

**CONSULTING SERVICES PROJECT FOR INTEGRATED  
SOLID WASTE MANAGEMENT OF LAHORE CITY OF  
THE STATE OF PUNJAB IN PAKISTAN**



**ORGANIZATIONAL ANALYSIS  
REPORT**



January/ 2013

## **PROJECT TEAM**

**Reported by**

**Ataman Erik**

**Management Consultant**

## **CONTENT**

<b>PROJECT TEAM .....</b>	<b>1</b>
<b>CONTENT .....</b>	<b>2</b>
<b>ABBREVIATES .....</b>	<b>3</b>
<b>EXECUTIVE SUMMARY .....</b>	<b>4</b>
<b>1. OPERATIONS PERFORMED .....</b>	<b>6</b>
<b>2. OBJECTIVES AND EXPECTED RESULTS .....</b>	<b>6</b>
2.1.Objectives .....	6
2.2.Expected Results .....	7
<b>3. SUGGESTION .....</b>	<b>7</b>
<b>4. PROCESS MANAGEMENT .....</b>	<b>9</b>
<b>5. PARTNERSHIP .....</b>	<b>10</b>
<b>6. INFORMATION TECHNOLOGY.....</b>	<b>11</b>
<b>7. ORGANIZATION STRUCTURE .....</b>	<b>11</b>
<b>8. CONCLUSION .....</b>	<b>20</b>
<b>9. ANNEX .....</b>	Hata! Yer işareti tanımlanmamış.

## **ABBREVIATES**

**İSTAÇ A.Ş.:** İstanbul Environmental Management Industry and Trading Company

**LWMC:** Lahore Waste Management Company

## EXECUTIVE SUMMARY

### INTRODUCTION

The overall purpose of this study is to articulate a road map for performance excellence while reviewing the current organization of the LWMC whether it is appropriately structured and that the division of duties between the authority are properly apportioned.

This study:

- Reviews the current organizational structure of LWMC
- Evaluates alternative structures
- Recommends a new structure.
- And recommends guidelines for performance excellence

The registered office of the company is at Town Hall /Jinnah Hall, Mall Road, Lahore. The company is an association not for profit which object is to provide sustainable efficient and affordable waste management services for the citizens of Punjab and also to provide necessary facilities in order to enable the existing Solid Waste Management System of Punjab to undertake the activities of income generation and to enhance the quality of existing system.

The framework entails seven interrelated areas that are of crucial importance for achieving performance excellence . These are

- Strategic leadership and planning
- Organizational structure,
- Human resources,
- Financial management,
- Infrastructure,
- Process management,
- Partnership

### SUGGESTIONS

1. Useful recommendations were provided for the road of performance excellence. The company management shall go through items and conduct a self assessment to see the enablers for success.

2. Organization design parameters were stated in order to find out the adequate organization model.
3. Management team will give the final decision regarding the organization.

## OUTPUT

- a) Organizational analysis report
- b) Proposed organization plan for managerial levels.

## 1. OPERATIONS PERFORMED

Various background information was collected as part of the review of the current LWMC organization. This data collection included:

- Review of background materials (Procurement Manual, HR Manual, Finance Management Manual and organization chart) provided by LWMC
- Interviews with LWMC staff during training sessions
- Interviews with LWMC Management Team

The analysis considered number of issues with the current organizational structure such as:

- Overlapping functions
- Alignment with strategy
- Lack of clear accountability among positions
- Span of control
- Chain of command

As part of this study, both Authority and LWMC employees were interviewed to determine their duties, backgrounds, as well as identify issues facing LWMC.

As appropriate, the current job descriptions of some position were also discussed to determine if they reflected actual duties.

## 2. OBJECTIVES AND EXPECTED RESULTS

### 2.1. Objectives

- To define performance excellence parameters which are applied by world class companies. And giving some useful guidance for the road of excellence.
- To propose a organization model which realistically might fit to company's operations

## 2.2. Expected Results

- To give a vision to the management team for future success.
- To keep aware of some issues that should be considered as key success factors.

## 3. SUGGESTION

The recommendation part of the report includes some useful guidance for achieving performance excellence in seven interrelated areas which is given below in detail. The organization analysis part proposes a significant solution for the organization of LWMC.

### PART-1 ROAD TO PERFORMANCE EXCELLENCE

#### 1-STRATEGIC LEADERSHIP AND STRATEGIC PLANNING

##### Strategic Leadership

- Leaders need to develop mission, vision, values and ethics and become role model for culture of excellence.
- Leaders should be personally involved in ensuring organization management system is developed, implemented and continuously improved .
- Leaders should have interactions with stakeholders and establish partnerships.
- Leaders should reinforce a culture of excellence with the organizations.
- The leaders should understand the internal and external drivers change for the organization

##### Strategic Planning

- Strategy should be based on present and future needs and expectations of stakeholders
- The strategy should be impediment or a facilitator to capacity building or improved performance
- Strategies should be developed, reviewed and updated.
- Strategies should be communicated and deployed through a framework of key processes.



