Addendum to State DOT Organizational Design Synthesis:
Includes Organizational Downsizing/Rightsizing and Performance Management

DOWNISING


This research collected data from two Canadian federal government departments targeted for a 20% or more reduction of their workforce. The data at time 1 (T1) were collected prior to any downsizing. The government had announced that reductions in force would be forthcoming but had not detailed the number of job positions slated for elimination. The data at time 2 (T2) were collected a year and a half later during the downsizing period. During the previous 12 months, both departments had encouraged designated employees to voluntarily leave by offering early departure and early retirement incentive packages. Most, but not all, of the downsizing was accomplished through voluntary departures. The T2 data were collected as the department strove to meet the targets set by the Treasury Board of Canada and as involuntary departures were occurring. Within two months of the T2 data collection, both departments had completed the downsizing of their respective workforces. The data at time 3 (T3) were collected ten months following the completion of the downsizing and exactly a year after the T2 data collection. Thus, this study spanned a two-and-a-half year period that represented three different phases: the departments were aware of impending cutbacks but no downsizing activity had taken place (T1); the departments were actively downsizing their workforces by terminating designated employees (T2); and the departments had completed the reduction of their workforces and were now in the post downsizing period (T3).


In discussing the current downsizing of organizations with Professor Robert T. Golembiewski of the University of Georgia, he differentiated between “downsizing by need” and “downsizing by preference.” How did he define these terms? In “downsizing by need,” we have the classic layoff situation in which the organization is faced with a change in its environment, markets, or there is a great technological change (e.g., automation) whereby workers have to be laid-off, sometimes permanently. In a situation of “downsizing by preference,” however, the organization may be financially sound, even making record profits for private-sector firms, but still follows a policy of laying-off significant numbers of employees. What motivates such behavior? Why is it tolerated? What may be our future?

RIGHT-SIZING

Service Options Strategies for Rightsizing Organizations. Lee Tom Perry, Brigham Young University.

I recently consulted with a Fortune 100 company on a major reengineering project. One of my tasks was to visit a plant located in the southern United States to document current workflows and assess potential redesign opportunities. My host, a 55-year old HR manager, was clearly unnerved by my visit. Although I tried to make him more comfortable, nothing I did seemed to calm him. He responded to my every request promptly and efficiently. When I left he gave me an informative book about the history of the plant.
Later, as I searched for ways to simplify work processes at the plant, it became clear that this HR manager's job needed to be eliminated. Suddenly, my objectivity took a back seat to my subjectivity, and I became painfully aware of the immense human cost of corporate "rightsizing" efforts. I found myself wanting to question the logic of my analysis. I revisited my analysis and studied the fine print hoping to discover an escape clause. Until that moment, I had thought I was the savior of the company, but suddenly I felt more like the Grim Reaper.

http://marriottschool.byu.edu/emp/LTP/service4.htm


Adequate staff resources are essential for achieving quality environmental, health, and safety (EHS) programs. The technical challenges, internal coordination difficulties, public-relations problems, and so on are rarely insurmountable—if you have sufficient fiscal and human resources to effectively deal with the issues. Without a minimum critical mass of resources, you become consumed with day-to-day firefighting and never make progress. In the worst case, an issue can erupt into a full-blown crisis, putting the company at risk and your reputation and career on the line.

Conservative risk managers, wanting to be on the "safe side," would argue for substantial resource commitments. The demand for rising profits, one of the primary drivers in a competitive marketplace, however, calls for limiting resources to the “bare bones.” How does the strategically thinking EHS manager determine the optimal EHS resource level? What is the most efficient EHS organizational structure? How is this resource level and organization justified to senior management?

This is the first in a series of three articles (to be published in successive issues of EM) that provide insight into strategies to: determine EHS needs (Part 1); organize these resources effectively (Part 2); and sell the concepts to executive management (Part 3). This material is not based on theory. The authors are senior-level EHS practitioners who have successfully dealt with management executives and boards of directors in resolving these issues and, in doing so, have mastered the techniques presented.

The methods are similar to those effectively employed by other functional disciplines to define and obtain resources. Written in the context of a corporate EHS group, these techniques can be modified and adapted to any functional level within a broad range of organizations. Whether you are an individual contributor or a manager, these articles can help you to better understand resource issues.


Just two short years after an historic shutdown of state government, Michigan is challenged with yet another billion dollar-plus budget shortfall. The work to overcome this challenge is hard and the reforms and reductions needed to resolve the deficit and balance the budget will be sobering. Senate Republicans are determined to balance the budget without raising taxes, while working to maintain the essential government services that so many residents depend upon. Growing government, raising taxes and increasing spending at a time when the economy and revenues are shrinking, is exactly the wrong prescription for curing our state's ills. State government must simply learn to live with less.

http://www.senate.michigan.gov/gop/Budget.asp

This policy brief identifies more than $2 billion in potential spending reductions for the 2003-04 General Fund budget.

