units across the organisation, as well as the reduction of bottlenecks and non-value-added activities in their organisation. Tomislav et al. (2013) identify four process variables that focus on the connection between organisational units, namely unit interdependence, process cycle time, process interdependence, and unit focus. These four variables are discussed as follows.

(i) Unit interdependence

Parker and Wall (1998, quoted in Tomislav et al., 2013, p. 28) state that this characteristic of business processes indicates the degree of collaboration or dependency required for different units to deliver a service or to produce a product. It is identified through the exchange of resources or workflow between organisational units.

Daft (2007, quoted in Tomislav et al., 2013, p. 28) highlights that a low level of unit interdependence indicates that the organisational units have a limited need to consult or interact with one another and can work independently of one another. By contrast, a high level of unit interdependence shows that organisational units must exchange resources regularly and work together to achieve their goals.

(ii) Process cycle time

According to Tomislav et al. (2013, p. 28), process cycle time “represents a measure of process execution”. It is the total time spent on conducting a process and it comprises the time taken to perform both the activities that add value and those that do not. Process cycle time is one of the critical performance measures of business processes; it is therefore the focus area when comparing different process designs (Tomislav et al., 2013).

(iii) Process interdependence

The process interdependence variable is highly connected to technology classifications as identified by Thompson. Thompson (1967, quoted in Tomislav et al., 2013, p. 28) argues that there are three main types of technology: intensive technology, long-linked technology, and mediating technology. According to Tomislav et al. (2013), Thompson’s types of technology signify a range of probable interdependencies between different tasks. The level of interdependence between tasks concerning a business process will highly influence both organisational structure and technology.

(iv) Unit focus

Andersen (1999, quoted in Tomislav et al., 2013, p. 28) argues that all organisational units seek to increase their impact and control in the organisation while enhancing

their performance levels. Each organisational unit focuses on achieving its own goals, which causes conflicting objectives and competitive actions between units in the organisation.

Tomislav et al. (2013) emphasise that an analysis and alignment of business processes can offer significant savings in terms of time, human resources, and costs while delivering high-quality products or services and improving customer and employee satisfaction. According to Kaniški and Vincek (2017), the following are the key features of business processes:

- Every process has a goal.
- Every process has a process owner.
- Every process has a start and an end.
- A process has inputs that go into it and outputs that come out of it.
- A process consists of activities that can be completed sequentially.
- The success of a process can be established based on the input and output.
- A process must have known internal and external suppliers and customers to survive it.
- Process analysis and improvement are necessary.

(c) *Business process analysis*

According to Kaniški and Vincek (2017), business process analysis enables organisations to understand their processes better. By analysing business processes, organisations can identify redundant activities that do not add value, insufficient use of technology, unsuitable rules and procedures, networks between missing processes, and ways of giving feedback.

Kaniški and Vincek (2017, p. 58) identify the steps for analysing processes as follows:

- Define the aim of the activities and analyse the steps involved in the activities.
- Detect if the activity is adding value.
- Define a standard for measuring the outcomes of the activities.
- Determine the knowledge required to complete the activities.
- Define the individuals to perform the activities.

- Define the time span, costs, and resources associated with the activities, and perform process simulation.

Garcia (2014, quoted in Muafi et al., 2019, p. 26) identifies the following steps for improving business or work processes:

- Designing and documenting core processes.
- Monitoring and controlling processes to ensure consistent service standards.
- Anticipating or adapting to changes.
- Taking corrective action when there are problems.
- Preventing problems from reoccurring when there are process changes.
- Analysing the process repeatedly and making changes aimed at continuous process improvement.
- Informing process owners and users about the process changes.
- Involving all relevant stakeholders in process design and analysis.
- Using external data for comparing performance with other organisations.

(d) *The connection between business processes and organisational structure*

According to Wang and Zhou (2019), an organisation is a whole comprised of various interrelated parts.

The flow of relationships in an organisation is called factor flow, such as capital flow, material flow, personnel flow, information flow, and energy flow, by which various sections of the organisation interrelate with one another.

The total relationship flows are the direct factors of organisational success, and both the structure and processes are related to these relationship flows. The organisational structure only reflects the hierarchical reporting relationships between positions in an organisation and does not address the horizontal information flow that must be thoroughly examined to ensure optimum organisational performance (Wang & Zhou, 2019).

According to Ali Ahmady, Mehrpour and Nikooravesh (2016), a structure is not an instrument for ensuring coordination, but it has an impact on all processes of an organisation. Kavale (2012) states that structure encompasses all the people, positions, processes, procedures, technology, culture, and related elements of an

organisation. Tomislav et al. (2013) highlight that the management of an organisation must investigate both the organisational structure and business processes to understand the organisation as an open and multilevel system. Tomislav et al. (2013) emphasise that organisational design can only be a vehicle for improving performance and attaining organisational goals if both the organisational structure and business processes are addressed and developed. Management effort must therefore be channelled toward the synchronous analysis and design of both the business processes and the organisational structure to improve performance and achieve the organisation's goals and objectives.

2.2.5.2 Organisational structure

(a) Definitions

Brooks (2018, p. 215) defines organisational structure as “the way an organisation is configured into work groups and the reporting and authority relationships that connect individuals and groups together”.

Ali Ahmady et al. (2016, p. 456) define organisational structure as “a model through which internal relations of organization, power relations and reporting, formal communication channels, responsibility and decision-making delegation are clarified”.

Pearce and Robinson (2015, p. 337) define organisational structure as “the formalised arrangements of interaction between and responsibility for the tasks, people and resources in an organisation”.

Aslan (2021, p. 283) states that “an organisational structure outlines how certain organisational activities are directed to achieve organisational objectives”.

According to Aslan (2021), these organisational activities comprise roles and responsibilities, as well as formal or informal rules that are guided by three organisational components, namely the degree of complexity, formalisation, and centralisation.

Robbins (2016, p. 106) states that “when companies engage in an organisational restructuring process, they undertake organisational design, which involves making decisions about six key elements: chain of command, span of control, formalisation, work specialisation, departmentalisation, denationalization and centralisation”.

(b) Components of organisational structure

According to Egelhoff (1982, quoted in Ajagbe et al., 2016, p. 8), all factors that are likely to affect the design of the organisational structure must be critically analysed during organisational restructuring. The structural components are therefore an important part of organisational structures as they affect the grouping of tasks, division of labour, coordination, and task accomplishment. Pacana and Ulewicz (2017) add that managers must consider the components of organisational structure when designing the structure. According to Egelhoff (1982, quoted in Ajagbe et al., 2016, p. 8), these structural components include job specialisation, departmentalisation, chain of command, span of control, centralisation, and formalisation.

Ibrahim et al. (2012, quoted in Ajagbe et al., 2016, p. 10) developed a short list that identifies four features that shape and affect the functioning of the organisational structure, namely formalisation, hierarchy, centralisation, and specialisation.

Daft (2021) argues that the four key features that can impact on the organisational structure are formalisation, hierarchy, complexity, and specialisation. The major components identified by Ajagbe, Olujobi and Udo (2016) and Daft (2021) are discussed as follows:

- **Formalisation** refers to the extent to which decisions and work relationships are guided by rules and procedures (Ibrahim et al., 2012, quoted in Ajagbe et al., 2016, p. 10). Daft (2021) emphasises that formalisation relates to the quality of written documentation that defines the activities and behaviour of employees in an organisation. According to Daft (2021), documentation comprises of job descriptions, procedures, regulations, and policy manuals. Bozkurt, Kalkan and Arman (2014) state that formalisation can be classified as either high or low. Organisations that are highly formalised are known to be mechanistic, while organisations with little formalisation are referred to as organic.
- **Hierarchy** of authority refers to the reporting lines and span of control of every manager in an organisation (Daft, 2021). Ajagbe et al. (2016) agree that hierarchy denotes the number of levels in an organisation; from the lowest level to the highest. Ajagbe et al. (2016) emphasise that when the

hierarchy is tall, the decision-making process tends to be slow, while a flat hierarchical structure tends to speed up the decision-making process. Daft (2021) adds that when the span of control is narrow, the hierarchy tends to be taller. According to Daft (2021), span of control refers to the number of people who report to a manager or supervisor.

- **Specialisation** refers to the degree to which tasks and activities are divided into separate jobs (Ajagbe et al., 2016). Daft (2021) argues that if specialisation is high, employees will have a narrow range of tasks, whereas in the case of low specialisation, employees will have a wide range of tasks assigned to them.
- **Centralisation** refers to the hierarchical level that has decision-making authority. If decision making is concentrated at the top level of management, the organisation is centralised, whereas organisations that have delegated the authority to make decisions to the lower levels, the organisation is said to be decentralised (Ajagbe et al., 2016). According to Bozkurt et al. (2014), centralisation may reduce the ability of employees to offer creative solutions and delay interdepartmental communication and sharing of ideas.
- **Complexity** refers to the number of activities and departmental units in an organisation (Daft, 2021).

(c) Types of organisational structures

Different scholars have identified various types of organisational structures that organisations can use. The different types of organisational structures and their benefits are discussed below.

(i) Simple structure

According to Robbins and Judge (2021), a simple structure is a flat organisation that normally consists of only two or three vertical levels, one person with decision-making authority, and a loose body of employees. It has little formalisation, a low level of departmentalisation, wide spans of control, and authority centralised in one individual.

Ali Ahmady et al. (2016) indicate that a simple structure provides for flexible relations and due to partial separation, it has a low level of complexity. There is no need for

formality and organisational architecture focuses mainly on the leaders.

Management order is based on mutual agreement, and coordination and supervision are conducted directly and informally. A simple structure offers several advantages. It is flexible, fast, cheap to operate, and promotes accountability. Its main disadvantage is that it can gradually become inadequate as an organisation grows bigger and if everything is managed by one person, it can cause the company's information and decision-making capabilities to stop should this person fall ill, quit, or retire (Robbins & Judge, 2021).

(ii) Functional structure

A functional structure clusters its tasks and people, from the lowest to the highest, based on similarities in their function, expertise, profession, objectives, or resources used; e.g., marketing, production, finance, and sales (Buchanan & Huczynski, 2019).

According to Tolbert and Hall (2015), a functional structure offers economies of scale and provides people with opportunities to specialise in a functional group. Its major disadvantage is that it does not promote proper coordination across different functional units partly because employees identify primarily with their functional group rather than with the organisation. Furthermore, their immediate supervisors mainly evaluate their performance based on their contributions to the functional unit rather than their ability to work across units (Tolbert & Hall, 2015).

Robins and Judge (2021) concur that a functional structure poses serious challenges to coordination among units and tends to cause in-fighting in and between units, which lead to low staff morale.

(iii) Divisional structure

Buchanan and Huczynski (2019) define a divisional structure as an organisational structure that clusters departments together based on the geographical area, product sold, or type of customer served. Robins and Judge (2021) point out that the divisional structure has contradictory benefits and disadvantages compared to the functional structure. The divisional structure promotes coordination in units and ensures clear responsibility for all activities, although with costs and duplication of functions (Robins & Judge, 2021).

(iv) Multidivisional structure

Buchanan and Huczynski (2019) state that in an organisational development path, if a functional structure is developed, it is converted into a multidivisional structure as a means to decrease the decision-making responsibility by top managers. Each functional structure is responsible for the management of daily operations. According to Buchanan and Huczynski (2019), the main staff is responsible for supervision and the management of organisational relationships with the environment and strategy.

(v) Matrix structure

Ali Ahmady et al. (2016) suggest that a matrix structure is developed for the purpose of creating a type of structure that consists of functional and multidivisional structures. The purpose of a matrix structure is to combine the flexibility and sensitivity of a multidivisional structure with the efficiency of the functional structure; not only based on product logic or customer or geographical region, but also based on functional logic in the multidivisional structure. In a matrix organisation, functional specialised employees work in one or more project teams. This delegation of activities to employees is possible through negotiation between project and functional managers and sometimes with the presence of people in teams or potential members (Ali Ahmady et al., 2016).

Buchanan and Huczynski (2016) argue that a matrix structure is characterised by a dual chain of command. Team members report to two managers, namely a project team manager and a functional manager, which results in two lines of authority.

According to Robins and Judge (2021), a matrix structure promotes economies of scale and proper allocation and utilisation of resources. A major weakness of the matrix is that it creates confusion, fosters power struggles, and places emphasis on individuals rather than teams (Robins & Judge, 2021).

(vi) Team-based structure

Buchanan and Huczynski (2019) state that team-based organisational structures mainly consist of project teams that pay attention to processes instead of specific jobs, coordinate work activities, and work directly with customers and partners to achieve their goals. Robins and Judge (2021) argue that team structures seek to get rid of the line of authority and substitute departments or units with capable teams.

According to Robins and Judge (2021), team structures eliminate horizontal and vertical boundaries and remove external barriers between the company, its suppliers, and customers.

When vertical boundaries are removed, the hierarchy flattens, while status and rank are minimised. Cross-hierarchical teams, participative decision-making practices, and 360-degree performance appraisals can be used (Robins & Judge, 2021).

(vii) Network structure

According to Robins and Judge (2021), network-structured organisations are small, core organisations that subcontract their main business functions. Organisations that use a network structure are highly centralised, with little or no departmentalisation. This kind of structure ensures that projects are well resourced with the best talent to meet demands. It also minimises long-term risks and associated costs because teams are only formed for a limited period and then disbanded (Robins & Judge, 2021).

Ali Ahmady et al. (2016) add that network structures are created when organisations are confronted with the challenges of rapid technology changes, short product life cycles, and dispersed and specialised markets.

(viii) Collaborative relationship structures

Anand and Daft (2007, quoted in Robins & Judge, 2021) define collaborative relationship structures as an organisational design that comprises a relationship between two or more organisations that share ideas, staff, knowledge, technology, and production for mutual benefit. According to Robins and Judge (2021), collaborative relationship structures are characterised by the organisational design type termed “boundaryless organisation”. This notion holds that firms have permeable limitations, both internally and externally. Collaborative relationship structures encourage close partnerships with external stakeholders and improve integration among functional units or departments to promote free exchange of information and ideas, which maximises the flexibility of a firm and enables it to respond quickly to change.

(ix) Bureaucratic organisational structure

Robins and Judge (2021) state that bureaucracy is characterised by centralised authority, narrow spans of control, tasks that are highly routine, grouping of tasks into units, strictly formalised rules and regulations, specialisation, and decision making that follows the chain of command.

The main advantage of a bureaucratic organisational structure is the ability of an organisation to accomplish standardised tasks in an efficient manner. Grouping homogeneous specialties together in units leads to economies of scale, reduces duplication of human and physical resources, and ensures that employees share a common language.

Bureaucratic organisational structures are also less costly as rules and regulations compensate for managerial discretion; organisations can therefore function with fewer talented lower-level managers (Robins & Judge, 2021). Ali Ahmady et al. (2016) indicate that determining criteria, unifying work methods, and standardisation are key concepts or foundations of machine bureaucracy. Examples are banks, chain stores, tax offices, health offices, and firefighting, which rely on the standardisation of work methods for coordination and good supervision.

(x) Hybrid structure

In a hybrid structure, one part is dedicated to the type of structure and another part to another type of structure. In a hybrid structure, by moving from one section or structure to another structure, the relationship basis is changed, and hybrid forms can be unclear. On the other hand, a hybrid structure provides the organisation with the best and most flexible structure to use (Ali Ahmady et al., 2016).

(d) *Impact of organisational structure*

(i) Benefits of the organisational structure

According to the Malaysian Code on Corporate Governance (Malaysian Securities Commission, 2017), an effective and efficient organisational structure simplifies the creation of public worth. Additionally, the development of an organisational structure ensures that the required resources are available for the organisation to achieve its objectives and to evaluate performance (Malaysian Securities Commission, 2017).

Mullins and Christy (2016) state that the organisational structure is critical for ensuring allocation of responsibilities among staff members and coordination of employees' activities so that efforts are directed towards the achievement of goals and objectives.

Mullins and Christy (2016) further summarise the benefits of an organisational structure as follows:

- Ensures the efficient and economic utilisation of resources and the performance of the organisation.
- Enables managers to monitor the activities of the organisation.
- Promotes accountability for teamwork and activities performed by individual employees of the organisation.
- Ensures coordination of activities across the organisation and different work areas.
- Provides for flexibility to enable the organisation to respond to future developments and demands and to adjust to fluctuating environmental pressures.
- Provides job and social satisfaction of employees in the organisation.

(ii) Challenges of the organisational structure

According to Brooks (2018), an organisational structure can have several challenges, especially in large organisations. Brooks (2018) argues that while specialisation encourages excellence, employees tend to focus on their individual goals instead of directing their efforts towards the common goals of the organisation. An organisational structure reduces the participation of employees in decision making, which usually results in wasted opportunities. Furthermore, Brooks (2018) states that organisational structures cause standard work routines, which affect employees' levels of job satisfaction and lead to poor work outcomes.

Mullins (2016) agrees that deficiencies in organisational structures increase costs, affect the motivation and morale of employees, and can cause delays in decision making, poor coordination of activities, and low response to opportunities and environmental changes.

According to Barney and Hesterly (2018), a firm must have an organisational structure and management controls that are aligned to its strategies to ensure effective implementation of its strategic plan.

(e) *The link between strategy and organisational structure*

Chandler (1962, quoted in Kavale, 2012, p. 5) claims that structure follows strategy. According to Kavale (2012), this suggests that every organisational structure is developed in line with the organisation's strategy; effective implementation of the organisation's strategy therefore depends mainly on its organisational structure. Kavale (2012) adds that changes in the organisation's strategy can cause administrative difficulties that necessitate the design of a new structure for the new strategy to be implemented successfully. According to Ajagbe et al. (2016), the difficulties are caused by the fact that the existing structure is not effective in managing the activities expected by the new strategy. Organisations must therefore redesign the organisational structure to meet the demands of the new strategy and to enhance performance. Long et al. (2012, quoted in Ajagbe et al., 2016, p. 60) emphasise that failure to redesign the structure will ultimately lead to a deterioration in performance.

