INDUSTRIAL RELATIONS UNDER CENTRALIZED AND DECENTRALIZED OPERATIONS*

1. General Discussion of Decentralized Management


A discussion of the reasons for decentralizing, the problems involved in operating under such a policy, and its advantages and disadvantages. Considerable attention is given to the problem of developing human relations leadership in line personnel under such a program.


Discusses the question of whether control of branch plants should be centralized or decentralized and describes a system of centralized policy control with decentralized operating responsibility. Points out need for internal auditing with special emphasis on personal contacts.


A thorough discussion of the problems of decentralizing authority in large firms with special reference to the relationship of staff personnel in branch plants to staff personnel of the central organization. The author suggests the need of a special inspection function to avoid the loss of line authority which may result from staff personnel at the plant level acting as representatives of central staffs to assure the carrying out of overall policies.


Discusses the need for decentralized decision-making, problems of staff-line relationships, and relations between the central organization and management in branch plants.

* Items from this list should be ordered directly from the publisher. Addresses are given in connection with each reference.
Harvard University, Graduate School of Business Administration, Division of Research. *Executive action.* By Edmund P. Learned, David N. Ulrich, and Donald R. Booz. Boston 63 (Soldiers Field). 1951. 218 pp. $3.25.

In the process of analyzing executive action from the standpoint of the human relationships involved, this study deals extensively with staff-line relationships, problems of coordinating central and branch plant operations, delegation of authority, and control of branch plants to insure uniformity.

Murphy, John Allen. "How the wheels go around under decentralized management." *Sales Management* (386 Fourth Ave., New York 16), October 15, 1946. pp. 50-58. $5.00 per year.

The author states that decentralized management is not keeping pace with geographical decentralization of firms. Among the problems encountered are the unavailability of competent executives, the unwillingness of top management to delegate authority, and partial adoption of the policy. The problem of obtaining capable executives is discussed thoroughly. The article also analyzes the functions of both decentralized management and central management.

2. **Industrial Relations Organization**


Personnel administration is conceived as a staff agency which should have control functions. However, in the process of seeing that the policies of management are carried out, the staff agency should have no direct authority over line personnel. Some attention is given to basic principles which must be observed if personnel administration is decentralized.


The author discusses the advantages and disadvantages of the straight-line, staff and line, and functional bases for organization and concludes that, except for smaller organizations, the personnel function fits best under a staff and line arrangement. A short description of various organizational structures for the personnel department in multi-plant operations is included.


After discussing the relative merits of the different bases for organization, the author concludes that in larger organizations the functional, or centralized, personnel department provides the opportunity for carrying out a uniform personnel policy under the control of one authority. A description of the organization of the labor department of Rowntree & Co., York, England, is included.
3. Specific Industrial Relations Problems of Decentralized Operations


Describes the devices used in a number of companies to assure that industrial relations policies are being carried through by decentralized units.

Glaser, Comstock. "Where shall we locate staff services?" Personnel Administration (P.O. Box 266, Washington 4, D.C.), February, 1940. pp. 13-18. $1.00.

A discussion of the problems involved in the relationship of the staff of the central organization to staffs of departments and other decentralized units in government agencies. Attention is also given to the relation between staff and line personnel under decentralization.

Harvard University, Graduate School of Business Administration, Division of Research. Management behavior and foreman attitude. By David N. Ulrich, Donald R. Booz, and Paul R. Lawrence. Boston 63 (Soldiers Field). 1950. 56 pp. 75 cents.

Although the central focus of this study is not the problem of coordinating personnel administration in decentralized units, it presents an excellent case study of the disruptive effect that personnel from the central organization can have on operations in a branch plant.


Special attention is paid to the problems of wage levels, employment practices, and collective bargaining in a branch-plant of a multi-plant firm.


Although top management only can ultimately determine personnel policies, all thinking along these lines should not be centralized. The authors discuss thoroughly procedures for decentralizing policy-making and cite the advantages of such a method.


An analysis of the methods used and the problems encountered in keeping supervisors and employees informed about the company's industrial relations policies. The section dealing with supervisors is particularly pertinent to decentralized operations.

Management procedures in the determination of industrial relations policies. By Helen Baker. 1948. 81 pp. $2.00.
The question of centralized or decentralized determination of policies is considered throughout the report. In the companies studied, more showed tendencies toward centralization than exhibited evidences of decentralization, particularly concerning the determination of major policies over which management had unilateral control. In the case of policies jointly determined by collective bargaining, most firms preferred to operate at the plant level rather than on a company-wide basis.


A thorough discussion of the conflict and friction between staff and line personnel where authority is delegated to line supervisors.

4. EXPERIENCE IN SPECIFIC FIRMS


A description of the Eli Lilly and Company's program of personnel representatives designed to aid lower level supervisors with the personnel aspects of their jobs.


A vice-president of Johnson & Johnson states that decentralization is not just a method of organization but, rather, is a philosophy of management. Johnson & Johnson's approach to decentralized operations is discussed thoroughly.


Discusses thoroughly the organization of General Motors and its methods of decentralizing operations.


Describes the organization of the personnel department in ten companies, most of which have multi-plant operations. Problems of coordination are included in the discussion.


A description of the Federal Government's plan for decentralized personnel administration, in which the Civil Service Commission will act as the central office staff with responsibility for developing standards and policies for common problems and for insuring uniformity by a personal inspection service.