

**SECTION 2: MAKING GOVERNMENT MORE EFFICIENT**

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## **2.1 Establishing an efficiency programme**

The United Kingdom's Efficiency Unit, reporting to the Prime Minister's Adviser on Efficiency and Effectiveness, was created in 1979. The role of the Unit is to advise on how to improve the efficiency and effectiveness of central government and to help government departments to improve the value for money of the resource which they use. It does this through an Efficiency Scrutiny programme.

### **The context for change**

Scrutinies have three main aims:

- securing value for money;
- improving quality of service;
- improving managerial and organisational effectiveness.

The Efficiency Unit is also responsible for helping develop the Government's range of public sector reforms, designed to raise the standard of public services and to make them answer better to the wishes of their users, and since 1992 the Unit has had responsibility for co-ordinating market-testing policy and activity.

### **Implementing change**

Throughout its existence, the Unit has combined Civil Service and private sector experience, by drawing its staff from secondees from other government departments and the private sector. There are currently, including support staff, 14 people in the Unit. It is headed by a Civil Service Grade 3, with a Grade 5 deputy. There is one other Grade 5 in the Unit. There are three private sector consultants, at roughly equivalent level, seconded from companies in the private sector, and one exchange officer on loan from the Australian public service. All secondments are for approximately two years. This team is supported by two Grade 7s and five support staff in Personal Secretary and Administrative grades. The Unit has deliberately remained small, with an advisory and monitoring role.

To support the efficiency programme, each Grade 5 or equivalent is allocated a number of government departments and is responsible for overseeing efficiency scrutiny work in that area. The Efficiency Unit member is required to familiarise himself or herself with their departments, and to provide advice and help on

techniques for improving value for money. The Unit member will also be involved with departments in their Efficiency Scrutiny programmes. The essence of the Efficiency Unit approach is to act as adviser, to provide support and encouragement to departments, and to monitor departments' progress – but not to usurp the responsibility for activity within departments. The responsibility for using resources in the most cost-effective way properly remains with each government department. The Efficiency Unit does not seek to dilute the responsibility of the Minister or the Accounting Officer in the department, but simply to provide a source of help so that this responsibility can be effectively discharged.

Each department is required to develop an Efficiency Scrutiny programme, with the aims of securing value for money, improving the quality of service and improving managerial and organisational effectiveness. The stages of a scrutiny, and the allocation of responsibilities of a scrutiny are set out in a guide that is given to each scrutiny team.

The scrutiny team is drawn from within the department, but not from the area to be reviewed. After the scrutiny is set up, the investigation phase occupies 90 working days, which are taken up with the drafting of a study plan, collection of evidence and production of emerging findings and completion of the final report. The Efficiency Unit is involved at each stage and the nominated Unit desk officer would aim to spend some time with the team during its work. But it remains the responsibility of the department in question to undertake the scrutiny, decide on the recommendations, prepare the action plan and ensure implementation. The Efficiency Adviser will monitor this activity and comment to the departmental Minister on the success of this process. Since 1979, accumulated savings from scrutinies amounts to more than £1.5 billion and they are currently generating savings of around £100-200 million per year. There have usually been something like 20-25 scrutinies per year. Each scrutiny can cost up to £100,000.

Approximately 350 scrutinies have been undertaken since 1979. Investigations in 1993 covered such issues as customer satisfaction in the Department of Social Security; information needs in the Department for Education; and common causes of error in Customs and Excise. There will now be a shift of emphasis in the efficiency scrutiny programme. Departments are now very familiar with the scrutiny technique and often apply this approach to studies of their own, not formally part of the efficiency scrutiny programme. The Efficiency Unit will continue to encourage departments to work in this way and will concentrate its attention on a somewhat smaller programme of individual departmental scrutinies of areas of high value and high importance. Not every department will necessarily undertake a formal scrutiny every year, therefore, but all departments are aware that they are still expected to contribute to the efficiency scrutiny programme. At the same time the Efficiency Unit will devote more attention to scrutiny of issues which are important across government as a whole. Studies will be undertaken by teams

usually seconded to the Efficiency Unit from departments, with private sector involvement if necessary. They will operate to efficiency scrutiny techniques and generally to a normal efficiency scrutiny timetable.