Kavale (2012, p. 12) suggests that top management must ensure monitoring of the organisational structure from strategy development to strategy implementation, as well as alignment with the remote environment. The organisational structure must support the strategy to achieve organisational performance; top management must therefore ensure that there is alignment between strategy, structure, and the environment.

Both organisational structure and strategic management theories are relevant when examining the organisational design process. This section reviewed the theoretical perspectives of different scholars on organisational design and the organisational structure and business processes as the key elements of organisational design and the drivers of strategy implementation. The next section explores the concept of strategic management and strategic planning as a subcomponent thereof.

2.3 THE CONCEPT OF STRATEGIC MANAGEMENT

2.3.1 Definitions of strategic management

Lazenby (2018, p. 6) defines strategic management as a process of analysing the external and internal environments of an organisation, identifying strategic goals, and developing strategies based on the organisation's vision and mission. The process must be applied through a synchronised and combined effort of diverse functional

areas to attain the organisation's strategic goals with the aim of gaining competitive advantage.

Sammur-Bonnici (2015, p. 2) states that strategic management is "the process of evaluation, planning, and implementation designed to maintain or improve competitive advantage".

According to Barney and Hesterly (2018, p. 27), the strategic management process refers to "a sequential set of analyses and choices that can increase the likelihood that a firm will choose a good strategy; that is, a strategy that generates competitive advantages".

2.3.2 Strategic management process

The steps involved in a strategic management process are discussed below.

2.3.2.1 Organisational direction

According to Lazenby (2018), organisations must have a clear direction. An organisation's vision, mission, and values specify its direction and pave the way for environmental analysis. An inspiring vision will ensure that members of the organisation remain focused and understand the purpose of the organisation and the values upon which to base their operations.

Barney and Hesterly (2018) agree that the strategic management process begins with a definition of a firm's mission. According to Barney and Hesterly (2018), a firm's mission is its long-term purpose, which points out what a firm aspires to be over the long term and what it needs to prevent in the interim.

2.3.2.2 Objectives

Barney and Hesterly (2018, p. 28) define objectives as "the specific measurable targets a firm can use to evaluate the extent to which it is realising its mission". Only objectives of high quality can be used to assess how well an organisation is achieving its mission. An organisation that has low-quality or no objectives cannot achieve its mission. According to Barney and Hesterly (2018), high-quality objectives are firmly linked to an organisation's mission and can easily be measured and tracked over time. On the contrary, objectives of low quality are usually not aligned to

the firm's mission, not quantitative, and can hardly be measured or are difficult to track over time.

2.3.2.3 *Environmental analysis*

Lazenby (2018) states that there must be a good fit between an organisation's strategy and its environment. An environmental analysis will ensure this fit, and it involves an assessment of the internal environment for potential strengths and weaknesses, as well as the external environment to identify opportunities and threats.

Barney and Hesterly (2018) concur that through an analysis of the external environment, a firm can identify the critical threats and opportunities in its competitive environment. External analysis also examines how competition is likely to evolve in the market environment and how this will affect the firm. Barney and Hesterly (2018) add that an internal analysis enables the firm to understand which of its resources and capabilities are potential sources of competitive advantage and which are likely to affect its performance.

There are different views regarding the stage during which to conduct environmental analysis. According to Lazenby (2018), environmental analysis is the most critical stage of the strategic management process and without it, an organisation is unlikely to move effectively to the strategy formulation phase.

Barney and Hesterly (2018) argue that an organisation is ready to conduct an environmental analysis after it has identified its strategic goals and objectives.

2.3.2.4 *Strategy formulation*

After completing the mission, objectives, and environmental analysis, a firm is equipped to decide on its strategies. Grant (2018) highlights that recommended strategies do not specify exactly what needs to be done; instead they communicate the main source of a firm's competitive advantage and how it will improve its competitive position.

Barney and Hesterly (2018) suggest that there are two broad categories of strategic choices: business-level strategies and corporate-level strategies. Business-level strategies relate to actions taken by firms to gain a competitive advantage in an industry or single market. Corporate-level strategies relate to actions taken by a firm

to improve its competitive advantage by working in various markets or industries simultaneously.

Barney and Hesterly (2018) emphasise that when selecting a strategy, management must choose a strategy that (1) supports the mission of the firm, (2) is aligned to the objectives of the firm, (3) defuses threats within a firm's environment while avoiding its weaknesses, and (4) exploits opportunities in a firm's environment with a firm's strengths. A strategy is likely to be a source of a firm's competitive advantage if it meets these criteria.

2.3.2.5 Strategy implementation

Organisational goals and strategies do not implement themselves. Grant (2018) suggests that unless a strategy is implemented, it remains an idea that is articulated in words. Strategy implementation involves motivating people and allocating resources. Grant (2018) suggests that firms put an organisational structure and systems in place to facilitate the implementation of their strategies.

Barney and Hesterly (2018) agree that simply choosing a strategy is useless if nothing is done to implement it. They emphasise that strategy implementation happens when a firm decides on organisational policies and practices that are aligned to its strategy.

According to Barney and Hesterly (2018), there are three specific organisational policies and practices that are necessary for strategy implementation; namely (1) a formal organisational structure, (2) formal and informal management control systems, and (3) employee compensation policies. For a firm to implement its strategies successfully, its organisational structure, management controls, and compensation policy must be consistent with and reinforce its strategies.

The strategic management process as discussed above is illustrated in Figure 2.2.

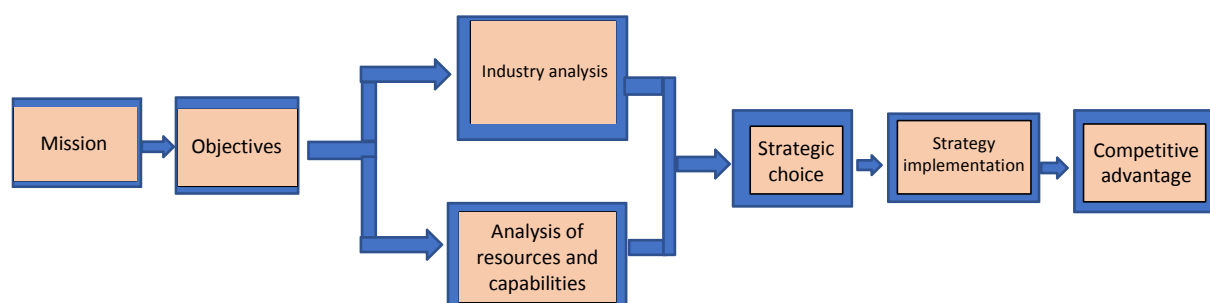


Figure 2.2: Strategic management process

Source: Barney and Hesterly (2018, p. 28)

2.3.3 Strategic planning

2.3.3.1 Definitions of strategic planning

Katsioloudes and Abouhanian (2016, p. 10) define strategic planning as “the process by which a system maintains its competitiveness within its work environment by determining where the organization is, where it wants to go, and how it wishes to get there”.

Bryson (2016) cites Bryson’s (2011, p. 7) definition of strategic planning as a “disciplined effort to produce fundamental decisions and actions that shape and guide what an organization (or other entity) is, what it does, and why it does it”.

Valcik (2016, p. 15) defines strategic planning as a framework for guiding organisations in their operations in order to achieve the mandates or goals determined by politicians, constituents, or board members in the case of non-profit organisations. Fundamentally, a strategic plan provides a set of detailed guidelines to assist an organisation to work towards its goals and objectives. A strategic plan is a framework that describes the resources (current and future), policy guidelines, and business processes necessary for the organisation to achieve its objectives. These resources must be aligned to the vision and mission statements established by the organisation.

2.3.3.2 Impact of strategic planning

Strategic planning offers benefits and limitations to organisations, as discussed below.

(a) Benefits of strategic planning

Strategic planning offers several benefits to different forms of institutions. According to Valcik (2016), strategic planning provides a framework for organisations to achieve their goals, fully utilise their resources, and serve their clients. In non-profit organisations, strategic planning is an excellent instrument for developing and providing motivation for financial support when it is required (Katsioloudes & Abouhanian, 2016). Valcik (2016) agrees that by developing a strategic plan and

linking it to a budget, organisations can estimate their expected revenues and forecast the expenditures to be incurred, which have an impact on the organisation's ability to create revenue and meet its financial obligations. Furthermore, strategic planning helps organisations to be transparent and accountable, which improves their chances of obtaining funding. For public sector institutions, understanding and analysis of an organisation's priorities can assist the legislature and executives to evaluate and support an organisation's future needs.

According to Bryson (2016), strategic planning enables communication and commitment, accommodates diverse values and interests, facilitates informed decision making, and promotes accountability and continuous learning in an organisation.

Furthermore, developing strategic plans ensures smooth transition in leadership because new administrators can discover what forces are connected to the existing strategic plan and understand where potential obstacles exist (Valcik, 2016).

(b) Limitations of strategic planning

Katsioloudes and Abouhanian (2016) contend that strategic planning does not predict the future but can assist managers with the monitoring and assessment of the validity of assumptions. Furthermore, strategic planning is not a replacement of leadership, but facilitates decisions about issues that must be prioritised and how they need to be responded to.

Bryson (2016) states that organisations that want to use strategic planning and ensure effective implementation thereof must build capacity to conduct strategic planning and provide leadership to engage effectively in strategic planning.

This section provided a theoretical perspective on strategic management and strategic planning as a subcomponent of strategic management. The next section reviews literature on the concepts of organisational design, strategic planning, and budget planning within the context of the South African public service.

2.4 THE CONCEPTS OF ORGANISATIONAL DESIGN, STRATEGIC MANAGEMENT, AND BUDGET PLANNING WITHIN THE CONTEXT OF THE SOUTH AFRICAN PUBLIC SERVICE

This section provides perspectives on organisational design, strategic planning, and budgeting within the context of the South African public service. The relevant processes and the legal frameworks that govern these concepts are also discussed.

2.4.1 Organisational design

According to the DPSA's (2010, p. 11) Guide and Toolkit on Organisational Design, organisational design "refers to the process of aligning the structure of the organisation to its objectives, with the aim of improving the efficiency and effectiveness of the organisation".

2.4.1.1 Legislative framework

A number of legal instruments point to the process of organisational design. Some of the key instruments are discussed below.

(a) Constitution of the Republic of South Africa, No. 108 of 1996

The Constitution of the Republic of South Africa is the supreme law of the country and makes provision for other pieces of legislation regarding planning and performance monitoring across the three spheres of government. Chapter 10 of the Constitution sets out basic values and principles that underpin the administration of the public service and other organs of state.

(b) Public Service Act, No. 103 of 1994

The Public Service Act of 1994 (as amended by the Public Service Amendment Act, No. 30 of 2007) in Chapter III, section 3(7), states that "an executive authority has all those powers and duties necessary for –

- a) 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".

(c) *Public Service Regulations, 2016*

The Public Service Regulations in Chapter 3, section 25(2), states that “based on the strategic plan of the department, an executive authority shall –

- (a) determine the department’s organisational structure in terms of its core mandated and support functions –
 - (i) in the case of a national department or national government component, after consultation with the Minister and National Treasury; and
 - (ii) in the case of a provincial department or provincial government component, after consultation with the relevant Premier, the Minister and the relevant provincial treasury;
- (b) define and create the posts necessary to perform the relevant functions of the department while remaining within-
 - (i) the current budget;
 - (ii) the Medium-Term Expenditure Framework of the department; and
 - (iii) the norms and standards determined by the Minister for post provisioning for occupations or categories of employees; and the posts so defined and created shall constitute the department’s approved establishment”.

Based on the legal prescripts cited above, the DPSA (2010) developed a six-phase standard process for organisational structuring in the public service. The six-phase process consists of five review points and each phase is composed of steps with deliverables to guide the organisational design project team.

2.4.1.2 Organisational restructuring process

The DPSA’s (2010, p. 3) Guide and Toolkit on Organisational Design outlines the process as follows:

(a) *Phase 1: Diagnosis*

Diagnosis is preceded by the initiation process, which requires practitioners to acquire formal approval to undertake the restructuring process. During this phase, the current organisational context (strategy and external realities) and its current performance are reviewed to identify gaps. The information is analysed to identify the problem and its root cause(s). Based on the analysis, a decision is made

whether the problem is structural or not. In the case of a non-structural problem, the department should embark on other relevant and appropriate processes to address the identified challenges or issues. If the problem is structural, the department should develop a case for engaging in the review or/and redesign process.

(b) Phase 2: Determine structure requirements

This phase requires practitioners to decide on the critical structure and capability requirements, including stakeholder needs, organisational processes, and associated requirements, for the organisation to achieve its strategic objectives.

This includes determining the capability requirements. It is also necessary to determine additional external design requirements that will affect the organisation's performance in the future. If the restructuring is to address a strategic problem/opportunity (for example, a change in mandate), an operating/service model should be constructed to provide a graphic representation of how the organisation will operate.

(c) Phase 3: Design

Design involves the initial architecture of the formal functional and operational structures with purposes and functions set through consultation with the relevant stakeholders in the department. Functions are formulated with due consideration of the key legislative mandate, business processes, and service delivery model. Job design refers to designing specific roles or jobs to be performed in the organisational structure and is done once the functional and operational structures are approved.

According to the DPSA (2010), this process also involves the development of job descriptions, job analysis, and confirmation of job level through job evaluation.

After the confirmation of the job levels, the department should assess the cost implications associated with the review of the organisational structure and consult Treasury for a confirmation of the budget to implement the organisational structure.

(d) Phase 4: Planning

Once the budget is confirmed by Treasury, a full business case should be completed for consideration by the Executive Authority, the Premier, and the MPSA. A business

case is a management service report that presents the areas to be addressed, investigation(s) conducted, findings, optional analysis, and recommendations. It is also important to develop a draft implementation plan that includes the implementation strategy, risk analysis, dependency analysis, technology and infrastructure requirements, layout (if applicable), impact analysis, employee migration strategy, and the monitoring and review plan.

After completing the business case, the department must prepare a consultation request signed by the Executive Authority, which must be forwarded to the OTP for quality assurance and concurrence by both the OTP and the MPSA.

(e) Phase 5: Implementation

During this phase, the Executive Authority must consider the contents of the concurrence letter from the MPSA before the organisational structure is approved for implementation. The Executive Authority must ensure implementation of the organisational structure in good faith by signing and dating all the pages to avoid unauthorised changes.

Once the organisational structure is officially signed off, the department must submit a copy to the DPSA to ensure that the database is updated.

(f) Phase 6: Monitor and evaluate

The success of the adjusted or new organisational structure is monitored and evaluated based on the monitoring and review strategy. Figure 2.3 provides an illustration of the organisational design process followed in the public service.

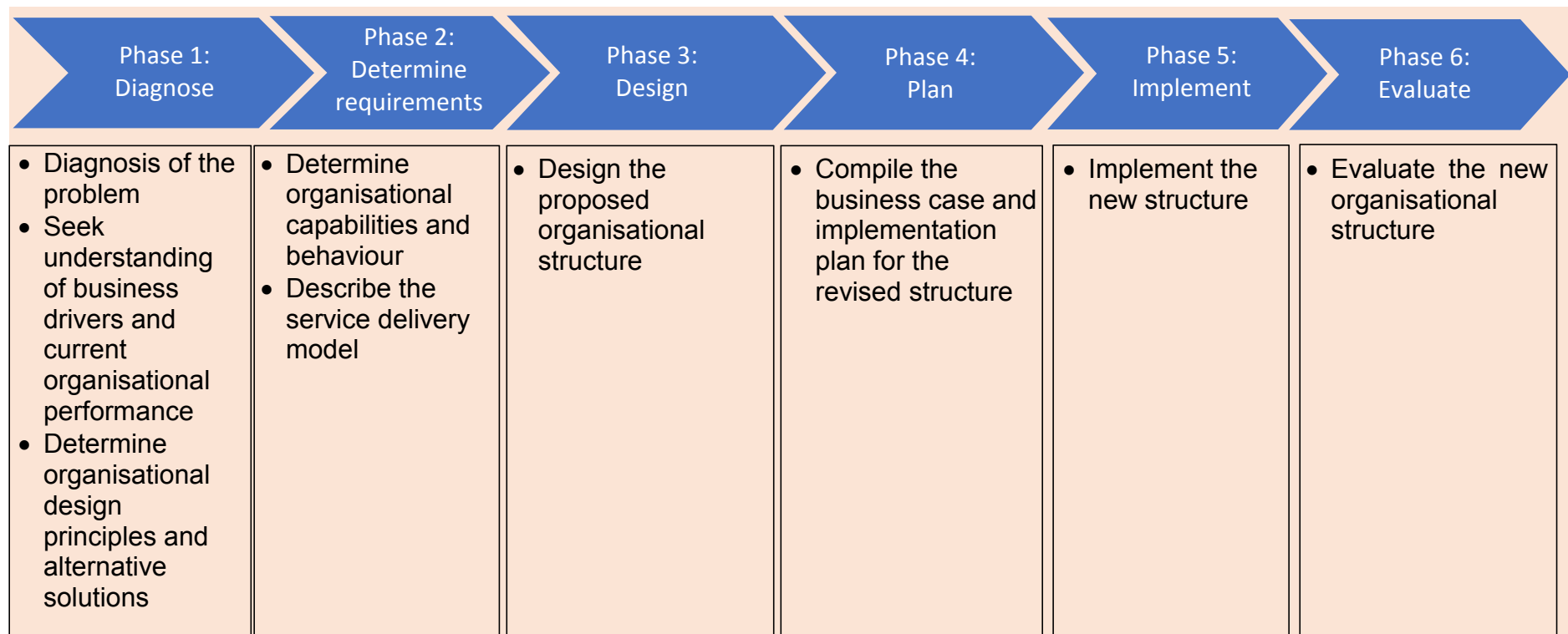


Figure 2.3: Organisational design process

Source: DPSA (2010, p. 2)

2.4.1.3 Comparison between the Department of Public Service and Administration's (DPSA) organisational design process and Deloitte's organisational design process

This section provides a comparison between the organisational design process developed by the DPSA and Deloitte's organisational design process, as discussed in Section 2.2.3.

