

# Repent and Reorganize!

*Good order is the foundation of all good things.*

—EDMUND BURKE, *REFLECTIONS ON THE REVOLUTION IN FRANCE*

**T**ake a council that wants to effect real change; add a culture that fosters conflict between staff and elected leaders, discourages teamwork, and has a virtually nonexistent performance measurement system; include a job evaluation system that is not trusted to rate jobs impartially; put in a dash of poor labor-management relations; and what do you get? A new local government manager with a big headache.

In 1992, the city of Thunder Bay, Ontario (population 113,000, with 2,100 full-time staff), had all of the above ingredients. The council's first goal was to create an organizational structure that was understandable and that was flatter than its existing potpourri of 20 departments. The existing structure in 1992 was a blend of two or three earlier organizational initiatives that, after a few stages of blending, had no underlying logic to it. As for the 20 department heads, 14 of them sat on a recently convened senior management committee, and 6 did not.

## **Guides 1 Through 10**

How to hack through this jungle? Employ an experienced guide—or, as in this case, 20 of them. According to **Guide 1**, the first step is to shut down the job evaluation system until it can be fixed, even though this may mean guessing at some job posting rates in the meantime. If confidence has been lost in the impartiality of the local government's

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job evaluations, nothing is gained by processing even one more position. Further, with an effective reorganization, one should have fewer jobs and therefore some changed jobs, all of which will need to be rated anew. Thus, the city or county should close off the old system, get started on the lengthy process of developing a new job evaluation system, and hope to coordinate its arrival with the postings of the new jobs on reorganization.

According to **Guide 2**, a good second step is to obtain some outside public and private sector comparables as part of the job evaluation review. Comparables are available and will go a long way toward showing whether a compensation system is fair compared with the "real world."

Next, following the advice of **Guide 3**, review the local government manager's job description and other written responsibilities to see if the manager has authority to build a corporate team and to conduct a review of past corporate sins, with a view to repenting of them. In the case of Thunder Bay, when the job description was found to include the phrase "must have a valid driver's license," it became clear that there was trouble with the written responsibilities of the city manager. A new bylaw was prepared that clearly set out the responsibilities of the head of administration.

Remember **Guide 4**. As the manager's job description is being rewritten, ensure that the position is made responsible for the hiring of direct reports<sup>1</sup> and that elected officials are involved only in terminations of senior staff members. Elected officials might approve "proposed major changes" in the organization, but the manager should be responsible for all other organizational changes.

Following the above suggestion accomplishes a couple of things. First, it frees up the elected officials' time to deal with executive matters, such as large organizational changes or terminations of senior staff on the

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manager's recommendation. Second, it sends a loud and clear message to both elected officials and staff on two key management principles: accountability and delegation.

Next, look to **Guide 5**, whose suggestion is to build the principles (such as accountability and delegation) that the manager wishes to instill in the organization into the reorganization process. In Thunder Bay, the city avoided using outside consultants to help in producing a new structure and relied instead on its own sense of responsibility and teamwork.

The 14 department heads and the city manager went off-site for several days, bringing prework materials they had been given to review (**Guide 6**). The prework contained principles of organization, samples of other organizational structures, and relevant articles. The point was stressed that the object of the exercise was to create a more efficient and effective organization with less bureaucracy, but this was not simply

a cost-cutting exercise with some artificially imposed targets. If the job was done properly, there would be savings, but where and how large the savings would be were issues not explored at the start of the process.

Before holding the off-site meeting, the manager collected each department head's version of the reorganization that he or she would take to the elected officials if hired as "city manager for a day" (**Guide 7**). One reason for this exercise was that collecting everyone's reorganization thoughts ensured that no one could go home after the first day and re-draft his or her material to "get" a department head who perhaps would suggest that so-and-so did not need to be a department head anymore.

A second advantage was that the process of having all department heads submit what they would do if they were the manager gave the real manager (in this case, a new one) some indication of which staff members were thinkers, which were innovators, and which were traditional ("we've always done it this way") types.

While department heads were encouraged to meet with their direct reports to draft an organization presentation, the final product had to be one that was supported totally by the department heads. Each union president also was invited to submit a reorganization proposal privately to the manager, although all declined to do so.

The guidelines at the off-site meeting were that each department head would make a presentation and then respond to comments and questions from the group; that slides and written material of any sort could be used; and that, at the end of the exercise, attendees would try to identify the issues on which there was majority or complete agreement and the matters that provoked the most disagreement.

The object of this off-site meeting was not to achieve consensus on a

new organization. According to **Guide 8**, one will not achieve consensus using this process. There is too much turf and too much self worth on the line. Rather, the object of the exercise is to enable the manager to understand the various viewpoints of the group, to give careful consideration to each point of view, and, in the end, to take the best overall structure to the elected officials.

The rule of **Guide 9** is not to protract the above process. Get the pre-work done, get to the off-site meeting, collate the results, and make a timely decision. Time quickly can become an enemy in this kind of endeavor, and it is better to have a rough diamond than a perfect stone.

