

## ORGANIZING FOR PRODUCTIVE USE OF MANPOWER

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Many firms and organizations face financial problems because of increasing labor costs. Labor productivity is directly related to the internal structure of the firm or organization. The four basic principles of internal organization are unity of command, span of control, homogeneous assignment and delegation.

### Unity of Command

One of the oldest principles of organization is that no man can serve two masters. It is also one of the most commonly violated principles. Fuzzy organizational structure and practices can cause poor employee performance even though written job descriptions and organizational charts exist. Management studies reveal several reasons for this:

- Employees are assigned unrelated duties. One part of a job may be composed of duties that are the responsibility of one supervisor, while the remainder of the duties are the responsibility of another supervisor. In such a situation, the employee will be inclined to give priority to those duties which are of concern to the supervisor who is most powerful in the organization. The other supervisor will not receive equal priority.
- A supervisor who is promoted to a higher level in the organization often continues to give orders directly to employees he previously supervised, even though his old job has been filled by a new supervisor. This practice often is encouraged by employees who continue to go to their former supervisor for instructions. An alert supervisor immediately will advise such employees to consult their new immediate supervisor.
- Supervisory personnel often bypass a weak subordinate supervisor and go directly to his employees. This not only confuses the workers, but causes them to lose respect for the whole organization.
- Inexperienced supervisors have a tendency to make assignments directly to a subordinate supervisor's workers when the subordinate supervisor is not immediately available to receive the instructions. This should be done only in emergency situations. The higher su-

pervisor should devote his attention to helping his subordinate supervisor become more available.

- Supervisory personnel who are assigned temporary workloads beyond the capabilities of their workers are inclined to go directly to other workers for assistance. The physical layout of a firm may encourage this bad practice. Supervisors should secure extra manpower by requesting assistance from other supervisors.
- Employees who have both a "boss" and an "assistant boss" usually are confused and work at less than peak efficiency unless the organizational structure is clarified. Both supervisors often make assignments directly to workers. Also, workers never quite know to which boss they should take their problems. It is often desirable to eliminate the "assistant boss" position and make him a "full boss" over a definite segment of the organization by re-structuring the entire organization. If this cannot be done, specific areas of responsibility must be assigned to each supervisor, and all employees need to know the breakdown.

Supervisory personnel in any organization can get a fair indication of how well they are observing the "one boss" principle if they will:

- Request an outsider, preferably a customer, to casually ask some of the employees who their boss is, and report the findings.
- Review supervisory job descriptions to see if each one spells out specifically the positions directly supervised.
- Review workers' job descriptions to insure that each one specifically states who the immediate supervisor is.

### Span of Control

This principle deals with determining the number of workers a supervisor can adequately supervise. The supervisor with too few workers will over-supervise those reporting directly to him. The supervisor who is responsible for too many workers will not do justice to any of them. The number of direct subordinates a supervisor should have must be determined after careful consideration of the following points.

*Type of work done*—The nature and complexity of the work done in an organization determines the

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amount of supervision workers need. The more complex the work, the more often workers may need assistance from their supervisor.

*Quality of workers*—The amount of skill workers have determines to a large extent the frequency with which they must consult the supervisor. It is not always possible or economically feasible to employ workers who are fully skilled in every aspect of their jobs. It may be better at times to employ less expensive workers and give them more supervision. Thus, the quality of the workers is a key factor in determining the correct number one supervisor can directly supervise.

*Experience of supervisor*—Experienced supervisors usually are able to effectively supervise a larger number of subordinates than inexperienced supervisors.

*Layout*—Layout of the plant or other facility is an important factor. Physical grouping of similar activities makes supervision much easier. When the physical layout is awkward, supervisors lose much time walking from one area to another.

*Time allowed for supervision*—Some personnel are required to serve as supervisors part of the time and as workers part of the time. This factor must be studied carefully when organizational plans are developed. A person is able to give direct supervision to more people if he can devote all of his time to the supervisory role.

### **Homogeneous Assignment**

Homogeneous assignment is, among other things, the principle of utilizing employees at their highest skill level. Although this cannot always be achieved, especially in small firms where an employee is expected to do various levels of work, much can be gained by the application of this principle. The following case is an illustration.

A few years ago, a machine shop employing 12 skilled machinists at \$5 an hour each was having difficulty meeting the increased workload of the shop. Hiring additional machinists was not possible due to the tight labor market. A management consultant was engaged to study the problem. The consultant noted that at 4:30 p.m. each day all the machines in the shop were closed down, and for the next 30 minutes everyone worked to clean the shop and oil the machines. When the consultant asked the owner why this was done, the owner said, "That is the way you run a machine shop; it is a tradition that every man helps clean up." The consultant explained that the observance of this tradition was very costly. He suggested that the owner hire a janitor to do the cleaning at \$2 per hour and let him work a full 8-hour shift at night. The following benefits then would accrue to the company:

- Direct costs for cleaning the shop would be reduced from \$30 per day to \$16 per day.

(12 machinists at \$5 per hour for 30 minutes each vs. 1 janitor at \$2 per hour for 8 hours)

- Six manhours of machinist time would be released each day to apply toward backlogged work.
- Machinists' morale would go up because they would be utilized at their highest skill level.

### **Delegation**

Delegation is the act of assigning authority and responsibility from one level of an organization to another. The delegator rids himself of neither, but shares both.

Delegation is one of the hardest tasks faced by supervisors and managers, perhaps because they fear that mistakes will be made or that others will not do the tasks in the same way they would. Also, a supervisor may find it hard to give up tasks he enjoys even though they easily could be done by a subordinate.

The following are symptoms of a poor delegator:

- Causes bottlenecks in the flow of processes or procedures.
- Keeps lines of people waiting—employees and customers.
- Has a backlog of telephone calls to make.
- Has overdue paperwork.
- Has an untidy place of business.
- Takes work home at night.
- Skips lunch frequently.
- Never takes a vacation.
- Calls meetings on short notice regularly.
- Transacts considerable business with subordinates while riding elevators or going to and from airports.

Delegation can be improved if:

- Each employee knows what his job is, how well he is expected to do his job and how well he is doing it.
- There are up-to-date policies in every area of operations where recurring decisions are made.
- Delegated authority and responsibility are kept in balance.
- People are employed to fit specific jobs, rather than developing jobs to fit new workers.
- Decisions are made as close to the point of action as possible.
- Subordinates are encouraged to make decisions in their areas of responsibility.
- The system of accountability is understood by all.
- Complex instructions are issued in writing.
- The chain of command is followed.

To assure efficient management and operation, a firm's observance of the principles of unity of command, span of control, homogeneous assignment and delegation should be reviewed at least once each year.

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