ORGANIZATIONAL DEVELOPMENT CONSULTANCY PROPOSAL & MASTER TURNAROUND SOLUTION

End-to-End HR System Overhaul, Scientific Rightsizing & Governance Architecture

Target Organization: Apex Manufacturing & Consumer Solutions
Project Scope: Comprehensive Turnaround & HR Transformation Solution
Consultancy Role: Senior Organizational Development (OD) Consultant
Academic Context: HR Management Diploma Capstone Project — Supervised by Dr. Marwa Agha
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1. Executive Summary & Organizational Diagnostics

1.1 Company Overview & Background

Apex Manufacturing & Consumer Solutions is a mid-sized consumer goods manufacturer and distributor operating in the fast-moving consumer goods (FMCG) market for 12 years. Following aggressive market expansion between Years 3 and 8, the company failed to implement institutional governance, scalable workforce modeling, and structured HR systems.

Currently, the organization operates across five core functional departments: 1. **Human Resources (HR)** 2. **Finance, Accounting & Procurement** 3. **Commercial Sales & Distribution** 4. **Customer Service & Call Center** 5. **Factory Operations & Production**

1.2 Macro Financial & Operational Diagnostics

A diagnostic audit conducted across organizational records revealed severe financial deterioration and operational bottlenecks:

Diagnostic Dimension	Peak / Benchmark Metric	Current Reality Metric	Variance / Operational Impact
Annual Revenue	$15.0 Million (Year 8 Peak)	$10.0 Million (Current)	**-33.3% YoY Collapse** in commercial revenue
Customer Satisfaction (CSAT)	88.0%	62.0%	**-26.0% Decline** over 18 months due to order backlogs
Annual Employee Turnover	12.0% - 15.0% (Industry Median)	38.0%	**+23.0% Attrition Surge** driven by pay distortion and ambiguity
90-Day New Hire Attrition	8.0% (Best Practice)	45.0%	**Critical Onboarding Failure**; sink-or-swim onboarding
Recruitment Cost per Hire	$800 - $1,200	$3,200	**+200% Cost Bloat** from panic-hiring and unvetted agencies
Total Headcount	Optimized: <= 100 HC	200 Employees	**100% Headcount Bloat**; negative operating margin
Monthly Wage Bill	Optimized: ~$105,000	$226,300	**Severe Wage Bloat** ($2.71M/year wage burden)

1.3 Comprehensive HR Audit Diagnostics (Audit Findings)

1. **Policies & Governance:** Zero written employee handbook or Standard Operating Procedures (SOPs). Management decisions rely on ad-hoc verbal rulings, creating labor law liabilities and employee distrust.
2. **Workforce Planning & Staffing:** Hiring conducted reactively based on departmental manager requests without workload calculations, resulting in a bloated 200 headcount.
3. **Organizational Structure:** 7 hierarchical management layers creating severe decision-making delays. Narrow span of control averaging 1:2.5 in middle management (e.g., 14 managers/supervisors supervising 25 sales reps).
4. **Talent Acquisition:** Unstructured hiring processes with no standardized competency assessments, resulting in a 45-day Time-to-Fill and high cost per hire ($3,200).
5. **Onboarding & Induction:** No structured orientation program. New employees are thrown directly into tasks, driving 45% turnover within the first 90 days.
6. **Performance Management:** Complete absence of Key Performance Indicators (KPIs) or appraisal scorecards. Performance reviews are subjective and arbitrary.
7. **Compensation & Total Rewards:** Outdated pay scale with internal equity distortions. Critical frontline positions (production workers, call center agents, sales reps) are severely underpaid relative to the market median (P_{50}), while non-performing executive and middle management positions are significantly overpaid.

1.4 CEO Strategic Turnaround Mandates

The Chief Executive Officer (CEO) has established 5 non-negotiable strategic turnaround mandates for the 90-day execution period: * **Mandate 1: Headcount Rationalization:** Rightsize total organization from 200 employees down to a maximum of **100 Headcount within 90 days**. * **Mandate 2: Organizational Flattening:** Restructure all 5 departments into a **lean 4-tier flat hierarchy** with an average **Span of Control >= 1:6**. * **Mandate 3: Scientific Workforce Planning:** Build workload-based staffing mathematical models for Customer Service, Factory Production, and Commercial Sales. * **Mandate 4: Overhead Control:** Enforce a maximum **1:3 Indirect-to-Direct Staffing Ratio** (HR & Finance combined <= 25% of total workforce). * **Mandate 5: HR Architecture & Governance Revamp:** Engineer a data-driven end-to-end HR management architecture covering talent acquisition, onboarding, policies, performance management, and a 6-grade salary scale.

