AN ASSESSMENT OF THE CHANGES IN THE USE OF MANAGEMENT
SERVICES BY SELECTED LOCAL AUTHORITIES 1971-79

(2 volumes)

by

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M.M.S.

A MASTERS THESIS

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VOLUME 2

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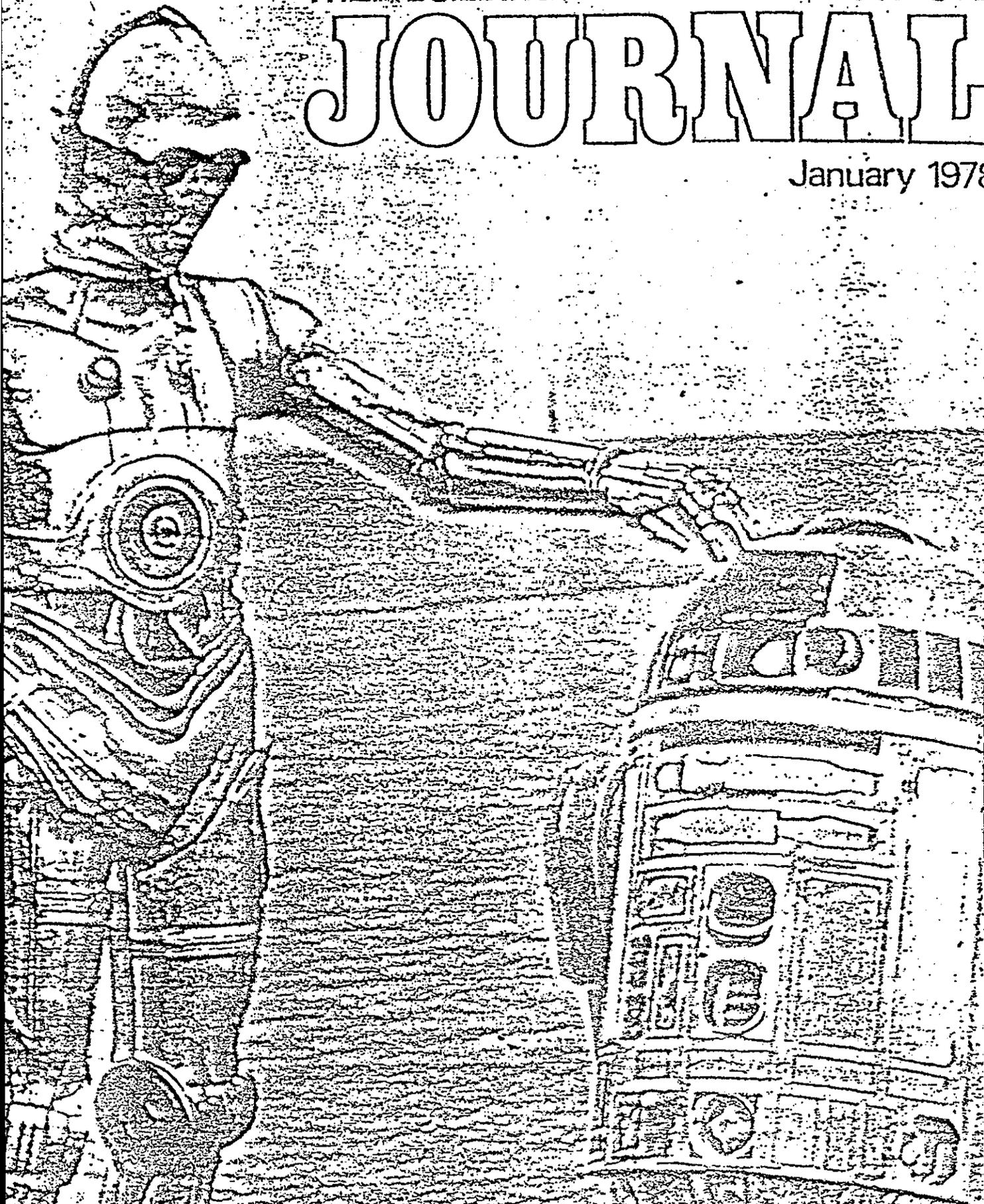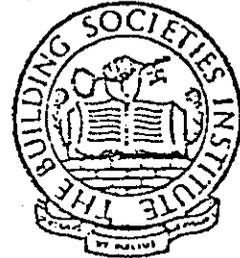
MANAGEMENT
SERVICE
IS THIS THEIR FUTURE ?

MANAGEMENT
SERVICES
ISSUE

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Illustration on Front Cover: by
courtesy of Keystone Agency.

Management Services— Is this their future?

by K. W. W. Burgess, DPA, F.Inst.AM, MIWSOM

nagement services" is a relatively new term that is used to be the advisory techniques that can be used by specialists to line managers. Some of these techniques were in use in the s and considerably more have been introduced since 1945. isations vary in the range of techniques used and the way in they are deployed. This article will consider the present situ- and how the use of management services could be developed in ture.

re Management Services?

agement Services is a term t a precise definition, so in text of this article it must be . The three well-recognised ues are Organisation and ds, Work Study, and Oper-Research. Organisation and ds has been described in the dition of this periodical in alpole's excellent article.

k study has a British stan-Institute definition which is: anagement service based on chniques, particularly method nd work measurement, which ed in the examination of work in all its contexts, hich lead to the systematic ation of the resources and which affect the efficiency onomy of the situation being d, in order to effect ement".

is a technique normally to factory work and is mainly concerned with methods of work and the design, implementation and monitoring of incentive schemes of payment. As such it is not of obvious use to building societies.

Operational Research (O.R.) uses mathematical techniques, and is frequently concerned with simulating a situation by models for testing possible alternative ways of operating. Linear programming and queueing theory are two of the most well known techniques of O.R. Frequently, O.R. techniques are used to assist the higher levels of management.

There are, however, at least three other activities that can be classified as a management service, because they are carried out by specialists who advise line managers.

The Personnel and Training function, which is concerned with the generation of personnel policies and the implementation of personnel practices, falls obviously into the category of a management service. Similarly, management and cost accounting provide a service of financial analysis for the benefit of line managers. Finally, a computer manager will be concerned with the design of systems that are processed upon the computer. In almost every case procedures that are transferred to a computer will be re-designed to make maximum use of the computer's capabilities, and frequently this means providing additional information for management. This re-design of systems is similar to an O & M function and can be classified as a management services function.

In any organisation there may well be other activities that fall into the category of management services, but the six already mentioned are an adequate representation of the range of these activities.

Need for Management Services

The extent to which an organisation will use management services is dependent upon a number of factors:—

(a) if the management activity is subject to factors that are difficult to evaluate (determining the opportunities for expansion in a new area);

(b) if the management of the organisation wishes to introduce new ideas into its operation (e.g. job evaluation, to use a computer);

(c) the capabilities of the managers are such that they are not making as effective a contribution to the organisation as is desired.

There could well be many other factors, but these three indicate that there are many different reasons for using one or more management service.

Provision of Management Services

Management services may be provided in two main ways. The various consultants that are available can provide almost any service that is required. They invariably have considerable experience of the problems to be solved or techniques to be introduced. Alternatively an organisation may appoint its own staff to carry out the management service function. This article will consider only the latter situation.

Organisation of Management Services

It can be seen that there are many different management services that may be needed by an organisation. At the moment, apart from Organisation and Methods and Work Study,

training in the management
[serv]ices' field is carried out separately
[for] each technique, and it is unusual
[to find] a person with competence in
[more] than one technique. As a result,
[inva]riably, separate sections or
[dep]artments are established for each
[man]agement service. This situation
[is e]asier to understand when it is
[app]reciated that the introduction of
[diffe]rent management services into
[an] organisation will normally take
[plac]e over a period of time. Not only
[do] the needs of the organisation
[man]ifest themselves at different
[time]s, but any organisation would
[be] reluctant to introduce a wide
[rang]e of new techniques all at once.
[T]he position whereby different
[man]agement services' functions are
[prov]ided in an uncoordinated way,
[run] by groups of people reporting
[to d]ifferent directors or managers,
[is] more a result of reacting to
[prob]lems than a planned develop-
[men]t and is compounded by the
[chang]ing pattern of management
[serv]ices' staff.

[T]he pattern of organisation de-
[scrib]ed presents a situation in which
[ther]e could be a conflict of advice
[from] different specialists, given to
[a m]anager. To avoid this, it is
[norm]al for a manager to break down
[a p]roblem in order to allocate it
[to a] particular management service
[secti]on. This will often result in a
[sub]optimal solution. For instance
[an u]nsatisfactory performance of a
[depa]rtment may be referred to an:—

[O]& M unit —if the methods of
work are suspect

[Pe]rsonnel —if staff performance
is low (possibly due
to poor selection or
pay or unsatisfactory
training)

[M]anagement—if budgets are not
Cost being met or expen-
[Ac]countant diture is excessive
and so on

[It i]s most unlikely that the solution
[to a] problem will be found by
[view]ing it from only one point of
[view.] The probable result is that the
[par]t of the problem reviewed has a
[solut]ion proposed that will result
[in an] improvement in the area
[revie]wed, but will probably not
[solv]e the total problem. Various
[man]agement services' staff do refer
[prob]lems to one another but, as
[each] has trained in one particular
[techn]ique, the knowledge of other
[techn]iques will generally be at
[appre]ciation level or less.

This pattern has meant that most
management services' work is carried
out at the lowest level of activity
(the operations carried out by clerical
staff) and little has been done at the
tactical level where a manager decides
how to achieve his objectives.

Characteristics of Management Services

There are three characteristics
that should be examined at this
stage. Most management services
(apart from Operational Research)
can be divided into two types of
activity. One type calls for the
practice of all the skills of the
technique, and this has been called
the "Advisory Role". The other
consists mainly of providing a service
to the rest of the organisation and
this has been called the "Service
Role". These separate roles emerge
only when a management services'
technique has been in use for some
time.

Management Service	Advisory Role	Service Role
O & M	Organisation review Non-computer methods review	Forms Control Machinery and Equipment appraisal
Computer-date processing	Computer methods review	Provision of date processing service
Personnel and training	Development of policies for selection, training and reward of staff	Provision of a re-cruiting, training and job-definition service
Management and cost accounting	Financial advice and design of financial reporting systems	Budgetting and costing service

The emergence of the "service
role" reflects the continuous appli-
cation of a technique introduced by
the advisory role. Usually, this tech-
nique is such that it must be based
centrally and cannot be effectively
allocated to departments.

The second characteristic is in-
herent in the nature of the manage-
ment services activity. The advisory
role demands the full application of
the management services skill. Briefly
this consists of:—

(1) a study of a problem in order to
determine the likely area in which
the solution may lie;

(2) a critical analysis of the situation;

(3) the use of a creative faculty to
design potential solutions;

(4) the ability to convince senior
management of the correctness
of the proposed solution.

Not all the people who obtain
management services qualifications
are able to succeed in the application
of all the above skills. In particular
creativity is most successful when
allied to a natural aptitude.

The third characteristic is the
natural ability of line managers
and staff to learn to apply manage-
ment services skills to a limited
extent within their own offices.
At least two major companies (one
in engineering and one in textiles)
deliberately train their clerical man-
agers in elementary O & M tech-
niques and require them to practice
them within their own offices. In
this way the O & M departments
can concentrate their attention on
systems that cross departmental
boundaries. A similar situation can
arise with job descriptions and
recruiting procedures.

Possible Organisation of Management Services

The major weakness of the present
system is the lack of opportunity
to provide a coordinated problem-
solving service to all levels of
management. As a result, work at
higher levels within an organisation
is limited, and incomplete solutions
to problems are likely to be put
forward.

The consolidation of management
services into one unit appears to be
the best way to provide a unified
service. Such a step should be

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173

mpanied by a division of the
into two sections—one satisfying
advisory role and the other the
ice role.

he initial staffing of the advisory
will not be easy. At first it
ars likely that the head of the
may have to be sought from the
essional consultancy field. There
nly one professional body of
h I am aware that examines its
ents at the required level of
rated systems design and that is
Institute of Administrative
agement. Undoubtedly to be
to advise at Board of Director
will require persons of con-
able ability fully conversant
the practice of management.

he remainder of the advisory unit
will not be hard to find. Com-
nt management services staff
are familiar with management
s are one source. In addition,
w years in this environment
d be an excellent training for
ssionally-qualified potential line
gers after they have qualified
before taking up a management
The opportunity to undertake
roblem solving activity or a

"The major weakness of the present system is the lack of opportunity to
provide a coordinated problem-solving service."

study of an inter-departmental
system, which demands the appli-
cation of the skills listed in the
previous section, not only provides a
very useful experience, but also en-
ables people to show their capa-
bilities. The operation of this unit
will be on a team basis until each
member has a working knowledge
of a number of the techniques.

The service unit will require a
mixture of management services
practitioners and administrative staff.
Any service that cannot be effectively
provided on a departmental basis

could be provided as part of the
service unit.

Various combinations of various
management services techniques are
at present in use. An engineering
company in Nottingham combines
its O & M computer system
analysts and O.R. staff in one unit
whilst placing its work study staf
under the control of a differen
department. The suggested organis
ation in this article is a developmen
of current practice based upon a
review of the role of managemen
services.

In 1961 the author joined the college that eventually became Trent
Polytechnic. He was appointed to introduce courses in office management
and organisation and methods. Prior to this he was a section administrator
and an organisation and methods officer with Derbyshire County Council.

At present he is the tutor for administrative management courses and he
designs and provides special courses that are tailored to meet the needs of
individual companies. He carries out consultancy work and is engaged on
research into the use of management services by local authorities.

He is a member of the education committee of the Institute of Administrative
Management—Editor.

APPENDIX 3

MAKING THE MOST OF

MANAGEMENT SERVICES

K W W Burgess   Administrative Management   June 1979

Computer Special

ADMINISTRATIVE MANAGEMENT

The Journal of The Institute of Administrative Management

Contents

...ill Platt, Chief Electrician at the London
...dium, using an *ITT S11 Direct Speech System.*

mputer Special

MAKING THE MOST OF MANAGEMENT SERVICES

by K. W. W. Burgess,
F Inst AM

Management Services is a relatively new term to describe the advisory techniques that can be used by specialists to help line managers. Some of these techniques were in use in the 1930s and considerably more have been introduced since 1945. Organisations vary in the range of techniques used and the way in which they are deployed. This article will consider the present situation and how the use of management services could be developed in the future.

In 1961 the author joined the college that eventually became Trent Polytechnic. He was appointed to introduce courses in office management and organisation and methods. Prior to this he was an administrator and an organisation and methods officer with Derbyshire County Council.

At present he is the tutor for administrative management courses and he designs and provides special courses tailored to meet the needs of individual companies. He carries out consultancy work and is currently engaged on research into the use of management services by local authorities.

This article in intended to outline some of the problems which face organisations using management services units and to suggest possible solutions.

As with any activity it is important for senior management to decide what contribution should be made by a management services unit. In practice the management services function may take many forms, and the way in which it is organised and the skill of the staff employed may contribute to or militate against success. So before suggesting the contribution that might be expected from a management services unit some basic facts must be examined.

The phrase Management Services is generally accepted as referring to advisory services that can be called upon to assist a manager in the performance of his tasks. Work study and organisation and methods are widely recognised as being part of management services, but other specialist techniques such as operational research and systems analysis are included as part of the management services function by many organisations. A strict interpretation of the phrase would include every type of specialist advice that a manager may seek to use to help him carry out his responsibilities. Such an interpretation could include the personnel and training functions, and also the services of management accountants and legal advisors. Certainly the latter group of specialists do not regard themselves as being part of a management services function.

In practice, along with many other management terms, the phrase, although in common usage, does not and never has had a precise definition that is generally accepted.

The quest for a definition started in 1964. In 1968 Reid analysed the writings of authors on this topic and recorded that a total of twelve techniques had been identified as being part of management services. Not all authors, however, considered every technique as appropriate. In fact three techniques — work study, organisation and methods and operational research — were mentioned by most authors as being part of management services. In 1978 Harris, as part of his research project to discover a definition of management services, published an analysis of the writings of ten authors, who between them mentioned 25 techniques. This time four techniques were by far the most popular. Three of these were the ones identified in 1968; the fourth was systems analysis. A further analysis of the practice of ten major organisations gave some support to twenty of the techniques, but the four techniques identified by the authors received overwhelming support. It can therefore be seen that management services consist of a core of basic techniques with an addition of any number of other techniques as deemed necessary by an organisation.

Management services may be provided in two main ways. The various consultants that are available can provide almost any service that is required. They invariably have considerable experience of the problems to be solved or techniques to be introduced. Alternatively, an organisation may appoint its own staff to carry out the management service function. This article will consider only the latter situation.

It can be seen that there are many different management services that may be needed by an organisation. At the moment, apart from organisation and methods and work study, training in the management services' field is carried out separately for each technique, and many practitioners have competence in only one technique. As a result it is possible that in extreme situations separate sections or departments are established for each management service. This situation is easier to understand when it is appreciated that the introduction of different management services into an organisation will normally take place over a period of time. Not only do the needs of the organisation manifest themselves at different times, but any organisation would be reluctant to introduce a wide range of new techniques all at once.

he position that often exists whereby rent management services' functions are vided in an uncoordinated way by groups people reporting to different directors or agers, is more a result of reacting to lems than a planned development, and is pounded by the training pattern of agement services' staff.

 manager confronted by management ices activities organised as separate units, vell as advisory activities available from r parts of the organisation, has the choice ubmitting a problem to many advisory ialists or to choose just one source of ce. Frequently, a manager will break n his problem in order to allocate it to a icular advisory service. This will often lt in a sub-optimal solution. For instance, nsatisfactory performance of a depart- t may be referred to an O & M unit if the ods of work are suspect; to the personnel rtment if staff performance is low sibly due to poor selection or pay, or tisfactory training); or to the manage- t or cost accountant if budgets are not g met or expenditure is excessive.

work is carried out at the lowest level of activity (that is the operations carried out by clerical staff) and little has been done at the tactical level where a manager decides how to achieve his objectives.

There appear to be advantages in combin- ing, wherever possible, management services activities under one manager. Most manage- ment services (apart from operational research) can be divided into two types of activity. One type calls for the practice of all the skills of the technique, and this has been called the Advisory Role. The other consists mainly of providing a service to the rest of the organisation, and this has been called the Service Role. These separate roles emerge only when a management services' technique has been in use for some time.

The emergence of the service role reflects the continuous application of a technique introduced by the advisory role. Usually, this technique is such that it must be based centrally and cannot be effectively allocated to departments.

An example of this feature is shown in Figure 1, set out below.

organisation is limited, and incomplete solu- tions to problems are likely to be put forward at all levels.

The consolidation of management services into one unit appears to be the best way to provide a unified service. By concentrating advice in this manner a more powerful unit can be created, and a service can be offered at all levels within an organisation up to and including the board of directors or other governing body.

The initial staffing of the unit will not be easy. At first it appears likely that the head of the unit may have to be sought from the professional consultancy field. There is only one professional body of which I am aware that examines its students at the required level of integrated systems design, and that is the Institute of Administrative Management. Undoubtedly, to be able to advise at board of director level will require persons of consider- able ability who are fully conversant with the practice of management.

The remainder of the staff will not be hard to find. Competent management services staff who are familiar with management needs are the main source. In addition, a few years in this environment would be an excellent train- ing for professionally-qualified potential line managers, after they have qualified in their particular speciality and before taking up a management post. The opportunity to undertake a problem solving activity or a study of an inter-departmental system, which demands the application of the skills already indicated, not only provides a very useful experience, but also enables people to show their capabilities. The operation of this unit will be on a team basis until each member has a thorough working knowledge of a number of the techniques.

