Contents

I. INTRODUCTION	3
Purpose and Scope	
The Period Covered: 1934-41	5 5
Materials Used	8
Outline of the Study	9
II. THE ORGANIZATIONAL STRUCTURE OF HEAVY	
INDUSTRY	11
Soviet Theorizing as to Centralization	11
The Hierarchical Structure of Industry	14
The Firm as the "Basic Unit" of Industry	21
The System of Management in Industry	27
III. THE COMPOSITION OF FIRM MANAGEMENT	35
Prototypes of Directors	35
Characteristics of Managerial Personnel as Shown Sta- tistically	39
•	50
Characteristics as Shown in a Sample Made by the Writer Concluding Remarks	56
IV. FORMATION OF PLANS	61
Functions of Plans	62
Formation of Annual Plans	64
Concluding Remarks	70
V. LIMITATIONS OF THE PLAN	71
The Emphasis on Flexibility	71
The Theoretic Stressing of Rigidity	78
Concluding Remarks	79

xii	CONTENTS

VI. CENTRALIZED OPERATIONAL DIRECTION OF	
FIRMS	82
Top Orders Covering Industrial Firms	83
Leadership of Firms by the Intermediate Administrative	
Level of Glavki and Commissariats	97
Concluding Remarks	102
VII. PLANT MANAGEMENT'S INDEPENDENCE	107
Fields of Initiative of Firm Management	112
Management's Independence of Action	120
Attitudes Arising from Managerial Independence	125
Concluding Remarks	129
VIII. PROCUREMENT AND MARKETING: THE FUSION	
OF CENTRALIZED GUIDANCE AND INDEPEND-	
ENT PLANT ACTION	134
The Allocation System	134
Flexibility and Stability	138
Marketing and Procurement Problems of Firms	139
Illegal Methods of Procurement	145
The Importance of Personal Relations	147
Concluding Remarks	148
IX. THE MEASUREMENT OF SUCCESS: I	150
Nonfinancial Criteria: Their Importance Relative to One	
Another	153
Financial Criteria as Composite Tests of Effectiveness	157
X. THE MEASUREMENT OF SUCCESS: II	162
The Nature and Significance of the Firm's Incentive for	
Financial Health	162
Controls over Financial Discipline	172
Managerial Attitudes Toward Financial Success	181
Summation of the Problem and Its Personification	184
Concluding Remarks	188
XI. A NOTE ON ENFORCEMENT OF CONTROLS OVER	
MANAGEMENT	189
Penalties for Executives	189
Incentives for Executives	192
Organs Concerned with Enforcement	195

CONTENTS	xiii
XII. THE COMMUNIST PARTY IN THE LIFE OF THE	004
FIRM	203
Major Roles of the Party with Regard to the Firm	204
The Party Unit of the Firm as a Mass Organization Control over the Firm by Intermediate and Higher Party Bodies	210 217
The Communist Party and Managerial One-Man-Author-	417
ity-and-Responsibility	224
Concluding Remarks	230
Concluding Actuals	230
XIII. PARTICIPATION BY EMPLOYEES IN THE LIFE OF	
THE FIRM: A GENERAL TREATMENT	232
The Over-all Aspects	232
Participation May Be Discouraged by the Existence of	
Mass Organizations	242
The Stakhanovite Movement	243
The Trade Unions	252
Concluding Remarks	260
XIV. CONCLUSION	262
Strengths and Weaknesses of Soviet Administration	262
Single vs. Multicriteria of Success	271
The Political Nature of Decisions Made by Industrial Executives	284
The Soviet Director as Entrepreneur	285
The soviet Director as Endepreneur	203
APPENDICES	
Appendix A: Significance of the Reorganization of the	
Administrative Structure of Industry	289
Appendix B: Sources for Chapter III and Discussion of	
the Sampling Procedure and Results	290
Appendix C: Procurement and Marketing Apparatus	
above the Firm Level	296
Appendix D: The Commissariat of Internal Affairs and	
Supervision over Plant Managements	302
BIBLIOGRAPHY	
Abbreviations	306
Bibliography of Works Cited	307
INDEX	881

Management of the Industrial Firm in the USSR