

Replacing a Suggestion Program

Application of Scientific Management to Gain
Process Improvements through Subordinates

Notes

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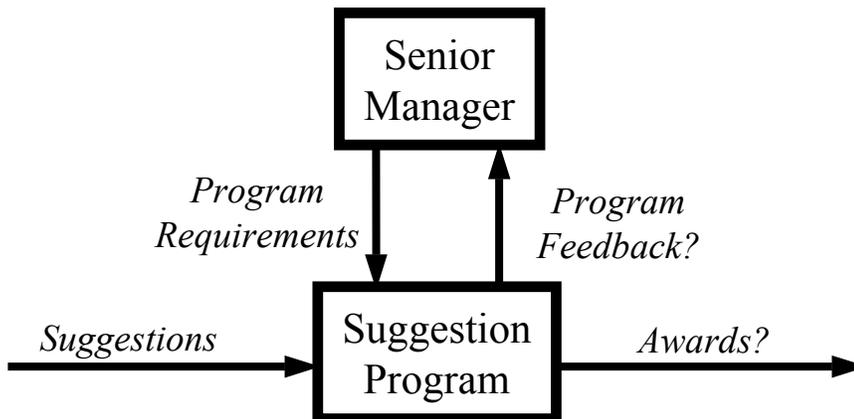
President of The Management Upgrade Shop

This presentation addresses one result from applying the principles of scientific management to the performance of management as work. The key to application is a viewpoint from the perspective of the one who has something to accomplish through implementing and maintaining a suggestion program.

This specific application derives from studying and answering the question of what a more-senior manager expects to gain through the efforts associated with a suggestion program, and deriving how to best accomplish that gain.

This is management over the performance of management, a specific application drawn from a larger study.

Functional Diagram Of a Suggestion Program

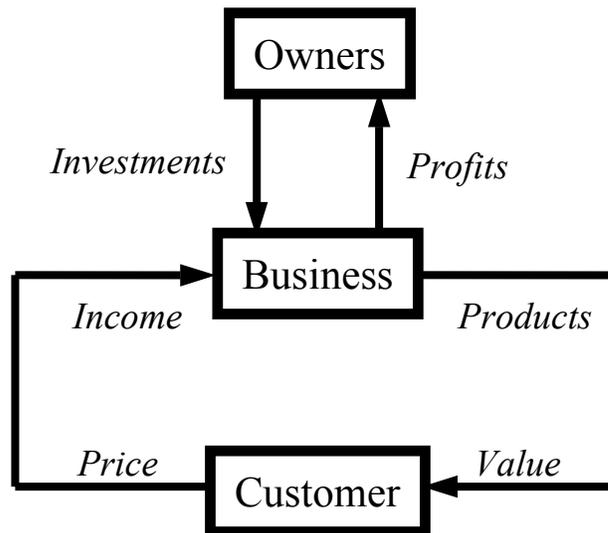


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The challenge of the modern suggestion program is not in its intent, or its operation. The suggestion-program approach for incorporation of improvement into management is itself unmanageable.

There is no planned value from the operation of a suggestion program that defines the difference between success and failure. There is no management feedback to the one who has something to accomplish through the suggestion program such that managing the program is possible. A modern suggestion program is inherently unmanageable.

Suggestion programs usually pit workers against supervisors, and supervisors against those who want the suggestion program to cause beneficial changes. Internal competition is always questionable, and usually inefficient. Efficiency is promoted by getting everyone working to the same purpose, and in agreement as to the parts they are to play in a larger effort.



