

The Fundamentals of Industrial Management

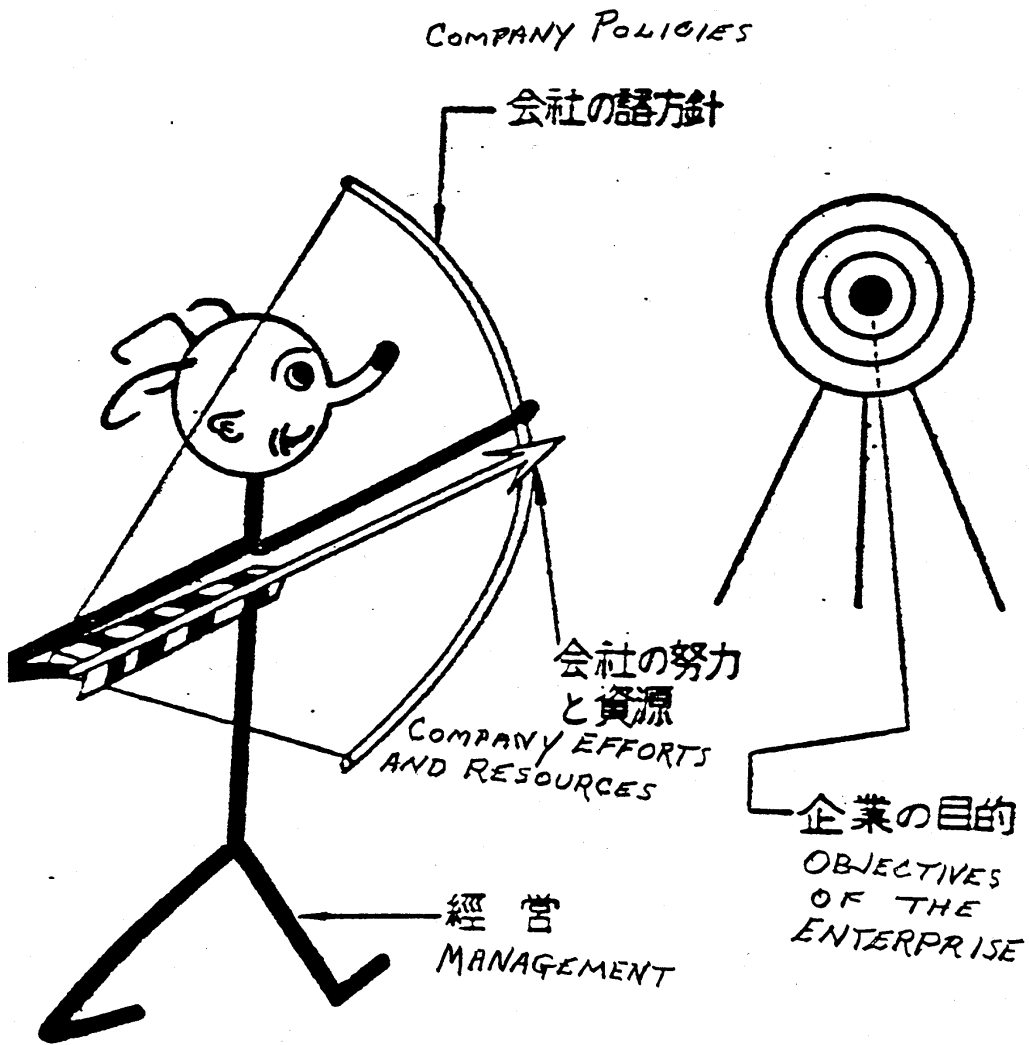
CCS Management Course

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THE POLICIES CREATED BY MANAGEMENT
 MUST DIRECT THE EFFORTS AND RESOURCES OF THE COMPANY
 TO A DEFINED TARGET - THE FUNDAMENTAL OBJECTIVES OF THE ENTERPRISE

