


Managing for Maximum Performance
UCSD Extension Business & Technology
Chapter 9 – Organizing Work – Winter 08




Organizing Work

*Best Practices –
Northrop Grumman/ Sharp HealthCare*

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*Managing For Maximum Performance
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Organizing Work - Agenda

- Why do we organize work?
- Divisions of labor
- Power and Authority
- Empowerment
- Delegation & Authority Principles
- Change

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Organizing Work – *Reasons for Organizing*

- Establish Lines of Authority (Create Order)
- Increase Efficiency
- Increase Quality of Work (Synergism)
- Improve Communication
- Use of Organization allows for:
 - Specialization & Division of Labor
 - Large Scale Technology
 - Manage External Environment

Organizing Work – *Case Study: Sharp HealthCare*

- Formal Organization
 - Defined boundaries that provide the structure
 - Example:

							CEO/ President							
SVP/ CIO	SVP/CFO Finance	CEO Sharp Health Plan	CEO Hospital (4)	CEO MG /IPA (3)	SVP HR/ General Counsel	SVP Marketing								
- Informal Organization
 - Not formally; consciously designed
 - Aggregate of personal contacts within the formal structure

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Organizing Work – *Division of Labor*

- Division of Labor works best in Organizations with:
 - Large volume of work
 - Stability –
 - Volume of work
 - Stable employee attendance
- Product design/ Production technology



Organizing Work – *Division of Labor*

- **Vertical Division of Labor** – (Lines of Authority)
 - Establishes authority
 - Facilitates communication flow in organization
- **Horizontal Division of Labor** – (Specialization)
 - Fewer skills required per person
 - Skills required for selection/training easier to support
 - Proficiency derived from practice in same job
 - Efficient use of employee's best skills
 - Conformity in final product
 - Problems may occur from job boredom



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Organizing Work – *Job Scope/ Job Depth*

- Job Scope –
 - Definition: Number of different operations performed on the job.
- Job Depth –
 - Definition: Freedom for employees to plan & organize their work, work at own pace, and communicate as desired.
 - Lack of job depth may result in job dissatisfaction or work avoidance.



Organizing Work – *Case Study: Northrop Grumman*

- Job Scope at NG is standard for each job type and available online
- Example, Planner Engineer:
 - Prepares and coordinates the plans and schedules for new or existing programs.
 - Determines, monitors, and reviews costs, operational budgets and schedules, and manpower requirements.
 - Supports and participates in negotiations with customer.
 - Analyzes effects of projects upon various areas such as Engineering, Facilities, and the labor pool to determine the most practical and cost-efficient methods to obtain the required resources.
 - Resolves proposal preparation problems and assesses the progress against established plans and parameters.
 - Formulates and recommends corrective action measures such as schedule revisions, manpower adjustments, fund allocations, and work requirements.



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Organizing Work – *Case Study: Northrop Grumman*

- Job Depth is also stored on the website and change as one progresses through one's career. Depth is based on level of experience:
- Example, Planner Engineer:
 - **Knowledge**
Frequent use and general knowledge of industry practices, techniques and standards. General application of concepts and principles.
 - **Problem Solving**
Develop solutions to a variety of problems of moderate scope and complexity. Refers to policies and practices for guidance.
 - **Discretion/Latitude**
Works under only very general supervision. Work is reviewed for soundness of judgment and overall adequacy and accuracy.
 - **Impact**
Contributes to the completion of organizational projects and goals. Errors in judgment or failure to achieve results would normally require a moderate expenditure of resources to rectify.
 - **Liaison**
Frequent internal company and external contacts. Represents organization on specific projects.

Organizing Work – *Power, Authority, Responsibility*

- Power – Ability to influence, command, apply force
- Authority – Power derived from position
 - Formal Theory of Authority
 - Acceptance Theory of Authority
 - Centralization vs. Decentralization
- Responsibility - Accountability for the attainment of objectives, the use of resources, adherence to organizational policy.