Both the DPSA and Deloitte's organisational design processes were developed to help organisations achieve better results. The DPSA outlines the organisational design process to be followed in the South African public services, while Deloitte is a consulting firm that provides specialist advice to businesses in different industries (Deloitte, 2014).

(a) Similarities between the DPSA and Deloitte's organisational design processes

Although the different phases of the processes are named differently, there are several similarities in the process itself. The main similarities of the two processes are discussed below.

Both processes begin with a comprehensive diagnosis of the organisational challenges and an analysis of the institution's organisational context, including its strategies. The processes also require that organisational design principles be determined during this phase.

Both the Deloitte and DPSA processes require organisations to define their future capabilities and develop a service delivery or operating model after completing the first phase.

Both processes lead to the design of the organisation once future capabilities are defined and the service delivery model is finalised. In both processes, design involves the architecture of the organisational structures, as well as the alignment of business processes and job design. Designing specific roles or jobs to be performed in the organisational structure is done once the functional and operational structures are approved.

(b) Differences between the DPSA and Deloitte's organisational design processes

The main difference between the two processes is that the DPSA's process consists of six phases, while Deloitte's process has four phases. Because of the nature of the business conducted by Deloitte, there is no need to develop a business case for consideration by the Executive Authority during the organisational design process. In the DPSA's organisational design process, implementation and evaluation take place during Phases 5 and 6, while Deloitte has incorporated both steps into the implementation phase. The differences are summarised in Table 2.1.

Table 2.1: Summary of the differences between the DPSA and Deloitte's organisational design processes

Description	Deloitte	DPSA
Phase 1	Clearly specifies the need to develop a project scope with deliverables and a project road map.	The development of project scope, deliverables, and road map are not specified.
Phase 2	Requires definition or alignment of key performance indicators or a Balanced Scorecard as part of defining future core capabilities.	Alignment of key performance indicators or a Balanced Scorecard is not required.
Phase 3	Integrates the development of a business impact assessment and organisational transition plan into the design phase.	Requires an analysis of cost implications associated with the review of the organisational structure and obtaining budget confirmation from the relevant Treasury.
Phase 4	Implementation phase, which includes transitioning the workforce and the execution of training plans.	Requires the development of a full business case for consideration by the Executive Authority, the Premier, and the MPSA.
Phase 5		Implementation.
Phase 6		Evaluation.

For the purposes of this study, the DPSA's organisational design model was considered as it emphasises the need to consider the key legislative mandates and takes into account all the relevant stakeholders that must be consulted in terms of the relevant legislation.

2.4.2 Strategic management

2.4.2.1 Legislative framework

Several legal instruments guide the strategic management process in the public service. Some of the key instruments are discussed below.

(a) Constitution of the Republic of South Africa, 1996

Section 114(2) states that “a provincial legislature must have mechanisms in place to ensure that all provincial executive organs are accountable to it and to maintain oversight of the exercise of provincial executive authority, including implementation of legislation, and any provincial organ of the state”.

(b) Public Service Act, 1994

The Public Service Act of 1994 (as amended by the Public Service Amendment Act of 2007) encourages integrated planning and informs national and provincial planning and reporting processes. Chapter II, section 3(1), of the Public Service Act states that the MPSA “is responsible for establishing the norms and standards relating to transformation, reform, innovation and any other matter to improve the effectiveness and efficiency of the public service and its service delivery to the public”.

(c) Public Service Regulations, 2016

Section 25(1) in Chapter 3 of the Public Service Regulations indicates that the Executive Authority “shall prepare a strategic plan for his or her department that -

- (a) states the department’s core objectives based on constitutional and other legislative or functional mandates.
- (b) describes the core and support activities necessary to achieve the core objectives, avoiding duplication of functions.
- (c) describes the targets to be attained in the medium term.
- (d) sets out a programme for attaining those targets”.

(d) Treasury Regulations, 2005

Section 5.1. in Chapter 5 of the Treasury Regulations states that “the accounting officer of an institution must prepare a strategic plan that is consistent with the period

covered by the Medium Term Expenditure Framework [for the forthcoming MTEF period] for approval by the relevant executive authority”.

2.4.2.2 Strategic management process

The Public Service Framework for Strategic Plans and Annual Performance Plans (National Department of Treasury, 2010, pp. 33-36) outlines the process for development of strategic plans as indicated below.

(a) Stakeholder consultation

Strategic plans are developed in consultation with the relevant stakeholders, both internal and external. Stakeholder consultation is done through workshops according to programmes or sub-programmes or through consultation meetings with the relevant groups; however, this is still done per programme, sub-programme, outcome, or functional area. Where necessary, institutions must give preference to women, youths, and people with disabilities during engagements with stakeholders.

(b) Identification of planning tools

The accounting officer and the head of planning must identify and agree on the tools to be used during the planning process through a clear process of collaboration, communication, and partnership. At the same time, a thorough diagnostic analysis must be conducted to determine the contribution of identified outcomes to the achievement of the National Development Plan, the Medium-Term Strategic Framework (MTSF), and provincial priorities.

(c) Prioritisation of budget

The head of planning consults the chief financial officer (CFO) to ensure that the budget is prioritised to aid the attainment of planned outcomes.

(d) Consolidation of strategic plans

After the plan has been developed, the institution’s Head of Planning must ensure its consolidation using the relevant planning tools. Institutions must develop internal sign-off mechanisms to enable programme managers to sign off on the content of the strategic plan.

(e) Approval

The strategic plan must be signed off by the Head of Planning, the CFO, and the accounting officer before it is submitted to the Executive Authority for approval.

The accounting officer must submit the strategic plan to the institution's Executive Authority for approval.

(f) Alignment with official timeframes

The accounting officer is required to ensure alignment of strategic planning processes to the timeframes as determined by the Leader of Government Business, the Department of Planning, Monitoring and Evaluation (DPME), the provincial legislature, and the OTP.

(g) Distribution of strategic plans

The strategic plan needs to be shared with the relevant stakeholders, including the DPME, the provincial legislature, the OTP, and Treasury. The strategic plan must also be published on the institution's website.

2.4.3 Budgeting framework for government departments and institutions

Frameworks that guide the budget process in the public service are discussed in the next section.

2.4.3.1 Medium-Term Expenditure Framework (MTEF)

The MTEF was adopted in the year 2000. It allows for inflation-linked increases during the second year of the three-year rolling cycle. This results in the escalation of programme budgets without value for money in the services delivered. Consequently, there have been budget constraints over the past decade, which caused the government to introduce spending reviews and zero-based budgeting (ZBB) as critical tools to improve the fiscus (National Department of Treasury, 2022).

2.4.3.2 Zero-based budgeting (ZBB) through spending reviews

The Minister of Finance approved the ZBB system to ensure that spending is aligned with growth-enhancing programmes. This is because as time progresses, certain programmes become redundant or are duplicated across the sectors of government,

which cause them to become irrelevant and ineffective. ZBB is not meant to replace medium-term budgeting but to enhance it by introducing evidence-based analytical budgeting as opposed to incrementalism.

ZBB is implemented through spending reviews as the main tool. The main purpose of spending reviews is to promote the verification of expenditure baselines to detect any efficiency gains and possible savings to ensure that there are additional resources for priorities. The focus is thus on the policy or programme instead of an expenditure item to ensure that the efficiency gains that result from the spending reviews have a material impact on the department's overall budget. The efficiency gains detected during spending reviews are incorporated into the department's budget submissions.

Spending reviews ensure detailed analysis of expenditure trends and allow officials to understand the articulation between policy goals and budget needs from a unique perspective (National Department of Treasury, 2021).

2.4.3.3 Budget process

According to the MTEF Provincial Guidelines (National Department of Treasury, 2022), departments are required to make comprehensive submissions to Treasury on an annual basis, which must detail all the expenditure proposed for appropriation against a vote, including transfers to public entities/institutions and municipalities.

This is the main budget submission, and it is done by the accounting officer of a provincial department and presented to the Provincial Treasury, with a signed cover letter attached to confirm that the submission is the expression of the department's strategic direction with regard to any budget baseline changes after consultation with its executive management. Where a department is required in terms of its mandate to transfer funds to other government institutions or play an oversight role, the accounting officer guides the preparation of budget submissions in collaboration with the affected institutions. An endorsement letter from the accounting officer is also submitted to Treasury.

Budget proposals are presented to the Provincial Medium-Term Expenditure Committee (MTEC) led by Treasury. The role of the Provincial MTEC is to ensure

alignment of provincial budgets with strategic planning documents such as the National Development Plan, provincial and local government economic development strategies, the 2019-2024 MTSF, the District Development Model, and integrated development plans. Furthermore, the Provincial MTEC promotes joint planning between departments, municipalities, and public entities. The Provincial MTEC makes recommendations to the provincial executive councils and other relevant structures on budget allocations.

2.5 EXAMPLES OF ORGANISATIONAL DESIGN WITHIN A GLOBAL CONTEXT

This section provides examples of organisational design at the international level. Firstly, the link between strategic management and organisational structures in European ports is discussed. Thereafter, the researcher provides examples of organisational design initiatives in international countries.

2.5.1 The link between strategic management and organisational structures in European ports

Strategic management is making strides in the European port industry, and leading ports such as the Port of Singapore and Rotterdam are actively using strategic management tools to improve their corporate activities (Ferch & Roe, 2018). European ports engage in strategic management activities that include strategic planning or strategic capability management. The strategy-making process comprises the development of a mission statement; auditing; strategy formulation, assessment, and selection; and implementation and control. Once the strategy-making process is completed, a change in organisational structure and management culture is considered the key factor that enables institutions to achieve corporate success through strategy (Ferch & Roe, 2018).

2.5.2 Examples of organisational design initiatives in international companies

2.5.2.1 Organisational design at Apple

Apple is prominent for offering innovative solutions in hardware, software, and services. The company's headcount and revenue grew from 8 000 employees and \$7 billion in 1997 to 137 000 employees and \$260 billion in 2017. Apple's success can be attributed to its organisational design and leadership models.

The company adopted a functional structure, unlike most companies of its size (Hill, Schilling & Jones, 2016). A functional structure is important for the company as it operates in an environment with a high rate of technological advancements and disruptions. The company's organisational structure is more focused on functional expertise, which ensures that people who have the most expertise and experience in a particular area are empowered with decision rights in that area. Furthermore, the organisational structure offers the company a winning advantage as it relies on the intuition and judgement of people with deep knowledge of the technology that is causing market disruptions (Podolny & Hansen, 2020).

Under the functional structure, the company operates without general managers or people who oversee the whole process from product development to sales and are assessed based on the profit and loss statement. In contrast, senior vice presidents are responsible for functions rather than products (Podolny & Hansen, 2020). Hill et al. (2016) add that senior vice presidents report directly to the chief executive officer (CEO) and are responsible for Internet software and services, industrial design, hardware engineering, software engineering, and worldwide marketing, together with the company's general council and the CFO. The team meets on a weekly basis to review the company's strategy, its operations, and product development efforts.

2.5.2.2 Organisational design at Unilever

Unilever is a multinational company that produces a range of products, including detergents, food and beverages, and personal care and beauty products. The company was established in 1929 after a merger between the Dutch margarine manufacturer Unie and the British soap producer Lever Brothers (Abbas, 2023).

Historically, Unilever followed a decentralised model where subsidiary companies were in charge of the production, sales, marketing, and distribution of their product. This model enabled local managers to align product offerings and marketing strategies to local preferences and tastes. Sales and distribution strategies were also altered to match existing retail systems (Hill et al., 2016).

According to Hill et al. (2016), the company revisited its decentralised model in the late 1990s due to rapid changes in the environment. The company also faced the challenges of duplication, lack of economies of scale, and a high cost structure. A new structure was introduced and the company was organised according to business groups, where each business group has divisions that focus on specific products (Hill et al., 2016).

The company embarked on another restructuring initiative in the early 2000s, to support its strategic focus of reducing the number of brands on a regional or global scale. The number of factories were reduced from 350 to 200 and the company's headcount decreased by 25% (Brewster, Houldsworth & Sparrow, 2023). The company then adopted a divisional structure and two divisions were established based on the product focus, namely the food division and the home and personal care division. This organisational structure supports the product differentiation strategy that Unilever adopted to maintain its competitive advantage (Young, 2023).

2.5 CONCLUSION

This chapter focused on a literature review of the concepts of organisational design, strategic management, and budget processes. It was discovered that there are different perspectives on the concept of organisational design. While organisational design refers to the process of aligning the organisational structure to organisational mandates in the South African public service, it is described by various scholars as a broad concept that includes business processes, organisational structure, people, and policies. The literature review addressed the need to align the organisational structure and business processes as the key elements of organisational design. Furthermore, several scholars have emphasised the connection between the organisational structure and strategy. The literature review provided an understanding of government processes in relation to organisational design and the

budget process. Finally, the literature review provided international examples of organisational design. To gain a better understanding of the organisational design process in the Provincial Government Department, the business processes, organisational structure, strategy, and budget process must be examined to identify the most effective organisational design approach for the department.

CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY

3.1 INTRODUCTION

The purpose of this chapter is to discuss the research design and methodology that were applied in the study. This chapter starts by introducing the philosophical paradigms and assumptions that underpin this research. Thereafter, the research approach, design, and methods emanating from social constructionism are discussed. In concluding the discussions, ethical considerations and measures that were implemented to ensure the validity and reliability of the research are presented.

3.2 RESEARCH PHILOSOPHIES

Saunders et al. (2019, p. 163) define research philosophy as “a system of beliefs and assumptions about the development of knowledge”. They suggest that every research study is founded on some basic philosophical assumptions in terms of what is considered to be “valid” research and what research method(s) is/are suitable for developing knowledge in a given study. The philosophy that underpins this study is interpretivism. The philosophy of interpretivism is relevant for the study as the researcher needed to derive meaning from various data sources and aimed to recommend a strategic model for organisational design for the Provincial Government Department. Creswell (2016) states that individuals with interpretive beliefs hold that every person has his or her own opinions and that the researcher must uncover these opinions. Saunders et al. (2019) state that interpretivism is related to the philosophical stance of idealism and is used to categorise different approaches together – comprising phenomenology, social constructivism, and hermeneutics – that do not support the objectivist understanding that meaning exists in the world independent of consciousness.

There are three types of research assumptions that distinguish research philosophies, namely ontology, epistemology, and axiology (Saunders et al., 2019).

Saunders et al. (2019) suggest that ontology means the assumptions made by researchers regarding the nature of reality. In this study, the only reality is that throughout the study, the researcher relied on the views of the participants regarding

the topic that was investigated. A researcher's ontological assumptions guide how they perceive and study their research objects.

Idealism is associated with interpretivism, and it suggests that the world comprises only symbols or representations that are formed by individual minds. Idealism suggests that there is only "sensation", and for idealists this sensation is in the mind (Saunders et al., 2019). As a result, participants with first-hand information about the Provincial Government Department's organisational design process and those with expertise in organisational design were asked to share their views during the study.

Epistemology refers to "assumptions about knowledge, what constitutes acceptable, valid and legitimate knowledge, and how we can communicate knowledge to others" (Saunders et al., 2019, p. 166). Williams (2016) states that epistemology was founded on two separate traditions, namely rationalism and empiricism.

Rationalism is characterised by the need to create a factual basis for knowledge, through judgement, in a similar manner as can be done in pure mathematics (Williams, 2016). On the other hand, empiricists hold that it is only our senses that can provide solid knowledge about the world (William, 2016). Hossain (2014) concurs that as a category of epistemology, empiricism ignores the theory of instinctive ideas and focuses solely on evidence and experience as it relates to sensory perception. Hossain (2014) adds that empiricism rejects the use of prior reasoning during the gathering and analysis of knowledge. In this study, the researcher's epistemological position was based on authoritative knowledge as she relied mostly on data obtained from organisational design experts in the province and departmental managers.

Saunders et al. (2019, p. 166) state that axiology refers to "the role of values and ethics". The main axiological choices faced by researchers is the degree to which they desire to see the implications of their personal values and beliefs for their research as being positive. As a result, researchers must make decisions about the way they deal with their personal values and the values of those that the research is conducted on. Throughout the study, the researcher's intention was to make sense of the participants' experiences and understanding of the situation (Creswell, 2016) without allowing her own background to shape the interpretation thereof.

3.3 RESEARCH DESIGN AND METHODOLOGY

Sharma (2020, p. 22) defines a research design as the layout of requirements for collecting and analysing data to ensure relevance to the purpose of research and economy in procedure. Sharma (2020) emphasises that a research design provides a framework for conducting research and creates a plan for collecting, measuring, and analysing data. Saunders et al. (2019) indicate that a research design provides a plan of how a researcher will go about answering the research questions and it usually consists of clear objectives that result from the research questions and specifies the sources for data collection and the methods of data collection and analysis.

There are three categories of research design, namely qualitative, quantitative, and mixed-methods research designs. The three categories of research design are summarised below.

The **qualitative research** approach utilises words and verbal language to understand the meaning that people or groups assign to a human or social problem (Leavy, 2017).

The **quantitative research** design is applied in instances where the researcher needs to develop statistical conclusions to gather actionable insights (Sharma, 2020).

A **mixed-methods design** is defined as “a research method that relies on a set of designs and procedures that involve the integrated use of qualitative and quantitative methods in a single study or sustained program” (Fabregues et al., 2020, p. 1). Johnson and Onwuegbuzie (2004, quoted in Dawadi et al., 2021) highlight that the mixed-methods design offers great prospects for answering research questions by bringing together two sets of strengths from both the qualitative and quantitative methods while offsetting the shortcomings of each method.