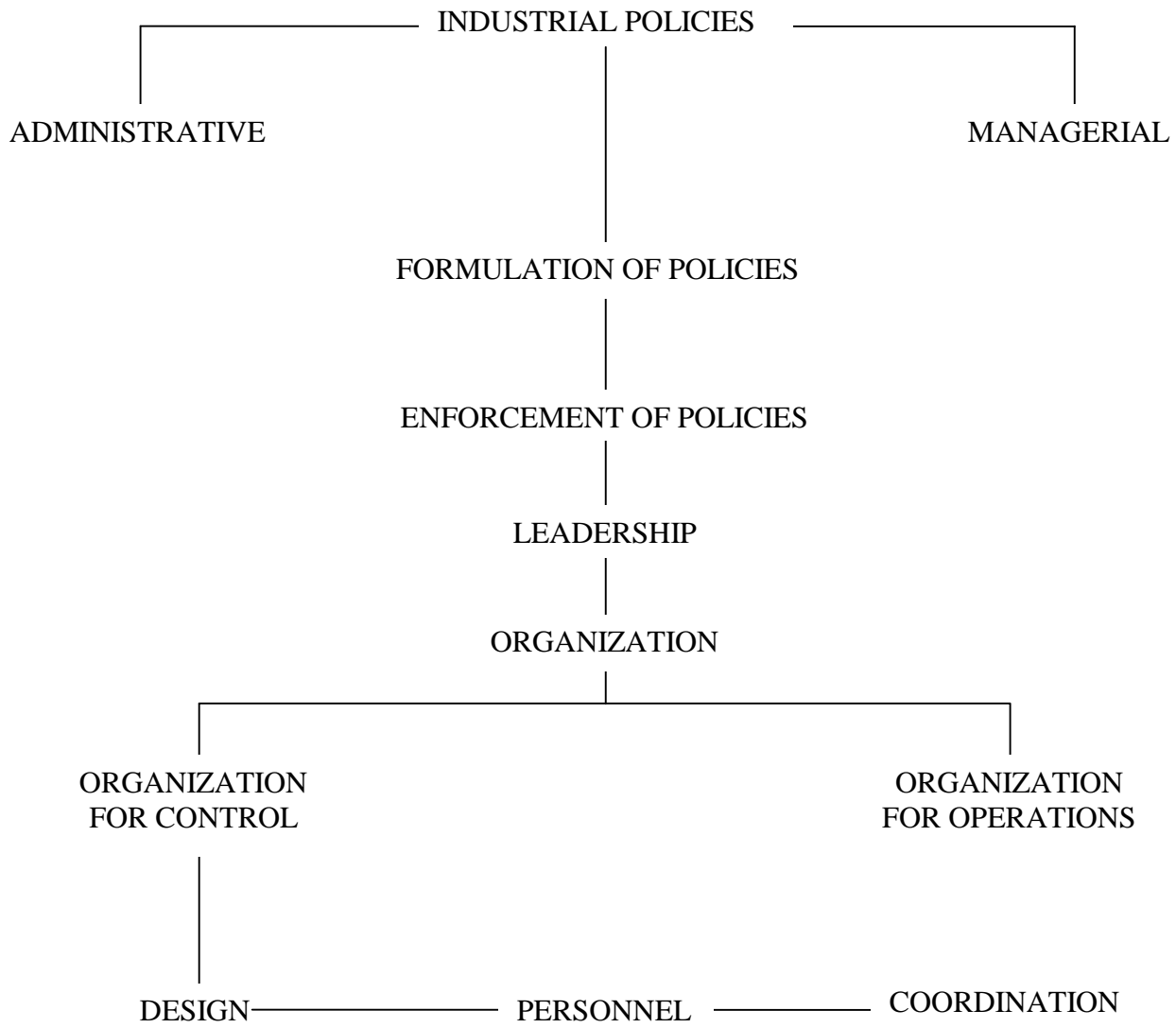
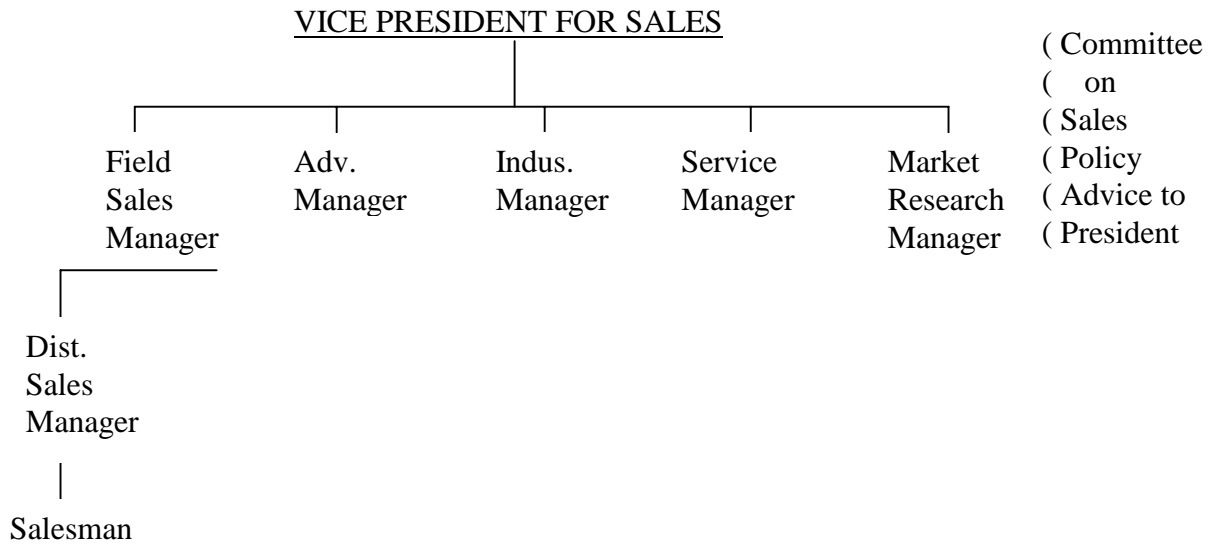