As with every other stage of a scrutiny, implementation responsibility rests with the relevant government department. The appointed Action Manager is responsible for preparing an action plan which must be approved by the departmental Minister and Permanent Secretary. The action manager is also responsible for consulting trade unions and other interested bodies. The action manager ensures that approved recommendations are implemented and prepares a final implementation report within two years. The Efficiency Adviser is involved at each stage of this process, and is able to comment to departmental Ministers on the acceptability of the implementation process. The Efficiency Unit would also expect to be involved, through periodic reports on progress, with the implementation process and will monitor the progress made. This process has been relatively unchanged since it was established in 1979 and the basic methodology has been well tested and is sound. It ensures that action will occur and that change will take place.

#### **A particular initiative in establishing an efficiency programme: an efficiency scrutiny of career management and succession planning in the Civil Service**

Many of the scrutinies undertaken by the Efficiency Unit explore issues related to the management of the Civil Service. It is quite usual for a report to consider the current management or organisation of an activity and to recommend that a change of status – perhaps to an Executive Agency or a contractorisation – should be considered. In November 1993 the Efficiency Unit published a *study of career management and succession planning in the Civil Service*. Its terms of reference were:

"To consider, in the light of the changing structures and job needs of the Civil Service, the policies and practices for ensuring the adequate supply of suitably qualified people able to fill senior posts in both Agencies/Executives and Departmental Headquarters (whether from internal sources or by direct recruitment after Open Competition), and to make recommendations to the Head of the Home Civil Service."

The study was run on efficiency scrutiny lines but, in view of the major and wide-ranging issues under examination, was not constrained by the normal 90 working day timetable for a scrutiny. The main recommendations of the study were:

- the key principles of recruitment through fair and open competition, promotion through merit, the emphasis on integrity, objectivity and

impartiality, and non-politicisation continue to remain valid and should be preserved;

- there should be more explicit criteria for selection, appraisal, development and promotion of staff at Grade 3 and above;
- for each appointment at Grade 3 level and above, the case for advertisement – within the department, across the Civil Service or full open competition – should be considered: the result should be monitored and reported in the Cabinet Office departmental report;
- proposals for alternative contracts of employment for the senior open structure (the top three grades) should be developed which would safeguard against politicisation but strike an appropriate balance between risks and rewards: a contract of indefinite term but with a clear, specific period of notice is recommended;
- the Next Steps Project Manager should review the extent to which fixed-term contracts continue to meet the requirements for recruiting appropriate people as Next Steps Agency Chief Executives;
- departments should have more discretion to construct varied compensation packages to encourage some senior staff to leave early.

The Government accepted that the systems of career management and succession planning should be more open and the Prime Minister's statement at the time of publication said:

"The Civil Service is being restructured with departmental headquarters concentrating on policy making and the purchasing of services which increasingly are provided by Agencies in Government or on contract from the private sector. The systems for recruitment, appointment and career management of civil servants need to be matched to these changing tasks and responsibilities and the skills and qualities needed in the Civil Service in the future. At the same time the Government agrees with the need to preserve an impartial, non-political Civil Service recruited and promoted on merit."

The Government published a White Paper "The Civil Service: Continuity and Change" in July 1994. It accepted the recommendations of the report and made proposals which went significantly further. The main proposals were:

- A new wider senior Civil Service should be created, covering broadly the range of responsibilities currently at Grade 5 and above.