3.3.1 Qualitative research design

The main purpose of this study was to gain more insight and knowledge about the organisational design process of the Provincial Government Department in an effort to improve it. The qualitative research design was selected to ensure that the researcher understood the views of the participants and their perceptions of the

process, which provided a point of orientation (Saunders et al., 2019). A qualitative research design was deemed the most appropriate approach because of its association with the research paradigm of interpretivism, which makes it possible for researchers to gain a holistic understanding of human experiences and specific settings. The interpretivist approach associated with qualitative research is viewed as ideographic research, which means that it focuses on individual cases or events and ensures that the researcher is able to understand different people's voices, meanings, and events (Rahman, 2016).

Qualitative research methods include unstructured interviews, participant observation, and direct observation, which permit the researchers to interact with the participants directly, which results in a detailed research report (Rahman, 2016). The qualitative research approach was considered suitable for this study as the researcher needed flexibility and openness, which are critical for conceptualising, understanding, and properly describing people's experiences (Creswell, 2013). Because qualitative research is naturalistic and interactive, the semi-structured method associated with it allowed the researcher to alter questions, procedures, and focus during the research process (Saunders et al., 2019). Bryman et al. (2014) states that a qualitative approach is beneficial when a researcher wants to explore and understand an occurrence.

Strauss and Corbin (2008, cited in Mohajan, 2018, p. 1) state that "qualitative research is inductive in nature and the researcher generally explores meanings and insights in a given situation". This made the qualitative approach a perfect choice as the researcher sought a strategic approach that would improve the effectiveness of the organisational design process in the Provincial Government Department. According to Mohajan (2018), qualitative research can play a critical role in highlighting potential causes, effects, relationships, and active processes.

Furthermore, the qualitative research approach provides a detailed report about the participants' feelings, experiences, and opinions as it allows researchers to uncover the participants' inner experience and to understand how meanings are shaped through and in culture (Rahman, 2016). Saunders et al. (2019) state that because words and images may have different or unclear meanings, the qualitative research design helps the researcher to explore and clarify meanings with the participants.

Based on this, the qualitative research approach was deemed the most appropriate method for this study as it enabled the researcher to analyse issues thoroughly and accurately, as well as to realise the study's objectives.

3.3.2 Research method

The research design guided the selection of the methods used in this study. The research methods are discussed with the focus on the following main domains: population, unit of analysis, recruitment strategy, and sampling method.

3.3.2.1 Population

Population, also referred to as target population, is “the specific, conceptually bounded group of potential participants to whom the researcher may have access that represents the nature of the population of interest” (Casteel & Bridier, 2021, p. 6). Brink, Van der Walt and Van Rensburg (2018, p. 45) define a population as “an entire group of people that is of interest to a researcher and meets the sample criteria for inclusion in a study”.

The population for the study included both head office and district officials from the Provincial Government Department. The main target group comprised officials in management positions due to their level of experience and active involvement in organisational design processes. The total headcount of officials in management positions in the Provincial Government Department was 56. Organisational design experts from other departments within the province were also invited to participate in the study as they have a vast understanding of organisational design and possess similar characteristics that were required to answer the set questions. There is a total of 11 government departments in the province, including the one that was studied.

3.3.2.2 Unit of analysis

As mentioned previously, the units of analysis relevant for the study were officials in management positions both from the head office and the department's five district offices, as well as organisational design experts from 10 other departments in the province.

The units of analysis were included based on the following criteria:

- Staff members from the Provincial Government Department, who must have been appointed in it for a period of 12 months or more.
- Organisational design experts from other provincial departments, who must have served in the organisational design environment for a period of three years or more.

3.3.2.3 Recruitment strategy

The researcher requested appointments with the participants and visited their offices to brief them about the scope of the research. This was feasible as the researcher is an official in the Provincial Government Department and thus had access to the target population. The participants were visited at their convenience and each one of them was provided with an information leaflet after a brief explanation about the study. During the briefing, the participants were requested to read the information leaflet and indicate if they would be willing to participate. The researcher contacted the participants a week later to confirm their availability to participate and to book appointments for interviews.

In addition to office visits, the researcher used emails to recruit participants. This method was used mainly for staff members who were based in district offices and organisational design experts from other provincial departments. The researcher sent emails directly to potential participants with a brief description of the study and documents were attached to provide more details about the study. Thereafter, follow-up calls were made to confirm with the potential participants if they were willing to participate and to book interviews with them.

3.3.2.4 Sampling method

Blackstone (2012, p. 79) defines sampling as a “process of selecting observations that will be analysed for research purposes”. The researcher selected the purposive non-probability sampling method. Non-probability is defined as a method of sampling whereby a person’s chance of being chosen for inclusion in the sample is unknown (Blackstone, 2012, p. 79). Different types of non-probability samples are identified,

including purposive samples, snowball samples, quota samples, and convenience samples.

In this study, purposive sampling was selected because the researcher had specific perspectives in mind that she wanted to investigate; it was therefore necessary for her to select research participants who would cover a complete range of perspectives (Blackstone, 2012). The researcher sought participants who had been involved in the organisational design process of the Provincial Government Department and those with the relevant expertise to ensure that they would provide information-rich responses. Purposive sampling was therefore deemed the most appropriate method as it allowed for participants to be selected based on them having similar specific characteristics, based on the selection criteria as outlined under Section 3.3.2.2.

3.3.3 Data collection

Saunders et al. (2019) state that a researcher may apply a mono-method qualitative study where only one data-collection technique such as semi-structured interviews is utilised.

Alternatively, more than one qualitative data-collection method can be used, which is referred to as a multi-method qualitative study. According to Myers (2019), qualitative data sources include interviews and questionnaires, observations and participant observations (fieldwork), documents and texts, and the researcher's impressions and reactions.

Semi-structured interviews were used to collect data from the research participants. The study benefited from this method as the researcher needed to understand the independent thoughts of every participant. During the interviews, the researcher asked questions from the interview schedule but where unclear or insufficient responses were provided, follow-up questions were asked to allow the participants to expand further on the topic. Myers (2019) asserts that semi-structured interviews are more beneficial in cases where a researcher has a particular topic about which he or she would like to hear from the respondent, but questions are open-ended and may not be asked in the same way or in the same order to every respondent. Two interview schedules were administered to ensure that sufficient and relevant data

were gathered (see Appendix C). The first interview schedule was used to obtain data from officials of the Provincial Government Department as they needed to provide information regarding the departmental organisational design process. The target group was officials in management positions due to their active involvement in the organisational design process of the Provincial Government Department. Twelve out of 56 staff members participated in the study.

The other interview schedule was used to obtain expert information on organisational design. The researcher interviewed organisational design practitioners from other provincial departments for this purpose as they were involved in organisational design functions on a regular basis. Based on the inclusion criteria, one organisational design practitioner was invited per department, and six out of 10 practitioners participated in the study.

The interviews were mainly conducted during lunch time in the Provincial Government Department's head office to avoid interruptions. The research site was deemed the most convenient place to conduct the interviews since most of the target population work in the head office. Interviews with organisational design practitioners were mainly held in their respective offices, which were also easily accessible as most of the provincial departments are situated within a 3-km radius from the Provincial Government Department. Eighteen people participated in the study before data saturation was reached. The 18 participants comprised 12 staff members from the Provincial Government Department and six organisational design practitioners from other departments in the province. Of the 18 people who participated, two provided written responses and six were interviewed telephonically. These included officials from district offices and those who were on leave at the time that the interviews were conducted.

3.3.4 Data capturing

Saunders et al. (2019) state that qualitative researchers must identify the type of data to be recorded and must make decisions regarding procedures for recording data before commencing with fieldwork. The researcher used audio recording and notes to capture information during the interviews. Before commencing with each interview, the researcher established whether the participants were comfortable with

audio recording as a data-capturing method and made notes to capture the information in case they were not comfortable with the method. In instances where permission for audio recording was given, the researcher took notes only as a back-up should the equipment fail. Saunders et al. (2019) recommend taking notes as one of the methods for capturing information as it improves the researcher's concentration, shows the participants that their responses are important to the researcher, and enables the researcher to record his or her own thoughts and any accounts that cannot be clearly recorded with an audio recorder. Furthermore, notes are critical for formulating points to be used as a summary with the interviewee to gain understanding and to create follow-up questions.

The researcher created a verbatim account of the interviews and created a full record of the proceedings shortly after the interviews to prevent bias and to ensure the reliability of the data.

3.3.5 Data saturation

According to Saunders et al. (2017), saturation is applied in qualitative research as a method for suspending the collection and analysis of data collection. Morse (2015, p. 587) claims that saturation is "present in all qualitative research".

The units of analysis relevant for the study were officials in management positions both from the head office and the Provincial Government Department's five district offices, as well as organisational design experts from 10 other departments in the province.

The total headcount of staff members in management positions in the Provincial Government Department was 56. The total headcount of organisational design practitioners was 10 as only one organisational design practitioner who met the inclusion criteria was invited per department. The researcher suspended data collection after 18 interviews were conducted, as the study reached data saturation and no new themes or codes emerged.

According to Walker (2012), researchers reach data saturation when the information is sufficient to duplicate the study, when new information cannot be obtained, and when new codes cannot be identified.

3.3.6 Data analysis

The researcher applied the thematic analysis approach to analyse the data. This approach was best suited for the study as the researcher needed to analyse a wide range of data to discover deeper and more latent themes. The study also benefited from this approach as it increased the strength of the research findings by allowing the researcher to retain the transparency of her method to ensure that readers understand the conclusions of the research (Alhojailan, 2012). Thematic analysis is not tied to a specific paradigmatic orientation but can be utilised in different research approaches (Kiger & Varpio, 2020). Data analysis was conducted using the following process: Firstly, all recordings were transcribed to written notes before they were coded. The words from the recordings were transcribed verbatim to avoid bias. A verbatim transcript provides the rich detail that is critical in qualitative research as it allows the researcher to capture the participants' personal words, expressions, and phrases (Hennink et al., 2020). The researcher listened to the recorded interviews again to confirm the accuracy and completeness of the transcripts before using them for data analysis.

Hennink et al. (2020) state that codes can be developed inductively by close reading of data or deductively through the utilisation of topics from the research instrument. For this study, there were no pre-set codes and the codes were developed as the process progressed. Coding involved reading the interview transcripts to identify interesting or relevant data that emerged during the interviews. Since the researcher wanted to address specific research questions, she only coded data that were relevant to the research questions. The data obtained from the participants were read and categorised to classify connections and discrepancies between the accounts (Harding, 2018). The process was conducted repeatedly until all overlapping and redundant codes were removed.

The coded data were narrowed down into themes. During this stage, the researcher studied the codes to identify themes that could emerge from the data. All identified themes were reviewed to ensure that they were coherent and distinct from one another. Once all themes were defined, the researcher identified related data extracts that displayed the important features of the themes. These were analysed and related back to the research questions to ensure the validity of the findings.

3.3.7 Validity and reliability

According to Brink (1993), validity and reliability are the main features of successful research. Validity refers to the truthfulness and accuracy of the findings. Reliability relates to the consistency, repeatability, and stability of the participants' explanations, as well as the researcher's ability to collect and record the data correctly (Brink, 1993).

Researchers must be aware of the factors that may affect the validity and reliability of their research and identify strategies to prevent such factors. Brink (1993) emphasises that errors can result from the participants, the researcher, the social context or situation, and/or the methods of data collection and analysis. Creswell (1998, quoted in Saunders et al., 2019) points out that qualitative researchers must conduct at least two of eight verifying procedures to reduce risks to validity and reliability. These eight validation strategies are discussed as follows:

- **Prolonged engagement and persistent observation in the field:** This involves learning the culture of the organisation, building trust with the participants, and verifying the information to prevent distortions that could be presented by the researcher or the participants.
- **Triangulation:** This includes using different sources to corroborate the findings.
- **Peer review or debriefing:** A peer reviewer provides an opportunity for external validation of the research process by ensuring that the researcher is honest by asking questions regarding the methods, findings, and interpretations, while considering the researcher's feelings.
- **Negative case analysis:** This allows the researcher to refine the research hypotheses as the study progresses. In the case of negative or invalidating evidence, the initial hypotheses are revised to ensure that all cases fit.
- **Clarifying:** It is important for the researcher to clarify any biases or assumptions that can affect the validity of the study. This includes the researcher's past experiences, biases, orientations, and prejudices that can influence the interpretation and approach to the study.
- **Member checking:** The researcher consults with the participants throughout the analysis process to confirm the validity of the findings.

- **Rich, thick descriptions:** These provide an opportunity for readers to make conclusions about the transferability of information due to shared characteristics.
- **External audits:** External audits allow the use of an external consultant to assess the process to determine if the findings, interpretations, and conclusions are supported by the data.

3.3.7.1 *Selected criteria for validity and reliability*

In this study, the researcher selected certain criteria to eliminate risks to the validity and reliability of the findings. The criteria applicable to the study comprise credibility, dependability, transferability, authenticity, and confirmability, as summarised in Table 3.1.

Table 3.1: Criteria applied to ensure research validity and reliability

Criteria	Strategy
Credibility	Triangulation was used to increase the credibility of the data. Two main data sources were used for the study, namely departmental managers and organisational design experts to enable the researcher to verify information by comparing the findings. Prolonged engagement: As an insider, the researcher was already known to most of the participants and also aware of the organisational culture of the Provincial Government Department. Her insider status allowed her sufficient time to confirm the findings. Peer review: The availability of the research supervisor presented an opportunity to enhance the quality of the findings.
Dependability	During the field work, the researcher followed the same procedure for the same category of participants and ensured consistency in the questions asked to various participants of the same category.
Transferability	The participants' responses were captured through audio recording and notes. The researcher created a verbatim account of the interviews. The researcher requested the services of an external quality assurer to read the document and advise on transferability before submitting the report for final approval.
Confirmability	The researcher kept a record of all information that emanated from the research sessions. During the interviews, the researcher took a neutral position and avoided influencing the findings. The supervisor checked the findings for accuracy and to identify potential bias.
Authenticity	Sufficient time was allocated for the researcher to analyse the data. Throughout the study, the researcher reflected on herself to reduce the risk of bias.

3.4 ETHICAL CONSIDERATIONS

Siti et al. (2018) state that human subjects must be protected by applying the correct ethical principles in any research study. Siti et al. (2018) add that in a qualitative research study, ethical considerations play an important role since the study process

is of a more detailed nature. Fleming and Zegwaard (2018, pp. 210-211) emphasise that “the ethical issues of informed consent, risk of harm, confidentiality and anonymity, and conflict of interest must therefore be considered and presented with a plan on how these ethical issues will be managed”.

In view of the above, the researcher took the necessary steps throughout the study to ensure that the institution, the participants, the researcher, and the community at large were protected from any possible harm. The following sub-sections discuss the ethical issues considered by the researcher during the study.

3.4.1 Informed consent and voluntary participation

Siti et al. (2018) identify three aspects that are required in the process of obtaining consent. Firstly, consent must be given voluntarily; secondly, the participants must comprehend what is required of them; and, lastly, all people involved must be capable of giving consent. This means that all identified participants must be properly informed about the research, understand the information, and have the freedom to decide whether to accept or decline the invitation to participate in the research.

In this study, the researcher first sought approval to conduct research in the Provincial Government Department, which was granted. The study also obtained approval from the UFS Ethics Committee before the researcher commenced with data collection. The ethical clearance number for the study is **UFS – HSD2022/1469/22** (see Appendix A). All potential participants were contacted individually after permission was obtained from all gatekeepers and briefed on the research process and its implications to enable them to make an informed decision about participating. Additionally, the participants were provided with an information sheet and the researcher addressed all questions or concerns that were raised about the study. The researcher further informed all potential participants that although their participation was critical to the success of the study, their participation was voluntary, and they could decline the invitation or withdraw from the study at any time without penalty. All the participants were requested to sign a consent form (see Appendix B) prior to the interview to indicate that they agreed to participate in the study. The participants were also requested to indicate in writing if they agreed to the

researcher audio recording the interview and if not, how they preferred the proceedings to be recorded.

3.4.2 Anonymity and confidentiality

Participants have the right to remain anonymous and to know that their responses will be treated as confidential (Creswell, 2020). The researcher used numbers instead of names to refer to the participants to protect the anonymity and confidentiality of those who participated in the study. Furthermore, the research instrument did not require the participants to provide any demographic information that could identify them. Creswell (2020) argues that the anonymity of participants cannot be protected with one-on-one interviews as is the case with questionnaires. The researcher therefore ensured that the identity of the participants was known only to her and was not revealed during data analysis or when reporting the findings.

The data shared by the participants were kept in a safe place to which only the researcher had access. The researcher created a password and used it to gain access to electronic data. In addition, a lock-out function was activated to prevent unauthorised access to the data in case the researcher left her laptop unattended without logging out. Hard copies such as consent forms were stored safely in locked file cabinets in the researcher's office when they were not in use. Once the study is completed, any data collected during the study will be kept in a safe and will be destroyed after a period of five years.

3.4.3 Disclosure of insider status

As a member of staff of the Provincial Government Department, the researcher disclosed her "insider" status to the relevant committees and maintained the highest level of objectivity and professionalism throughout the research. During data collection, the researcher assured the participants that the study was conducted to enhance the effectiveness of the departmental organisational design process and that the data collected during the study would be used only for that purpose.

3.4.4 Privacy

The interview sessions with the participants were conducted in a private and quiet room, either in the office of the researcher or that of the respondent, to avoid disruptions and to maintain the confidentiality of the process. Where audio recordings were made, the participants' personal information was not captured to ensure that no other person except the researcher would be able to link the identity of the participants to the audio recordings.

3.5 RISK-BENEFIT ANALYSIS

Fleming and Zegwaard (2018) state that when selecting the research design, researchers must consider any possible risks that the participants and institution may be exposed to. The researcher conducted a risk-benefit analysis to minimise the risks and to ensure that there was no potential harm to the participants or the institution.