- 
- Strategies should support clarifying priorities and set indicators, thus giving the organization a way to assess its performance.

### **Performance Programs**

- Organization wide reporting mechanism should be established in order to track the progress of performance programs.
- Strategies and performance program should be connected to organization budget.

## **2-HUMAN RESOURCE MANAGEMENT**

### **Human Resource Planning**

- Organization should forecast current and future demands of HR
- Organization should know how and where to identify people with skills needed to fulfill its requirements.
- Organization should link its mission and goals to its HR planning

### **Staffing**

- The organization should have adequate staffing procedure to ensure that it knows the number of staff required for high performance
- The organization should have appropriate job descriptions, competency reviews or equivalent to determine what staffing is needed.
- Individuals in charge for selection should be appropriately trained to carry out relevant function.
- Recruitment selection materials should be free of discrimination and transparent

### **Human Resource Development**

- The organization should issue a training & development policy.
- The organization should appropriately identify the training needs of staff aligned with goals and strategies.
- Organization should assess trainings and its effect on performance

### **Reward and Recognition**

- Organization should recognize people in order to promote and sustain their involvement and empowerment
- Organization should promote awareness and involvement in HS&E

- The organization should motivate staff with monetary and non monetary rewards.

### **3-FINANCIAL MANAGEMENT**

#### **Financial Planning**

- To support performance, regular and periodic financial planning should be undertaken
- Governing body should be involved in financial planning and monitoring
- There should be a adequate budgetary planning and comparison of both actual & planned budget and should be analyzed for decision making.
- Financial information should be provided in timely fashion for those who need it.

#### **Accountability**

- Clearly stated financial procedures should be followed by the organization
- Financial information should be consolidated in a strategic plan.
- Cash flow statement should be prepared in timely fashion and used by managers. Both managed so that the organization can benefit where there is surplus or minimize the cash shortage.

#### **Financial Control**

- An internal control mechanism should be established to ensure transparency, legal compliance, and performance of financial transactions handled in the organizations.
- It should be directly reporting on regular basis to CEO
- Related procedures for financial control needs to be issued.

### **4. PROCESS MANAGEMENT**

#### **Process Planning**

- Process management system should be established.
- Process management system should be supported by applying International Management System Standards such as ISO 9001, ISO 14001 and OHSAS 18001 with an integrated fashion.
- Performance indicators for relevant processes should be determined and maintained.

## **Monitoring and Measurement**

- Performance results of processes should be measured and reviewed on regular basis.
- Reporting standards and requirements should be determined.
- Monitoring, measuring and reporting roles for processes should be clearly identified.
- Customer surveys or other kind of feedback should be conducted to determine customer current needs and the expectations regarding the service provided.

## **Improvement**

- Appropriate approaches should be determined for identifying improvement potentials for relevant processes.
- Improvements should be compared with previous status and the maturity level of processes should be evaluated.
- Comparison and benchmarking studies should be applied.

## **5. PARTNERSHIP**

### **Partnership**

- Partnership and supplier relations should be structured to create maximum value.
- Core competencies of partners should be identified and leveraged.
- Cultural compatibility and sharing knowledge with partner organization should be ensured.

### **Supplier Management**

- Master procurement plan should be prepared.
- Appropriate contract planning and control strategy should be applied and maintained.
- Supplier categories and the means of evaluation criteria should be determined and maintained.
- Health safety and environment issues should be considered in scope for services and materials provided.

## **6. INFORMATION TECHNOLOGY**

### **IT Asset Management**

- To improve total life cycle performance maintenance and utilization of asset should be managed.
- Adverse effects of the organization's assets including ergonomics, health and safety issues should be managed.
- To support and improve the effective operation of the organization information and communication technologies should be selected and used appropriately.
- Technology portfolio including the identification and replacement of outdated technology should be managed effectively.

### **Information /Knowledge Management**

- Organization's information validity, integrity and security should be ensured.
- Appropriate information technology should be applied in order to support internal communication information and knowledge management.
- Information security policy needs to be established
- Relevant information and knowledge resources should be identified, classified and applied to maximize value.
- Appropriate access for both internal and external users to relevant information and knowledge needs to be ensured.