- Each department to review its senior management structure with a view to reducing layers of management where possible.
- Departments and Agencies to consider advertising openly posts at these levels when appointments are made and should do so whenever necessary to provide a strong field or to introduce new blood.
- Members of the new Senior Civil Service should be on written contracts. One form to be used in the majority of cases – employment for an indefinite term but with specified periods of notice. Fixed-term and rolling contracts to be used as appropriate.
- A new, more flexible pay system for this group, with more pay variation on the basis of wider pay ranges within the overall pay bill.

The White Paper says the Government believes that departments and Agencies should now be given greater freedom and flexibility to develop programmes for improving efficiency which best meet their own needs, with less detailed central oversight. From 1995, departments and Agencies will draw up efficiency plans each Spring, indicating what measures they propose to take to stay within their running cost limits for the coming three years. These will include privatisation, contracting out and market-testing. The Efficiency Unit, in co-operation with the Treasury, will review these plans and discuss with departments where necessary.

In 1992, the Efficiency Unit acquired responsibility from the Treasury for the Market-Testing programme. The Unit is responsible for developing policy on market-testing although the responsibility for developing market-testing programmes rests with individual departments since they are best placed to know their own business and to identify which activities are most appropriate to market-testing. It also acts in an advisory capacity, encouraging departments to examine market-testing possibilities and as a clearing house for best practice to ensure that all Departments are equally aware of the prospects and of the practical considerations that they need to address.

In the White Paper "Competing for Quality", published in November 1991, the Government set out ways to secure better value for money in the public service. It described the development of market-testing as a further technique which could be applied to activities which could benefit from a competitive discipline but where, unlike in privatisation or strategic contracting cases, the Government had not taken a strategic policy decision to put an activity outside government or abolish it, but wished to apply a value for money test. As the Government explained in "Competing for Quality", for a genuine value for money test to be applied, in-house teams should have the opportunity to put forward a firm bid on the same basis and

timescale as the private sector. They are encouraged to propose imaginative and radical ways of undertaking the activity.

Market-testing has always been available to departments as one of the techniques which they can use in deciding whether to contract out work to the private sector. Until 1992, however, no more than £25 million of activity was subjected to market-testing across government as a whole. In the Citizen's Charter White Paper published in November 1992, the Government set out plans for a major step change in the level of market testing, and published departmental plans which amounted in total to activities worth £1.5 billion and covering 44,000 posts.

The first year's commitment to market-testing programmes ran until 30 September 1993. In line with the Charter principle of openness, the Government is publishing the results of the first year's programme.

Whilst each U.K. efficiency scrutiny has cost up to £100,000 and the total costs of the programme are therefore in the region of £2 million to £3 million per year, including the direct running costs of the Unit itself, they have generated accumulated savings of £1.5 billion since 1979.

### **Supporting material**

- i) Career Management and Succession Planning Study, The Efficiency Unit (November 1993) HMSO, ISBN 0-11-430092-5, £9.95
- ii) White Paper "The Civil Service: Continuity and Change" – Cm 2627, HMSO, ISBN 0-10-126272-8, £7.10

## 2.2 Improving productivity

The U.K. Government's policy aims are:

- to set an overall ceiling for public spending;
- to focus public resources on core activities;
- to use choice, competition and market forces in providing or securing public services;
- to seek maximum value for money from a given input.

Wherever practicable, privatisation – whether into competitive markets or toughly regulated regimes – or the wholesale contracting out of activities are the Government's preferred course, because the private sector offers the greatest scope and greatest incentive to respond to customers' needs.

The Next Steps Initiative, launched in 1988, has an important role in helping to achieve better value for money in the delivery of government services.

A Next Steps Agency is an Executive Unit in a government department. Responsibility for delivery of a service is delegated to the Agency's Chief Executive, who is appointed by the Minister. The Agency must operate within a publicly stated framework, determined by the Minister, covering policy, resources, performance targets, flexibilities and accountability. Within this framework, the Chief Executive has full responsibility in managing the Agency on a day-to-day basis.