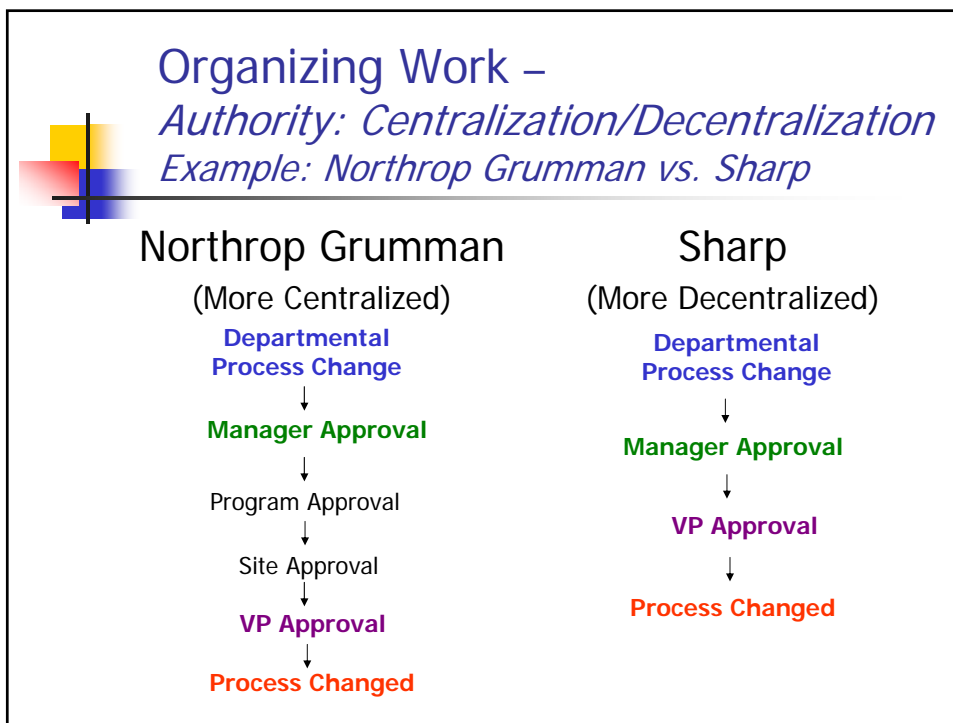
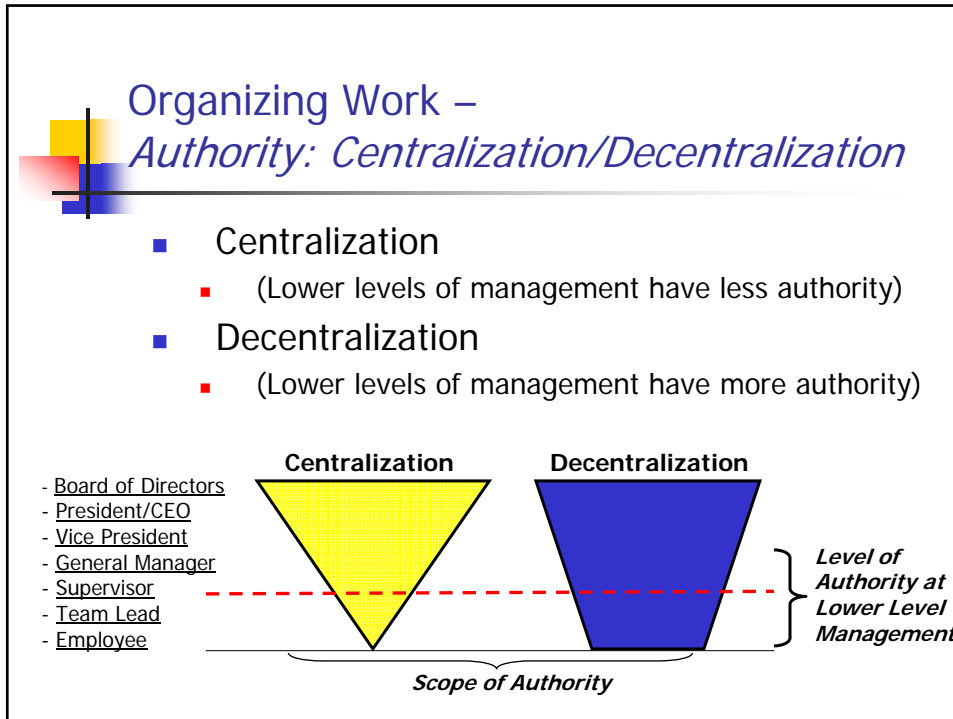