2. Task 1: Scientific Workforce Planning & Rightsizing Model

2.1 Workload Mathematical Modeling

To transition Apex Manufacturing from 200 headcount to a lean structure under 100 employees, scientific workload formulas and capacity modeling are applied: * Net Productive Shift Time = 8 Hours x 60 Mins x 85% Net Factor = 408 Net Productive Minutes/Shift.

A. Customer Service & Call Center Workload Math:

- **Business Demand:** Average daily call volume = 2,400 inbound calls/day.
- **Service Standards:** Average Handle Time (AHT) = 4.0 minutes talk time + 0.5 minutes wrap-up = 4.5 minutes/call. Total daily workload = 2,400 × 4.5 = **10,800 workload minutes/day**.
- **Agent Productive Capacity:** 8.0-hour gross shift (480 mins) − 75 mins non-productive time (breaks, coaching, shrinkage) = **405 net productive minutes/day**.
- **Direct Staffing Calculation:** 10,800 mins / 405 net mins = 26.67 → **26 Agents required**.
- **Operational Buffer:** +2 Agents added for absenteeism, peak call spikes, and quality escalations = **28 Frontline Agents**.
- **Supervisory & Quality Support:** 1 CS Manager (Grade 5), 2 Team Leaders (Grade 3, Span 1:14), 1 QA/WFM Specialist (Grade 4).
- **Target Call Center Headcount: 32 Employees** (down from 60 HC; -46.7% reduction).

B. Factory Production Operations Workload Math:

- **Business Demand:** Target finished goods output = 10,000 units/day.
- **Worker Capacity:** 400 units/shift/worker on standard production line.
- **Direct Production Workers Required:** 10,000 / 400 = **25 Line Operators**.
- **Operational Buffer:** +2 Floater & Maintenance Operators for line changeovers, machine preventative maintenance, and buffer = **27 Frontline Workers**.
- **Supervisory & Management Structure (Span 1:13.5):** 2 Plant Line Supervisors (Grade 3) + 1 Plant Operations Manager (Grade 5).
- **Target Factory Operations Headcount: 30 Employees** (down from 57 HC; -47.4% reduction).

C. Commercial Sales & Business Development Workload Math:

- **Business Demand:** Annual Corporate Revenue Target = $10,000,000.
- **Sales Quota Standard:** $500,000 annual revenue quota per Commercial Sales Representative.
- **Direct Sales Representatives Required:** $10,000,000 / $500,000 = **20 Sales Representatives** (Grade 4).
- **Supervisory & Leadership Structure (Span 1:10):** 2 Regional Sales Managers (Grade 5) + 1 VP Commercial (Grade 6).
- **Target Commercial Sales Headcount: 23 Employees** (down from 40 HC; -42.5% reduction).

2.2 Indirect Staffing & CEO Ratio Governance

- **Direct Operational Headcount:** 32 (Customer Service) + 30 (Factory Operations) + 23 (Commercial Sales) = **85 Operational Staff**.
- **Human Resources (HR):** Right-sized from 18 to **4 Employees** (1 HR Manager Gr5, 1 TA Specialist Gr2, 1 Payroll Specialist Gr2, 1 OD/Training Specialist Gr2). HR-to-Employee Ratio = 1:23.5.
- **Finance, Accounting & Administration:** Right-sized from 25 to **4 Employees** (1 Finance Head Gr5, 1 Sr Accountant Tax Gr3, 1 Sr Accountant AR/AP Gr3, 1 Procurement Specialist Gr4).
- **Executive Management:** 1 Chief Executive Officer (CEO, Grade 6).
- **Total Indirect Support Staff: 9 Employees** (4 HR + 4 Finance + 1 CEO).
- **Indirect Staffing Ratio:** 9 / 94 Total HC = **9.57%** (or 8/94 = 8.51% excluding CEO; both strictly compliant with CEO Mandate 4 ceiling of ≤ 25%).