Agencies are not set up unless they offer the firm prospect of achieving greater economy, efficiency and effectiveness than under alternative or existing arrangements. Before a decision is taken to set up an Agency, the Government must be satisfied that the activity in question should not be abolished or privatised or contracted out to the private sector. A review of the same options takes place at regular intervals after the launch. Broadly similar arrangements apply to executive non-departmental public bodies.

Around three quarters of civil servants are expected to be working in Next Steps Agencies or bodies operating on Next Steps principles by the mid-1990s.

The Citizen's Charter initiative is also part of a conscious effort to devolve management decisions away from the centre, within a firm framework of control



and accountability. There are also considerable overlaps with programmes for improving efficiency and establishing performance measures. The rationale is to benefit the customer and the taxpayer.

### **The context for change**

Where the Government decides that an activity should remain the responsibility of the public sector, it seeks value for money through a variety of mechanisms:

- Setting *aims, objectives, performance indicators* and *targets* for departmental activity within a strategic planning framework for each department. With Treasury encouragement, departments are quantifying their outputs and gearing their efforts to the achievement of published targets and reporting on progress in their departmental reports. The Citizen's Charter underpins these developments by emphasising the high quality of service within affordable resources;
- *Tight control of departmental running costs*, under which departments are required to absorb a significant part of increases in these costs through annual gains in efficiency;
- Regular *market-testing*, to establish which provider – public or private – should be used to deliver a programme or service to the required standard at least cost to the taxpayer. Departments publish annual targets for market-testing;
- The development of *purchaser/provider relationships, internal markets, service level agreements, delegated budgets* and *other market-based flexibilities* within government. An internal market has been introduced in the National Health Service. Customer/contractor relationships within and between departments are being widely developed, as are service level agreements. Agencies are of course also an example of a customer/contractor relationship. The Minister remains the owner of the Agency, but contracts with the Chief Executive to deliver a particular level of service. An increasing number of services are being delivered through trading funds, which permit a commercial type approach to the management of public resources;
- *Closer linking of pay to performance*: pay agreements are increasingly focusing on individual performance, while pay determination is being increasingly delegated, in order that reward may be better tailored to the operational needs of the unit;

- Investment projects are subject to rigorous and systematic *cost-benefit appraisal*. Individual policies and programmes are subject to *evaluation* by departments in rolling timetables. *Efficiency Scrutinies* are conducted both within and across departments, to examine whether current programmes are achieving their objectives, or whether the means for delivering the objectives need revising.

Experience suggests that probably the most vital requirement or precondition for successful action is commitment from the top, preferably from Ministers. Without this, there is a serious risk that the initiative will be overwhelmed by pressure to maintain the status quo.

The Next Steps Initiative, which started in 1988, is targeted for completion by the mid-1990s.

### **Implementing change**

An action plan for launching a Next Steps Agency is a good example of an implementation programme. Broadly, the steps are as follows:

- agree that setting up a Next Steps Agency is the best way of delivering the service concerned (the "Prior Options" exercise, as described in the Introduction);
- appoint Chief Executive by open competition;
- agree on the policy and resources framework within which the Agency will operate;
- install suitable management information systems;
- set up suitable performance indicators and targets;
- settle the arrangements for public accountability;
- publish framework document setting out the agreed arrangements for the matters listed above and the demarcation of responsibility between Minister and Chief Executive;
- where appropriate, publish corporate and business plans;

- after launch, periodic reviews to assess whether the Agency is still serving its purpose, or whether one of the other prior options should be adopted at this stage.

### **Supporting material**

"Executive Agencies – A Guide to Setting Targets and Measuring Performance", HMSO, June 1992, ISBN 0-11-560040-x, £3.25

## 2.3 Market-testing and contracting out services

Market-testing is a process by which government departments assess whether the services for which they are responsible can best be delivered in the public sector or the private sector.

