



Unit Restructuring

As part of its Organizational Simplification initiative, UC Berkeley pursued a strategy called Unit Restructuring to improve organizational effectiveness while yielding significant expense reduction. Its goal was to streamline Berkeley's existing administrative units to create flatter, more-effective reporting structures with well-defined roles and career paths for both individual contributors and supervisors.

Summary

In considering potential reorganization, UC Berkeley's Operational Excellence team looked at the management structure of the University as a whole, with the goal of creating a more streamlined and effective structure while realizing significant cost savings. In a comparison against peer institutions, UC Berkeley was found to have a relatively high ratio of supervisors managing a relatively low number of employees, resulting in excessive layers that typically slow decision-making and reduce institutional effectiveness.

Under Unit Restructuring, the campus utilized a methodology called "spans and layers"—a tool to evaluate the complexity of an organization's structure—to help identify areas for change and to set target goals for reorganization. "Spans" are the average number of direct reports per supervisor; "layers" are the number of layers between the top and front-line of an organization. The goal is to reduce the number of layers throughout the campus and increase the overall supervisory spans of control, which is expected to streamline processes, eliminate redundancies, and improve front-line productivity.

To implement this effort, each of UC Berkeley's 28 administrative unit leaders was assigned target span and savings targets and asked to develop a plan for to meet those targets for their unit. Plans were submitted to the Operational Excellence Executive Committee and approved in January, 2011.

Delivering the Vision

Unit Restructuring helped to achieve the vision of Operational Excellence by reducing costs and streamlining operations. The Unit Restructuring project will cost \$3 million in administrative costs and job separation packages and is projected to save \$19.5 million annually.

Timeline

Spans and savings goals were assigned to campus units in September 2010. Unit plans were submitted to the OE Executive Committee in fall 2010 and approved in January 2011. Implementation of plans occurred in the first and second quarters of 2011 and was substantially complete by June 2011.

Leadership

Sponsor: Keith Gilless, Dean, College of Natural Resources

Sponsor: Frank Yearly, Vice Chancellor

Sponsor: John Wilton, Vice Chancellor for Administration and Finance

Initiative Manager: Moira Perez, Director of New Initiatives, Office of the Vice Chancellor for Administration and Finance

For More Information

Answers to frequently asked questions about Unit Restructuring can be found on the Operational Excellence web site at <http://oe.berkeley.edu>

Questions and comments about Unit Restructuring can be directed to the initiative team: organizational simplification@berkeley.edu

Questions about Operational Excellence: oe@berkeley.edu