



ORGANISATION DESIGN POLICY 2026/2027

Abbreviations	Definitions
MLM	Maruleng Local Municipality
EM	Refers to the Executive Mayor
MMC	Members of the Mayoral's Committee
EA	Executive Authority, refers to the member of the Executive Council.
MM	Municipal Manager
AO	Accounting Officer refers to the MM
SMS	Senior Management Services
HCM	Human Capital Management
OD	Organisational Development
DPSA	Department of Public Service and Administration

1. PREAMBLE

Organisational development (OD) may be seen as a planned, the Maruleng Local Municipality is committed to ensure that comprehensive and systematic process aimed at improving the overall effectiveness of the organisation. It involves intervening in the **processes, structure and culture** of the organisation. There is a strong emphasis on organisational behaviour, human resource development, organisational effectiveness and organisational change management.

This policy is introduced to ensure that MLM adopts a systematic approach in dealing with issues of organisational effectiveness focusing on three organisational factors namely People, Processes and Systems.

2. Purpose

The purpose of this policy is to provide a framework in which Organisational Development is applied to address organisational effectiveness needs in a manner that will assist in the attainment of MLM's vision, mission and strategic objectives by:

- 2.1 Provision of strategic leadership and direction on matters relating to OD;
- 2.2 Investigate, design, develop and implement Organizational Development initiatives. (This will include programmes, projects, policies and procedures for effective organisational design, change management, Business Process re-engineering) and
- 2.3 Collaboration with relevant internal and external stakeholders.

3. Objectives.

- i) To address and guide the processes in organisational development initiatives in MLM.
- ii) To implement organisational design initiatives in line with the organisational design principles.
- iii) To provide for the necessary structures, institutional arrangements and procedures for the development of organisational structures in the municipality.
- iv) To align the organisational structure with strategic objectives of an organisation through radical redesign to achieve improvements in critical areas such as time, quality services and cost in order to promote organisational effectiveness and efficiency.
- v) To develop and implement a Change Management Plan through proper coordination of all related change management initiatives across MLM.

4. Scope of Application

- 4.1 The Organisational Development Policy is applicable to all employees / officials in the Municipality.
- 4.1.1 Municipal manager and managers directly accountable to Municipal manager in terms of Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000 as amended).

5. Legislative Framework

This policy has been drafted within the following legislative framework::

- 5.1 Constitution of the Republic of South Africa 1996
- 5.2. Labour Relations Act No. 66 of 1995.
- 5.3 Basic Conditions of Employment Act No. 75 of 1997.
- 5.4 Municipal Systems Act No 32 of 2000.
- 5.5 Municipal Structures Act Amendment 3 of 2001
- 5.6 DPSA toolkit on organisational design
- 5.7 Legislative mandate and policies of the municipality. (Strategic Plan of the Municipality)

6. Administration of the policy

- 6.1 The Municipal Manager in consultation with Corporate Shared Services is responsible for ensuring the implementation of the organisational development policy in the municipality.
- 6.2 The Municipal Manager must ensure that the designated OD officials takes full responsibility for supporting and directing the organisational development implementation and maintenance process.
- 6.3 The responsibility to implement this policy liaise with the council of the Maruleng Local Municipality unless delegated.

7. Policy Contents

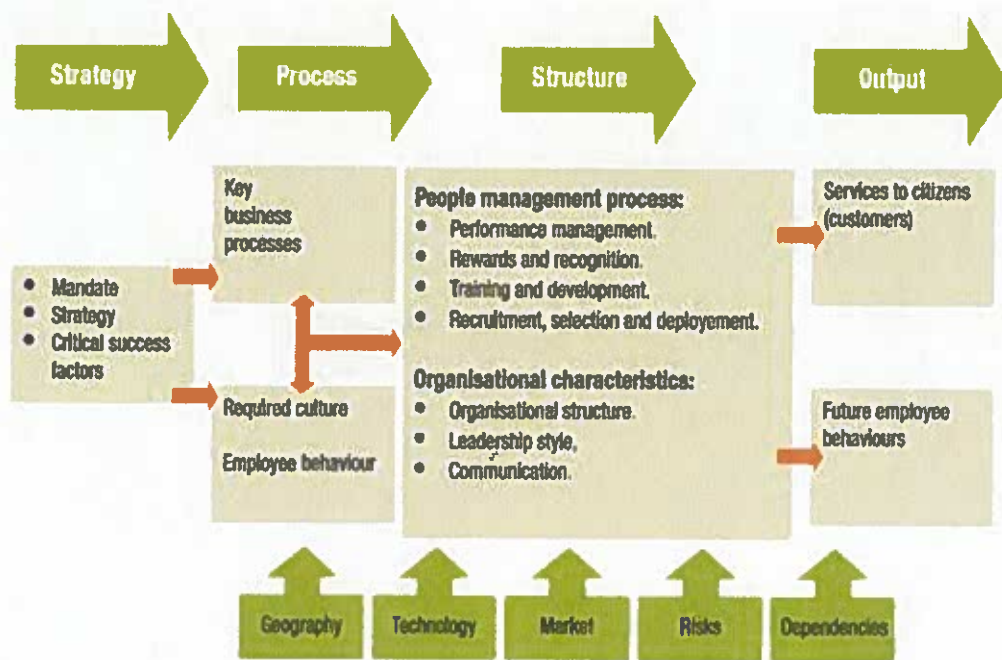
7.1 Organisation Design:

