

A Study on Organizational Aspects of Furniture Manufacturing Company and Design of the Operation Division

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초 록

本 研究는 美國 內에 散在한 家具生産업체의 사회적 배경과 생산의 기술적 측면을 분석하고 150 名 규모의 가정用 가구를 생산하는 企业체 의 그 中心部인 生産部를, 조직이론에 병행하여, 그 合理 的 조직구조를 설계하고 运营전략을 다룬다.

ABSTRACT

This paper intends to design-based upon theory of Organization-operation division of a manufacturing company which produces household furnitures, after the environmental and technological aspects of the U.S. furniture industry are examined.

I. INTRODUCTION

About 90 percent of the furniture manufacturing plants in the United States, employing 85 percent of the industry's workers, make household furniture.¹⁾ Majority of the household furniture produced in the United States are made of wood, or are upholstered on a wood frame.

The manufacturing of such furniture is still a craft. Power driven machines shape and joint the parts and save manual labor in the process. Assembling and fitting the parts involve handwork in which skill and care are much more important than speed. Conveyers move through modern furniture factories in assembly-line style. The movement is slow, however, compared with the speed and precision of most completely mechanized production lines.²⁾

The combination of manual skills with machine techniques tends to keep furniture plants small. Moreover, household furniture is not a standardized product. There are many variations in the homes to be furnished and in the tastes of their owners. Factories in the United States produce an estimated 300,000 different models of household furniture in a single year. This means that each production line turns out only 200 or 300 units before being reset for a different model. With production on such a limited scale, a small factory can be as efficient as a large one.³⁾

This paper intends to analyze the organizational aspects of, and design the Operation Division of a furniture manufacturing company with employees close to 150, based upon author's job experience attained in the U.S. several years ago. The company under consideration is defined to be one from which retailers will purchase on the basis of competitive price, ability to deliver the products on the requested date. While the production process is quite stable, customer demands for the products will determine the number of different items to be produced. The products will be household furnitures : Lawson chairs, love seats (Settee)⁴⁾, sofas, and studio couches which can be converted into either regular or queen-size beds by the use of sliding frames underneath the cushions.

Location is important; key factors are accessibility to markets and the labor supply, proximity to needed transportation, availability to raw materials, the sources of money, and etc.⁵⁾ In this regard, the company will be located in the vicinity of Chicago to take advantage of the easy access

1) Compton's Encyclopedia, vol. 10, Division of Encyclopedia Britannica, Inc., 1979.

2) *ibid.*

3) *ibid.*

4) Collier's Encyclopedia, vol. 8, P.F. Collie & Son Corp., N.Y., 1956.

5) Irving Smith Kogan, *Business Organization*, vol. 5, Alexander Hamilton Institute, New York, 1979, pp. 6.

to large furniture markets which will be described later.

I.1 FURNITURE MARKETS

Since the furniture industry is scattered and its product is bulky, heavy, and expensive, selling presents problems. Salesmen cannot carry samples from factories to retail stores. Selling from catalogs is not altogether satisfactory. Buyers for retail stores want to see and feel furniture before they buy it. They want to test the comfort of chairs and seats, to see the finish of wood and the color of upholstery, and to open and close drawers. Furniture manufacturers, for their part, cannot afford to make quantities of furniture in styles which they may not be able to sell.

To meet these problems, the industry has established furniture markets. The market places consist of one or more buildings in which manufacturers display samples of their furniture.⁶⁾ Buyers from retail stores flock to the markets. They can examine the displays of many manufacturers at one visit. They may place orders immediately or later. This system enables manufacturers to make furniture chiefly on order. It enables buyers to see before they buy.

New York City, Chicago, Los Angeles, San Francisco, Grand Rapids, Michigan; High Point, North Carolina; and Jamestown, New York, have permanent furniture markets. They also hold seasonal markets where manufacturers can call attention to new lines. Firms which make 75 to 80 percent of the nation's furniture display their wares at these markets.⁷⁾

I.2 PRODUCTION PROCESS

In the first place, the design for a piece of furniture is sketched and after the sketch is approved, a full size drawing is made. Then a sample is made to check the design and production problems. After revising, the drawings are corrected and patterns and detailed cutting orders are sent to the manufacturing group. There the proper species of well-seasoned lumber is brought in. The lumber is usually planed on two sides, so defects such as knots, cracks, and color variations can be detected.

Straight rails are cut from the boards by straight-line rip saws and cutoff saws. Some pieces are shaped into chair legs and other small parts.

In a machine room some of the workers cut the roughly prepared pieces into specified shapes, using band saws and other cutting machines. Other workers do machine carving, prepare mortise and tenon and dowel joints, and carry out other special processes.

6) Compton's Encyclopedia, op. cit.

7) *ibid.*

Assembling is done chiefly by hand. The workmen have the help of electric drivers and drills as well as air-driven clamps. After assembling, the pieces may be sprayed with a sealer coat and held for finishing until orders for types of finish come through from the sales department.

When a piece of furniture is put on the conveyer line for finishing, it usually stays there until the final rubbing. It visits various spray booths and drying ovens. The type of coatings applied depends, of course, upon the finish desired.

The species generally used for the exposed parts of furniture are : walnut, birch, maple, cherry, mahogany and gum.⁸⁾ For the covered parts of upholstered furniture, such woods as ash, oak, maple, and beech are used as frames because of their stability, straightness, and ability to hold nails or tacks.⁹⁾

The production flow chart is shown in the appendix.

2. ORGANIZATIONAL GOALS

The goals of an organization specify levels of achievement in quantitative and time-bounded terms. The quality and quantity of achievement expected within a defined period of time is defined for each division, department, and individual.