## **7. ORGANIZATION STRUCTURE**

### **Governance Structure**

- The governing structure should have a clearly defined way to review and set organization direction.
- Organizational charter should provide a adequate framework for creating structural means to carry out the mission of organization.
- Governing structure should establish various committee necessary to ensure legal and organizational accountability.
- The governance structure should have to establish mechanisms to review and assess organizational performance.
- Strategies should support clarifying priorities and set indicators, thus giving the organization a way to assess its performance.

- The governing body should have a group responsible to scan the external and internal environment to understand the forces affecting the organization and its performance.
- Roles within the organization should be clearly defined and yet flexible enough to adapt changing needs.

### Operation Structure

- Departmental lines or divisions between groups should be coordinated to improve performance
- Clear lines of authority and accountability should be identified.
- Organizational structure should be aligned with strategies.
- Avoidance of overlapping functions should be ensured.
- Suitable Span of control should be established to support managerial effectiveness

### PART-2 ORGANIZATION ANALYSIS

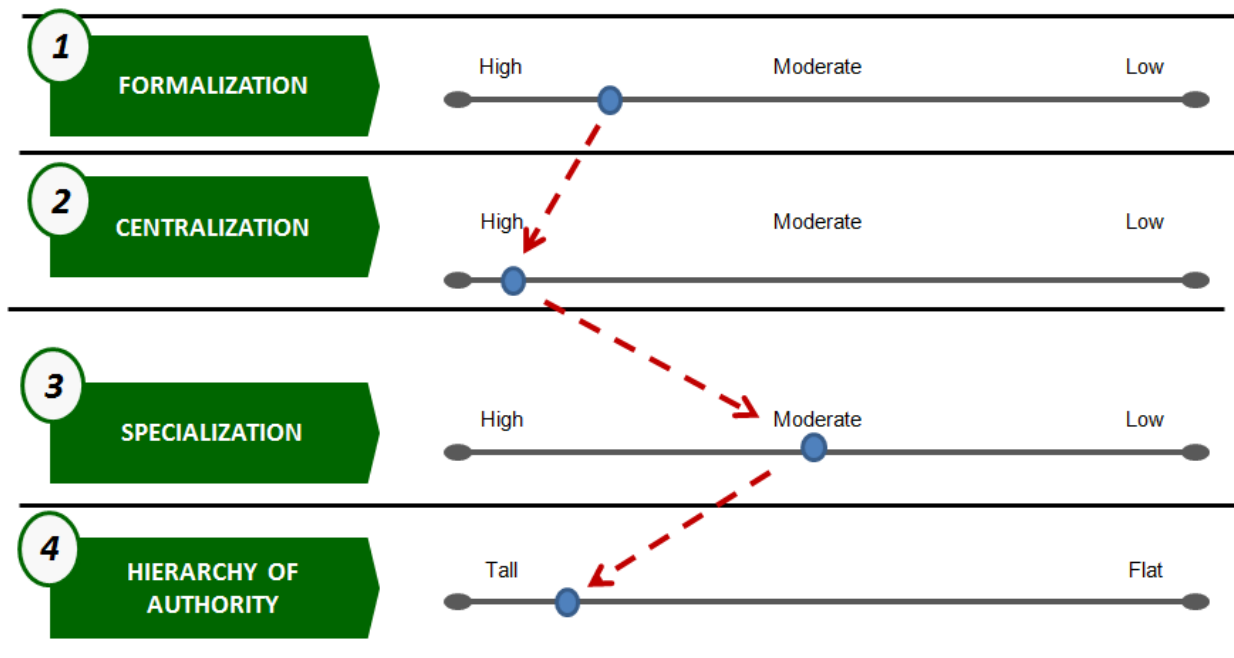
In organization design studies there are eight crucial parameters that should be considered. We gave an explanation for each parameter to ensure common understanding. Afterwards by referring to these parameteres we tried to figure out the most adequate organization model for the company.

	Remarks
<b>1</b> <b>FORMALIZATION</b>	<ul style="list-style-type: none"> <li>- The degree to which the organization has official rules, regulations and procedures.</li> </ul>
<b>2</b> <b>CENTRALIZATION</b>	<ul style="list-style-type: none"> <li>- The degree to which decisions are made at the top of the organization</li> </ul>
<b>3</b> <b>SPECIALIZATION</b>	<ul style="list-style-type: none"> <li>- The degree to which jobs are narrowly defined and depend on unique expertise</li> </ul>
<b>4</b> <b>HIERARCHY OF AUTHORITY</b>	<ul style="list-style-type: none"> <li>- The degree of vertical differentiation across levels of management plus reporting relationships within organization (who reports to whom)</li> <li>- <b>Tall organizations</b> - have many levels in the hierarchy</li> <li>- <b>Flat organizations</b> - have few levels in the hierarchy</li> </ul>

