



The Promulgation of Standards by the Taylor Society. Fig. 1

nate positions if an organization chart were drawn up showing just how the organization should function.

Instances may be cited where the head of the business in reality functions in all capacities, and for this reason places a soft pedal on any suggestion for getting up a chart to cover his organization. In one concern there were so many vice-presidents to be given jobs, all of whom had naturally to be given an equal footing, that it was soon decided that it would never do to exhibit the organization chart which had been duly drawn up, so that it just disappeared from the scene and never again came to light.

The organization chart as submitted herewith (Fig. 1) is not proposed as a "cure-all" for every possible lineup of organization. Modifications and amplifications would of course need to be made to adapt it to particular industries, and, especially, to extremely large or extremely small corporations. In a general way, however, we contend that it is applicable to every organization.

This organization chart divides the organization first into four major functions called "divisions." These are functions under one head, the General Manager, the latter term replacing what is sometimes termed the "Works Manager" or "Plant Manager." The argument against the use of the terms "Works Manager" and "Plant Manager" is that they both connote only the actual building where the manufacturing is carried on, thus causing confusion.

The titles of the men (who are generally officers of the company) controlling the divisions are as follows:

Financial	Treasurer
Secretarial	Secretary
Sales	Manager of Sales
Manufacturing	Manager of Manufacturing

We may say, in passing, that in some organizations high sounding titles are handed out to a large number of men, whether or not they are holding positions which warrant anything of the kind. This is obviously bad practice, tending to establish false values and to arouse suspicion that the titles are given instead of the real thing—sufficient salaries.

The departments function directly under the divisions. Your attention is particularly called to the following fact: that the Pay Roll, Cost and Purchasing departments function under the Manufacturing Division.

The reason that the Cost, Purchasing, and Pay

Roll departments should function under the Manufacturing Division is that the Manager of Manufacturing is not only responsible for getting the work through the factory and out the back door, but he is responsible for what this costs.

This question of costs of producing is so closely tied up with the question of producing that the Manager of Manufacturing should have jurisdiction over the Cost Department.

The cost of production is partly a question of wages. Therefore, the Pay Roll Department should also function under the Manager of Manufacturing.

Since the Manager of Manufacturing is responsible for the amount it costs to produce, and the price of materials and all purchases enters into the cost, the Purchasing Department should also function under him.

In several of the industries, as, for instance, the garment business, the purchasing of the cloth is done by the President or General Manager, many months ahead of the season in which it is to be used. This is a peculiarity of the business in the nature of speculative purchasing, and does not in any way change the location and responsibility of the Purchasing Department, as shown on the chart. In this case, the Purchasing Department purchases only such things as findings and other necessary stores material—standardized or routine purchases—corresponding to that generally purchased by the department.

The Purchasing Agent in many plants also controls the physical handling of the stores, which is generally bad practice. The handling of the stores records is done under the jurisdiction of the Planning Department, while the physical handling of the stores is under the control of the Process Department.

The Process Department should be concerned first, last and always with the actual manufacturing of the product. After the goods are made, they are then known as "Stock" and should be handled by the Stock Superintendent, who is in charge of the Stock Department. The records of the stock should be kept by the Planning Department, as these records are used by that department in functioning in the capacity of planners.

The last feature which I wish to bring up particularly is in regard to the function of planning the work for Repair and Maintenance Department. This