Organisation design refers to the process of aligning the structure of the organisation with its objectives, with the ultimate aim of improving the efficiency and effectiveness of the organisation.

Organisational Design work can be triggered by the need to improve service delivery or specific business processes, or as a result of new/ changes in mandate. Organisational Design work includes more than designing a structure. It involves the following:

1. Understanding the imperative for change and the environment;
2. Understanding the business processes, workflows, roles and responsibilities, volumes of work, activity analysis and resources;
3. Regulating, Designing, testing and implementing new models, systems and/ or structures;
4. Planning and managing the transition from the old structure to the new; and
5. Implementing and monitoring changes.

This policy strives to enshrine a fundamental principle that the design of an organisational structure should be preceded by an understanding of the business processes in the organisation, which in turn should be preceded by an understanding of the organisation's strategy. This principle is illustrated in the diagram below (adopted from the public service Organisational design tool kit)



Note: Structure does not only refer to formal organisational structure. It also refers to policies, systems and leadership practices.

Source: DPSA Organisational Design Toolkit

It is therefore prudent to note the following Main functions of Organisational Design:

6. Develop and Maintain Organisational Structure;
7. Manage and undertake Organisational Design interventions;
8. Manage Business Process improvement initiatives (including Business Process Re-engineering, Quality management systems);
9. Determine Organisational resource requirements through work measurement techniques;
10. Develop Job Descriptions/Profiles in collaboration with subject matter expert/Line Management.
11. Maintain Job Description/ Profiles management guidelines.
12. Change Management Initiatives;

7.2 Principles and considerations of organisational design

Principle	Consideration
Constitutional values of public administration	The values and principles in Chapter 10 of the Constitution should inform organisational design. This means that organisational design should promote, for example, fair and equitable service delivery; efficient and effective use of resources; transparency; and accountability.
Focus on strategic priorities	Organisational design should be informed by and be responsive to the strategic priorities of government and the department/institution. Priorities in all three spheres of government need to be considered. In the local government sphere the Integrated Development Plans (IDP) reflect local government priorities.
People first (Batho Pele)	Organisations should be designed with the users and beneficiaries of services in mind. Organisational design should also take into consideration the different types of users of the organisation and how to meet their different requirements
Intergovernmental relations and cooperative governance	Organisational structure should foster sound intergovernmental relations and cooperative governance. Organisational design should aim to break down “silos” or “stovepipes” in government rather than reinforce them. This means that organisational design needs to be done within the ambit and spirit of the Inter-Governmental Relations Framework Act and the Constitution. It also means designing for integrated service delivery across the three spheres of government and amongst public sector organisations within the respective spheres of government.
Foster learning and innovation	Organisational design should foster learning and innovation, particularly in service delivery. This means that organisational structures should enhance internal and external communication; and encourage information sharing and knowledge management.

7.3 Organisational Structuring

7.3.1 Organisational structure

Refers to the configuration of an organisation so that it can achieve its objectives and goals.

7.3.2 Formal organisational structure

The formal organisational structure refers to the organisational architecture as depicted on an organogram or position chart. It refers to, among other things, the formal lines of authority, decision making, and span of control.

7.3.3 Governance Structures

The governance structures refer to all the processes, policies, forums, committees and teams (task teams, decision making teams, review teams, advisory teams) which are utilised to ensure the flow of information, quick decision making, effective collaboration and coordination, collective measurement and reward.

