

**Workflow: Planning, Measuring and Leading**

# Toolkit 1.2

## Organisational Structure and Capability

**target audience**

Farm managers.

**what it is**

Organisational structure and organisational capability refer to the human capital (people, knowledge, and expertise) and how this resource is organised, managed, and deployed.

Structure is reflected in your organisational chart, showing which positions/roles you have, specialist functions, your managerial and supervisory structure, and the composition of your teams.

Organisational capability refers to the capability (proficiency, competence) and power to execute and apply your collective talent to achieving your business objectives.

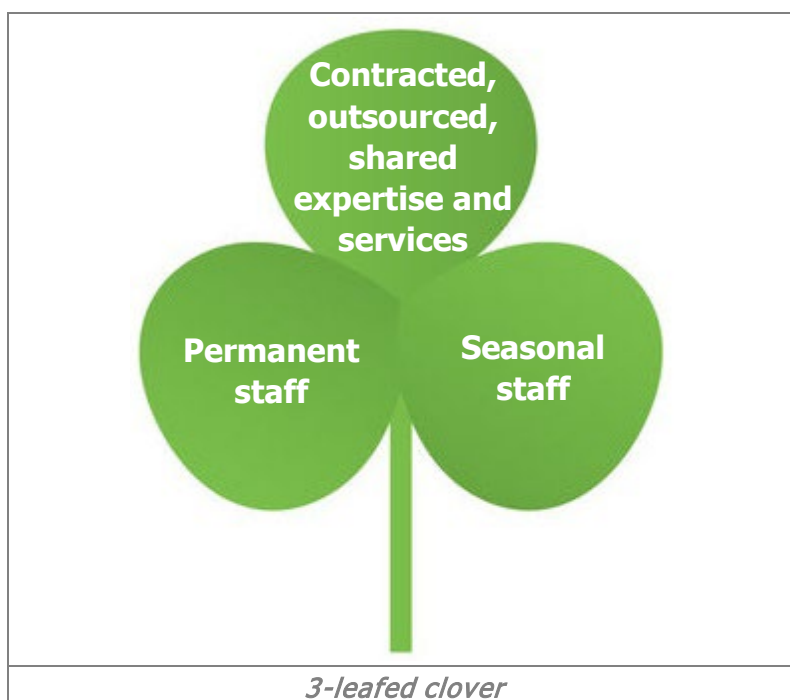
Just like a sports team, ask yourself whether you have a complete team, with all necessary positions filled in, and whether they can play the game to win. Ask yourself how they are coached and how they behave on the field. Ensuring that you understand the elements that determine organisational performance is fundamental to managing your people (see the Burke & Litwin organisational development framework below, and the high-level Burke & Litwin checklist in the resources section).

Additionally, a sustainable, high-performance organisational team depends on the following:

- **A clear mission** – everybody understands the mission and the key strategies (a function of leadership and communication).
- **Leadership** – the quality of the leadership and decision making, how leaders and managers engage with their teams, and how empowered and included teams and employees feel.
- **Culture** – beliefs and values, how things are actually done, and how managers actually behave.
- **Organisational design and structure** – clearly defined roles and accountability, and whether the structure supports the business objectives.
- **Performance management**
- **Talent management** – recruitment, development, skills retention, and succession management.
- **Employee competence and wellbeing at an individual level**
- **Training and development**

Not every enterprise can afford to employ all the human resources and expertise required on a permanent basis; fortunately, in most cases, it is unnecessary. However, it is important that the

farm/enterprise has access to the necessary resources when they are needed. A useful way of thinking about your organisational resource and talent pool is as a so-called “3-leafed clover”:



Are you aware of all the resources, including those that you do not own but could have access to, that will ensure that you can manage your operation competitively?

## why it is important

The single most important determining factor in the success of any enterprise is the quality and effectiveness of the people, and how they are lead.