	Remarks
<p><b>5</b></p> <p><b>TECHNICAL COMPLEXITY</b></p>	<ul style="list-style-type: none"> <li>A measure of the extent to which a production process can be programmed so that it can be controlled and made predictable</li> <li><b>High technical complexity:</b> exists when conversion processes can be programmed in advance and fully automated</li> <li><b>Low technical complexity:</b> exists when conversion processes depend primarily on people and their skills and knowledge and not on machines</li> </ul>
<p><b>6</b></p> <p><b>ENVIRONMENTAL UNCERTAINTY</b></p>	<ul style="list-style-type: none"> <li>The amount and rate of change in the organization's environment</li> <li><b>Low Uncertainty:</b> Low differentiation, Low Integration, Centralized decision making, standardization</li> <li><b>High Uncertainty:</b> High differentiation, High Integration, Decentralized decision making, mutual adjustment</li> </ul>
<p><b>7</b></p> <p><b>TASK VARIABILITY AND ANALYZABILITY</b></p>	<ul style="list-style-type: none"> <li><b>Task variability:</b> the number of exceptions – new or unexpected situation that a person encounters while performing a task</li> <li><b>Task analyzability:</b> the degree to which search activity is needed to solve a problem</li> </ul>
<p><b>8</b></p> <p><b>SPAN OF CONTROL</b></p>	<ul style="list-style-type: none"> <li>The number of subordinates in an organization who are required to report to each manage</li> <li><b>Wide span :</b> many subordinates report to a manager typical of flat organizations</li> <li><b>Narrow span :</b> few subordinates report to a manager typical of tall organizations</li> </ul>

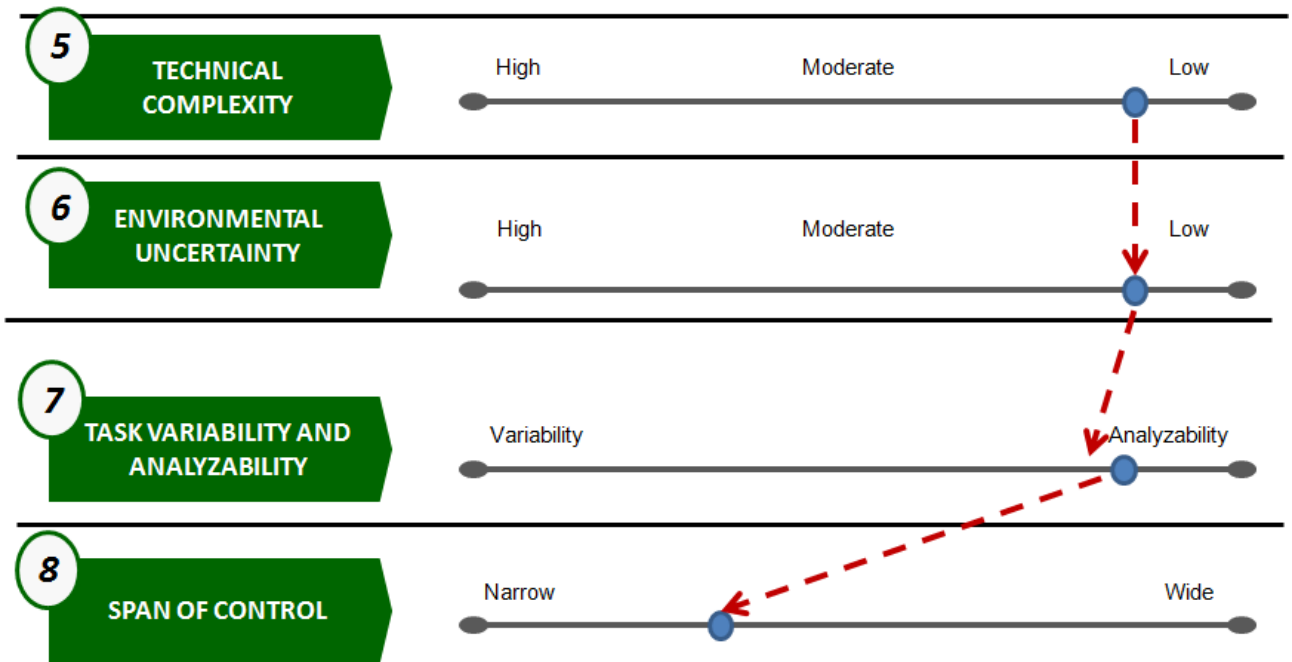
ORGANIZATIONAL ANALYSIS REPORT

According to our findings regarding company's profile the formalization and centralization is nearly high. Specialization is moderate and hierarchy of authority is tall.



