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English

UPGRADING MARKETING AND PRODUCTION TECHNOLOGIES
AT THE MONOPOLIES DIRECTORATE,
DP/TUR/76/007
TURKEY .

Technical report: Training of TECEL personnel .

Prepared for the Government of Turkey by the
United Nations Industrial Development Organization,
executing agency for the United Nations Development Programme

Based on the work of Patric J. Whelan,
industrial training adviser

United Nations Industrial Development Organization
Vienna

id. 77-3400

Explanatory notes

A full stop (.) is used to indicate decimals.

A comma (,) is used to distinguish thousands and millions.

The term "billion" signifies a thousand million.

References to "tons" are to metric tons, unless otherwise specified.

References to dollars (\$) are to United States dollars, unless otherwise stated.

The monetary unit in Turkey is the lira (LT). During the period covered by the report, the value of the LT in relation to the United States dollar was \$US 1 = 17.50

TEKEL refers to the General Directorate of Monopolies (Turkey).

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ABSTRACT

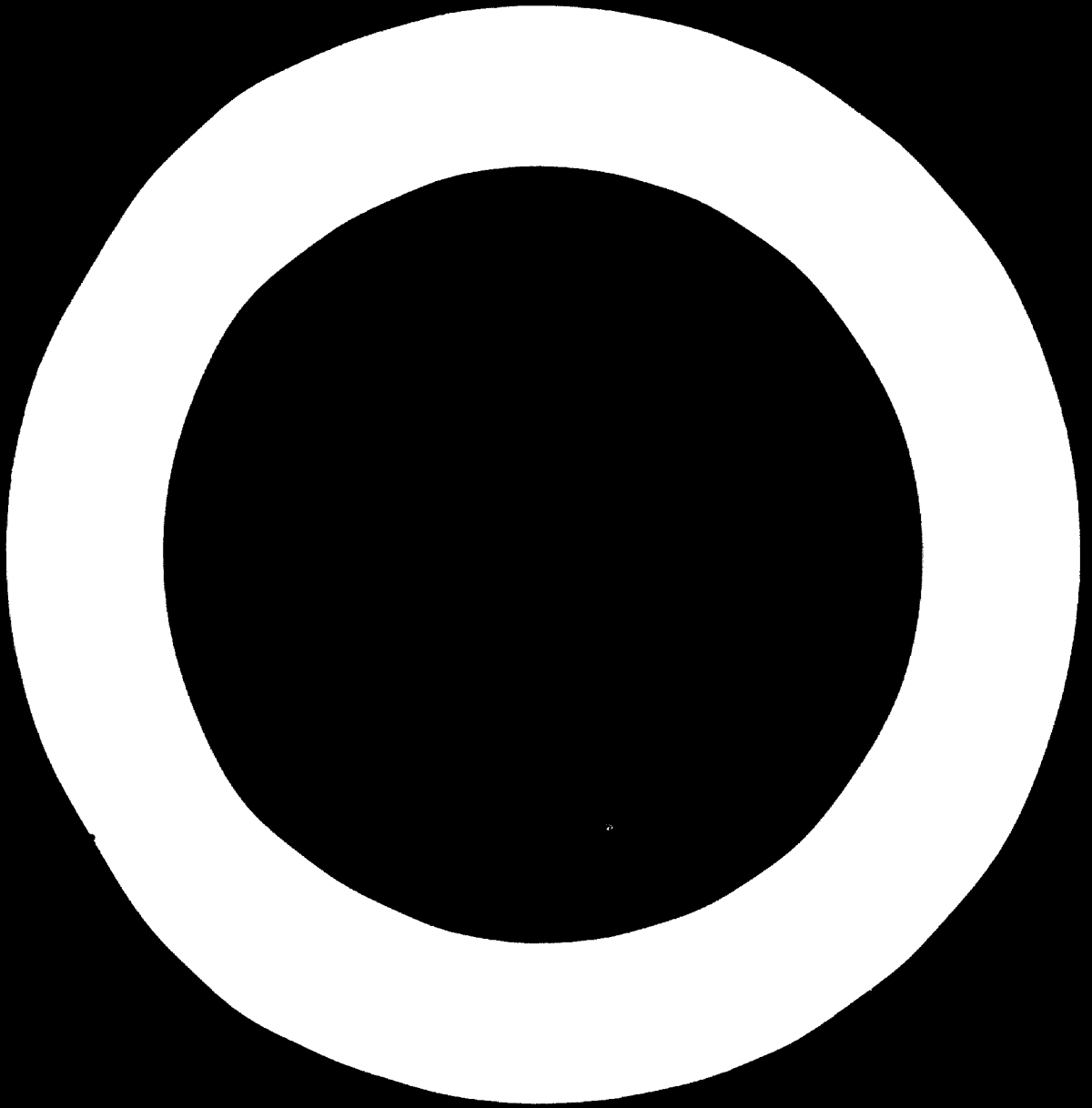
The project "Upgrading Marketing and Production Technologies at the Monopolies Directorate" (DP/TUR/76/007) originated in a request by the Government of Turkey in early 1976 for United Nations Development Programme (UNDP) assistance in the design and implementation of a comprehensive training programme for alcoholic beverages, tobacco products, marketing, truck fleet operations, and training and development systems for the General Directorate of Monopolies (TEKEL). Following approval of the project in late 1976, the mission took place in March 1977, with the United Nations Industrial Development Organization (UNIDO) as executing agency and TEKEL as Government counterpart agency.

The following conclusions and recommendations should be noted:

(a) Effective training of TEKEL personnel has very high priority, and should be directed towards the identification of the real training needs and the provision of effective training and development programmes to meet those needs;

(b) A senior management training and development committee should be established to consider and define the development objectives, policies and priorities which would help TEKEL to achieve its objectives, and to set target dates, responsibilities and progress reporting procedures for the achievement of those objectives.

The above recommendations are followed by 12 others outlining, and dealing with specifics of, a comprehensive training activity to be established at TEKEL. The activity outlined emphasizes analysis of job duties to identify knowledge and skills required, evaluation of the extent to which the incumbent already possesses these knowledges and skills, a training programme to provide for the deficiencies, and an evaluation of training results.



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I. SUMMARY OF MAIN RECOMMENDATIONS

It should be noted that most of the recommendations made below are already applied in some part of TEKEL. What is required is to take the best of what is applied in training and development and to organize it into a planned and controlled training and development system for TEKEL as a whole.

A. Most important recommendation

A Senior management training and development committee (chaired by the General Director of TEKEL and including as members the Assistant General Directors, Training Director, and Project Co-ordinator should be established very soon to perform the following tasks:

1. To discuss, decide and state the training and development objectives, policies, procedures, priorities and plans which will help TEKEL to achieve its objectives;
2. To set target dates, responsibilities and progress reporting procedures for the achievement of the training and development objectives and plans - probably on a five-year-plan basis, advancing annually as a rolling plan. The current year's plan should be prepared in detail for each year.

It is essential that this most important recommendation be implemented. Without this, there will be little prospect of the other recommendations being effective.

B. Other recommendations

TEKEL's training resources

3. TEKEL's training capacity should be strengthened by the selection of suitable personnel as factory training officers to help managers organize factory training and development systems, and eventually by the selection of suitable personnel as regional training managers to help organize and co-ordinate the training in the regions;
4. Programmes for training of training officers and for on-the-job instructors will need to be organized;

5. An international training expert should be recruited to help with the development of an effective TEKEL training and development system;
6. TEKEL training personnel should be trained as far as possible in Turkey and then sent abroad on fellowships to study systematic training and development;
7. An audio-lingual language laboratory training unit should be established;

Management training

8. Programmes, both on- and off-the-job, should be established as soon as possible for training and development in leadership, managing the training function, financial management, and management control systems. There may be a prior need to clarify and develop the required management control policies and procedures;
9. A TEKEL management succession planning scheme should be developed;

Technical/specialist training

10. Programmes, both on- and off-the-job, should be established as soon as possible for systematic technical specialist training at all levels, especially for the introduction, effective operation and maintenance of the new methods and technologies. These programmes should be developed in Turkey as far as possible. International experts should be recruited to help with all aspects of the introduction, effective operation and maintenance of the new methods and technologies in the production of tobacco (especially filter cigarette) products, wine, malt and beer, in transport operations, repairs and maintenance, and in modern sophisticated printing technology. TEKEL technical/specialist personnel should be sent for study abroad in marketing and in the above-mentioned technologies;
11. All purchasing contracts should contain clauses relating to the effective training of personnel. These clauses should specifically cover the points mentioned under the heading "Control systems", in chapter V, section B, of this report;
12. All retiring managers who have valuable technical/specialist skill, knowledge and experience should be encouraged and helped in an organized way to pass on their skill, knowledge and experience;

13. A TEKEL succession planning scheme should be developed for key technical/specialist positions;
14. The establishment of an organized "trainee" training system should be investigated. This would imply the development of a TEKEL career guidance programme;
15. A technical/specialist/management library should be established to provide an updating service for those who need it;

Worker training

16. Worker training should be done on a systematic basis. The system should be operated and controlled by the total management force of each factory. The training officer's role is to assist and advise;
17. The possibility of worker classification and certification of skill achievement in relation to job requirements should be investigated;

General

18. All steps should be taken to improve the salary position, especially for technical/specialist personnel. Much of the money and effort spent on training will be lost if this can not be achieved;
19. All training should be directed towards improved job performance and be planned, prepared and conducted (especially with follow-up) to this end.

II. INTRODUCTION

A. Project background

The General Directorate of Monopolies (TEKEL) was established on 1 June 1931, to operate in the commercial and agro-industrial fields of tobacco, alcoholic beverages, salt, matches, coffee and tea.

In Turkey, TEKEL purchases most of the production of barley, hops, grapes, dried raisins and aniseed which form the raw materials for alcoholic beverages. It also controls the planting and sale of tobacco which plays a very important part in the economy 1/ of the country. It processes the raw material in its own plants and sells on both domestic and export markets.

Because of urbanization, increased incomes, industrialization, and the urgent need and opportunity for exporting, there has been a great increase in the demand for tobacco products (especially filter cigarettes), alcoholic beverages, and salt. TEKEL has expanded quickly but is not yet fully able to satisfy this demand. Considerable additional expansion plans, many of which involve the most modern technologies, are to be implemented in the next two to three years.

To improve its present operations and to adapt to future developments, TEKEL early in 1976 requested UNDP/UNIDO assistance in the design and implementation of a comprehensive training programme for alcoholic beverages, tobacco products, marketing, truck fleet operations, and training and development systems. This led to the project entitled "Upgrading Marketing and Production Technologies at the Monopolies Directorate" (DP/TUR/76/007), with the United Nations Industrial Development Organization (UNIDO) designated as executing agency and TEKEL as government counterpart agency, and with a budget allotment of \$3,950.

The mission covered by this report took place in March 1977. The duties of the expert were as follows:

(a) To consult with appropriate authorities within TEKEL in order to develop an overall picture of operations and a general assessment of their status, to review TEKEL plans for future growth and development, and to identify TEKEL priorities;

1/ For details of the importance of tobacco to the country and the increase in demand and capacity, see chapter VI, section A, and also the sections on alcoholic beverages, salt and marketing distribution.

(b) To make an in-depth assessment of the qualitative and quantitative training in selected priority needs in light of present operations and future plans;

(c) To assess existing national facilities to meet part of the needs identified and indicate the kinds or arrangements for fellowships/study tours abroad;

(d) Based on expertise needed, to help identify the best means of upgrading technologies in such areas as beer and wine, packaging of tobacco products, organization of truck fleet;

(e) To develop a comprehensive programme of technical assistance in the fields of industrial training and in the technologies needed for specific products and prepare a project document for UNDP assistance.

B. TEKEL's importance to the economy

TEKEL is the biggest single buyer of agricultural produce, in particular of barley, hops, grapes, raisins and aniseed, and controls the planting and sale of tobacco, which is one of the main products of the Turkish economy, with five million people depending on tobacco-growing alone. In this connection, it should be noted that from 1965 to 1969 the exchange revenue from tobacco export comprised 20% of Turkey's export revenue, and in 1975 the Treasury of Turkey received 5 billion Turkish lire (LT) from tobacco export alone.

TEKEL produces one fifth of Turkey's export income, and more than six million people depend on its agricultural, industrial and commercial activities. TEKEL's general turnover in 1975 was LT 18 billion, and it currently employs 80,000 staff members. Moreover, its contribution to the 1977 government budget of LT 220 billion is LT 14 to 15 billion, approximately 7% of the budget. The strengthening of TEKEL will directly help the living conditions of nearly 20% of the Turkish population, and indirectly contribute to the welfare of the whole of the Turkish people by helping to improve the country's balance of payments.

C. Future expansion

In the next five years there will be a considerable overall expansion, especially in tobacco, alcoholic beverages and salt production, and in marketing and distribution. This involves the implementation of planned investment of LT 7.5 billion and the development of a reorganized and computerized distribution system. There will be a substantial increase in

the number of people employed by TEKEL. Equally important is the indirect employment generated in terms of agriculture, transport, advertising, warehouses, shops etc. Much of this expansion is being planned for the more remote and underdeveloped areas of Turkey to provide employment and development opportunities for the people in those areas.

By 1982 the number of people employed by TEKEL will rise from 80,000 to 120,000. Some basic data concerning TEKEL is given below.

	<u>1976</u>	<u>1977</u>	
Government budget	LT 160 billion	LT 220 billion	
TEKEL contribution	LT 10 billion	LT 14-15 billion	
Transport (truck) fleet	300 vehicles	600 vehicles	1,200 vehicles by 1978
Tax-free shops contribution	LT 500 million	LT 750 million	
Production figures			<u>By 1980</u>
Filter cigarettes	23,000 tons	37,500 tons	60,000 tons
Non-filter cigarettes	32,000 tons	31,700 tons	25,000 tons
Raki ^{a/}	40.0	50.0	65.0
Raki (export)	0.6	1.0	2.0
Vodka	6.0	6.7	10.0
Vodka (export)	0.2	0.7	4.0
Gin	0.1	0.2	0.5
Brandy	2.0	2.5	3.5
Beer	60.0	60.0	80.0
Wine	5.0	6.7	10.0
Wine (export)	5.0	6.0	10.0
Alcohol	25.0	28.0	40.0
Salt	800,000 tons	1,000,000 tons	2,000,000 tons

^{a/} Figures for Raki and other alcoholic beverages are given in millions of litres.

III. CRITERIA FOR THE ESTABLISHMENT OF SYSTEMATIC TRAINING AND DEVELOPMENT PROGRAMMES FOR TEKEL

Managers at all levels in TEKEL are concerned that their personnel are insufficiently well trained. They all believe that training will improve the quality of their personnel and their performance. However, most managers think of training as something someone else does to their staff, usually away from the place of work at the university, industrial school, or in special courses. Too often there is a lack of understanding that training goes on all the time - it cannot be prevented. It will be good or bad training depending on the human qualities of the trainer, his ability as a trainer, and on his technical skill and knowledge. The most effective training takes place on the job and "the best trainer is a good boss." ^{2/}

Effective training will result in changes in behaviour on the job and improved performance. A man who has never seen a bottling machine is trained for this job when he can set and operate the bottling machine to the required standards of productivity, quality, machine care, safety etc. A manager who is uncertain about financial management is trained in this aspect of his position when his behaviour is changed so that he operates the financial management systems effectively.