According to Perrow's idea,¹⁰⁾ goals can be classified into five categories.

1. Societal goals such as maintaining cultural values and good will.
2. Output goals—such consumer functions as business services, consumer goods, education, and healthcare.
3. System goals such as growth, stability, high rate of profit, etc.
4. Derived goals such as exercising power to pursue other goals and influence the environment.
5. Product goals such as quantity, quality, styling, low costs, product variety, etc.

Among the goals described above, system goals and product goals are most important ones for the furniture factory.

In this respect, goals of the Operation Division under consideration are determined such a way that they should be compatible with the goals of whole organization(appendix).

The goals of the Operation Division are listed below in order of importance :

- To produce on time the requested quantity of furniture in each category

8) Britannica Encyclopedia, 1959.

9) *ibid.*

10) C. Perrow. *Organizational Analysis: A Sociological View*, Belmont, Calif.: Wadsworth, 1970, Chapter 4.

- To reduce the production cost by efficient use of economic resources in transforming the input to the output
- To provide competitive quality products within the constraints of the budget by improving the technology and offering training programs for employees
- To maintain good relationship with the raw material suppliers so that inflow of supply could be smooth, or difficulty could be forecast in advance
- To provide delivery on time, which will give the company competitive edge against other manufacturers
- To maintain low level of employee turnover and absenteeism
- To maintain proper level of inventory of finished goods in case special orders will cause fluctuations in orders
- To achieve high productivities of employees by installing a merit-based reward system and discouraging the formation of group norms as long as it doesn't frustrate them
- To coordinate with other functional divisions such as marketing, finance, personnel, etc., for the purpose of achieving an efficient and harmonized working system and accomplishing overall goals of whole organization

3. RATIONALITY IN ORGANIZATIONS

Stoner¹¹⁾ describes the organizing process in terms of a three-step procedure. The first step of organizing is to determine what are goals of the organization. Each of these goals will be accomplished in a different way and the organizing should be performed to absorb the concepts of individual goal in the process.

The second step is to divide the total work load into activities that can logically and comfortably be performed by a person or a separate group. Too heavy a work load would mean that the job would not completed accurately or on time, while too light a work load would result in idle time ; thus, inefficiency and unnecessary waste of human fesoources occurs.

The final step of organizing activity is, then, to set up a mechanism to coordinate the work of organization members into a unified, harmonious whole. As individuals and departments carry out their specialized activities, the overall goals of the organization may become submerged, or conflicts among organization members may develop, if without proper coordinating system. For example, production managers in a manufacturing company may press for a standardized product line to hold

11) Stoner, James A. F., *Management*, Prentice-Hall, Inc., Englewood Cliffs, N.J., 1978, pp. 221-2.

down costs, when the larger interests of the company may be best served by a diversified product line. Thus, coordinating mechanisms enable members of the organization to keep sight of the organization's goals and reduce inefficiency and harmful conflicts.

Another perspective on organizing activity is derived from Thompson's point of view, especially in the case of manufacturing organization.¹²⁾ He states that at a minimum, organizational rationality involves three major component activities: (1) input activities, (2) technological activities, and (3) output activities. Since these are interdependent, organizational rationality requires that they should be appropriately geared to one another. The inputs acquired must be within the scope of the technology, and it must be within the capacity of the organization to dispose of the technological production.

Not only are these component activities interdependent in series, but also both input and output are interdependent with environmental elements.

Since the technological activities are lot more diversified than the others, they play an important role in organizing process, which deserves discussion in more detail.

3.1 TECHNOLOGY AND STRUCTURE

Slocum and Hellriegel¹³⁾ classified task-technological environments as (1) simple task and stable technology, (2) simple task and changing technology, (3) complex task and stable technology, and lastly (4) complex task and changing technology.

Manufacturing of furnitures is still a craft. The nature of the task involved is rather simple than complex, and the technology has not evolved too rapidly in the furniture industry, which characterizes manufacturing environments of furniture as rather stable than changing.

Slocum and Hellriegel assert that bureaucratic form of organization structure is probably most appropriate when the environment is simple and stable.¹⁴⁾ The bureaucracy is characterized by a high degree of centralized control by top management and a fairly rigid hierarchy. Lines of authority and responsibility are clear, jobs are well defined through the use of detailed position descriptions, and each manager has clearly specified goals. Promotion through the organization is based on expertise and seniority. Individuals who get promoted will probably have the same viewpoint as those who promoted them. Thus, members of the management team have a high degree

12) Thompson, James D., *Organizations in Action*, McGraw-Hill, Inc., 1967, pp. 19.

13) Slocum, Jr., John W. and Hellriegel, Don, *Management*, 3rd ed., Addison-Wesley Publishing Company, Inc., 1982, pp. 299-311.

14) *ibid.*, pp. 295.

of similarity in point of view, attitude, and background. Most likely there will be a small proportion of managers to workers.

Information needed by the president and vice-presidents is gathered from technical reports published by the government and other sources, such as trade magazines, trade meetings, and general business news sources.¹⁵⁾ This information is sent to lower-level managers, who are not actively involved in the decision-making process. It is the job of the president to maintain the status quo by making most of the decisions. The behavior of all workers and managers tends to be governed by rules and regulations, on the other hand.

3.2 EXTERNAL ENVIRONMENT, WORKERS, AND STRUCTURE

Every organization must deal with events in the external environment, such as changes in supply and demand, technological innovations, and actions by competitors. External environments can be classified as stable, innovating, and unpredictable.¹⁶⁾ Stable environment is one that shows little change. The innovating environment is one where trend of changes is likely predictable and organizations will be able to adjust fairly easily to the trend. Lastly, the unpredictable environment, as its name implies, is one that shows sudden changes without appreciable warning and allows revolutionized new products such as computerized merchandises.