**Guide 10** suggests doing a preview of the proposed reorganization with the elected officials at another off-site meeting. The group is not expected to make a decision at this meeting, but the manager may find it an invaluable chance to hear the officials' candid reactions and their questions in this setting.

### **Guides 11 Through 20**

The advice of the remaining guides essentially covers the presentation of the proposal to staff, media, and elected officials.

**Guide 11.** A series of meetings should be set with staff shortly before the actual presentation-and-decision meeting by council. This always is a delicate matter because the manager does not want to see the proposed reorganization on the front page of the newspaper before the elected officials have made a decision. And, at the same time, he or she does not want staff members to hear about a major organizational change affecting them through the media.

In Thunder Bay, management staff met the union presidents at 4:30 p.m. on a Thursday afternoon and unveiled the presentation. Then, in nine meetings held at various loca-

tions, including the transit garage and works yards, the manager unveiled the proposal the next day. At all sessions, staff members were asked to respect the council's position by not contacting the press right away, and staff honored this request.

By the following Monday evening's council meeting, all staff knew what was happening, and no one felt shabbily treated.

**Guide 12.** Deal with the media. As the media have a legitimate interest in a major corporate reorganization, approach all media outlets and offer to brief them fully on the proposal before it gets discussed at council, on the understanding that the story must be held at least until the start of the council meeting.

Most of the Thunder Bay media were receptive to this suggestion because it gave them sufficient time to understand the proposal fully, and it ensured that no one outlet would get an early scoop from management. All who participated honored the request on timing, so as to respect the role of the elected officials and to respect staff members who still needed to be briefed by management.

**Guide 13.** Make the reorganization presentation short, colorful, and logical. In Thunder Bay, a graphic concept was used that employed circles to show the interlocking of departments, to counteract the "silo" look of a regular organization chart. All graphics were presented on an overhead projector at the council meeting.

**Guide 14.** Send out with each paycheck, as soon as possible after your elected officials have made a final decision, a one-page sheet showing the new organization. Even though meetings are being held and media attention is coming into play, it still is important to give staff an individual document outlining the new structure.

**Guide 15.** Immediately start appointing or having competitions for the manager's direct reports. Clearly, management now has a "tiger by the tail"—an organization that has been fundamentally changed, with some leaders no longer in department-head roles and others wondering where they will end up. A recipe for disaster.

**Guide 16.** The city adopted a rule that, if one's job was not "fundamentally changed" by reorganization and there was no logical objection, one could be appointed right away. While this rule introduced some subjectivity into the decision, it worked well and certainly was preferable to the entire team's competing for jobs at the same time or the manager's choosing appointees willy-nilly from a host of senior managers. Thus, some immediate stability was secured by appointing some senior managers within one day.

Within six to nine months of making appointments or completing competitions, each department head should complete his or her departmental reorganization. In this part of the process, an outside facilitator (**Guide 17**) is helpful if the local government is going to replicate the same process as was used to create the overall corporate reorganization; one is now dealing with staff who may make presentations that delete their coworkers' jobs. While the process still is effective and indeed necessary to gain varied points of view and to get at least some buy-in, a facilitator can help to depersonalize this step.

On returning to the elected officials with the more detailed departmental reorganizations (each department head having reviewed his or her reorganization proposal with staff shortly before), schedule most or all of the departmental presentations for one meeting (**Guide 18**). This meeting—or "Son of Reorg"—mercifully may take only one evening

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and not be strung out over a series of confrontations.


**Guide 19.** Prepare a short, concise report for elected officials to focus on, and have each department head present specific departmental proposals quickly by way of overheads. Elected officials will be more interested in the overall results than in the minute details of who reports where. In Thunder Bay, most of the attention focused on the three-page overview report, which indicated that 92.6 positions could be deleted at an annual gross savings of more than \$4.6 million.

**Guide 20.** Follow the same procedure regarding appointments or competitions as for the department heads, but have each individual bring to the senior management team those positions that he or she

believes have *not* fundamentally changed. Thus, appointments are allowed. This is an important step because many staff now are worried about where they will end up, and they must not be denied the ability to compete for every job for which they can compete. At the same time, one must be fair to those capable individuals who should not have to compete for their own jobs, or slightly altered ones. Department heads have differing views on who should be allowed to be appointed and which jobs are “fundamentally changed.” Therefore, the manager should get senior team consensus on who gets appointed.

Space does not permit further discussion of strategies for job evaluation, corporate culture, and corporate training as they unfold around reorganization. Suffice it to say that none of these aspects must be neglected.

One last note. Do not approach reorganization with any preconceived notion of which structure is best. What works in one place may not work in another. There is no organizational structure so bad that it cannot be made to work; nor is there any organizational structure so good that it cannot be made to fail. The differences lie in the people on the team, and the corporate direction set by the elected officials to foster success and innovation.

It is hoped that at least one or two of the guides used by Thunder Bay may help readers to find their way through the uncharted jungle of a public corporation reorganization. 

<sup>1</sup>Employees who report directly to the manager.

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