Effective training in any organization will only happen because the management of the organization want it to happen. Consultants may make recommendations and give advice but very little progress will be made in the establishment of an effective training and development system unless the management, on the one hand, sees how training can help the organization to achieve its objectives, and, on the other, becomes committed to, and actually involved in, implementing the system and making it work.

^{2/} This lack of understanding of the need for the managers to manage the training function in their factories was demonstrated by the remark made by several managers: "the workers don't want to be trained, they don't want to take time off work". These workers are already employed and have been trained on the job, probably by observation, to do their current job. If effective on-the-job training is organized there is almost certainly no need for off-the-job training for these workers.

Training to improve performance on the job can only be achieved by identifying the real training needs from the jobs (positions) in the organization, and then by providing effective training programmes to meet these identified needs. A great deal of time and money are wasted on training courses which have almost no effect in improving job performance.

The key element in any training situation is the trainee himself. There will be little learning without his involvement. If he wants to learn, it is very difficult to prevent him from learning. If he does not want to learn, or doesn't care, or doesn't agree with the content or method of training, it will be almost impossible to make any progress with the training. Training is not something that is done to someone. It is something that he does for himself. The trainer may help by providing environment and the stimulation or incentive which will encourage and allow the trainee to learn.

Qualifications for effectiveness in a position are often thought of as academic qualifications. While academic qualifications are important and even essential for some positions, in the end, performance in any position will be determined by the skills, knowledge and attitudes of the job holder. Thus the real qualifications needed are the skills, knowledge and attitudes to perform each job effectively.

In order to gain the understanding, commitment and involvement of the management of TEKEL in identifying the real training, and in planning the necessary programmes to improve job performance, the approach outlined below was taken.

The expert worked with managers to identify the following: TEKEL's overall objectives; the background to TEKEL's development; future developments planned for TEKEL; organizational structure developed to achieve TEKEL's objectives; TEKEL's problems; TEKEL's training and development objectives, policies and procedures.

It has been generally agreed that effective training of TEKEL personnel has a very high priority; that this training should be directed towards the identification of the real training needs and the provision of effective training and development programmes to provide for these needs; and that

this should be organized along the following lines:

- (a) Positions should be identified;
- (b) The skills, knowledge and standards required for each position should be identified;
- (c) Personnel should be assessed against the skills, knowledge and standards required to perform their duties effectively so that their real training needs may be identified;
- (d) Training and development programmes should be planned, prepared, conducted and evaluated on this basis.

TEKEL managers and training staff have been involved in applying these procedures both to identify the broad training and development needs and in planning the programme to provide for these needs.

All the recommendations in this report are based on work done by TEKEL management and training staff during the project.

There is a great deal to be done, and the following priority areas were identified for immediate action within the framework of the procedures (a) to (d) above: training and development systems; marketing systems; tobacco products' (especially filter cigarettes) production; wine production; transport systems; printing and packaging production; malt production; and beer production.

IV. ACHIEVEMENT OF THE OBJECTIVES OF TEKEL

A. TEKEL objectives

The objectives of TEKEL are to help the economy and development of Turkey by the following means:

- (a) Orderly and profitable production and marketing of agricultural produce, including tobacco leaf, grapes, raisins, hops, barley and aniseed, for both domestic and export markets;
- (b) Effective and profitable processing of Turkish-produced raw materials, tobacco, grapes, raisins, hops, barley, aniseed and salt, into finished products, tobacco, alcoholic beverages, salt, and matches;
- (c) Effective and profitable marketing, distribution and selling of the finished products (together with coffee and tea) both within Turkey and abroad;
- (d) Contributing to government revenues;
- (e) Providing employment and development opportunities for the Turkish people.

There is a potential compatibility between two of these objectives, namely the profitable operation of TEKEL on the one hand, and the provision of employment opportunities on the other. At present a number of factories are overstaffed ^{3/} at the worker level, and there is no record of the effects of this overstaffing on profitability.

To a large extent TEKEL's expansion will provide substantial employment opportunities and should remove the need for overstaffing.

It is fundamental to the effectiveness of an organization that the managers concerned should have the final decision on the recruitment and selection of their personnel.

B. Training and development policies and procedures

While it would be true to say there is at present no overall organized system, all the foundations and elements of an effective training and development system do exist in different parts of TEKEL. These foundations and elements will need to be extended and organized to establish a training and development system for the whole TEKEL organization.

^{3/} This does not apply to the appointment of persons with a disability.

The essential first step will be to discuss, decide and state TEKEL's training and development objectives, policies and procedures.

It is very important that the most senior management of TEKEL meet very soon to discuss and make decisions concerning the establishment of an organized training and development system. The following fundamental questions need to be asked and answered. Is the training to be organized (systematic) or not? Are the real training needs to be identified from the jobs (functions and duties) people are expected to carry out? Will the training be organized to provide for these identified needs so that job performance will reach the required standard?

Effective training and development is essential for the success and development of TEKEL. The following approach is suggested as a basis for discussion and decision making.

Training objectives

The best use should be made of all available resources to ensure that TEKEL has the people with the knowledge and skill to carry out their current jobs and achieve TEKEL's objectives; to raise the general standard of knowledge, skill and effectiveness at all levels in TEKEL; and to ensure that TEKEL has the people who will continue to develop and thus maintain the continuity and growth of TEKEL.

Training definition

Training is the process of helping people to master and develop knowledge, skills, attitudes or behaviour through instruction, demonstration, planned experience or other techniques. It is the deliberate provision of the means or environment through which learning may take place on the job or in the classroom, so that people will develop and be more effective in working to achieve TEKEL's objectives.

Training policy and procedures

TEKEL will operate and maintain an organized system of training and staff development to achieve training and development aims. The effective operation of the training and development system is the responsibility of the manager

and supervisor. The following steps are involved in the operation of the system:

(a) Naming the jobs (position titles) and drawing up the organizational framework;

(b) Analysing positions to identify the duties and responsibilities for each job (position), the skills (including personal skills) and knowledge required to perform the duties effectively, and the performance standards required before a person can be said to be trained;

(c) Using the job analysis as a training sheet to identify the training needs for current staff, new staff (there will be a standard induction procedure designed to help the employee gain a feeling of belonging and a sense of purpose which will lead to effective job performance), and staff who are being prepared for possible promotion to ensure TEKEL's continuity and expansion. This leads to the development of a "back-up" or succession planning system. There should be a discussion with the person whose training needs are being assessed;

(d) Deciding the best means of doing the training. On-the-job training, involving explanation, discussion, demonstration, practice, coaching, supervision (discipline), will include much of the most effective training for all levels. Off-the-job training will include both internal and external programmes;

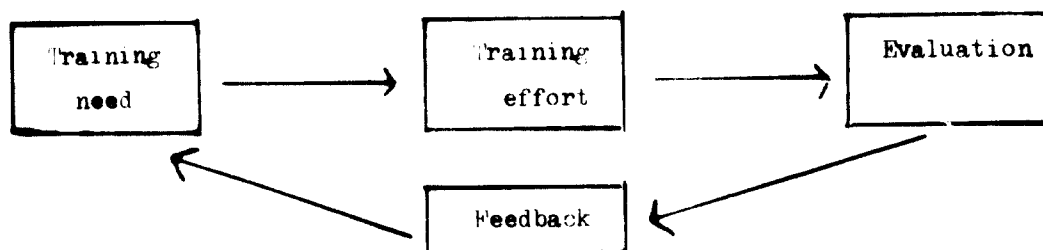
(e) Nominations for off-the-job training and development programmes based on training and development needs identified from the skill and knowledge requirements of the position; on discussion with the staff member to establish what are the expectations from the training programme; and on the setting of targets for action on the job following the training programme. Thus off-the-job training will be directed to action on the job to improve job performance;

(f) Naming and training the trainers. If the training of personnel is part of a person's job, he must be taught how to train;

(g) Doing the training and keeping training records;

(h) Preparing training manuals for each branch;

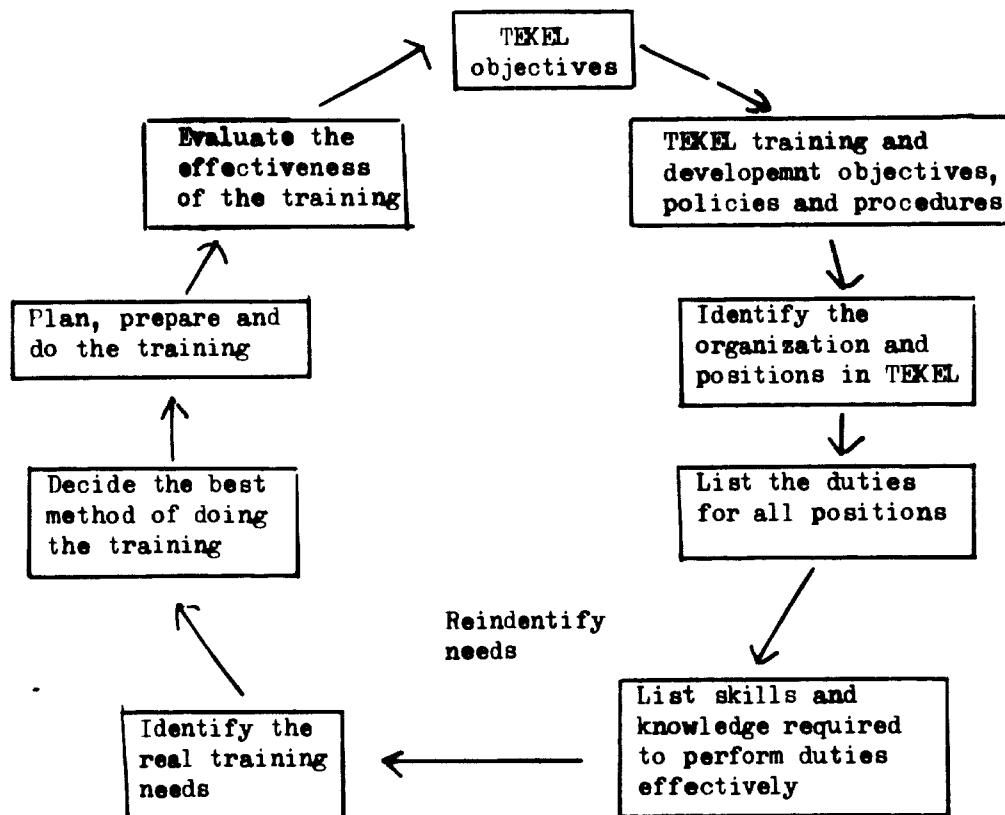
(i) Evaluating training effectiveness, which may be schematized as follows:



(j) Development of an annual training and development plan (targets) and audit (progress review) system. The annual plan forms the basis for evaluating training and development effectiveness, reviewing progress and agreeing on a new plan for the following year. This system is designed to be part of the annual financial forecasting and control systems.

The role of TEKEL training personnel will be to advise and assist TEKEL management on training, staff development, and education matters, especially on the establishment of effective training and development systems; on the continuing evaluation, revision, and modification of the training and development system; and on the selection and development of appropriate in-company and external training programmes (including courses, seminars, discussions, meetings, visiting specialists, organized plant visits etc.) to meet the present and future needs of TEKEL.

The system may be expressed diagrammatically:



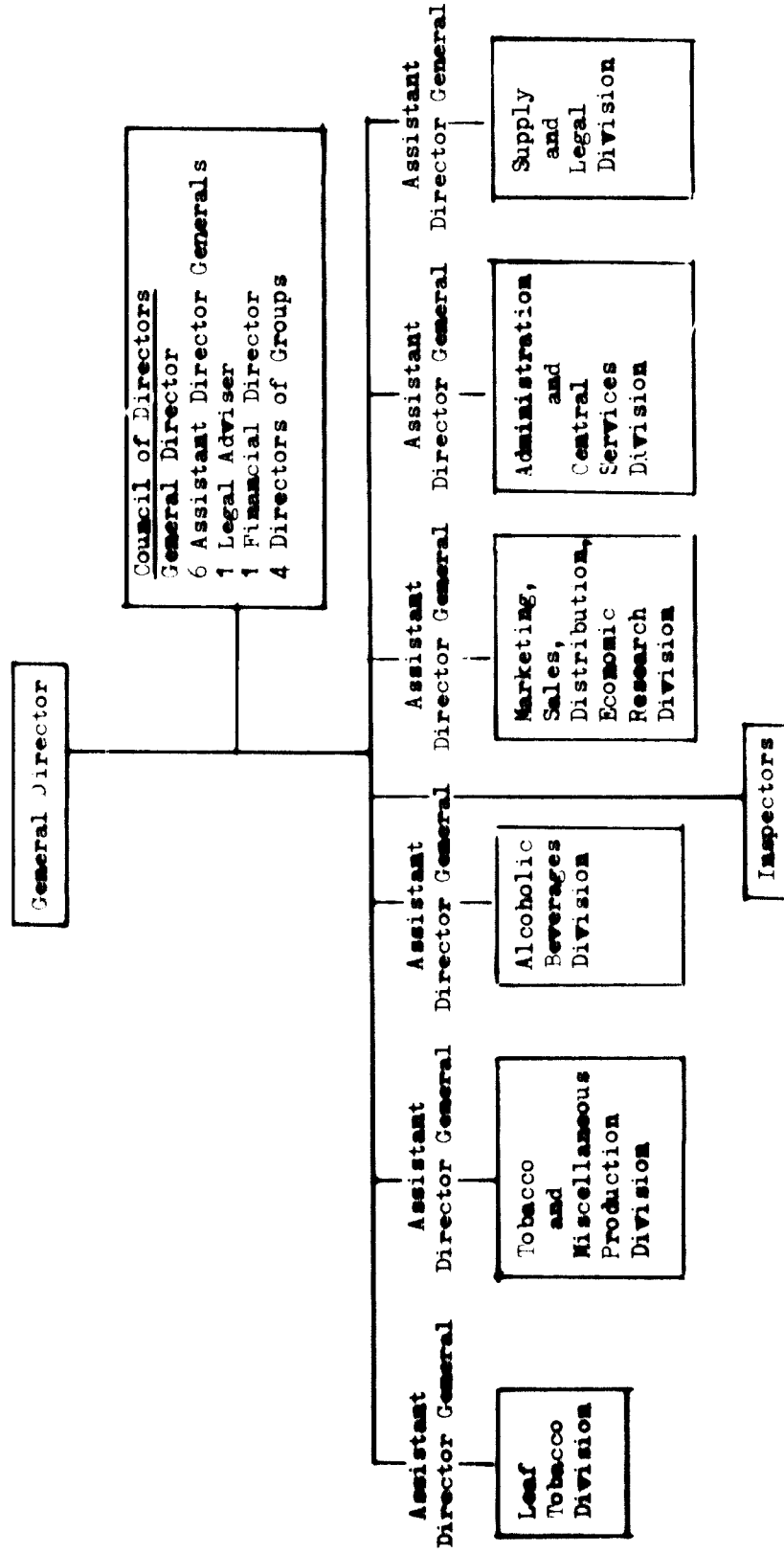
It should be noted that this systematic approach is in complete accord with statements on training and development, especially on-the-job training, set out in the Turkish Five Year Plans.