The basic function of the management services unit is to provide an advisory service to managers throughout the organisation. At the highest level the unit may be called on to create alternative plans, or to carry out an evaluation of plans at board of directors level. A similar activity can be carried out for departmental managers. In addition, a service to design systems of work in the factory and the office, and to create management report- ing systems can be offered, where appropriate on an inter-departmental basis. A review of the organisation structure can be carried out, from the consideration of overall problems through an analysis of departmental structures down to individual job design.

One management service manager with a staff of over 40 persons has defined the role of his unit as "to provide a problem solving service" to the organisation. This is an ideal situation that can only come about when the organisation of the unit and the abilities of the staff are related to such an objective. ✪

lanagement rvice	Advisory role	Service role
& M	Organisation review Non-computer methods review	Forms control Machinery and equipment appraisal
omputer-data ocessing	Computer systems analysis	Provision of data processing service
rsonnel and aining	Development of policies for selection, training and reward of staff	Provision of a recruiting, training and job-definition service
anagement and st accounting	Financial advice and design of financial reporting systems	Budgeting and costing service

1. Examples of advisory and service roles

s most unlikely that the solution to a m will be found by studying it from ne point of view. The probable result is e aspect of the problem reviewed has a n proposed that will result in an vement in the area reviewed, but will bly not remove the total problem. us management services' staff do refer ms to one another, but as each has d in one particular technique the edge of other techniques will generally appreciation level or less. This pattern eant that most management services'

The two roles need different abilities. The advisory role requires the creative ability that is a characteristic of management services. The service role is administrative in character. Because of this it would facilitate an effective management service function if the service role activities were provided from some different source.

The major weakness of position that has bee scribed is the lack of opportunity to provi a coordinated problem-solving service to all levels of management. As a result, work at higher levels within an

CODE OF PROFESSIONAL ETHICS OF

THE INSTITUTE OF MANAGEMENT

SERVICES

Institute of Management Services Code of Professional Ethics and Guide to Good Practice in Management Services
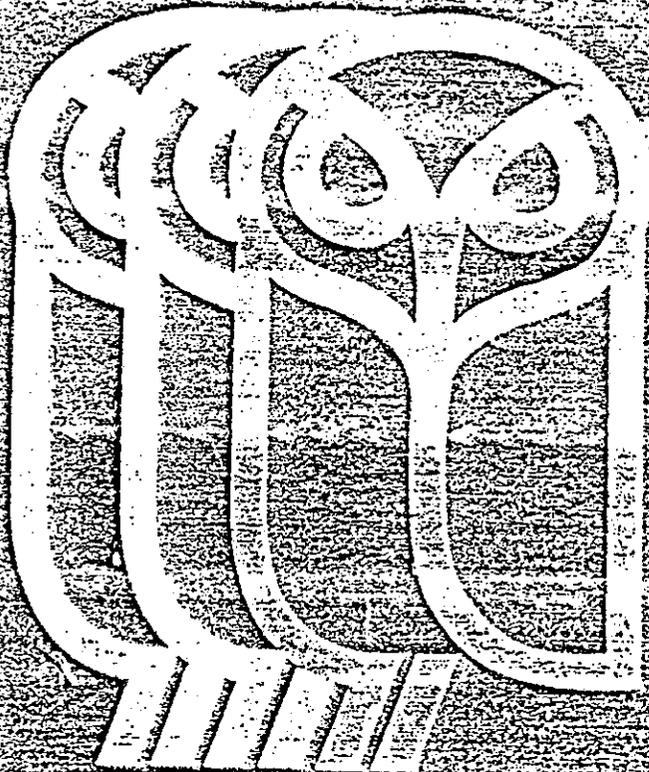
Code of professional ethics

This document replaces the Codes of Ethics and of Professional Practice first issued in 1975.

So that the public in general, and employers and employees in particular, may be informed of the nature of the services rendered by members, the council of management of the Institute has formulated the following statement as to the professional ethics which shall be observed by all practising members of the Institute of whatever grade.

Members of the Institute of Management Services of all grades shall:

1 Conduct themselves in a manner which will merit the respect of the community for persons engaged in the profession.

2 Uphold the reputation of the Institute and the dignity of the profession.

3 Carry out their professional duties responsibly and with integrity.

4 Collect and marshall facts without bias, and not allow their personal views or the views of others to influence their professional judgement, interpretation, analysis and presentation of those facts.

5 Not discuss with, or disclose to, any persons not authorised to receive such information by their employer or their employer's delegated representative, whether within or outside their employer's organisation, the date, results, reports or proposals arising from their work; nor shall they cause such confidential information to be misused or to be published without permission.

6 Not use information acquirea during a previous employment in any way which could be detrimental to their former employer.

7 Not receive any undisclosed material benefits other than their normal emoluments consequent upon an recommendation they may make in the course of their duties.

Guide to good practice in management services

These notes are intended to provide professional guidance to those practising in the management services field, particularly members of the Institut of Management Services.

1 While management services practitioners are primarily responsible to the management of the organisation in which they are employed, they als have obligations to their profession and must always attempt to use their professional skills with integrity and objectivity in the interests of the organisation as a whole. Should practitioners at any time find these two commitments conflicting they should stress their professional accountabilit and the overriding need for trust within the organisation that their skills will be used impartially and responsibly.

2 The work of management services practitioners can be concerned with people at any level within an organisation and the management services practitioner should therefore aim to build relationships based on mutual respect. To do this they must be alert and self disciplined at all times when carrying out their professional duties and extremes of behaviour or dress should be avoided It should be clear from the demeanour of management services practitioners that they are responsible members of the management team.

3 As management services practitioners are responsible for assembling facts, analysing particul situations, and for making recommendations for action, they should ensure that management are fully aware of all the effects that the implementatic of the recommendations might entail. This will particularly apply in the field of industrial relatio when the management services practitioner is involved with the assessment of work and method of payment.

4 Management services practitioners should not give a direct order to those who are responsible to the manager or supervisor of the particular work situation with which they are currently engaged unless specifically authorised to do so. They should always refer to that manager or supervisor matters concerning technical aspects of the work under review and should not allow themselves to be used as a diversion for complaints about management or supervision.

5 Management services practitioners should always attempt to be fully conversant with current industrial and other appropriate legislation and ensure that any recommendations for which they are responsible accord with such legislation.

6 There can be no objection to management services practitioners joining trade unions in their own individual capacity. They should however not allow any conflict to affect the objectivity of their professional skills.

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APPENDIX 5

MANAGEMENT SERVICES RESOURCES

IN LOCAL GOVERNMENT

LAMSAC   1976

Management services resources in local government

LAMSAC

EXTENT OF MANAGEMENT SERVICES

From a selected list of nine management services functions respondents were asked to indicate those services provided by their authority.

Some other services such as central purchasing, information, safety, welfare, secretariats were noted to us but their incidence was so small as not to warrant inclusion in the list.

Table 1 provides the analysis.

Table 1 — Type of authority		O & M	work study	operational research	personnel	training	project co-ordination	statistics	job evaluation	corporate planning
1 London	Yes	24	25	3	23	22	7	3	19	4
	No	4	3	25	5	6	21	25	9	24
2 Met counties	Yes	5	5	4	5	5	4	4	3	3
	No	–	–	1	–	–	1	1	2	2
3 Met districts	Yes	30	31	4	27	28	22	8	8	12
	No	1	–	27	4	3	9	23	23	19
4 Shire counties	Yes	37	37	16	36	36	22	16	20	19
	No	–	–	21	1	1	15	21	17	18
5 Shire districts	Yes	156	226	12	209	177	77	47	73	86
	No	100	30	244	47	79	179	209	183	170
6 Welsh counties	Yes	3	5	1	5	5	2	2	1	2
	No	2	–	4	–	–	3	3	4	3
7 Welsh districts	Yes	12	19	2	19	12	6	3	6	4
	No	7	–	17	–	7	13	16	13	15
8 Scottish regions	Yes	3	4	1	4	4	2	1	1	2
	No	1	–	3	–	–	2	3	3	2
9 Scottish islands	Yes	–	–	–	–	–	–	–	–	–
	No	1	1	1	1	1	1	1	1	1
10 Scottish districts	Yes	11	22	1	20	9	6	2	3	5
	No	19	8	29	10	21	24	28	27	25
TOTAL	Yes	281	374	44	348	298	148	86	134	137
	No	135	42	372	68	118	268	330	282	279

Table 11

Type of authority	The unit	The unit in consultation with client department or management team	The unit in consultation with a committee	The client department in consultation with a committee	A committee	A combination of the first four
		Assignments selected by:				
1 London	4	3	1	2	6	9
2 Met counties	1	–	–	–	–	3
3 Met districts	1	4	3	1	3	19
4 Shire counties	3	16	–	5	–	13
5 Shire districts	23	78	7	25	10	51
6 Welsh counties	–	–	–	–	–	2
7 Welsh districts	–	6	1	–	1	8
8 Scottish regions	–	1	–	1	–	2
9 Scottish islands	–	–	–	–	–	–
10 Scottish districts	1	10	1	2	2	1
TOTAL	33	118	13	36	22	108

Table 12

Type of authority	Reports approved by:		
	Chief Executive, head of client department or management team	A committee	Combination of both
1 London	6	4	13
2 Met counties	2	-	2
3 Met districts	10	3	16
4 Shire counties	20	1	16
5 Shire districts	69	11	97
6 Welsh counties	1	-	1
7 Welsh districts	3	-	13
8 Scottish regions	-	-	3
9 Scottish islands	-	-	-
10 Scottish districts	3	2	9
TOTAL	114	21	170

10. FORMAL TRAINING OF MANAGEMENT SERVICES STAFF

Respondents were asked to show whether formal training was given to management services staff.

Where training was given the answers indicated two kinds:

    (i) staff were encouraged to study for a professional qualification. In most cases assistance was given in the form of day release, enrolment fees, text books, student membership dues, etc.

    (ii) in-house training by senior staff and visiting lecturers, attendances at one-day courses, seminars etc.

LAMSAC can contribute greatly in the organisation of appreciation and specialist training courses on management services and computer topics, including "on premises" courses run for individual authorities.

Table 13

Type of authority	Number with a formal training plan for staff	Number without a formal training plan for staff
1 London	11	15
2 Met counties	4	–
3 Met districts	19	12
4 Shire counties	21	16
5 Shire districts	73	126
6 Welsh counties	2	2
7 Welsh districts	3	15
8 Scottish regions	1	3
9 Scottish islands	–	–
10 Scottish districts	5	14
TOTAL	139	203

APPENDIX 6

NATIONAL BOARD FOR PRICES AND INCOMES

- PAY AND CONDITIONS OF MANUAL WORKERS

IN LOCAL AUTHORITIES

Report No.29   1967

NATIONAL BOARD FOR PRICES

AND INCOMES

PAY AND CONDITIONS OF MANUAL WORKERS IN LOCAL AUTHORITIES,
THE NATIONAL HEALTH SERVICE, GAS AND WATER INDUSTRIES

REPORT No. 29
CMND 3280 1967

CHAPTER 5

LABOUR PRODUCTIVITY

56. The manual workers, both men and women, covered by the references form a significant part of the country's total labour force. We have tried, therefore, to establish how effectively they are being used. Our general conclusion is that there is ample scope in all four industries for increasing labour productivity. We have also formed the view that, taking the country as a whole, the standard of labour management in local authorities' services, the National Health Service and water supply is low. Some steps have been and are being taken to improve performance but much remains to be done. In the following paragraphs we consider each industry in turn and explain the considerations which have led us to our conclusions.

Local authorities' services

57. Our enquiries suggest that there is extensive under-utilisation of labour in local authorities. The efficiency with which manpower is used varies, particularly with the size and type of authority, but the scope for significant improvement is widespread. There is an increasing awareness by some local authorities of the need for improvement and, in a few, large increases in labour productivity have already been achieved. But such authorities are in the minority.

58. The scope for improvement is illustrated by the gains in labour utilisation that have already been achieved in individual cases. Examples of the gains to be secured by work study and the introduction of incentive bonus schemes are given in Appendix 11. The Appendix shows increases in output per head in highways work ranging from 45 to 100 per cent; for paviors, from 40 to 98 per cent; refuse collection, from 29 to 50 per cent; street sweeping, from 28 to 100 per cent; gully emptying, from 35 to 102 per cent; parks and cemeteries, from 46 to 70 per cent; and sewage, from 30 to 65 per cent. Typical increases in earnings associated with these increases in productivity ranged from 20 to 40 per cent.

59. The use of work study is spreading among local authorities in England and Wales with the support of the trade unions and under the stimulus of the Local Authorities' Conditions of Service Advisory Board; similar encouragement is now being given by the N.J.I.C. Advisory and Productivity Committee in Scotland. These developments are, however, relatively new and only a minor part of the work of local government has so far been made the subject of study.

Table 13.

Use of incentive schemes by local authorities in England and Wales

Percentage of workers paid under incentive schemes								Percentage of authorities
Nil ...	...	...	...	...	...	...	...	59
0–19 per cent	...	...	...	...	...	...	...	15
20–39 per cent	...	...	...	...	...	...	...	17
40 per cent and over	...	...	...	...	...	...	9
								100

About 7½ per cent of local authority manual workers in England and Wales are covered by incentive bonus schemes; the workers covered are almost entirely men, 16 per cent of whom are paid under such schemes (the figures are very much lower in Scotland). The average incentive payment to these workers is 58s. 10d. compared with, for example, 99s. 10d. in the gas industry.

60. Less than half the workers receiving incentive bonuses were covered by schemes which had been set up following work study. Some schemes appear to have been introduced more as devices to raise earnings in order to attract and retain labour than as a means of increasing efficiency and reducing costs; such schemes are, by definition, not properly controlled and can easily get out of hand. The savings that can be achieved, however, from properly thought out schemes can be very great. The rate of saving in labour costs and on-costs commonly lies in the range £100 to £300 a year for each operative employed after taking account of the costs of devising and administering a scheme. Thus typically for a labour force of five hundred men, the net saving achieved from the introduction of work study and accompanying incentives would be £50,000 to £150,000.

61. It is frequently asserted that any lack of efficiency in this industry is a reflection of the low capacity of many of its workers. Although the potential of some may not be high and the average age of the labour force is higher than in industry generally, the figures quoted in Appendix 11 suggest that the more important reason for inefficiency is the acceptance by management of low standards of performance as normal and a failure to take sufficient steps to realise the full potential of the labour force.

62. This generally unsatisfactory situation has numerous causes. The heterogeneous structure of local government, with its large numbers of small units, tends to lower efficiency. This is, no doubt, one of the matters to which the Royal Commissions on Local Government are giving attention. Another important factor is that local authorities and their departments are concerned more with overall expenditure than with unit costs and efficiency. Audit control is mainly concerned with keeping total expenditure within budgetary targets, and too little attention is given to value for the money spent. Cases have been reported to us of peak activity before the end of the financial period in order to use up appropriations or, at the other extreme, of resources being under-utilised towards the end of the financial year through lack of spending power.

63. The manual labour force of a local authority is normally divided among a number of departments, each under a chief officer responsible to a committee of the elected Council. This subdivision is particularly marked in Scotland. In England and Wales it is more common for much of the labour force to be combined under the Borough Engineer, but there is no general manager or chief executive in the sense in which these terms are understood in private industry: the Town Clerk is no more than first among equals. Departmental autonomy in the employment and use of labour poses obvious difficulties for the co-ordination of manpower policies and requirements. In many authorities there is little mobility of labour between departments and a tendency for each department to hold staff to meet its own peak periods, though the peaks occur at different times in different departments.

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64. Chief officers are usually chosen for their professional and technical competence and their ability to operate within the committee system of local government. Skill in the management of a large labour force does not rank as highly as technical expertise. The overriding emphasis given to professional qualities rather than to basic managerial skill presents serious problems, independently of those which arise from the absence of effective cost control mechanisms. Chief officers tend to be more remote from their employees than their counterparts in private industry, and the control of labour is frequently delegated to deputies or middle level officers.

65. Such delegation, in itself, need not be a serious disadvantage: where the quality of middle management and the efficiency yardsticks and controls are satisfactory, few problems need arise. These conditions are seldom met: insufficient attention is given to equipping the officials concerned with the necessary managerial expertise and to encouraging cost consciousness. Although there is interest in the training of engineers in engineering, there is a lack of awareness of the need for formal training in management. Outside the County Councils few training schemes exist. Knowledge of modern management techniques is generally absent in small authorities and is limited even in large authorities: supervisors seldom receive any training in foremanship. The employment of management service units to remedy these defects is spreading, but too slowly to have produced a significant impact on the whole field.

66. Managerial deficiencies at higher levels throw a weight of responsibility on the lower levels which they are generally unable to shoulder. Detailed planning of work on outdoor sites is often left to individual and inadequately trained gangers and, as a result, job planning is generally poor: overmanning of jobs and under-utilisation of labour are the consequences.

67. We can give specific examples of what we have in mind. Thus, men are often required to report to a depot at the start of a day's work and are then transported to the working site, although it would save time and money if they reported directly to the site. The gangs of men employed on road reinstatement are sometimes so large that it is impossible for all the men to have adequate access to the work. Paviors are often supplied with two or three labourers when only one is required. On manual tasks gangs are commonly too big: in contrast, when expensive machinery is hired for a special job, the supporting gangs of workmen are often too small to enable the machines to be used to capacity. Frequently the arrangements for co-ordinating labour, transport and materials are inadequate, so that numbers of men are kept waiting for vehicles or supplies. There was, in fact, evidence of low labour utilisation in two-thirds of the local authorities visited in the course of the enquiry we commissioned into the use and application of labour.

The National Health Service

68. To some extent, the National Health Service exhibits a number of the characteristics that are found in local government. At the local level, responsibility for the control of the manual labour force is divided; hospital

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keeping within budgets rather than to reducing unit costs. Something has been done and is being done to secure improvements in regard to these matters. Some use is made of unit cost comparisons as between hospital and hospital and there are arrangements in the Service for the training of administrators in management. In consequence, some hospitals operate at much higher levels of efficiency than others: Appendix 12 shows, for example, that levels of staffing can be quite different between one hospital and another. To some extent, as the Appendix indicates, this is due to the hospitals being of different types but even among hospitals of the same type there are variations in staffing.

69. There could be difficulties in applying too rigorously in a hospital some of the normal techniques of management. For example, the unit cost approach might not easily be reconciled with the wide variations in hospital functions and, in a service where the needs of the sick are paramount, the interests of the patients might suffer from the indiscriminate introduction of incentive schemes of the type in which payment varies directly with performance.

70. Making full allowance for the special circumstances of the National Health Service, we believe that there is still plenty of room for improvement in the utilisation of its manual labour force which represents some 20 per cent of total hospital costs. The main deficiencies would seem to be in organisation and the use of modern labour management techniques.

71. As regards organisation, the running of a hospital requires a balance between the needs of the administrative service—which is normally responsible for the manual labour force—and the medical and nursing services. The success with which the three services are integrated varies considerably from hospital to hospital and, on the administrative side, the delegation of authority within hospital groups is not consistent. In some, the Group Secretary (the chief administrator) acts as a managing director with the running of the manual labour force in each hospital fully delegated, but in others he intervenes in the day to day activity of particular departments of manual workers in individual hospitals. Moreover, the lines of authority from the supervisors of particular departments to the senior administrators in the hospital, particularly the Hospital Secretary, and to the specialists in domestic, catering and similar work at group level often cut across one another so that conflicts of authority can arise.

72. Improvements in the level of management efficiency would be more easily achieved if individual Hospital Management Committees were responsible for greater numbers of hospitals and could thus provide an adequate base for a full range of management services. This would also make it easier to secure manpower savings in the manual field through integrating activities and mechanising plant. Such concentration would, of course, have implications for the medical and nursing services which lie outside our reference.