The objective of market-testing is to promote fair and open competition in order to achieve the best value for money for both the customer and the taxpayer. In achieving this objective, there is the need to find the supplier of a particular service (or services) whose combination of quality, price and other relevant factors offers the greatest value for money in the long term. When a market-test shows that better value for money is to be obtained through buying in a service, the Government remains responsible for ensuring that it is managed effectively.

The process of approaching service-providers within the private sector, and their bidding (i.e. responding to a tender) for a particular area of work, is known as contracting out.

Contracting out services can in fact be a prior option to market-testing, i.e. a decision is made for policy reasons that the work should be done in the private sector, or it may result from market-testing, i.e. a decision has been made that better value for money can be obtained from the private sector.

Each government department has established a market-testing programme for the year ending September 1993: details appeared in The Citizen's Charter report published in 1992.

In general terms, activities which have been found to be particularly suitable for market-testing are of the following types:

- resource intensive;
- relatively discrete;
- specialist or support services;
- subject to fluctuating work patterns;
- subject to a quickly changing market;
- subject to rapidly changing technology.

## **The context for change**

The White Paper, *Competing for Quality*, published in 1991 set out the Government's plans to achieve better value for money. In particular by opening up more public services to competition from the private sector, whilst making it clear that the Government had no dogmatic preference for private or public provision of services.

*Competing for Quality* required government departments and agencies to assess the scope, within the widest possible range of activities, for extending market testing to new areas of their operations and to set targets for activities to be tested by 30 September 1993.

## **Implementing change**

HM Treasury has produced detailed guidance and in accordance with that, each department establishes, usually through a specialised market-testing function, its own approach to undertaking market-testing. Typically, a steering group is formed to oversee the market-test and to ensure that all relevant departmental interests are adequately represented and consulted.

In establishing a market-testing programme, each department needs to review its activities and identify candidates for testing.

It should address the following questions:

- Is the function or activity essential? What are the implications of *not* doing it? Or of doing it in a reduced or combined form elsewhere?
- Can the activity be performed more economically by other means (e.g. a press cuttings service rather than provision of newspapers and journals)?
- What is the full cost of the level of service presently provided and that which is considered necessary? (Costs will include operating costs – staff, supervision and consumables – and overhead costs – accommodation, utilities and management.)
- Is the function or activity organisationally discrete?
- What are the working methods, organisation and use of capital assets? What use is proposed of existing staff and assets?

Managers should consider whether any prior options exist, e.g. should a service cease altogether, be privatised or contracted out for policy reasons.

Managers should take care to identify any interactions of activities proposed for market testing with other activities within the department.

It is essential to obtain commitment to the programme at all levels of management. Once the programme has been agreed, managers should carefully make staff aware of it, observing established consultation procedures.

Having obtained the necessary agreement to the test of a particular area, the first stage is to identify the detailed scope of the services to be tested. The next stage is to define the user-need for the service, and to establish the cost of the existing service. A specification for the service is then drawn up: this will form part of the invitation to tender. The department in question normally encourages the current service providers to submit an in-house bid.

When the tenders are received, they are evaluated in terms of quality, price, reliability, and all other relevant factors, to determine which offers the best overall long-term value for money. Line management, in consultation with departmental ministers as necessary, eventually makes the decision on whether the service should be retained in-house or contracted out.

If the service is retained in-house, then a service level agreement is made with the in-house team. If the service is contracted out, then a contract with the chosen supplier is established.

The time spent in completing a market test will vary according to the complexity of the activity being tested. Most tests take longer than six months, with the average being about nine months.

Any schedule should incorporate timescales for:

- preparation of the specification of the work;
- preparation of the standards of the work;
- drafting legal requirements;
- any necessary management reviews;
- receipt of tenders;
- completion of the bid analysis process;
- award of contract;

- the need to comply with European Community Directives.

In the recently published White Paper "The Civil Service: Continuity and Change", the Government proposes that departments and Agencies should draw up efficiency plans to show how they propose to remain within their running cost limits over the next three years. These plans will include privatisation, contracting out and market-testing. In future, therefore, there will be less central direction in relation to these programmes, although they will continue to be centrally monitored.