The importance of this fundamental policy consideration and decision-making by the most senior management of TEKEL cannot be over-estimated. The decisions should be made, announced (published as policy) and implemented

by these senior managers. This understanding, commitment and involvement will be absolutely essential to the establishment of an effective training and development system. There is a double opportunity and responsibility, first, to establish a training and development system which will lead to first-class job performance by TEKEL for the benefit of the Turkish people, and, secondly, to provide for the benefit of others a working model of a comprehensive, cost-effective organized training and development system.

C. Management organization structure^{a/}

The diagram below outlines the recommended management organization structure to achieve TEXEL's objectives.



a/ See also typical regional organization diagram, annex III.

The pattern of organizational structure and reporting procedures appear to be well understood by the managers concerned, so that organizational communication difficulties are not a major problem. There are however some problems in communication.

Central control versus regional/factory autonomy

Generally the organization is based on centralized control and some managers (probably the better ones) at regional factory/level find this system restrictive. Sometimes this feeling of restriction (e.g. the need for better equipment, or for an improved salary systems to retain and make easier recruitment of good quality technical and specialist personnel possible) is caused by managers understanding neither the problems - including financial restraints - at the general management level, nor the politios, plans and actions of the general management to solve those problems.

On the other hand, there can be general management frustration caused by the unwillingness of regional/factory management to make decisions within their authority. This is caused partly by the nature and pressures of a centralized control system (what happens, for example, if a decision is wrong?), and partly because of the lack of knowledge and skilled managers. The budgeting and financial management system is described as complex and is not fully understood by many regional/factory managers, and this results in decisions being pushed back to the general management. There are two solutions to this problem. One would be to identify the skills and knowledge required by regional/factory managers and ensure that they are skilled enough (including skills in decision-making procedures) to make all the decisions within their authority. The other will be to build a very large general management group to make and implement the decisions which should be made by regional/factory managers.

All the Assistant General Directors and regional/factory managers with whom this problem was discussed preferred the managers to be trained in all the areas of skill and knowledge required to carry out their functions effectively.

As TEKEL continues to expand, especially with the opening of more factories in more remote eastern and south-eastern parts of the country, it is likely that regional operations will be extended^{4/} and that regional managements will need to be strengthened.

^{4/} See discussion of regional training officer services in chapter VII, section A.

V. MANAGEMENT TRAINING AND DEVELOPMENT NEEDS

TEKEL's very rapid development and changes towards modern technology, together with the lack of an organized training and development system, have resulted in a very serious shortage of managers who have the necessary leadership, management control and specialist skills and knowledge.

A. Managerial job requirements

The term "management" is used to include all those personnel who plan, organise, direct and control the work of other employees in TEKEL. Discussions on the duties of managers has resulted in general agreement that a balance is required between the following skills and knowledge:

Leadership

- Human relations and staff motivation
- Planning and organizing staff, materials and equipment, listing duties and setting operating procedures and performance standards
- Control and command (discipline)
- Problem solving and decision-making
- Communication

Technological or specialist skill and knowledge

Personnel and training

- Selection, induction, training and performance assessment of staff
- Industrial relations
- Wage and salary administration
- Staff welfare system

Financial management (especially budgeting and cost control against performance standards)

- Raw materials
- Other materials
- Power
- Waste and spoilage
- Machine and equipment maintenance
- Building maintenance

Labour cost

Capital (buildings and machinery) cost

Other management control systems

Quality

Labour - manning scale, performance standards, hours worked (standard and overtime), accidents, turnover, absenteeism

Safety, evacuation, first aid

Security

Housekeeping

Production Planning System

Regular and preventive maintenance

Stock control

Breakdown procedures

Clerical matters

Correspondence, reports, records, reconciliations, filing

Sales and marketing

Basic understanding, especially the importance of productivity and quality in terms of customer relations

Computers

Eventually the understanding and interpretation of computer data and an appreciation of computer applications.

These managerial skill and knowledge requirements may be used to prepare training sheets along the following lines.

TEKEL

Training sheet:

Date started training:

Name: _____

Job title: Factory Manager

Responsible to: Production Director

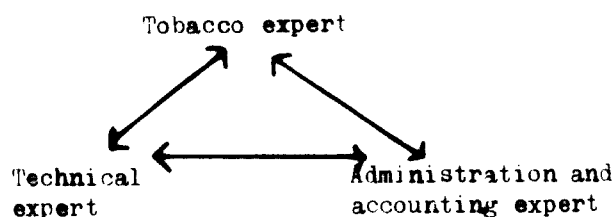
Responsible for training: Production Director

Skills and knowledge required ^{a/}	Best method for training	Training required	Priority		Trained
Leadership	A. Good selection B. Course C. Assistance, guidance, direction and supervision by Production Director				
Technology					
Personnel					
Financial management					
Other management control systems					
Clerical matters					
Sales and marketing					

^{a/} Specific aspects of the skills and knowledge required under each heading are listed above.

Further examples of training sheets are included in annex I. These training sheets are very valuable working documents. They may be used for recruitment and selection, training and development, setting performance standards, evaluating performance, job evaluation and salary structure, and costing in cases where quantitative standards can be set. ^{5/}

In the more modern factories the top three managerial appointments are made to provide expertise in technology (tobacco expert, wine expert etc.), administration and accounting, and technical aspects (often engineering). ^{6/}



The manager may be any one of these three, and will be supported by the technical knowledge of the other two. While this is a sound system, it is agreed that the senior manager who carries the responsibility for the factory's performance must have a good overall understanding of the operations of all departments, so that when necessary he can make final decisions.

This type of managerial development is now very important for TEKEL. Although TEKEL will remain for some time basically a centrally controlled organization, it is likely that there will be further movement towards regional development and increased factory autonomy. As this happens, the need for effective management in the types of skills and knowledge mentioned above will become even more important.

B. Managerial and personnel requirements, finances and controls

This section covers leadership, personnel, financial management and management controls. Specialized requirements will be discussed later in the report.

^{5/} To some extent there is a development towards this systematic type of approach at the printing and packaging factory. A manual of job responsibilities has been prepared and is given to all staff members so that they will know both what duties they are expected to perform and also what the other staff do as well.

^{6/} In the older and smaller factories this arrangement is not so common, so that the manager must be skilled in a number of areas.

Leadership

It was generally agreed that the best way to secure good leadership is to identify the qualities needed (especially the capacity to gain good performance from personnel) and then to select people who have already demonstrated these qualities. It is very difficult to train or develop for leadership a person who has poor relationships with people or who can not communicate well. However, the potential leader who has the basic qualities, can be helped by both on-the-job training (mostly coaching and supervision from his manager) and off-the-job training.

Several managers referred to problems caused by lack of literacy and interest of the workers. While securing effective performance from workers and other personnel is no doubt a complex problem, it is significant that some managers stated very definitely that they had no problems with employee effectiveness.^{7/} It is also significant that these managers clearly looked at their personnel in terms of their development, and had informal but reasonably effective training. The lack of an organized and effective training system and the need for more effective "man management" leads to the performance and potential of workers and other personnel being underestimated.^{8/}

Salary problem. TEKEL has a very serious shortage of skilled and experience managerial, technical and specialist staff, and this problem is made worse by the fact that such personnel can secure much higher salaries in the private sector, and by the resulting staff losses and recruitment difficulties.

Many examples have been quoted:

- (a) An engineer on the night shift is paid less than an unqualified worker on the night shift;
- (b) A government employee with 25 years service is paid LT 2,500, while a worker starts at LT 2,000. Many workers receive LT 4,000;
- (c) A chief storekeeper responsible for a store with an annual turnover of from LT 2 to 10 million receives LT 1,500 net per month. A worker in the store receives LT 4,000 a month;
- (d) There is a case of a senior manager earning less than his driver.

It is clear that while these financial and status anomalies exist, the very good work done by TEKEL in general, and by some managers in particular, with regard to sports and social activities, meals, improved facilities, housing and holiday accommodation, will not prevent the further loss of skilled personnel, especially technical personnel.

Apparently, salary rewards for skill, knowledge and experience have deteriorated in the last five to ten years. TEKEL is now in the situation where it is largely reliant on the good will and loyalty of senior personnel who have given 12 and more years of service.^{2/} Many of these are soon to retire and the best of the younger men who will succeed them are unlikely to remain with TEKEL if the rewards in private industry continue to be much more attractive.

Unless this problem is solved quickly, the costs to TEKEL and to Turkey will be enormous, especially in the following respects:

- Direct cost of continually recruiting and training new personnel
- Lack of productivity while new staff are being trained
- Increased machine wear and damage due to unskilled setting, operation and maintenance
- Loss of morale

^{2/} One staff member said: "I spend my life for TEKEL. I give too much of myself to fill the gaps. As we lose staff the more we suffer."

There is a suggestion that TEKEL may soon become a State Economic Enterprise and thus be freed from the restrictions causing this problem. It is to be hoped that this is the case, because, unless this is so, the future for TEKEL in terms of productivity and effectiveness will be very difficult indeed.

Personnel and training

Training and development. Most managers do not understand that training, and thus performance, will not be really effective unless the training function is managed successfully by the manager. This is not to suggest that the manager should do all the training himself, but he should develop and manage a system to see that effective training is done.

The best way to ensure that this happens is for the most senior management to decide and state TEKEL's training and development objectives, policies, and procedures. They should then set priorities and targets, and reporting (auditing) procedures to see that the targets are achieved.

Industrial relations. Several managers referred to problems with unions some directly caused by management-union disputes, some indirectly caused by inter-union friction. It is clear that unions have an influential role in industry and that management will need to acquire the skills and knowledge required for successful negotiations with them.

Financial management

It has been stated earlier that the budgeting system is complex and that there is a good deal of uncertainty about this aspect of their responsibilities. If this uncertainty is to be removed and financial management performance improved, it will be necessary to list the financial management skills and knowledge required and to prepare and conduct the necessary training programmes.

The following outline is suggested as a basis for discussion and decision on financial management skills and knowledge required by managers.

TEKEL budgeting and financial management systems relevant to the position

Budget forecasting

Expenditure control within budget

Monthly budget comparisons and reasons for variances

Financial document flow relevant to the position

Understanding reasons for financial deadlines and effects of these deadlines not being met

Implementation and control of essential reporting systems to measure performance against standards

Material usage - Raw materials

Material usage - Other materials

Labour costs

Waste and spoilage costs

Production results

Power costs

Capital costs (buildings and machinery)

Building, machinery and equipment costs

Capital purchasing procedures

Control systems

"When the machine commissioners leave, our problems start - problems in operation, productivity, quality, waste, machine care, machine maintenance. We lack the people with the technical knowledge and skills and this also affects worker performance." These comments were made by many managers and it is clear that improved procedures for machine commissioning and the establishment of management control systems are needed.

Present situation. Standards for machine productivity have been set in some cases on machine capability with percentage deductions for setting, repairs and maintenance, contingencies and miscellaneous problems (e.g. power cuts).

In other cases, standards are set by observation or practice, and there are initial developments towards setting standards on approved job method procedures.

Production records for individual machines are usually kept and in some cases graphed against the standards which have been set. Monthly records of production figures are analysed to show cost breakdowns for raw materials, other materials, labour etc. These records are not used for specific measurement of performance against standards, nor for analysis of the reasons for superior performance and reasons and remedies for inadequate performance.

The following 1975 performance comparison between a TEKEL operation and a private company operating in the same field in Turkey was quoted. The private company had a marked technological advantage. Its productivity with 20% of the TEKEL workforce was quoted at being 150% greater than that of the TEKEL operation. The private company distributed a bonus of 33% while the TEKEL operation was quoted as having a very considerable balance deficit. The figures may or may not be accurate, but the fact that they can be quoted demonstrates the need for planning and measuring performance effectiveness.

Individual machine breakdown logs are not usually kept, so that there are no analyses of breakdown causes for use in training, operating and regular and preventive maintenance.

Machine purchase and commissioning. The best time to establish the procedures for securing accurate performance standards on which management control systems may be based is during the negotiations for machinery purchase. The practices adopted by most machinery suppliers and commissioners are listed below.

To assemble the machine - usually with the help of company engineering staff who as they help with assembling the machine, learn something of its mechanical operation

To train the crew who will operate the machine - usually in an unsystematic way

To leave as soon as the machine operates effectively.

To leave behind a rather brief operating manual and a manual for purchase of spare parts

This method of machine commissioning is obviously not satisfactory and the following procedures are suggested as a basis for negotiation, agreement and action with machine suppliers and commissioners. The machine suppliers through their commissioner will supply or work with TEKEL engineering, operating and training personnel to provide the material recommended below.

Manning scales and position titles

Analyses of duties for each job position on the machine

Analyses of skills and knowledge required for effective performance in each job position

Detailed lists (step by step) of operating procedures ^{10/} for settings of the machine, job position operation, e.g. loading, taking off etc., and repairs and maintenance.

^{10/} See annex II for a simple example of an operating procedure

These operating procedures will form the basis for setting standards for each operation. For example, two hours for setting the bottling machine for 70 cl bottles, and 5,000 cartons 4 up per running hour with 3% spoilage and 2% waste. These standards then become the basis for training as well as operating standards.

The machine suppliers (commissioners) should assist TEKEL management in establishing the management information and control systems, i.e. setting standards and measuring performance against these standards.

The following analyses should also be provided in the form such as that shown below.

Faults analysis

Fault	Appearance	Cause	Responsibility	Remedy	Prevention
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Machine breakdown analysis

Breakdown	Appearance	Cause	Responsibility, if any	Repair	Prevention, if possible
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Safety analysis

Hayord	Cause	Likely result	Responsibility	Prevention	Accident prooedure
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All these procedures, analyses and standards (with supporting pictures, tape recordings and television film if necessary) should be included in manuals and used as a basis for personnel selection, training, individual performance standard setting, performance appraisal, job evaluation and salary structures, and even cost estimating.

In practice, unfortunately, very few machine manufacturers or suppliers have prepared this type of material and probably the best that can be hoped for in the purchase agreement is that the machine commissioner will work with TEKEL personnel to produce this material before the commissioning is considered to be completed.

In some cases the purchase agreement provides for training in the factory of the machine manufacturer or supplier. This is not as effective as the procedure suggested above, but can be useful. If TEKEL personnel do go abroad for this type of study, the procedures suggested in the project document (on file at UNIDO) should be followed.

When machines are being installed and commissioned. TEKEL should ensure that time is made available for the factory engineer, the production manager, the supervisor, the machine setter, the crew and a trainer to learn and help produce the material for machine setting, safe and effective machine operation, standards, fault procedures and regular and preventive maintenance. This will mean some cost in personnel time during installation and commissioning.

