

FROM THE ARCHIVES OF

THE CURRENT DIGEST OF THE SOVIET PRESS

Vol. 16, No. 13, April 22, 1964, page(s): 17-18

THE EFFECT OF 'TRIFLES'

THE EFFECT OF 'TRIFLES.' (By V. Tereshchenko. Izvestia, March 29, p. 5. Complete text:) Editors' Note: Valery Ivanovich Tereshchenko recently returned to the motherland, to Kiev. His has been an interesting life. During the Civil War he found himself in the Crimea, which was occupied by White Guards. He became gravely ill of typhus. The ailing gymnasium graduate was taken abroad, away from his family, which was living in the Kuban. Tereshchenko lived some ten years in Czechoslovakia, obtained his higher education in Prague and later taught there. In 1930 he emigrated to America. V. I. Tereshchenko was a professor of economics at a number of higher educational institutions in the U.S.A., where he taught a course in Organization and Management, among other subjects. He served as a consultant to the farmer R. Garst, who is well known in our country, and also worked in the U.S. Department of Agriculture.

V. I. Tereshchenko repeatedly visited the U.S.S.R. and recently returned to the motherland for good. He is now working at a research institute of the Ministry of Agriculture of the Ukraine. V.I. Tereshchenko's book "The America in Which I Lived" was published in 1963.

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The Program for building a communist society emphasizes the necessity for "constantly improving economic management and planning." The tremendous successes achieved by the Soviet people are a result of the systematic improvements in economic management that the Communist Party and the Soviet government have been carrying out.

The science of organization and management holds a big place in this important matter. In his work "Better Less, but Better," V. I. Lenin called for concern with "the theory of organization." On V. I. Lenin's instruction, a state institute for advanced work methods in construction was setup and rationalization groups were established in all large enterprises in the form of standardization departments, organizational bureaus, etc., which coordinated their work with the People's Commissariat of Workers' and Peasants' Inspection or its local bodies. The Institute of Management Technology was created in 1926. In the 1920s more than ten institutes existed to deal with problems of organization and management; more than 20 special periodicals were published on these questions. But all this work came to almost a complete stop at the end of the 1930s.

The 1960 All-Union Conference on Mechanization of the Work of Engineers, Technologists and Administrative and Management Personnel showed that our scientists' and economists' attention is again being drawn to this sphere. Some problems of organization and management have become part of the subject matter of the work of various research institutes. The government has adopted an extensive program of measures for mechanizing accounting and

has set specific goals for devising and producing means of mechanization and automation of management work. Our cybernetics has rapidly taken leading positions in world science.

A central research and design institute for the organization and technology of management in machine building has been opened in Minsk. The Labor Research Institute has set up a department for the mechanization of management work. A laboratory for the study of management problems has begun functioning at Moscow State University. A scientific council on the scientific principles of managing the economy was established last April under the State Committee for Coordinating Scientific Research Work.

Other facts could be presented indicating that we are giving more and more attention to the science of organization and management. But it must be stated frankly that we are doing too little.

In this article I should like to tell how the science of organization and management is set up in the United States of America.

I lived in the U.S.A. for 30 years, saw excellently equipped factories and farms there, worked in enterprises outfitted with first-class equipment, taught in the largest educational institutions. And still, to the question of what I consider most noteworthy in that country across the ocean, I invariably answer: not the machinery, but the American methods of organization and management.

Here is a small scene, probably familiar to our readers but inconceivable under American work methods.

You call an establishment on the telephone. "I want to speak with Comrade Ivanov." "He isn't here!" "And you hear the dial tone in the receiver. You are puzzled. What does "isn't here" mean? Is he ill, or has he stepped out for a smoke? Is he in conference, or has he gone out of town on a business trip? You dial the number again. The answer is sharper: "I told you he isn't here!" "Pardon me, but to whom am I speaking?" "What does it matter to you? I repeat: Ivanov is not here!" "And the receiver is hung up again. You begin to get upset and call for the third time. "Miss, I beg you, don't hang up. I need Ivanov on an urgent matter." From the other end you hear: "Comrade, you are interrupting my work. I have told you twice already that Ivanov is not here! He is on vacation and will return in three weeks." "Why didn't you tell me this the first time? Who is taking his place?" "I don't know." And that is the end of it.