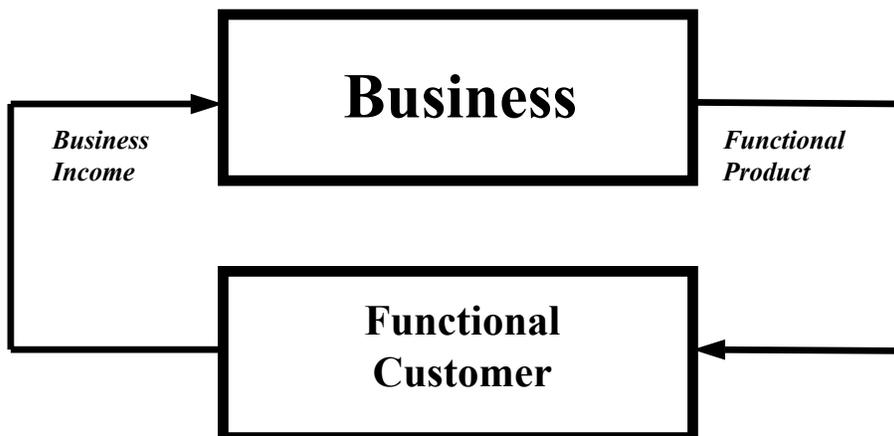
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The first need is establishment of a new foundation, one built upon the natural relationships that exist between key organizational elements in the business environment.

Owners invest in a business in order to earn profits from their investments. This is their functional relationship with a business entity as represented by business leadership.

Businesses fill their responsibility to owners by an operation that earns profits. Profitable operation requires generating products for customers. Customers receive the value of products, and return dollars. Their dollars become business income. This defines the operating business cycle that fulfills the basic purpose established by business owners.

The Pairing Principle

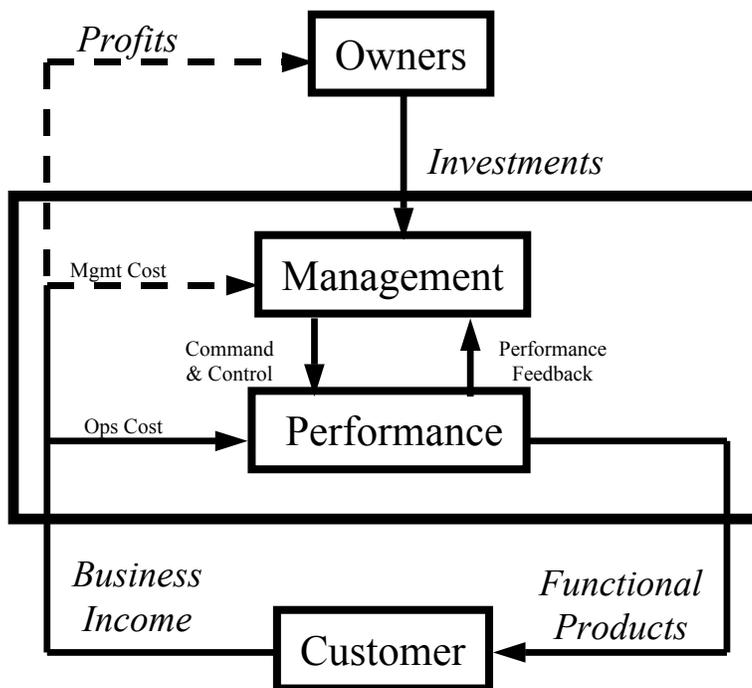


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One key concept is the foundational relationship indicated by the pairing principle. This principle addresses the basic profitable relationship between a business and its customers. It addresses the generation of product by which the business sees to its purpose for existence.

There can only be a functional product when something valuable is delivered to a functional customer. There can only be a functional customer when someone receives value from a business and returns income to the business because of the value received.

The pairing principle is that functional products and functional customers can only be defined as pairs. If anything is delivered without earning business income, it is not a functional product, and the one who receives is not a functional customer.