7.3.4 Organisational Structuring Process

The organisational structuring process is outlined in the six phases below:

1. Diagnose

Diagnose the problem/opportunity, understand business drivers and current performance, determine design principles & alternative solutions.

2. Determine Requirements

Determine capabilities, behaviour & define service model.

3. Design

Design future organisation.

4. Plan

Complete business case & plan for implementation

5. Implement

Implement the new structure

6. Monitor and Evaluate

Evaluate new organisational structure

7.3.5 Triggers of Organisational Restructuring

- (i) Changes in strategy.
- (ii) New / Changing Functional Mandate.
- (iii) Performance problem.
- (iv) Transfer of functions from one unit to the other.
- (v) Naming or renaming of components and jobs.
- (vi) Creation and abolishment of jobs and posts.

7.3.6 Benefits / Advantages of organisational Structuring

- (i) Accessibility of services by the citizens.
- (ii) Improved Quality Services.
- (iii) Risk Management Reduced.
- (iv) Improved Cost reduction and productivity.
- (v) Improve communication and flow of information.
- (vi) Accountability on role clarity.
- (vii) Reduction on duplication of jobs / activities.

7.3.7 Challenges / Disadvantages of Organisational Restructuring

- (i) Bloating of the Organisational Structure.
- (ii) Creating jobs and positions without sufficient funding.
- (iii) Lack of norms and standards for post provision.
- (iv) Implementing structure without proper consultation.

- (v) Creating additional jobs and positions in the structure to address management and individual performance problems.
- (vi) Employee Uncertainty
- (vii) Redress performance issues
- (viii) Roles not clearly defined

7.3.8 Challenges that cannot and should not be solved by restructuring and Review

- (i) Promotions
- (ii) Job Grading
- (iii) Disciplinary Challenges
- (iv) Incompetence (Lack of skills and training)
- (v) Non Conformance to standards

7.3.8 The Review and the Re-structuring of the Organisational Structure

7.3.8.1 Review of the Organisational Structure

In terms of the review the MLM will review Organisational Structure in line with the Municipal Systems Act annually.

The Municipal Manager must develop staff establishment for the municipality and submit to council for approval in terms of the Municipal Systems Act 32 of 2000 (sec: 66).

A well-designed structure can also make it easier to identify inefficiencies and new problems as the organization grows.

Review of the organizational structure on a regular basis will help ensure that the Municipality is set up for optimal growth well into the future.

7.3.8.1.1 The process of reviewing the organisational structure

- a) Identify / receive a request from high authority to review the organisational structure.
- b) Determine the reason to review the organisational structure.
- c) Inspect the risks and benefits of reviewing the organisational structure.

- d) Analyse the request with the strategic plan of the directorate.
- e) Consult the relevant legislations.
- f) Consult with relevant stakeholders.
- g) Consult with affected directorate / division.
- h) Consult with the trade union and relevant council committee structures.
- i) Draft a report on the proposed structure.
- j) Make presentation on the proposed structure to management and relevant council committee structures.
- k) Submit the draft report and the proposed structure to the Municipal Manager for recommendations and submit to council for consideration.
- l) The Accounting officer signs off the organisational structure and the implementation memo.

7.3.8.2 Re-structuring of the Organisational Structure

After the State of the Nation Address that's then the Council sit for the State of the Municipality Address to adopt the new mandate.

In terms of re-structuring the MLM will only re-structure when there is a new Mandate in place after the promulgation in every five years.

7.3.8.2.1 The organisational design restructuring process

- a) Receive a request from high authority
- b) Determine the rationale of restructuring.
- c) Assess the impact of restructuring by analysing the risks and benefits.
- d) Analyse the request with the strategic plan of the municipality to check alignment of the structure.
- e) Analyse the strategic documents of the Municipality (IDP, Audit Reports, Annual report)
- f) Consult the relevant legislations (Mentioned in section 5 above)

- g) Consult with relevant stakeholders (Management and trade union)
- h) Consult with the affected directorates.
- i) Draft diagnostic report (AS_IS) and present to management, trade union and relevant council committee structures.
- j) Design the Macro (high level) functional organisational structure
- k) Present the Macro (high level) functional organisational structure
- l) Design the Micro (Lower level) functional organisational structure
- m) Present the Micro (Lower level) functional organisational structure
- n) Design the post functional organisational structure.
- o) Draft a report and the proposed post functional organisational structure.
- p) Make presentation on the proposed post functional organisational structure to management and relevant council committee structures.
- q) Submit the draft report and the proposed structure to the Municipal Manager for recommendations and submit to council for consideration.
- r) The Accounting officer signs off the organisational structure and the implementation memo.