Loss of work time was identified as a potential risk as the interview required approximately 45 minutes to complete. The researcher mitigated the risk of loss of work time by scheduling the interviews during lunch breaks and allowing the participants an option to schedule the interviews at a time that suited their schedules. Consequently, no harm was caused to the participants or the organisation during this study.

By participating in the study, the participants had a stake in the direction of the departmental organisational design process. The participation of the participants in the study was treated as strictly confidential and their privacy was respected.

3.6 CONCLUSION

This chapter discussed the research design and methodology that were applied in this study. A qualitative research design was considered the most appropriate approach for responding to the research questions. The researcher provided a detailed description of the population, unit of analysis, and the sampling method. Purposive sampling was deemed the most appropriate method as it allowed for participants to be selected based on them having specific similar characteristics,

based on the inclusion criteria identified by the researcher. Data were collected through semi-structured interviews.

The researcher also explained the strategies that were applied to ensure the validity and reliability of the study. The chapter concluded with a risk-benefit analysis and a detailed explanation of the ethical issues that were considered during the study, including informed consent and voluntary participation, anonymity and confidentiality, disclosure of insider status, and privacy.

CHAPTER 4:

DATA ANALYSIS AND INTERPRETATION

4.1 INTRODUCTION

The previous chapter discussed the research design and methodology that were applied in this study. The purpose of this chapter is to provide an analysis and interpretation of the data obtained from the interviews. The primary objective of the study was to analyse the effectiveness of the organisational design process of the Provincial Government Department. Employees occupying management positions in the Provincial Government Department and organisational design specialists from other government departments in the province were invited to take part in the study to ensure that the aim of the study was achieved.

Section 4.2 discusses the participants' demographic information, Section 4.3 presents an analysis of the data, Section 4.4 discusses the findings, Section 4.5 presents a summary of the results, and Section 4.6 provides the conclusion.

4.2 PARTICIPANTS' DEMOGRAPHIC INFORMATION

The researcher targeted individuals who met the inclusion criteria described in Section 3.3.2.2 to participate in the study. Eighteen individuals participated in the study. Of the 18 participants, 12 were staff members from the Provincial Government Department. All staff members who participated in the study occupied management positions and had been appointed in the department for a period of 12 months or more. Six of the 18 participants were organisational design experts from other government departments in the province. All these participants served in the organisational design environment for a period of three years or more. Throughout the chapter, departmental managers who participated in the study are referred to as Group 1, while organisational design specialists are referred to as Group 2. Table 4.1 provides the demographic information of the participants.

Table 4.1: Demographic information of the participants

Participant	Department	Experience
01	Provincial Government Department	6-10 years
02	Provincial Government Department	6-10 years
03	Provincial Government Department	1-5 years
04	Provincial Government Department	1-5 years
05	Provincial Government Department	1-5 years
06	Provincial Government Department	6-10 years
07	Provincial Government Department	6-10 years
08	Provincial Government Department	6-10 years
09	Provincial Government Department	6-10 years
10	Provincial Government Department	1-5 years
11	Provincial Government Department	6-10 years
12	Provincial Government Department	6-10 years
13	Other	6-10 years
14	Other	6-10 years
15	Other	3-5 years
16	Other	3-5 years
17	Other	3-5 years
18	Other	6-10 years

4.3 DATA ANALYSIS AND INTERPRETATION

The data obtained from the interviews with the participants were analysed following the thematic analysis approach as discussed in Section 3.3.6. Thematic analysis resulted in the development of two main themes: the departmental organisational design process of the Provincial Government Department, and the design of the current organisational structure. Sub-themes were identified under each main theme, as indicated in Table 4.2.

Table 4.2: Themes and sub-themes

Theme	Sub-themes
Organisational design process of the Provincial Government Department	• Understanding of organisational design • Triggers of the process • Alignment of the organisational structure to departmental strategic objectives • Alignment of the organisational structure to the departmental service delivery model • Alignment of business processes • Creation of posts • Funding of posts • Duration of the organisational structure review process
Design of the current organisational structure	• Determinants of functions • Grouping of functions • Staff establishment • Hierarchy

4.3.1 Theme 1: Organisational design process of the Provincial Government Department

This theme focuses on the Provincial Government Department's organisational design process. Figure 4.1 illustrates the sub-themes that are critical to ensuring an effective organisational design process in the Provincial Government Department. The participants' perspectives on the process are then discussed, with the focus on the sub-themes that emerged from the analysis.

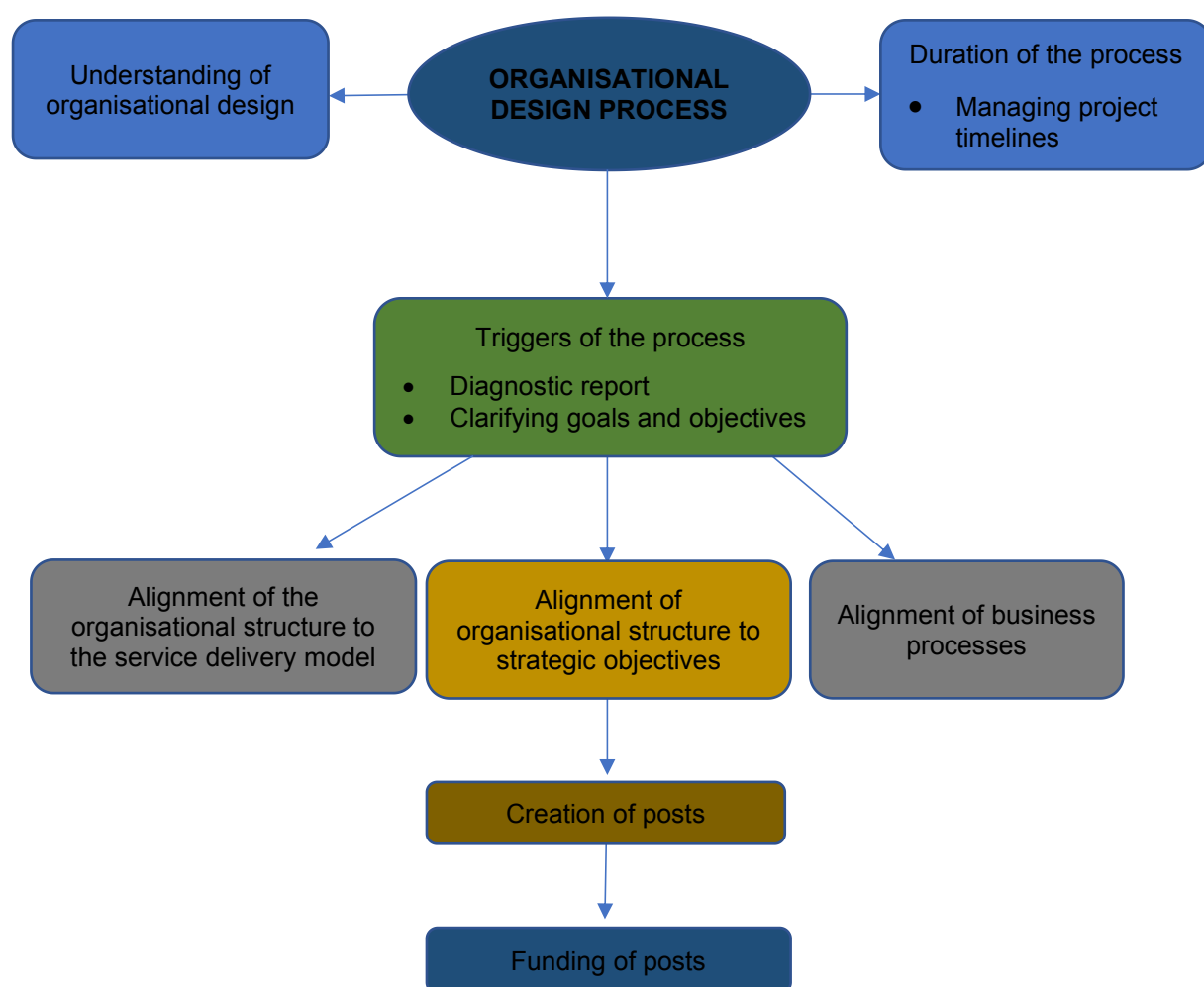


Figure 4.1: Thematic diagram of the theme organisational design process in the Provincial Government Department

Source: Compiled by the researcher

4.3.1.1 Sub-theme 1.1: Understanding of organisational design

The majority of the participants indicated that organisational design involves the alignment of the organisational structure to departmental mandates and strategic plans to improve the efficiency and effectiveness of the organisation. When asked to

provide their understanding of organisational design, the participants gave the following responses:

“I believe that when we embark on an organisational design process, we are embarking on a process of reviewing the organisational structure so that it is aligned to the strategic plan of the department” (Participant 11, Group 1, 6-10 years).

Another participant stated the following:

“To me, organisational design is a process of aligning the department’s organisational structure to the strategic plan to enable business units to deliver on their mandates” (Participant 16, Group 2, 3-5 years).

In agreement, another participant said:

“My understanding of organisational design is that it is the process of reviewing the organisational structure to support the implementation of departmental mandates. If we do it correctly, we can deliver our services with speed and successfully” (Participant 15, Group 2, 3-5 years).

This was asserted by Participant 06:

“In my view, organisational design is not about creating posts for our friends like we make it to be, but it should promote efficiency and effectiveness in the way we deliver our services. Organisational design is a process of reviewing the organisational structure so that it is responsive to the mandates of the department, so it is important that we align it to business strategies and not use it for our ulterior motives” (Participant 06, Group 1, 6-10 years).

The participants’ understanding of the concept is more inclined towards Pearce and Robinson (2015) definition, which states that “Organisational design is a process of designing or amending an organisational structure”. There was consensus between

Group 1 and Group 2 on this issue. Both groups equated organisational design to the process of reviewing the organisational structure.

4.3.1.2 Sub-theme 1.2: Triggers of the organisational design process

Based on their understanding of organisational design as a process that involves the alignment of the organisational structure to departmental mandates and strategic plans, the participants were asked to explain the reasons for initiating the process in the Provincial Government Department. Most of the participants stated that it was not clear what triggered or prompted the review of the organisational structure in the department. Some of the participants highlighted that there were significant delays in the process that caused the department to lose clarity of purpose along the way. They therefore felt that organisational structure review processes were conducted for malicious compliance as they did not address the critical challenges of the organisational structure. This was asserted by Participant 09 from Group 1, who stated the following:

“I used to think that I understand why the department embarks on organisational review processes, but to be honest with you, I have been proved wrong. Our inputs are not considered; it’s like people are just doing it for malicious compliance” (Participant 09, Group 1, 1-5 years).

In agreement, another participant said:

“Honestly, it is not clear what we are trying to address by reviewing the organisational structure. We seem to focus more on aligning the organisational structure to the budget instead of addressing the real challenges of the organisational structure” (Participant 02, Group 1, 6-10 years).

There were different views between Group 1 and Group 2 regarding the triggers of organisational design. Group 2 emphasised that the organisational structure must be revised whenever there is a change in strategy and that departmental mandates must guide the review of the organisational structure to enable the department to

achieve its strategic objectives. However, the expressions from Group 1 indicated that these participants had a different experience as they did not understand what informed the review of the organisational structure in the Provincial Government Department.

4.3.1.3 Sub-theme 1.3: Alignment of the organisational structure to departmental strategic objectives

This theme focused on how the department ensures alignment of the organisational structure to departmental strategic objectives after initiating the organisational structure review process. The participants from Group 1 indicated that the design or review of business units was guided by the mandates of the department to ensure a connection between the functions of various units and the strategic plan. There was consensus between Group 1 and Group 2 on this issue. Participant 18 from Group 2 cited the Public Service Regulations to emphasise this:

“The need to link the organisational structure to the strategic plan cannot be overemphasised, the Public Service Regulation is very clear on this matter, and I am going to read it to you. It states that ‘based on the strategic plan of the department, an executive authority shall determine the department's organisational structure in terms of its core mandated and support functions’” (Participant 18, Group 2, 6-10 years).

4.3.1.4 Sub-theme 1.4: Alignment of the organisational structure to the departmental service delivery model

Under this theme, the researcher sought to understand how decisions around centralisation and decentralisation of functions were made in the Provincial Government Department. There was a common belief among the participants from Group 1 that the department was guided by the need to promote service accessibility at the grassroots level when deciding on decentralising functions. The participants indicated that the department had an approved service delivery model, which decentralised its core functions to the districts. The participants mentioned that the organisational structure was designed in line with the approved service delivery

model; however, the districts did not have the relevant delegations and the budget was still centralised in head office, which affected service delivery negatively.

The participants further indicated that certain targets were not met as the activities of the district must first be approved by the head office before they are implemented. This was asserted by Participant 03 from Group 1:

“It is good that the department has decentralised its functions to the districts. This is in line with the District Development Model of government. However, centralising the budget and avoiding delegations is a sign that there is still some level of resistance in the department. We cannot expect the districts to function properly if they still have to come to head office to submit stationery requisition and leave forms” (Participant 03, Group 1, 6-10 years).

4.3.1.5 Sub-theme 1.5: The creation of posts

The participants from Group 1 felt strongly that the Provincial Government Department did not have a clear process to determine staffing. Most of the participants indicated that the creation or allocation of posts was based on the level of influence that a particular head of a unit commanded in the department. The participants emphasised that the lack of a clear process created a challenge as human resources end up being allocated in areas where they were not fully utilised, while certain units in the department experienced high staff shortages. Participant 06 made the following comment:

“The process is flawed because it only favours certain people; those who have more influence succeed when making requests for creation and funding of posts. That is why you see people lingering around during working hours; they do not have work to do” (Participant 06, Group 1, 6-10 years).

Participant 09 shared the same view:

“There is no objectivity in the process of creating posts. I wish I could know who

decides if a post is critical or not because reports from the Organisational Development Unit always indicate that critical posts were prioritised, yet we do not know how these critical posts were identified” (Participant 09, Group 1, 1-5 years).

There were mixed opinions between Groups 1 and 2 regarding the creation of posts. The participants from Group 2 stated that the department needed a clear process that prioritised the core functions of the department and the district offices as its service delivery points during the creation of posts. They further indicated that the department needed to use work measurement to support the creation of posts.

4.3.1.6 Sub-theme 1.6: Alignment of business processes

Most of the participants indicated there was a compromise on the analysis of business processes during the review of the organisational structure due to insufficient consultation. They were of the view that business processes were not really paid attention because organisational structure review consultations were mainly done with stakeholders who do not understand the business processes they represent. The participants from Group 2 argued that the department cannot make informed decisions about the organisational structure without defining and mapping its business processes. A high-level business analysis must therefore be conducted as part of the organisational design process to improve performance and achieve the organisation’s goals and objectives. Participant 17 made the following comment:

“The department needs to consider integrating business process analysis into its organisational design process as there are more benefits to this. Firstly, process users will have a clear understanding on how things are done but also, the department will uncover duplications and bottlenecks that cause inefficiencies and poor quality of service” (Participant 17, Group 2, 6-10 years).

4.3.1.7 Sub-theme 1.7: The funding of posts

The participants from Group 1 expressed the challenge of unclear processes with regard to the funding of posts in the Provincial Government Department. Most of the participants indicated that there was no transparency in the process followed when identifying posts that require funding. A delay in filling posts and a lack of

consultation were identified as the major causes of unfunded posts in the department. The participants from Group 2 suggested that the departmental establishment must be used as a baseline during the creation and funding of posts. They indicated that the department's core functions and service delivery points must be prioritised during the allocation of funding to ensure that the department has sufficient human resource capacities where they are needed most.

There were different views regarding the criteria for funding of posts in the Provincial Government Department. Although the participants from Group 1 indicated that there was no clear process to identify posts that need funding in the department, Group 2 believed that the funding process could be improved by conducting baseline assessments and prioritising the department's core functions and service delivery points.

4.3.1.8 Sub-theme 1.8: Duration of organisational structure review processes

Most of the participants noted delays in the organisational structure review process as a major challenge in the current organisational design process. The participants stated that departmental organisational structure review processes take an average of three years to complete. Group 1 indicated that the delay in finalising the organisational structure review process in the Provincial Government Department was caused by instability at the executive management level, political interference, and group dynamics as management staff are entangled in unnecessary group discussions. Some participants were concerned that commencing with a review of the organisational structure without budget and post information would hinder progress as the department ends up with bloated support functions and personnel costs that exceed the allocated personnel budget.

Participant 01 mentioned the following:

“The issue is that we embark on the process of post allocation without an analysis of current information in terms of the allocated personnel budget and the number of existing posts between core and support functions of the department, leading to a bloated organisational structure that cannot be funded by Treasury. The implication of delving into the process without the relevant information is that we must then to go

back to the drawing board and rework our structure, that is why the process delays”
(Participant 01, Group 1, 6-10 years).

4.3.2 Theme 2: Design of the current organisational structure

The previous section focused on the participants’ perspectives on the process of organisational design in the Provincial Government Department. In this section, the researcher looks at the second theme that emerged from the interviews, which focuses on the design of the current organisational structure. The participants’ perspectives on the design of the current the organisational structure are discussed in the following sub-sections.

4.3.2.1 Sub-theme 2.1: Determinants of functions

Group 1 indicated that the Provincial Government Department is made up of components or units that is each responsible for specific functions. The department’s functions are categorised either as “core” or “support” and the functions of each unit are informed by the department’s legislative mandates. Group 2 supported the current state and indicated that the mandates and strategic plan of the department must inform the design of the organisational structure to enable the department to deliver on its mandates. Participant 09 from Group 1 stated the following:

“Our inputs on creation of units and functions are informed by the mandates and legislative frameworks that govern our work, that’s why we expect them to be considered” (Participant 09, Group 1, 1-5 years).

Another participant from Group 2 stated:

“The organisational structure of a department must be informed by its legislative mandates and strategic plan. Here we refer to the organisational structure in its totality, including the establishment of units and functions. A department cannot create a unit to perform a particular function unless it is required in terms of its legal mandates and strategic objectives to perform that function” (Participant 13, Group 2,

6-10 years).

