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Work Measurement Alone Is Not the Answer

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Work measurement techniques are often touted as the universal panacea for a company's ills. Actually they are only one aspect—and not necessarily the most important aspect—of a three-pronged program to improve worker effectiveness—

WORK MEASUREMENT ALONE IS NOT THE ANSWER

by Carl H. Poedtke, Jr.

Price Waterhouse & Co.

ALTHOUGH this article deals primarily with the improvement of clerical operations, many of the concepts presented are equally applicable to indirect labor areas, such as materials handling, equipment maintenance, and stock keeping. These concepts would be generally applicable to both large and small departments and in practically all types of businesses.

There is a general need throughout industry to improve the productivity and effectiveness of both clerical and indirect labor. It often seems that this is one of those situations like the weather; that is, everyone talks about it and no one does anything about it. For some time, it has been estimated that if the productivity of clerical groups were measured against realistic and attainable labor standards, it would reveal a national efficiency of something less than 60 per cent; some persons go as far as to say that this would be closer to 40 per cent.

Many companies have turned to work measurement programs in an effort to solve this problem. Why did they turn, almost instinctively, to work measurement to cure their ills? This has occurred for several reasons:

1. Management sees its problem as being one of *productivity* — output per man-hour; not one of *effectiveness*—good systems implemented with adequate training.

2. Work measurement carries the connotation that "then we will know how much a fair day's work is . . ."—in other words, an impersonal "golden yardstick."

3. Work measurement, in itself, does not deal directly with changes in systems and procedures and therefore "will not rock the boat."

Reviews of the manpower control programs of a number of companies have indicated a wide variation in clerical work measurement programs from company to com-

pany. Some companies use standards that amount to "best guesses," while others apply standards developed from detailed predetermined time systems. Some employ standard data developed for general clerical functions; others develop standard data from stopwatch studies of company personnel. One general conclusion can be drawn—WORK MEASUREMENT ALONE IS NOT THE ANSWER to their problem.

Work measurement alone, without the support of other improvements, is not really a potent tool for improving either the effectiveness or the productivity of clerical operations. Too often, poorly engineered standards have been established for inefficient procedures, with resulting control reports disregarded by untrained supervisory personnel. The result in such a situation is obviously wasted motion and a wasted initial investment. In addition, these inadequa-

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Poorly engineered standards, established for inefficient procedures, result in control reports disregarded by untrained supervisory personnel.

If any of the three elements required to develop and implement lasting improvement in clerical operations is lacking, the program will never attain the benefits which might otherwise be obtainable. The three prongs are supervisory training, systems analysis, and work measurement.

cies are obvious to all affected employees, and tend to impair the credibility of future improvement programs, even those which are soundly conceived and executed. Work measurement is a useful tool, but it is not a tool that can be used alone as effectively as it could be as part of a more comprehensive program.

A proven approach

Experience has shown that a "three-pronged program" is required to develop and implement lasting improvements in clerical operations. If any of these three elements is lacking, the program will never attain the benefits which otherwise might be possible. The three prongs are supervisory training, systems analysis, and work measurement. Within each prong there are a number of working tools available. When these elements are intelligently blended, an effective program results.

This is not an abstract or theoretical program. Some of the areas in which this three-pronged approach has been applied successfully include:

- Order processing
- Accounts payable
- Billing and accounts receivable
- Stockrooms
- Engineering drafting
- Purchasing
- Maintenance.

Some of the most successful "three-pronged programs" have been launched through a "team" effort. Typically, a team is made up of consultants, to provide technical guidance, and company personnel, who understand the company and are familiar with the operations of the areas involved. An effective team should be able to attain results with a minimum of disruption. This team approach also provides the company with a group of trained personnel who are capable of administering the program on an ongoing basis.

Supervisory training

The term "supervisory training" tends to create a mental picture of men and women sitting in a classroom and listening to some learned instructor—or maybe even a learned consultant — expound on management theory. They even may be working on case studies, as in a business school environment. In terms of imparting a general management viewpoint, this type of training can be useful. However, in relation to improvement of clerical operations, the type of training that is needed is a pragmatic

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Very basic systems analysis can be applied in the context of an effective clerical work improvement pattern: analysis of work flow, forms, and manual procedures.

program with objectives that are concrete improvements in clerical effectiveness and productivity. In short, such improvement requires a departure from traditional training techniques.