The furniture industry is in a relatively stable environment where the market is well-defined and there has been little innovations in manufacturing method or design. In this stable environment, there is little need for organization members to have a flexible array of skills, since each member is likely to perform and continue similar kinds of work on and on.

In this context, bureaucratic form of organizational structure is chosen for the furniture manufacturing company and for the operation division under investigation. Lower-level personnel will not need to make a large number of novel or rapid decisions, and communicating activity has to go through the chain of command for the most cases. Although all department managers are at the same level in the organization chart, the production manager has the central role among them because he is directly involved in manufacturing, while others are supporting the production activities. Other managers must cooperate with the production manager to ensure a smooth production flow.

15) Slocum, Jr., John W. and Hellriegel, Don, op. cit., pp. 40-46.

16) Stoner, op. cit., pp. 327.

4. DEPARTMENTALIZATION

Departmentalization is the grouping of work activities so that similar and logically related activities occur together. Organization chart is helpful in defining managerial authority, responsibility, and accountability. The charts illustrate the division of work, managers and subordinates, type of work being performed, level of management, and rationality of grouping of work.

An organization's departments can be formally structured in two major ways: by function or by product.¹⁷⁾ Organization by function brings together in one department all those which are engaged in one activity or several related activities. On the other hand, organization by product brings together in one department all those which are involved in the production and marketing of one product, or related group of products.

Since a few number of items are to be produced with similar materials and manufacturing process in the operation division under consideration, and also the bureaucratic form of structure has been chosen for this organization, functional organization is perhaps the most logical and best form of departmentalization in this case. This type of organization is used mainly by smaller firms that offer a limited line of products.¹⁸⁾ A major advantage of a functionalized structure is that it makes supervision easier, since managers have to be expert in only a narrow range of skills.

Taking into all factors described so far, design of the operation division of the furniture manufacturing company under investigation is made as follows. The job descriptions for key personnel and the linear responsibility chart for them are shown in the appendix.

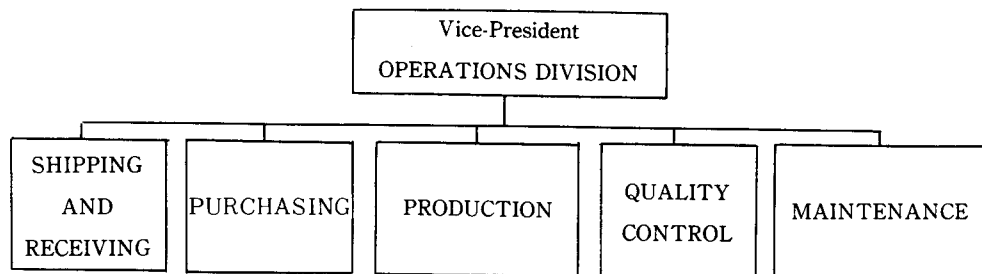


figure 1. Departments of the operation division

17) Stoner, op. cit., pp. 226.

18) *ibid.*

Five departments are established under the vice-president of the operation division: production, shipping and receiving, purchasing, quality control, and maintenance (figure 1).

4.1 PRODUCTION DEPARTMENT

The production department is the central part of the operation division. It guides and coordinates the production process to ensure the most efficient operation. This department includes five subdivision of works: design, wood, fabric, assembly, and finishing (figure 2).

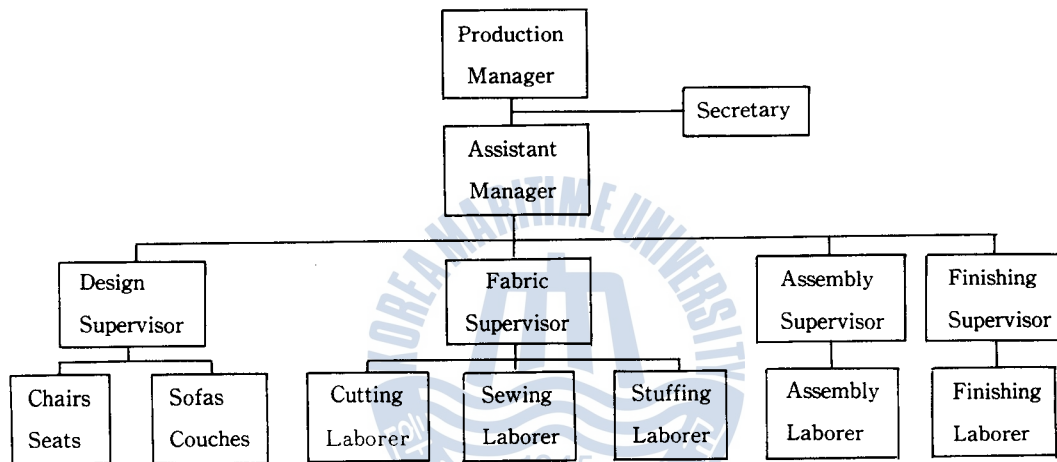


figure 2. Production Department

4.2 SHIPPING AND RECEIVING DEPARTMENT

This department is responsible for the receiving and storage of raw materials, provision of raw materials to the production area, as well as storage of finished goods and scheduling freight pick-up of finished products. It also coordinates with purchasing department regarding the need to reorder materials and other supplies (figure 3).