The benefits will be as follows:

- (a) Productivity will be high immediately;
- (b) Performance may be measured against standards immediately;
- (c) Machine care, quality and waste control standards will be high;

- (d) Machine maintenance will be started and continued correctly;
- (e) TEKEL will have "back-up" staff in case key people leave. These staff may be used to train other staff;
- (f) Management planning, information and control systems may be established for individuals, factories, groups, and the whole operation;
- (g) TEKEL has a permanent record of all the details of effective operation, maintenance and repair.

The principles listed below for establishing management control systems apply to all types of manufacturing operations. They also apply to clerical, marketing and sales, and transport and distribution operations.^{11/}

Establishing correct job procedures

Setting performance standards

Measuring performance against standards

Understanding or finding the reasons for variances and taking action if necessary

^{11/} See chapter V, section A, and comments on financial management and other management control systems in chapter VIII, section B.

VI. TECHNICAL AND SPECIALIST TRAINING NEEDS^{12/}

The project concentrated on the following priority areas: production of tobacco products; production of alcoholic beverages; marketing, sales, distribution and economic research; administration division (transport group, training group).

A. Production of tobacco products

Background

Tobacco production has a long history in Turkey. It was controlled by a French Monopoly until 1926 when control was passed to a Turkish Government Monopoly.

To meet domestic and export requirements, TEKEL controls the issue of licenses for farmers to grow tobacco and also determines the land on which tobacco may be grown. It organizes tobacco sale arrangements and purchases the entire crop not sold to other traders. The TEKEL tobacco leaf purchases are used for its own cigarette production and for tobacco export which TEKEL also controls.

The tobacco leaf is processed (manipulated and fermented) for about two years before it is ready for the manufacture of tobacco products.

Organisation and expansion of production

The manufacture of tobacco products is the responsibility of the Tobacco Production Division,^{13/} which operates the following groups: machinery and equipment, purchasing, factory production,^{14/} miscellaneous operations.

Demand is increasing by 8% annually. For filter cigarettes it is higher than this and the demand cannot be supplied. It is expected that the very extensive factory renewal and development programme involving the effective introduction and operation of new technologies will enable demand to be satisfied. The inability to satisfy full demand has resulted in a good deal of cigarette smuggling which, together with travellers overseas smoking experience, has led to a taste for foreign cigarettes. This will almost certainly be a substantial marketing challenge, especially to meet quality and flavour standards when supply demands are satisfied.

^{12/} The comments made on management training needs apply equally to all the groups covered in this part of the report.

^{13/} For organisation chart see annex III, chart B.

^{14/} For typical organization chart see annex III, chart C.

Table 1. Cigarette production

Year	Production (in tons)				Totals
	Filter		Non-filter		
	Domestic	Exports	Domestic	Exports	
1976	23,000	-	32,000	-	55,000
1977 (targets)	37,500	-	31,700	-	69,200
1980 (estimates)	60,000	-	25,000	-	85,000

Table 2. Existing tobacco factories

Location	Description of product	Shifts	Number of workers per shift
Maltepe-Istanbul	C ₁ P Ci	2	2,200
Cibali-Istanbul	C ₁ S	2	1,150
Izmir	C	2	1,250
Adana	C ₁ To	2	1,000
Samsun	C	2	900
Malatya	C ₁ T	2	1,000
Bitlis	C ₁ T		300

Key: C = Cigarettes; T = Cigarette tobacco; C₁ = Cigars;
P = Pipe tobacco; S = Snuff; To = Tombac.

Table 3. Tobacco factories planned or under construction

Location	Description of product	Shifts	Number of workers per shift	Approximate date of commission
Malatya	C	2	1,000	1979
Izmir	C	2	1,000	1979
Samsun	C	2	1,000	1979
Tokat	C	2	1,000	1980
Manisa	C	2	1,000	1979
Ersurum	C	2	1,000	1979
Diyarbakir	C	2	1,000	1979

The new factories will eventually replace the old factories in the same locations. Other factories being developed are a spare parts factory, a conveyor belt factory, and a homogenized leaf tobacco factory to produce with material from waste control programmes.

Printing and packaging factory ^{15/}

This factory covers all of TEKEL's printing and most of its packaging requirements. It has recently purchased new and sophisticated printing machines and is operating very well. There was a very good work atmosphere, employees appeared confident in their work, productivity was high, housekeeping was very good, there was little spoilage and very little staff turnover. It is significant that this factory has a record of good training^{16/} It has however special training needs for the most modern technological printing processes.

Problems ^{17/}

By far the most serious problem is the inability to recruit, train and hold good technical staff. This leads to difficulties in the following areas especially with the newer high speed production technology: productivity and quality standards, maintenance (regular and preventive maintenance systems are now being developed), spoilage, effective cost control.

Some of the problems with technical personnel are the result of the salary situation mentioned earlier, and this will need to be remedied if the problems described above are to be eliminated. However, it must be noted that there were significant differences in the performance standards in some of the factories, especially in housekeeping, waste control and machines not operating. These standards are often symptomatic of differences in management. In the factories with the lower standards there was a tendency to blame worker illiteracy and attitudes, a tendency which is common in factories where management control systems and skills are not strong.

There is no doubt that the establishment and introduction of management control systems, especially effective training, development and supervision of personnel, would bring a marked improvement of performance in a short time.

There are also the problems of material quality changes, material damage caused by storage and handling difficulties.

The solution to these problems lie with improved storage and handling facilities and more rigidly applied incoming material quality testing and rejection procedures.

^{15/} For the organisation chart see annex III, chart D.

^{16/} See chapter VII, section D.

^{17/} See also chapter V, section A.

B. Production of alcoholic beverages

Background

Like the tobacco industry, the alcoholic beverages industry has a long history in Turkey. Before the establishment of the Turkish Republic in 1923, the alcoholic beverages industry was in the hands of non-Turkish people. In the late 1920s the spirits industry was taken over by the Turkish Government as a monopoly, partly as a quality control (health) measure and partly for revenue raising. This includes the production, sale and distribution of raw alcohol which is used by industry (scents, chemical companies, the military) and by other wine producers. Beer, wine and vermouth production and sale are conducted on a competitive non-monopoly basis.

TEKEL purchases wine grapes and dried grapes (raisins for raki), and private purchasers pay the same price. Purchasing dates are set, baskets are supplied to farmers and payments are based on alcohol and sugar content. Similar procedures are used for barley, hops and aniseed (for raki) purchasing.

TEKEL is the major customer for the bottle industry (35% government owned) and buys from a number of different suppliers.

Organization ^{18/} and expansion of production

Production is the responsibility of the Alcoholic Beverages Group which operates units dealing with the following matters: spirits, wine, beer, raw material supplies.

It is estimated that because of improved living standards and increasing industrial demands spirits consumption will rise by approximately 15% annually.

^{18/} For organization charts of the Alcoholic Beverages Group and factories, see annex III, charts E, F and G.

Table 4. Consumption of alcoholic beverages and spirits

Alcoholic beverages and spirits	Consumption ^{a/}					
	1976		1977 (targets)		1980 (estimates)	
	Domestic	Exports	Domestic	Exports	Domestic	Exports
Raki	40.0	0.6	50.0	1.0	65.0	2.0
Vodka	6.0	0.2	6.7	0.7	10.0	4.0
Gin	0.1	-	0.2	-	0.5	-
Liquers	0.6	-	0.7	-	1.0	0.1
Brandy	2.0	-	2.5	-	3.5	-
Beer	60.0	-	60.0	-	80.0	-
Wine	5.0	5.0	6.7	6.0	10.0	10.0
Vermouth	0.1	-	0.2	-	0.5	-
Alcohol	25.0	-	28.0	-	40.0	-

^{a/} All quantities in millions of litres.

To provide for growing demand and also to develop export potential, TEKEL has started a major expansion programme.

Table 5. Existing alcoholic beverage factories

Locations	Product	Number of employees
Istanbul Bira	Be	300
Istanbul Paşabahçe	R, Vo, Wi	1,000
Istanbul Mecidiyeköy	C, L, G, Ve	300
Tekirdağ	R, C, Wi	400
Çanakkale	C, Wi	300
Izmir	Wi, R	650
Ankara	Be, W, Wi	650
Gaziantep	Wi, R	400
Diyarbakir	R	400
Yozgat	Be, W	500
Tokat	Wi	20
Elaşiğ	Wi	50
Ürgüp	Wi	50
Various localities (10 small wine factories)	Wi	

Key: R = Raki; Be = Beer; Wi = Wine; C = Cognac; G = Gin;
L = Liqueur; Ve = Vermouth; Vo = Vodka; W = Whisky; A = Alcohol.

Table 6. Tobacco factories planned or under construction

Location	Product	Approximate date of commission
Diyarbakir	Be	1980
Nevsehir	R	1980
İskenderun	A, Wi	1980
İslâhiye	Wi, C	1980

Problems^{19/}

The major problems are that management and workers are not skilled in the modern technologies, so that there are difficulties with quality control, machinery and equipment care and maintenance, production cost control, product development (especially as regards quality for the highly competitive export market), and staff training and development.

Another problem referred to is that in Turkey personnel have to become skilled and knowledgeable in both malt and beer, while in Europe there is a separation so that there are experts in both fields and therefore greater skills in each.

There are also problems of very old and rather unsuitable buildings and inadequate equipment but these problems are being met on a planned basis within the financial limits of the organization.

C. Marketing, sales, distribution and economic research

As well as arranging the sale and distribution of its products, TEKEL is also responsible for the import and distribution of coffee and imported spirits, and the distribution of tea.

TEKEL's marketing, sales and distribution division operates through the following channels:

Wholesale stores based on regional organization

A recently established chain of retail stores. (It is now TEKEL's policy to open retail shops in centres which have a population of more than 50,000. These shops are a good means of establishing alternative markets and are profitable.)

The expanding duty-free store system at airports, sea ports, rail stations and border road points

The export group

^{19/} See also chapter V.

The division is organized^{20/} into three groups: domestic sales and distribution department; export and duty-free department; economic research department.

Problems^{21/}

The very rapid increase in TEKEL's production has put a considerable strain on the extended distribution network. Recently, TEKEL has developed a computerized distribution system on a co-operative basis with the Istanbul Technical University.

There is a lack of specialist marketing and a distribution knowledge and skill.

There are difficulties in recruiting and holding top-quality specialist staff. This is partly a problem of salary and partly losses caused by military service commitments. It was noted that while these are regarded as problems, part of the solution offered was to give opportunities for development and sharing in decision making. Where these attitudes and management skills prevail, it is likely that there will be greater commitment and therefore higher quality of personnel and performance as well as lower turnover.

D. Administrative division

This division^{22/} provides services to the other divisions through five groups: transport, personnel and training, administrative and auxiliary services, accounting, investment.

The major problems in the administrative division are to provide effective training and transport services.

Transport group^{23/}

With the recent and continuing expansion of production and distribution, TEKEL now has a very large transport operation. It is served by the following sections: vehicles (including truck fleet operations and maintenance workshops, coaster operations, and materials and spare parts department), transport tendering (including state rail, maritime, airways and private transport organizations), records and evaluation.

^{20/} See annex III, chart H.

^{21/} See also chapter V.

^{22/} See annex III, organization chart I.

^{23/} Ibid.

Problems^{24/}

There is a need to develop a system which will use all vehicles in the most economical way while giving efficient service. The system at present is too complicated and leads to communication difficulties. Time is lost in loading and unloading. The large variety of vehicles leads to problems with spare parts.

There is a need for a more effective maintenance system with better training methods. At present truck suppliers give only one week's training for operating procedures, repairs and maintenance and this is insufficient.

Training group

As TEKEL is expanding rapidly and at the same time turning to modern technologies, so there is a need for greater numbers of well-trained personnel, especially in managerial, technical and specialist positions. A modern effective organized training and development system^{25/} is needed to provide these skilled, knowledgeable and experienced people.

E. Salt production

Salt has always been a government monopoly and the only private production is for export which is licensed by TEKEL.

Salt is used mostly as a material in the petrochemical, paper, other chemical and preserving industries. All the domestic salt comes from sea and lake salt production which provides 90% of all salt production. There are some rock salt units operated with water injection methods. This salt is used mostly for animal feeding.

Investments are being made in modern technology for salt production should rise dramatically from 800,000 tons in 1976 to 1 million tons in 1977 and 2 million tons in 1980.

Eventually it will rise to 10 million ton and become an important item of export. From the water evaporated there will be other valuable minerals left, and possible uses for these minerals are being investigated.

^{24/} See also chapter V.

^{25/} See chapter IV, section B, and chapter VII.

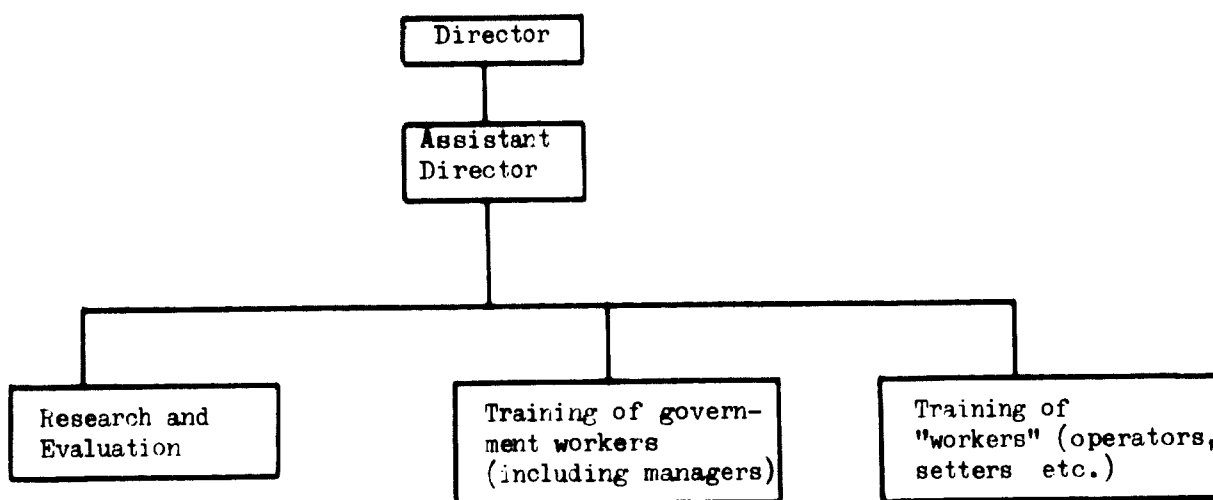
VIII. TRAINING RESOURCES AND RECOMMENDATIONS

The following suggestions have been generally agreed in discussions with many TEKEL managers.

A. Training group

Background and organization

The Training Group was reestablished two years ago. Its organization is shown in the diagram below.



The Research and Evaluation Department works with regional offices and factories to determine overall needs, select the most suitable courses and prepare the programmes. This material is then passed to either the government workers' department or the "worker's" department which arranges for selection of course members, accomodation, transport and dates for the course. The courses are evaluated from test results, and questionnaires completed by course members. Course follow-up consists mainly in passing course reports to the Personnel Department and making suggestions for better job placements for course attenders.