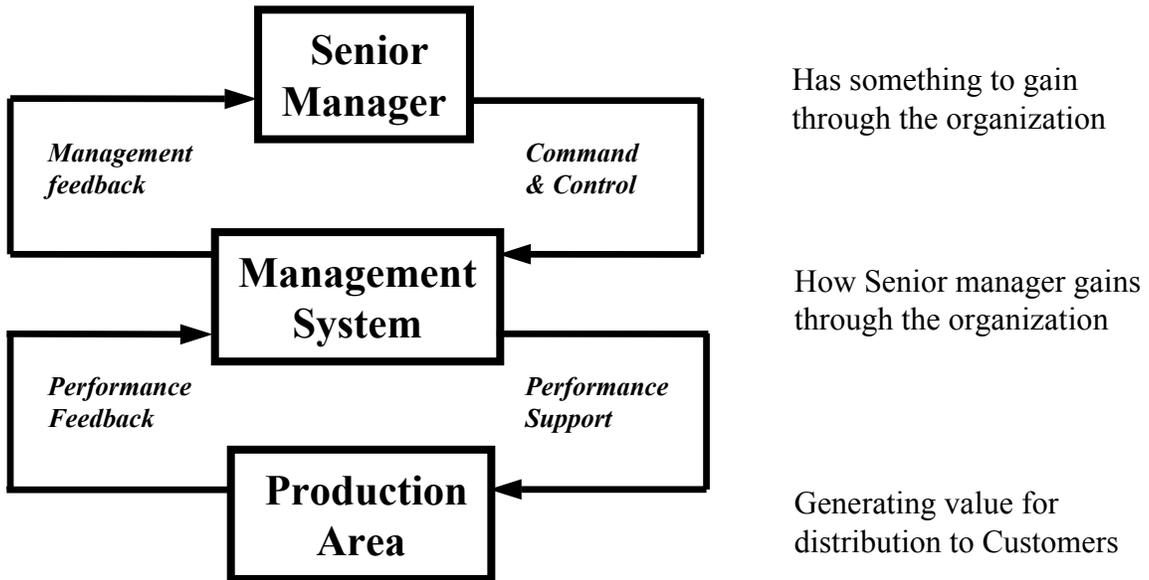
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Internal relationships are addressed through blackbox analysis, through observing the inputs and outputs for individual processes.

The functional operation of the business is contained in its performance process, and receipt of income from the sale of functional products. This determines the success and efficiency of business operations.

Management does not produce organization-level value. This profit-earning value is only generated by the performance area of the business. Management is a cost of gaining performance through an organization. Management creates value through its impact on the performance area of the organization.

Organization-level efficiency is increased by maximizing productive performance, and minimizing the costs operating the whole organization. Organizational efficiency is achieved by minimizing the cost of management.



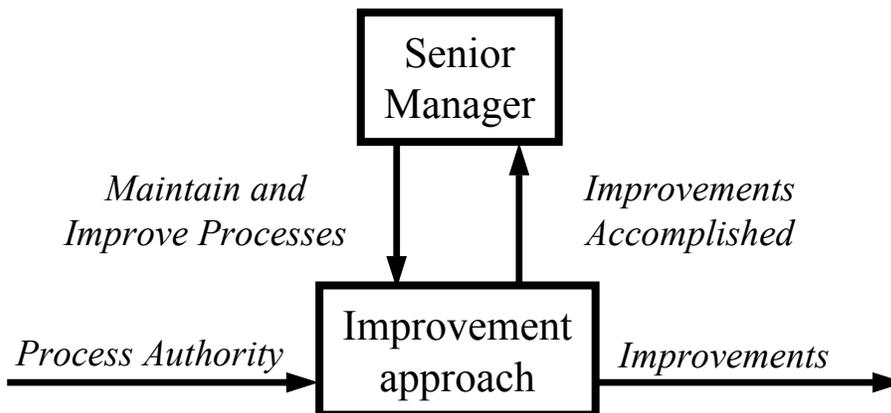
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One of the key values in the scientific management approach is identification of specific performance requirements for managers based on work that must be accomplished to support performance.

Each level of management has its own unique function to perform. If the function is not performed where it is appropriate, others must see to performance by using work-arounds. The result is inefficiency, both for the performance of the out-of-place tasks, and the impact that poor performance has on other functions.

This addresses a vertical division of management. Maintaining this division is a senior manager function, and cannot be performed effectively by subordinate managers.

