



## *Organisation effectiveness*

Revolutionising how businesses think about organisation design, partnering with clients to design and implement the organisational models, and developing structures that will deliver maximum agility, flexibility and responsiveness

### *Problem statement*

- Can operating costs be reduced or optimised by optimising my organisational structure?
- Can business delivery be improved by building new capabilities or teams to deliver new routes to market or product lines?
- How can organisational design enable integration of organisations to operate more efficiently in a pre- or post-merger situation?
- How should tasks be divided between the corporate centre (group) and the local unit (region) in a globally expanding organisation?
- How can my organisation be realigned to make it more customer-focussed?
- How to ensure that the right work is being done at the right level?



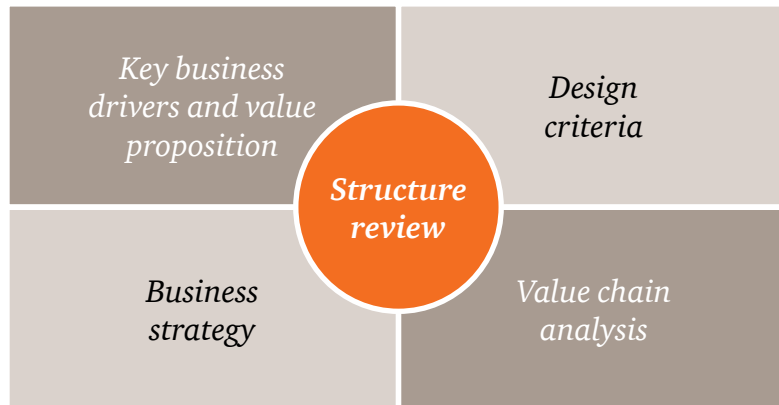
# How we can help

Organisation design provides a rich description of how an organisation actually works in practice, to support delivery of strategic objectives. PwC's approach takes into account the fundamental building blocks of any organisation—processes, systems and culture—to determine the optimal design for a business.

## Areas of work

### Organisation design

PwC believes that an organisation's structure should be robust enough to sustain its growth strategies.



We look at the internal and external factors

### Job evaluation and role clarification

PwC uses STRATA™ methodology for job evaluation, considering three broad factors:

- Knowhow
- Problem solving
- Accountability and impact



To arrive at the most suitable organisation design

### White collar productivity

At PwC, white collar productivity is approached using four vectors:

- Work utilisation
- Role overlaps
- Role compression
- Managerial metrics



### Workforce planning

PwC uses a combination of top-down and bottom-up approaches to derive target manpower requirement for each unique position.



### Benefits to the clients

- Enabling strategy: We understand your strategic objectives and refocus your resources to achieve those objectives.
- Building on your capabilities: A robust organisation design embeds the desired capabilities and individual accountabilities within your people to speed decision-making and deliver sustained improvements in performance over time.



## *Performance alignment*

PwC research indicates that aligned organisations are four times more likely to be executing well and hence are better at using shareholder funds to generate profits.

### *Problem statement*

- Is the right performance management system in place for my organisation?
- Do people know clearly what is expected from them in their respective roles?
- Do my people understand the strategy sufficiently to enable informed decision-making?
- Are right behaviours promoted, rewarded and unwanted behaviours appropriately penalised?



Among heads of HR, **81%** say they need employees to have greater discretion and autonomy in their day-to-day work. However, **71%** of employees report they actually need more direction in prioritising their work.



- CLC research



## How we can help

Performance alignment addresses the ‘alignment gap’ between strategic intent and what actually goes on in the business on a day-to-day basis. Hence, we anchor our diagnostic and assurance work on performance management within the performance alignment framework.

### Strategic priorities and trade-offs

- Create clear strategic priorities
- Cascade strategy through entire organisation
- Create long-term and short-term goals
- Ensure clarity on trade-offs