Most of the courses are conducted by the universities and other outside agencies. Last year 170 TEKEL personnel attended courses lasting from 10 to 30 days on business administration, staff management, industrial relations, management and organization, marketing and quality. These courses were attended by a group representative of factory managers, assistant factory managers, accountants, regional directors, assistant regional directors, production managers and promising junior managers.

A few internal courses are organized by the Training Group. These are courses which are specialized in problems relating to TEKEL operations e.g. dealing with problems of smuggling etc., and courses for monitors and setters (maintenance, quality control, social relations, business relations).

Working in close collaboration with the Training Group are four factory training officers working at four of the newer and larger plants (Maltepe, Samsun, Adana, Yozgat). These training officers act as training organizers and provide the basis for development towards an effective, organized training system. However in most factories if this is to be achieved they will need much more management support at all levels and considerable guidance from the head office Training Group.

Recommended steps in the establishment of an effective training and development system

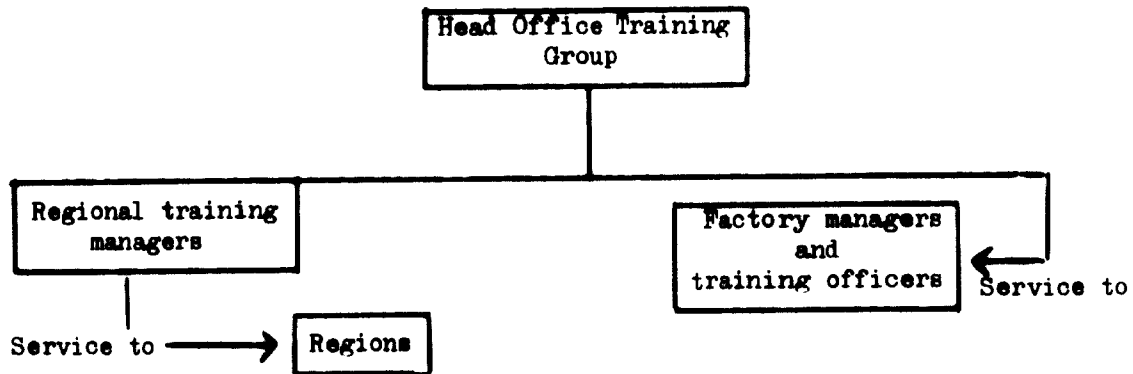
- (a) Decisions and a statement by the most senior management on TEKEL's training and development objectives, policies, plans, procedures (including priorities, target-setting and progress-reporting) should be made as soon as possible; 26/
- (b) Effective training officers should be appointed to all factories with more than 350 personnel. They should report directly to the factory manager with a very close working relationship to the head office Training Group. Their main function would be to help management establish an effective factory and development system within the framework of TEKEL's announced training and development objectives, policies, plans and procedures;
- (c) Eventually regional training managers should be appointed for each region. Their main function should be to act as advisers to regional managers and factory managers and factory training officers in the establishment of effective regional and factory training systems, again within the framework of TEKEL's training system.

Initially the regional training managers would report directly to the Director of the Training Group and have a very close working relationship with regional directors and factory managers in their regions. Later as the principles and effectiveness of systematic training are more widely understood, they could report directly to the regional directors, with close functional links to the head office Training Group. One or two regions should be selected as pilots for the introduction of this regional training plan. Regions selected as pilots should have training officers at all or most factories in the region, managers who are well disposed towards systematic training and prepared to give leadership as well as accept help and guidance in the development of systematic training, and a first class training manager available.

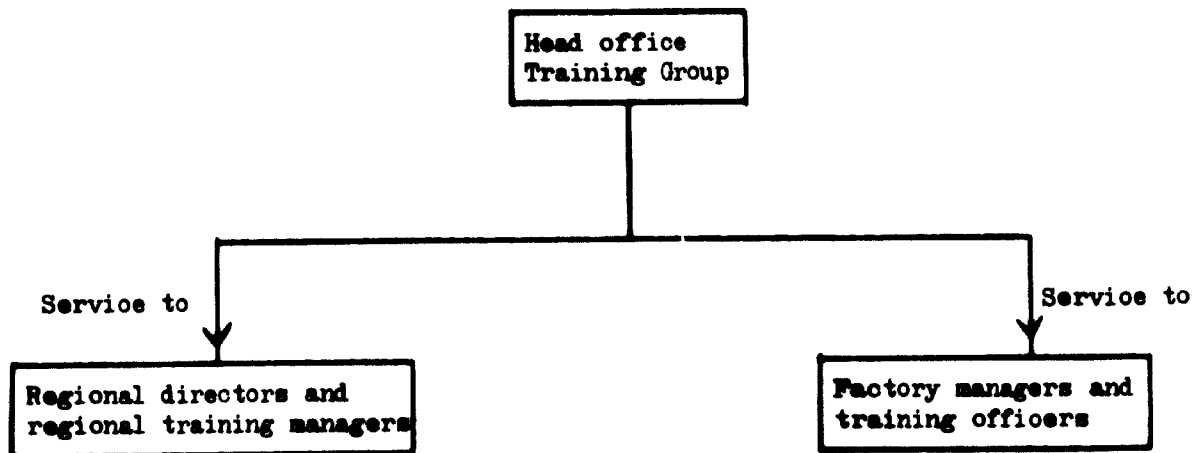
26/ See section B.

This would lead to the development of a training organisation structural along the following lines.

Initial organization



Eventual organisation



TEKEL is such a large organisation that a training framework such as this will be required if there is to be an effective training and development system. This would mean about one training officer per 1,200 staff members, which is certainly not excessive. This relatively small number of training staff for such a large organization (120,000 staff members by 1982) would mean that there was no danger of managers believing that the training officer could relieve them of their responsibility to manage the training function.

TEKEL's training city

The development of the training centre at Maltepe would fit the training and development organization pattern suggested above very well. The training group would be located at the training centre and would be responsible for the programmes organized for key specialist technical and management personnel at the centre, and for maintaining close liaison (guidance, support and follow-up) with the regional training manager and factory training officer.

Training of training officers

Clearly key factors in the success of this plan would be the following:

Announcement of the TEKEL training plan

Commitment and support by senior managers who would thus teach factory and subordinate managers that it was their responsibility to manage their training function

Training for managers in how to manage their training function. (Internal TEKEL programmes tailored to provide for the TEKEL training system will be needed.)

Appointment and development of very good head office training staff, regional training managers and training officers.

To put all these recommendations into practice will be a long-term programme requiring considerable skill, knowledge, experience and determination, and it is recommended that an international training expert be recruited to help Turkish management and training officers to establish the TEKEL System, and that study abroad be provided for TEKEL training staff so that they fully understand the principles and procedures of systematic training and the skills required to implement and maintain the TEKEL system.

B. Management training

It will be seen from the earlier analysis of management training needs that there is a good deal of management training to be done. Most of the managers said that they had been trained by "observation and rotation over a period of many years", and agreed that this can be a costly and painful method for both the individual and the organization. In addition to this, many managers are soon to retire without staff being trained adequately as successors. There will not be time to use the "observation and rotation" method to replace staff and provide for TEKEL's rapid expansion.

The four areas identified as the major management training needs are leadership, managing the training function, financial management and other management control systems.

Leadership

There is a need for programmes to be organized on a much more comprehensive and systematic basis for the many personnel at all management levels who need training and development in the leadership area. These programmes should be planned, prepared and conducted to meet common leadership needs and should be linked with systematic on-the-job leadership training (coaching, guidance, supervision, and discipline) from the appropriate divisional group or department manager.

The established pattern of using university programmes could be maintained. However the need for these leadership programmes is such that it is doubtful whether the universities could cater adequately for all people at all levels who would benefit from leadership training. It is suggested that other training resources be approached to co-operate with TEKEL in organizing leadership programmes to meet TEKEL's needs. The Training Management Association is well respected and provides leadership programmes.

A monitor's course organized and conducted in Ankara by the Ministry of Education has proved very effective with one TEKEL supervisor.^{27/}

^{27/} The bottling supervisor at the Izmir Wine Factory attended this course and is running systematic training of the personnel in his department. He has analyzed the tasks to be performed in the bottling department and is training his staff on this basis. He has developed the grid which records

Programmes through these and other training suppliers could be organized, conducted and evaluated. Eventually some programmes will be able to be organized within TEKEL. These programmes will have the advantage that they may be tailored directly to provide for TEKEL's needs. They would also have the advantage that pre-briefing, planning for action on the job following the course, evaluation and follow-up may be done much more effectively. Unfortunately courses are often evaluated more on the basis of enjoyment than real effectiveness. In the end, the real evaluation of any course of programme must be in terms of improved job performance.

Managing the training function

With regard to the management of the training function, see chapter VII, section A; chapter III; and chapter V, section B.

Financial management

Programmes for financial management should be organized internally, and planned specifically to help managers acquire the skills and knowledge to operate TEKEL's financial management systems effectively.

Other management control systems

These would also need to be planned, prepared and run internally, so that managers learn the management control systems and procedures required of TEKEL managers. This implies that these systems have already been developed. The planning of such programmes may well be a very useful exercise in clarifying and setting the principles and procedures for all of TEKEL's management control systems.^{28/}

the performance capacity of all numbers of his department.

SKILLS TO BE TAUGHT

NAMES OF DEPARTMENT PERSONNEL																				
	✓																			

✓ - Trained to carry out the task to the required standard.

He fully understands the benefits to be gained from systematic training. He is also working on a system of ensuring "back-ups" for key positions in his department. While there is some resistance from older members of his staff, the younger and newer members have accepted the systematic approach gratefully. It is not surprising that he is running a very good department.

^{28/} See discussion of management control systems in chapter V, section B.

The planning, preparation and running of these programmes will require considerable skill, knowledge and experience and it is suggested that international experts be recruited to assist with this work. A training expert will be required to help with the development of leadership, management of the training function, financial management, and management control of on- and off-the-job programmes. Tobacco, wine, beer malt, transport and printing experts will be needed to help with developing both on- and off-the-job management control programmes, relating specifically to their share of expertise. This would cater both for the effective introduction of modern technology and at the same time provide training, especially for key personnel, who could then continue the training of further key staff.

Because TEKEL is so large and is the only organization operating in the monopoly areas, it is almost impossible for Turkish personnel to gain adequate management control training in their fields. For these reasons it is suggested that fellowships for study abroad of effective management control systems be awarded in the fields listed below for key TEKEL personnel.

Organized training and development system

Production of tobacco (especially filter cigarette) products

Wine production

Malt production

Beer production

Organization and management of large-scale transport operations (including repairs and maintenance)

Modern sophisticated printing techniques

It is essential, if full value is to be obtained from this study abroad, that the fellowships be very carefully planned and organized with adequate preparation and follow up. For each fellowship there must be a clear statement of objectives, skills and knowledge to be acquired, administrative procedures, including selection guidelines, and plans for action on the job when the fellow returns from his study abroad. This planning for action should cover both the training of further key personnel as well as the introduction of improved methods and technologies. For this to be done effectively the returning fellow must be given the necessary time and resources.

It is also essential that fellows travelling abroad for study be competent in the language of the country in which they are to study. For this reason it is suggested that TEKEL establish a language school with its own

audio-lingual laboratory and teacher. Second language skills are rare in TEKEL and this school would also provide the continuing opportunity for the training of other TEKEL staff in a second language.

Additional suggestions relating to management and training

Succession planning. It was agreed everywhere that TEKEL should establish succession planning and development systems within the framework of the TEKEL training and development system.

Planned on-the-job training of managers. Most people see management training as being done off the job, but if we accept the principle that training results in improved performance, then the most effective management training is done on the job (coaching, involving junior managers in information-sharing and decision-making, and by supervision and discipline), usually by the manager's manager. Many managers do this without realizing that, in fact, this is the most effective form of management training. It will be more effective if it is done on a systematic basis. This approach to management training is reflected in the example given below.

Job title: Production manager Name: _____
Responsible to: Factory manager Date: _____
Responsible for training: Factory manager

Training need	Best training method	Responsibility	Progress reviews
Managing the training function	a) On the job b) Course	Methods set and supervised by the factory manager and Director of Training Group	

Keeping up to date. A number of managers mentioned the difficulties of keeping up to date in managerial and technical/specialist fields. It is suggested that TEKEL develop a library which subscribes to journals, institute publications etc., and develops an information service for managers.

Language clubs. When the language laboratory is operating and there is more awareness, interest and growing language confidence, the possibility of developing language clubs (conversation, short talks, discussions, visiting speakers, debates etc.) as a social educational activity should be explored.

Periodic meetings. Tobacco factory managers hold a monthly meeting and this meeting could well be extended and used, probably on a three monthly basis, for relevant training programmes and discussions, e.g. on problems and successes with establishing factory training systems, succession planning, development systems etc.

C. Training of technical personnel and other specialists

A major need identified, especially with TEKEL's rapid and very substantial expansion in to the most modern technologies, is the training and development of qualified members of technical and other specialist staff. Once again TEKEL is faced with a threefold problem: the need for many more skilled and knowledgeable technical and specialist staff as quickly as possible; an inadequate training and development system, providing the training in Turkey.

Training to a certain level may be provided in Turkey,^{29/} but for a practical study and actual experience in the operation of modern methods and technologies, it will be necessary to study abroad,^{30/} e.g. there is no other marketing and selling system in Turkey operating nationally with the same size of operations or in the same product lines (monopolies).

The most pressing priorities for study abroad are in the following fields:

Organized training and development system

Production of tobacco (especially filter cigarette) products

Wine production

Malt production

Beer production

Organization and management of large-scale transport operations (including repairs and maintenance)

Modern sophisticated printing techniques.

A major objective must be to provide technical and specialist training and development within the TEKEL system as quickly as possible. To help achieve this objective, better training is necessary (especially for key technical and specialist staff) when new machinery and equipment and systems are being introduced, installed, and commissioned. It is suggested that negotiations with machinery and equipment suppliers should include provision for the procedures suggested under the heading "Control systems", in chapter V, section B. This should be done for all installations, including factories being built in new areas. There will be an expense in employing key staff at a factory or machine for some time before they are productive, but this is a small cost in terms of the saving in quick effective productivity, quality, machine care, maintenance etc.

^{29/} The Research Institute provides some technical and specialist training, especially in raw material characteristics and quality control systems and techniques. It does this both at the Institute and by visiting factories. As the training and development system is established, it may well be that the training functions of the Research Institute are expanded and integrated with the proposed training centre. There is also a degree course in tobacco leaf production, characteristics etc.

^{30/} For suggestions as to the planning, preparation and organization of the fellowships, see under heading "Other management control systems" in section B above.

Additional suggestions for specialist and technical training

Many managers with very considerable technical/specialist knowledge, skill and experience will shortly retire. It will be essential, especially in view of the serious shortage of skilled technical/specialist personnel, to attempt to transfer this skill, knowledge and experience in an organized way. For example, the Tekirdağ Winery (there may well be others) could be used as a training school for two or three key trainees at a time so that the manager's knowledge and skill could be passed on. If the manager (or anyone else) were to take on this task he would need to be freed from some of his duties which have a lesser priority. This in itself would be good training for someone.