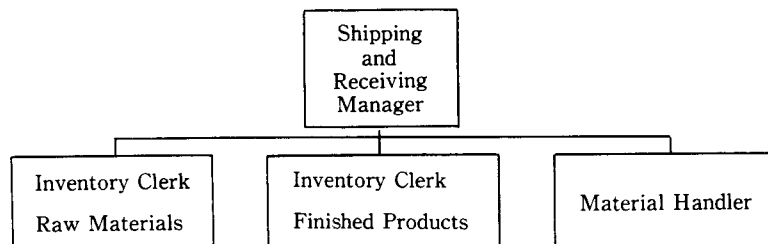


figure 3. Shipping and Receiving Department

4.3 PURCHASING DEPARTMENT

This department is responsible for purchasing all the materials, other necessities of the specified quality at the lowest possible price (figure 4).

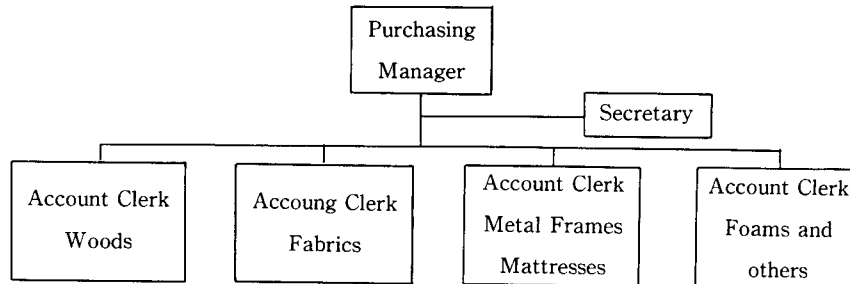


figure 4. Purchasing Department

4.4 QUALITY CONTROL DEPARTMENT

Quality control is one of key departments in the division as it monitors the quality of incoming raw materials to prevent costly errors caused by use of inferior materials. Quality control department also monitors the product, while it is in the process, to help identify sites in the production process where costly errors could happen. It provides a final check on products before they are shipped to customers, thereby, reducing costs of covering warranty on the products as well as opportunity loss due to the poor reputation (figure 5).

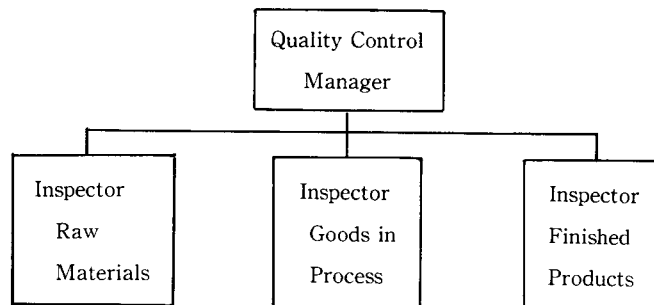


figure 5. Quality Control Department

4.5 MAINTENANCE DEPARTMENT

The maintenance department is responsible for the smooth operation of manufacturing by taking care of machines and other utilities such as electricity, plumbing, and so on. It also maintains a clean and safe working environment by taking away the hazardous materials and mopping the floor (figure 6).

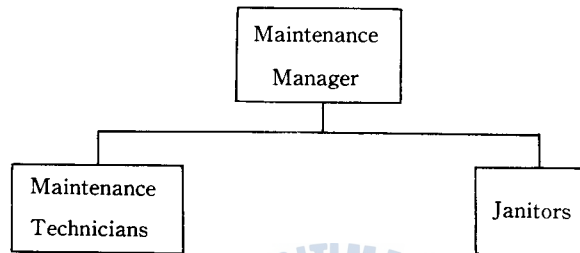


figure 6. Maintenance Department

5. COORDINATIONS

Coordination is the process of integrating the activities and objectives of the separate units of an organization in order to efficiently achieve organizational goals. Without coordination mechanism, individuals and departments would lose sight of their roles within the organization. They would begin to pursue their own specialized interests, often at the expense of the larger organizational goals.

The traditional method of achieving coordination is to use the organization's chain of command.¹⁹⁾ Communication between managers in different departments is another important part of organizational life. When such communication occurs horizontally between managers on the same level (rather than vertically as part of the chain of command), it can be an effective aid to the coordination. Interdepartmental coordination may be carried out on a more structured basis through the meetings of formal committees.

19) Stoner, op. cit., pp. 246.

5.1 VERTICAL COORDINATIONS

In the organization chart, each production task is connected by authority relationships to form a chain of command, which is an established hierarchy of authority linking superiors and subordinates. Managers at every level must be aware of their responsibilities and have the procedures and authority necessary to carry out vertical coordinations.

5.2 HORIZONTAL COORDINATIONS

Horizontal coordination mechanism is employed because activities are divided by function. Hence horizontal coordination is dealt with through the use of the concepts of line and staff functions.

Line authority refers to the hierarchical authority of superiors over their subordinates. Line activities involve wood cutting and framing, fabric cutting, design, sewing and cushion stuffing, assembly, and finishing. Staff positions-including the shipping and receiving, purchasing, quality control, and maintenance-support line activities, but do not have command authority over personnel in the line activities.

5.3 INTERDEPARTMENTAL COORDINATIONS

To achieve effective coordination, a weekly meeting of all supervisors and the assistant managers is held to discuss problems and share information. All department managers and the assistant production manager meet biweekly with the Vice President of Operations to keep the Vice President informed on progress made and advised of any problems.

Production, shipping and receiving, and purchasing must coordinate with each other to make sure that needed raw materials are preordered in a timely and adequate fashion. Production and quality control managers will need to coordinate regarding frequency and type of inspections as well as to exchange ideas on ways to cut down on quality problems. Quality control will also need to inform production when lots are rejected and the rationale for rejection, so corrective action can be taken. The shipping and receiving manager will need to coordinate with the production manager regarding the amount of furniture which will be produced at a given time in order that storage and transportation can be facilitated. Production will also need to coordinate maintenance regarding machine repair and janitorial needs.