73. As regards labour management techniques, there is scope for the much wider use of work study. A certain amount of method study is already carried out in the manual field but the work done so far has not led to the introduction of incentive schemes of payment; there are at present in the hospital service only a few schemes on an experimental basis. The unions, disappointed that schemes have not been introduced, have recently been withdrawing their co-operation from method study in project.

APPENDIX 7

REPORT ON THE MANAGEMENT OF LOCAL

GOVERNMENT VOLUME 1

1967

COMMITTEE ON THE
MANAGEMENT OF LOCAL GOVERNMENT

Management of
Local Government

Volume 1

LOCAL GOVERNMENT
ADMINISTRATION IN ENGLAND AND WALES

by

MARGARET HARRISON *and* ALAN NORTON

An Enquiry carried out for the Committee

carried out by different sections of the department. We see two purposes in the grouping of departments:—

(*a*) to ensure active co-ordination in the planning and execution of functions which are inter-related;

(*b*) to assist in the effective co-ordination of the team of officers which would be made particularly difficult if the Clerk has to work with a large number of heads of departments.

226. We are aware that in local authorities in Germany (for example) a high degree of co-ordination is obtained by placing services in the minimum number of groups: related work is done in a single group, and even within a group separate sections are created sparingly.[78]

227. We make no recommendations on the way in which departments should be grouped, although, in our view, their number can be reduced to half a dozen or so. This is a matter for local determination having regard to the span of control which can be effectively exerted by any head of a department. Local authorities should consider arrangements on the following lines as being designed to meet the needs set out in paragraph 225:—

(*a*) Grouping certain departments under one senior principal officer, to whom the 'service' principal officers would be responsible, and who would himself be answerable to the Clerk. This arrangement might be particularly suitable for those departments concerned with physical development in authorities faced with problems of urban renewal where there is a need for co-ordination not only at the planning stage but also in the execution of the work 'on the ground'.

(*b*) The establishment of a social work department to cover the personal social services although authorities may wish to delay action until the recommendations of the Seebohm Committee[79] have been published.

(*c*) Authorities should consider making greater use of project teams drawn from several departments to meet specific short term needs; these arrangements could be made irrespective of whether the authority has made other provisions for grouping departments. Project teams might be particularly valuable in assisting an advisory committee in its study of a topic.

(*d*) Grouping of small miscellaneous departments such as those for parks, cemeteries and baths and wash-houses.

We recommend that local authorities examine their departmental structure with a view to a drastic reduction in the number of separate departments.

Management services and the computer

228. In paragraphs 201 and 202 we refer to the use of cost-benefit analysis and other evaluation techniques to be carried out as part of the staff work of officers, and to job evaluation techniques and other approaches to establishment planning as part of the management function. The research report stresses that local

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[78] Volume 4. Local government administration in the Federal Republic of Germany: paragraph 166.

[79] The committee on local authority and allied personal social services.

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authorities in this country have a commendable record in what they have achieved by way of introduction of management services, new techniques of measurement and control and the use of computers within the last few years.[80] In none of the countries visited by Dr. Marshall does he find that local authorities have advanced so far.

229. There are unfortunately many authorities which lag behind, and others whose interest has not gone further than the review of elementary clerical procedures. Nor has there been much co-operation among authorities in a field where joint action has so much to offer. Moreover, local authorities have not always made the fullest use of such services as they have. In particular, though some local authorities have brought their committee procedures under scrutiny, all too many have not allowed O and M investigations to go beyond the departmental level: examination of top structure and consideration of overall high level devices such as programmed management have been outside the scope of most investigations. This is perhaps not surprising in the light of the discouragement to integrated and efficient management which the existing committee system has presented.

230. The organisation we propose will give even greater scope for the use of advanced management techniques of all kinds. They include, as well as O and M, work study and job evaluation, the more elaborate techniques of cost-benefit analysis, operational research, regression analysis and critical path analysis, all of which offer exciting possibilities. Co-ordinated management of an authority's affairs through a management board and a team of principal officers led by the Clerk will put all these management aids at the service of the authority as a whole and not of individual departments. It will enable officers of all departments to think in terms of the new tools. They are not a substitute for good management but they offer invaluable aids to decision-taking, securing value for money and the improvement of efficiency.

231. We do not advocate that management services should always be grouped together as one unit although there are advantages in doing this. But if the computer, for example, is placed in the treasurer's department this must not in any way make its use by other departments more difficult, and the needs of the authority as a whole must be borne in mind when equipment is acquired. It will be the Clerk's duty to see that this is done.

232. Training in the use of the management services was a matter within the terms of reference of the Committee on Staffing. But we emphasise the need for the Clerk and the other principal officers to be 'numerate' so that they can appreciate the potentialities of these modern management services and we would stress the need for the staffs of local authorities to keep up to date with current developments.

233. We recommend that:—

    (a) Local authorities develop the use of management services, the rapidly developing tools of measurement and control including the use of computers, to the maximum.

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[80] Volume 5. Chapter 16. Management services—some recent developments: paragraph 33.

(*b*) Where local authorities cannot themselves justify the setting up of these services, e.g. the installation of their own computers, joint arrangements with other authorities should be established.

Management board and party politics

234. At present committees are committees of the council and therefore they represent broadly the party composition of the council. The research report shows that the practice of appointing chairmen of committees exclusively from the majority party although not universal is frequent.[81] It is a short step for the chairmen of committees under present arrangements to constitute a form of 'cabinet'. In paragraph 159 we imply that the management board should be selected or elected by the council. If our proposals for the internal organisation of a local authority are followed, there will be a change in the character of committees and a concentration of power in the management board. Many will see in this an invitation to the majority party to use its majority in the council to ensure that all seats on the management board are occupied by its members. Dr. Marshall's enquiries show that, in those local authorities abroad where there is a 'plural' management body, it is not the practice for it to be composed exclusively of members from one political party. In Sweden where politics are 'all pervasive' and are not regarded as a 'baleful influence', executive committee membership by custom reflects the political complexion of the council. In Stockholm however the commissioners are politicians elected by the council and are the leading people in the party. The College of Burgomaster and Aldermen in the Netherlands is not politically homogeneous, and the German Magistrat generally reflects the council's political composition.

235. Two points of view emerge. On the one hand, it can be argued that party politics are part of the fabric of public life and the essence of party politics is conviction on certain principles, loyalty to a party's doctrines and the taking of sides. On this basis the members of the majority party might claim that they alone should serve on the management board where policy decisions will be taken. It can be further argued that as the management board would be an officially appointed committee of the council, the party leaders who form its membership could properly have the advantage of the advice of officers in taking decisions. At present, meeting as a party group, this is denied them. If the management board is composed of members of both the majority and minority parties, the real decisions are like'y to be taken at private meetings of the leaders of the majority group and without the benefit of advice from officers.

236. On the other hand it can be argued that if the management board is monopolised by the majority party it will involve the Clerk and the other principal officers in association with and responsibility to a party majority and not, as now, to the council itself and all its members. If the majority party remains in power for a protracted period, members of the minority party will not be able to share in the responsibilities of the authority and able men and women sponsored by the minority party may be deterred from standing. Where the balance is fairly even, there are obvious advantages in the minority party

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[81] Volume 5. Chapter 5. Some effects of the presence or absence of party politics on the operation of local authorities: paragraphs 7 and 8.

APPENDIX 8

REPORT ON THE MANAGEMENT OF

LOCAL GOVERNMENT VOLUME 5

1967

COMMITTEE ON THE
MANAGEMENT OF LOCAL GOVERNMENT

Management of Local Government

Volume 5

LOCAL GOVERNMENT ADMINISTRATION IN ENGLAND AND WALES

by

MARGARET HARRISON *and* ALAN NORTON

An Enquiry carried out for the Committee

Management Services—Some Recent Developments

Introduction

1. We use the term ' management services ' in this context to cover some of the relatively new techniques involving the use of specialist staff for improving organisation and procedures and increasing administrative effectiveness. The earliest of these to be developed was work study. Organisation and methods, to some extent its offspring, has nevertheless tended to be introduced first in many authorities. It originally concentrated on clerical work, but has come to acquire a much broader scope. Raymond Nottage defines it as ' the process of giving systematic and scientific study to the organisation of an authority, a department of an authority, and to the detailed methods of work which are employed within the various departments[1]'. Its objects, put simply, are to secure economies in cost and labour and improvements in the standards of service. This definition is wide enough to include work study[2], although the latter, in most authorities where it is in use, tends to have its own separate practitioners, and despite its much wider applications has come to be closely associated with employee incentive schemes. (The National Joint Council for Local Authorities Services (Manual Workers) have recently produced a Work Study Code for Local Councils which emphasises that local authority incentive schemes should be based on work study principles.)

2. Other skills of more recent origin which may be grouped under the management services head include operational research, network analysis and, in the field of forward planning, cost benefit analysis. The use of computers is another management aid which has, in common with all these techniques, applications in many local authority services and requires a rigorous appraisal of method. We have not attempted to make a detailed study of any of these skills. We asked in our postal questionnaire whether or not O. and M. and work study officers had been appointed and computers were in use. We also asked for further information about the use of O. and M. in our supplementary questionnaire with a restricted circulation. In addition we gained some incidental knowledge of the use of O. and M., work study and computers in a few of the authorities to which we paid visits. This chapter serves to gather this information together and to indicate very briefly one or two of the problems associated with the use of these techniques in the local government setting.

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[1] ' Organisation and Methods in the Smaller Public Authority '—Public Administration, Summer 1954.

[2] ' A generic term for these techniques, particularly method study and work measurement, which are used in the examination of human work in all its contexts, and which lead systematically to the investigation of all the factors which affect the efficiency and the economy of the situation being reviewed, in order to effect improvement '.—Glossary of Management Techniques, H.M.S.O. 1967, extracted from British Standard 3138: 1959.

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The extent to which O. and M. and work study are in use

3. Table XLVII summarises answers received on this subject in reply to the main postal questionnaire. It will be seen that at the time of reply (summer 1965) about two-thirds of the counties, a half of the county boroughs, a quarter of the non-county boroughs, an eighth of the urban districts and a ninth of the rural districts employed O. and M. officers or had employed consultants during the previous five years. No clear relationship emerges between size and the likelihood of employing O. and M. Some of the smallest second tier authorities had employed O. and M. consultants, while three counties with populations of over 600 thousand had neither employed a consultant nor appointed their own O. and M. officer. Over half of the county boroughs with populations between 60 and 200 thousand had not used O. and M. although this was true of only an eighth of the county boroughs with populations of over 200 thousand. None of the rural districts with populations of over 60 thousand had employed O. and M. As might be expected, the counties and county boroughs are more likely to have their own O. and M. officers than to have only employed consultants, while very few of the second tier authorities have their own O. and M. officers.

4. In the case of work study, about one third of the counties, a little more than half the county boroughs, a quarter of the non-county boroughs, an eighth of the urban districts and a ninth of the rural districts had a work study officer or had employed a works study consultant in the last five years. In general the distribution is very similar to that for O. and M. except in the case of the counties, where the smaller number of manual workers employed explains the relatively small number using work study.

5. The O. and M. and work study consultants referred to are in some cases local government units from elsewhere. In one county all the authorities we consulted had either been surveyed by the county O. and M. unit or were awaiting such a survey. County O. and M. teams elsewhere were stated to have amongst their functions the provision of services to second tier authorities.

6. As noted under Table XLVIIa relating to the London Boroughs, ten of the inner Boroughs were, at the time of the questionnaire, members of the London Boroughs Management Services Unit. The Berks, Oxford and Reading Joint O. and M. Unit is another example of joint action which has made possible a degree of specialisation and the exploration of advanced techniques otherwise unavailable to medium sized authorities. (We had several expressions of the need for co-operation between authorities to make possible the general use of management service techniques and to spread management information. One councillor thought there was a need for a country wide O. and M. organisation).

O. and M. Its status, position in the departmental structure and scope

7. The O. and M. officer does not in principle bring a new function into an authority; it has always been assumed that keeping the organisation of their departments and the methods in use under review in order to promote efficiency was a part of the normal responsibilities of a chief officer. The O. and M. officer should bring special experience and skills to this task; he does not however in any way relieve the chief officer of a duty. In so far as the O. and M. officer advises the chief officer of the department and the chief officer uses his advice at

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Preliminary analysis of data and programming for the computer will in addition necessitate a comparison of systems and procedures by the authorities concerned and might well lead to a general adoption of those which are most efficient.

Conclusions

33. It may be agreed that given the present pattern of local government, its fragmentation and financial handicaps, local authorities in England have a commendable record in what they have achieved by way of the introduction of management services within the last few years. Organisation and methods techniques, work study, operational research and other advanced techniques for optimising performance, as well as the use of computers, have in common that they make possible systematic appraisal of methods and performance to a degree quite beyond what has previously been envisaged. They hold the power to transform the current image of local government administration, and therefore, it may be presumed, to improve recruitment. A treasurer who spoke to us had no doubt that one of the major benefits of acquiring a computer was that it would help to attract able officers to his department. This is not just a matter of inter-authority competition for scarce staff; it is also significant in the context of competition between local government and industry for future leaders. The possibility of maintaining comprehensive central records for an authority on a computer and of inter-relating those from different services to achieve greater economy and at the same time a much enhanced supply of information constitutes an additional argument for the integration of the departmental structure. If these arguments are correct it is of high importance to local authorities to ensure that there is as little as possible in current higher level management arrangements to impede the best use of these techniques.

34. In view of the advantages in specialisation and economies in the use of highly skilled staff which can be obtained through joint-user organisations, any planning for the development of computer usage should include an assessment of the value of co-operation with other authorities to set up units able to offer the most advanced services.

TABLE 16.1

Computer Applications

(Extracted from Local Government Computer Panel List. Not all are operational and many are restricted to only one or two authorities).

1. Financial

Salaries, wages, superannuation records and associated returns

Payroll—salaries, wages, pensions and gratuities, including increments, incentive bonuses, calculations, cash analysis, cheque preparation, credit transfers, allowance and optional deduction accumulations, national insurance, graduated pension and P.A.Y.E. deductions.
Apportionment of overheads.
Various returns.
N.I. certificates, schedules and card exchange
Control of graded teaching posts.
Firemen's turn-out, attendance and retaining fees.

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TABLE XLVII
AUTHORITIES USING ORGANISATION AND METHODS
AND WORK STUDY TECHNIQUES

Population Range (thousands)	Total Authorities	Number of Authorities employing					
		(a) O. & M. Officer	(b) O. & M. Consultant (in last 5 yrs.)	Neither (a) nor (b)	(c) W. St. Officer	(d) W. St. Consultant (in last 5 yrs.)	Neither (c) nor (d)
Counties							
10–20	1	—	—	1	—	—	1
20–30	1	—	—	1	—	—	1
30–60	5	—	2	3	1	—	4
60–100	2	—	1	1	—	—	2
100–200	9	2	4	3	1	...	8
200–400	11	8	3	3	4	2	7
400–600	14	8	3	3	7	4	6
Over 600	12	9	—	3	5	—	7
All	55	27	13	18	18	6	36
County Boroughs							
30–60	6	1	1	4	2	1	4
60–100	27†	3	10	15	9	13	11
100–200	29	11	2	16	12	6	16
200–400	10	8	6	1	8	4	2
400–600	3	—	2	1	1	2	1
Over 600	3	2	2	—	2	1	1
All	78	25	23	37	34	27	35
Non-County Boroughs							
Under 10	64	...	4	60	—	4	60
10–20	47	—	11	36	1	2	44
20–30	28	—	8	20	2	7	21
30–60	83	3	28	54	20	32	50
60–100	22	2	6	14	9	8	9
All	244	5	57	184	32	53	184
Urban Districts							
Under 10	65†	—	1	63	—	1	63
10–20	50	1	4	45	2	4	45
20–30	20	1	5	15	1	3	17
30–60	16	1	4	12	—	6	10
60–100	3	—	2	1	2	1	1
100–200	2	1	—	1	2	2	—
All	156	4	16	137	7	17	136
Rural Districts							
Under 10	35	—	1	34	—	1	34
10–20	55	—	6	49	—	2	53
20–30	31	—	2	29	—	2	29
30–60	24	1	7	17	3	7	16
60–100	5	—	—	5	—	1	4
100–200	1	—	—	1	—	1	—
All	151	1	16	135	3	14	136

† Information not supplied by one authority in group.

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<u>APPENDIX 9</u>

REPORT OF THE ROYAL COMMISSON ON

LOCAL GOVERNMENT IN ENGLAND

RESEARCH STUDY NO.1

1968

Royal Commission on Local Government
in England

RESEARCH STUDIES
1

Local Government in South East England

by

THE GREATER LONDON GROUP
THE LONDON SCHOOL OF ECONOMICS AND
POLITICAL SCIENCE
(University of London)

(c) Management Aids : their Potential

102. To recall our opening paragraphs, we asked whether management aids might be subject in their use to increasing marginal returns.[2] In our assessment of each management aid we defined two distinct modes of operation.[3] Ignoring for the moment the residual category, we termed these the " *full employment* " and the " *partial employment* " of management aids. In each case this distinction of degree amounts to a difference in kind, each mode of employment reflecting a distinct approach to the problem, and a distinct expectation as to the result. But we have also argued a close relationship between the separate "disciplines" of O. & M., work study, operational research, and the data processing function of the computer. The outstanding management services team performs work study and O. & M. tasks, uses O.R. techniques, and utilises the computer as an aid to solving management problems. To " fully employ " any one of these practices is therefore to reap benefits in the related fields.[4]

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103. In each of the sub-sections above, we picked out the " pace setting " authorities. In each field certain councils recur: East and West Sussex, Kent and Hertfordshire. It would appear that the approach to and expectations from the whole range of management aids on the part of these few authorities is so far above the norm as to constitute a special category. Management aids, as we have argued, to yield maximum returns demand integrated use. They are in their essence indivisible. And when fully employed in this integrated manner they yield increasing marginal returns. These four authorities stand out, for this reason, as being quite clearly ahead of their fellows. Their use of management aids is superior not just in degree, but in kind. We therefore suggest a further typology of the use of management aids which will serve to dramatise this higher level of employment, a distinction between their use as a *service to management* and their use as a *technique of management* itself. It is this latter approach that avails itself of the potential of management aids to " transform . . . the means of performing . . . routine administration ".

104. To sum up the foregoing, we have laid emphasis on the indivisibility of management aids, realising that this represents an ideal probably unattainable under our proposed district pattern with the present level of technology, or attainable only at cost of uneconomic anomalies in computer operation. But where this integrated approach is possible, it yields increasing marginal returns in terms of information, co-ordination, decision-making, work planning and productivity. This integrated approach, which we have termed a *technique of management* as distinct from a *service to management* clearly puts a premium on financial resources. There are, however, implications for the structure and policy of the local authority that are in the long run inescapable. The concept of integration elaborated here goes beyond the findings of the Maud Report for example.[1] And policy questions of manpower planning, recruitment, and job evaluation run as a common thread through the integrated approach to management services.

105. This focusses attention upon the internal dynamics of the authority. Initiative and foresight, and a commitment to a wider interest than that of the individual department, are further conditions of the employment—or at least of the " full employment "—of management aids. Given ample scope and adequate resources, most authorities, as we have seen, embark on programmes of work in the O. & M. and work study fields, and obtain a computer. But the manner in which these are used—in our words, as a technique of management—is dependent upon these " internal dynamics ". The most important single condition here, is of a strong Clerk playing a central role. Without this willingness to maintain power—including the power to initiate organisational reviews—at the centre, the elaborate provision of management aids is meaningless. We feel this point to emerge very clearly from Appendix VI to this Report.

