

Management services —

Part 4: Guide to work performance control

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Committees responsible for this British Standard

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- British Gas plc
- Civil Service College
- Ergonomics Society
- GAMBICA (BEAMA Ltd.)
- H M Treasury
- Institute of Administrative Management
- Institute of Management Services
- Institute of Quality Assurance
- Loughborough University of Technology
- Methods — Time Measurement Association Ltd.
- Ministry of Defence
- Trades Union Congress

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Foreword

This Part of BS 3375 has been prepared under the direction of the Quality, Management and Statistics Standards Policy Committee. It supersedes BS 3375-4:1985 which is withdrawn.

BS 3375 comprises a series of standards published in response to a demand for information and guidance on how the various terms contained in BS 3138 *Glossary of terms used in management services*, interrelate. This revision of BS 3375 results from the publication of the fourth edition of BS 3138 in 1992.

In recent years there has been considerable development of the techniques and broadening of the areas of application of work study and organization and methods. The revision of this standard reflects the fact that these methodologies are now used across the entire spectrum of commercial and non-commercial activity and are applied to all types of work and work situation. This sphere of activity and practice of techniques has become known as “management services” and consequently it has also been decided to retitle BS 3375 as *Management Services*.

This series of standards comprises the following Parts:

- *Part 1: Guide to organization study;*
- *Part 2: Guide to method study;*
- *Part 3: Guide to work measurement;*
- *Part 4: Guide to work performance control.*

When using this Part of BS 3375 it is also important to refer to the terms listed in BS 3138:1992.

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Compliance with a British Standard does not of itself confer immunity from legal obligations.

Summary of pages

This document comprises a front cover, an inside front cover, pages i and ii, pages 1 to 14, an inside back cover and a back cover.

This standard has been updated (see copyright date) and may have had amendments incorporated. This will be indicated in the amendment table on the inside front cover.

0 Introduction

0.1 Purpose of the guide

The objective of this Part of this British Standard is to give guidance on the use of work performance control in the application of work measurement techniques, to the appraisal of results and payment for work. This standard should be used in conjunction with BS 3138:1992.

This Part of this British Standard does not only give explanations of the build-up of work performance control systems derived from traditional work measurement sources; it also touches upon systems of control that are not the unique concern of work measurement practitioners. Included in this category are job evaluation, merit rating, wage payment structures, profit related pay schemes and flexible working hours. It also gives guidance on the use of standard times to develop systems for measuring, monitoring and controlling the performance of labour and machines; enlarging on the information contained in BS 3138.

In some organizations these fields may be the responsibility of specialists in personnel management, production management or accountancy. Nevertheless, the information required to support such approaches is provided by management services practitioners and thus such approaches are properly included here.

0.2 Need for performance measures

In all situations where resources are used to achieve some objective, those responsible for the action should be concerned with its effectiveness. Productivity terminology is concerned with the input measures relative to the resultant output. A multitude of measures has been established for a wide range of manufacturing, processing and service situations. These measures are used to calculate the effectiveness of the resources employed.

In any business organization with profit as an objective, the capital employed and the return earned on it are essential measures of performance. Their relationship as an index is regarded universally as a basis for comparison. At a much simpler level, the measures of fuel consumed and distance covered will provide one basis for comparing the performances of, say, motor vehicles.

Primarily this guide is concerned with those production factors that can be measured and compared, and to which controls can therefore be applied. It should be noted however that in any organization where work is undertaken and objectives aimed for, there are certain factors that do not lend themselves to measurement. These include, for example, job satisfaction, the corporate culture of the organization and employee relations. These factors are important for the long-term success of the organization and may be assessed by such devices as attitude surveys, but such assessment is outside the scope of this standard.

0.3 Control through performance measures

The organization, the machine operation, the processing plant or the work task will have some targeted level of achievement based on particular measures and prescribed operating conditions. These conditions will, for example, assume qualified workers, specify certain materials and products and stipulate methods together with safety and possibly other conditions that have to be met. BS 3375-2 and BS 3375-3 emphasize the importance of systematic and critical examination of all these factors to ensure optimum results.