2.3 Consolidated Target Headcount Master Plan

Operational Department	Baseline HC (Current)	Proposed HC (Target)	Net Reduction	Reduction %	Staffing Driver & Workload Basis
Customer Service & Call Center	60	32	-28	-46.7%	Erlang C workload: 2,400 calls/day @ 4.5m total AHT + 2 buffer + 4 leadership
Factory Production Operations	57	30	-27	-47.4%	Output capacity: 10,000 units/day / 400 cap + 2 floaters + 3 leadership
Commercial Sales & Distribution	40	23	-17	-42.5%	Quota modeling: $10M target / $500k quota + 3 regional leadership
Human Resources (HR)	18	4	-14	-77.8%	Lean shared service model (1:23.5 HR ratio; automated HRIS)
Finance, Accounting & Admin	25	4	-21	-84.0%	Cloud ERP automation, consolidated reporting, optimized AP/AR
Executive Management (CEO)	1	1	0	0.0%	Executive turnaround leadership and strategic governance
TOTAL COMPANY HEADCOUNT	**200**	**94**	**-106**	**-53.0%**	**Target Achieved: Headcount <= 100 HC within 90 Days**

3. Task 2: Organizational Structure Redesign

3.1 The 4-Tier Flat Hierarchy Architecture

The bureaucratic 7-layer hierarchy is compressed into a 4-tier lean structure: * **Tier 1: Executive Leadership (1 HC):** Chief Executive Officer (CEO). * **Tier 2: Functional Heads & Directors (5 HC):** HR Manager, Finance Head, VP Commercial, Plant Operations Manager, Customer Service Manager. * **Tier 3: Operational Supervisors & Key Leads (11 HC):** 2 CS Team Leaders, 1 QA/WFM Lead, 2 Line Supervisors, 2 Regional Sales Managers, 2 Senior Accountants, 1

Procurement Specialist, 1 OD Specialist. * **Tier 4: Frontline Execution Staff (77 HC):** 28 CS Agents, 27 Factory Production Workers, 20 Sales Representatives, 2 HR Specialists.

3.2 Departmental Span of Control Governance

- **CEO Executive Span of Control:** 1:5 (5 Functional Heads) → **PASS** (Optimal 1:4 to 1:7)
- **Customer Service Team Leaders:** 1:14 (2 Team Leaders over 28 Agents) → **PASS** (Exceeds ≥ 1:6 mandate)
- **Production Line Supervisors:** 1:13.5 (2 Line Supervisors over 27 Workers) → **PASS** (Exceeds ≥ 1:6 mandate)
- **Regional Sales Managers:** 1:10 (2 Regional Managers over 20 Sales Reps) → **PASS** (Exceeds ≥ 1:6 mandate)
- **Company-Wide Average Span of Control: 1:6.8** (Exceeds CEO Mandate of >= 1:6).

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4. Task 3: Standardized Job Analysis & Job Descriptions

4.1 Job Description 1: Human Resources Manager (Head of HR)

- **Grade Band:** Grade 5 ($5,800 - $7,800 / Month) | Reports To: CEO | Supervises: 3 HR Specialists.
- **Job Purpose:** Directs the end-to-end human capital function, organizational development, talent acquisition, performance management, total rewards, and compliance.
- **Core Responsibilities:**
- Strategic HR & OD (25%): Drives organizational flattening, change management, and continuous PMS.
- Talent Acquisition (20%): Enforces 18-day Time-to-Fill and structured interview workflows.
- Total Rewards & Payroll (20%): Oversees the 6-grade salary scale, incentives, and statutory payroll.
- Policy Governance & Compliance (20%): Enforces Employee Handbook, disciplinary actions, and legal labor compliance.
- Employee Relations & Culture (15%): Champions engagement to reduce turnover from 38% to <= 12%.
- **Key KPIs:** Annual Turnover <= 12% (30%), Time-to-Fill <= 18 Days (25%), PMS Completion 100% (25%), Legal Audit Score >= 98% (20%).
- **Specifications:** Bachelor's Degree in Business/HR, SHRM-SCP / SPHRi / CIPD Level 7, 8-10 years experience.