In America such conversations take place in a somewhat different manner. You call, let us say, the General Electric Company. A calm, trained voice answers: "General Electric Company, Miss Jones speaking." You ask: "May I speak with Mr. Smith, please?" The concise answer: "Mr. Smith is off on

a trip, Mr. Carney is taking his place. His number is -.
Shall I connect you?"

Whence such a contrast? Are all the Miss Joneses born as businesslike young ladies? No! The secret is that before this miss is given a job, she is trained, taught, given instructions on how to answer a telephone, how to talk with and behave toward visitors, how to address envelopes, how to do everything rapidly and efficiently. The result of all this is a tremendous saving of time.

The science of organization and management is an interbranch science, differing from such branch sciences as the organization and management of industry, agriculture, trade, etc. It began when Frederick Taylor made time-and-motion studies of workers at their machines. V. I. Lenin commented that "the Taylor system, like all advances of capitalism, combines the refined brutality of bourgeois exploitation with some of the greatest scientific discoveries in the matter of analyzing work motion, eliminating superfluous and awkward motions, developing the

most correct work methods, introducing the best systems of supervision and record-keeping, etc. The Soviet Republic must at any cost adopt everything valuable in the discoveries of science and technology in this sphere.”

Taylor was the first to advance the claim of the coming importance of “system.” If problems of management used to be a sphere in which individual managers demonstrated their organizational talent, then now, in Taylor’s view, first place should be given to “system,” which should solve current organizational and management problems automatically.

Questions of organization and management are now taught and studied in more than 250 institutions in the U.S.A. Fifty specialized educational institutions devote the entire curriculum to them. An “organization and management” course is included in the program of instruction in most universities, and big companies allocate large sums to research in this connection. Numerous magazines are published. A number of associations exist for the exchange of experience and study of organization and management problems. It is estimated that no less than 60% of industrial executives have received special training in this sphere.

The new science originally concerned itself chiefly with industrial production, but it gradually came to encompass all aspects of the country’s economic life. Specialized personnel in organization and management in the U.S.A. were at first drawn from the ranks of engineers. The nature of the modern science of organization and management has made this kind of background insufficient. Technological questions are no longer included in the sphere of competence of organization and management specialists. For example, it is the agronomist who determines which fertilizers should be introduced in a given soil. The specialist in organization and management questions does not indicate what to do. He tells how to do it, organizes the processes of accounting, supervision and clerical work, evaluates economic effectiveness and submits recommendations concerning efficient utilization of manpower and equipment.

The work of the many American consultant bureaus on organization and management problems is quite varied. A plant that manufactures precision instruments, for example, turns to a bureau: “We do not know what has gone wrong. We use the best equipment, our engineers are skilled, our production costs are lower than those of our competitors, our products are advantageously priced, and still profits are small.” The consultant from the bureau sits at the plant for weeks, sometimes months. The instrument parts floating down the assembly line do not interest him, and he does not know them. He observes how the work proceeds, questions the workers, sits in silently at meetings of the board of directors, studies the accounting books, reads the correspondence. Time passes. The consultant submits a report and suggestions. The director had expected to hear some kind of unusual advice, but the consultant tells him: “Reorganize the information and correspondence department. Your bottleneck is in improper flow of information. People are loaded with so much paperwork that even if a person spent the whole day reading, he would be unable to get through it all. Letters lie around for weeks, and synchronization of work is upset.” The director shrugs his shoulders skeptically but follows the suggestion-and profits go up!