“[W]e must find a way to make government live within its means. That is my first priority as governor. We must act now, and we cannot fail. We must find new sources of revenue, and at the same time make tough decisions to reduce spending and cut waste in government. We simply have no other choice.” - Pennsylvania Governor Edward G. Rendell

Inaugural Address (January 21, 2003)

. . . . . to create a leaner and more efficient government, the governor and members of the General Assembly should be guided by a set of specific expenditure principles, including:

- Spending should be limited to core government functions.
- Spending decisions should promote “neutrality” among individuals and groups.
- Spending decisions should be fair and equitable.
- Spending administration should be simple and economical.
- Spending should be accountable to taxpayers.

http://mail.commonwealthfoundation.org/pb03-01.pdf

PERFORMANCE MANAGEMENT

Performance Leadership: 11 Better Practices That Can Ratchet Up Performance

On behalf of the IBM Center for The Business of Government, we are pleased to present this report, “Performance Leadership: 11 Better Practices That Can Ratchet Up Performance,” by Robert D. Behn. Dr. Behn is a wizened and wise analyst whose writing is entertaining, clear, and insightful. He offers a simple, direct bottom line: Good performance cannot be compelled, commanded, or coerced. He concludes that performance systems created in law or by central management agencies are attempts to compel good performance, and they basically don’t work. He writes, “public employees are required to follow so many processes that devotion to these processes often displaces their devotion to results.” In the report, Dr. Behn moves away from the two conventional tenets of the new public management to either “make the managers manage” or “let the managers manage.” Instead, he suggests that we “help the managers manage.” His approach to performance leadership encompasses 11 “better practices” that he has observed in use by successful public managers over the years. This approach focuses not on individual attributes and virtues, but rather on leadership activities or practices that can spur improvements in program performance. We think the practices suggested by Dr. Behn are clearly worth following. We trust that this report will be helpful and informative to all public managers attempting to ratchet up their program’s performance.

Creating the Performance Framework: 11 Best Practices
What would it mean to do a better job?

Practice 1: Articulate the organization’s mission.
Proclaim—clearly and frequently—what the organization is trying to accomplish.

Practice 2: Identify the organization’s most consequential performance deficit.
Determine what key failure is keeping the organization from achieving its mission.

Practice 3: Establish a specific performance target.
Specify what new level of success the organization needs to achieve next.
Practice 4: Clarify your theoretical link between target and mission.
Define (for yourself, at least) your mental model that explains how meeting the target will help accomplish the mission.

Driving Performance Improvement:
How can we mobilize our people?
Practice 5: Monitor and report progress frequently, personally, and publicly.
Publish the data so that every team knows that you know (and that everyone else knows) how well every team is doing.
Practice 6: Build operational capacity.
Provide your teams with what they need to achieve their targets.
Practice 7: Take advantage of small wins to reward success.
Find lots of reasons to dramatize that you recognize and appreciate what teams have accomplished.
Practice 8: Create “esteem opportunities.”
Ensure that people can earn a sense of accomplishment and thus gain both self-esteem and the esteem of their peers.

Learning to Enhance Performance:
How must we change to do even better?
Practice 9: Check for distortions and mission accomplishment.
Verify that people are achieving their targets in a way that furthers the mission (not in a way that fails to help or actually undermines this effort).
Practice 10: Analyze a large number and a wide variety of indicators.
Examine many forms of data—both quantitative and qualitative—to learn how your organization can improve.
Practice 11: Adjust mission, target, theory, monitoring and reporting, operational capacity, rewards, esteem opportunities, and/or analysis.
Act on this learning, making the modifications necessary to ratchet up performance again.

SMT Okays Corporate Business Group Organizational Development Plan
Expect to see a few changes in the Corporate Business Group in future months as the group develops a plan for expanding and improving the financial information and services it provides.

Kevin Gray, group director and Mn/DOT’s chief financial officer, presented his vision for the new financial organization to the Senior Management Team, which approved the recommendations Oct. 1.

"I want to ensure the Corporate Business Group is positioned from a resource and organization perspective to meet the future challenges and expectations of the group’s customers and stakeholders," Gray said.

The recommendations include:
- Incorporating the activities of business planning and activity-based budgeting into the permanent organizational structure
- Improving the group’s ability to provide financial information, better forecast economic needs and improve customer responsiveness
- Improving staff use and better aligning human and fiscal resources with the group’s strategic plan
- Ensuring consistency with the department’s strategic concept of the distributed product/service model articulated in Shaping Our Future.
• An implementation team will develop specific plans for the organizational changes during the next couple of months, with implementation expected to begin in January 2003.

Organizational study
The recommendations are based on the results of an organizational study of the Corporate Business Group conducted in July. The project team—including staff from the Corporate Business Group, Human Resources and Management Operations Group Administration—examined the current work of the group and interviewed several of its key customers and stakeholders. In addition, the team reviewed the organizational design and scope of six other state departments of transportation and compared them to Mn/DOT's.

http://www.newsl ine.dot.state.mn.us/archive/02/oct/30.html#3