Purchasing and receiving will need to coordinate activities so that purchasing will be made

aware that the correct number of items have been received before the invoice is paid. Purchasing will also need to coordinate with quality control so that any contracts which are not meeting standards can be renegotiated. Purchasing will also need to be informed by shipping and receiving when inventory needs to be reordered. This, of course, will be determined largely by the production department's usage of raw materials.

Specific Interdivisional Coordination

Because efficient distribution of the product is part of the competitive edge, it will be important for market and production to coordinate to insure that delivery times can be met. Marketing and production must also cooperate to assure that the product costs are efficient. If marketing takes more orders than production can handle without overtime or a second shift, then a break-even point must be established to insure that enough additional orders are received to make the additional costs profitable.

Accounting will need to coordinate with all department managers to inform them of budgets and costs. Finally, all managers will need to coordinate with personnel to insure uniformity of wages and fringe benefits as well as for recruitment purposes.

6. CONTROLS

Litterer²⁰⁾ states that control is concerned not only with events directly related to the accomplishment of major goals, but also with maintaining the organization in a condition in which it can function adequately to carry out various activities.

The controls can be characterized by two types according to the nature of executing the power: preventive control that is carried out before a particular sequence of action, and corrective control that is made after a series of action is completed.

The effective control system, Stoner suggests,²¹⁾ can be achieved if the controls implemented in an organization are:

1. Accurate
2. Timely
3. Objective and comprehensive
4. Focused on strategic control points

20) Litterer, Joseph A., *The Analysis of Organizations*, John Wiley & Sons, Inc., 1965, pp. 233.

21) Stoner, op. cit., pp. 586-7.

5. Economically feasible and realistic
6. Organizationally realistic
7. Coordinated with the organization's work flow
8. Flexible
9. Prescriptive and operational
10. Acceptable to organization members

Based upon the concepts of the bureaucratic organization employed for the operation division, and other factors mentioned so far, the control system is devised as follows.

Personnel Controls

Reward Power

- Employees will receive annual raises based on performance evaluations by superiors.
- If the production department falls within a predetermined range for number of lots not rejected by the quality department over a six months' period, everyone in the production department will receive a bonus.

Training

- Every employee will be trained on all jobs and will be rotated routinely to decrease absenteeism and employee turnover.

Formal Structure Controls

- Legitimate power established by: (a) Organization Chart; and (b) Job Descriptions.

Feedback

- Employees will receive feedback on a regular basis and will have an opportunity to discuss their performance.

Quality Controls

receiving

- Check all incoming materials against specifications of original shipping order.
- Inspections are visual and precise.

In-Process

- Encourage self-inspection of workers and encourage self-reporting errors.
- Randomly inspect by quality control department any cutting operations and any assembly that may cover up defects.
- Inspections are visual and precise.

Finished Product

- Trained quality control inspectors would check by specifications predetermined by

customers — this would include such factors as durability, comfort, and aesthetics.

Quality Control Equipment

- Control issue, accuracy and maintenance of inspection equipment.
- replace on a regular basis.

Inventory Controls

Raw Materials, Purchased Parts and Supplies

- Constantly monitor product demands and re-adjust minimum reorder level accordingly.
- Maintain proper level of raw materials by establishing minimum reorder levels.
- Set aside and seal minimum reorder stock — when seal is broken on this material a requisition must be initiated to bring inventory back to desired level.
- Set aside and seal, within the minimum reorder stock, a minimum operations stock — when this seal is broken purchasing must be notified to expedite order.
- Before any inventory can leave storage, a properly signed requisition must be received by shipping and receive department.

Finished Goods

- Assistant production manager routes job ticket to inventory — weekly, inventory department tabulates and compares with sales orders.
- Monthly, an actual physical count of warehouse inventory is compared to sales orders.

Production Controls

Monitoring

- Daily production schedules will be used.
- Job tickets indicating actual time taken to complete the product will be checked against actual schedule charts.
- The assistant production manager will secure midweek reports on whether the lines are on schedule, and whether they can self-correct and be back on schedule so that orders will be shipped on time.
- Preset production levels will be monitored.

Cost.

- Standard costs will be supplied by accounting department. This is divided by department and each is monitored so the production manager is able to identify departments exceeding cost and take corrective action.

Maintenance Controls

Preventive.

- Weekly inspection will be conducted on all machines and tools to be certain that all equipment is operating efficiently and safely.
- Replace all machines and parts at pre-scheduled times.

Corrective.

- Repair any machine that breaks down.
- Machine operator reports malfunction of equipment he works with.

Purchasing Controls

- Purchasing is the only department that can place an order.
- Limit who can sign purchase orders.
- Only accept requisition with proper signatures.
- Must expedite order if inventory falls below predetermined level.
- Limit dollar amount each department can requisition within a predetermined level without special approval.
- Require confirmation of delivery dates.
- Check invoices against original purchase orders and set level of acceptable variation.
- Confirm receipt of invoiced goods with department before paying bills.

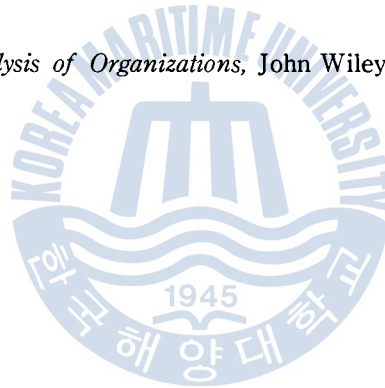
7. CONCLUSION

Majority of the furniture manufacturing companies are operated on a rather small scale with less than 150 employees, to respond quickly to meet the tastes of consumers. The nature of the task involved is still a craft with some helps of machines: rather simple task and stable technology. The market is well defined, distribution channels and supplies are quite stable, which justifies a bureaucratic form of organizational structure for the operation division under consideration.