Technical complexity and environmental uncertainty is almost low. Related to low technical complexity the tasks are analyzable and the span of control is closer to narrow.

Considering the official structure and scope of work maintained by LWMC suitable structural dimension status has been identified as below.



Managerial structure of the proposed organization model exists of 3 levels. **Managerial Level 1** presents the corporate leadership and execution which is also stated as strategic level.

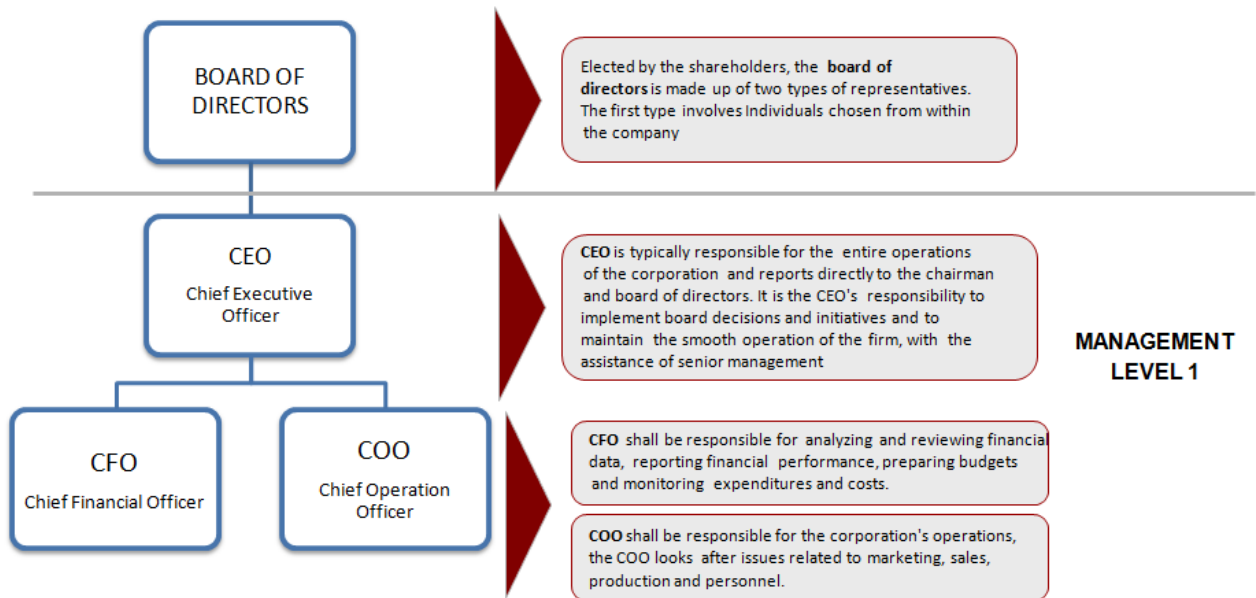
**Manager Level 2** presents the tactical level of the organization which mainly requires managerial competencies.

**Manager Level 3** presents the operational level of the organization which mainly requires supervision competencies.

MANAGER LEVEL 1	<ul style="list-style-type: none"> <li>• Leadership Competencies</li> <li>• Strategic Level</li> </ul>
MANAGER LEVEL 2	<ul style="list-style-type: none"> <li>• Managerial Competencies</li> <li>• Tactical Level</li> </ul>
MANAGER LEVEL 3	<ul style="list-style-type: none"> <li>• Supervision Competencies</li> <li>• Operational Level</li> </ul>