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Organizing Work – *Empowerment*

- Empowerment - subordinates have authority to make decisions
- Elements of Empowerment:
 - Participation
 - Innovation
 - Access to Information
 - Accountability



Organizing Work – *Empowerment*

- Methods of Implementing Empowerment
 - Restructure organization units to be smaller, less complex, less dependent on other units
 - Emphasize change focusing on empowerment & personal accountability
 - Education/training provided to employees as opportunities for improvement
- Self Managed Work Teams



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Organizing Work – *Case Study: Sharp HealthCare*

- Sharp's Vision –
 - *Transform health care in San Diego by striving to be the best place to work, the best place to receive care, and the best place to practice medicine.*
- "Sharp has adopted six pillars of excellence as the foundation for its vision to transform the health care experience – called the Sharp Experience. **The six pillars – quality, service, people, finance, growth, and community** – are the basis for everything from strategic planning, organizational goal setting, priority setting, **management performance evaluations and meeting agendas.**" – *Per Sharp website*



Organizing Work – *Case Study: Sharp HealthCare*

- Vision/Values – Examples of accountability
- Performance Evaluations –
 - Job Scope/Job Description relates to Sharp's "Six Pillars of Excellence"
 - Sharp's Behavioral Standards
 - Goals – Individual/Departmental/Entity
 - Accountability Grid
 - ID Badge -
 - Sharp's Vision/Values
 - Sharp's Behavioral Standards

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Organizing Work – *Principles based on Authority - Delegation*

- Delegation
 - Parity Principle – Authority/Responsibility coincide
 - Exception Principle – Managers concentrate on matters deviating from routine
 - Benefits of delegation
 - Manager can pursue other tasks
 - Develop employees & satisfy customers
 - Reasons why reluctant to delegate
 - Fear subordinate will either fail task or look “too good”
 - Easier to complete task on own



Organizing Work – *Principles Based on Authority*

- Unity of Command – (One immediate supervisor)
 - Problems may occur if different managers instruct the same employee to perform different tasks at the same time.
 - Employee must understand line of authority.
- Scalar Principle – “Chain of Command”
 - Authority in the organization runs through the “chain of command”.
 - Need for communication and Unity of Command.

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Organizing Work – *Principles Based on Authority*

- Span of Management – “Span of Control”
 - Number of subordinates a manager can *effectively* manage.
 - Factors affecting the Span of Control:
 - **Complexity** of jobs managing - shortens span of control
 - **Variety** of types of jobs managing – shortens span of control
 - **Proximity** of jobs managing – lengthens span of control
 - **Quality of subordinates/ Quality of manager’s abilities** - lengthens span of control

Organizing Work – *Changes in Organization*

- Flextime
 - Employees choose hours
 - Work Weeks
 - 9/80, Every Other Friday (off)
 - 4-9-4, Halldays Fridays
- Telecommuting
- Job Sharing



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Organizing Work – *Changes in Organization*



- Flextime
 - NG Rancho Bernardo is switching from Half-day Fridays to every other Friday off to align with its three main sites to the same work week
 - Reasons for:
 - Work weeks aligned at NG sites facilitates communication
 - 10% transportation cost reduction
 - Reasons against
 - Friday evening traffic
 - Fridays cost 4 hours vacation
 - Fridays are like a day off when one is at home at noon

Organizing Work



Thank you!

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