4.2 Job Description 2: Production Supervisor (Factory Operations)

- **Grade Band:** Grade 3 ($1,500 - $2,000 / Month) | Reports To: Operations Manager | Supervises: 8-9 Factory Workers.
- **Job Purpose:** Directs daily factory floor shift operations to meet manufacturing output targets (10,000 units/day) while enforcing quality and safety.
- **Core Responsibilities:**
- Production Execution (30%): Ensures daily worker quotas (400 units/shift) are achieved.
- Quality Assurance & Defect Prevention (20%): Enforces quality standards (scrap rate <= 1.5%).
- Operational Safety & 5S (20%): Maintains zero lost-time workplace accidents.
- Equipment Maintenance & Uptime (15%): Coordinates machinery uptime (OEE >= 85%).
- Team Coaching & Shift Huddles (15%): Conducts shift briefings and productivity monitoring.
- **Key KPIs:** Target Output Attainment >= 98% (35%), Scrap Rate <= 1.5% (25%), Line Downtime <= 5% (20%), Safety LTIR = Zero (20%).
- **Specifications:** Technical Diploma / Engineering Degree, Lean / Six Sigma Green Belt, 4-6 years manufacturing experience.

4.3 Job Description 3: Customer Service / Call Center Agent

- **Grade Band:** Grade 1 ($550 - $750 / Month) | Reports To: Shift Supervisor | Supervises: None.
- **Job Purpose:** Delivers inbound customer support, handling inquiries, orders, and resolution to achieve CSAT >= 90% and FCR >= 85%.
- **Core Responsibilities:**
- Inbound Call Handling (45%): Resolves product, order, and delivery inquiries.
- Order Processing & CRM Entry (20%): Logs customer interactions within ACW <= 30 seconds.
- Dispute Handling & Escalation (15%): Resolves complaints and escalates complex issues.
- Cross-Selling Guidance (10%): Informs clients about complementary promotions.
- Quality Calibration & Coaching (10%): Participates in QA coaching modules.
- **Key KPIs:** CSAT Score >= 90% (35%), First Call Resolution >= 85% (35%), AHT <= 240 seconds (30%).
- **Specifications:** High School / Bachelor's Degree, 1-2 years call center experience, active listening and CRM proficiency.

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5. Task 4: Talent Acquisition & Onboarding Framework

5.1 7-Step Structured Recruitment Workflow (Time-to-Fill = 18 Days)

1. **Day 1:** Requisition & Workload Capacity Validation.
2. **Days 2-4:** Targeted Multi-Channel Sourcing (LinkedIn, Job Portals, $250 Referral Bonus).
3. **Days 5-8:** Resume Screening & 15-Minute Structured Phone Filter.
4. **Days 9-11:** Competency-Based Structured Interview (STAR Method & 1-5 Rubric).
5. **Days 12-14:** Technical Role Simulation (Mock Call / Sales Pitch / Floor Simulation).
6. **Days 15-16:** Background Verification & Formal P50 Offer Letter.
7. **Days 17-18:** Pre-Boarding Engagement & Day 1 Handover.

5.2 30-60-90 Day Onboarding Roadmap (Target Retention > 95%)

- **Days 1 - 30 (Integration & Orientation):** Handbook receipt, compliance training, buddy assignment, product certification exam (Score >= 90%).
- **Days 31 - 60 (Execution & Mentorship):** Independent live handling under supervisor coaching, mid-probation appraisal (Rating >= 3.0/5.0).
- **Days 61 - 90 (Autonomy & Full Quota):** 100% quota attainment, comprehensive 90-day review (Rating >= 3.5/5.0), confirmation of regular employment.

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6. Task 5: HR Governance Policies & Employee Handbook

6.1 Employee Handbook Table of Contents (10 Chapters)

- Chapter 1: Company Overview, Mission, Vision & Core Values
- Chapter 2: Employment Contracts, Grades & Probationary Governance
- Chapter 3: Code of Conduct, Ethics & Conflict of Interest
- Chapter 4: Working Hours, Shifts, Attendance & Overtime Rules
- Chapter 5: Leave Policy (Annual, Sick, Maternity, Bereavement, Public Holidays)

- Chapter 6: Total Rewards, Payroll Administration & Incentive Schemes
- Chapter 7: Workplace Health, Safety, Environment (HSE) & Security
- Chapter 8: Progressive Disciplinary Policy & Sanctions Matrix
- Chapter 9: Grievance Handling, Whistleblowing & Dispute Resolution
- Chapter 10: Separation, Resignation, Retirement & Termination Governance

6.2 Progressive Disciplinary Policy & Matrix

- **1st Offense:** Documented Verbal Warning (6-month validity).
- **2nd Offense:** First Formal Written Warning (9-month validity).
- **3rd Offense:** Final Written Warning + 1-3 Days Unpaid Suspension (12-month validity).
- **4th Offense / Gross Misconduct:** Immediate Contract Termination with cause (Labor Law compliant).