V: SUMMARY OF CONCLUSIONS

106. District authorities with penny-rate products of £15,000 and populations of 75-100,000 are at present able to maintain internal O. & M./ work study teams. To add to this the computer, with its attendant staff and facilities, would demand a higher minimum in the region of £35,000 penny-rate product—or (say), 250,000 population. At this level a degree of integration is possible with the employment of high quality staff in a Management Services division. The administrative size implied by these figures in the cast of a most—or all-purpose authority also offers considerable scope for the employment of management aids.

107. Larger authorities can do more in the way of specialisation and training (see Appendix V) but the London experience shows that specialist services and staff training can be easily handled by such bodies as the London Boroughs Management Services and Training Committees, as complements to the internal unit. These two organisations, statutory committees under the Local Government Act 1933, provide models for the future development of management services.

108. Whilst district authorities of this size and upwards could afford to maintain computers of the present generation, there are no advantages in ownership per se in this field. Limited joint operation could pave the way for the development in the near future of regional or sub-regional multi-access computers serving all district authorities.

109. At regional level enormous scope would exist for O.R. and data processing, in view of the functions we envisage at this level. The size of the adiministrations would support large O. & M. teams, and sufficient manual workers would probably be employed to enable work study to develop alongside these. At this level, as well as that of the district, the scale of management services operations would be such as to enable a high degree of integration and cross-fertilisation between the different aspects. From this basis, developments in manpower planning, with implications for recruitment, training and promotion, as well as for economic planning, are likely.

110. The "district and region" concept of local government, with units of upwards of 200,000 and 2 million respectively, would therefore not only enable all authorities to make full provision of advanced techniques and services, but would also provide a vehicle for the future development of rational and scientific "techniques of management" in the public service.

111. But our most important conclusion must take the form of a caveat: size and resources are only necessary, and not sufficient, conditions for the employment of management aids. A policy decision at high level is also necessary. Further, to employ these aids to their full extent, as a "technique of management", demands a forward-looking Council, co-operative Chief Officers, and, above all, a strong Clerk with the ability and opportunity to exercise overall central control.

APPENDIX 10

EVIDENCE SUBMITTED BY THE SOCIETY

OF TOWN CLERKS TO THE WORKING GROUPS

ON LOCAL AUTHORITY MANAGEMENT STRUCTURES

1971

Pi Jent:

R. R. THORNTON, M.A., LL.B.,
Leicester

Vice-Presidents:

S LLOYD JONES, LL.M
Cardiff

J. H. W. GLEN, LL.B.
Kingston upon Hull

Hon. Treasurer:

J. P. ASPDEN, LL.B.
Warrington

Hon. Secretary:

T. FOORD, LL.B.
Worthing

Phone: WORTHING 37111

TOWN HALL, WORTHING, SUSSEX.

22nd October, 1971.

Dear Mr. Osmotherly,

Working Group on Local Authority Management Structures.

I very much regret that it was not possible to let you have The Society of Town Clerk's written evidence as requested by you by the end of the first week in October. As you will see from the attached document, we felt it would be advisable to collate the experience of a number of senior Town Clerks who have been very closely involved in this subject and this has taken rather more time than that allowed.

In submitting the Society's evidence, I would make one or two particular comments. Firstly, the Society's evidence advocates the setting up of a central policy committee with cogent arguments in favour. It is readily acknowledged, however, that in the past the vast majorities of councils have rejected the "management boards" concept advocated by Maud. The general feeling is that the concept has been rejected in the past because the majority of members of councils feel that they will become second class councillors if a high power policy committee is interposed between the service committees and the council. Nonetheless, we believe that the concept is fundamentally sound.

There is a feeling among members that it would be unwise and impracticable to suggest one system of management which would suit all the new authorities. These new authorities will be complex organisations which in the end should be trusted to evolve the best system of management to suit their individual needs. In the present local government structure there are many large authorities which, without adopting elaborate formal arrangements and without much publicity, have achieved entirely satisfactory working arrangements both at committee level and officer level whilst still using the traditional titles of Town Clerk, etc.

/The study.........

E. B. C. Osmotherly, Esq.,
Working Group Secretariat,
Department of the Environment,
2, Marsham Street,
London, S.W.1.

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THE USE AND LIMITATIONS OF MANAGEMENT SERVICES

INTRODUCTION

1.   Local authorities have a talent for consuming resources. Their share of the G.N.P. has grown from 9 per cent in 1966 to 12 per cent in 1970 and this rate of growth shows no signs of slowing down.

          Local authorities are continually under fire from two directions. They are urged by their constituents, pressure groups and government departments to expand their services. At the same time, they are pressed – by the same government departments and ratepayers now speaking with different voices – to reduce their expenditure. In other words, authorities find themselves squeezed between rising costs, caused by inflation and increasing demand for services, and the political reality that rates cannot be increased at will.

2.   If an authority is to go any way towards meeting these conflicting demands, it must conduct its affairs more economically, ensuring that managerial functions at every level are discharged with the smallest possible use of capital and labour.

3.   In running the Council's services, members and officers alike must ensure that these are provided in the most efficient and cost-effective way possible. This can best be achieved by the use of modern management skills and techniques, setting measures of effectiveness for services, by determining annual objectives and the periodic review of progress towards them, and by a willingness to question the continuing need for services.

          It is not surprising, therefore, that local authorities have been awakened in recent years to the need for more thorough examination of their services, their spending patterns and the productivity of their work forces. Thence the growth of "Management Services".

DEFINITION AND SCOPE OF MANAGEMENT SERVICES

3.   The term "Management Services" comprises all those services which help management to plan, control and improve the activities of the organisation in a general sense.   This term is wider than the orthodox interpretation which is generally limited to "efficiency or productivity services".   A comprehensive list would be:-

Corporate planning (research and development, modelling).

Corporate planning control (P.P.B.S., network analysis).

Intelligence unit (statistics, consumer research).

Financial control (financial advice, revenue control, not accounting).

Manpower planning and control (establishment, conditions, recruitment, training).

Land and property management (purchase, sale, allocation, management).

Efficiency improvement services (O. & M., Work Study, Operational research, Computer Systems).

Management audit (monitoring achievement of objectives).

4.   It is, of course, necessary for the resources of manpower, materials and equipment in any organisation to be used effectively and efficiently.   But the extent to which these objectives are achieved must, in the main, depend on the quality of management in the organisation. The good manager should, however, make use of all the specialist tools . and advice available to him.   He will do so provided that he is aware of their existence and they are fashioned to serve his needs.

5.   The quality of the advice given to management by management services staff will clearly depend on the quality of the staff doing this work.   Assuming that the units are staffed with the right kind of people, they can make a particular contribution because:

i.   they can approach problems of organisation, procedures and staff utilisation in an objective manner;

ii.   they have the time to study a work situation comprehensively, critically and through "new eyes";

iii   they have acquired experience in collecting basic data by interviewing, observing, sampling, etc., and in analysing the data they will bring to bear formal techniques in which they are expert.

iv.   they are knowledgeable about current practices in relation to efficiency techniques and have contacts with staff using them

6.   The extent to which authorities use managerial aids, such as
O. & M., Work Study, Computers and Operational Research, is related
very largely to the size of an authority in terms of population and/or
financial resources.   This is particularly the case in computers where
the advantages are closely linked with scale of operations.   The
larger the authority, the more sophisticated are the uses to which it
can put a computer.

7.   In considering the scope within a large local authority for
the use of efficiency techniques and the extent to which management
services staff can assist management, account must be taken of the
extremely diverse nature of the authority's activities.   Few organisations
have significant proportions of their staff engaged on so many different
activities, most of which require (in differing proportions) considerable
technical and administrative support.

        There is opportunity in all of these for the formal critical analysis
of the processes involved and the procedures adopted, but the precise
type of examination required will vary from one area to another.

USE AND LIMITATIONS

8. Corporate Planning

        This could overcome many of the problems and abortive work in
which authorities have found themselves involved in the past. · Hopes
have often exceeded the possibility of achievement, as evidenced by
discrepancies between capital programme forecasts and actuals.   The
lack of a unified planning organisation has meant that different
aspects of development have had to be planned separately and therefore
the links have been imperfect.

        To be effective, corporate planning must be based on accurate
information, be determined after full consideration of all factors,
and be implemented firmly.   It calls for a strong Policy Committee
which takes minority views into account and a firm, resolute Chief
Executive Officer to implement its decisions.   Without all these, it
can be no better than most existing arrangements are.   For accurate
information, it requires not only an intelligence unit but also a
group of staff to undertake detailed research, to test out the effect
of alternative policies in alternative situations by modelling
techniques, (the G.L.C. has made much progress in this direction) and

9. **Corporate planning control**

An organisation is required to monitor the progress of the corporate plan in both physical and financial terms. Use of P.P.B.S. techniques appears essential, together with the co-ordination of projects by network analysis.

10. **Intelligence Unit**

Recent experience shows that there is a certain amount of information, mainly in statistical form, available within departments but remaining unused, either because its potential is unrecognised or because it is not realised that it exists. Also unrecognised by departments is the extent to which information is available, or can be obtained at little cost, which would take some of the guess-work out of planning. The new County Authorities should be able to support a small statistical and consumer research unit to service the corporate planning organisation and to supply all departments with statistical information and interpretations relevant to their functions.

11. **Financial Control**

The traditional functions of the Treasurer as paymaster and collector of revenues can be divorced from what are now the more important functions of appraising the financial effects of proposals and organising capital and revenue finance sources to meet them. The latter is an essential service to management and should be included as such. This separation is a direct reflection of the views of the I.M.T.A. on the difference between accountants and accounting technicians; it does not mean, however, that the two functions must be run as separate departments.

12. **Manpower Control**

Manpower is the most costly of the resources available to any Local Authority and therefore needs to be selected with the greatest care, properly maintained and properly utilised. Yet so often in local government, personnel management is the "cinderella", the non-recognised or under-recognised function. A laissez-faire attitude often applies at the present time - crossing bridges when we come to them and deciding things only when they arise.

An effective manpower service should embrace:-

Forecasting of manpower needs and manpower availability.

Planning of recruitment and training to meet requirements.

Control of numbers, pay and conditions of service of all employees.

Control of placement and promotion of all employees, based on the concept of the Council as one employer and not many separate departments.

Supervision of selection procedures and staff appraisal procedures.

The provision of planned training, including management development training and the re-training of redeployed staff.

A Staff inspection service, checking that employees are in fact carrying out work appropriate to their abilities and qualifications, and doing it efficiently (i.e. that the employee matches the job specification).

13. Land and Property Management

The purchase, sale, allocation and management of all land and property of the authority should be treated as a management service because -

Forward planning almost always involves land; factors relating to its location, character, price and potential have a vital influence on decisions.

Co-ordination of requirements can lead to economies.

Centrally controlled allocation of properties can lead to economies.

Planned maintenance can be related to its effect on property prices and building replacement programmes.

It would be essential to really successful property management that a system of appropriation of assets to specific purposes be discontinued in favour of the concept of corporate ownership of all property, whose use would be at the will of the Council.

14. Efficiency Improvement Services

Work Study (covering manual work of all types) has a long record of achievement in a number of the larger authorities and has resulted in very significant savings, mainly through the introduction of incentive bonus schemes and the changes in working methods brought about at the same time.   Whilst the level of savings may be expected to drop when all bonus schemes are completed, Work Study is likely to remain the most directly remunerative area of efficiency services, mainly because of the scale of operations covered and the comparative

readiness with which financial benefits can be identified. The opposition which it engendered in its early days seems now largely to have subsided in the face of positive proof of its benefits.

The equivalent function in the administrative, professional, technical and clerical field is covered by the O. & M. service. Basically, its activities are:-

Reviews of departments and sections where organisational and staffing problems have arisen, or are likely to arise, as a result of changing functions and workloads.

Implementation of organisational and other changes where a co-ordination function is involved (e.g. Social Services).

Examination of staffing proposals, both as to numbers and grades (including job evaluation).

Examination of proposals concerning accommodation, office machines and office systems, to ensure efficiency and an appropriate degree of standardisation.

Much of its achievements cannot readily be quantified in financial terms, any more than can the management function itself, but they are nevertheless real. It exists as a consultancy service, providing specialist advice to the general administrator, and it should be viewed as such. Its significant limitation in practice so far is that it has not entered seriously into the field of professional work (legal, engineering, medical etc.) to question the objectives, methods and efficiency of professionally qualified staff.

The Operational Research function is in its infancy in local government. Useful work on mathematical modelling in the town planning field and on statistical analysis in several areas is a common feature in a few authorities, but it is only now that authorities are beginning to appreciate the potential of O.R. in the study of problems, to make economic assessments and to advise management on possible courses of action to optimise the use of resources. Nevertheless, experience supports the view, derived from the successes of the L.G.O.R. Unit and the G.L.C., that mathematical techniques will in future form an essential tool of management and particularly of corporate planning.

Computer systems analysis is a specialised aspect of computer work which is closely related to the O. & M. function and should therefore be integrated with the other efficiency services, though from the point of view of departmental structure it ought not to be divorced from computer operations. 210

The limitations of efficiency improvement services have been found in the past to be principally -

The problems of obtaining full and willing co-operation from the departments whose services are subject to scrutiny. This requires patient persuasion to overcome it initially, followed by clear and continuing proof of effectiveness.

The problems of obtaining willing acceptance of changes from those whose work is affected.

The restrictions imposed by finance and by staff availability on the scale of provision of service.

The unwillingness or inability of many senior staff of other departments to see potential benefits to an authority as a whole as being more important than the particular benefit to their own department.

15. <u>Management Audit</u>

A function is required to examine and report on the way in which policy objectives are being achieved, in terms of cost, benefit to the public, timescale, etc. This is a function additional to those of the efficiency improvement services and the corporate planning control group; its purpose would be to monitor, as a continuing exercise, the effectiveness of regular services as distinct from the completion of specific schemes.

16. <u>General Comments</u>

Management services staff of good quality are a scarce commodity and therefore relatively expensive to recruit and retain.   It is important, therefore, to avoid duplication of effort and there should be a wider spread of operations across Management Services Units in different local authorities, culminating in the results of work done in one unit affecting a particular area of operations being made available to other units.   LAMSAC make claims to this role, but their record is discouraging and, in practice, much depends on the day-to-day contacts which the practitioners have with the staff of other units.

17.　　The aim of efficiency techniques is to achieve a more effective use of resources in attaining a stated objective. The common pattern is to assemble the facts pertinent to an activity, to examine them critically and systematically, and to judge the most effective procedures for achieving the objective in the light of the facts and experience. Operational research is distinguished from the other techniques by using a mathematical model to codify the facts and by supplementing judgement with an optimum solution devised from analysis of the model.

18.　　Management Services Units use techniques to examine and improve the effectiveness of achieving an objective predetermined by Management; they do not contribute to an assessment of whether or not the overall objective is correct (nevertheless, a Management Services analysis will frequently show that a particular activity is not necessary for the stated objective). It is explicit in the title that the techniques are a service to Managers, not a substitute for management.

ORGANISATION OF MANAGEMENT SERVICES

19.　　Attention is drawn to the following general points to which considerable importance is attached:-

  i.　high-level sponsorship of management services, preferably by the Chief Executive Officer, is needed with a local authority to ensure that they are properly used:

  ii.　there is continuing need for training (a) line staff to use certain techniques themselves, (b) management services staff in their specialist techniques, and (c) management generally in the value of efficiency techniques and in the use of efficiency service teams;

  iii.　some techniques may be employed as "tools of the trade" at the normal working level while other techniques, requiring impartial critical examination, are best used as an advisory service to line management by personnel specialising in the techniques.

APPENDIX 11

THE NEW LOCAL AUTHORITIES MANAGEMENT

AND STRUCTURE REPORT

1972

The New Local Authorities

management and structure

Report of a study group appointed jointly by the Secretary of State for the Environment and local authority associations * to examine management principles and structures in local government at both elected member and officer levels.

Presented to the Secretary of State and the Associations August 1972

* The Association of Municipal Corporations
The County Councils' Association
The Rural District Councils' Association
The Urban District Councils' Association

Chapter 7

Other central functions

Management services—The meaning of the term within local government

7.1   The management services function in local government has assumed increasing importance and status in recent years and many authorities have set up management services units headed by an appropriately designated senior officer. Some of these units include the establishment and personnel function; indeed in some cases this is the primary role and a number of those who responded to our request for evidence on the use and limitations of management services dealt mainly with the need for an improvement in personnel management. For the reasons which we have given in the preceding chapter we believe that personnel management and management services should be separate, and we therefore propose in this part of our report to exclude the former from our discussion of management services.

7.2   Broadly speaking we have received two categories of evidence on this, as well as other matters. Firstly we obtained evidence which might be termed 'opinion' evidence from various sources and secondly 'factual' evidence from existing local authorities supplemented by comment. In the field of management services there was substantial agreement between the 'opinion' of what constitutes management services and the 'fact' of what is actually happening on the ground.

7.3   The evidence submitted contained such comments as:

"The one management service in use by the Council is work study"

"The Council has a substantial Management Services staff (engaged in) Work Study and O and M"

and, most definitive of all

"Management services, ie O and M and Work Study ..."

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Overall it was only O and M and Work Study which commanded anything like general acceptance as functions of management services units: other skills and techniques achieved no more than occasional references, and it is clear that in many authorities the phrase "management services" is synonymous with O and M and work study only.

7.4   A recent editorial in Local Government Finance* stated:

"Starting with O and M one has seen a considerable plethora of various techniques and aids being suggested and/or introduced over the last two decades. These have ranged from work study (with or without incentive bonus schemes) to operational research, network analysis, computers, management accounting, CBA, management by objectives, DCF and of course PPBS."

7.5   This is an impressive list, and is complementary to the evidence which we received from the Society of Town Clerks that:

"The term 'Management Services' comprises all those services which help management to plan, control and improve the activities of the organisation in a general sense. The term is wider than the orthodox interpretation which is generally limited to efficiency and productivity services."

7.6   In the light of these comments the very title Management Services Unit is perhaps misleading if only O and M and work study are covered.

Work Study

7.7   As far as work study is concerned, we do not believe that a large central unit is necessary. Work study practitioners will operate within individual departments and should be under the day to day control of the line manager. We suggest that there is, nevertheless, a need for a relatively small central unit to control the overall deployment of work study staff in the interests of the authority as a whole, and to ensure that new techniques are evaluated and staff trained in their use. It is through this central unit that line managers would obtain the services of work study staff for their departments. The unit would also be responsible for setting up work study teams to undertake any

* *Local Government Finance vol 76 no 4 April 1972*

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specific projects required by the Chief Executive or the management team.

O & M

7.8   There is no similar argument, in our view, for placing O and M staff under the day to day control of line managers, not least because the subject covers a wider field than that of a work study team. It seems to us that the basic nature of the function too is different. O and M is concerned with the structure of an organisational unit and the way in which that unit operates to achieve its objectives: an O and M function within that organisational unit is less likely to be able to exercise independent judgment than an 'outside' team. The latter will also benefit from the wider range of assignments open to a central team.

7.9   Organisationally we recommend that the O and M unit should be under the wing of the head of administration, but it should be very much an aid to the Chief Executive and the management team. It should, we believe, operate to a programme laid down by the management team, though that programme will need to be sufficiently flexible to enable urgent ad hoc assignments to be undertaken. In particular the unit would have an important role to play in keeping organisational structures, not only of departments, but of the authority itself, up to date and in line with changing requirements. Reports of O and M teams upon any individual department should initially be submitted to the head of that department. If it is necessary for a report to go beyond him it should be submitted direct to the Chief Executive for consideration by the management team. It should not in the first instance go to the head of administration since this would purport to place him in a position superior to that of the head of department under review.