Fig. 112



Example: Development of New Market

1. Market survey
 - a. Survey proposed sales territory
 - b. Population
 - c. Wealth
 - d. Character of residents
 - e. Competition, etc.
 - f. Recommendations on sales possibilities
2. Advertising campaign
3. Direct approach by salesmen
 - a. Organized material
 - b. Product, delivery, credit

Fig. 123

Policies Related to the Marketing of a Product

- A. Selling
 - 1. Creating demand
 - 2. Finding a market
 - 3. Advice to buyers as to use of product
 - 4. Negotiating price and other terms
 - 5. Transfer of title
- B. Transporting (creating placed utility)
- C. Storing (creating time utility)
- D. Standardizing and grading
- E. Assembling
- F. Dividing
- G. Packing

General Business Functions involved in Marketing

- H. Financing
- I. Risking
- J. Recording (Accounting)

RELATIONS with EMPLOYEES

To Employees Responsible for Directing The Work of Others

It is the purpose of this statement to promote a more complete understanding of the Company's Employee Relation Policy. Attention is called to your responsibility for carrying out all of its provisions and the methods adopted for maintaining uniformity of practice in all departments of the company.

Although Personnel Departments have been established to advise and assist executives and supervisors in their dealing with employees, responsibility for making the policy effective in the every-day relationships with all employees must rest with you.

Right relations with employees is one of the fundamental elements in the success of the Company, and must be founded upon the conviction of every employee that the policies of the Company are based upon a spirit of justice in its dealings with every person with whom it comes in contact.

It is the policy —

- I. To pay all employees adequately for services rendered.

When the individual records of all employees are reviewed periodically, it is your duty to see that their rates of pay are adjusted fairly. Compensation should be based upon ability, responsibility, length of service and capacity for growth, giving due consideration to cost of living, general business conditions and wages paid by other concerns in the same territory for comparable work.

- II. To maintain reasonable hours of work and safe working conditions.