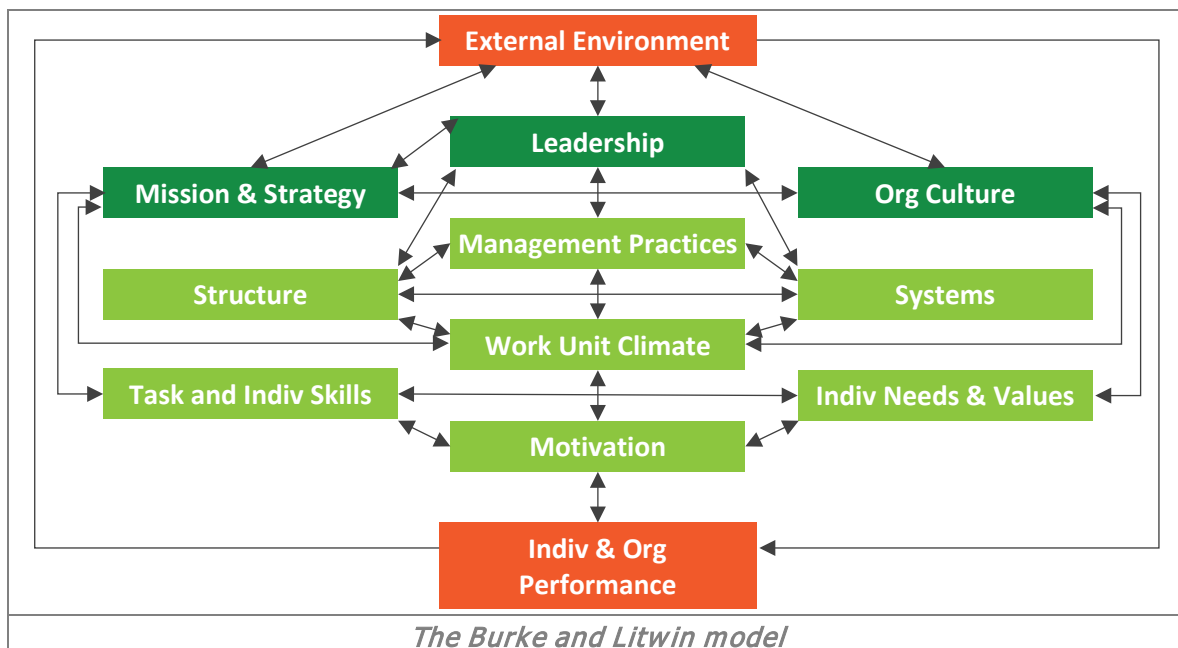
Certainly, other factors, such as working capital and funding for equipment/ infrastructure/ expansion etc. Are critical components; but the first and most important component is the quality of the leadership and the team. In fact, there are many examples of exceptional teams overcoming significant constraints; but even more examples of fairly well-positioned and funded enterprises under-performing or even failing due to poor management and poor teamwork.

In the citrus farming context, the importance of leadership, governance, management, and teamwork is even more fundamental because:

- It is a labour-intensive business, including the need for a seasonal workforce.
- Ownership is often not in single private hands, but includes community property associations, cooperatives, permission-to-occupy arrangements etc. With many stakeholders, and the consequent complications of having so many owners and involved parties.
- Strategic partnership dynamics have their inherent benefits and risks.
- Social challenges in poor rural communities can exert pressure on the business, such as the pressure to employ, to liaise successfully with the community, and to combat theft and sometimes even sabotage.

## success factors

The following framework provides a useful model and checklist to assess whether your organisation has all the elements adequately in place to perform well.



The orange elements are the most powerful determinants of transformation. The green elements are where ongoing attention will finetune and improve performance.

Assess your organisational health by completing the high-level Burke & Litwin checklist in the resources section.