Computers

7.10 Although the computer in one sense can be included in the generic title of management services, because of its close link with

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financial and payroll questions it is normally found within the Treasurer's department. Generally speaking we see no reason to change this, but we do see substantial disadvantages in allowing its use to be dictated by the head of the department in which it happens to be situated. We therefore suggest that the use of computer time and facilities should be controlled by a separate body responsible direct to the management team.

Research and Intelligence

7.11 The Local Government Bill gives to the county councils a wide permissive power to carry out research and collect information on any matters concerning the county. The powers of district councils in this respect are slightly more limited in that they may only incur expenditure on research and the collection of information in connection with the exercise of their statutory functions.

7.12 At county level a strategic information and research function may well develop which might require the creation of a central Research and Intelligence Unit staffed by suitably qualified officers. Such units already exist in some authorities. We are aware of the approach taken by one large authority. It has recently extended the research function to each of its major departments who now have a research section for their own service requirements. In addition, however, a small Research and Intelligence Unit is located in the Clerk's Department. Its work programme ensures that it carries out only research not undertaken in any other department, for example, on local government reorganisation and identifying statistics used throughout the authority. The purpose of the Unit is four-fold:

  i. To provide effective information for managers: for example to present management statistics in terms meaningful to the layman; to indicate economic and social trends in the county compared with those at national level.

  ii. Miscellaneous intelligence: for example, to identify key future events in the authority's area and to relate their impact; to keep abreast of new management and research development elsewhere.

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iii.   To provide a consultancy service to departments: for example, upon methods of research and specialist systems of forecasting—eg future primary school population: undertaking ad hoc projects as frequently requested both by county departments and district council authorities.

iv.   Corporate Planning: for example, assisting in setting departmental objectives, identifying community needs, and devising measures of output and performance.

7.13 Most district councils will depend partly on the data assembled by properly trained staff whom we suggest should be placed within the various programme areas, and partly on that assembled by any county unit. There is clearly some danger of duplication of research effort, and to avoid this we suggest that each authority should maintain a central record of information and research findings to which reference could be made before new work is undertaken. Such a record would include not only data assembled by that authority's own departments, but also notes of, for example, research findings of other authorities and central agencies.

Organisation of management services

7.14 Because so much of the evidence submitted is based on the premise that management services cover only O and M and work study we have found it difficult to derive from it any conclusions about the way in which the wider concept of management services should be reflected in the organisation structure. Such evidence as we have received on this subject suggests that the pendulum may be swinging away from the idea that all management services should be centralised into one monolithic department. Some papers have suggested that there should be wider use of management services within individual departments and we have received criticism of the growth of central management services departments on the grounds that they have become a very costly item and that the expected benefits have not been realised. It is said that their cost benefits have not been established.

7.15 Mr. J. D. Hender, Chief Executive of Coventry CBC, suggested to

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us that the concept of a central management services unit was a necessary step in management development in local government but that it

"is now rather old-fashioned and has no real place in a corporate management organisation".

He went on to say that:

"Corporate management implies that the responsibility for effective management rests in departments, who then contribute to the corporate system, and it is in the departments that the techniques must be developed and used. (These techniques) should be regarded as part of the tools of normal working and not as specialised instruments called in from a central unit for a particular purpose."

7.16 Others have drawn exactly the opposite conclusion on the consequences of the implementation of corporate management, maintaining that the need for a corporate approach makes it all the more necessary that there should be one centralised service. The Local Government Personnel and Management Services Group, for example, commenting on the use and limitations of management services said:

"The initial limitation, we would suggest, is in fact the fragmentation of the various services which occurs in many authorities."

7.17 We have received evidence from several sources which amounts almost to a compromise between these two views. According to this view, the various techniques fall naturally into a number of groups each of which performs a different function. The London Borough of Greenwich, for example, has grouped Work Study, O and M, Operational Research and Job Evaluation with the Establishment Group of services; PPBS, Cost Benefit Analysis, Consumer Research and PERT networks with the section responsible for advising the Chief Executive on forward planning and the various financially based "cost-benefit" techniques are under the control of the Director of Finance and Borough Treasurer.

7.18 In another authority it is suggested that there are similarly three elements to Management Services:

a)   Establishment control services

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b)   Services which support the management process

c)   Techniques to analyse or solve individual problems.

7.19 The London Boroughs' Management Services Unit, who commented that in existing Management Services Departments, O and M, Work Study and Systems Analysis "even when under the direction of a single officer usually operate separately", have also distinguished between management appraisal and financial appraisal techniques, though it must also be said that the Unit envisages that in the long term the two might be brought together into an integrated group.

7.20 Faced with these various alternatives, each of which is said to be well suited to the needs of the various authorities making use of it, we find it impossible to be dogmatic, but we find ourselves inclined more to Mr. Hender's view than to that which favours the bringing together of all management services in one unit. It seems to us that services to management may validly reside in various places; for example one might place the computer and the finance based techniques with the Treasurer's department, O and M together with the central work study unit and any central research and intelligence unit under the head of administration, and other techniques similarly within appropriate departments.

7.21 Wherever the relevant specialists are located, we see increasing scope for teams from the various departments contributing to the examination and appraisal of programmes or projects under consideration by the management team. We were told that Grimsby CBC have made it a matter of policy that

"all Chief Officers place their specialist staff at the disposal of the Town Clerk and Chief Executive and the Chief Officers' Group and we try to maintain a degree of flexibility and fluidity in the deployment of specialist staff in this way."

7.22 This illustrates the dual role of management services staff. On the one hand their skills may be deployed within the departments where they are most required, but they must also, of necessity be available to central management. In this latter role they will operate according to the programmes and requirements of the management team, notwithstanding that for administrative purposes they are employed within particular departments.

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APPENDIX 12

MANAGEMENT SERVICES - A DEFINITION

N Harris   Management Services Journal   August 1978
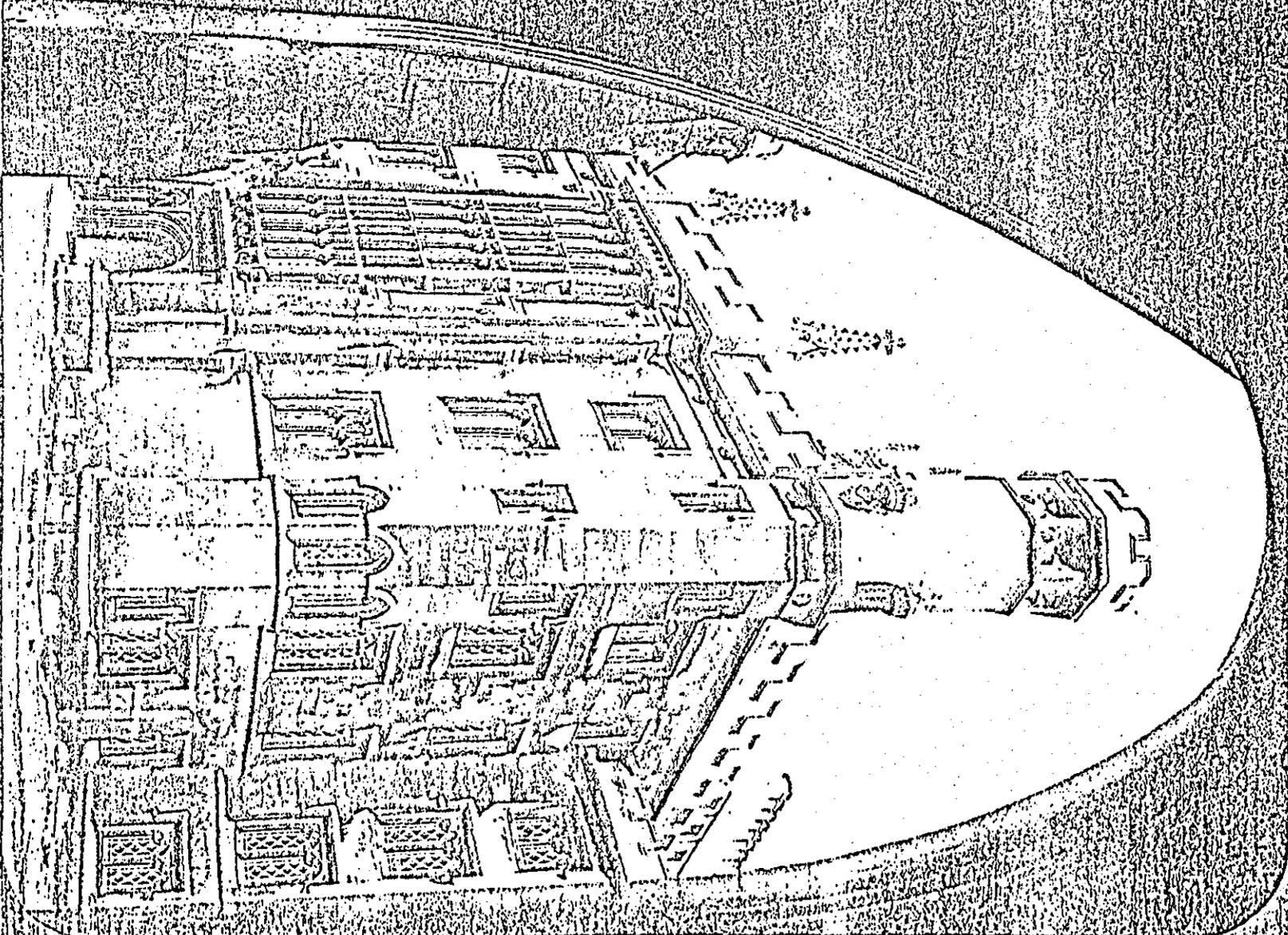
article by Neville Harris is part of a research project conducted jointly by Newcastle upon Tyne Polytechnic and Leeds
rsity and sets out to provide a tentative definition of Management Services, based on an analysis of published work in the
and the way in which a number of leading organisations are using Management Services.
next step in the research will take the form of a questionnaire circulated to a sample of the Institute's membership and
s, which it is hoped will provide a far more accurate picture from those who are practising within the Management Services
ion.

Management Services –
A Definition?

oduction

bers of this Institute use the term Management Ser-
with increasing frequency and with more attachment
by year. Our Journal has very skilfully evolved from
Study and Management to *Management Services* in
eriod 1963–1976 and the examination scheme is
wedded to the title Certificate and Diploma in Man-
ient Services. At our annual gatherings we talk in
debate and private conversation continually referring
nagement Services, with perhaps the occasional slip
people say 'Work Study' or 'Industrial Engineering'.
we use the term the image that is conjured up in
dual minds must be very different. Perhaps we have
istinct images —

lanagement Services as we are allowed to practise it
nd
lanagement Services as we would like to practise it.

me instances these may be identical, but not in
icant numbers.
ain an image might be fed to members via a whole
of articles on the subject which may depict a super
em-solving department with specialists in operational
rch, ergonomics, computers, etc in addition to work
and O & M. Whatever the image it is quite likely that
member will have a very different picture based on his
rience, education and aspirations.
ese differences can occur because management ser-
is essentially a function and therefore the title is an
ella one to cover those activities which are deemed
ppriate to a specific organisation. However, differ-
s in perception of what management services is can
from the many writings on the subject that have
ared over the last fifteen or so years. Some of these
been quite specific as to what is meant by manage-
services, others recognised that it should be pre-
ed by and large by the organisation and its objectives.
urther problem of the title 'Management Services' is
can prove to be very convenient for organisations to
the use of the title work study or O & M, or to avoid
se of other titles perhaps for political expediency.
1966 Ivor Williams' reported on an analysis of 574 jobs

in work study in which he found 123 titles. This was, he felt,
an example of 'Muddled thinking at quite high levels over
work study and allied subjects . . . there is almost complete
lack of evidence that work study is being used in its fullest
sense throughout the Company. Secondly, because of the
seemingly incomprehensible nature of all these different
functions, management tends to lump together and evolve
curious and cumbrous titles, meaning nothing outside their
own factories. . . .'
A further problem is that warned against by Dr Joseph
Faraday[2] of allowing management services to be a con-
venient dumping ground for those activities not organisa-
tionally suited elsewhere or the problem of anything serv-
ing management being a management service as cited by
Randall.[3]
So it can be concluded that there is no official definition of
management services and considerable haziness over the
objectives of such a function. Further there is little agree-
ment as to what activities should be encompassed by man-
agement services. It is my intention to alert readers to what
is available in the way of definitions and activities by the use
of simple analysis of data. Having conducted this analysis it
becomes obvious that more needs to be done to enable the
image or images of management services to be more
clearly discerned which will involve co-operation from
many of our number.

A Definition
Although many people have written about management
services in a variety of books and journals, there is an
almost universal attempt by writers to avoid giving a defini-
tion, assuming that the readers are at one with the author,
as to what is meant by the term. Others, whilst attempting to
define management services, merely list a number of
topics, 'ie work study, O & M, OR, etc ' and say that these
together equal management services. In considering this
problem it is intended to initially consider a definition of the
objectives and means of management services and then to
consider what activities could constitute the function.
In commencing consideration of a definition, by way of
summary of what others have already done, reference was
made to 10 definitions given by authors and organisa-

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es applications. He is actively involved in local activities for the Institution
orks Managers and the North East Association of Management Institutes.
nal level involvement includes work for the Institute of Materials Handling on
ation and committee work for the Department of Industry Council for Indus-
Technologies. He is also an examiner for the IWSOM.

s.[4-12] The analysis was restricted to those who specifi-
indicated 'here is a definition' and although many have
en on the subject the comments about assuming a
wledge on the part of the readers is substantiated by
limited number of definitions. From these definitions, a
word matrix' was produced, from which general guide
s for a universal definition could be derived. To make
definitions meaningful, the key words were divided into
major sectors.

Generally descriptive of management services
Aims and objectives
Methodology employed
Other factors

e Figure 1 for Matrix (page 6).
) *Generally Descriptive of*
The most important factor here, is *provision of advice*
o management, but only one authority specifies the
dvice to board level. Because the function is expected
o provide advice, the use of specialist up to date tech-
iques by personnel who are free from day to day pres-
ures of line management, is essential. The term 'Inter-
al Consultancy' is used by three authorities, but this
night be regarded by some, as a somewhat specialised
ontractual relationship between the MSD and the client
epartment. However, undoubtedly when advice is
iven, some consultancy element must be present.

) *Aims and Objectives*
Productivity is generally regarded as too restrictive,
nd other words of a more general nature are used, ie
fficiency, effectiveness, and improvement. Additional
bjectives of a more specific nature are included, such as
rofitability, aid to economic decision making, or man-
gement development.
Undoubtedly, many MSDs do have a contribution to
nake to all an organisation's objectives, indirectly, and to
ome, directly.

) *Methodology Employed*
Not many authorities refer to this aspect, but

undoubtedly the basic problem solving steps are used
as the basis for the advice given, ie diagnosis, investiga-
tion and analysis, problem solving and assistance with
implementation and installation of new systems. Hope-
fully, some after care maintenance would be seen to be a
natural follow on from this.

d) *Other Factors*
This included a plea by one authority not to specify the
techniques of management services, and also the ques-
tion as to whether it should be restricted to large organ-
isations. In one of the first monographs on the subject,
T B Ward[13] devotes a section to MS in the small firm and
as put forward by the author in a previous article[14], the
scope of the management services department can be
limited to only one activity. It is how that activity is allowed
to operate which is significant

A Definition of Management Services
Summarizing the above it is possible to synthesize a
definition. However, it is undoubtedly a definition of so
much importance that an analysis of some 10 previous
definitions is hardly a reasonable basis and more work
needs to be done before this can be universally acceptable.
Perhaps the BSI 3138 committee have got this in hand, but
until such time as an official pronouncement is made or my
own researches are within sight of completion here is a
tentative definition.
'A Management function containing those specialist
skills appropriate for an organisation at a specific time,
which provide a problem solving advisory service to man-
agement at all levels. Such advice is aimed at assisting the
management more effectively to achieve the objectives of
the organisation, in particular, profitability, cost effective-
ness and productivity.'

Management Services Activities
Up to this point I have deliberately used the word 'activ-
ity' when referring to such items as work study, OR, O & M.
etc. The reason for using this non committal word is that the
literature on management does not use consistent ter-

Definition Reference / Key Words	BIM 1961	Clay and Walley 1965	Aston 1969	Walley 1973	Hills 1973	Lines and Metz 1974	Bains 1972	CHSS 1974	ICI	Civil Service	Total Score
Descriptive of:-											
Centralized	X				Not Nec.						1
Advisory to Management General	X		X	X		X		X		X	6
Advisory to Board	X										1
Internal Consultancy	X							X	X		3
Integrated		X									1
Use of Specialist up to date techniques	X			X	X	X					4
Free from pressures of day to day Management					X			X		X	3
Aims and Objectives of:-											
Productivity Improvement		X									1
Management Development	X	X						X		X	4
Productivity Plus ie Economic Decision Making	X	X						X			3
Profitability			X								1
Effectiveness			X					X		X	3
Assisting in change or Innovation			X	X					X	X	4
Improve Activities							X		X	X	3
Efficiency					X			X		X	3
Company Objective Achievement					X						1
Methods Used:-											
Analytical Ability				X	X						2
Investigation and Problem Solving					X			X		X	3
Implementation and New System Development					X					X	2
Other Factors:-											
No Commonly Accepted Scope of Techniques etc.		X	X		X						3
Primarily in use with Larger Companies	X		X								2

Fig. 1 Analysis of 'Key Words' used in Management Services definitions

ology. Thus one can find any of the following words d as synonyms.

Function
Discipline
Speciality (or Specialism)
Technique.

unction can be dealt with initially and is defined in the ionary of Management,[15] as 'A group of related ities that contribute to the performance of work by an anisation. . . . *Also* the part of the organization that per- s such a group of activities'. Hence management ser- s is itself a function and if MS is only represented in the anisation in the form of a single specialism (ie O & M) or ustrial Engineering (Models 1 & 2 from Harris op cit[14]), still does not preclude it as a function.

or the other words, dictionaries and glossaries of terms e of little value and management literature was so con- ng that it was necessary to go to more authoritative rces relating to the history of science and sociology of essionalisation. Some references are included[16][20] and reader is particularly alerted to the thesis of Dr Kirkman

on the professionalisation of work study which contains some fascinating insights into its development and current status. From this review a discipline is recognised as a sub-division of a scientific community and the number of years training and experience would be considerable. A Speciality however is recognised as a sub-division of a discipline. We can now use the dictionary to substitute these:

Discipline A branch of instruction or education, a dependant of learning or knowledge.

Speciality A special aptitude, skill, occupation or line of business.

So for the purposes of defining the sub-divisions of the management services function the word speciality will be used, but used only in the sense that it is a definable and separate unit. There is a further complication in that certain activities can be recognisable sub-divisions in some organ- isations and merely used as techniques ie used as and when required in others. Take for instance value analysis. In one firm this is a full time activity for a number of people with a value analyst in charge of a unit, whilst in another this

sed by the management services function as one of the
...ny techniques employed. Similarly project network
...hniques may be a separate unit in some local authorities
...nown as project co-ordinators whilst for other MSDs is
...d only as a technique for implementation of new sys-
...ns. John Argenti defines management techniques as 'a
...ognised method analysing or solving a recognised type
...management problem in a detailed systematic way'.[21]

...o in conclusion a speciality is recognised within man-
...ment service departments when it is a separate unit,
...sion or section – it could just be one person or a con-
...erable number. Techniques are the many tools of prob-
...solving used, ranging from parato analysis to comput-

...o in my future enquiry into what comprises Manage-
...nt Services it will be necessary to differentiate between
...se two levels. This becomes even more critical when
...nagement services is organised as a totally integrated
...t where every member of the function is a management
...vices specialist and no attempt is made to differentiate
...ween specialities, since the name of the game is prob-
...solving.