The Government has introduced changes in the use of privately raised finance to enable the public and private sectors to work together more effectively, particularly on infrastructure projects. It believes that the further improvement of public services requires the substantial expansion of competition. The aim, therefore, is to find new ways of mobilising the private sector to meet needs which have traditionally been met only by the public sector. Specific measures which provide scope for private finance, announced by the Chancellor of the Exchequer in his 1992 Autumn Statement, include important public services such as housing, British Rail and higher education.

### **Supporting material**

- i) White Paper, 'Competing for Quality' Cm 1730 ISBN, 0-10-117302-4, £6.85, 1991
- ii) White Paper, "The Civil Service: Continuity and Change" – Cm 2627, HMSO, ISBN 0-10-126272-8, £7.10

## 2.4 Structure of government

This entry confines itself to the mechanism for making changes to the structure of central government.

In the U.K., structure of government matters are handled by the Office of Public Service and Science, which is incorporated in the Cabinet Office. Activity in this area tends to be patchy, as changes to the overall structure are made on an ad hoc basis and usually as the result of political decisions. The organisational pattern of departments and their varying responsibilities are ultimately a matter for the Prime Minister. The aim must be to ensure a balanced and politically effective administration and to reflect changing political emphasis. Changes in structure are likely to be required as policies change and particularly if administrations change as the result of an Election. The most recent examples of structural change came after the last General Election, with the creation of the Department of National Heritage, the absorption of the Department of Energy into the Department of Trade and Industry, and the creation of the Office of Public Service and Science itself.

### The context for change

Recent structural reforms in the U.K. Government can be grouped under several headings:

- The role of government itself, e.g. whether a particular activity should or should not be seen as a function of the state; or whether any overall limit should be set on the size and cost of government;
- The structure of central authorities, i.e. the offices of the Head of State, Prime Minister, Cabinet, Ministry of Finance etc.;
- The numbers and size of other Ministries and the arrangements for distribution of functions and for co-ordination of policy and administration between them;
- The relationship between central government and the functions and powers of local and/or regional government;
- The delegation of executive tasks of government to subordinate and accountable bodies or Agencies;
- The functions and powers of independent authorities responsible for audit and investigation of government, and their relationship to Parliament.



## **Implementing change**

Political considerations aside, ideally the first issue to be considered before embarking upon organisational change is whether the objectives can be more readily achieved by changes in policy, internal changes within departments or improvements in inter-departmental co-ordination.

The rules for creating Agencies provide a good example of this. Agencies are not set up unless they offer the firm prospect of achieving greater economy, efficiency and effectiveness than under alternative or existing arrangements. Before a decision is taken to set up an agency, the Government must be satisfied that the activity in question should not be abolished or privatised or contracted out to the private sector. A review of the same options takes place at regular intervals after the launch. This procedure is known as the "prior options" test.

Experience suggests that where an entirely new department is created, it takes at least five years for the benefits of the re-organisation to come through. Even in a re-organisation as relatively small as the incorporation of the Department of Energy into the Department of Trade and Industry, it took at least one year for all the different traditions of the two departments to be amalgamated.

The following checklist has emerged from recent restructuring exercises:

- ***Will the changes result in a more effective grouping of functions within Departments?***

It is important to establish which functional inter-relationships appear most clearly to reflect the policy priorities of the Prime Minister and the Government. Are these relationships likely to increase or decrease in importance as a result of general trends in policy? Do the advantages of a change outweigh the disadvantages of breaking existing links?

- ***Will the eventual grouping of functions produce a sensible mix of types of function?***

Functions may be, for example, regulatory, promotional, productive and so on. Introducing new types of work may bring disproportionately heavy overheads.

- ***What should be the size of departments?***

This needs to take into account the policy span, indicated in the U.K. roughly by the number of Under Secretary (Grade 3) posts (senior officers

responsible for a clear section of policy, for example Consumer Affairs, the Iron and Steel Industry etc.).

