

EFFECTIVE MANAGEMENT OF HUMAN RESOURCES TO OBTAIN OBJECTIVES

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First, I would like to say, thank you for inviting me to the Food Distribution Research meeting. The subject on which I am speaking is Human Phase of Productivity. I am not sure how much of a percentage human ability is utilized. However, I guess in most industry I suppose only 50 percent of human resources are utilized. I suppose it is the same in our industry.

To increase the productivity we should know much about how to utilize human potentials. Retrospecting in the history how to increase productivity in our industry. It seems to be a history of taking works to pieces, this is a sad way of putting the pieces together. It was brought to me by appearance of a chain store system. It was in the middle of the 19th century. The chain store system divided selling. The selling job had many functions, for example selling functions and buying functions and advertising functions and many other functions. It was kind of specialization and also the performance of the delivery over simplification and standardization through organization structure and through job classification. Those specializations were really jumping aboard for the later development of retail business. Especially it was essential for food chain development. As a result of this evolution, the sales clerks are very indifferent to another function such as buying and so on.

In 1916 self-service was introduced. This method increased tremendously the productivity of our industry, however,

this system brought us another separation, between sales clerks and customers. The communication between the customer and sales people has decreased since then. The industrial engineering approach which was applied to our industry later has increased a lot of our productivity. Without this approach the productivity of our industry now should stay at a very poor level.

This approach could be summarized that perhaps to achieve some accomplishments so proper message with proper people in proper conditions and within a standard time, then giving some incentive for accomplishments. But those methods are rather a radical approach rather than putting pieces together - divide, separate and dissolve, etc. As a consequence in our industry most of our store people have tended to work as small pieces of work, that they work similar to assembly line workers.

On the other hand the size of retail business has grown and grown and each weakened the situation, that each worker get to communicate with each other. It was very difficult to get such communication. They take only small part of job without knowing the operation of the company - the overall conditions of the company and what is management now thinking about and where we are going. What reason shall we get from results and accomplishments.

But our people in our industry think - ok if all people do their part and accomplish their assignment by

immobile works, assigned quality, however, retail business is rendering the customer not only merchandise but service. The service may sometimes be low and sometimes high. Sometimes we forget we are getting a service with merchandise. Plus if you go to the Soviet Union and see the attitude of the sales clerks in a department store you will understand what I have told you now. By the industrial engineering approach it looks to be very difficult to define the quality of service.

If the sales clerk have not some spontaneity we cannot give true service. Also in retailing business always some kind of tactfulness and sense of merchant are needed for store people very skilled in stocking or price marking. Without this quality business goes down. If we select our people for stocking merchandise in our store by industrial engineering approach plus we shall select our people who have strong power and just like us workers. We neglect such tactfulness and sense of merchant and so on. I think it is a big problem for the future development of our industry, not only for our industry, but department store and so on. We shall see human resources because from the viewpoint of a different phase we are not doing just work, we are doing a business, we are contacting with the customer always. Of course, we should increase productivity by using industrial engineering approach, but at the same time we should look at our business from a different dimension.

To motivate the people we should think once more what we are doing in the supermarket. To motivate we should have people show interest and feeling of accomplishments, but do you think to stock merchandise we would be able to have the person's interest or not. Do you have an interest in stocking merchandise? Can you continue for two or three years stocking merchandise in a supermarket. Perhaps if such a job is assigned

to you perhaps you leave supermarket within two or three days. In Japan we assign the job of stocking merchandise mostly to girls, they may perform at low productivity but most of the people, especially highly educated people, we hire many college graduates in our industry in Japan, but they cannot endure to continue to stock merchandise several years in a supermarket. So we should think originally our works in a supermarket is very simple and it is very difficult to have people have job satisfaction without giving some means, some way or something. We should give something and we should give job satisfaction from the routine involved (daily works).

We Japanese people have sent a lot of supermarket people to the United States and perhaps they looked at stocking in a supermarket and they had a questionable attitude "why do they work so hard, such a simple work," plus they believe that you have a higher unemployment rate compared to us so otherwise where will you stop. It is a reason I think.

We should know that in doing such a simple work most people do not have job satisfaction, perhaps without some incentive of some kind. Across the country they should have the interest of the job, we should rethink how to motivate these people.

Now, I have been up here - very glamorous. But I am not sure. If you pay \$8.00 per hour now we utilize only these parts, bone parts. You hired the entire person, you utilize the head and heart.

I think it is a secret to increase productivity using same number of people and same hours. I think it is motivation and this is a reason why our industry utilizes only 50 percent of human resources. People here are very intellectual people. But the supermarket industry

only uses the hands and feet, not the mind. It is time consuming, just do as we have ordered and so on, but I think only use 50 percent of utilization.

How shall we use another part of the 50 percent. We should think about the 50 percent of human resources we are not using, so we devise how to use this unutilizable part. To reach conclusions or how to use those resources, first, we should have more research from the viewpoint of very different dimensions. We have had much research from this part. I have seen some ten or twelve years ago UDC reports which was about how to motivate the store managers by education, but it is a real example. Why you don't have so much research for the hat-on-the-head, I suppose it is very difficult to measure the results of motivation or so on by the figure. But I don't think it is absolutely impossible. There are many school teachers here, he gave a rating for the accomplishments for the direction of works every year for the student, it is difficult but not impossible. We should challenge this difficult phase of our industry - how to utilize people.

To motivate people we should make further studies on following points. First one is communication - we have studied how to communicate by reading many books - how to communicate. But sometimes we forget what should be communicated is to make people understand the intention of company and purpose of company, part of the problem we are confronting, taking the opportunity we talk and talk. American people wonder when he joins seminar for middle management in our country, it is very common to begin with ratio on economic situation and economic forecasting for the training and so on its the first time. What should we do as a company to dissolve this program in the condition of economy.

It is a first step to work and then communicate routine works. I am not sure from supermarket owners or owners obtaining to this meeting today but from my personal experiences most of supermarket owners have fears in the future night and day because competition is very keen and the margin rate is always going down. First thing supermarket owners want to share is fair and understanding of prices of our industry and company without hustling, without putting pieces together, company crashes, etc. So we should, at least in our country, the first thing is over understanding the condition of the company and then daily works. I think if he understands the conditions of company and economic conditions he feels the needs of stock merchandise very fast or slow and he can feel some job satisfaction.

Second is accountability - given for the small part of works. All the people know the accountability relating the relationship to accountability and entire results of the company. It is very important. We should educate taking every opportunity.

Third is education - education is emphasized very much, but also we should have to teach people the education plan, the policy of the company and so on. Of course we should stress upon common education in supermarkets.

Fourth, the incentive plan, is also very important. We have heard many types of incentive plans in this country for supermarkets, most of them are for only store managers. We should give more group incentive. It is what I want to say and I left some parts of Japanese management out - for example proposition systems and also because of lack of time, I might say I might talk about the proper subject very different viewpoint from yours. I hope my talk will be helpful for you to some degree.