What Specialities Comprise Management Services?

In 1968 J G Reid[22] asked 'What the function is considered to embrace in the way of specialist techniques' he tabulates 'nine authorities who have written extensively on the subject in the past couple of years' and the results were:

Work Study, 9
O and M, 8
OR, 7
Data processing, 4
Ergonomics, 3
Management Information, 2
Personnel/Manpower, 2
R and D, 2
Economic forecasting, 2
Value Analysis, 2
Cybernetics, 1
Market Research, 1

The sources of information were not quoted, but a similar analysis that was conducted took 10 writers[4,8,9,23-29] and 10 organisations.[12,30-35] The analyses are shown in Figures 2 and 3 respectively. Unfortunately for none of these analyses is there a clear delineation between specialities and

Fig. 2 Analysis of Management Services Techniques from written authorities

Source / Technique	BIM Study Group 1963	Whitmore 1968	Gilbert 1968	Hoskyns Group 1969	Aston 1969	Candlin 1969	Freeman 1969	Faraday 1971	Mills 1973	Lines and Metz 1974	Total
Work Study	X	X	X	X	X	X	X	X	X	X	10
Plant Layout / M H	X	X									2
Value Analysis		X			X		X	X	X		5
O & M	X	X	X	X	X	X	X	X		X	9
Remuneration	X	X					X		X		4
Ergonomics		X	X					X			3
Operational Research	X	X	X	X	X	X	X	X	X	X	10
Project Network Analysis		X				X	X	X			4
Computers / D P				X	X	X			X	X	5
Systems Analysis	X		X	X	X	X	X	X		X	8
System Study / Cybernetics		X				X			X		3
Organisation	X				X	X					3
Information Systems	X								X		2
Training / Management Development	X	X		X	X						4
Cost Benefit Analysis							X				1
Behavioural Science						X				X	2
Economic Planning	X			X	X				X	X	5
Management Auditing						X					1
Capital Investment Decisions						X			X		2
Business Administration										X	1
Corporate Planning				X							1
Cost Accounting										X	1
Management Accounting				X						X	2
Production Engineering			X							X	2
Market Research										X	1
Totals	10	10	6	10	11	8	8	7	9	12	

Source / Technique	ICI 1965	Rolls Royce 1965	Midland Elec. Board (Foster 1971)	Civil Service (Archer 1971)	BOC (Williams 1971)	BICC 1973	LAMSAC 1976	Hospital Service 1976	Northern Gas 1976	NEED 1976	Total
Work Study	X	X	X	X	X	X	X	X	X	X	10
Plant Layout / M H				X							1
Value Analysis	X				X						2
O & M	X	X	X	X	X	X	X	X	X	X	10
Remuneration	X	X	X	X	X	X	X	X	X	X	10
Ergonomics	X			X							2
Operational Research	X	X	X	X	X	X	X	X		X	9
Project Network Techniques	X			X			X				3
Computers / DP	X			X	X	X	X	X	X	X	8
Systems Analysis					X	X		X			3
System Study / Cybernetics				X	X						2
Organisation	X										1
Information Systems				X					X		2
Training /Management Development			X	X	X		X				4
Cost Benefit Analysis											0
Behavioural Science											0
Statistics / Economic Planning							X	X			2
Management Auditing	X			X	X						3
Capital Investment Decisions					X						1
Business Administration											0
Corporate Planning							X			X	2
Cost Accounting				X	X						2
Management Accounting	X			X	X						3
Production Engineering											0
Market Research											0
Personnel							X				1
Totals	11	4	5	14	13	6	10	7	5	6	

Fig. 3
Management
Services
Practice

hniques and one wonders if the writers have suggested hniques that would in their opinion be desirable in a nagement service department. Some observations on above analyses are necessary. In the data provided for ure 3 the details provided by LAMSAC cover an analysis all local authorities and is based on a popularity table ch that no single authority is bound to have all disciplines resented. It is also interesting to see the widespread ure of management services, both in theory (writers), practice (organisations), which substantiates the recnition that the choice of skills must be appropriate for a en organisation.

Vithout attempting to be definitive and recognising the itations of the sample, the most popular techniques are follows: (those scoring 5 out of 10).

Writers	Organisations
Work Study	Work Study
Operational Research	Operational Research
O and M	O and M
Systems Analysis	Computers/DP
Economic Planning	Remuneration
Value Analysis	
Computers/DP	

This analysis correlates with that done by Reid in 1968.

Some of the Also Rans
Because of the confusion regarding specialities and techniques, many of those activities which got low scores may well be considered by writers, and happen in practice, to be subsumed by others, for example project network techniques as part of operational research. Ergonomics in a limited sense as part of work study or O & M. Plant layout and materials handling as part of work study. Organisation as part of O & M.

It is also tempting from the academic sidelines to suggest what specialities ought to be a part of management services, regardless of size, organisation, etc, but the intention of this article is to summarise what comprises the current scene as far as can be perceived.

The Next Step
So far we have indicated that some pattern can be established by a somewhat limited analysis. Perhaps some readers are concerned that the results in no way are representative of the function within which they work. It is therefore essential at this critical stage in the development of management services to conduct an exhaustive enquiry into what actually *is* the current state of the art. This will not be from limited writings which tend to reflect what is a good mixture — a cook book approach, but must be from those who are practising management services, — and in particular those who are managers of the function.

s part of a research project conducted jointly by New-
tle upon Tyne Polytechnic and the University of Leeds a
estionnaire has been designed and is being currently
dated. It will contain questions in three broad areas:
) The organisation profile. ·,
) The management services specialities and Tech-
  niques employed.
) Management of Management Services.
t has been designed to take about 30 minutes to com-
te and will shortly be circulated to a sample of the Insti-
e's membership. If one of these is sent to you can I
ase ask you to return it as soon as possible so that as a
ult of a high response rate a more accurate picture of the
nagement services function will emerge.

t is hoped that from the results, which will be published
Management Services in the Autumn it will be possible to
date the many different models of management service
ctice and to forecast more accurately changes that will
ur.

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APPENDIX 13

MAKING THE MOST OF MANAGEMENT SERVICES -

A LOCAL GOVERNMENT VIEW

A Fowler   Personnel Management   Feb 1979

PERSONNEL MANAGEMENT

FEBRUARY 1979

e reorganisation of local government nearly five years ago opened
bates on numerous organisational issues, not all of which have been
olly resolved. Alan Fowler looks at two of them that relate to the
rsonnel function— should management services be integrated with
rsonnel management, and also how far should they be decentralised?

MAKING THE MOST OF MANAGEMENT SERVICES~ A LOCAL GOVERNMENT VIEW

The reorganisation of local government in 1974 opened debates on a number of organisational issues, not all of which have been wholly resolved. Current proposals for transferring some services back from the counties to districts provide the major example, but these lie outside the scope of this article. On the general management front, continued questioning of the realities of the role of the local authority chief executive, and of the concept of corporate management, are closer to personnel issues. Within the personnel field have been two related questions: first, whether management services should be integrated with personnel management; and second, discussion as to the extent that management services (and particularly work study) should be decentralised.

Some definitions are desirable before plunging into a discussion. What are 'management services'? In a local government context the answer is fairly simple, as for most authorities the term covers only work study and organisation and methods (O and M). Simple terminology may, however, conceal the extent to which these two specialisms have developed beyond their original, simple base.

Conventional O and M work, concerned mainly with office systems, is being steadily expanded into much broader-based organisational reviews, in some cases to a degree justifying an organisation development (OD) label.[1] A number of authorities also use OR techniques – and some employ specialist OR staff – as a sophisticated extension of statistically biased method study.[2] More ambitious definitions have also been attempted.

The Local Authorities Management Services and Computer Committee (LAMSAC), a body financed by local authorities collectively and controlled at policy level by local authority representatives, links computers with management services by its very title, though a 1976 LAMSAC survey showed that in only 20 out of 373 responding authorities were computer services set organisationally within a management services unit.[3] In a rather quaint categorisation, the same survey listed 'personnel' as a management service along with training, job evaluation, work study, O and M and OR – a categorisation reflecting a tendency for the debate about integration to be seen in status terms. Was personnel to take over management services, or vice versa?

Leaving this non-productive element of the debate on one side, the LAMSAC survey usefully established the extent of local authorities' usage of these various services and techniques. The following table shows the percentage of local authorities providing services in each category:

SERVICE/TECHNIQUE	% OF AUTHORITIES
Work study	89.9
Personnel	83.6
Training	71.6
O and M	67.5
Job evaluation	32.2
OR	10.6

Purchasing has also sometimes been considered as a management services function – though the number of authorities in which this is reflected in the organisation structure is extremely small, and the main services – work study and O and M – are clearly confirmed in the preceding table. Organisationally, training is normally linked with personnel, but job evaluation can be found in both personnel and management service units. On the broad issue of the organisational relationship between these two blocs of activities, the LAMSAC survey showed 58 per cent of authorities with a combined personnel/management services function, and 42 per cent with separate functions.

It was the Bains report on local authority management structures which set the cat among the pigeons at the time of local government reorganisation, by expressing the firm view that the two functions should be separate.[4] Bains argued that a separation enabled both personnel work and management services to receive higher priority, and quoted support from some eminent quarters. The Local Government Training Board argued that "management services are primarily problem-

Fowler is head of wer services for hire County il.

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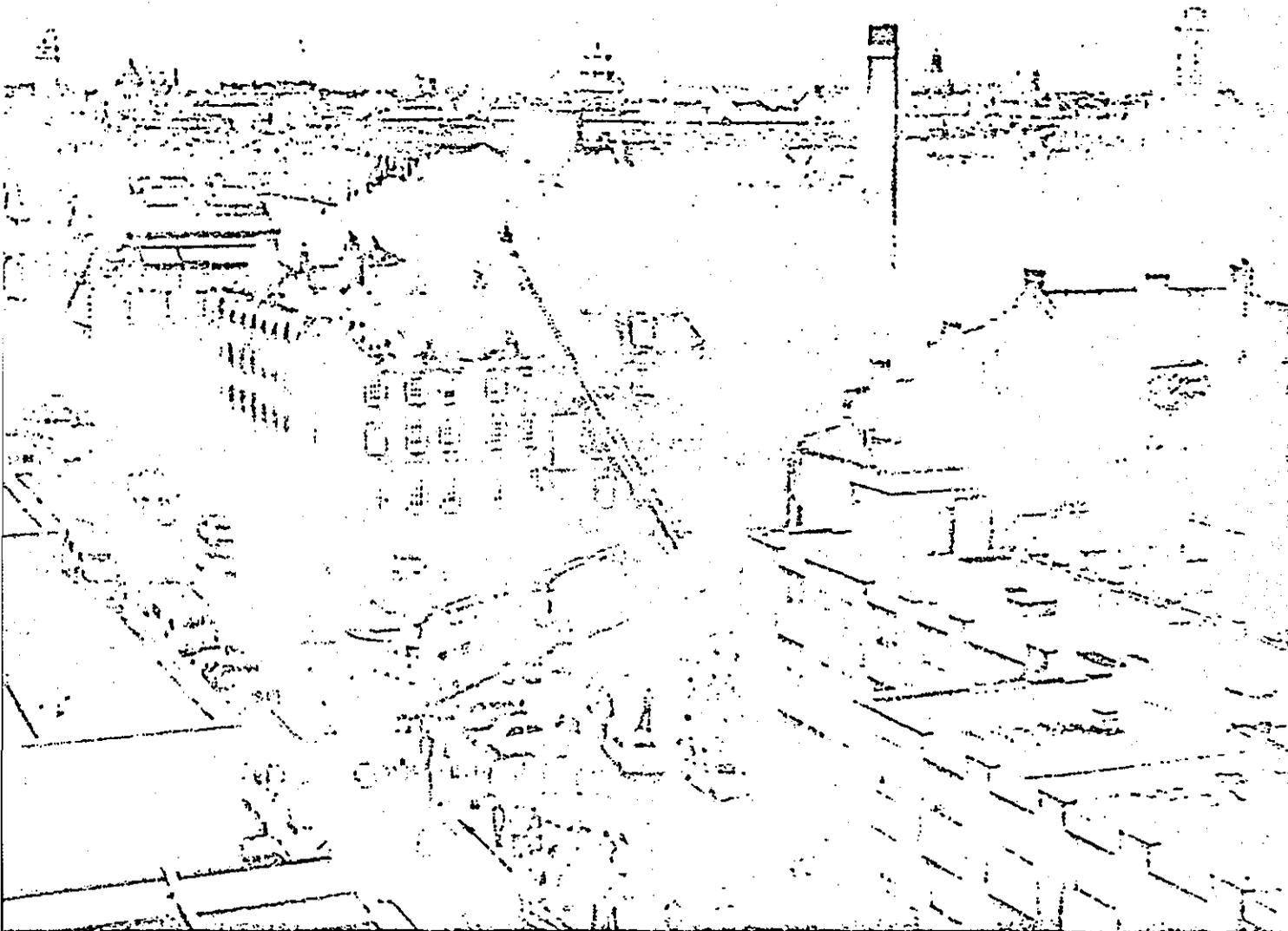
g techniques, whereas personnel manage-
should be concerned with the development
licies and forecasting requirements." The
r of the Royal Institute of Public Adminis-
n said "personnel management is a corpus of
tant work in its own right, whereas manage-
services comprise a number of heterogenous
ies."

fact that within two years of reorganisation,
60 per cent of authorities had merged the
nctions indicates a failure on Bains' part to
ce authorities of the argument for separa-
nd this implies some weakness in his analysis
real nature of the interaction between per-
work and management services. This weak-
n be seen in his approach to the need for co-
tion. "The combined role," said Bains,
d be too onerous for any one officer."
should, however, be "co-ordination exer-
at a high level," and Bains quoted Surrey
y Council approvingly as an example. In
, the two separate functions were co-
ted by the clerk (later to be termed chief
ive).

s approach has generated some fairly caustic
nses. Thus Raymond Knowles, a one-time
personnel officer and now a highly respect-
iter on local government matters (he edits
Government Review) has written scathingly
the Bains view that managing both func-
would be too onerous: "too onerous for
ne expressly charged with the task but

something the clerk could take in his stride!"[5]
Bains, incidentally, was the clerk of Kent County
Council.

In practice the bias in management services
work in local government has always been towards
employment matters — not surprisingly when the
labour intensity of local authority functions is
examined. In very round figures, local govern-
ment has some two and a half million employees
with an annual pay bill of about £10,000 million.
At the level of the individual authority, employee
costs often account for around two-thirds of an-
nual revenue expenditure. It has followed that
much of the general effort authorities devote to
efficiency and cost-savings campaigns has been
directed towards ways of reducing manpower and
of using manpower more cost-effectively. To this
end, a range of management services techniques
has been applied.

Personnel work itself has grown from an estab-
lishment function, and retains an important estab-
lishment or manpower control base. In the absence
of the private sector's commercial criteria for
determining the scale of operations, and for meas-
uring performance (*ie* through profit ratios), per-
sonnel officers in local government have had to
rely on other statistical tools when advising on
manpower requirements; and on periodic, on-the-
ground reviews of departments' staffing levels.
Considerable use is made of staffing ratios or
yardsticks to determine employee numbers (*eg*
0.32 social workers per 1,000 population) and the

△ Fire brigade operations provide an example of the need for an integrated personnel and management services approach. The recent national dispute over the introduction of a 42 hour week involved an employers' side objective of introducing more cost-effective work systems to offset the cost of improved conditions of service. At brigade level, personnel officers have therefore needed to take full account of the contribution management services can make to the design of improved work systems.

active personnel officer ensures that these ratios are kept under frequent revision. Ratios based on internal factors are easier to evaluate and update than very general population-based ratios. In Hampshire, for example, formulae have been produced for colleges of education in which their numbers of laboratory technicians are determined by indices built up from student hours, and statistical assessments of the technician content of different courses of study.

There is also a growing interest in the use of comparative staffing data between different authorities, and LAMSAC has developed at least one system which is as sophisticated as anything produced by inter-firm comparison systems in the private sector. This system, used to compare non-manual staffing levels in housing departments, categorises the distinguishing features of the work of such departments in such a way as to enable any individual authority to compare its staff numbers with those other authorities with which it most closely compares in terms of housing policies, housing stock, geography and so on.

Another LAMSAC system enables optimum staffing levels to be calculated for architects' departments, and is based on staffing indices which are related to classifications of architectural projects by type, size, and stage. Thus a new school of a defined contract value, is shown to require so many man-hours of design work, so many man-hours of contract supervision . . . and so on.

Many staffing yardsticks require the application of statistical techniques in their composition: complex analyses such as the LAMSAC studies may require computerised processing. The link here between personnel work in the determination of staffing complements, and management services work in the application of appropriate statistical and computer techniques, is obvious.

The 'O' trend

These links can also be seen in the field of organisation studies which have themselves evolved from two sources. Firstly, there has been a steady expansion of O and M work beyond the conventional detailed study of office work systems, into examining how work is structured in organisational terms: a trend, in other words, towards the O rather than the M of organisation and methods.

Secondly, from the personnel end of the spectrum, local government reorganisation in 1974 raised major issues of organisational principle. Large departments were hastily stitched together as small local authorities were merged, and a good many departmental organisation charts have had to be re-cast in the light of operational experience. Choices between very different patterns of organisation have had to be made.

For example, consider the choice for a large County council department such as social services or surveyor's between geographical or functional patterns of organisation. On a geographical basis, the department might be divided into several areas, headed by generalist area managers, responsible for all the department's functions in their particular parts of the county. On a functional basis, the department might be divided into specialist groups (eg care for the elderly, children's services, etc.) each headed by a functional manager, responsible on a county-wide basis for all those services relevant to the particular function.

Conventional O and M techniques do not provide much assistance in deciding issues of this kind relating to top management systems. This is usually an area more for the chief personnel officer's personal attention — not least because the realities of a management structure at any particular point in time include the varying capabilities and styles of individual senior managers, as well as the impersonal aspects of organisation. As a generalisation, the management services approach to organisation is biased towards systems and posts (impersonal roles); and the personnel approach is biased towards people and their inter-personal relationships.

In the field of work study, the bias in local government has generally been towards incentive payment systems. Indeed, one of the main boosts to work study was the 1967 NPBI report on manual worker wage levels which pointed to the use of incentive payment systems as the most productive method of improving the very low position local government manual workers held in the national earnings league table.[6] Linked to this, was the concern of the mid-1960s for productivity, enshrined in George Brown's 'National plan'. Work study applications have been very extensive, with some 70 per cent of full-time manual workers on work-study based bonus schemes. As early as 1965, the introduction to the report of a national conference on management services in local government outlined work study applications in a range of activities including highway construction, catering, grave-digging and abattoirs, and claimed that "every local government manual activity has been studied in the aggregate of the work which has been completed."[7]

What advantages and disadvantages can be identified from this bias of management services work towards employment issues, and from integration of this work with general personnel management?

One obvious drawback of a pre-occupation with employment is that other potential applications of management services techniques may be unexploited. It is not unknown, for example, for there to be no real method study input into the design and layout of a refuse transfer or disposal plant, leaving the work study unit to come in after the plant has begun operating simply in order to carry out work measurement as a basis for a bonus scheme. Similarly, highways engineers, themselves relatively unskilled in planning work methods for, say, road surfacing operations, may look on the role of a work study officer from a central department as being solely to evolve schemes to enable market rates of pay to be offered. An examination of workshop layouts, work methods and sequences, scheduling of operations and other aspects of many departments' activities will still reveal extensive potential areas for the application of the method study aspect of work study.