Functional Diagram of a Suggestion Program Replacement



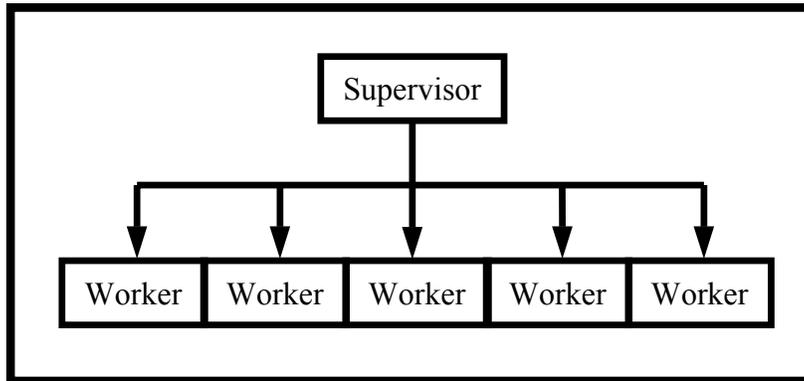
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The purpose for having a suggestion program is improving business operations. The purpose for improving business operations is enhancing profits. The purpose for having a business is met through delivering profits to owners and investors.

Improving business profits is measurable, and various improvement efforts can be planned, tracked and measured to a successful conclusion. Unlike a suggestion program, an improvement approach can yield a manageable function.

One key understanding from blackbox analysis is that any improvement approach must have an input that becomes the source for a process output. Authority over processes is the primary input for improving ongoing processes.

Responsible to perform productive process,
to maintain productive process,
and to improve productive process



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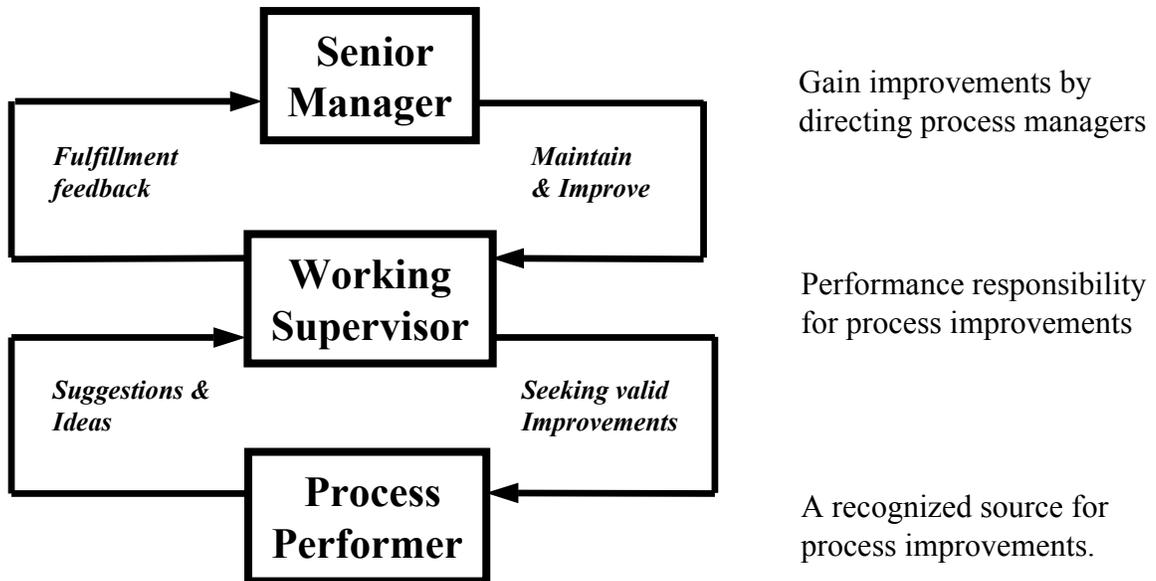
Part of any more-senior responsibility for assuring the quality of a process is setting responsibility for maintenance and improvement of that process. The more-senior manager is the one who performs a process-maintenance function through directing those who are in charge of processes.