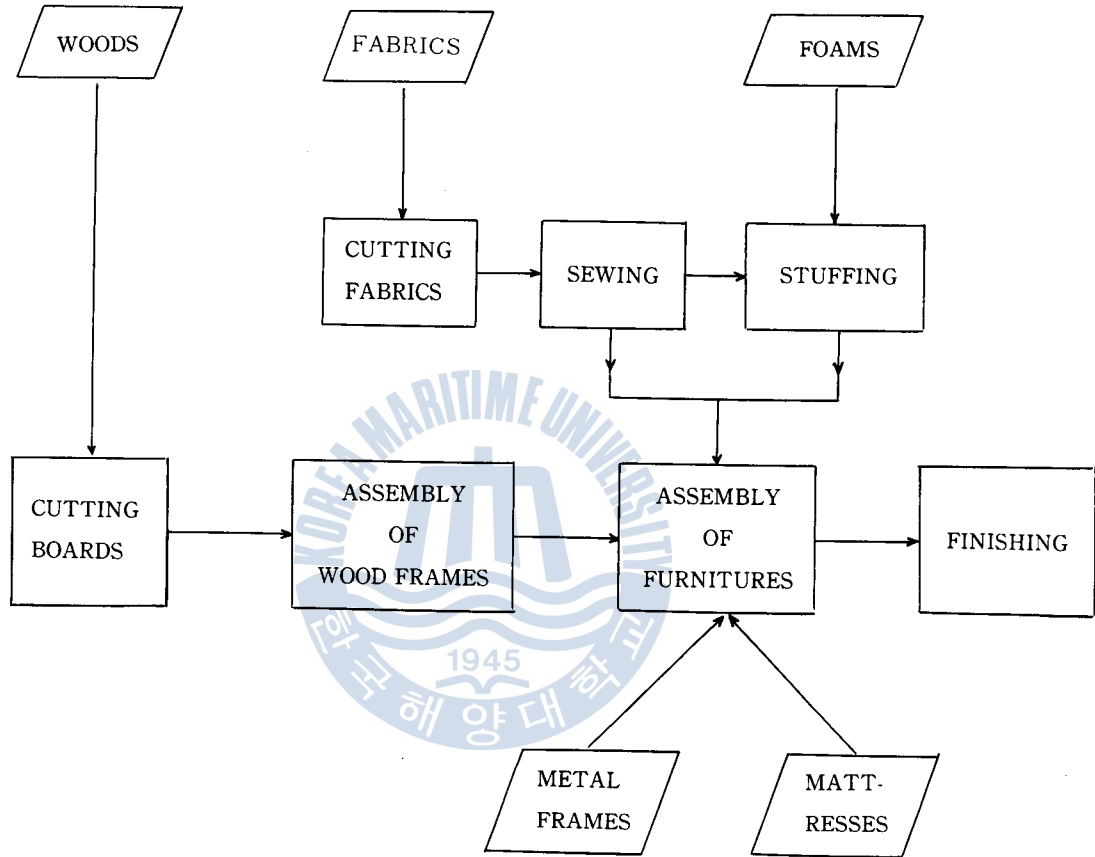
This type of organization is characterized by a high degree of centralized control by top management and a fairly rigid hierarchy. Lines of authority and responsibility are clear, jobs are well defined through the use of detailed position descriptions, and each managers has clearly specified goals to be achieved. Also, members of the management team have a high degree of similarity in point of view, attitude, and background.

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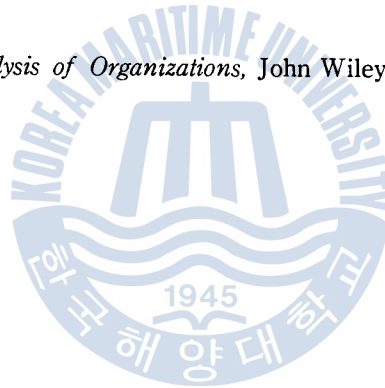
Appendix