### Strategic risks

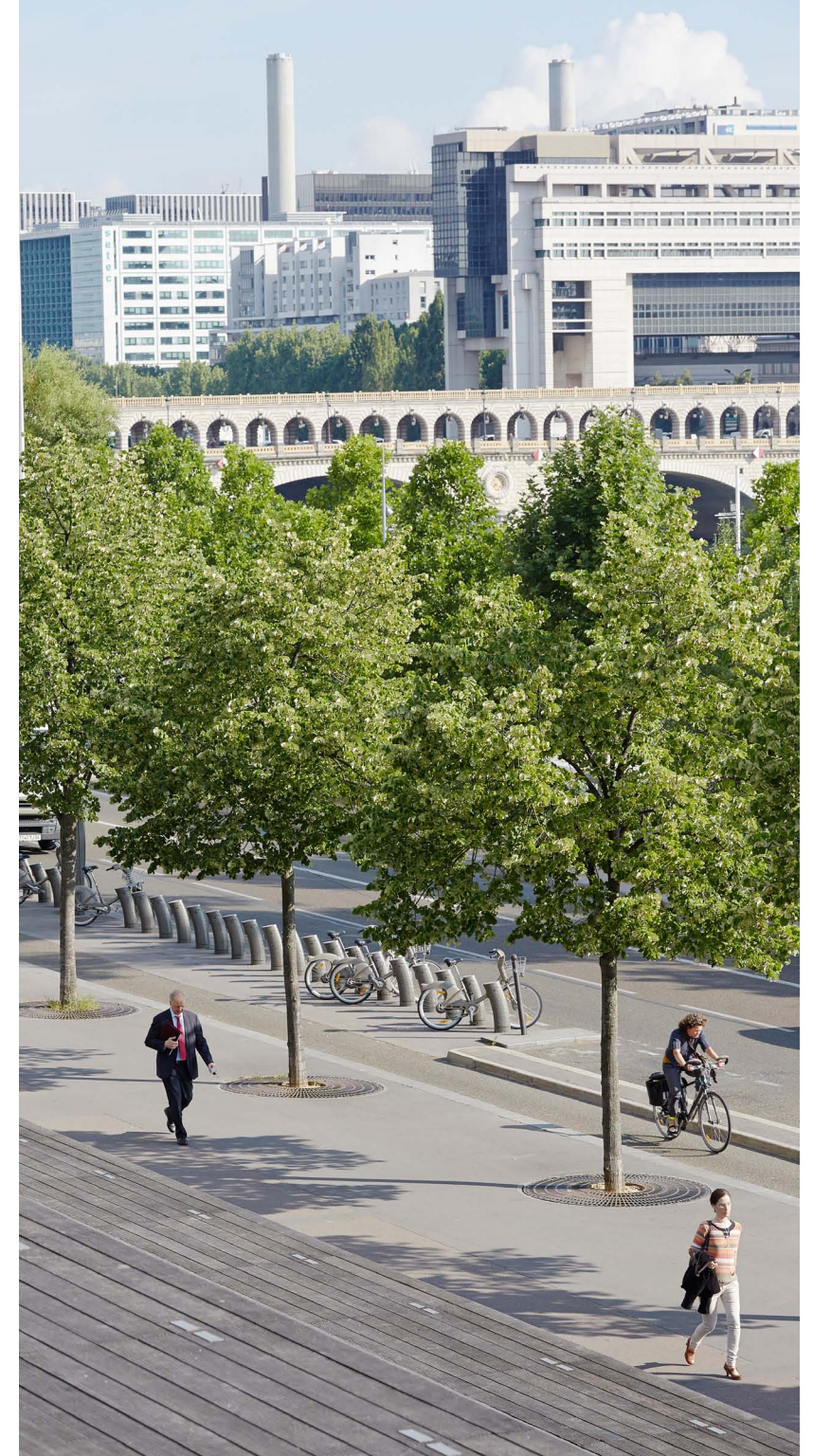
- Align objectives and rewards to risk mitigation
- Align targets to risk appetite
- Define scope for management discretion

### Behaviours

- Create individual objectives from behaviours
- Clarify behavioural outcomes
- Measure behaviours and link to rewards
- Consequence setting for incorrect behaviour

### Performance drivers

- KPI as an effective measure over time
- Align reward to scorecard
- Clarify consequences
- Align scorecards and objectives



## Areas of work

- Articulation of organisation strategy
- Cascading strategy using balanced scorecard and/ or business excellence model
- Creation of corporate and functional scorecards
- Designing performance evaluation philosophy and detailed process steps



### Organisational level solutions



### Implementation and governance support

- Capability building to run processes internally
- Audit of processes and recommendation of changes
- System automation support to ensure full deployment of the performance management system



### Linkage to other people processes

**Variable pay, bonus, increments**

**Training needs**

**Succession planning**

- Develop strategy to use outputs of performance processes
- Design processes to link performance to other people processes



### Benefits to the clients

- Clarity on how the strategic priorities unpack to the level that is understood by the business leader and managers
- Leadership unity around the purpose, potential, strategic priorities and trade-offs, and implications for actions early on across the organisation
- Diagnosis of how well-positioned the organisation is to deliver the strategic goals
- Focus and direction through a roadmap for change and an understanding of who is and isn't 'on the bus' for execution

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