For assignment, it is necessary to identify the correct person to receive an assignment. Good management practice requires that responsibility and authority be given to the same person. The person who is in authority over performance process is the supervisor over those who are performing the work. This is the only one who can be made effectively responsible for the quality of the process.

The only good management place for the assignment of process improvement is the immediate supervisor over the process.

The supervisor needs to be made directly responsible for the exercise of his or her authority.

Assigning Process Improvement



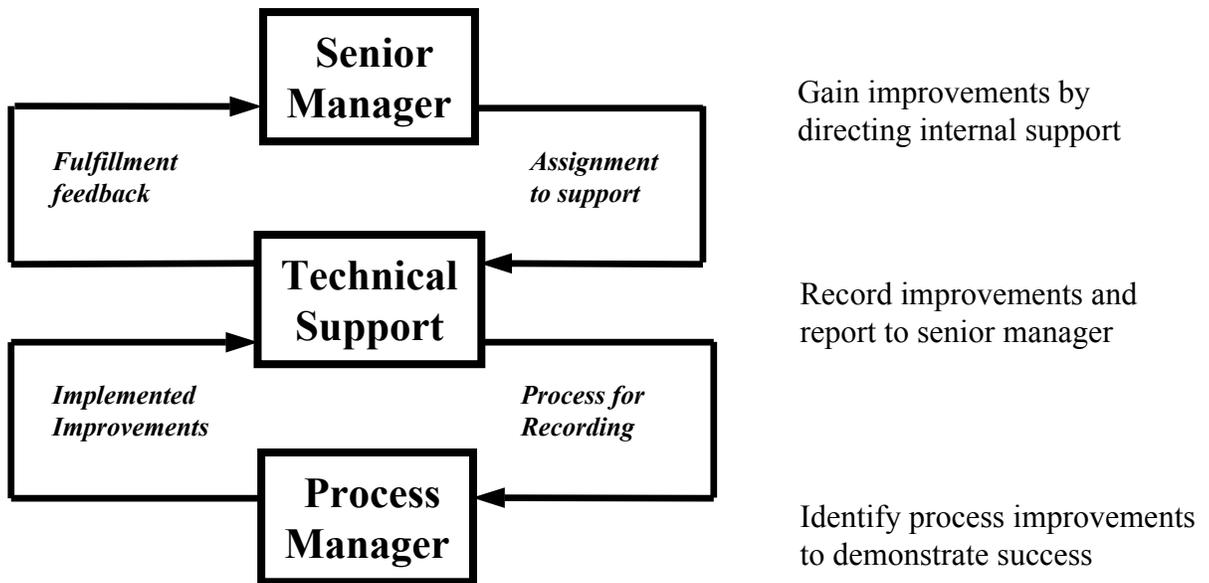
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The one who values the improvement of the larger business unit is the senior manager, the one who has something to gain through the organization. The working supervisor over a group process is the one who should receive the assignment to maintain and improve.

Intermediate supervisors, lacking this purpose, are not well equipped to define success for the performance of improvements. They are not directly in authority over subordinate-area processes, and should not be made responsible for the work of others.

As is noted with suggestions, the performer is not responsible for making suggestions, but is only responsible for performing work as directed by management authority. The making of worker suggestions may be encouraged, but cannot be regularly assigned.

Assigning Internal Support



Notes

Tracking and presenting process improvements in terms appropriate to management is not within the regular expertise of process managers. It is sensible to provide technical support for the internal purpose of providing feedback to management on process improvements that are achieved.

This is a cost of management, something to be done in order to support the process of management over improvements. It will involve the senior manager expending internal resources to provide this support to working managers.

With the change to an assigned improvement responsibility, there is no longer a need for our suggestion program managers. These people can be reassigned to the work of documenting organization-level process improvements. The technical support person helps the process manager to meet the feedback requirement set by the senior manager. The senior manager achieves process improvements through the actions that are assigned, and is able to manage the result.