In the operational research field, too, there are many untapped possibilities for effective use of OR techniques. How many fire authorities, for example, have undertaken analyses of the optimum locations of their fire stations by the use of mathematical models? Yet the decision factors involved — distance, time of journey to a fire, degree of risk, the confidence factor, and so on — are ideally suited to complex statistical analysis.

A constructive response to this type of situation may lie in the second, and less debated, proposal

ins, that work study (and by implication, r management services) should be decen- d. Local government work study staff do tendency to cling together at the centre, and e departments the impression that their main rn is the defence of the sanctity of the al 'code of guiding principles', the bible ning the design, introduction and mainten- f bonus schemes. In an authority of any central unit to monitor and audit bonus e performance, to provide internal consult- n method study, and to ensure a high level of tence in work study techniques, is certainly ssity. But this need not imply that no-one allowed to exercise work study skills.

artments concerned with major physical — house building, road maintenance, refuse ion and disposal — may well benefit from inds of management services resources of own. Firstly, *all* supervisors and managers responsibility for planning and controlling ystems need a good basic, working know- f method study and work scheduling prin- The foreman on a building site who uses method study every day — in deciding to stack the bricks, how many men to put ncrete pour — can make as big a contribu- site productivity as any visiting work study . Many of the basic management services nd approaches need decanting — demysti- too — to the line supervisors.

ndly, the day-to-day management of bonus s, their on-going adjustment and up-dating, undertaken by departmental, rather than , work study staff. The fear that such staff isolated, misunderstood, "leant on" to bonus values by unsympathetic depart- managers, is real — unless these managers st trained to think in method study terms, there is no central unit with auditing pow- ven these pre-requisites, however, manage- ervices can be built into the management ch at departmental level, and departmental tudy staff can begin to operate in a con- ve atmosphere very different from the — or at worst, obstruction — which the , centrally-based work study officer so xperiences.

Incompatibility between the functions

ose integration of personnel and manage- ervices carries some dangers, the separation two functions in a labour-intensive sector disadvantages of other kinds. The most can be an incompatibility of approach n the two functions. At its most extreme vo rigidly separate units two diametrically d approaches to employment philosophy olve. The personnel side may be encourag- development of participative management, um devolved responsibility, job enlarge- Management services, however, may be ng maximum productivity through detailed n of work, highly prescribed work systems, ve supervision, and an over-riding emphasis quantifiable.

e can be clashes of operational policy, too. rsonnel unit may generally follow a prin- f discouraging departments from taking on erial responsibilities for new functions require skills more readily available in the

private sector. Staff catering for a new office com- plex might provide an example, with the personnel unit leaning towards the use of commercial cater- ers. An independent management services unit, taking a strictly analytical view of costs, might take the opposite view — that it is cheaper for the department concerned to manage its own catering. This difference of views might be wholly legiti- mate, but the credibility of the two functions is not enhanced by them giving diametrically oppos- ed advice. What is required is a framework of policy which will indicate which factors should take precedence in determining the choice of alter- native actions.

Differences may also emerge in the field of organisation studies. The review of organisation studies which is rooted in conventional O and M will usually have a basically Weberian approach. That is, it will have as its ideal a hierarchical structure of defined, impersonal job roles, with clear lines of authority and no ambiguity of function — in short, a rational bureaucracy. Some might go further and endorse Urwick's detailed prescriptive approach, *eg* that no manager should supervise more than six subordinates whose work interlocks. Now it may well be the case that for many local government tasks a rational bureau- cracy is the most effective organisational machine yet invented. But the world has moved on since Urwick, and alternative approaches to organis- ation have emerged. In industry, the closer link between management services and production functions has resulted in more attention being paid to the systems approach. The decision-action- feedback cycle is a basically engineering concept. Many other approaches have been more in the personnel field, being biased towards sociological concepts, and do not seem to have made much impact in the management services field. The whole OD literature appears to have attracted much more attention in the personnel manage- ment press than in management services journals. Eliott Jacques' latest work, which combines a sociological with a statistical approach, has been met with silence from each camp when potentially it is of interest and relevance to both — an illus- tration, perhaps, of the dangers of categorisation.[8]

Four main conclusions might be drawn from this local government experience:

1. That personnel management can improve its contribution to organisational effectiveness by understanding, accepting and utilising the more precisely disciplined methods of analysis and quantification provided by management services techniques;

2. That the effectiveness of management services applications can be raised by their integral in- clusion of the social and psychological consider- ations which the personnel manager can provide;

3. That these mutual benefits are more readily achieved through organisational integration than through Bains' apartheid — provided that the majority of management services applications lie within the broad area of employment matters; and, finally,

4. That the most complete exploitation of the potential of management services — particularly beyond the employment field — may be best achieved organisationally by the decentralisation of at least part of the expertise involved to depart- mental line managers — under the general func- tional guidance of a central unit. □

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APPENDIX 14

MANAGEMENT SERVICES AND THE EFFICIENT

USE OF RESOURCES

J Long   Local Government Studies   Oct 1978

Local Government Studies

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Management Services and the Efficient Use of Resources—Report on a Workshop

During the aftermath of local government reorganisation¹ considerable attention was, inevitably, directed towards the problems of amalgamating often very dissimilar authorities, the policies of the new authorities and the functioning of new management systems. In addition, because of public expenditure cuts, local authorities had to concentrate on those economies that could be introduced at short notice.

Increasing emphasis is now being placed directly and specifically on the efficient use of resources. Since management services units can make an important contribution to the efficient use of resources, a workshop for management services officers was held at the Institute of Local Government Studies in June 1978. Discussions took place between management services officers, an assistant town clerk with special responsibility for management services, a representative of LAMSAC and staff from the Institute of Local Government Studies and the Centre for Urban and Regional Studies. The purpose of the workshop was twofold: to compare contributions to efficiency that different management services units are already making, and to explore the ways in which management services staff can make a greater contribution to efficiency in the future. The day's proceedings consisted for the most part of short talks followed by group discussions.

THE POLITICAL CONTEXT
Summary of Introduction by F. J. C. Amos (Institute of Local Government Studies)
There are a number of influences, both external to local government and internally, which have contributed to the growing interest during the last decade in 'value for money'. Firstly, innovations in such Authorities as Newcastle, Coventry and Liverpool aroused interest in new systems of management and, particularly, in the concept of corporate management with its emphasis on effectiveness and efficiency². The period of experimentation was followed by a period of economic restraint when

efficiency became even more important, since pressures to cut expenditure were accompanied by a rising demand for services and rapidly rising costs. During the last few years accountability to the public for the efficiency of services has become more of an issue, mainly because of rapidly rising levels of rates but also because of public discontent, rightly or wrongly, with some local authority activities. As local authorities have adopted new roles they have, themselves, discovered increasing needs for information about the allocation of resources. Liverpool's Inner Area Study, for instance, showed that it was difficult to find out how much expenditure was being allocated to any particular geographical area.

Moreover, it is not just the financial aspects of management that are relevant. Efficiency in non-monetary terms is also important. Indeed some local authorities are looking systematically at their administrative procedures, possibly under the aegis of the performance review committee and/or through procedures for management audit. There is also the possibility that maladministration may lead to a case being referred to the Local Ombudsman. Other external pressures on local government include the Manpower Watch, carried out by LACSAB, and reports by the District Auditor. A more recent development is the emphasis placed by central government on value for money and on the need for an independent institution to comment on audit matters'.

It must be recognised that it will be necessary to overcome certain obstacles if efficiency is to be increased. No doubt with the best of intentions professional groups usually want the best service rather than the most economical service. Some staff press for larger departments knowing that this will mean more senior posts. Inter-committee and inter-departmental jealousies result in demands for a 'proper' share of the budget. In spite of these obstacles, management in local government is likely to be concerned increasingly with efficiency, effectiveness and value for money.

THE IMPACT OF ORGANISATION STRUCTURES AND PROCESSES ON EFFICIENCY
Summary of Introduction by Professor C. R. Hinings (Institute of Local Government Studies)
Management services staff are often involved in minor aspects of organisational change but they should be involved to a greater extent with the way in which whole departments are organised. Apart from anything else, there is often a ripple effect since, if the work of one particular category of workers is changed, this frequently impinges on other workers. Management is concerned with (i) allocating work, (ii) allocating decision-making capacity, (iii) systems of communications. Local authorities are concerned with communications between committees and departments and with communications inside departments. Management services staff

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should examine each of these three organisational features to determine how far they are contributing to. or detracting from. efficiency and effectiveness.

Looking at a whole department is more difficult than examining particular occupational groups. The sheer size of most departments presents problems to a management services unit. Moreover, a unit has to take account of the fact that the appropriate organisation for a department depends on its scale. Another problem is that there is sometimes uncertainty about objectives which means that it is difficult to specify the exact nature of certain work. Ideas differ, for example, about the proper objectives for the staff of old people's homes. But this does not mean that it is necessary to abandon all ideas of evaluating efficiency. A major problem is that there is often no single person in a local authority who has responsibility for reviewing efficiency. In Professor Hining's opinion, it would, therefore, be useful for the Discussion Groups to consider the problems of looking at whole departments, as distinct from certain sections or occupational groups.

DISCUSSION GROUPS: DEPARTMENTAL REVIEWS
Management services officers emphasised the savings that could often be made by taking an overall view of the whole local authority. To take a simple example. a department in one authority was having bedding laundered by a private firm when there was spare capacity at the authority's own laundry. Several units had been asked to carry out reviews of whole departments or substantial sections, including certain organisational reviews following the amalgamation of authorities in 1974. One unit for example. was engaged in a review of a Social Services Department which would take two years and involve close study of detailed aspects of the Department's work. Management services staff prefer to be 'called in' to a department rather than to be 'sent in'. since relationships with the staff of the department are then so much easier but, unfortunately, those departments most in need of help are often the ones least likely to ask for it.

When reviewing a whole department it is necessary, in the opinion of one management services officer, to establish a framework within which a new organisational structure can be developed. This framework should be established firstly by examining the council's policy concerning the objectives of a department and, if necessary, asking for clarification. Secondly, it is important to have discussions with the chief officer of the department about his, or her, philosophy concerning the functions of the department.

Some participants emphasised the difficulties in getting reports accepted and implemented, but others have devised approaches which

they have found to be successful in overcoming opposition. In one author-
ity, for instance, project groups which included representatives of the
department under review were proving very successful in securing an
exchange of ideas, and thus ensuring that final reports are workable and
acceptable to the departments concerned. Each project group usually
consists of the chief officer (or his representative), a line manager and a
management services officer; representatives of the treasurer's depart-
ment and individual officers from the department under review are
co-opted as necessary. Industrial democracy in local government could
mean that project groups would include rank and file workers, not on a
co-opted basis but as permanent members of project teams.

As trade unions can prevent the implementation of a report, manage-
ment services units consult frequently with permanent trade union offi-
cials and with other trade union representatives. One officer claimed that
a firm, 'no nonsense' approach and frequent informal consultations with
trade union representatives had been successful in facilitating change and
preventing the wasteful deployment of employees. The policy of many
local authorities is that there should be no enforced redundancy and that
salaries should be protected, but employees naturally resist transfers to
lower grades of jobs, and staff turnover does not always avert the prob-
lem. The varied experiences of different management services officers
made it plain that trade union reactions to proposed changes vary from
one particular union to another, and from one local authority to another.
Each management services unit should, therefore, it was suggested,
devise its own method of securing trade union acceptance of any propos-
als. The suggestion of one management services officer that the need for
consultation with trade union representatives is a strong argument for
management services units being in the same department as the person-
nel function did not meet with universal approval!

Considerable attention should be paid, it was pointed out, to the way in
which proposals for reform are presented initially to management groups
of officers and subsequently to committees of members. The status of the
management services unit within the Authority affects the seriousness
with which its advice is treated. Management systems, relationships bet-
ween members and officers, and relations between the members them-
selves vary so much that each management services unit must determine
its own approach. One officer suggested that it is important to produce
different kinds of reports for different groups, including a detailed report
for the department under review, a briefer report for the management
team and a very short report for the elected members. One unit achieved
a high degree of success by arranging a 'show' consisting of slides, diag-
rams displayed on posters and talks by project team members.

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Summary of Introduction by S. A. Rogers (Institute of Local Government Studies)

There are arguments for, and against, the measurement of performance. In support of performance measurement it is usually argued that:

(i) the improvement of efficiency depends on having effective control of an organisation;

(ii) to control an organisation considerable information is needed about what the organisation is, and is not, doing;

(iii) adequate information in this context, requires that inputs and outputs, and the impact of services on the community should be measured.

Therefore, it is often assumed that the quest for greater efficiency must be the quest for more and better measurement. However, it is by no means certain that these arguments are correct. There are several problems connected with the measurement of efficiency and effectiveness:

(i) Sometimes measurements, especially the techniques of measurement, can become ends in themselves and can be so elaborate that understanding the techniques and the results is restricted to certain specialists. The measurements produce an illusion of rationality and, therefore, of security since it is assumed that because something is measured it is under control. Managers sometimes think that they have done enough when they have measured performance.

(ii) Performance measures are often of limited usefulness. Because it is difficult to find appropriate measures of certain inputs or outputs, some measures purport to measure aspects of a service that are not in fact measurable. Certain mathematical procedures are specious or clearly incorrect. Also it may not be possible to implement the results of, for example, complex exercises in network analysis.

(iii) Measurement tends to drive out the immeasurable. Firstly, an emphasis on measurement can result in attention being concentrated on those local authority activities that can be measured and a tendency to neglect activities that are immeasurable. Secondly, this emphasis on measurement focuses attention on the quantities of inputs and outputs rather than on their quality.

(iv) The carrying out of measurements can itself affect the work done with the result that the measurements do not refer to normal work patterns. The effects of the actual process of measurement may be expected and desired, expected and undesired, unexpected and desired, or unexpected and undesired!

(v) Does measurement, in practice, produce beneficial changes and

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better control? It is doubtful how far measurement does improve performance. Management texts and research papers describe numerous cases where the introduction of measurement has not led to any improvements being made. Current practice tends to make a clear distinction between 'the measurers' and 'the measured' and between 'the controllers' and 'the controlled'. There are possibilities of more co-operation between the two groups, with an increasing emphasis being placed on self-control as opposed to external constraints. Measurement would still be relevant, but as a means of assisting self-control rather than as a tool used by the controllers.

DISCUSSION GROUPS: THE MEASUREMENT OF EFFICIENCY AND EFFECTIVENESS
Many management services officers recognised the limitation of measurement techniques but expressed the view that they could sometimes be useful. For example, inefficiencies and waste are sometimes quite obvious to the line managers concerned, but they do nothing about them because change would create problems. In such circumstances measurement can be a means of drawing attention to inefficiencies and persuading the line managers to take action. (The need for project teams consisting of both staff from the department concerned and of management services officers, plus any other necessary staff, was again emphasised.) Furthermore, certain management services officers claimed that the greatest inefficiencies tend to be in those departments where output cannot be measured. Difficulties have been experienced in the use of statistics, because of the tendency of some senior officers to emphasise those figures that supported the policy of the Authority and to ignore those that might be seen to reflect poorly on the Authority's performance. Several management services officers quoted examples of performance measures which they regarded as satisfactory, but they again emphasised the difficulties of introducing the changes which their studies have shown would increase efficiency, even when it was clear that there was a gross waste of resources.

Measurement techniques should be seen in perspective since certain obvious sources of inefficiency can be revealed by straightforward observation. For example, management services units should collect information at an early stage about expenditure programmes so that they are able to forestall the duplication of equipment. If accounts are insufficiently detailed they should ask departments about the vehicles and other equipment that they intend to buy. Otherwise excess equipment is sometimes bought, followed by trade union pressures to 'man' the surplus equipment, so heaping one type of wasted expenditure on another. Other sources of inefficiency are, several officers believed, the highly hierarchi-

cal structure of many local authority departments and lack of adequate delegation.

THE IMPLEMENTATION OF A RATIONAL APPROACH

Summary of Introduction by D. A. E. Lawrence, Assistant Town Clerk, London Borough of Ealing

Since people are a-rational the implementation of management services reviews often meets with either active or passive opposition. As Machiavelli wrote 'There is nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success than to take the lead in the introduction of a new order of things, because the innovator has for enemies all those who have done well under the old conditions, and lukewarm defenders in those who may do well under the new'.

In the search for improved efficiency and effectiveness several solutions to problems should be examined; it may not be possible to select the ideal solutions because of likely obstacles to their implementation. Moreover, it may be wisest to opt for a policy of incrementalism rather than radical solutions that are likely to meet strong opposition. It is preferable to introduce gradual improvements rather than no improvements at all, especially since implementation is psychologically important to the future work of management services officers. The following are important stages in the process of implementation:

(i) It is necessary to prepare individual clients at all levels for the recommendations in a report by, for example, suitable 'leaks'.

(ii) Each report should be 'argued through' with the recipients so that any misunderstandings can be avoided.

(iii) In presenting a report to Committee the management services, or other appropriate officer should set out with the idea of securing acceptance of the report. (As mentioned above, a report should already have been designed so as to make success possible.)

(iv) Managements services units should co-operate with the chief officer of the department concerned in implementing the report. Otherwise line managers may discard ideas if difficulties arise although the latter could, with some effort, be overcome. Also it is useful experience for management services staff to see at first hand the difficulties that arise in implementing recommendations.

(v) At six monthly intervals any departments or sections where changes have been introduced should be monitored to see whether there has been any 'drift' from the recommendations and, if so, the reasons for this.

(vi) There should be feedback to Committee concerning the progress made with implementation.

A common view was that a purely rational approach by management services units is inappropriate. In most Authorities, even the most carefully prepared review will not necessarily be accepted by elected members and senior management purely on the basis of the report's self-evident rationality. Key issues in deciding whether a report is accepted are responsibility for the management services unit, the managerial style of the chief executive, town clerk or other senior officer, and his working relationship with the head of the management services unit. Moreover, as different groups of staff and individuals have different objectives, recommendations which may be wholly rational from the point of view of the management services unit may not be accepted as such by the staff concerned. Therefore, management services officers must be prepared to allow for political, professional and personnel constraints upon their work. They must demonstrate the importance of their work within the framework of those constraints.

Several speakers stressed that they always involve the people concerned, or their representatives, when preparing reports. There was considerable discussion of the importance of consulting with the trade unions whilst a report is being prepared and of floating ideas possibly 18 months before a report is published, as this gives the unions time to get used to an idea. It was emphasised that consultation should be an interchange of views and not a matter of telling a trade union or a group of staff about future plans.

The secondment of management services officers to individual departments for work on the implementation of reports was discussed at some length. Whilst this was regarded as helpful, it was pointed out that it could absorb a good deal of staff time and it could be difficult to remove management services officers from departments as they tended to become highly involved, even obsessed, with the problems of one department. However, this capacity to get involved in departments has also proved useful on occasions when management services officers have stepped in temporarily to run very successfully such places as Leisure Centres. Such demonstrations of their capacity have been very good for relationships between management services units and other parts of Authorities. The limited career prospects for the management services officers who are now gaining broad experience present problems. Local authorities would benefit if some of these officers could move into more responsible positions.

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AN EXAMINATION OF THE MANAGEMENT SERVICES FUNCTION
Summary of Professor John Stewart's talk (Institute of Local Government Studies)

There are a number of questions which should be discussed in the near future. What is a management services officer? His role is not to be primarily a defender of the rational approach. The most difficult task in an organisation is to think of new alternatives from which to select the preferred methods of reaching desired objectives. These new alternatives are the result of intuition. Subsequently, rational analysis can be used to select the best alternative.