One new approach that has had excellent results is a simulation of management activities through the vehicle of MINICOST, a copyrighted computer software package of Continental Illinois National Bank & Trust Company of Chicago. This package allows persons participating in the program to see the cost results of their simulated management decisions the day after they are made. The purpose of MINICOST is to show the supervisor that his decisions affect costs and that planning and effective use of control information allow him to minimize costs.

Systems analysis

The second prong of an effective program is systems analysis. This term also tends to conjure up images. The most common one is that of a starry-eyed computer technician drawing flow charts and writing computer programs. In the context of an effective clerical work improvement program, very basic systems analysis can be applied— that is, analysis of work flow, forms, and manual procedures—to determine if the methods being used are those which should continue to be used and should have standards developed for them, or whether basic procedural changes are needed prior to setting standards. In conjunction with this, work sampling techniques frequently are applied

to develop information about the activities performed and the relative amount of time devoted to them. This approach assures that standards will not be established for inefficient methods. Quite often, the most significant cost reductions in a clerical improvement program result not from the installation of standards, but through the improvement of the systems being used.
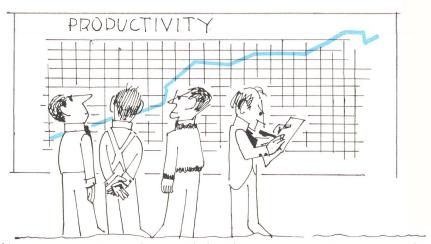
Work measurement

After the establishment of an effective supervisory training program and after performing adequate systems analysis, the question of work measurement for use in planning and control should be addressed. Frequently, the simplest system or technique is the best. This is extremely important because of the significant effort and attendant expense required in a good program for maintenance of standards. In general, the development of "super precise" standards for all clerical functions would be folly both from the standpoint of believing that such precision could be

attained in the clerical area and because of the Herculean task of attempting to maintain such standards. Further, it is not necessary to establish all standards through the use of a single system. Therefore, more precise standards can be established for more important operations, and less costly and somewhat less precise techniques used for less important operations.

Price Waterhouse & Co. has been working for several years with a predetermined time system called MODAPTS. It is so simple that it can be easily committed to memory. Application has proven it to be an accurate and consistent system in both factory and clerical environments. In some cases, MODAPTS permits the development of standard data which results in minimizing the cost of establishing and maintaining standards. Work sampling frequently is used to develop economical and reliable standards. In some cases, applicable standard data already may be available and could provide the most effective and economical standards for the particular situation.

Regardless of the work measure-

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ment technique employed, feedback is always one of the most important ingredients in effectively using labor standards. Line management must be provided with accurate and timely reports highlighting efficiency and productivity. These reports should be designed in conjunction with users to ensure that information is presented in the form most useful to them in validating the reliability of standards and in identifying and solving problems. Without accurate and timely feedback, work standards become meaningless and a managerial burden rather than a management tool.

Implementation

Of course, the requirements relating to the actual implementation

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of a clerical improvement program are dependent upon the specific conditions which exist. The important thing is to maximize the benefits of the program. To do this, properly applied supportive techniques, such as "Short Interval Scheduling," or administrative actions, such as freezing personnel requisitions, may be required. As in the implementation of any program, *this is the phase which tests management's will and its desire to achieve beneficial change.* Here, managerial achievers are separated from "also rans."

Conclusion

It is possible to perform supervisory training, systems analysis, or work measurement alone. Each by itself would probably have some positive effect. However, a clerical improvement program must be geared to quickly obtaining benefits which will be *lasting.* Management does not want to be in the position of reducing positions today only to see them creep back into operations six months from now. This "three-pronged program" works; it is a way to attain lasting improvements, rather than "one-shot" reductions. Experience has shown that trained supervisors managing *good systems* can effectively apply *work measurement* on an ongoing basis and thereby provide a company with timely services at an optimum cost level.