7.3.8.3 Organisational structure implementation risks

- Labour Objection.
- Insufficient funds for the implementation of the proposed structure.
- The design not aligned to the mandate.
- Lack of consultation.

7.3.8.4 Why we need an effective organisational structure

7.3.8.5 Effective organisational structures in the public sector matter to the nation, the government, public sector organisations, and the individuals employed in those organisations. If we are to design effective organisational structures, we need to understand the interests of these players.

Players	Interests
Government	Government needs a well-organised machinery to implement its strategic priorities and deliver on its electoral mandate. Effective organisational structures are an imperative for the developmental state.
Public sector organisations	Public sector organisations need effective structures to deliver on their legislative mandates and on priorities set by the government.
Employees	Employees need effective organisational structures so that they can perform their jobs effectively and derive satisfaction from their work.

7.3.8.6 Consultation Process

Consultation is important in any organisational structuring/ reviewing, the Guide provides a useful on whom and when to consult, and the purpose of the consultation. The framework appears below.

Who to consult	When to consult	Why
Executive Authority/Accounting Officer	Before embarking on an organisational structuring that requires EA's approval. Consult EA at regular points in the process.	To obtain initial go-ahead. To obtain EA's strategic and political perspective. To secure EA's commitment to and support for the process.
Staff	Always consult those affected or likely to be affected by the organisational structuring.	To obtain their views on problems, challenges and opportunities and how to respond to these.

	Other staff who have knowledge or experience of a particular area or service.	To secure their support for proposed changes.
Managers	Always consult the manager who is responsible for unit that is the subject of structuring. Consult other managers during various phases (e.g. CFO regarding budget).	To obtain initial go-ahead (if they have delegated authority). To obtain their strategic and managerial perspective To secure their commitment to and support for the process.
Trade unions	If staff are affected or likely to be affected in terms of sections 189 and 197 of the Labour Relations Act.	To comply with good labour relations practice and legislation.
Internal and external users of services	In diagnostic phase of organisational structuring. If service delivery is likely to be affected.	To obtain their views on problems, challenges and opportunities and how to respond to these. To secure their support for proposed changes.
Other government departments	During various phases if changes are likely to have an impact on the other department's operations. If restructuring is likely to affect occupational categories or levels that are also used by other departments (e.g. EHP;s).	To obtain their views on proposed changes. To obtain support for proposed changes.
External Stakeholders	In diagnostic phase of a major organisational structuring process.	To obtain their views on problems, challenges and opportunities and how to respond to these.

		To secure their support for proposed changes
Coghsta	If functions are to be transferred into or out of the organisation. If intending to establish a new entity.	To obtain comments on proposed changes. To obtain approval for the transfer of functions and changes if any. To submit the approved organisational structure .
Treasury	If intending to establish a new entity.	To obtain approval for new entity and changes to Schedule to PFMA.

7.3.9 Creation of new jobs

Head of Department wishing to create new permanent position in his/her directorate must submit a written application to the Senior Manager: Corporate Shared Services and to the manager responsible for Organisational Development for analysis, determination and also provide recommendations to the Municipal Manager. For the process of creating new job refer to (Annexure A).

7.3.10 Adding of positions to the existing jobs.

Head of department wishing to add additional posts on an existing job in his /her directorate must submit a written application to the senior manager corporate shared services and to the manager responsible for organisational development for analysis, determination and also provide recommendations to the Municipal Manager, refer to determination of posts template attached as (Annexure B)

8. POLICY CONTROL

8.1 POLICY AUDIT

i) Periodic audits will be conducted by the Corporate Services: HCM to ensure appropriate application and compliance with the policy. All queries related to the policy should be addressed to the senior manager Corporate shared services.

8.2 POLICY REVIEW

i) The organisational design policy will be reviewed annually by the Directorate: Corporate Shared Services to ensure that it is aligned to prevailing resolutions and regulations

8.3 POLICY AMENDMENTS

i) No amendment (s) may be made to any section of this policy without such amendment (s) first being consulted with the recognised employee organisations and duly approved and signed by the Executing Authority.

8.4 POLICY DEFAULT

i) Disciplinary measures will be applied to any official who fails to comply with the policy.

8.5 POLICY APPROVAL

i) The authority and adoption of the policy liaise with the Municipal Manager and Council.

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