Generally, there was consensus between Groups 1 and 2 in terms of what informs the functions of a unit. Both groups stated that the functions of business units are informed by the legal mandates and strategic objectives of a department.

4.3.2.2 Sub-theme 2.2: The grouping of functions

There are several alternatives for grouping of functions, depending on the type of organisational structure that an organisation chooses. The participants from Group 1 indicated that the Provincial Government Department groups closely related functions together. Grouping of support functions in the department was done within the correct context as required by the DPSA's Guidelines on the Functional Grouping of Administrative Functions.

There were different views regarding the grouping of functions in the department. Some of the participants described the department as properly organised to encourage skills development and stated that it can assist in ensuring that qualified individuals are appointed as units are grouped according to their areas of speciality. This was asserted by Participant 06, who indicated the following:

“Grouping related functions together is good for the department because it promotes skills transfer. The units are specialised, so the longer a person stays in the unit the more equipped they will be to train those who join the unit” (Participant 06, Group 1, 6-10 years).

Participant 08 made the following comment:

“I like the way the department has grouped its functions because in the current environment where there is a high rate of corruption, we cannot have a one-size-fits-all kind of a structure. Functional units must be specialised so that the department can appoint people with the right skills, people who can do the job” (Participant 08, Group 1, 6-10 years).

On the contrary, some participants from Group 1 did not support the current arrangement and stated that grouping closely related functions together created bureaucracies and formalisation that tended to impact on the accessibility of other business units in the department. They stated that different units in the department depend on one another for the attainment of their goals; functions must therefore be grouped to promote teamwork and flexibility. Some participants asserted that the current setup affected performance as certain employees were not accessible due to the positions they held and must be contacted through their supervisors, yet they relied on them to meet their targets. Participant 03 explained how work is affected by the grouping of functions:

“This is not working because our work is affected by the response time of units outside our functional areas, yet you must go through someone who cannot explain what is required because they simply do not understand your work” (Participant 03, Group 1, 6-10 years).

All participants from Group 2 were opposed to the current arrangement of grouping functions according to similarities in their work and stated that it was not appropriate when there is a high rate of interdependence across business units since it does not promote coordination among units. These participants stated that grouping closely related functions together promoted a “silo” mentality as employees focused more on their business units than on the organisation itself.

Participant 14 commented as follows:

“I would not recommend it where there is a high rate of interdependence across units because, firstly, it slows down the decision-making process; secondly, managers are evaluated based on their targets; hence they are more likely to ignore any request that is not linked to their targets even if doing this will affect the performance of the department as a whole” (Participant 14, Group 2, 6-10 years).

There was a huge inconsistency in the observed effects of the grouping of functions in the department. Some of the participants indicated that the current grouping of functions worked well for the department, while others stated that it had a negative impact on service delivery.

4.3.2.3 Sub-theme 2.3: Staff establishment

Establishment refers to “the positions that have been created for the normal and regular requirements of a department” (DPSA, 2015). The participants from Group 1 expressed serious concern about staff shortages that make it difficult for the Provincial Government Department to deliver services to communities. Several of the department’s core functions do not have the relevant human resources or posts to ensure effective delivery of services at the district level. The participants from Group 1 indicated that 43% of the posts in the department’s staff establishment are allocated to the districts, while 57% is allocated to head office. The participants emphasised that there were unexplained inconsistencies in the allocation of posts at the district level, with small districts having more posts than large districts. The current statistics for each district are indicated in Table 4.3.

Table 4.3: Post allocation vs population per district

District	Population size	Number of existing posts
A	1 402 779	31
B	1 372 355	16
C	761 590	15
D	1 200 000	16
E	1 150 722	30

Some of the participants stated that they needed to work very hard to enable their units to achieve their objectives due to the high rate of unfunded posts in the current organisational structure. The participants felt strongly that the department operated on a compromised organisational structure that does not address all critical posts that are necessary for effective service delivery. Participant 11 from Group 1 mentioned the following:

“The current organisational structure does not support our unit to achieve its objectives. We do not have the posts we need to deliver our services; we only have posts on paper. We have been asking for these posts to be filled and believe you me, the answer has always been the same, but the posts are not funded”
(Participant 11, Group 1, 6-10 years).

Participant 07 stated:

“Business continuity is affected when key staff members in district offices go on leave as there is usually no one to perform their functions” (Participant 07, Group 1, 1-5 years).

Generally, the participants shared common views in relation to staff establishment. Two elements linked to staff establishment were highlighted. Firstly, the participants raised the issue of staff shortages due to unfunded posts in the organisational structure and, secondly, there was a common expression that the organisational structure did not make provision for critical posts that were necessary for ensuring effective service delivery in the department.

4.3.2.4 Sub-theme 2.4: Hierarchy

Hierarchy of authority refers to the reporting lines and span of control of every manager in an organisation (Daft, 2021). Group 1 raised the challenge of a lack of managerial staff at some levels of management in the hierarchy that resulted in most of the departmental institutions being headed by low-cadre employees. Generally, there are five levels of management, and the participants believed that the department would function more efficiently if all these levels were filled. Most of the participants expressed concern that junior employees were performing high-level functions without any compensation due to the shortage of managerial staff in their functional areas. Participant 04 explained how this affected her:

“The department really needs to do something about this matter. I am not even an assistant director, yet I am expected to manage an institution with assets worth of millions of rands without compensation because the post is unfunded” (Participant 04, Group 1, 1-5 years).

Additionally, the participants acknowledged that there were long-term vacancies in the lower levels of management, which prevented senior managers from performing their managerial functions effectively due to the need to take up the responsibilities

of the vacant positions in their business units. Most of the participants indicated that there was a very narrow span of control in several areas of the department, which resulted in managers operating without support staff.

There was a general consensus among the participants in relation to hierarchy. All the participants stated that the majority of the employees were performing additional functions as some levels of management were missing from the department's hierarchy. The participants described unfunded posts and long-term vacancies as the causes of missing levels.

4.4 DISCUSSION OF THE FINDINGS

The primary objective of this study was to analyse the effectiveness of the organisational design process of the Provincial Government Department. The study identified two main themes and 12 sub-themes that are crucial for ensuring the effectiveness of the organisational design process in the Provincial Government Department.

The participants demonstrated a combination of both positive and negative perceptions of the department's organisational design process. The findings of the study are discussed in the following sub-sections.

4.4.1 Theme 1: Organisational design process of the Provincial Government Department

4.4.1.1 Sub-theme 1.1: Understanding of organisational design

The participants indicated that organisational design involves the alignment of the organisational structure to departmental mandates and strategic plans in order to improve the efficiency and effectiveness of the organisation. The participants' understanding of the concept is more inclined towards Pearce and Robinson (2015) statement that "Organisational design is a process of designing or amending an organisational structure". This definition only focuses on the organisational structure and omits business processes as one of the critical elements of organisational design. Tomislav et al. (2013) argue that both business processes and the organisational structure are important in organisational design although their focus is slightly different. Chichoki and Irwin (2014) indicate that organisational design is not

just the redrawing of an organisational structure without analysing the other elements of an organisation or thinking about the envisaged design. Aronowitz et al. (2016) and Deloitte (2014) emphasise that organisational design must ensure integration of the organisational structure, business processes, and people to support the implementation of organisational strategy. The results of this study indicate that the participants did not have a clear understanding of organisational design as they limited it to the process of designing and amending the organisational structure. Limiting the process to the organisational structure and not looking at it holistically means that the Provincial Government Department does not address business processes as one of the critical dimensions of organisational design, which impacts negatively on organisational success.

4.4.1.2 Sub-theme 1.2: Triggers of the organisational design process

“Triggers of the process” is one of the most critical sub-themes that was identified. The results of this study indicate that the triggers of the organisational design process are not clear in the department. This suggests that the organisational design process is initiated without a clear understanding of what it is supposed to achieve. This is a serious challenge as without clear goals or guidelines, the department cannot measure if the process has attained its objectives. Deloitte (2014) reports that most organisational design projects fail because they advance to the design phase without sufficient analysis having been conducted. The DPSA’s (2010) Guide and Toolkit on Organisational Design emphasises that departments must conduct a diagnosis before commencing with the process of reviewing or redesigning the organisational structure and where structural challenges exist, a case must be developed for engaging in the review and/or redesign process. The information must then be analysed to identify the problem and its root cause(s) (DPSA, 2010).

In relation to this sub-theme, Group 2 participants suggested that the organisational structure must be revised whenever there is a change in strategy and that departmental mandates must guide the review of the organisational structure to enable the department to achieve its strategic objectives. This finding is consistent with the existing literature. The DPSA’s Directive on Changes to Organisational Structures by Departments identifies several conditions that can cause the organisational design process to be initiated, including a change of mandates or

strategic focus, transfer of functions between departments, splitting of functions, and organisational performance improvement processes, or unfavourable findings of an organisational functionality assessment (DPSA, 2015). Nwachukwu, Vu Minh, Chládková and Fadeyi (2019) concur that effective implementation of an organisation's strategy requires significant changes to the organisational structure, processes, and human resources. There is thus a strong need for the Provincial Government Department to clarify its goals before embarking on the organisational design process.

4.4.1.3 Sub-theme 1.3: Alignment of the organisational structure to departmental strategic objectives

The results of this study indicate that the mandates of the Provincial Government Department were considered during the design of the organisational structure to ensure a connection between the functions of various units and the strategic plan. This result leans towards Kavale (2012), who suggests that every organisational structure must be developed in line with the organisation's strategy and that effective implementation of the organisation's strategy depends mainly on its organisational structure. Lazenby (2018) agrees that an organisational structure must be designed to be flexible and able to respond to the strategy of the organisation. The Public Service Regulations of 2016 in Chapter 3 (section 25(2)(a)) states that "based on the strategic plan of the department, an executive authority shall determine the department's organisational structure in terms of its core mandated and support functions" (DPSA, 2016a). The study discovered the same results as the literature regarding the alignment of the organisational structure with strategic objectives.

4.4.1.4 Sub-theme 1.4: Alignment of the organisational structure to the departmental service delivery model

The alignment of the organisational structure with the service delivery model was a key issue in this study. A service delivery model is used in the South African public service to explain how the services and products identified by an organisation during its strategic planning process will be delivered to communities (DPSA, 2016b). The results of this study revealed that the Provincial Government Department has an approved service delivery model that decentralised most of the core functions to the

districts. The study discovered that the organisational structure is aligned to the service delivery model; however, there are implementation issues as the districts do not have formal delegations to perform effectively as the service delivery points of the department. Egelhoff (1982, quoted in Ajagbe et al., 2016, p. 8) states that factors that affect the design of the organisational structure, such as decentralisation or centralisation, must be critically analysed during organisational restructuring as they impact on the division of tasks, grouping of tasks, coordinating, and task accomplishment. The DPSA's (2015) Directive on Changes to Organisational Structures by Departments emphasises that departments must align their organisational structures to the service delivery model.

According to Bozkurt et al. (2014), centralisation reduces the ability of employees to offer creative solutions and delays the sharing of ideas. The results of this study are not supported by the literature because the service delivery model, which is supposed to inform the organisational structure, cannot be fully operationalised without appropriate delegations.

4.4.1.5 Sub-theme 1.5: Alignment of business processes

The study considered the participants' perspectives on the alignment of business processes. Although there were mixed views in relation to this sub-theme, the results indicated that business process management is compromised in the Provincial Government Department due to insufficient consultation and the perceived inexperience of the stakeholders involved in the process. Tomislav et al. (2013) state that organisational design can only be a vehicle for improving performance and attaining organisational goals if both organisational structure and business processes are addressed and developed. Muafi, Gabara, Sudiyarto and Siswanti (2019) agree that a corresponding relationship between the organisational structure, high-level business processes, and business strategy will improve organisational performance. The current practice in the Provincial Government Department is not aligned to the literature.

4.4.1.6 Sub-theme 1.6: The creation of posts

The creation of posts was identified as one of the sub-themes that is critical for the effectiveness of organisational design in the Provincial Government Department.

The participants from Group 1 mentioned that the department does not have a clear process to determine staffing needs, nor for how posts are created. Group 2 indicated a strong preference for work measurement as an appropriate method that must be used to support requests for posts. Work measurement is “the application of techniques designed to determine the time taken for a qualified worker to complete a specified task at a defined level of performance” (Konnully, 2012). Schulker, Lim and Robbert (2020) argue that the type of staffing model used by an organisation should be based on the nature of the jobs as some jobs are so unstructured that the workflow cannot be represented though an input-output map or a mathematical model. Schulker et al. (2020) identify four types of models that can be used depending on the nature of the job, namely the performance estimator model, relative comparison model, business case analysis, and workload estimator model. The findings of this study are not consistent with the literature. The department needs a reliable staffing model to ensure that it makes informed staffing and human resource planning decisions.

4.4.1.7 Sub-theme 1.7: The funding of posts

The participants’ perspectives on the funding of posts were considered. The study revealed that managers were not aware of the criteria used by the department to identify posts that must be prioritised for funding. Delays in filling posts and a lack of consultation were identified as the major causes of unfunded posts in the department. Group 2 suggested that the departmental establishment must be used as a baseline during the creation and funding of posts. They indicated that the department’s core functions and service delivery points must be prioritised during the allocation of funding for posts to ensure that the department has sufficient human resource capacities where they are needed most. Furthermore, homogeneous functions must be merged as far as possible to reduce personnel costs and to ensure the optimum utilisation of human resources. The researcher could not identify any literature to support the proposed solutions presented by Group 2 or to address the sub-theme relating to the funding of posts.

4.4.1.8 Sub-theme 1.8: Duration of the organisational structure review process

This sub-theme focused on the duration of the organisational design process in the Provincial Government Department. The study discovered that there are significant delays in organisational restructuring processes. Both groups of participants recognised the need to reduce the completion time for organisational structure review processes. The participants believed that the department can reduce the duration of the exercise by managing it as a formal project. This perspective is similar to that of Perez (2017), who states that the duration of a project can be reduced through the project fast-tracking method, which encourages project managers to carry out the activities of the project in parallel rather than sequentially, where possible. Dey (2015) also concurs that performing the different activities of a project concurrently or simultaneously reduces the time span of a project.

4.4.2 Theme 2: Design of the current organisational structure

4.4.2.1 Sub-theme 2.1: Determinants of functions

Group 1 indicated that the Provincial Government Department is made up of components or units, which is each responsible for specific functions. The department's functions are categorised either as "core" or "support" and the functions of each unit are informed by the department's legislative mandates. Group 2 supported the current state and indicated that the mandates and strategic plan of the department must inform the design of the organisational structure if the department wants to deliver on its mandates. The finding is in line with the provisions of the Public Service Regulations of 2016 (section 25(2)(a) in Chapter 3), which state that "based on the strategic plan of the department, an executive authority shall determine the department's organisational structure in terms of its core mandated and support functions" (DPSA, 2016a).

4.4.2.2 Sub-theme 2.2: The grouping of functions

The participants' views on the grouping of functions were considered. The results indicate that the department was more inclined towards a functional structure as it has grouped closely related functions together. A functional structure groups its activities and people, from the bottom to the top, according to the similarities in their

work, profession, expertise, goals, or resources used, e.g., production, marketing, sales, and finance (Buchanan & Huczynski, 2019). Most of the participants stated that the current organisational arrangement affected performance as they rely on other business units to achieve their goals and some business units focus only on their own work and are not really supportive of other business units. This finding is more inclined towards Tolbert and Hall (2015), who state that the major disadvantage of a functional structure is that it does not promote proper coordination across different functional units partly because employees identify primarily with their functional group rather than with the organisation. Furthermore, employees focus more on their individual goals as their immediate supervisors mainly evaluate their performance based on their contributions to the functional unit rather than their ability to work across units (Tolbert & Hall, 2015). The department therefore needs to reconsider the way it has grouped its functions to ensure proper coordination of functions.

4.4.2.3 Sub-theme 2.3: Staff establishment

The study considered the participants' perspectives on staff establishment. In relation to staff establishment, the study highlighted serious staff shortages in district offices, which make it difficult for the department to deliver services to communities. Currently, 43% of the posts in the department's staff establishment is allocated to the districts, while 57% is allocated to head office. Several of the department's core functions do not have the relevant human resources or posts to ensure effective delivery of services at the district level. The department must improve its human resource capacity to ensure positive organisational outcomes. Cheema and Asrar-ul-Haq (2017) suggest that staff shortages have a direct impact on organisational performance. The findings related to the staff establishment of the department and its impact on organisational performance are echoed in the literature.

4.4.2.4 Sub-theme 2.4: Hierarchy

This sub-theme assessed the participants' views of the hierarchy and span of control. There are five levels of management in the department; however, some of these levels are not filled, which impacts negatively on service delivery. The participants believed that the Provincial Government Department would perform effectively and

efficiently if the organisational structure was fully implemented, and all levels of authority were represented. The results of this study indicate that departmental institutions are mostly managed by junior employees due to unfunded posts in the department. This affects the morale of employees as they are not compensated for the additional responsibilities. The study further discovered that the organisational structure is characterised by a very narrow (one-on-one) span of control and, in some cases, managers function without any support staff. Furthermore, senior managers were mostly engaged in operational matters due to long-term vacancies in the lower levels of management. There is thus a dire need to address the challenges relating to hierarchy and span of control to promote efficiency and enhance organisational performance. According to Cheema and Asrar-ul-Haq (2017), vacancies and understaffing increase the workloads and responsibilities of current staff, which impact adversely on employee performance and ultimately on the performance of the organisation. The results of this study are consistent with comparable studies in the literature.

4.5 SUMMARY OF THE RESULTS

Table 4.4. summarises the results of the study based on the themes and sub-themes that emerged from study.