The control of any work situation has three essential elements. First the setting of targets or standards, secondly the monitoring of performance by comparing achieved results with the standard and thirdly the development of the control action by examining the causes of departure from the standard and initiating corrective action. Controls need to be developed to produce the earliest possible anticipation of events. The need for corrective action is most often revealed by the trends in variations from the standards.

0.4 Wage payment and reward

Labour as a resource has a cost represented by the wages paid. This payment is related to three factors. The first factor is the nature of the job with its prescribed duties, skills and responsibilities. The second factor is the rate relative to the time spent at the workplace (this could be an hourly or weekly rate especially for manual work or a monthly or annual salary rate for many management or office jobs). The third factor, where it applies, depends on performance achieved. This is covered more fully in 0.5.

Pay rates are usually the result of negotiation between the employee or representatives of employees and the employer or the employer's representatives. The basic pay rate should be subject to increases and allowances where work is carried out beyond the normal agreed working day/week or under some abnormal circumstances or conditions. Many agreements stipulate a guaranteed minimum weekly payment irrespective of hours worked (guaranteed week). All agreements should make reference to pay during holidays or absence because of illness.

Not all attendance time is spent in productive work. For purposes of labour control, it is necessary to categorize certain non-productive activities and ensure that there is a means of recording the time that these occupy within the attendance time.

Variations in the payment made for different jobs are being based increasingly on an evaluation of the factors that make up the demands of the job for the individual carrying it out. There are various methods of job evaluation as defined in BS 3138.

0.5 Motivation and payment by results

The third factor in many pay plans, referred to in 0.4, can be an additional financial reward related to high performance in carrying out work. This additional incentive payment often has a proportional relationship to the basic pay rate wage or salary.

There are exceptions to this arrangement for relating pay to performance. In some traditional industries and outworking situations, the earnings of the worker are wholly dependent on the work done at some predetermined job price and piecework rate. The time taken does not form part of the calculation. Alternatively the rate and workload may be fixed and the attendance time may be variable as in a task and finish arrangement. There are also bonuses paid to groups of workers based on the level of success of the whole enterprise that can be developed into profit related pay schemes.

In addition to the financial reward, there are other factors that can motivate the worker to satisfactory levels of performance. The creation of sound organization and attention to good communications and work environment are management responsibilities for which reward systems are no substitute. These aspects are covered in BS 3375-2.

1 Scope

This Part of BS 3375 defines the objectives and establishes procedures for work performance control. It gives guidance on the means of control by indices, based on achieved performance against standard performance; the remuneration of the individual according to the nature of the work and the performance achieved in carrying out the work.

2 References

2.1 Normative references

This Part of BS 3375 incorporates, by reference, provisions from specific editions of other publications. These normative references are cited at the appropriate points in the text and the publications are listed on the inside back cover. Subsequent amendments to, or revisions of, any of these publications apply to this Part of BS 3375 only when incorporated in it by updating or revision.

2.2 Informative references

This Part of BS 3375 refers to other publications that provide information or guidance. Editions of these publications current at the time of issue of this standard are listed on the inside back cover, but reference should be made to the latest editions.

3 Definitions

For the purposes of this Part of BS 3375, the definitions given in BS 3138:1992 apply.

4 Measurement of performance

4.1 General

Performance measurement is concerned with the effective use of resources. The resources considered here are people, machines, or people and machines working together. Other resources that are very important to management, but which are outside the scope of this guide, include finance, raw materials and energy and have their particular measures, usually based on costs. Performance measurement is essentially a measure of efficiency of use of defined resources in a given situation in a given period of time.

Within work performance control, performance measurement covers three basic areas, as follows.

- a) The measurement of performance while working, as follows:
 - 1) for people, this measure is operator performance during working time;
 - 2) for machines, this measure is machine efficiency index.

This measure determines how effectively these resources are being used while they are working.