Special attention must be paid to conserving the well-being of employees in equipping and maintaining shops, warehouses, offices, restaurants and rest rooms and other facilities for comfort and convenience. Careful consideration must be given to hours of work, vacations, medical service and payment in case of absence.

- III. To provide continuous employment consistent with business conditions.

In the management of the business a continuous effort must be made to provide steady work and permanent employment. When reduction in force is unavoidable, consideration should be given to retaining long-service employees. When additions are made to the force, preference should be given to former employees. Continuity of employees' service records should be guarded.

- IV. To place employees in the kind of work best suited to their abilities.

Consideration must be given to placing each employee in the kind of work which offers opportunity for his maximum growth and usefulness. Great care should be used in assigning employees to work when they are first employed, and trial should be given to former employees. Continuity of employees' service records should be guarded.

- V. To help each individual to progress in the Company's service.

When vacancies occur, those already in the Company are entitled to first consideration. Every employee should understand the relation of his work to that of the Company as a whole, and there should be provision for training on the job, Variety and progression of experience. Information and advice should be made available for those wishing to take advantage of outside educational opportunities.

- VI. To aid employees in times of need.

It is necessary for you to understand fully the purpose and scope of the Employees' Benefit Fund for giving aid in times of disability due to sickness or accident, and for granting retiring allowances. You should keep informed regarding loan funds available for meeting other emergencies.

- VII. To encourage thrift

You are responsible for keeping your people informed and interested in the stock purchase plan and other means available for encouraging thrift. Employees desiring information and counsel should be put in touch with those best qualified to advise on matters of home buying or building, use of banking facilities, insurance programs and other personal financial problems.

- VIII. To cooperate in social, athletic and other recreational activities.

Encouragement may be given by supplying facilities, by sharing in the operating expense of organized activities of this character, and by making better use of opportunities existing in the community.

- IX. To accord to each employee the right to discuss freely with executives any matters concerning his or her welfare or the Company's interest.

It is your duty to establish the conviction among those whom you direct or with whom you come in contact that sympathetic and unprejudiced consideration will be given to any employee who wishes to discuss with you and with Company executives matters of his or her welfare or the Company's interest.

- X. To carry on the daily work in a spirit of friendliness.

As the Company grows it must be more human — not less so. Discipline, standards and precedents become more necessary with size, but the spirit in which they are administered must be friendly as well as just. Courtesy is as important within the

organization as in dealing with outsiders. Inefficiency and indifference cannot be tolerated, but the effort of supervisors must be increasingly directed at building up in every department a loyal and enthusiastic interest in the Company's work.

* * * *

Managerial policies are applied to such procedures as the following:

1. Development of an organisation plan for departments and subdivisions, defining authority, nature, scope, and limitations of activities and relations and responsibilities of each department.
2. Development of a layout plan for departments and equipment, to provide for rearrangement where necessary and to include provisions for expansion and new departments in accordance with the major organization plan.
3. Collection and summarization of data relating to products.
4. Collection and communication of data relating to machinery and equipment.
5. Standardisation of machines and development of a maintenance system.
6. Standardization of tools and development of a tool room system.
7. Development of a stores system.
8. Development of a feedback system (flow of instruction and returns).
9. Development of a time-keeping system to serve accounting purposes.
10. Development of a routing system including complete planning in advance of work to be done in turning out the product.
11. Development of methods to follow up and control work in process.
12. Development of time-studies, development and standardization of operations and operating methods and a pay system based theorem.
13. Development of a cost accounting system.

Rules for Policy Making

1. A policy should be definite, positive, clear and understandable by everyone in the organization.
2. A policy should be translatable into the practices and peculiarities of every department and division of the organization.
3. A policy should be flexible and at the same time have a high degree of permanency.
4. A policy should be formulated to cover all reasonably foreseeable conditions.
5. A policy should be founded on facts and sound judgement.

6. A policy should conform to economic principles, statutes, and regulations, and should be compatible with public interest.
7. A policy should not prescribe minutely detailed procedure.
8. Policies are useless unless they are enforced.