It could be argued that some people are too valuable to be taken from production work. This would be a short-sighted view. Sooner or later everyone leaves and there will have to be successors. For the survival of the organization, it is essential that the successors be well trained.

For the recruitment of technical and specialist personnel it may be necessary to establish a careers' liaison officer to work to build up very good contacts and relationships with industrial schools and universities. To make this liaison effective it will be necessary to plan a career development scheme for TEKEL as a whole, so that prospective employees may see that there are worthwhile lifelong career prospects with TEKEL.

TEKEL should consider the establishment of a traineeship to provide for recruitment and selection of suitable trainees to be trained in technical/specialist areas. These trainees could be selected from both within TEKEL (preferable if possible) and from outside. Candidates for traineeship should have completed military service. The training should be both on and off the job and completely organized.^{31/}

D. Training of workers^{32/}

Many people think of training as something that happens to managers, technical and specialist personnel. In most cases TEKEL workers learn by observation which can, at worst, be described as a system of training by contamination. If TEKEL is to make full use of modern methods and technologies it is introducing, it will be necessary to train its workers to be effective in operating the new machinery, particularly in the fields of productivity, quality

^{31/} See annex IV.

^{32/} In Turkey the term "worker" is used to cover labourers and machine minders.

and machine care. In the end the actual production is in the hands of these workers and it is essential that they be trained in a systematic way with skills and knowledge requirements specified and training responsibilities assigned and agreed.

Much of the training will be done on the job and some system will be needed to train "worker trainers" to do this basic on-the-job instruction. Training in basic techniques of "How to instruct workers on the job" will be a major training requirement in TEKEL for some time, and provision will need to be made for this within the training system.

Additional suggestions for training of workers

Primary school diplomas. At the printing and packaging factory it was recognized that there was a problem with illiteracy. The management established classes aimed at assisting workers to prepare themselves for the primary school diploma. Over the last six years some 400 diplomas have been awarded by the Ministry of Education to staff who have successfully passed their examinations following these classes.

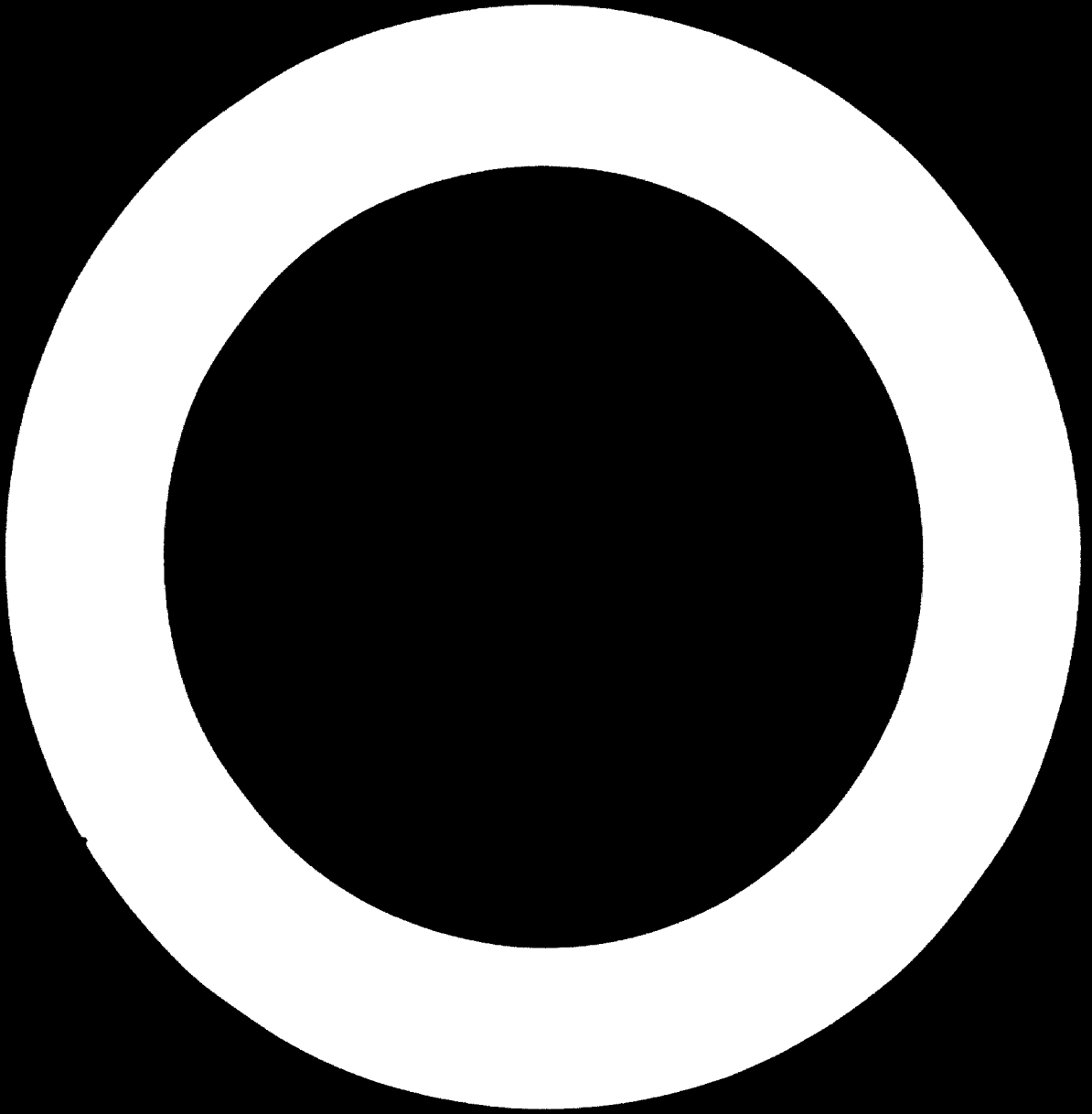
The results have been: improved attitudes, better performance and a very small staff turnover. In addition to these gains TEKEL should consider the question of social responsibility. As a major national organization TEKEL should consider whether it has any responsibility to give a lead in this field of national service.

Rotation training. In one office and one factory, the managers had deliberately embarked on a policy of systematically placing staff in different positions so that they would learn a variety of jobs. They have done this to make sure that they are never in the position of having a key position without a trained worker. In a similar way they are training their subordinates. They say that they can go away for their holidays knowing that all will be well on their return - a fair test of a manager.

Certification of trained workers. In at least one plant there is a system of grading workers according to skill and knowledge on the basis of tests. The possibility of extending this system to base it on certification for being able to meet job skill and knowledge requirements to the correct performance standards should be investigated.

Safety. There should be regular analysis of all accidents to identify the most common causes. Where possible this information should be built into worker training programmes.

Machine care. Machine breakdown logs should be analysed regularly to identify the most common cause of those breakdowns which result from incorrect machine operation and care by workers. This information should be built into worker training programmes.



Annex I

SAMPLE TRAINING SHEETS

Training sheet		Date training started			
Name					
Job title: Factory maintenance fitter					
Responsible to: Factory technical supervisor					
Responsible for training: Factory technical supervisor		Best method for training	Training required	Priority	Trained Date
Skills and knowledge required					
Safety Factory acts Fire control Air compressors Personnel and food factory hygiene Welding Lifting and handling equipment Recording procedure for preventive maintenance Use of lubricants and greases Recognition of mechanical faults and their causes Servicing and unit replacement of various conveyors and material Handling equipment Various machine drives and transmissions Correct selection of types of bearings Air compressors and receivers Pneumatic control equipment Steam boiler and associated plant Oil-firing equipment Services colour equipment Statutory inspection of calorifiers etc. Bakery machines and equipment Mixing equipment Make-up plant Final provers Ovens Depanners Coolers - unit m/cs Packaging m/cs Floor maintenance m/cs Trucks Air conditioning Refrigeration Ventilation					

a/ Another column could be added to state required standards.

Training sheet		Date training started				
Name						
Job title: Factory electrician						
Responsible to: Factory technical supervisor						
Responsible for training: Factory technical supervisor		Best Methods for training	Training required	Priority	Trained	Date
Skills and knowledge required						
Safety Statutory and local regulations Fire control Procedures Personnel and food factory hygiene Factory IEE wiring Regulations Recording procedures associated with regular maintenance Installing and servicing of motors Voltage power systems Installing and servicing control systems Servicing and unit replacement of electrical equipment associated with bakery m/cs and equipment Recognition of electrical faults and their causes. Installing and servicing lighting equipment Use of MIC Maintenance and repair of small power tools Maintenance of transformers Electronic control gear Photoelectric cells for burner control etc. Water control devices Ventilation and heating						

1/ Another column could be added to state required standards.

Training sheet		Date training started				
Name						
Job title: Manager- Repairs and maintenance department						
Responsible to: Director, Technical group						
Responsible for training: Director, Technical group		Best Methods ^{a/} for training	Training required	Priority	Taught	Date
Skills and knowledge required						
Leadership						
(a) Human relations and motivation of staff (b) Planning and organizing staff, materials and time, setting operating procedures and performance standards (c) Control and command (discipline) (d) Analytical problem-solving and decision-making under uncertainty (e) Communication (including chairing meetings) (f) Selection, induction, training and performance assessment of staff		(a) Good selection (b) Management course and assistance, guidance, direction and supervision by Technical Director				
Engineering						
(a) Mechanical operation and capabilities of machinery and equipment (b) Metals, lubrication and other materials (c) Basic engineering (d) Repairs and maintenance-skill and understanding in programmes, procedures, machinery and materials (e) Power systems: oil, electric, gas, etc. (f) Job design, including setting job methods, setting manning scales, setting operating procedures and standards		Prior study and training As for (b) above				
Management techniques						
(a) Planning systems, forecasting, including long-range planning systems, critical path network analysis (b) Control systems for repairs and maintenance (standards and effectiveness against cost)		Prior study and training As for (b) above (Possibly a course)				
Production processes						
(a) Detailed knowledge of production processes (b) Knowledge of raw materials and their reaction under production processes		Course Assistance on the job by Bakery technologist				
General administration						
Clerical: correspondence, report, records, filing etc. Safety and evacuation systems Industrial relations, and wage and salary system		Study and training before appointment				

^{a/} Another column could be added to state required standards.

Annex II

ILLUSTRATIVE OPERATING PROCEDURE

Operation: Start of new batch

Operating procedure

Operating
standard a/

Task

Correct twist wheels in position

The twist is correct - S or Z twist

Correct travellers for the grist being spun

Check frames properly cleaned down after previous
blend (to prevent contamination)

Change draft wheel if necessary after random count tests

After a short run check count and twist (Quality Control)

Check false twist

Make any necessary alterations

Re-run and check again

Quality Control and Supervisor to make random checks

Ensure yarn controller knows all details concerning the batch and
makes out tickets for each doffing

See that the doffs are taken by the material handler to its correct
destination

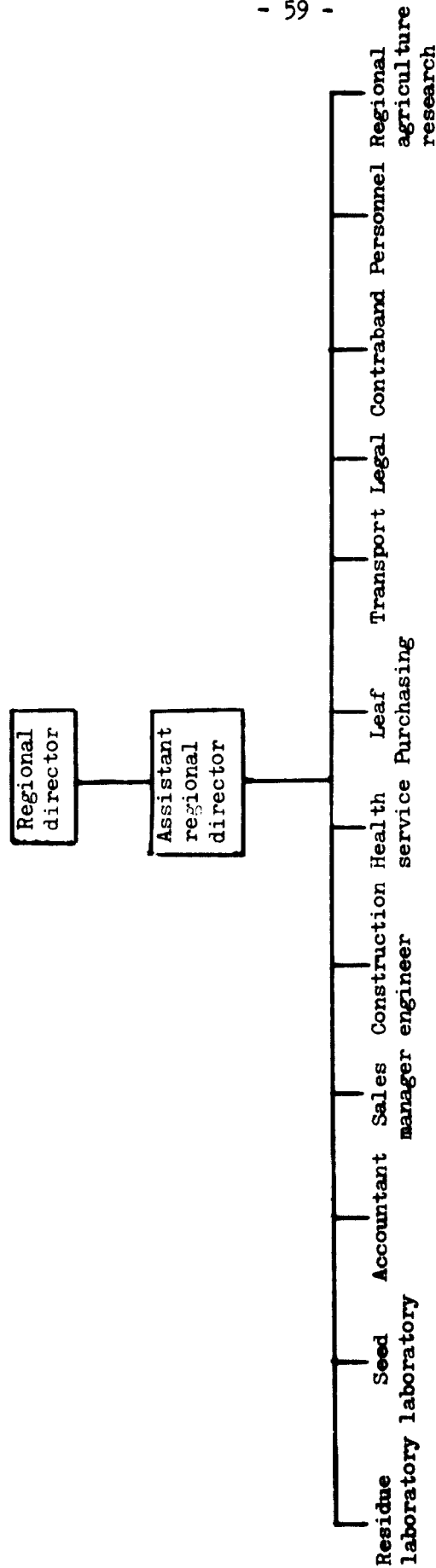
Report any deficiency in quality to the Plant Superintendent.

a/ To be worked out (timed) and stated.