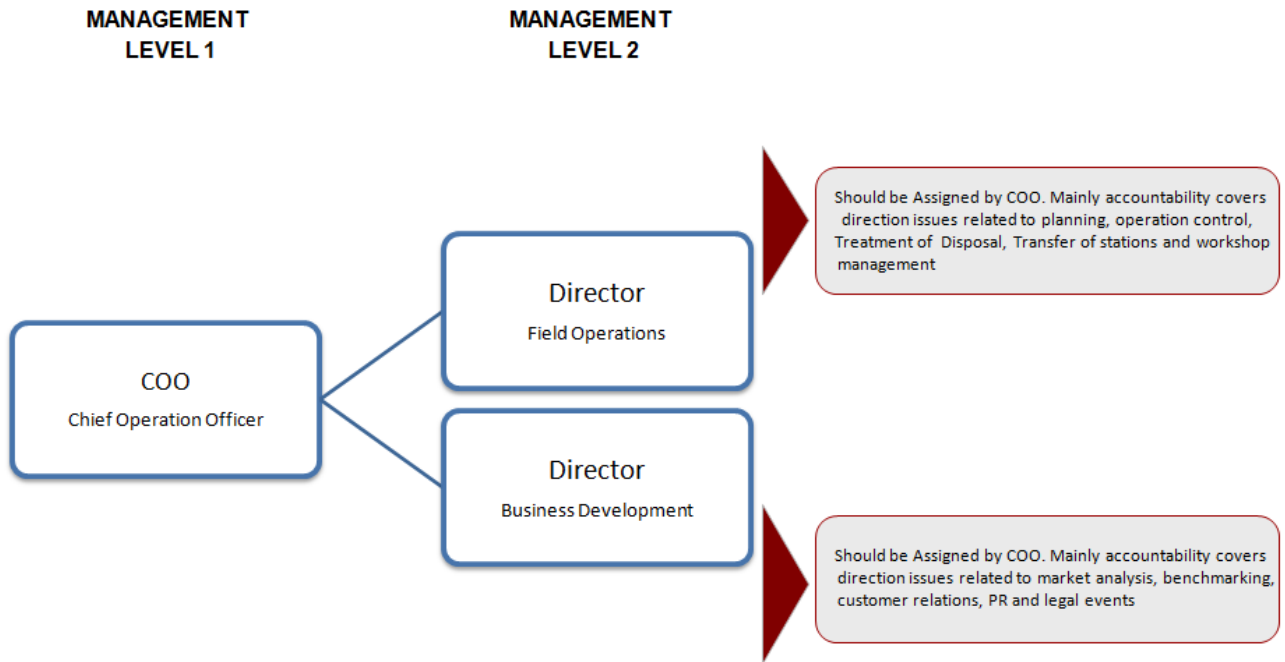
According to the above mentioned assumptions the proposed organization for managerial levels are as follows;

Management Level 1 exists of 3 post which is CEO, CFO and COO. CFO is mainly accountable for the supportive process while COO is accountable for the compan’s core proceses.

