

44770-1173

3162

Memoranda for Record Book #1.

File

CCS 函件 始 73 附 9

2	Pass
1	AMG
5	OK
4	LAN CPT
	TC-3
	DE
	IF
	IN
	PD
	PT
	RD
	TE

GENERAL HEADQUARTERS  
 SUPREME COMMANDER FOR THE ALLIED POWERS  
 CIVIL COMMUNICATIONS SECTION  
 Research & Development Division

6 August 1949

SUBJECT: The Need for a Management Training Course in the Communications Manufacturing Industry

MEMORANDUM FOR: Record

1. On 13 June 1949 the results of an industrial survey of six communications manufacturing companies were reported to CCS by members of the Industry Division. These six companies were selected for study because they seemed to typify conditions of management which were to be found generally in the industry.
2. The conclusion reached as a result of the survey was that the progress of the companies was being impeded by inadequate management and in fact, the weaknesses of management were causing a tide of regression which, allowed to go unchecked, might well culminate in the collapse of the industry. Were this to occur, it would have most serious repercussions on the welfare of the national communications systems.
3. A stable national economy demands the existence of firm industrial enterprises; but more than this, it is imperative that the communications networks be supported by an industry which is made up of stable, reliable, progressive equipment suppliers.
4. An inflexible industry based on outmoded concepts of business management, as are most of the Japanese companies at present, can not be depended upon to adapt itself successfully to the new (for Japan) social structure of the country. Production economies must be realized, production efficiency must be maximized, management functions must be geared to progressive and aggressive entrepreneurship. The new democratic society of Japan, where private enterprise and free competition are the rule, will require that management functions upon the basis of a modern set of concepts.
5. The principles of scientific management, which are the basis of enterprise in a modern society, are largely unknown in Japan. These were being developed in the occidental countries while Japan was submerged in isolation from the rest of the world. What infiltration of western ideas there was on this subject was mostly rejected by the feudalistic minds which sought to maintain the traditional status quo.

Memo for Record 6 Aug 49

Subj: The Need for a Management Training Course in the Communications Manufacturing Industry

6. But, now the business leaders here recognize that they must equip themselves with new tools of management in order to turn the tide of regression into an advance toward progress and economic stability.

7. Where shall they find these tools and how shall they learn the use of them? Government agencies, such as the Ministry of International Trade and Industry, have been hampered in their own development by tradition, transition, and the need for re-education, just as the businessmen have been. The modern concepts of management are new to them too.

8. The universities are in the same state. There seems to have been little practical knowledge of industrial problems in collegiate circles. Until stimulated by the efforts of CCS/Research and Development Division, there appeared to be no great interest in the practical aspects of industrial management. But now, the need is immediate. Whereas a long term effort of training students in new ideas is vital, a short term approach to the industry must be made now while its future is in serious doubt.

9. Although trade associations do exist, their function to date has been generally limited to matters concerned with the changing government laws and regulations. It is hoped that eventually these groups will become disseminating agents to industry of information and aid which will help to solve common problems of interest. But, at this time the associations, as the universities and agencies of government, are not in a position to help the manufacturers to effectively help themselves to improve their condition.

10. The agency in Japan which can help the industry, and which does have both practical and theoretical knowledge and experience in scientific management and is also capable of putting the industry on the road of progress, is CCS. The Section members have the advantage of knowing both the Japanese and the American communications field. Further, CCS enjoys the unqualified respect and trust of the Japanese and a program of training properly "sold" to Japanese businessmen would be assured of complete cooperation.

11. In the light of the foregoing, it would appear to be appropriate for CCS to undertake as a project a training course to be given to management personnel of the communications manufacturing industry. This course would be based on the principles of scientific management and would be used to develop practical knowledge of the two most fundamental controls of management—Quality Control and Cost Control.

12. The knowledge and application of these two controls are unquestionably vital to the establishment of good management in industry. The managerial weaknesses mentioned in paragraph 1 above are all traceable

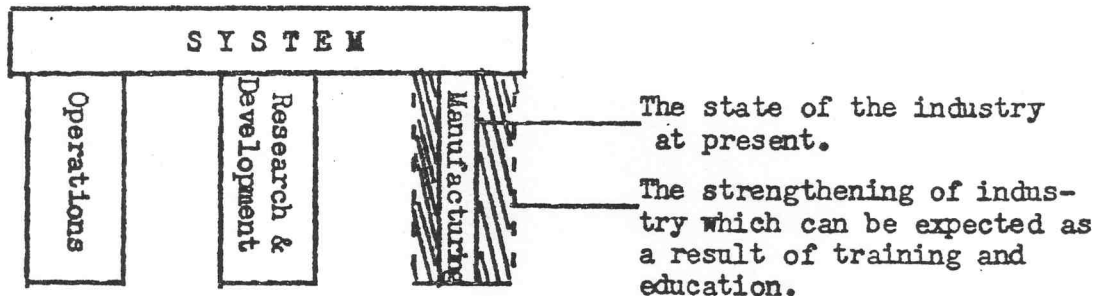
Memo for Record 6 Aug 49

Subj: The Need for a Management Training Course in the Communications Manufacturing Industry

to the absence of these controls and it results in several observable faults. Equipment being produced for the communications networks is of a less-than-satisfactory quality. The cost of the product is too high in relation to the quality being produced. Companies are in an unstable condition, not because of the national economic situation, but rather in spite of it.

13. This last fact is inimical to the communications enterprises and could be so for the mission of CCS too. A communications system whose performance is measured in terms of minimum cost of operations and excellence of customer service is greatly dependent upon the equipment it uses. Any factor which may detract from the service, the equipment or the reliability of the company which made it, is of prime importance to the system. It is of importance to CCS too, since it is the responsibility of this Section to assure effective operation of the civil communication systems.

14. A CCS supported management training course would help to fulfill this responsibility by strengthening the third pillar (the other two being Operations and Research and Development), Manufacturing, which supports the communications systems. With this in mind the problem has been studied and a proposal for a training course has been detailed in the Memorandum for Record, subject, "A Proposal for a Management Training Course for the Communications Manufacturing Industry," dated 27 July 1949.



H. M. SARASOHN  
Radio Equipment Engineering Advisor

NOTED:

F. A. POLKINGHORN  
Director, Research &  
Development Division

C. W. PROTZMAN  
Telephone Equipment Engineering  
Advisor

W. L. WARDELL  
Deputy for Telecommunications