Improvement Incentives

- * \$ provided for the good of the business
- * Advancement for demonstrating good management
- * Implementation for the good of the manager
- * Potential suggestion-program awards

The challenge - awards for internal improvements

Meeting the challenge - internal investments

Notes

The business only receives value where there is an overall reduction in the cost of operating the business, or an increase in the value delivered to paying customers. There is economic justification for monetary awards when either or both of these occur.

Where these are lacking, there is no inherent economic incentive for changes. Expenditures without beneficial results would expend the business resources entrusted to business managers for the benefit of owners. This would be a highly unethical result, much akin to stealing the money from the owners.

There are other ways to reward by providing non-monetary benefits. These include preferential advancement for managers who are consistently able to find process improvements. This would be sensible even where activities are not individually traceable to specific organization-level improvements.

There is also a potential for a suggestion program of sorts, but one designed to encourage workers in their support of their process managers.

Management Engineering Basics

- * Technical Support for Management Decisions
- * Novelty, and challenges to established managers
- * Careful Limitation to “efficiency” support
- * Expertise in cost and benefit analysis
- * Expertise in maintaining value focus.

Notes

The down-side of this whole approach is that it entails a very deep level of change. It impacts upon the work and prestige of resource managers. It interrupts the efforts of managers who are now put in authority over suggestion programs.

Our currently unmanageable situation is replaced with a management process that is amenable to direct management by the senior manager. This openly denigrates the existing expertise.

Such should not be a bar to going forward, but should certainly be a consideration. It is easily possible to breed opponents instead of supporters. The attitude of the “efficiency engineer” should be one of support for process, not one of someone who will be put in charge. The proper place for an IE can involve taking charge only during the process of change; and to work him or herself out of the authority position as quickly as possible.

My Little Experience

- Army suggestion to replace suggestion program
- Hostile system of entrenched resource managers
- Response: “That is not a valid suggestion
- My credentials exceed those who would resist
- Superior management suggestion Program
- Next Level: No efficiency professionals there

Notes

I turned a suggestion into the Army suggestion program. It was to replace the existing program as in this paper.

I was met locally with open contempt, and told that it was not a suggestion within the limits of the program. I carried the issue to higher headquarters, and found that they were ill equipped to handle such a concept.

The lesson is one of distance. This approach is not immediately acceptable in many management systems. If the authority is sufficiently separate from management, there is no way for the idea to take hold. The managers at the top must want to manage before the replacement approach can be effective, no matter how potent it may be in generating improvements.

It is time for the management or efficiency engineer to pause and reflect. Choose which battles you feel should be joined, and which should be pursued. It may even be best to leave things as they are for the moment, but to watch for a time when good management will be effective. It may be effective to bring up the idea and step back, letting it percolate for a time until it becomes more familiar. It may be effective to bring it to the attention of more-senior management for direct and immediate consideration.

The tool for making such decisions is a personal investment; it is an action taken based on an intelligent expectation of costs and benefits.

Enhanced Positioning

- Intentional and intelligent supportive attitude
- Protection of senior manager decision area
- Staff support - Enlist supervisor's support
- Assurance - This is going to happen

Lesson from ADP - Pay now or pay later

New - Grasp benefit now or await later push

Notes

Having an IE dealing with efficiency in management will be challenged. Benefiting from that challenge may be approached through effective planning and careful preparation. Assuming a proper attitude of technical support is likely to be effective.

This attitude is one of providing a specific and limited area of support, with ongoing notice of understanding as to its limits. Efficiency engineering is based on economic determinations, and does not provide an unbiased support for senior-manager decisions. It provides an economic basis for action to be considered along with non-economic concerns.

This presentation is not to involve a seizure of administrative or economic authority, not even of the specific recommendations. Decisions are to be carefully directed to the proper decision authorities; with IE support limited to technical information that can help to make that manager's decisions intelligent and effective.