Table 4.4: Summary of results based on the themes and sub-themes

Theme	Sub-theme	Results
Organisational design process of the Provincial Government Department	Understanding of organisational design	There is no clear understanding of the concept. Organisational design is equated with the review of the organisational structure.
	Triggers of the organisational design process	The triggers of the process are not understood. The participants were not clear about the challenges of the existing organisational structure before embarking on the process of redesigning it.
	Alignment of the organisational structure to departmental strategic objectives	The department ensures alignment of the organisational structure to mandates and strategic objectives.
	Alignment of the organisational structure to the departmental service delivery model	The organisational structure is aligned to the service delivery model. However, the service delivery model is not supported by appropriate delegations and resources are still centralised in head office, which makes implementation difficult.
	Alignment of business	The department has not incorporated the

Theme	Sub-theme	Results
	processes	alignment of business processes as a critical element of its organisational design process.
	Creation of posts	The department does not have a clear process to determine staffing needs, nor how posts are created.
	Funding of posts	The participants were not aware of the criteria used by the department to identify posts that must be prioritised for funding.
	Duration of the organisational structure review process	There are significant delays in the process of reviewing the organisational structure.
Design of the current organisational structure	Determinants of functions	The functions of different business units are informed by the mandates and strategic objectives of the department.
	Grouping of functions	The department adopted a functional organisational structure and has grouped closely related functions together.
	Staff establishment	The current staff establishment does not make provision for posts that are necessary for the department to perform effectively. There are serious staff shortages in district offices and in the core functions of the department.
	Hierarchy	The current organisational structure is characterised by a very narrow span of control (one-on-one reporting). There are five levels of management; however, some levels of management are not filled due to budgetary constraints, which leads to poor organisational performance.

4.6 CONCLUSION

This chapter presented the results of the study. The primary objective of the study was to analyse the effectiveness of the organisational design process of the Provincial Government Department. Data analysis was conducted using the thematic analysis approach, from which two themes and 12 related sub-themes emerged. The two main themes that were identified were the organisational design process of the Provincial Government Department, and the design of the current organisational structure. The following sub-themes, which are necessary to ensure the effectiveness of the organisational design process in the Provincial Government Department, were analysed and discussed in detail: understanding of organisational design, triggers of the process, alignment of the organisational structure to departmental strategic objectives, alignment of the organisational structure to the

departmental service delivery model, alignment of business processes, creation of posts, funding of posts, and duration of organisational structure review process.

All these themes and sub-themes are interlinked. Firstly, an organisational design project must be triggered by an existing problem. The department must have a strategic plan and a service delivery model, which must guide its organisational architecture. Additionally, the department must ensure that its business processes are clearly defined and mapped to eliminate redundancies and bottlenecks. Once all business processes are defined, the department can make decisions about the posts that are required to execute the functions and the funds that are required to create such posts.

The study also analysed the following sub-themes that are related to the design of the current organisational structure: determinants of functions, grouping of functions, staff establishment, and hierarchy.

CHAPTER 5:

CONCLUSION AND RECOMMENDATIONS

5.1 INTRODUCTION

In the previous chapter, the researcher provided an analysis and interpretation of the data obtained from the interviews with the participants. The purpose of this chapter is to present a summary of the research findings and to make recommendations. The researcher also presents the limitations, which are followed by the conclusion of the study.

The study was guided by a set of research questions that were based on the research objectives. The primary objective of the study was to analyse the effectiveness of the organisational design process of the Provincial Government Department. The secondary objectives were to:

- conduct a literature review on the influence of strategic planning and the budget on the process of organisational design in the Provincial Government Department;
- evaluate the process of designing the organisational structure in the Provincial Government Department;
- evaluate the organisational structure against the mandates of the Provincial Government Department;
- evaluate the Provincial Government Department's decision-making process with regard to the funding of posts;
- identify the limitations of the Provincial Government Department's current organisational design process; and
- identify an alternative approach for streamlining the organisational design process in the Provincial Government Department.

5.2 SUMMARY OF THE FINDINGS

The study reviewed the theoretical perspectives of different scholars on organisational design and the influence of the strategic plan and the budget on the process. The literature revealed that organisational design goes beyond designing an organisational chart. Organisational design includes business processes,

employee performance management, recruitment, and skills development. Organisational design is therefore about the integration of the structure, processes, and people to aid strategy implementation. The study further discovered a strong link between the strategic plan and the organisational structure as one of the key elements of organisational design. The literature revealed that the organisational structure is an important driver of strategy implementation, and an organisation must therefore align its organisational structure to its chosen strategy or strategic plan to ensure effective implementation of the strategy. There is limited literature with regards to the influence of the budget on organisational design.

The study was also interested in evaluating the Provincial Government Department's organisational structure against its mandates. The evidence showed that the design of different business units is informed by the department's mandates and strategic plan; however, the department does not have sufficient human resource capacity to deliver on its mandates due to unfunded positions in the approved organisational structure. It was noted that the department has adopted a functional organisational structure, which does not support the coordination of functions because employees identify primarily with their functional group rather than with the organisation. This poses a challenge as there is a high rate of interdependence; work performance in one business unit is affected by the response time of other units in the department. In addition, the department utilises district offices as its service delivery points to ensure accessibility of departmental services by the communities. Nevertheless, it has been noted that the district offices are understaffed, which impacts negatively on service delivery. The current percentage allocation of funded posts is 43% in the district offices, while 57% is allocated to the head office.

The study further revealed serious staff shortages in the department's core functions, which make it difficult for the department to deliver services to communities. In certain instances, the core functions of district offices are performed by only one employee. This implies that some of the departmental services cannot be accessed by communities, especially when key employees are on leave.

The study further discovered that the organisational structure is characterised by a narrow span of control (one-on-one reporting) at the head office and district offices. Furthermore, there are five levels of management in the department; however, some

of these levels are not filled in certain areas due to budgetary constraints. This impacts adversely on functionality as management spends more time performing operational functions and are hindered from performing the overseeing role that is required of their positions due to high staff shortages. The department is therefore not well capacitated to deliver on its mandates as the current organisational structure does not make provision for all the critical posts that are necessary for effective service delivery.

Another aspect that the study sought to evaluate was the process of designing the organisational structure of the Provincial Government Department. It was noted that the department ensured alignment of the organisational structure with the mandates and strategic objectives when reviewing the organisational structure. However, the study revealed several gaps in relation to the process followed in the design of the organisational structure. There is usually no clarity of purpose when organisational structure review processes are initiated in the department. This implies that the department cannot measure if the process has attained its objectives since the process is initiated without clear goals or guidelines.

It was discovered that the department considered the approved service delivery model when reviewing the organisational structure; however, there is often confusion regarding roles and responsibilities as the decision to decentralise functions is usually not supported by delegations. Workflow is severely affected by the lack of delegations and the centralisation of human and financial resources at the head office. The study further revealed that business process analysis is not integrated into the process due to insufficient consultation and the perceived inexperience of the stakeholders involved in the process.

The study identified a challenge regarding the creation of posts. It was established that the department does not have a clear process to determine staffing needs, nor how posts are created. The participants believed that the creation or allocation of posts is based on the level of influence that a particular head of unit commands within the department. This implies that the creation and allocation of posts are based on uninformed decisions.

For example, the study discovered that there are unexplained inconsistencies in the allocation of posts in the five district offices of the department. The total number of

funded posts per district was 31 against a population of 1.4 million in District A, 16 against a population of 1.38 million in District B, 15 against a population of 0.75 million in District C, 16 against a population of 1.2 million in District D, and 30 against a population of 1.1 million in District E. The department undoubtedly needs a clear process of creating posts to ensure informed decision making and to improve the confidence of its critical stakeholders.

Furthermore, the study found that there are significant delays in the process of reviewing the organisational structure, with the average project time estimated at three years. The delay in finalising the organisational structure means that the department might not have sufficient time to implement the organisational structure once approval is granted. This is mainly because the organisational structure must be reviewed when there is a change in strategic focus, which is generally after five years at the beginning of every electoral cycle.

The study further evaluated the decision-making process with regard to the funding of posts in the department. The findings of this study indicated that the decision-making process to fund posts is unclear. The study found that critical posts are prioritised for funding; however, there is no consultative process to identify these critical posts and only a few people participate in the process. There is thus no transparency in the process as the affected business units are not aware of the measures that are used to identify critical posts in the department.

Lastly, the study was concerned with identifying the shortcomings of the current organisational design process. The study discovered several issues that the participants viewed as the major shortcomings of the process:

- **Poor understanding of the concept of organisational design:** The results of this study indicated that organisational design is equated with the process of designing and amending the organisational structure.
- **Delay in finalising organisational structure review processes:** Instability on the executive management level, consultations, political interference, and group dynamics were identified as the major causes of the delay in reviewing the organisational structure.
- **Ineffective consultation process:** The participants indicated that the consultation done by the department was not effective as it did not achieve

the expected outcomes and as inputs from business units regarding the organisational structure are disregarded without any feedback or communication to the relevant business unit. The participants cited that decisions pertaining to the organisational structure are taken outside the agreed processes under the influence of officials who have no clear understanding of the functions at hand.

- **Placing individuals before the organisation:** The study discovered a common practice by management to place individuals before the organisation during the review of the organisational structure. There is reluctance to relinquish resources to the districts in support of the approved service delivery model and in line with the District Development Model of the government as this will affect certain employees in the department. It was noted that key people in the department tend to influence the creation or abolishment of posts and units, sometimes without any justification.
- **Embarking on the process without a clear purpose:** The findings of the study revealed that the organisational design process was initiated without a diagnostic report reflecting the challenges that must be addressed through the review of the organisational structure. The process of post allocation was also conducted without an analysis of current information in terms of the allocated personnel budget and the number of existing posts between the core and support functions of the department. Most of the participants were concerned that commencing with a review of the organisational structure without budget and post information hindered progress as the department ended up with bloated support functions and personnel costs that exceeded the allocated personnel budget.

5.3 RECOMMENDATIONS

This section aims to suggest an approach that will improve the organisational design process in the Provincial Government Department. Based on the findings of the study, recommendations to address the prevailing challenges of organisational design in the Provincial Government Department are presented below.

5.3.1 Shortcoming 1: Delay in finalising the design or review of the organisational structure

The findings indicated that there are significant delays in finalising the review of the organisational structure in the Provincial Government Department. The department must develop a project plan with timelines to accelerate the completion of organisational design processes. The project plan must be approved by the Executive Authority to ensure adherence to the timelines. During the implementation phase, the duration of the project must be managed by applying methods such as the project fast-tracking method, which encourages project managers to carry out the activities of the project in parallel rather than sequentially, where possible.

5.3.2 Shortcoming 2: Restructuring without a clear purpose

It was noted from the findings that the department embarks on organisational structure review processes without a clear purpose of what must be addressed. This implies that the department cannot measure if the process has attained its objectives since the process was initiated without clear goals or guidelines. It is thus recommended that the department must clarify the overall purpose of reviewing the organisational structure before embarking on the process. This necessitates conducting a diagnosis to review the current organisational context (strategy and external realities) and its current performance. The diagnostic report will reveal information about the organisational structure, including its appropriateness to the needs of the organisation, its responsiveness to the mandates of the department, whether it supports the full utilisation of human resources, and if functions are grouped cost effectively and in a logical manner. By identifying the challenges beforehand, the department will be well capacitated to clearly define the project scope and the expected deliverables before embarking on a restructuring process.

5.3.3 Shortcoming 3: Insufficient consultation during the design or review of the organisational structure

The study discovered a challenge of insufficient consultation during the design or review of the organisational structure, which impacts negatively on decisions pertaining to the organisational structure. The department must develop a consultation plan to improve the efficiency and effectiveness of the process. The

consultation plan should clarify the purpose of consultation, stakeholders that must be consulted, and the timeline for consultations. The department can further improve the effectiveness of its consultation process by ensuring that all consultations are recorded and that any decisions or final inputs are signed off by the relevant programme manager or the chairperson in the case of high-level consultations with the executive management.

5.3.4 Shortcoming 4: Lack of delegations to support the implementation of the service delivery model

The findings revealed that the organisational structure is aligned to the service delivery model; however, there are implementation issues as the districts do not have formal delegations to perform effectively as the service delivery points of the department.

The participants recommended that the district offices must be empowered with appropriate delegations to ensure proper implementation of the service delivery model and the organisational structure. The service delivery model must further be supported by allocations of the relevant human resources and budgets. The organisational structure must be aligned to the department's strategic objectives and service delivery model.

5.3.5 Shortcoming 5: Business processes are not integrated into the organisational design process

The study found that business process management is compromised in the Provincial Government Department due to insufficient consultation and the perceived inexperience of the stakeholders involved in the process. It is thus recommended that the department should integrate business processes into its organisational design process to improve organisational performance. High-level business processes must be defined and mapped to help make accurate decisions regarding the organisational structure. This will improve productivity and reduce inefficiencies by eliminating repetitive processes, redundancies, and bottlenecks.

5.3.6 Shortcoming 6: Unclear process to determine staffing needs

The findings revealed that the Provincial Government Department does not have a clear process to determine staffing needs or to guide decisions regarding the creation of posts.

The department must adopt a reliable staffing model to facilitate informed staffing and human resource planning decisions. The department can consider different staffing models based on the nature of the work for which posts must be created, such as the performance estimator model, relative comparison model, business case analysis, and workload estimator model.

5.3.7 Shortcoming 7: Insufficient human resource capacity to deliver on departmental mandates

The findings indicated that the department is not sufficiently capacitated to deliver on its mandates due to unfunded posts and a shortage of staff in the district offices and in the core functions of the department. The department must conduct an analysis of baseline information with regard to current head count and MTEF budget allocations to ensure informed decision making. The participants recommended that the department should reallocate existing posts in the current staff establishment to ensure the optimum utilisation of human resources, address staff shortages in the core functions, and capacitate district offices as required by the approved service delivery model, which focuses on decentralisation.

5.3.8 Shortcoming 8: Lack of transparency regarding the creation and funding of posts

The study found that the decision-making processes regarding the creation and funding of posts are unclear. It is thus recommended that the department should prioritise the core functions of the department and those of the district offices as its service delivery points during the creation and funding of posts. Only critical support posts must be created to enable the department to remain within its allocated budget. It is of vital importance that the department defines what is meant by “critical posts” and ensures that all relevant stakeholders are consulted during the identification of critical posts to maintain the transparency of the process. Furthermore, the

department must fill attrition posts and vacancies within the stipulated timeframes to prevent unfunded posts in the organisational structure.

5.3.9 Shortcoming 9: A functional organisational structure that does not support the coordination of functions

The findings revealed that the Provincial Government Department adopted a functional organisational structure, but that it does not support the coordination of functions because employees identify primarily with their functional group rather than with the organisation. The department should consider changing the type of organisational structure to ensure coordinated group efforts. This must be followed by a clear demarcation of authority and proper definition of roles and responsibilities to prevent confusion and coordination problems. Furthermore, there is a need to promote direct communication between key employees who are involved in a process, regardless of positions and levels, to clarify and resolve issues in a timely manner.

5.3.10 Shortcoming 10: Mismatched hierarchy

The study discovered that there is a misalignment between the number of management levels and the number of managers per level due to unfunded posts. The organisational structure is characterised by a very narrow (one-on-one) span of control and in some cases managers function without any support staff. All these issues create challenges as both management and the lower-cadre employees have to take up additional responsibilities, which impacts negatively on the quality of work. It is thus recommended that the challenges relating to the hierarchy and span of control be addressed in order to promote efficiency and to enhance organisational performance. The department must consider merging management-level functions to allow the creation of posts at the production level and to ensure the optimum utilisation of human resources. The department must ensure that the number of management or supervisor posts is always fewer than the number of posts to be supervised.

5.3.11 Shortcoming 11: Poor understanding of the concept of organisational design

The results of this study indicated that organisational design is equated with the process of designing and amending the organisational structure. The Provincial Government Department should create awareness of the concept to improve the effectiveness of organisational design in the department.

5.4 SUMMARY OF RECOMMENDATIONS

Table 5.1 summarises the recommendations based on the findings of the study.

Table 5.1: Summary of recommendations

PRIMARY OBJECTIVE: TO ANALYSE THE EFFECTIVENESS OF THE ORGANISATIONAL DESIGN PROCESS OF THE PROVINCIAL GOVERNMENT DEPARTMENT			
Secondary objectives	Key findings	Shortcomings	Recommendations
Evaluate the process of designing the organisational structure in the department.	The study identified gaps in the process of designing the organisational structure.	Triggers of the review of the organisational structure are not explained before embarking on the process.	Clarify the overall purpose of reviewing the organisational structure before initiating the process. Diagnosis must be conducted to understand challenges related to the current organisational structure.
		The service delivery model, which informs the organisational structure, is not supported by appropriate delegations.	Empower district offices with appropriate delegations to ensure proper implementation of the service delivery model and the organisational structure.
		Lack of a clear process to determine staffing needs.	Adopt a reliable staffing model to facilitate informed staffing and human resource planning decisions.
		Lack of transparency during the creation of posts.	Prioritise the core functions of the department and service delivery points during the creation of posts.
Evaluate the organisational structure against the mandates of the department.	The department is not well capacitated to deliver on its mandates.	Insufficient human resource capacity.	Conduct an analysis of baseline information regarding current head count and reallocate existing posts in the current staff establishment to ensure the optimum utilisation of human resources, address staff shortages in the core functions, and capacitate district offices as required by the approved service delivery model, which is focused on decentralisation.
		A functional organisational structure that does not support the coordination of functions.	Consider an organisational structure that will ensure coordinated group efforts. Ensure clear demarcation of authority and proper definition of roles and responsibilities to prevent confusion and coordination problems. Promote direct communication between key employees who are involved in a process, regardless of positions and levels.
		Mismatched hierarchy.	Merging functions at the management level to allow the creation of posts at the production level. Ensure that the number of management or supervisor posts is always fewer than the number of posts to be supervised.
Evaluate the	There is no clear	Lack of transparency in the	Core functions and service delivery points must be prioritised during

PRIMARY OBJECTIVE: TO ANALYSE THE EFFECTIVENESS OF THE ORGANISATIONAL DESIGN PROCESS OF THE PROVINCIAL GOVERNMENT DEPARTMENT			
Secondary objectives	Key findings	Shortcomings	Recommendations
departmental decision-making process with regard to the funding of posts.	process to identify posts that need funding.	process of funding posts.	the funding of posts. The department must define posts that are critical for service delivery to ensure that the process is transparent and fair.
Identify the limitations of the current organisational design process	The study identified the major shortcomings of the current organisational design process.	Poor understanding of organisational design. The concept is equated with the design or review of the organisational structure.	Create awareness of the concept of organisational design in the department.
		Business processes management is not incorporated as a critical element of the organisational design process.	Integrate business processes into the organisational design process to improve organisational performance.
		Ineffective consultation.	Develop a consultation plan to improve the efficiency and effectiveness of the process. The consultation plan should clarify the purpose of consultations, stakeholders that must be consulted, and the timeline for consultations.
		There are significant delays in the process of reviewing the organisational structure.	Develop a project plan with timelines to accelerate organisational design processes. Apply methods such as project fast-tracking to manage the duration of projects.
Identify an alternative approach for streamlining the organisational design process.	The study found that there is a strong need to streamline the organisational design process in the Provincial Government Department.	The shortcomings of the process are as indicated above.	The Provincial Government Department can enhance its organisational design process by implementing all the recommendations highlighted above.

