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NOTES FOR DISCUSSION OF "THE ORGANIZATION AND METHODS FUNCTION"

AT THE

SECOND WORKSHOP IN APPLIED MANAGEMENT

OF THE INTERNATIONAL COOPERATION ADMINISTRATION

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## DEFINITION OF ORGANIZATION AND METHODS

The process of giving systematic and scientific study to the organization of a department, agency, bureau, or other organizational unit and to the detailed methods of work which are used within the various departments.

Its objectives are to secure economies in cost and labor and improvement in standards of service.

## WHY WE NEED ORGANIZATION AND METHODS

Every organization, regardless of type, faces changing management problems continuously because any organization and its functions are dynamic and not static. These management problems are organizational or procedural difficulties which require analysis and solution. Many administrative problems can be identified promptly because of the situation they create, such as abnormal increase in costs, delays in getting work out, complaints from the public, etc. However, many other management problems are not so apparent. Management cannot afford to sit back and wait for problems to identify themselves. They have to be discovered or anticipated.

Identification of management problems is the prime responsibility of line or staff officials. However, these officials closest to the problem normally don't have the time to diagnose and correct problems. On the other hand, if they do have the time, there are occasions when the problem cuts across organizational lines and, therefore, out of their jurisdiction. In order to deal with management problems on a broad scale and make an objective analysis of the problem and propose solutions, skilled management technicians are used. We refer to them generally as Organization and Methods Examiners.

## ADVANTAGES OF AN ORGANIZATION AND METHODS STAFF OVER A NORMAL OPERATING STAFF

1. Time: Organization and Methods staff can devote full time to a study. Operating staff is engaged in getting a job done and making studies would interfere with this basic responsibility.
2. Overall View: Organization and Methods Examiner can see how the activity being studied fits into the entire organization.
3. Broad Experience: Organization and Methods Examiner brings a variety of previous experience, including some which he can usually apply to a similar situation. The operator is usually too busy to view his own system, yet alone review other similar systems.

4. Objective View:

Difficult for the Operator to review objectively the work he does and consider the possibility of changing systems, procedures, etc. which he may have developed.

5. Independence:

The Organization and Methods Examiner is able to consider changes without considering their effect on his personal status. Criticism will not reflect on his superiors, associates, etc. with whom he works daily.

Some of the problems facing the O & M man include:

1. No Previous Experience  
in the Work:

Normally the Organization and Methods Examiner is not familiar with the details of the specific work activities and, therefore, it takes longer for him to get an understanding. This can in turn be an advantage since it requires the operator to explain his activities in detail. This sometimes results in changes by the operator.

2. Lack of Responsibility:

The operator is responsible for the success of the operation being reviewed. Organization and Methods is only advising and cannot force acceptance. The Organization and Methods Examiner must convince the operator and his superiors that the proposals are reasonable and practicable. Proposals will fail if the operator is forced to accept them. Responsibility for sound proposals by the O & M Examiner is great.

#### RELATIONSHIPS OF THE ORGANIZATION AND METHODS FUNCTIONS

The role of the Organization and Methods Office is primarily staff -- in other words, it renders advice and assistance to line management and never commands. The value of the Organization and Methods function depends upon the extent to which it can gain the confidence of line officials and sell or persuade rather than order.

The organizational relationships of the Organization and Methods Unit vary between agencies. In this country the organization and methods activity is a part of the Bureau of the Budget. At the same time, there are other Organization and Methods Units which are part of the organization of departments and bureaus. In the larger Government departments and agencies there is normally one unit to aid overall administration and other similar units attached to the major parts of the organization. For example, in a large agency you might find an Organization and Methods Staff in the office of a Deputy Administrator for Management, or an Undersecretary for Management, or other such staff office. Recently we find a tendency to include all of the staff functions, such as personnel, budget, organization and methods, etc., under a common head who reports directly to top management. As we go down the line in the hierarchy of a department or agency, we find similar units at the larger lower levels, such as bureaus, and in many cases at the division level. The difference between these units is primarily in the scope of their activities. As we go down the line, our scope becomes smaller. While similar in nature, these units ordinarily have no direct relationship to each other. The Organization and Methods Unit at the department level has no direct supervisory relationship with the bureau or division Organization and Methods Unit. Each unit operates independently as a part of the organizational unit to which it is attached. They do, of course, advise and consult with each other.