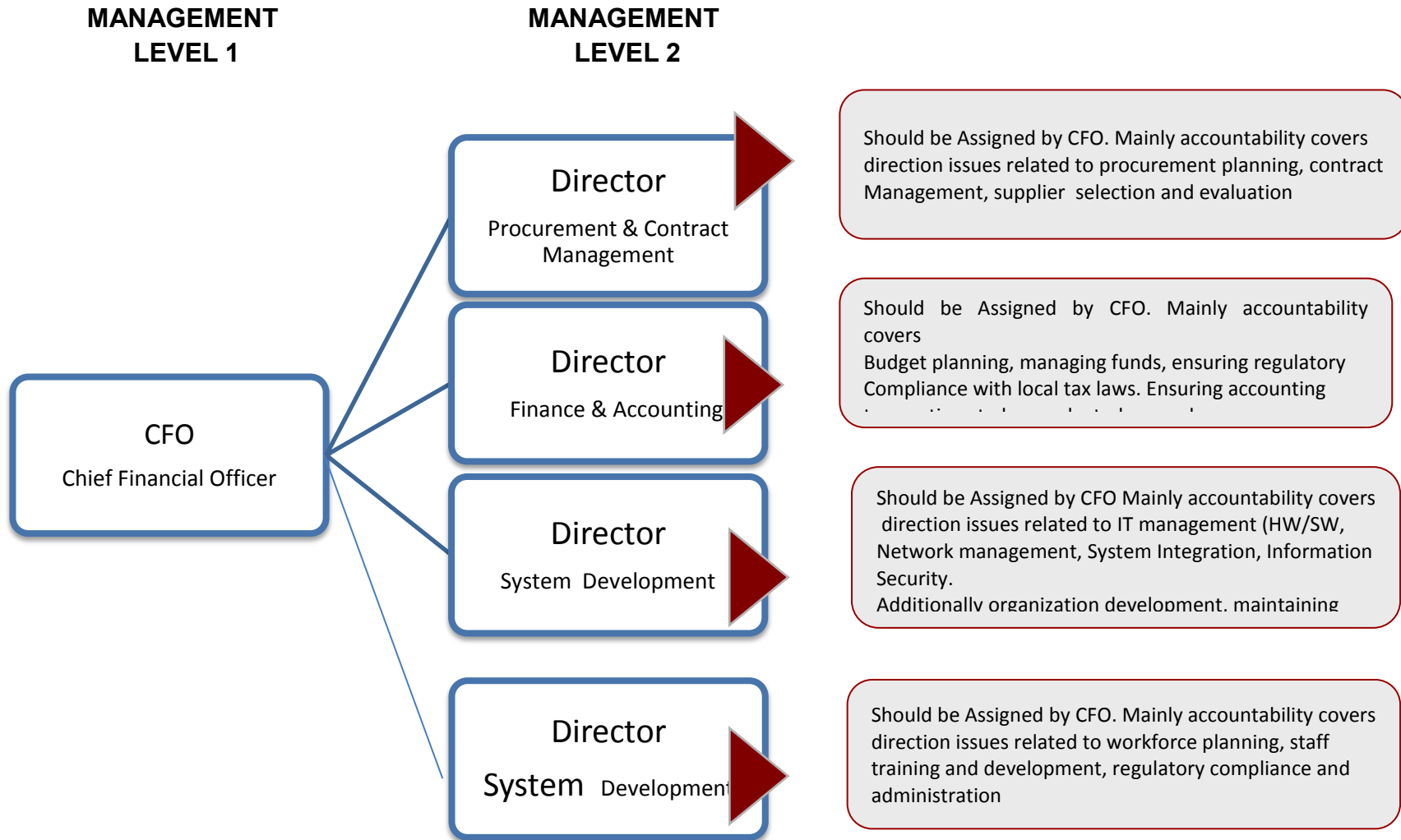


Considering the job family approach COO exists of 2 main departments which are Field operation and business development.





Considering the job family approach, CFO exists of 4 main departments which are procurement and contract management, finance and account, Information technology and system development.