It is reasonable for the suggesting IE to seek administrative support from the next level of supervisor. This can be helpful in getting the recommendations and information presented as something that does address management issues.

The final issue is the potency of the change. It eliminates weak management, replacing it with effective management. This is not some fly-by-night fad that will run its course and then go away, it is a call for improved management. It will be implemented eventually; the question is whether to do it now or make a later investment.

The Notebook

Available as ancillary backup

The froth, the highpoints of Scientific Management

Special areas for potential applications noted

General Direction of Solutions Noted

**A Message: A new area of management
potentials for new investments**

Notes

Organizational Efficiency Engineering is new. It is not going to be accepted as a major improvement without both proof and the passage of time.

The Notebook was prepared with this in mind. It is an advertisement in itself. It touches on many of the high points in management engineering. It promotes further applications through looking at management anomalies that are common under our current management theories.

There are many new attitudes and approaches within The Notebook, and some of these can be applied immediately. This is not, unfortunately, a text that yields many applications. There is insufficient information to provide an independent guide to the wide spread of potentials that are addressed.

It can, however, provide a wealth of general knowledge as to how to “see” inefficiency in management organizations, and can give good general approaches for seeking corrections.

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Application of Scientific Management to Gain Process Improvements through Subordinates

This is the first of a number of planned presentations dealing with the application of scientific management within the work of management and internal support. It expands the area for applying traditional efficiency engineering into efforts that have previously eluded technical analysis.

The purpose is direct. The purpose is to advertise the existence and potency of scientific management applications. The purpose is to popularize the many beneficial approaches and techniques made available by this expansion to the scope of efficiency engineering.

The next planned presentation introduces the scientific assignment process. It develops the principle tool for applying scientific management within an organization.

While this talk provides the attendee with a potent new procedure and direction, the next will give a potency to management itself. The attendee will be able to apply the methodology directly on completion of the presentation. The attendee will be able to multiply the amount and quality of management work that he or she can accomplish in a given time, while reducing the effort expended.

It is normal for the modern IE to be considered remote from management. The upcoming presentation indicates a wider role in the operation of business. It is designed to give career expanding knowledge. We are entering into exciting times for being an industrial engineer.

OEE

Organizational Efficiency Engineering is the application of the principles of scientific management, largely as presented by Frederick Taylor, to the work of management and internal support.

The tools are traditional. Establish the results that have to be obtained. Eliminate work that does not progress toward those results. Simplify the work that remains. Develop jigs, fixtures and other performance aids that support the performance. Design the work of groups so that they complement each other's performances. Train those who perform so that they operate efficiently.

The first casualty is the modern concept of an "exception manager." The performance approach starts with the need for performances by the manager in charge, and an insistence that this manager performs. Even the hiring of people to be reactive should be based on having sufficient reactive work to justify that person's pay.

Specific Scientific Management applications arise from identifying areas where we now need performance, but there is no one managing the performance. The general direction of cure is one of identifying the productive result, and assigning performance responsibility to those who will be given authority over performance resources. It is the establishment of basic management in an area where it is now missing.

Consider that we now have "rule of thumb" approaches to the management of business structures. The potential is staggering.

Office automation has been on the decline for the better part of a decade, in spite of major technology advances. The value of internal support is fixed by the needs it serves, and the basic office needs for handling information have not changed materially in the last four decades. The dollars flow from automation users into the pockets of automation providers without increasing the earnings of customer businesses. That sums the challenge.

There are new potentials that are so vast as to defy easy presentation. Consider the incorporation of change into regular management operations. There is a potential for modular management (the situs concept) that simplifies structures into manageable chunks. There is potential for the centralized management of organizational fat, allowing intelligent management of organizational responsiveness.

My purpose here is to open a new potential. I have more to give away as loss-leaders than most others have to offer as product. What we have is a whole new area for exercise of the efficiency engineering expertise. Today's industrial engineers are in the forefront of a major change in business, and there are remarkable benefits to be reaped by those who lead.