Annex III

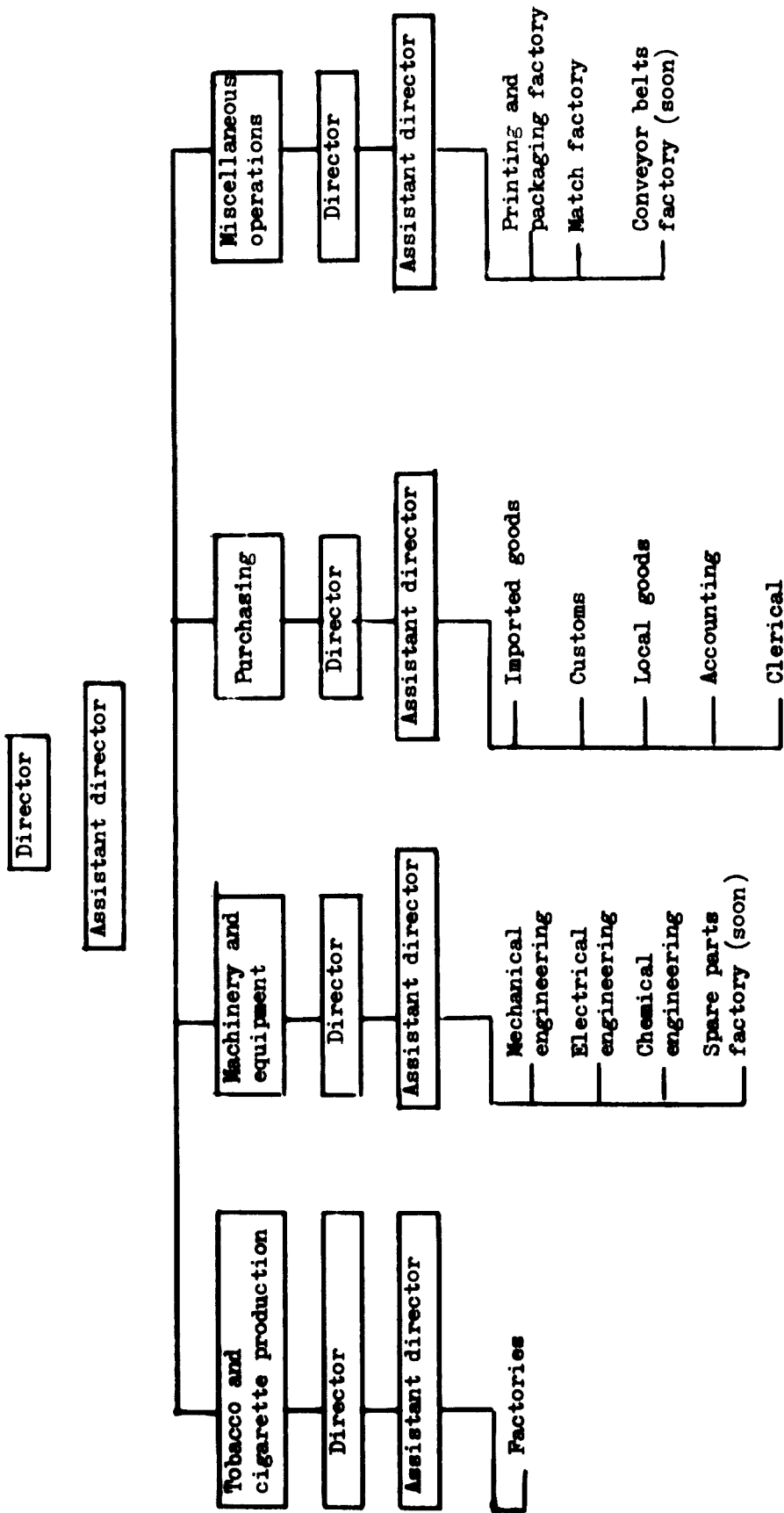
ORGANIZATION CHARTS

A. Typical regional organization



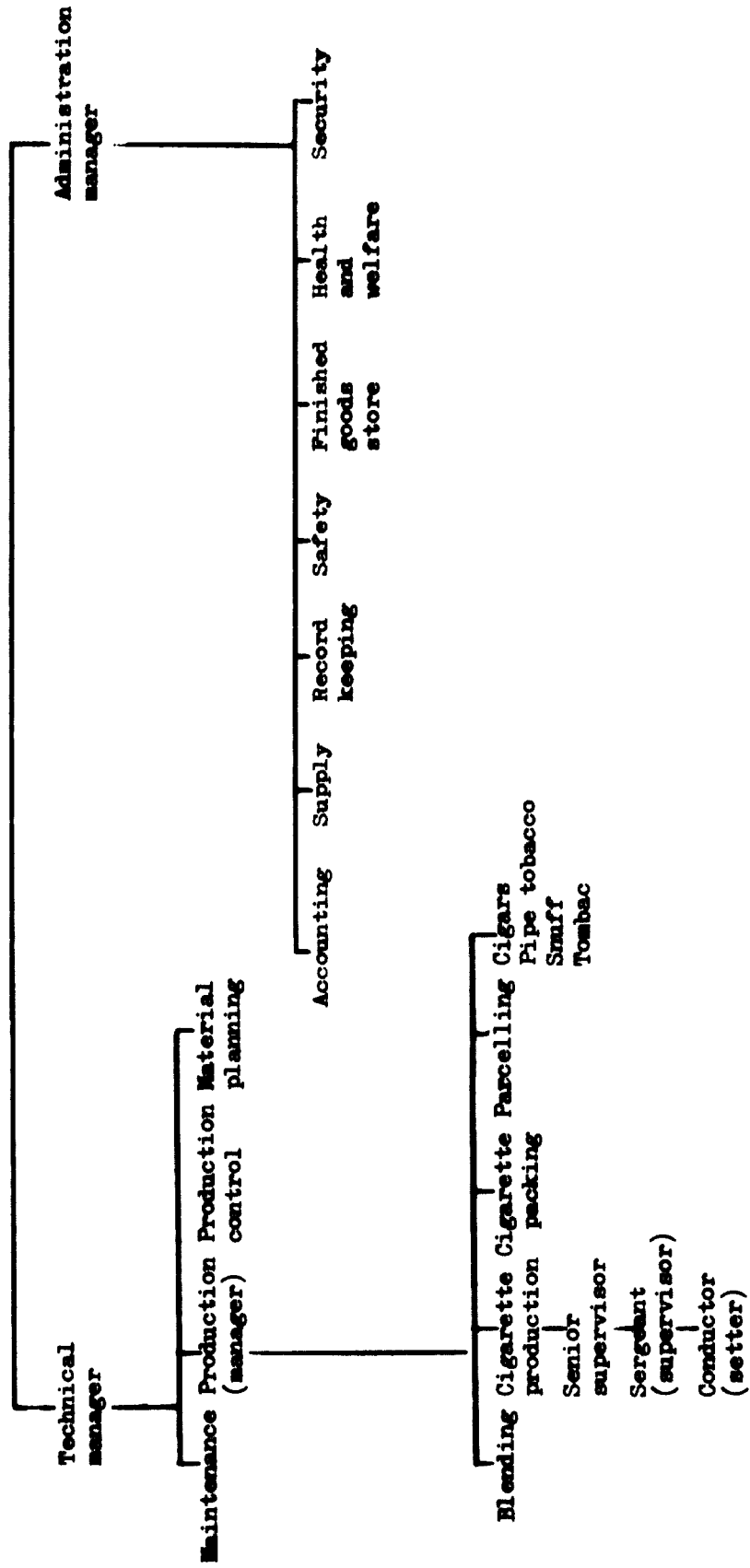
The Izmir region is subdivided into 20 districts. The city of Izmir has 17 wholesale shops, as well as duty-free shops, and three depots serving 6,000 retail shops. There are more than 300 branch offices throughout Turkey.