How should management services officers be trained? They have to handle not only quantitative data but also soft data such as the attitudes of individual employees and of trade unions to proposed changes. Their training should reflect these two aspects of their responsibilities. Moreover, new potential career patterns for management services officers are emerging. Formerly, the senior officers in local government were professionals, in the sense of having qualifications in traditional aspects of local authority administration. But recently such people as a personnel officer, an auditor and a corporate planner have been appointed as chief executives. People are proceeding by leaps rather than by steady promotion up the professional ladder. The training of management services officers should take into account these new career opportunities.

How should the management services function be organised? Many local authorities have three units, or sections, that provide services to management including, apart from management services proper, such functions as research and intelligence, internal audit, and information units etc. The GLC has 29 such units. Is it desirable that the management services function should be as fragmented as it is in many local authorities?

What is the role of management services in relation to the councillor? Many councillors are looking for a weapon which will enable them to challenge the officers. But it is significant that the title is *management services* and not *members'* services.

During the next eight years or so local government will be facing new issues, many being external to local government, which will affect the management of local authorities and hence the work of management services officers. Population projections suggest that Britain's total population is likely to be stable or declining, that the number of school children in many age groups is certain to decline over this period, and that the number of old people is certain to increase. This will affect the work of management services units since it will mean that the redeployment of teachers, social workers and other employees will be under discussion.

In their work management services officers will also have to take into

account the three million people in ethnic minorities. Administrative procedures should be designed in such a way that there is no racial discrimination, and sometimes special arrangements which respect the customs of racial minorities are necessary. For example, it is not always helpful to ask whether a person is married.

Unemployment amongst young people is likely to be an important factor during the next eight years or so. The population available for work will increase by about 2½ millions. Potentially this could help to solve the problem of the growing number of old people who have to be supported by the community, but it is doubtful whether there will be work available for all these extra people. The lack of jobs is being tackled at present by a 'mishmash' of job creation schemes and early retirement. The whole pattern of management in local government is likely to be affected by efforts to provide jobs for those most in need. Local authorities have a special responsibility in those parts of the country where they employ a significant proportion of the population.

Other influences on the future management of local government can be cited. Pressure for public involvement in decision-making is likely to affect management structures and the process of decision-making. The desire of employees for a greater say in the decisions that affect their working lives is likely to affect both the general style of management and the conduct of industrial relations. The needs of the inner cities will affect the allocation of resources. For example, local authorities may consider that there is a uniform provision of services throughout their area but, on investigation, it may be found that the inner cities are making proportionately fewer demands on available resources. New and recent legislation, such as the Health and Safety Act, can be expected to affect both the way in which jobs are carried out and the balance of power within a local authority.

OUTCOME OF THE WORKSHOP

The workshop was intended to explore the present and future role of management services units in relation to the efficiency and effectiveness of local authorities. It showed that the work of management services units is expanding. They are becoming involved increasingly with the review of whole departments instead of simply with reviews of certain sections or occupations; they are working with chief officers and other staff, at all levels, in project teams; they are concerned increasingly with the human problems of change; and they are often involved directly in the actual implementation of new management systems. Apart from these already discernible developments there may be a trend towards the amalgamation of the various units, including management services, which can assist both

members and officers to deploy resources more effectively and efficiently.

Management services officers need more than a rational approach and a knowledge of statistical and other techniques. They require intuition if they are to be able to devise alternative methods of reaching objectives, and powers of judgement if they are to be able to evaluate the immeasurable factors in a problem. They also need the ability to work with staff at all levels and to appreciate the point of view of elected members. Management services will be able to assist both elected members and senior officers in the struggle for greater efficiency that is likely to be a preoccupation of local government during the next decade. INLOGOV intends to explore in a series of seminars, further aspects of the drive towards greater efficiency and effectiveness.

NOTES AND REFERENCES

1. Local government reorganisation took place in London in 1965, in other parts of England and in Wales in 1974 and in Scotland in 1975.
2. Efficiency is a measure of the relationship between the amount of resources used and the volume of service provided. Effectiveness is a measure of the impact of a service on a community.
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APPENDIX 15

PERSONNEL MANAGEMENT IN LOCAL

GOVERNMENT

J D Stewart   Telescope   Dec 1972

Telescope

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Personnel Management in Local Government

Professor J. D. STEWART, Associate Director, INLOGOV, Birmingham University.

I have spoken to this section in previous years on management techniques and on programme budgeting. It is pleasant and stimulating to be speaking on a new subject — the personnel function.

It is not a separate subject. New management techniques will not be used to their full or programme budgeting developed unless local government shows a new appreciation of the personnel function.

For in the full perspective of management in local government there is no function so under-rated and so under-recognised as the personnel function. This is symbolised by the role and status given in many authorities to the nearest equivalent to the personnel manager — to the establishment officer. I stress symbolised, because the personnel function cannot be carried out by any central department — call it an establishment department or a personnel department. Personnel management is the responsibility of the manager. A personnel department provides a focus of attention and expertise. It cannot, itself, be responsible for personnel management. Nevertheless the symbol is there. The recognition given to personnel management in the organisation reflects the need felt for such a focus of attention and expertise.

That recognition is absent in local government. In too many authorities the function of the establishment officer is restricted — in some to mere record keeping. The status as measured by the hard test of grading reflects that restriction on function.

Management in local government has seen no need to give recognition to the personnel function.

Perhaps this has been because local government has not seen its task as government of an area responding to the changing needs and problems of that area, requiring continuing personnel development. The personnel function is not recognised and personnel management assumed not to be required.

Professionalism is assumed to replace the need for any recognition of the personnel function. For professionalism — and professionalism in a relatively static form — is too often seen as removing the necessity for an active personnel policy. Professionalism places reliance on the professional loyalties and professional standards which can obscure real personnel problems.

Professionalism tends to be static. Traditionally professionalism lays a base but it is a base that is laid at the start of a career. It makes no allowance for the changes that will take place throughout the career as a man gains seniority. It makes no allowance for the changes that will take place as times change. It is ridiculous that we rely so heavily upon a base-training which in some professions is likely to be outdated 10 years after qualification. Some professions for which we are now training should perhaps disappear if the self-sustaining force of the professional association would allow them.

Professionalism has contributed much to local government and will contribute more if it is recognised that there are other and wider bases for a personnel policy. The professional can no more rely on professionalism alone than the non-professional.

For underlying the need for a new approach to personnel policies is change. Change not within the local authority — for that is secondary — but change outside the authority. Change within must be seen as a response to change without.

The problems facing a local authority change. The activities do not necessarily change at the same rate. The local authority exists to provide certain activities and those activities can easily become objectives in themselves. But in the final resort those activities are undertaken because of problems in the environment. Problems and needs change. Transport problems; health problems; leisure and recreation needs; social problems. None of these are the same today as twenty years ago. None of these are the same today as they will be in even 10 years time. Problems change and the organisation if it is to be effective must change too.

But it is not merely problems that change. Our knowledge of how to handle problems changes too. Technology develops; skills change. Yet down our over-professionalised channels of communication we learn only what we are professionally trained to learn. The professional channels of communication can too easily merely serve to reinforce themselves.

Problems change and knowledge changes. The local authority faces an environment of change. But it draws from that environment resources — men, material and money — and of these perhaps the critical resource is men.

Men — the manpower that the local authority professionalises — and socialises in an attempt to transform in into its own model is in effect an ever-changing resource. The young recruit to the Treasurer's Department is not the same as the recruit of yesteryear — as a multitude of chief officers will complain. The world outside is changing. We have educated; we have changed; we have transformed and we must live with the results of our actions. The static structures that we have built to deal with static problems will be transformed by those we recruit to the organisation if we ourselves do not sanction the transformation.

Change is required within, as well as without the organisation because problems change, knowledge changes and the new recruit changes. A local authority cannot remain static in a changing world.

Change must be mediated through the personnel within an organisation. The impact of change is greatest upon the individuals who make up the organisation. It is they who must adjust their roles. In an era of change the personnel function must mediate change.

Our concept of organisation is a static one. Indeed the very word implies rigidity. Our concept of organisation derives from certainties imprinted on our mind. To reach new concepts the organisation must be transformed from within by the personnel within it.

Our personnel policy must be concerned to create a situation where the personnel within the organisation are aware of the need for change not in abstract terms but in specific change. They must be open to changes in problems and in knowledge. They must be responsive.

They must not merely be aware of the need for change. They must accept it. There must be an attitude in which change is accepted.

But to be responsive and to accept change is not enough. Staff must be assisted to gain the skills and the knowledge that enables them to respond to change.

Change outside the organisation requires change within it. Change within the organisation implies change for the personnel within it. Change

—towards responsiveness
—of attitude
—in skills and knowledge.

This implies a personnel policy, but a personnel policy that centres on the adaptation of the organisation. Perhaps at the core of such a personnel policy will not be restrictive manpower controls but the development of the manpower resources within the organisation.

The contract between control and development is, I suspect, at the heart of the dilemma surrounding our personnel policies. We emphasise the negative side of our personnel policies rather than the positive side.

Perhaps some general indications of the limitations of the personnel function in local government will illustrate this.

One must first look at the recognition given to the personnel function within the local authorities organisation because that symbolises the extent to which the function is recognised. No central department in the organisation can itself carry out the functions of personnel management or should attempt to do so but its existence and the status given to it mirror the extent of the recognition given to it.

Local authorities have establishment sections or departments. Normally they are not treated as major departments in their own right. Rarely is the Establishment Officer treated as fulfilling a function as critical as the Treasurer's in dealing with the resources of the authority.

In some cases it has already been pointed out they are little more

than record-keeping sections and if they are more than that the emphasis is often put upon establishment control — perhaps the most negative side of the personnel function and indeed the one that may least require separate recognition within the organisation. The requirement that a proposal requires separate establishment approval and separate financial approval seems unnecessary. Procedures should be integrated.

But looking beyond the establishment section to the personnel function what weaknesses can be identified? The following is a mere list, but it is a list that clusters around the need for personnel development. An organisation selects, trains, develops its personnel in order to develop the organisation. Change in the organisation and change in personnel cannot be separated.

1. *Over-reliance on professional training*

   True, occasional individuals are now sent on ten week management courses. A few more individuals are sent on three week courses. If one contrasts this investment with the investment in professional training, the extent of such management training can be seen to represent merely a gesture.

2. *The tendency to regard a training course as an isolated exercise*

   An officer goes on a course. He returns to the authority. It has been a passing interlude which is not expected to have any real impact in the authority.

3. *The tendency to regard training as separate from the organisation*

   This is really a general statement of the last proposition, but there is another side to it. Because incredibly organisation needs are separated off from training. The need for training as a vital element in bringing about organisational change has been too often ignored.

4. *The lack of any underlying concept of management or indeed staff development*

   Training must remain isolated without such concepts.

5. *The lack of manpower data and the analysis of manpower data*

   Manpower is not recognised as a resource which must be understood.

6. *The failure to see manpower planning as an instrument of management in local government*

   Manpower planning should be seen in positive terms. Manpower should only exceptionally be a constraint upon the authorities plans. Problems identified should be planned to be overcome by training, by development, by recruitment, by reorganisation. But such plans require time.

7. *Recruitment is not recognised as a problem requiring analysis*
    Recruitment is recognised as a problem, but as a problem not to be resolved but regretted. Analysis of fields of recruitment — of response rates is too rarely undertaken.

8. *Selection is an event left more to chance than to system*
    The local government officer who is so ready to criticise council and committee in their selection procedure has rarely begun to refine those procedures he can himself influence.

9. *The need for positive industrial relations is too often neglected*
    At a time of changing and active industrial relations, the local government officer is often ill-equipped to deal with the problems arising.

One could go on listing such problems, but in a sense enough has been said to indicate that there is a lack of a positive personnel policy. A focus of attention is required to secure that such policies develop.

The case for a major personnel department in local government is just that — to provide a focus of attention to ensure developing personnel policies. I want to indicate some of the characteristics that such a department must have.

1. It must operate through other departments. It will only be successful when other departments show an awareness of the need for developed personnel policies. In one sense this means that the personnel department starts with a training task of creating that awareness.

2. Training or in a much wider sense management or staff development is perhaps the most important element in the Personnel Department. It is the core of the Department seen as a means of development.

3. The personnel department must look outward as well as inward. It must have its own contacts with universities and colleges. It must understand how personnel policies are developing in other organisations.

4. The personnel department must be able to deploy the full range of personnel techniques — job evaluation, job analysis, systematic selection, etc. — as an aid to management.

5. The personnel department will introduce procedures for assessing training need, for management development, for manpower planning, linked whenever possible to other procedures. It will ensure personnel a focus of attention.

New developed personnel departments could be established in the new local authorities. Failure to establish such departments will hinder the ability of these authorities to adapt and change to meet changing needs and problems. A personnel department can be a focus of attention for personnel policies designed to mediate change in the organisation.

APPENDIX 16

PERSONNEL MANAGEMENT POLICIES -

A CONFERENCE REPORT

J D Stewart   Local Government Chronicle   29 April 1977

LOCAL GOVERNMENT
CHRONICLE

29 APRIL, 1977

Personnel management policies

Our management
correspondent reports
on last week's seminar of
the Society of Chief Personnel
Officers in Local Government

Much constructive thought on the role
of the personnel officer in local govern-
ment was expressed last week at a
seminar organised by the Society of
Chief Personnel Officers in Local
Government. The general conclusion
was that his role should be primarily
advisory rather than executive and that
his influence should flow from his pro-
fessional expertise, supported by per-
sonality.

The theme of relative status was
inevitably mentioned from time to time
but the seminar was refreshingly free
from overmuch consideration of this
question. Varieties of organisational
structure also played relatively little
part in the discussions. The main
theme was the personnel *function* itself
and speakers kept to this point.

Stimulating

The seminar was well-supported by
local authorities. There were 110 dele-
gates, drawn from 23 counties, 25
districts, five metropolitan counties,
nine metropolitan districts and seven
London boroughs. Some authorities
were represented by members as well
as officers.

The discussions began with a charac-
teristically stimulating introduction
from John Stewart, director of IN-
LOGOV, in which he analysed the
changing state of local government and
posed the question whether personnel
management can meet the challenge
of change. It was inevitable that local
government should have to adapt to
change in a world which was itself
continuously changing. Local govern-
ment, however, has moved from an
era of growth to restraint and retrench-
ment.

The irony was that when most
required, the personnel department may
be least wanted and that even when

anted may be least equipped for the
nallenge it has to face. The harsh
nperatives of cut-back and control
iade personnel departments seem an
nnecessary luxury left over from a
eriod of growth.

Some might think that if personnel
epartments were to be used at all,
ieir function should be to enforce
ghter control through procedures
hich lessen the opportunity for
iange. That way lies stagnation. It
iould be realised, however, that even
i a period of resource restraint the
m can be growth in achievement.

fluence

Professor Stewart pointed out that
ersonnel policies must run through
e whole organisation of the authority.
hey involve management of all de-
irtments and affect all the parts. The
le of the limited part of the authority
hich is the personnel department
ust be subtle. It cannot itself be
sponsible for implementing all per-
nnel policies. It cannot even be
sponsible for all the new initiatives
personnel policies. Personnel policies
ust in a real sense be part of the
anagement of the whole authority.
The personnel department is thus to
large extent one whose key role is
influence rather than be an executive
thority. It should gain its strength
m its capacity to influence attitudes
personnel policies rather than from
ower to instruct. Its influence, there-
e, will in part depend on the extent
its expertise and understanding, its
pacity to assist with concrete prob-
ns, and the quality of its initiative.
There may be some executive func-
ns, such as in the fields of training
recruitment, but, on the whole,
ivity is only valuable in so far as
leads to influence. Its effective use
l lead the personnel manager beyond
re authority. In an apt aphorism he
d "authority is limited to the job
cription. Influence knows no such
its."

A 10-point analysis of the personnel
iation as it stood today was made
Harry Rogers, president of the
titute of Personnel Management
Director of Personnel for the
ssey Company. Firstly, there was
ticipation. There was much specula-
talk about this, but no one could
rd to ignore the pressure for par-
pation. He did not think the
lock report offered the most effec-
solution. Politicians talked about
ticipation from the top down.
ons wanted to extend their power.
le felt, however, that they should
is their attention on the individual,
ng to involve people at all levels.

People wanted to be consulted about
their work, about the kind of machines
they may be called upon to operate.
Personnel managers must use their
influence in this area; otherwise poli-
ticians will get it wrong. They must
emphasise that there should be manage-
ment by consent—"The authority to
manage is based on the consent of the
employees."

Professor John Stewart

Again, there was scope for the so-
called behavioural scientists in the
personnel function. They could help
in measuring attitudes to work and
training. They had a function in pro-
moting higher levels of employee
satisfaction. He saw them as part of
the personnel management team.

He stressed that managers as well
as workers should keep up with
changing knowledge and changing
standards. Learning is a continuous
process. He also dealt with manpower
planning and pointed out that the
private sector had greater experience
of dealing with redundancies than the
public sector. If initial planning had
been more effective on a long-term
basis many manpower problems could
have been avoided. They should also
have career planning in mind when
recruiting manpower.

Harry Rogers was not impressed
with all incentive payment systems.
There were many overpaid guaranteed
incentive schemes and many were
phoney. Indeed, some were based on
the notion of "selling restrictive prac-
tices". He was also critical of many
different caste systems. Some were
crazy. The typist might be able to eat
in the same room as the directors but
her worker-father could not.

There should be greater harmonisa-
tion of working practices throughout
the organisation and there should be
an appropriate valuation of each per-
son's work contribution.

Communications rated high in the
promotion of good industrial relations.
There were many varieties of systems,
but what really mattered was the "face
to face" basis. Managers should be

good communicators and should talk
to people at all levels. The organisation
of an undertaking can have a significant
contribution to good relations and
authoritarian attitudes were no longer
tenable. There should also be staff
development plans which should them-
selves be the subject of consultation.

The final session of "The Personnel
Function in Local Government—a
National Viewpoint" was introduced
by Brian Rusbridge, secretary of
LACSAB.

On the need to be positive, the view
of LACSAB at the national level was
to ask after each annual settlement two
questions. "First, where did we go
wrong—a fair assumption since we are
never likely to please everybody?
Second, what should we be working
towards 12 months ahead?" Plans can
then be laid for a constructive ap-
proach to the next pay round. A posi-
tive attitude involved taking risks. If,
however, local government is not to be
left behind in the race, risks must be
taken and there needs to be open dis-
cussion of even the most controversial
issues.

Bidding for key staff

On the need for flexibility, Mr Rus-
bridge made two points. In manpower
terms local government does not react
quickly enough to external changes.
Second, the national framework of pay
and conditions is too rigid to allow
authorities to adapt to local con-
ditions and to experiment. Illustrating
these points, he said that it was not
many months since some authorities
were pleading that vital functions were
being neglected because of shortages
of staff. Firms in the private sector and
professional organisations were able to
outbid local government for key staff.

Some local authorities joined the
band wagon and offered artificially in-
flated salary levels for certain posts.
A reversal of the situation has seen a
rapid reduction of salaries on offer in
the private sector with few jobs avail-
able. When there is an abundance of
staff on the market it is doubtful
whether local authorities can adjust
quickly enough to new conditions. The
same slowness of reaction applies in
relating the labour force to the task
to be done. Ironically, the very people
who helped to create the external pres-
sures on local government in the up-
ward swing are the first to criticise
when local government is caught in the
downward swing.

Regular overtime used simply to
provide an earnings enhancement has
a habit of sticking there long after the
need has evaporated. "Is it right to
use overtime as a pay safety valve?"
he asked. Perhaps it is, but as per-
sonnel people they should be asking
themselves the question. Similarly,
they should be addressing their minds
to the future patterns of productivity
schemes and bonus incentive pay-
ments.

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