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METHODS AS A MANAGEMENT FUNCTION

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"MAY I suggest that you set up a Methods Department in your company?"

"That is an unusual suggestion coming from a consultant! Why don't you take a three year assignment and do the job yourself?"

This conversation took place some years ago between the writer and the Chief Executive of a company.

The observations in this article are based upon the writer's experience in setting up a Methods Department for a few companies.

That the methods function is as important and as worthwhile a function as accounting or personnel, sales promotion or maintenance, is hardly realized by a large section of manufacturing units in India.

Separate department

The first reaction to the suggestion to start a Methods Department invariably is: "Is not Methods the job of everybody?" Yes, it is everybody's job, but that way personnel is everybody's job too. Why do you have a personnel department?

"Why don't have a personnel department! Why add to your overheads?"—such an answer is not unusual. Why not add to an overhead that will pay for itself and much more?

For one thing, every rupee saved in cost is equal to at least ten more rupees made in sales. For another, experience suggests that for every rupee you spend in the methods function, you have at least four rupees in cost. Providing for the methods function, therefore, is an inviting, economic proposition.

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Methods refer to methods of performing every function—performing every aspect of a function. Better methods of doing things are constantly being found out in one part of the world or another. Better methods mean better performance and lesser cost. To go without them, being ignorant of their existence, would mean losing valuable opportunities and undermining one's competitive position.

The manager, whatever his function, cannot be expected to go after this information, desirable as it is. It is a job in itself. Even if he can, he will appreciate if someone else specializes in this service function and keeps him informed. There is an element of research and if we really wish to avail of better methods, we should make it someone's prime function. Methods should find a place in the organizational structure.

There is another reason. The other functional managers have a job to do. To explore possibilities of "better methods" aspects of work will have to be at times studied thoroughly for the entire day and for a number of days. If they do the study, their regular work will necessarily suffer. We require, therefore, a wholetime staff suitably trained to do a competent job of it. This full time staff is free to give their whole attention to an assignment undisturbed by any form of case-work and are in a good position to range around and follow all the ramifications of the job.

The operating manager, moreover, finds it difficult to look at his job objectively. He is too near the scene; he is personally involved. The methods staff, on the other hand, look at the job objectively and critically and suggest a better way of doing things.

Clearly the methods function is a service function. The work is of three major kinds—first, to bring to the attention of the manager concerned the possibilities of better methods; secondly, to

study an aspect of work systematically and in some detail and make recommendations ; and thirdly, to assist in the planning of the new work. Every well meaning manager will welcome all the three kinds.

Guide-posts

Valuable as the function can be, the degree of success depends upon a number of factors. Briefly, they are :

- The function should be systematically organised. Issuing a circular that "from tomorrow we will have a Methods Department and Mr So-and-So will be in charge" is unrealistic.
- The department should be adequately and suitably staffed preferably from among the men in the company. (Incidentally, even in a medium-sized company, the needed staff can be found from within the company ; the department will normally not mean extra staff or special staff).

The department cannot work as an effective unit unless it is of a certain minimum size and is headed by an official of sufficient standing in the hierarchy to carry weight with the heads of the major departments.

There is a strong temptation to staff the Methods Department with second-rate people, and an equally strong temptation to provide for a quiet corner for somebody who is probably convalescing after a long illness.

In one case the writer's recommendation meant an empty place in an important operating department with serious problems ahead. There was natural concern to send a man of outstanding ability to head the methods unit. The writer had to tell : "If you can't spare this man for the job, you will do well to postpone having the unit". The chief executive agreed and today this company can boast of one of the most effective methods unit in the country.

- The methods staff (who are specialists only in the sense that they give their whole time to the work) should be oriented to the function and coached on the job. This is primarily to enable them to avoid costly mistakes. (This, incidentally, takes *less* than six months for a medium-sized unit.) Mistakes are costly in terms of relations with the departments they serve, and without harmonious relations right from the outset,

the methods unit cannot function effectively.

- The methods function should be largely that of the company staff—and it is well to know the more important reasons.

Methods improvement is a continuing function—it is not a one-shot deal. Only the company staff can discharge a continuing function and not the outsiders, however competent they are. Feasible recommendations and their implementation and review are the very essence of the methods function. The company staff are more concerned and better equipped to deal with this vital aspect. It is they who have background knowledge of the company's policies, strength and limitations ; they are no strangers to the operations or the operators ; they realize it to be, and therefore seek to play it as, a co-operative game. Time and trouble are saved by this approach.

The question arises : Are outside consultants unnecessary ?

No, they have their place.

Consultant's role

The outside specialist can be consulted by the methods staff from time to time—essentially to have the benefit of the specialized knowledge and the larger and more varied experience.

He can be called in for an emergency operation. It may be because of the time factor or the skill factor.

Also, at the time the department is set up, it is well to call in a professional consultant. A methods department has to be tailored to meet the purpose, girth, height, and price of the individual organization, and to hand over the job to a master tailor is sound business. Ignoring the step invariably proves a false economy.

The same consultant can be asked to service the department by an annual "audit". In one case, the writer was called in because the methods staff of a company had an Alexanderian feeling—"there is no more world to conquer". A week's observation, and, discussion threw up enough thought—starters to keep the entire methods staff busy for the next eighteen months.

Each organization should have a Methods Department in order to maintain the company's organizational health. Consultants should be called in for corrective and preventive reasons. They should not, however, stay long because the methods responsibility is ultimately of your men.●