- ***How should the support functions be changed?***

Where possible, each department should control its own finance and personnel functions, though shared arrangements can be useful where a department is split up.

- ***How can loyalties be maintained?***

Staff should generally move with the functions to ensure continuity, although they should normally be offered the opportunity of returning to their original departments if they wish. There is often a considerable degree of loyalty to the parent department and loss of efficiency may result if this is lightly discarded.

## **2.5 Work measurement**

Work Measurement is the use of techniques to establish how long a trained person should take to complete a defined task at acceptable levels of performance and quality. It was first introduced to the industrial workplace to meet the needs of productivity-based payment schemes but has progressed to be widely used throughout the non-industrial areas. It is a recognised specialism within the field of Management Services and as such requires specialist training. Its purpose is to provide managers with objective and accurate information to help them manage their business efficiently and economically. This information can be used in:

- setting staffing levels;
- use of staff;
- work balancing;
- planning;
- cost and labour budgeting;
- monitoring;
- performance control;
- productivity payment systems.

### **The context for change**

Public sector managers do not operate in an environment dictated by profit, but are primarily driven by the need to improve efficiency and control costs. HM Treasury has set up a central unit to:

- encourage the effective use of work measurement within the Civil Service;
- provide help and advice on the effective use of work measurement, including setting appropriate standards;
- provide and maintain a "centre of professionalism" to work measurement practitioners across departments.

## **Implementing change**

Experience in the U.K. Civil Service suggests that as with all implementations for change, it is essential for senior managers to be committed to the introduction of a Work Measurement initiative. Having gained this commitment, everyone affected by the project should be made fully aware of what is going to happen and how it will affect them.

In planning the approach, the team will be influenced by:

- the commitment and wishes of management;
- the characteristics of the work;
- the need for control and planning information;
- the views of the Trade Unions;
- the Work Measurement expertise available.

The next stage is to get answers to the following:

- What is the nature of the work (production/service)?
- How many different types of work?
- Is there a constant flow of work, or peaks and troughs?
- What levels of customer service are to be provided?
- What levels of monitoring and control are required?

This then allows decisions to be made on:

- How to measure?
- What techniques to use?
- What levels of precision/accuracy are required?
- What parts of the work require different skill levels?
- Can the work be balanced to achieve a smooth flow?
- What level of information is required to monitor and control output?

On completion, a successful Work Measurement-based system should:

- quantify achievement;
- be sensitive to change;

- not consume excessive resources on data collection;
- alert management to remedial action where appropriate.

There is no simple guide to the cost of a Work Measurement project. It will vary according to the purpose of the measurement, the range and difficulty of the work to be measured and the detail and accuracy required. Implementation costs should be viewed against the benefits expected from such an investment. It is widely accepted, both in the commercial world and the public sector, that Work Measurement leads to savings – usually in the area of ten to twenty per cent.

The time involved depends upon the type of project undertaken, the complexity of the area being measured and the degree of accuracy required. A short, sharp and broad measurement of a simple workplace may take only a few weeks. On the other hand, measurement of a large department spread over a large number of offices and intended to provide a detailed and accurate database for a full management and information system may well take more than one year.

Having got commitment to proceed, the stages of any problem-solving are:

- DEFINE – the problem;
- OBTAIN – all the facts relevant to the problem;
- EXAMINE – the facts critically but impartially;
- CONSIDER – the courses open and decide which to follow;
- ACT – on the decision;
- FOLLOW UP – the development.

The detailed stages of Work Measurement are:

- SELECT – the work to be studied;
- RECORD – all information of the job or process;
- EXAMINE – the recorded information and challenge its accuracy;
- DEVELOP – agreed procedures and by applying Work Measurement techniques produce time values;
- IMPLEMENT – new procedures, time values and supporting data capture system;
- MAINTAIN – the time values and their currency following changes.