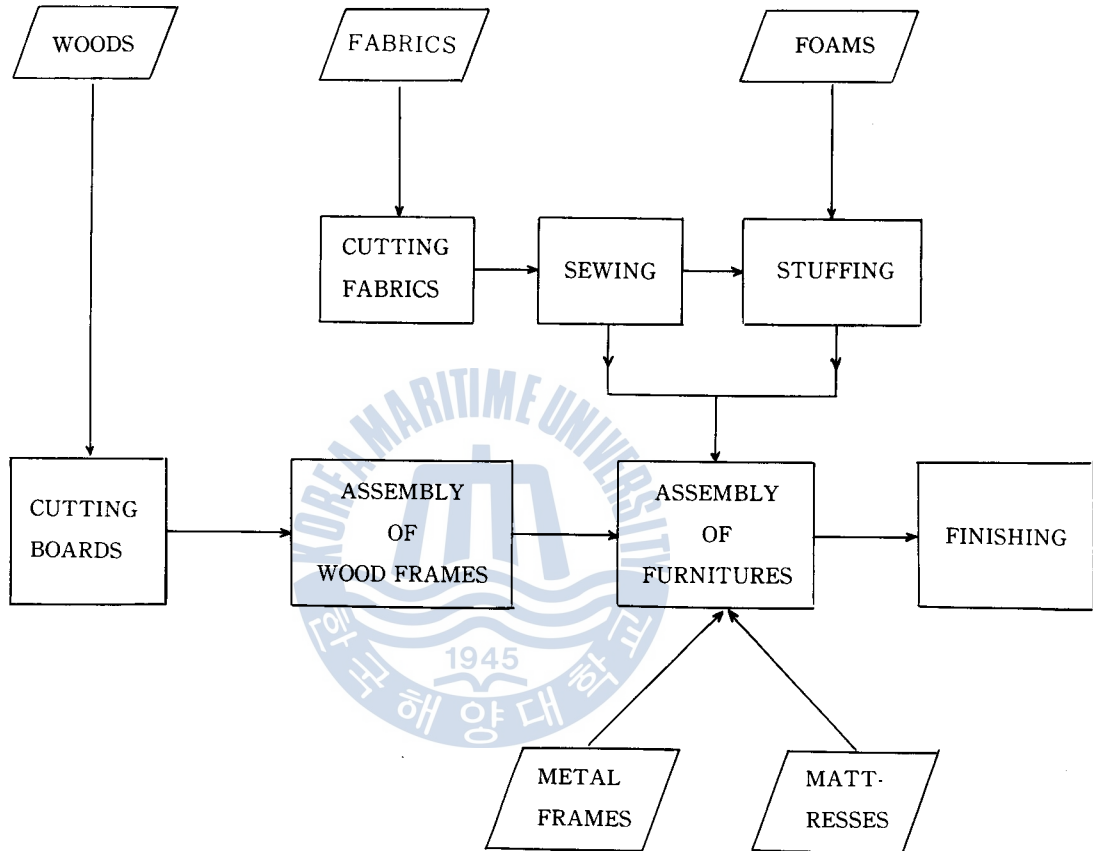
Production Flow Chart

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- 9) Litterer, Joseph A., *The Analysis of Organizations*, John Wiley & Sons, Inc., 1965.



Appendix



Production Flow Chart

ORGANIZATIONAL GOALS

GROWTH : To continuously promote the growth of the organization through the identification of new opportunities and the adequate sizing and structuring of the organization.

PLANNING : To develop a business planning system to permit a better view of the future, greater flexibility and speed in decision making.

MANAGEMENT : To foster initiative and creativity by encouraging employee suggestion of and reaction to proposed means of obtaining well-defined objectives.

PROFIT : To produce, sell, and distribute the most profitable product possible, utilizing the resources in the most efficient and economical mix possible.

PERSONNEL : To employ and retain qualified personnel at the most competitive and economical rate possible by placing continuous emphasis and action on employee's well being, advancement, and satisfaction.

SOCIAL RESPONSIBILITY : To develop, promote, and accept the organization's responsibility/benefit relationship with its socioeconomic environment.

CUSTOMER : To build a reputation of quality at competitive prices and to help satisfy customers' desires by offering options.

FIELD OF INTEREST : To be aware of and to consider opportunities and developments in areas related to increasing comfort and style in working and living environments.

JOB DESCRIPTIONS FOR KEY PERSONNEL

Job Title: Vice President, Operations' Division

Summary of Major Responsibilities:

Controls quality standards and production efforts to maintain production schedules as intergrated with overall organization objectives.

Duties:

Overall evaluation of the performance of the department managers	15%
Review, revise, and coordinate division cost budget through weekly meetings with department managers' recommendations.	25%
Performance reporting to President of general production schedules and accomplishments	15%
Conduct monthly meetings with supervisors and managers for coordination and communication of general company policy changes, addressing problems and recommendations from each level	10%
Review and evaluate to control overall production scheduling with Production Manager and coordinate these efforts as necessary with other division vice presidents	25%
Review, update, and control of weekly production schedules from each department with Production Manager	10%

Major Organizational Relationships:

Reports directly to the President of the Company as the executive of the Operations Division. Receives reports from the managers of each department of the Operations Division. Communicates and coordinates related company business matters with vice presidents from other divisions.

Job Title: Production Manager

Summary of Major Responsibilities:

Production manager guides and coordinates the departments under his jurisdiction to insure the efficiency of production. He makes sure the scheduled dates of delivery are met and quality standards are met as well. He meets weekly with the Vice President and the Shipping and Receiving and Purchasing managers for exchange of information and feedback on his activities.

Duties:

He coordinates the overall production process by having daily reports from his subordinates on matters such as the orders' status and to answer problems. He makes a tour of the production departments to see what is going on, and to discuss with the workers problems they might have in the production process and how they could deal with them. He tries to have the orders ready on time. He reports to the Vice President of Manufacturing. The Production manager spends most of his time in the above processes since their effective execution are indices of success. (45%)

He makes sure that quality standards are met through the feedback from the Purchasing and Shipping and Receiving Managers. (10%)

He approves the work schedules submitted by his subordinates. (5%)

He is concerned with the training of the new employees by having reports from his subordinates on their performance and training, and he also meets with the subordinates to discuss the safety of the working environments. (10%)

He prepares the cost budget and the analysis of deviations from the set standard costs. He makes sure raw materials are not wasted and that production processes are not delayed. (20%)

He evaluates the performance of his subordinates and approves the performance evaluations of the workers. He also considers morale and controls absenteeism of his subordinates. (10%)

Major Organizational Relationships:

The Production Manager receives general supervision from the Vice President of Operation Division. Information flows exist between the Production Superintendent, the Purchasing and Shipping, and Receiving Managers for better coordination on matters such as raw materials, finished goods and quality control.

Job Title: Shipping and Receiving Manager

Summary of Major Responsibilities:

The Shipping and Receiving Manager is responsible for planning, integrating, and controlling the flow of materials through the manufacturing process. He is responsible for the storing of inventories of supplies, raw materials, and finished goods, and the distribution of the finished goods to the customer on time.