The size of the Organization and Methods Unit will vary from a single individual in a small organization to a large group, depending on the functions being performed.

In all cases, the Organization and Methods Units are similar in that they are considered a staff function established to aid line officials.

#### UNDERSTANDING OF ORGANIZATION AND METHODS FUNCTION

In order for an Organization and Methods Unit to accomplish its objective, there must be an understanding of the Organization and Methods function on the part of (1) the head of the department or agency, (2) the head of the organization surveyed, and (3) the Organization and Methods Staff.

1. The head of the organization must recognize that Organization and Methods provides him with the time and expert knowledge of Organization and Methods which he cannot ordinarily expect to have at his disposal. Improvements resulting from Organization and Methods must be regarded as demonstrating the value of employing Organization and Methods techniques and not as revealing shortcomings which bureau heads and their staffs are erroneously tolerating.



2. The head of the organization surveyed, who is charged with important responsibilities for formulating and carrying out policy, must acknowledge that he does not always have time to review regularly all administrative processes carried out within his own bureau or in conjunction with other bureaus. He must be ready to accept specialist help on Organization and Methods in the same way he accepts and requests special advice on legal, financial, and other technical features of his responsibility.
3. Organization and Methods men must know that the bureau and agency heads are generally anxious to adopt improved methods and organization when they know what they are. It is their job, therefore, to help devise these methods with the assistance of the department concerned and help the bureaus find out improvements for themselves.

#### FACTORS TO CONSIDER IN SELECTING ORGANIZATION AND METHODS PERSONNEL

1. The individual's potential -- more important, his abilities
2. Creative ability
3. Tact and ability to get along with people
4. Ability to differentiate between important and unimportant factors (getting lost in a maze of detail)
5. Analytical ability and basic knowledge of systems planning, techniques, principles of organization, and good administration
6. Enthusiasm for Organization and Methods work to ward off frustrations that might soon discourage him
7. Ability to present ideas effectively -- in writing and orally
8. Judgment  
General abilities: Analytical -- creative -- selling

#### FUNCTIONS OF THE ORGANIZATION AND METHODS UNIT

Duties will vary with the size of the agency and the available staff; however, would include part or all of the following types of activities:

1. Organizational Studies
  - a. Plan organizational structure for new or modified programs
  - b. Conduct of studies to determine effectiveness of present organization

- (1) Prepare recommendations for improvement
  - (2) Clarify and define functions and organization relationships
  - (3) Assist in the installation of approved organizational changes
  - c. Preparation and coordination of delegation of authority necessary to effectively perform functions.
2. Conducting Operational Audits
    - a. Develop a plan for periodic, detailed examination of all phases of the work of the various organizational units
    - b. Conduct the audit and make recommendations
  3. Conduct Special Management Surveys and Studies
  4. Plan, Devise, and Revise Procedures
    - a. Includes writing handbooks of instructions
  5. Plan and Improve Methods
    - a. Special studies of systems and methods, particularly in specialized fields, such as mechanical and business equipment
    - b. Stimulate supervisory participation in work simplification and other management improvement programs
  6. Establish and in Some Cases Administer the Agency's System of Issuances
    - a. Develop systems for numbering, controlling, and distributing; format and clearances
  7. Develop a Management Control System
    - a. Management Reports
      - (1) Determine the information required by management to measure performance and plan new work
      - (2) Develop work measurement standards
      - (3) Develop system of reporting information

(Includes performance standards; organization, functional, and position distribution charts.)

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b. Other Control Programs - such as

- (1) Forms Control
- (2) Reports Control
- (3) Records Management
- (4) Correspondence Management
- (5) Space Control
- (6) Suggestion Systems

All of the above functions (1-7) may ordinarily be included in the agency's  
"Management Control System."