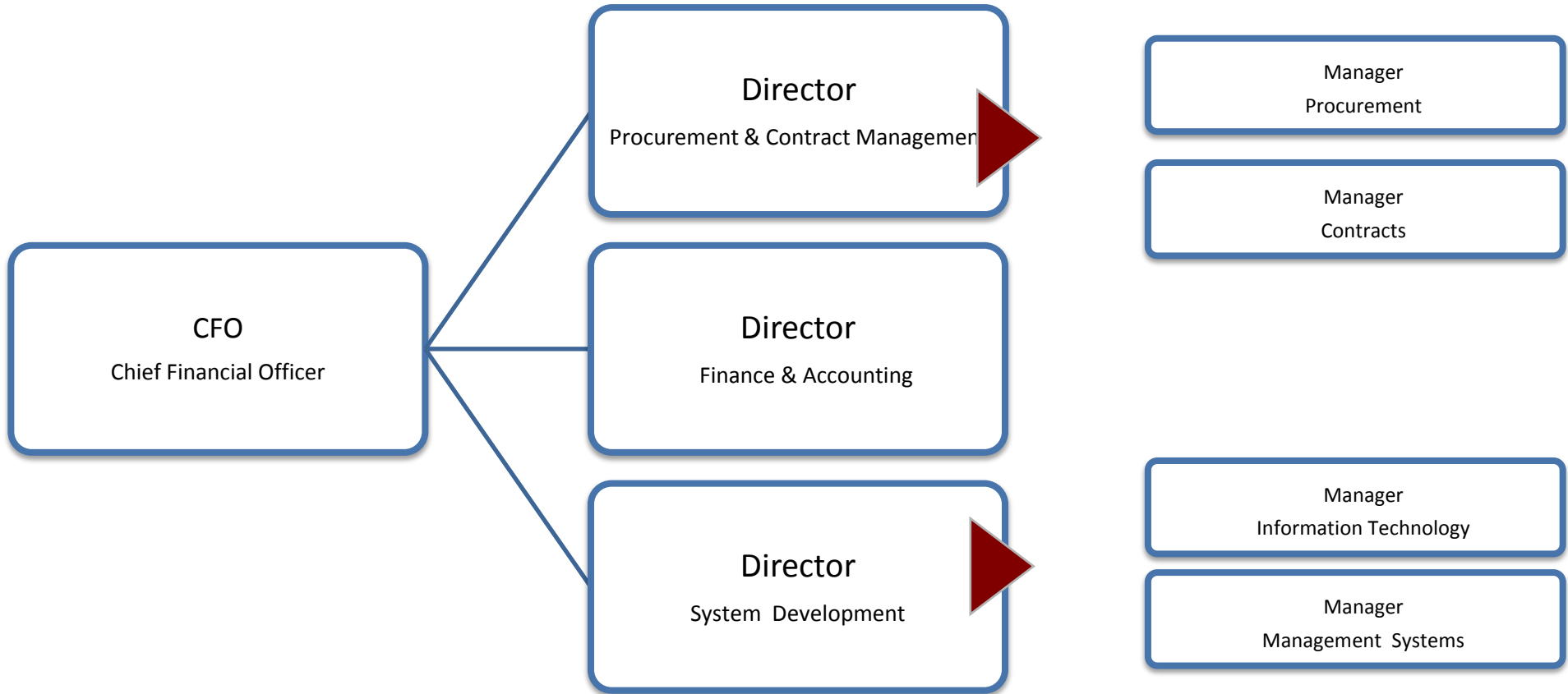


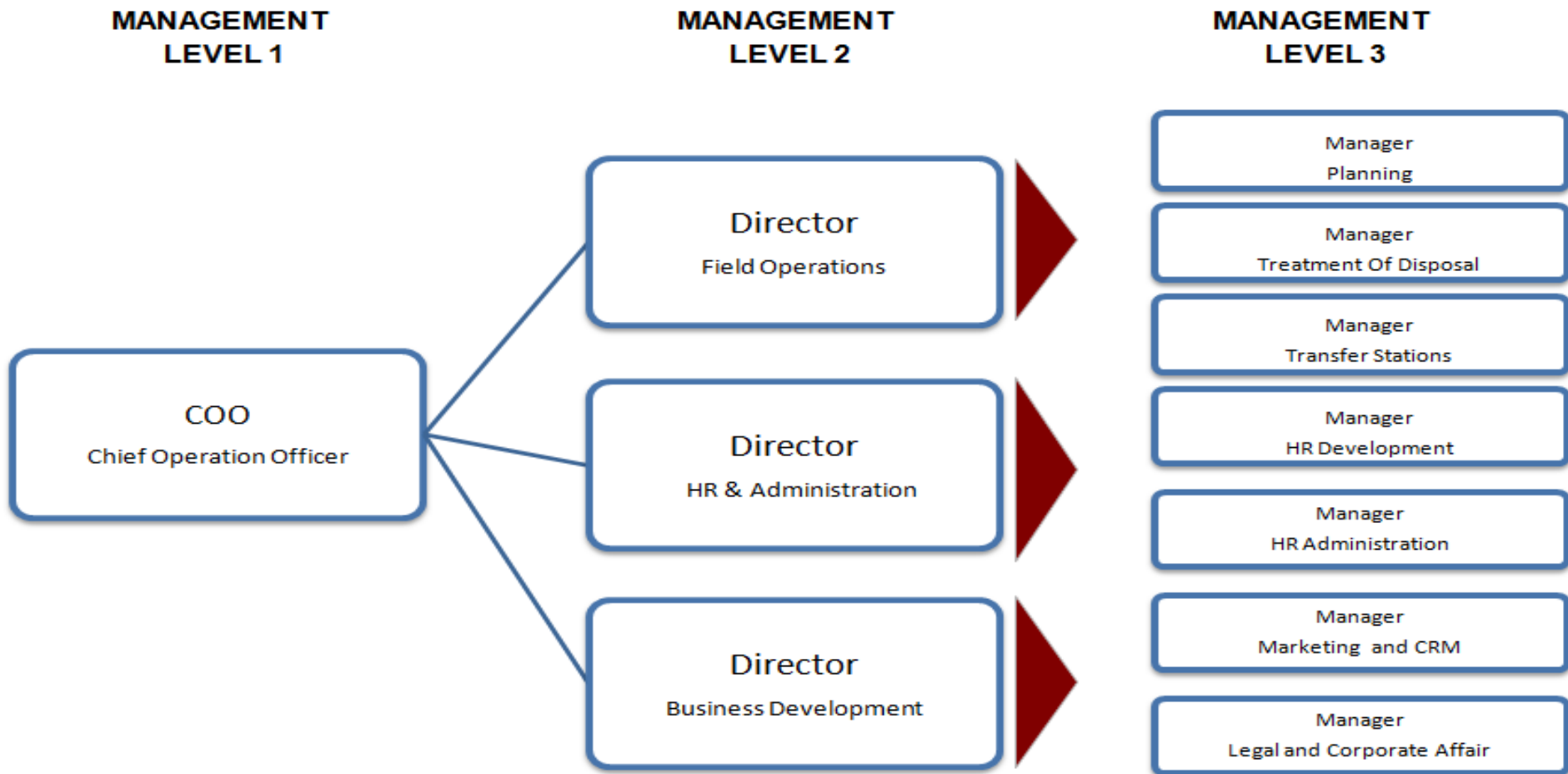
The breakdown structure of the organization including all management levels are as follows,

**MANAGEMENT  
LEVEL 1**

**MANAGEMENT  
LEVEL 2**

**MANAGEMENT  
LEVEL 3**





## **8. CONCLUSION**

Organization development is dynamic process which mainly relies on the goals objectives and strategies of the company. Therefore in any important business decisions organizational status should be analyzed properly to find out the most adequate organization model which is accepted as one of the leading factors for business success plus motivation.