

Part I of a Two Part

Series Rightsizing: Issues to Help You Make it Work

Span of Control Analysis

Reviewing the Internal Environment

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In the early 1990s, downsizing and rightsizing were words that were used freely by elected officials and, often, governmental managers. Over the past three to four years, the use of those terms has diminished slightly but reference to increasing governmental productivity and efficiency continue to be at the forefront of policy maker and taxpayer concerns. As the public continues to demand higher quality governmental services without additional cost, agencies continue to look within themselves for a solution. One of the key areas of study is the organizational structure under which services are provided.

The traditional organizational structure of most governmental agencies does not lend itself to efficient delivery of services. Organizations have traditionally focused on politics, jobs, and personalities rather than on developing strategies and delivering programs that are geared to current and future customer needs. Shifting this focus requires a total restructuring of governmental organizations as we know them.

Right-sizing - the same process used effectively in the private sector to develop a more streamlined organizational structure - is the key to making the transition. Through right-sizing, the hierarchical, static organization in which governmental employees are subjected to direct

supervision is reduced to a structure that has fewer organizational levels, emphasizes cross-functional teams, is flexible in responding to the demands of constituents, and is more focused on providing optimal public service.

In a right-sized organization, managers and supervisors focus less on direct supervision but more on leadership, mentoring and coaching. Employees become more empowered and team oriented, working in jobs that are more flexible and require broader skills and competencies.

A successful right-sizing starts with an objective analysis of spans of control. Span of control is typically defined as the number of levels in an organization and the number of positions reporting to an individual supervisor or manager. The ultimate goal is to reduce the number of managerial, supervisory and staff employee levels, while increasing the span of control for the remaining management and supervisory employees and broadening the level of responsibilities of rank and file employees. At the same time, the organization must address broader organizational issues in order to change its strategic focus.

The span of control analysis consists of three phases. In the first phase, the organization's internal environment, climate and culture is reviewed to determine whether the organization is suited to a right-sizing effort. In the second phase, a span-of-control model is applied to assess the

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organization's existing management levels and supervisory spans of control and to identify right-sizing opportunities. Finally, the results are analyzed so that the right-sizing can proceed.

The objective of the internal environment review is to identify the existing factors within the organization that will promote (the enablers) or impede (the inhibitors) the right-sizing effort. The following chart illustrates some of the issues that must be addressed during this review.

Organizational Issues Which Enable Right-Sizing

These are the issues that assist an organization to right-size:

1. Quality of strategic direction and management practices: Well-defined public policy, effective management practices with strong elected officials and management team.
2. Internal support functions: MIS, accounting, personnel, and purchasing provide strong technical and administrative support that facilitates the delivery of services.
3. Employee relations: Employees are competent, highly motivated, low

turnover, well trained, with adequate compensation and benefits and team orientation.

4. External controls (regulations and rules prescribed by other governmental authorities): Regulatory guidelines are clear, with focus on most productive compliance process.

5. Political environment: Improvement initiatives efficiently and effectively implemented through appropriate interaction among management, elected officials, and other interested parties.

Recent Assignments

State of Colorado: Conducted an audit of the design and implementation of their pay for performance system

State of Kansas: Developed a strategic compensation plan for the state classified employees.

City of Sacramento: Developing a broad banded pay structure and pay for performance system for managerial, technical and administrative employees.