B. Tobacco production group



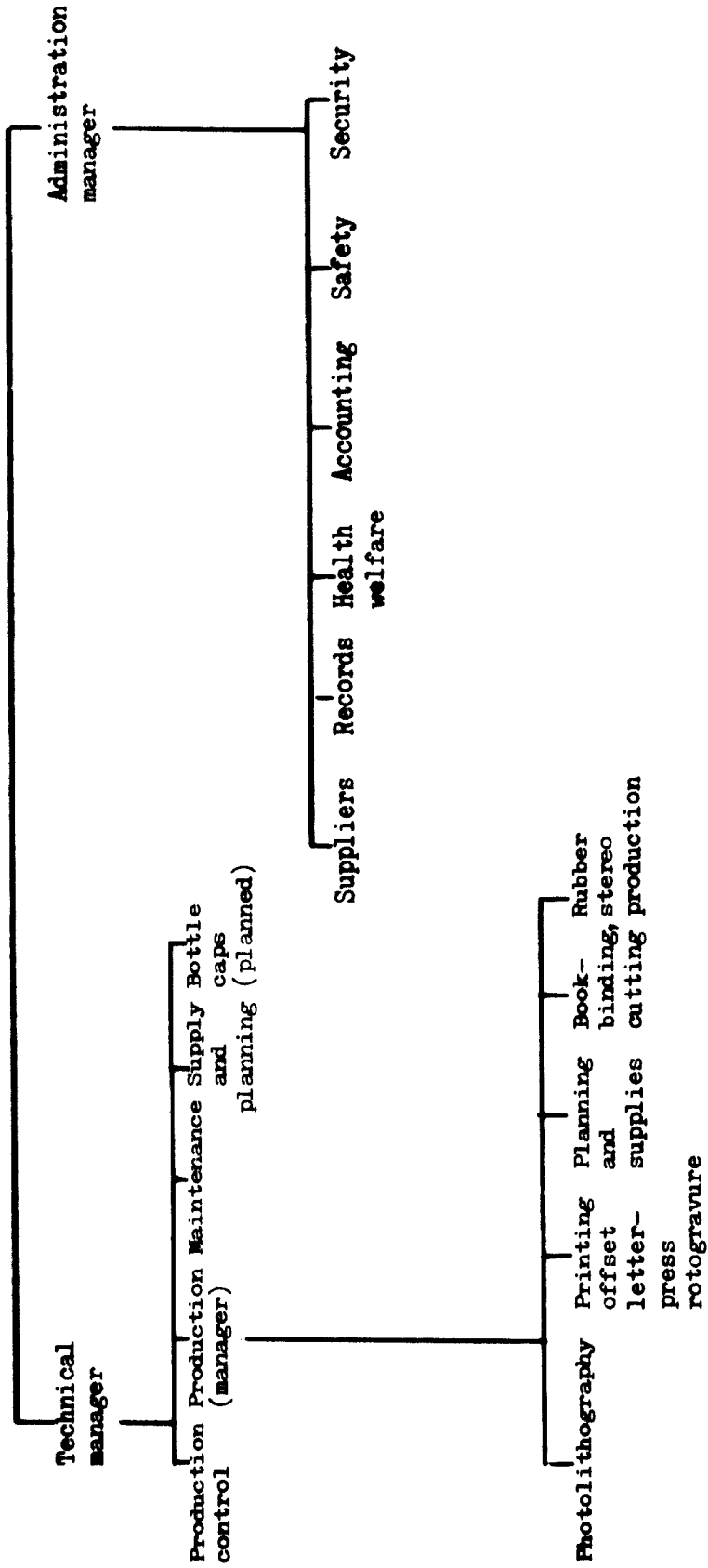
C. Typical tobacco factory organization

Factory manager

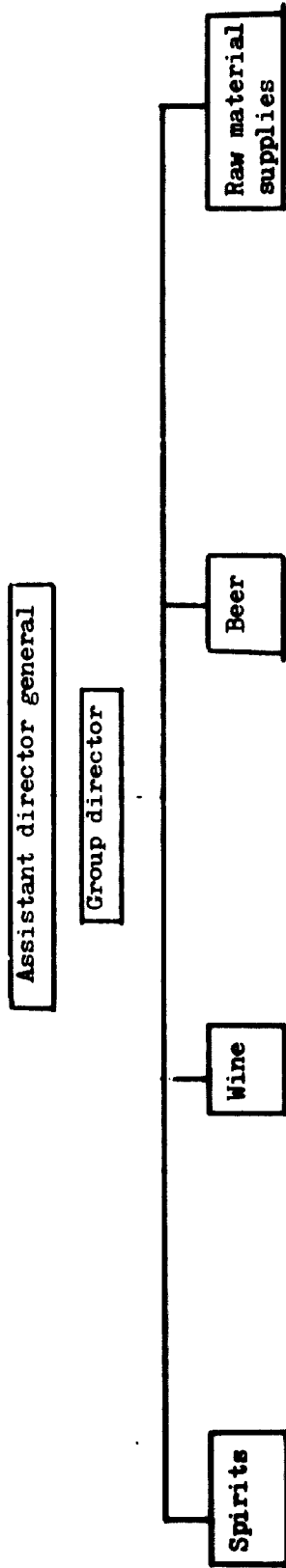


D. Printing and packaging factory

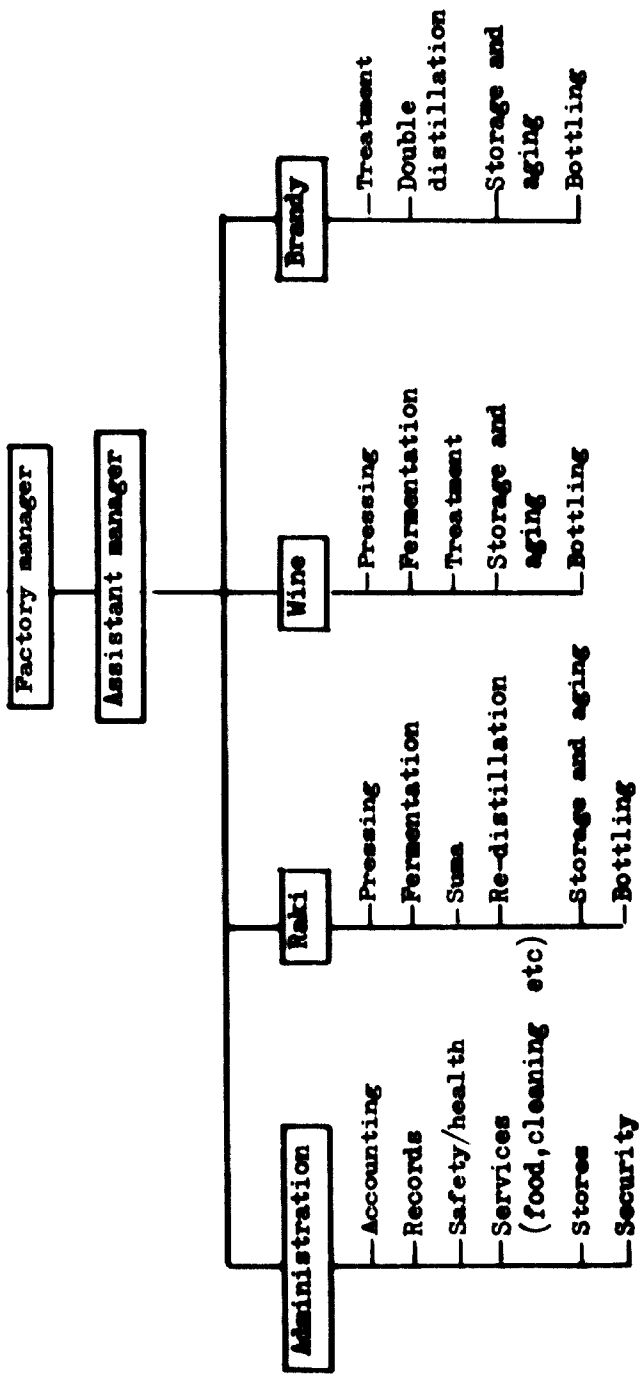
Factory manager



E. Alcoholic beverages' group

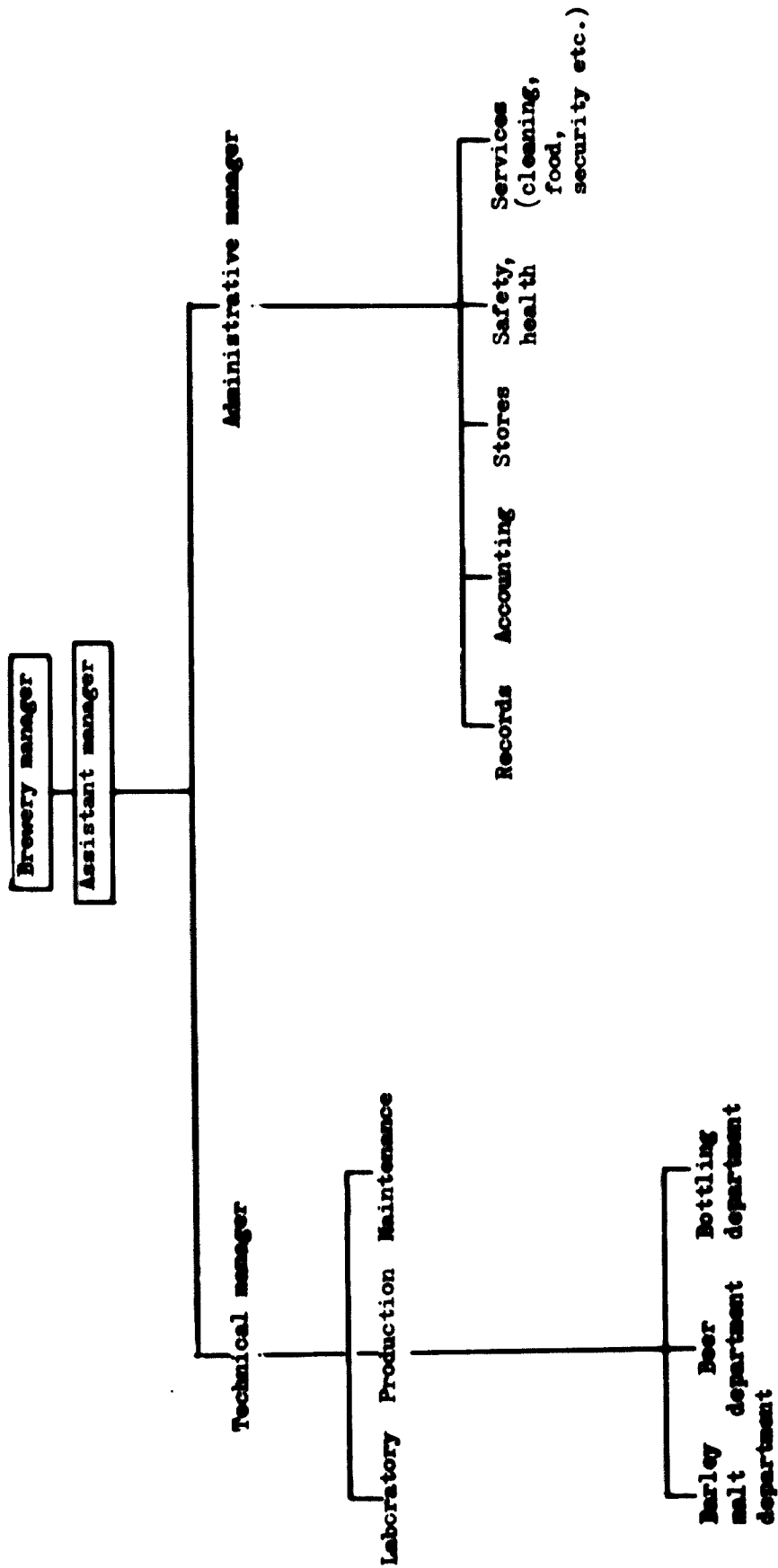


F. Typical alcoholic beverages' factory organization



A laboratory and workshop are also included in the type of organisation outlined above.

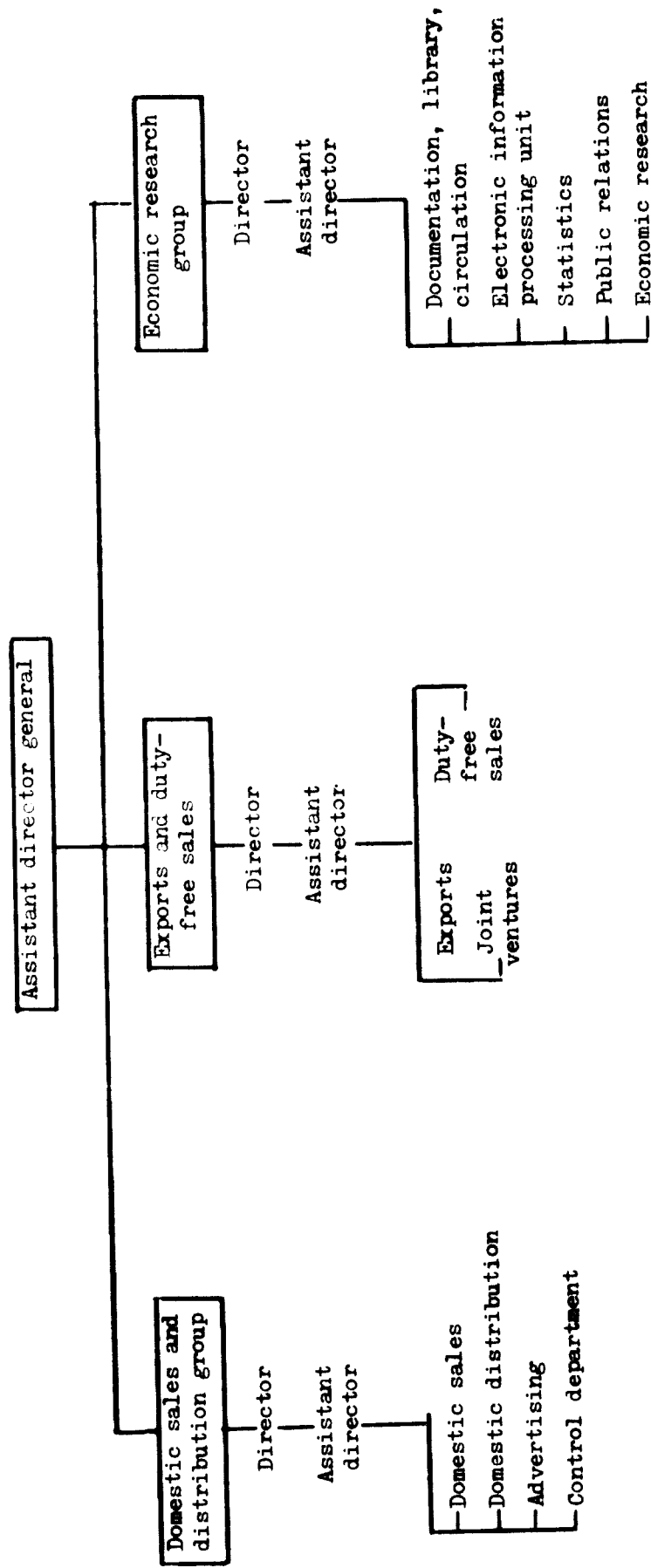
G. Typical brewery



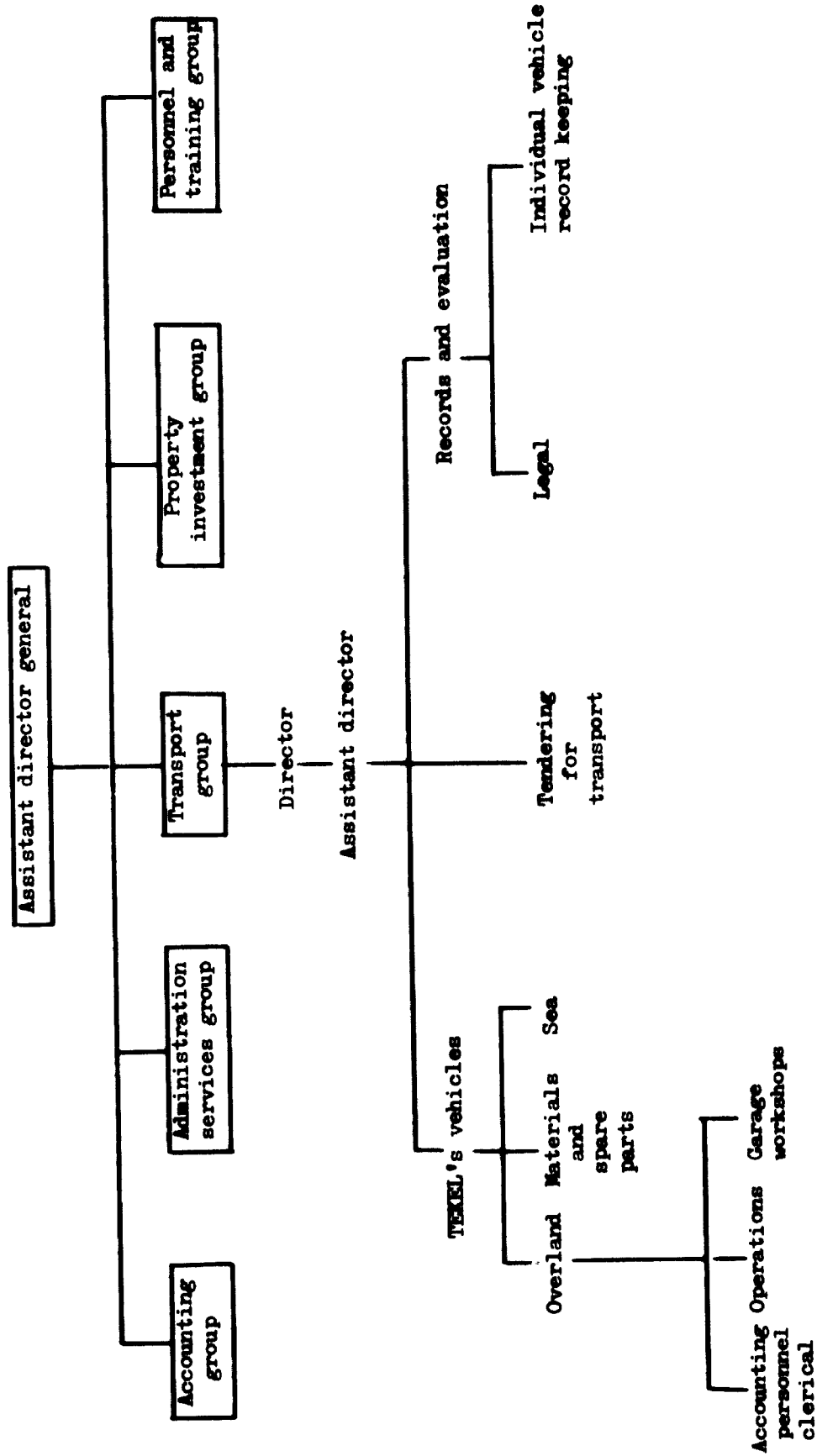
Brewery manager

Assistant manager

H. Marketing, sales, distribution, economic research division



I. Administration and central services division ^{a/}



^{a/} Transport group shown in detail.

Annex IV

SUGGESTED PRINCIPLES FOR TRAINING TRAINEES

Training and development policy and traineeship/apprenticeships

TEKEL's training and development policy has the following objectives:

- (a) To ensure that TEKEL has the people with the knowledge and skill to carry out their current jobs to achieve TEKEL's objectives;
- (b) To raise the general standard of knowledge, skill and effectiveness at all levels;
- (c) To ensure that the company has the people who will continue to develop and thus maintain the continuity and growth of the company.

Traineeship/apprenticeships are designed to help achieve TEKEL's objectives through the selection, training and development of suitable staff for key skill positions in all areas of TEKEL's operations.

Training principles

Before recruitment there should be a clear understanding of what the trainees are being recruited, selected and trained for, e.g. production, sales, planning, quality control etc. Structured training and development programmes and manuals can then be prepared to meet these requirements before the trainee is selected. Manuals are organized within the framework of the actual work of the department or factory, but the emphasis is on training. The manuals cover the matters listed below.

Clearly assigned responsibility for training in each section of the programme

Details of what is to be learned and practised in each section of the programme

Time the trainee is to spend on each section of the programme

Projects

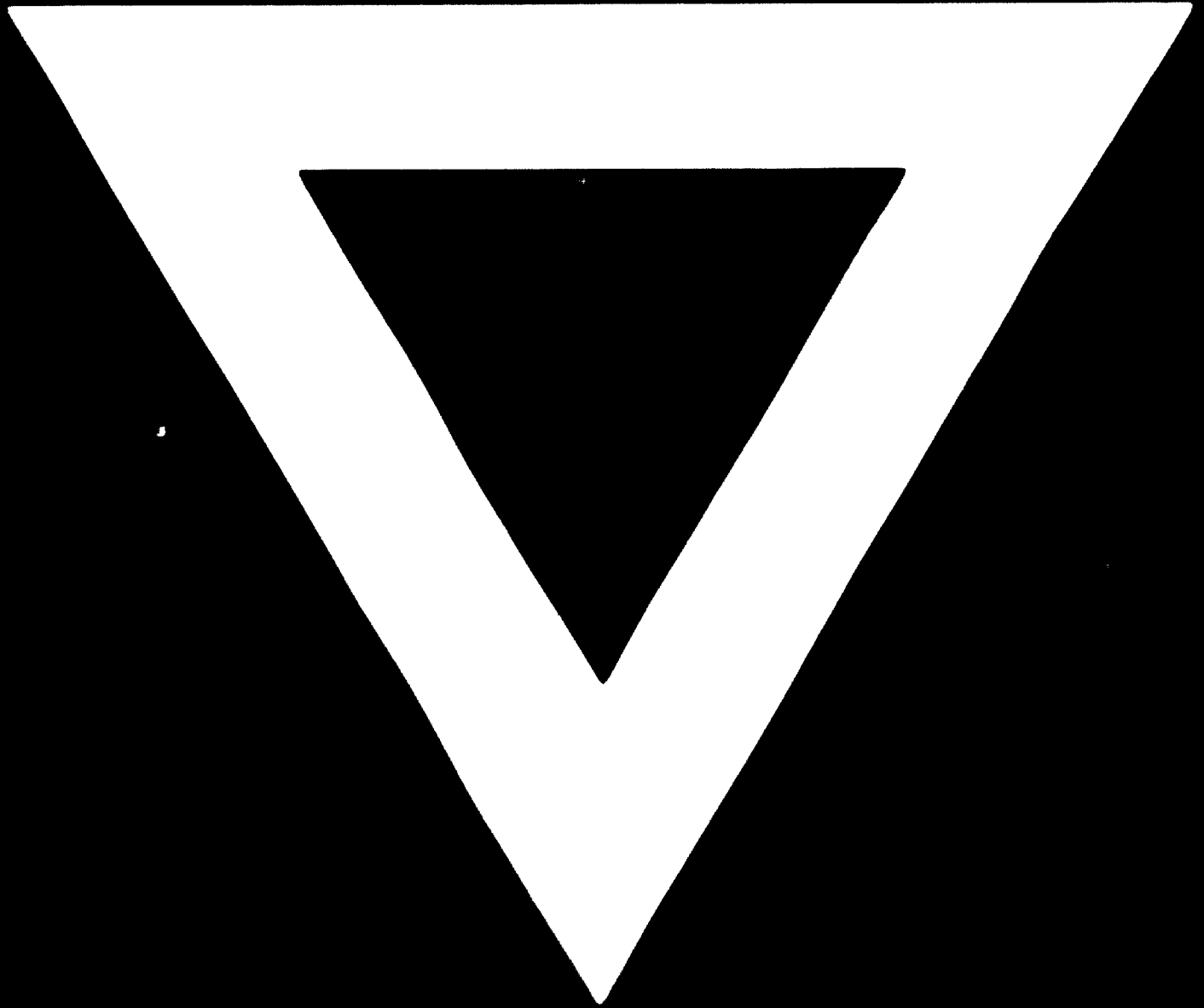
Regular performance target-setting discussions

Regular reviews of performance and decision (coaching and counselling)

Recording or progress (use of log books)

Trainees should generally be in working functions rather than observers.

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