The Americans have achieved a great deal in the organization and management of production by paying heed to all the problems that arise in one instance or another. Here is another example of their attention to “trifles.” A certain Prof. R. M. Carter once conducted an experiment in rationalizing the production process at a dairy farm that had only 22 cows. By spending only \$50 for a few pieces of equipment, Carter reduced labor expenditures by 760 man-hours a year and cut the distance walked by workers on the job by 1,227 km. a year!

I worked as a consultant to R. Garst. Nikita Sergeyevich Khrushchev speaks highly of him. In the work of this veteran Iowa farmer, I, as an economist, am less impressed by his methods of raising corn and feeding livestock than by his remarkable skill in utilizing all production resources, and particularly every minute of working time. Garst would not be offended if I told about the following "trifle": No matter how important the conference, no matter what guests may be visiting the farm, at one o'clock Garst interrupts everyone in mid-sentence: "Time for a break, time for lunch." Newcomers protest: "Mr. Garst! Wait, in 20 minutes we shall finish everything!" The laconic answer: "No! We shall resume in exactly one hour." This is the antithesis of rush work-it is method, it is system.

The proper utilization of time is the central problem of scientific organization and management. I recall the days when I began work as a consultant in a big firm. I was paid by the hour and cost them a considerable sum. At first it sometimes seemed to me that I was being constantly watched. No sooner did I pick up a pen than a stenographer came forward: "Please dictate! " I had only to start to calculate some figures when-"No, no, tell us, we'll work them out for you! " I went to the library for a reference book-"Why should you waste time on that? Tell Mary, she'll get it." Later, they explained to me: "We want to train you to value your time. We cannot afford the luxury of having a skilled man waste his time on things that could be accomplished by a person who knows only how to read and write. Otherwise we'd be ruined!"

This is why, despite high mechanization, the U.S.A. has such a huge number of typists, stenographers, secretaries and clerks. If they all carry a 100% work load, this system is quite efficient, since it sharply raises the productivity of the specialist's work.

The science of organization and management deals with a vast range of subjects. Analysis of the exact correlation of rights and duties, the problem of impersonal relationships, of personal and collective responsibility, the optimum size of the enterprise and the problem of centralization and decentralization in the enterprise's internal structure, the compilation of organizational charts and schemes of procedures, all this is but a small part of the cardinal questions that are of equal concern to factory, farm, bank, hospital and department store.

The importance of the science of organization and management is increased by the appearance of processes giving rise to problems of supervision, record keeping, planning, etc., that go beyond the bounds of engineering in the strict sense of the word. Electronic computers, mathematical methods and automation make their appearance. But machines accomplish nothing by themselves. The organization of a full work load for these machines, computation of the economic advantages of their use-all this is enlarging the sphere of the science of organization and management.

The following story is told. It was decided to mechanize the operation of the post office in a city in an economically backward country. Expensive sorting machinery was bought, conveyer belts were installed. The single mailbox was replaced with several: one for local letters, one for air mail, another for letters to Europe, and so on. The public followed the instructions to distribute their correspondence carefully in the respective boxes. But in the evening, an observant tourist noted, a barefoot old native appeared, stuffed all the letters into one sack, hoisted it onto his shoulder and carried it off to the sorting room! Capital investments in mechanization always end thus if the most basic element in the science of organization and management, the human being and his training, is forgotten.

Lenin's call to learn from the capitalists-to be able, if necessary, to adopt whatever they possess that is wise and advantageous-has not lost its urgency. At the February plenary session of the Party Central Committee, N. S. Khrushchev once again indicated that the Party condemns the

indiscriminate rejection of the discoveries of science in the capitalist countries. We should adopt whatever is valuable in the American experience in organization and management.

According to the 1959 census, we have a great army of managerial personnel: 4,200,000 engineers and technologists, 3,500,000 plan-accounting and supervisory-and-inspection personnel, and 1,300,000 executives of enterprises and their subdivisions, public organizations, and state institutions. The science of organization and management should be widely applied in their work.

The system of our planned economy opens unlimited horizons and presents such tremendous possibilities for applying the science of organization and management as cannot even be dreamed of in the United States of America.