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7. Task 6: Performance Management System (PMS) Architecture

7.1 Balanced Departmental KPI Scorecards (100% Weighted)

- **Call Center:** CSAT >= 90% (35%), FCR >= 85% (35%), AHT <= 240s (30%).
- **Factory Production:** Output Quota >= 98% (35%), Scrap Rate <= 1.5% (35%), Line Downtime <= 5% (30%).
- **Commercial Sales:** Revenue Target ($500k/rep) (40%), New Accounts >= 15/mo (30%), Deal Margin >= 28% (30%).
- **Human Resources:** Turnover <= 12% (35%), Time-to-Fill <= 18 days (35%), PMS Completion 100% (30%).
- **Finance & Accounting:** Financial Close <= 3 days (35%), DSO <= 45 days (35%), Budget Variance <= +-2% (30%).

7.2 5-Point Rating Scheme & Calibration

- Rating 5: Outstanding (> 120% target) [Top 10%]
- Rating 4: Exceeds Expectations (105% - 120%) [25%]
- Rating 3: Meets Target (95% - 104%) [50%]
- Rating 2: Needs Improvement (75% - 94% -> 60-day PIP) [10%]
- Rating 1: Unsatisfactory (< 75% -> Disciplinary/Termination) [5%]

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8. Task 7: Total Rewards & Compensation Structure

8.1 Standardized 6-Grade Salary Structure (Market P50 Aligned)

Grade Band	Target Roles Included	Min Base ($)	Midpoint P50 ($)	Max Base ($)	Spread (%)	Target HC	Variable Incentive Plan
Grade 1	CS Agents, Factory Machine Operators	$550	**$700**	$900	63.6%	55 HC	5% - 10% Quarterly KPI Bonus
Grade 2	TA Specialist, Payroll Officer, Senior Plant Tech	$850	**$1,100**	$1,450	70.6%	4 HC	10% Annual Performance Merit
Grade 3	Line Supervisors, CS Team Leaders, Sr Accountants	$1,400	**$1,750**	$2,200	57.1%	6 HC	15% - 25% Supervisory Merit Bonus
Grade 4	Commercial Sales Reps, QA/WFM Lead, Procurement	$1,800	**$2,300**	$3,000	66.7%	23 HC	2% - 5% Tiered Sales Commission
Grade 5	Department Managers (HR, Finance, Plant Ops, CS)	$3,200	**$4,000**	$4,800	50.0%	5 HC	20% - 25% Strategic Annual Bonus
Grade 6	Executive Leadership (VP Commercial, CEO)	$6,500	**$9,500**	$13,200	103.1%	1 HC	35% Turnaround Equity / EBITDA Bonus

8.2 Annual Payroll Savings & Financial Impact

- **Baseline Monthly Payroll (200 HC):** $226,300 / month ($2,715,600 / year).
- **Proposed Post-Rightsizing Payroll (94 HC):** $107,750 / month ($1,293,000 / year).
- **Monthly Wage Bill Savings: $118,550 / month** (-52.39% reduction).
- **Annual Turnaround Cash Savings: $1,422,600 / year (-52.4% reduction in labor cost!)**.
- **One-Time Restructuring Severance: $367,500** (average 3.5 months pay for 106 displaced staff).
- **Severance Amortization & Payback: 3.1 Months** ($367,500 / $118,550 monthly savings).
- **Recruitment & Attrition Savings:** Turnover reduced from 38% to 12%, saving an additional **$195,000 / year**.
- **Revenue Productivity Surge:** Revenue per employee jumps from $50,000 to **$106,383 (+112.8%)**.

9. 90-Day Turnaround Implementation Roadmap

- **Month 1 (Days 1 - 30):** Workforce Rightsizing to 94 HC, Article 69 mutual severance packages ($367.5k), Handbook rollout.
- **Month 2 (Days 31 - 60):** 4-Tier Org Structure activation, 6-section JDs, 18-day recruitment SLA, 30-60-90 onboarding.
- **Month 3 (Days 61 - 90):** 6-Grade P50 salary scale implementation, continuous 100% weighted PMS, supervisory coaching, 90-day turnaround audit.

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