## execution steps

1. **Organisational Structure** – Define and document your organisational structure, applying the following basic principles:
  - a. Define the positions and roles your organisation needs, and then put names (people) to the roles. This ensures that you define what your organisation needs (appropriate for its size of course), even if you have gaps in the actual people and talent to fill all the roles or to do justice to each role and function.
  - b. Create clear and unambiguous accountability, i.e., People should be accountable for whole jobs.
  - c. Implement effective and efficient hierarchy and management / supervisory structure, i.e., Aim for logical teams with a flat structure, a sensible managerial/supervisory span of control, and no one on one reporting relationships.
  - d. It may be useful to put outsourced resources (contracted specialists etc.) On the organisational chart in a dotted line box, showing that you do have access to personnel with those skills but that you do not employ them permanently.
2. **Job Descriptions** – Write job descriptions, which can be simple but comprehensive:
  - a. Title and purpose of the job.

- b. Reporting relationship.
  - c. Key areas of accountability.
  - d. Key areas of competence/skills.
  - e. Qualifications and/or training required.
3. **Organisational Capability** – As an exercise that links directly with your organisational structure, it is important to list all the skill areas and functions your organisation needs to succeed and compete. This will show you the gaps you have in your organisational capability and challenge you to find creative ways to minimise the gap. Smaller enterprises will have a greater challenge, but a lot can be done with collaboration, sharing with neighbours, effective use of cooperative resources, extension and technical services (governmental and the CGA), contracting specialists etc. There is no way around the fact that your organisational capability will determine your success and growth.
  4. **Outsourced or Contracted Resources** – Define what you need and how you manage these resources. This includes the effective management of seasonal workers.
  5. **HR Systems** – Ensure that you have a fit-for-purpose HR system, i.e., at the very least good personnel records, a sound payroll system, legally compliant deductions, and statutory payments. In many cases this function may be outsourced to an accountant or to a strategic partner; but as a farm owner, you must ensure that this is in place, and that you own this information should you need to transfer it to another service provider or take on the function yourself.
  6. **The HR Lifecycle (The Employee Lifecycle)** – Apply basic good practice across the whole HR life cycle, from recruitment, onboarding/induction, development, performance management, through to succession management and final retirement. See the HR Life-Cycle checklist for more information.

## assessment questions

**Please Note:** There is no minimum / maximum amount of questions you can add

|    |                                                                                                                                                              |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Do you have an up-to-date organisational structure/organogram?                                                                                               |
| 2. | Have you identified and listed all the functions that need to be undertaken to run your business successfully?                                               |
| 3. | Does your organisational structure show both your permanent structure and functions, and the expertise and skills that you outsource?                        |
| 4. | Do you have up-to-date job descriptions for each permanent job?                                                                                              |
| 5. | Do you have an adequate HR system or outsource the function effectively?                                                                                     |
| 6. | Are you applying basic good practice across the whole HR lifecycle?                                                                                          |
| 7. | Do you manage the seasonal workforce successfully, i.e. scoring >80% on the seasonal worker checklist?                                                       |
| 8. | Do you have constructive labour relations, i.e. good communication and interaction with your employees and their union representative if they are unionised? |
| 9. | Have you completed the Burke & Litwin checklist and identified the gaps you need to address to ensure a sustainable and high-performing organisation?        |

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|-----|-------------------------------------------------------------------------------------------------|
| 10. | Have you assessed the strength of your supervisors and teams and identified a development plan? |
| 11. | Do you have succession plans for the managers and critical positions?                           |

## resources

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|----|--------------------------------------------------------------------------------------|
| 1. | High Level Burke and Litwin checklist                                                |
| 2. | Organisational Structure example                                                     |
| 3. | Key functions required for a farm                                                    |
| 4. | Job Description example                                                              |
| 5. | Best practice in managing seasonal workers checklist                                 |
| 6. | HR Lifecycle (The Employee Lifecycle)                                                |
| 7. | Assessing the strength of your supervisors, teams and succession                     |
| 8. | Assessing the health of your labour relations and broader stakeholder relationships? |