5.5 RECOMMENDATIONS FOR FUTURE RESEARCH

The study focused on a specific provincial government department; therefore the findings cannot be generalised outside the area of study. It is thus recommended that future researchers examine the effectiveness of the organisational design process on a larger scale to ensure the generalisability of the findings. In addition, there is insufficient information related to the influence of the budget on the organisational structure. Further research in this area can thus enrich the field of study. The need for less expensive organisational structures is also increasing. This demands more research to explore effective ways to address the challenge while maintaining the highest level of performance. Another interesting area to explore is what should come first between the organisational structure and the alignment of business processes as there is currently no consensus on this subject.

5.6 LIMITATIONS OF THE STUDY

The study had three main limitations. Firstly, the researcher did not have access to most of the identified participants in senior and executive management positions due to their busy schedules. Middle managers and officials in junior management positions who met the inclusion criteria were thus invited to participate to ensure a diversity of opinions.

Most of the department's district offices are located far from the head office. The researcher could therefore not conduct physical interviews with participants from these offices due to budgetary constraints. These participants were interviewed telephonically, which posed challenges as the researcher could not read their non-verbal language as they responded to the questions.

Furthermore, limited literature is available to provide a theoretical basis on the influence of the budget on organisational design as one of the questions that the study sought to answer. This creates an opportunity for further research in this area.

5.7 CONCLUSION

The findings of this study indicated that the process of organisational design in the Provincial Government Department is not effective. The department is not well capacitated to deliver on its mandates, the decision-making process regarding the funding of posts is unclear, and several shortcomings were revealed in the process.

The department needs an alternative approach to organisational design to ensure the effectiveness of the process. The study identified themes and sub-themes that facilitated the development of recommendations that can be implemented to enhance the process of organisational design in the Provincial Government Department. In addition, recommendations were made to enable future researchers to improve the outcomes of research projects in this field.

ABSTRACT

The Provincial Government Department is facing serious challenges with its current organisational design process. The department has experienced, among others, unusual delays in realigning its organisational structure to its strategy, which has adverse effects on its ability to deliver on its mandate. Furthermore, the existing organisational structure of the department was not fully implemented due to budgetary constraints. The study sought to analyse the effectiveness of the organisational design process in the Provincial Government Department. This was undertaken to explore alternative organisational design approaches to enhance the process in view of the budgetary constraints facing the department.

A qualitative research design was utilised to conduct the study and data were collected through semi-structured interviews. The results of the study indicate that the department considers its strategic plan when reviewing the organisational structure. However, several challenges related to the Provincial Government Department's organisational design process were highlighted. Firstly, the study found that the department is not well capacitated to deliver on its mandates due to, among others, challenges such as staff shortages and unfunded posts in the current organisational structure. Secondly, the study revealed shortcomings that render the process of designing the organisational structure ineffective, including abnormal delays and lack of analysis of business processes. Lastly, the study found that the decision-making process regarding the funding of posts is unclear.

Recommendations were made to improve the effectiveness of the department's organisational design process, such as the synchronous analysis and design of both the business processes and the organisational structure as the key elements of organisational design. Other elements that were identified as necessary for ensuring an effective organisational design process in the department include managing the service delivery model, hierarchy, the creation of posts, criteria for funding posts, and the duration of designing the organisational structure.

Key words: organisational design, organisational structure, strategic plan, business processes, service delivery model, hierarchy, creation of posts, funding of posts

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APPENDICES

Appendix A: Ethical clearance letter



GENERAL/HUMAN RESEARCH ETHICS COMMITTEE (GHREC)

09-Nov-2022

Dear Mrs Nyeleti Mabunda

Application Approved

Research Project Title:

A STRATEGIC APPROACH TO ORGANISATIONAL DESIGN IN A PROVINCIAL GOVERNMENT DEPARTMENT. THE DEPARTMENT'S PRIMARY PURPOSE IS TO PROMOTE DIVERSITY, SOCIAL COHESION AND NATION BUILDING.

Ethical Clearance number:

UFS-HSD2022/1469/22

We are pleased to inform you that your application for ethical clearance has been approved. Your ethical clearance is valid for twelve (12) months from the date of issue. We request that any changes that may take place during the course of your study/research project be submitted to the ethics office to ensure ethical transparency. Furthermore, you are requested to submit the final report of your study/research project to the ethics office. Should you require more time to complete this research, please apply for an extension. Thank you for submitting your proposal for ethical clearance; we wish you the best of luck and success with your research.

Yours sincerely

Dr Adri Du Plessis

Chairperson: General/Human Research Ethics Committee

Adri
Du
Plessis

Digitally signed by
Adri Du Plessis
Date: 2022.11.10
10:18:12 +02'00'

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9337
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Appendix B: Information leaflet and consent form



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RESEARCH STUDY INFORMATION LEAFLET AND CONSENT FORM

DATE

October 2022

TITLE OF THE RESEARCH PROJECT

A strategic approach to organisational design in a provincial government department

PRINCIPLE INVESTIGATOR / RESEARCHER(S) NAME(S) AND CONTACT NUMBER(S):

Mabunda Nyeleti Charmaine 2017026448 082 522 9802
FACULTY AND DEPARTMENT:

UFS Business School

STUDY LEADER(S) NAME AND CONTACT NUMBER:

Samuel Njenga
082 087 1962

WHAT IS THE AIM / PURPOSE OF THE STUDY?

The aim of the study is to analyse the effectiveness of the Organisational Design process in the Provincial Government Department, in order to explore alternative Organisational Design approaches to enhance the process in view of the budgetary constraints facing the Department.

WHO IS DOING THE RESEARCH?

My name is Nyeleti Charmaine Mabunda and I am doing this study for the completion of a master's degree.

HAS THE STUDY RECEIVED ETHICAL APPROVAL?

This study has received approval from the Research Ethics Committee of UFS. A copy of the approval letter can be obtained from the researcher.

Approval number: UFS-HSD2022/1469/22



WHY ARE YOU INVITED TO TAKE PART IN THIS RESEARCH PROJECT?

As a participant in this study, you are a critical source of information and will share your experience and understanding of the organisational design process. This study will have participants constituted departmental officials and organisational design experts from other government departments in the province. The contact details of the participants in this study were obtained from the department's contact list.

WHAT IS THE NATURE OF PARTICIPATION IN THIS STUDY?

Your participation is primarily for data collection purposes, and you will be asked several questions about the departmental organisational design process. There is no wrong or right answer. You will be requested to take part in an interview, which will take at least forty five (45) minutes to complete. The duration of data collection will be one month. There will be no children involved in this study.

CAN THE PARTICIPANT WITHDRAW FROM THE STUDY?

Participation is voluntary and there is no penalty or loss of benefit for non-participation. Being in this study is voluntary, and you are under no obligation to consent to participation. If you do decide to take part, you will be given this information sheet to keep and be asked to sign a written consent form. You are free to withdraw at any time and without giving a reason.

WHAT ARE THE POTENTIAL BENEFITS OF TAKING PART IN THIS STUDY?

Although you will not benefit directly from the study, the results of the study might enhance the organisational design process of the department. The subject's participation in the study will be kept strictly as confidential, and privacy will be respected at all times, but information about participants will be given to the study sponsor.

WHAT IS THE ANTICIPATED INCONVENIENCE OF TAKING PART IN THIS STUDY?

There is a risk of loss of work time as the interview can take approximately 45 minutes to complete. The researcher will schedule the interview during lunch breaks and you will be given an option to schedule the interview at a time that suits your schedules.

WILL WHAT I SAY BE KEPT CONFIDENTIAL?

With your permission, the researcher will use audio recording to avoid making a lot of written notes. Your name will not be recorded anywhere and should you agree to the audio recording, you will not be asked to state your name. No one will be able to connect you to the answers you provide. Your answers will be given a fictitious code number or a false name, and you will be referred to in this way in the data, any publications, or other research reporting methods. In case an audio recording is used, it will be deleted once the study has been completed and accepted for awarding of the qualification. Your answers may be reviewed by people responsible for making sure that research is done properly, including the transcriber, external coder, and members of the Research Ethics Committee. Otherwise, records that identify you will be available only to people working on the study, unless you give permission for other people to see the records. However, this information will be used as anonymous data for other purposes, e.g. research report, journal articles, conference presentation, etc. All information shared by the respondents will be treated strictly as confidential, and privacy will be respected at all times. A report of the study may be submitted for publication, but individual participants will not be identifiable in such a report

HOW WILL THE INFORMATION BE STORED AND ULTIMATELY DESTROYED?

Hard copies of your answers will be stored by the researcher for a period of five years in a locked cupboard in her residence for future research or academic purposes; electronic information will be stored on a password protected computer. Future use of the stored data will be subject to further Research Ethics Review and approval if applicable. At the end of the research, the audio taping and notebooks will be destroyed as soon as the University has approved or is satisfied with the results.

WILL I RECEIVE PAYMENT OR ANY INCENTIVES FOR PARTICIPATING IN THIS STUDY?

Your participation is voluntary and no compensation will be provided.

HOW WILL THE PARTICIPANT BE INFORMED OF THE FINDINGS / RESULTS OF THE STUDY?

If you would like to be informed of the final research findings, please contact Ms Nyeleti Charmaine Mabunda on 082 522 9802 or email: cmthembi@yahoo.com. Should you require any further information or want to contact the researcher about any aspect of this study, please contact 082 522 9802 or email: cmthembi@yahoo.com. Should you have concerns about the way in which the research has been conducted, you may contact Mr Samuel Njenga on 082 087 1962 or email njengasammy@gmail.com

Thank you for taking the time to read this information sheet and for participating in this study.

CONSENT TO PARTICIPATE IN THIS STUDY: DEPARTMENTAL OFFICIALS

I, the undersigned,

_____ (participant's full names to be included), (the "Participant")

confirm that I voluntarily agree to participate in the research study referred to as the

A strategic approach to organisational design in a provincial government department

(the "Study") which is being conducted by **Nyeleti Charmaine Mabunda**, (the "Researcher").

I, the undersigned Participant, further confirm that–

1. the Researcher has explained the nature, procedure, potential benefits and anticipated inconvenience of my participation in the Study;
2. I have read (or had explained to me) and understood the Study as explained in the attached information sheet;
3. I have had sufficient opportunity to ask questions and am prepared to participate in the Study;
4. I understand that my participation in the Study is entirely voluntary and that I am free to withdraw at any time without penalty (if applicable);
5. I voluntarily provide the UFS and the Researcher with my personal information and consent to the UFS and the Researcher collecting, disclosing and processing my personal information in order to conduct the Study and any related activities in relation thereto;
6. I hereby acknowledge and confirm that I understand the purpose for which the UFS and the Researcher may collect, store, use, delete, destroy, outsource, transfer or otherwise process, as the context and circumstances may require and as contemplated in terms of POPIA, my personal information as set out herein;
7. I am aware that the findings of the Study will be anonymously processed into a research report, journal publications and/or conference proceedings and that my personal information will be aggregated and deidentified at such stage;
8. I also give the UFS permission to share, without notification, the collected data with other researchers at the UFS or other Higher Education Institutions. This permission is dependent on the same principles of ethical research practices, anonymity/confidentiality, safekeeping of information, and other issues listed above applying.



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		Please tick box	
		Yes	No
I, the Participant, agree to the recording of the interview		☐	☐
Full Name of Participant: _____			
Signature of Participant: _____ Date: _____			
Full Name(s) of Researcher(s): _____			
Signature of Researcher: _____ Date: _____			



CONSENT TO PARTICIPATE IN THIS STUDY: ORGANISATIONAL DESIGN EXPERTS

I, the undersigned,

_____ (participant's full names to be included), (the "Participant")

confirm that I voluntarily agree to participate in the research study referred to as the

A strategic approach to organisational design in a provincial government department,
(the "Study") which is being conducted by **Nyeleti Charmaine Mabunda**, (the "Researcher").

I, the undersigned Participant, further confirm that–

1. the Researcher has explained the nature, procedure, potential benefits and anticipated inconvenience of my participation in the Study;
2. I have read (or had explained to me) and understood the Study as explained in the attached information sheet;
3. I have had sufficient opportunity to ask questions and am prepared to participate in the Study;
4. I understand that my participation in the Study is entirely voluntary and that I am free to withdraw at any time without penalty (if applicable);
5. I voluntarily provide the UFS and the Researcher with my personal information and consent to the UFS and the Researcher collecting, disclosing and processing my personal information in order to conduct the Study and any related activities in relation thereto;
6. I hereby acknowledge and confirm that I understand the purpose for which the UFS and the Researcher may collect, store, use, delete, destroy, outsource, transfer or otherwise process, as the context and circumstances may require and as contemplated in terms of POPIA, my personal information as set out herein;
7. I am aware that the findings of the Study will be anonymously processed into a research report, journal publications and/or conference proceedings and that my personal information will be aggregated and deidentified at such stage;
8. I also give the UFS permission to share, without notification, the collected data with other researchers at the UFS or other Higher Education Institutions. This permission is dependent on the same principles of ethical research practices, anonymity/confidentiality, safekeeping of information, and other issues listed above applying



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	Please tick box	
	Yes	No
I, the Participant, agree to the recording of the interview	☐	☐
Full Name of Participant: _____		
Signature of Participant: _____ Date: _____		
Full Name(s) of Researcher(s): _____		
Signature of Researcher: _____ Date: _____		



Appendix C: Research instruments

INTERVIEW SCHEDULE FOR DEPARTMENTAL STAFF

Demographic Information

Organisational Classification (e.g., core / support): _____

Position (e.g., Assistant Director, Director, etc.): _____

Years of experience in the Department: _____

1. Explain what you understand by organisational design.
 2. How is the current organisational structure supporting your unit to achieve its objectives?
 3. Explain whether the current organisational structure makes provision for posts critical to the success of your unit.
 4. To what extent are the functions of your unit informed by the mandates of the Department?
 5. How do hierarchical levels affect the performance of your unit?
 6. In your opinion, how does the grouping of functions affect the overall performance of the department?
 7. To what extent is the performance of your unit affected by other units in the department?
 8. How is the need to revise the organisational structure identified?
 9. What process is followed to ensure connection between the functions of various units and the strategic objectives of the department?
 10. Describe the process followed in determining the number of posts allocated to your unit.
 11. What is considered when deciding to decentralise functions in the department?
 12. What causes the delay in finalising organisational structure review projects?
 13. What process is followed to ensure coordination of functions across the department?
 14. To what extent are business processes considered when reviewing the organisational structure?
-

15. What are the shortcomings of the process of reviewing the organisational structure in the department?
 16. What is the challenge with regards to business processes?
 17. What can be done to improve the process of reviewing the organisational structure?
 18. What process is followed to prioritise posts to be funded in the department?
 19. What is the cause of unfunded posts in the Department?
 20. What can be done to prevent unfunded posts in the Department?
-

INTERVIEW SCHEDULE: PROVINCIAL ORGANISATIONAL DESIGN SPECIALISTS

Demographic Information

Position (e.g., Assistant Director, Director, etc.): _____

Years of experience in Organisational Design:

1. What is your understanding of organisational design?
2. How can departments ensure connection between the functions of various units and the strategic objectives of the department?
3. Given the current financial constraints in the province, how can the organisational structure be used to ensure optimum utilisation of human resources?
4. What process should be followed when allocating posts to different units?
5. How can departments prevent unfunded posts in the organisational structure?
6. In your opinion, what is the cause of delays in finalising the review of Organisational Structures?
7. What can be done to fast-track Organisational Structure review processes?
8. How does your department ensure coordination of functions across the department?
9. What do you recommend departments must do to improve the workflow?
10. How can departments integrate business processes into the organisational structure review process?
11. What best practices can you share regarding the process of reviewing the organisational structure?
12. What best practices can you share regarding business processes?

Appendix D: Declaration by language editor



25 April 2023

To whom it may concern

Re: Proofreading and academic editing: Mrs N.C. Mabunda

I, J.L. van Aswegen of Grammar Guardians, hereby confirm proofreading and academic editing of the master's field study entitled "A Strategic Approach to Organisational Design in a Provincial Government Department" by Mrs N.C. Mabunda (student number 2017046448) during April 2023 (excluding reference list and annexures). The editor does not accept responsibility for post-editing changes made by the author.

Please contact me on 082 811 6857 or at jeanne@grammarguardians.co.za regarding any queries that may arise.

Kind regards,

A handwritten signature in black ink, appearing to read "J.L. van Aswegen", is written over a horizontal line.

J.L. van Aswegen

Grammar Guardians