Duties:

Provide Purchasing Department with material reorder information	5%
Establish inventory levels and a system to monitor these levels for all incoming materials	5%
Oversee storage of incoming raw materials, supplies, and finished goods	5%
Approve all requisitions for materials to leave the inventory and for all incoming shipments of raw materials and supplies	5%
Stay within department budget	5%
Inform Purchasing Department of arrival of materials and acceptance or rejection of shipment	5%
Maintain transportation controls and inform Vice President of Operations Division of need for new contracts	15%
Prepare back-up shipping methods in case of emergency	10%
Attend all meetings that involve inventory and shipping and receiving	15%
Devise and oversee plan to distribute raw materials and general supplies as needed throughout the plant	15%
Oversee distribution of finished product to right customer by specified date	25%

Major Organizational Relationships:

The Shipping and Receiving Manager must coordinate with the Production Manager on the time schedule and type of materials and general supplies needed. To assure arrival of needed materials on time, he must also coordinate closely with the Purchasing Manager. He must also coordinate regularly with the Production Manager on what items should be finished goods and in inventory and with the Marketing Department to be certain each order is filled properly and sent to the correct location on time. He receives general supervision from the Vice President of the

Operations Division and must inform the Vice President of any potential transportation difficulty, increased costs, or the need for new contracts.

Job Title: Quality Control Manager

Summary of Major Responsibilities:

The Quality Control Manager is responsible for the development and implementation of procedures to insure the quality standards established by the organization are met. Feedback on quality control issues will be provided to the Vice President of Operations and the Production Manager. Frequency of sampling and quantity of items sampled will be determined by the Manager. The Quality Control Manager will monitor government regulations related to the manufacture of furniture and develop and implement procedures insuring adherence to these regulations.

Duties:

Maintain knowledge of and develop implementation of procedures to adhere to all government regulations regarding product quality	5%
Provide feedback to the Vice President of Operations Division and the Production Manager on issues of quality control	15%
Develop methods for testing quality of raw materials, in process materials and finished products	28%
Determine sites of inspection for in process goods based on where most costly errors could occur	10%
Determine the quantity of goods to be sampled and the frequency of sampling	10%
Determine the schedule for inspection of raw materials, finished products, and in process materials	5%
Provide regular inspection, replacement and repair of quality control inspection equipment	2%
Monitor and adhere to the budget established for quality control	5%
Attend all meetings related to Quality Control	10%

Supervise actual inspections 10%

Major Organizational Relationships:

Receives general supervision from the Vice President of the Operations Division and provides the Vice President with information on quality control issues. Must provide feedback to the Production Manager on quality control issues and to obtain input on areas within the process which might contribute to costly quality errors. Must coordinate with Shipping and Receiving Manager regarding incoming raw materials and inspection of finished products prior to shipment to customers.

Job Title: Maintenance Manager

Summary of Major Responsibilities:

Responsible for supervising and coordinating the two main functions; technical maintenance and janitorial function.

The supervisor is in charge of smooth operation of manufacturing and maintaining the working environment clean and safe from hazardous materials.

Duties:

Supervise and coordinate machine and tool maintenance activities 40%

Maintain the environment clean and safe. The job involves in the supervision of cleaning activities such as emptying garbage cans, eliminating saw dusts, pieces of wood, fabrics and brooming the floor 20%

Take care of the inventory of tools such as saw blades, staples, screws and so on to insure that smooth and continuous operation can be maintained 10%

Communicate with Vice President of the Operations Division and Production Superintendent for reporting and coordinations 10%

Attend meeting for production decisions and establishing short term strategies to achieve more efficient use of labors and materials. More creative process of manufacturing is pursued through meeting for cost minimization and better quality of the furniture 10%

Conduct training for new employees 5%

Insure that plant is safe from fire or theft. Regularly check whether the working environment meets the standard established by State government 5%



LINEAR RESPONSIBILITY CHART

	Vice President Operations Div.	Production Manager	Assistant Production Manager	Purchasing Manager	Quality Control Manager	Shipping and Receiving Manager	Maintenance Mgr.	Wood Supervisor	Fabric Supervisor	Furniture Assembly Supervisor	Finishing Supervisor
1. Establish long-range production strategies and policies	D	C	V	C	C	C	C	N	N	N	N
2. Establish quality control standards	D	N	N		S.W.			N	N	N	N
3. Establish cost budget	C	C	N								
4. Monitor available technology in industry	D	C/R	V		V		V/N				
5. Control quality of input, process & output	N	C	N		D	N		N	N	N	N
6. Maintain healthy morale & job performance	D	C	G.S.	S.W.	S.W.	S.W.	S.W.	S.W.	S.W.	S.W.	S.W.
7. Set up daily production schedules		D	N		N	N	N	V	V	V	V
8. Purchasing raw materials & supplies		C	N	D	V	C	V	V	V	V	V
9. Receiving raw materials		N		N	N	S.W.					
10. Control raw mtl. requisition from warehouse		G.S.		N		S.W.		D	D	D	D
11. Determine machine maintenance schedule		C	N		R		D	N/R	N/R	N/R	N/R
12. Maintain clean, safe work environment		G.S.					S.W.	R	R	R	R
13. Train new employees		G.S.	S.W.	S.W.	R/V	S.W.	S.W.	S.W.	S.W.	S.W.	S.W.

CODE: G.S.—General Supervision
 S.W.—Supervises Actual Work
 R—Initiates Recommendations
 D—Makes final Decisions

C—Must Be Consulted
 N—Must Be Notified of Actions Taken
 V—May Be called in for Exchange of Views