

INDUSTRY

The Progress of Personnel Management

THOSE out of touch with industrial activity have largely assumed that "all that interest in labor management and industrial relations" was considerably deflated after the war, and that the interest of typical companies in personnel problems has dwindled as the labor supply has increased. All this is precisely contrary to fact, as it is the aim of this article to show. Not only are more companies carrying on more activities of the sort characterized as "personnel," but they are taking these activities more as a matter of course and pursuing them with an intelligence heretofore unknown.

The critics of the movement for increased emphasis upon personnel activities in management have made much of the fact that the motives with which this work was pursued were not disinterested.* The tone has been: "It is all done in order to make more money."† While it is impossible to subject the study of motives to quantitative measure, I believe that the importance of the personnel movement has been almost as much in its concern with motives of managers as in its contributions to technique and procedure. For personnel executives have in numerous companies been able to illustrate increasingly the truth that motives and aims change with experience—indeed, change only as experience in a particular situation demonstrates the reality and grip of new motives. And while much is done in personnel work because it is clearly shown "to pay," much also is done only because managers and employees have worked into a practical partnership where other human satisfactions than profits are recognized as desirable products of industry.

In more and more plants profits instead of being the be-all and end-all of enterprise are rather looked upon only as the tangible criterion of economic solvency and utility—a preliminary condition to be satisfied in the course of pursuing more varied, ultimate and immediate ends in which all members of the enterprise may share.

But what have such generalizations to do with the progress of personnel work? Simply this: That it has been those managers and owners who have been exposed to its influences in stores and factories where good personnel work is being done, who have been in the vanguard of executives consciously willing to admit the operation of broader motives in management, broader standards in the light of which personnel procedure and industrial achievement are to be measured. And it is this growing group of managers who are responsible for the experiments which clearly show a new trend in managerial technique.

"Personnel management today is thus infinitely more than "employment management," which is concerned only with successful selection and placement. Probably between 3,000 and 4,000 plants employ individuals who specialize in selection. Probably 800 or 900 plants today have medical departments with full or part-time nurses and doctors. Safety engineers are accepted functionaries in over 1,000 plants. Training directors function in several hundreds of

companies. Although these figures are estimates they are indications of an activity which is a real part of the personnel movement.

But personnel management is being pursued in a significant way in all those companies where some member of the responsible executive organization is explicitly charged with correlating, directing and initiating all activities believed to be affected with a personnel interest. Whatever is being done to assure that all members of the enterprise are applying their energies and intelligences to the purposes in hand to the best advantage—is *per se* personnel work.

And today in addition to such accepted activities as selection and training, more plants than ever are trying novel experiments which look in a new direction. For it is now recognized that workers and managers will work together with the maximum effectiveness only if they are all committed to purposes which all can honestly accept as their own. Hence companies are working with conscious desire to discover methods which will create identity of interest where divergence of interests existed before. The creative emphasis is uppermost; the desire to integrate and harmonize the aims of workers, managers and owners is in the ascendant. And with what result? With the result that experiments which may be grouped into four general types are now going forward. These experiments appear to offer a clue to the type of development which will be recognized as a practical next step for modifying the harshest conflicts of interest which the capitalist regime at present provokes.

A WORD as to each of these four types of experiments will serve to indicate the progress that personnel work has made in the last few years; for all of these activities are post-war developments, at least in their present flourishing and contagious form.

1. The introduction of a plan of classification of work, standardization of pay rates, measuring of production standards, payment of standard day rates with incentive payments for amounts produced over the standard.
2. Some form of guaranteed employment or guaranteed compensation in the event of enforced idleness.
3. Some form of supplementary income dependent upon the profits of the corporation taking the form either of stock purchase or profit sharing.
4. The elaboration of shop committees.

The first of these experiments is addressed to the present conflict between employers and employees over the amount of work to be given in relation to the amount of pay received. Thus far in the history of capitalism there has been typically an anomalous condition of contractual relations about pay with no supplementary understanding as to the amount of work to be done in return for that pay. Piece work methods were devised to correct this, but in their simple form have certain conspicuous weaknesses. The installation of production standards, based on scientific study

and supervision, under the joint control of managers and shop committees, offers a practical method of making it to the interest of both managers and men to have the men work hard while they are working.

The tendency toward a method of pay which involves these principles amounts almost to a definite "movement" in the industrial world.

The emphasis both on stabilized employment and on unemployment compensation has been marked in recent years both because managers see the business advantages and economics of continuous production; also the demoralizing and uneconomic effects of idleness are recognized on all sides. The movement for unemployment compensation, now extends to one or another branch of the garment industry in five or six centers, and to the workers of ~~six~~ or ~~eight~~ individual corporations. Today a total of probably over 500,000 workers is eligible for some form of unemployment compensation, and some hundreds of thousands more are deriving the benefits which accrue from stabilized employment due to the planning of employers to insure continuous employment for forty to fifty weeks in the year.

Approximately two hundred companies are now selling stock to their employes on various bases, and there are nearly one hundred companies which have some form of profit sharing plan. And 75 per cent of both of these plans have been installed since the war. Stock purchase plans and profits-sharing plans are legally in quite opposite categories, but they are practically identical in their recognition of the fact that companies owe an obligation to their employes which is not satisfied by the weekly wage. Indeed, it seems to me that this is their greatest significance. They indicate that companies are recognizing a right of their employes to share in some way in the contingent profits of the business as a whole. Numerous pitfalls are to be found, particularly in stock purchase plans. But where these plans are initiated conservatively in companies which are conservatively financed, the benefits seem on the whole to have outweighed the disadvantages. And both of these devices are conspicuous examples of experimentation looking to securing, up to a point at least, an identity of interest in the profits made by the company.

Immediately after the war studies indicated that there were approximately two hundred shop committees in operation. Today conservative estimates place this number at over seven hundred. A significant fact is that the number of companies which having once adopted a shop committee have now revoked such plans, is practically negligible. Rather is it true that in a substantial minority of the plans the amount of power allowed to employes has year by year increased. And in this minority it is noteworthy that equal power in the consideration of wage rates is the conspicuous feature. Yet in respect to this device, the important practical result is perhaps less the material gains which employes have secured and more the growth of the idea that joint representative deliberation with manual employes on vital matters in a corporation is of practical advantage to all concerned, and a fruitful method of educating all involved to the difficulties and responsibilities of corporate conduct.

It will be clear also that in the midst of so much experimentation, the danger of not acquainting all interested with the results of these efforts will be great. Hence not only research bodies but a clearing house organization which

will record, publish and advise on all going experiments, should be of special value. Such a body, The Personnel Research Federation, has existed for a number of years and it is now being revitalized under new direction. The task of such a body in the midst of the current volume of activity is a vital one and its opportunity impressive. It will join with the already aggressive American Management Association and the Taylor Society in educating executives as to the significant developments in this whole field.

Where large corporations and small, where those that are progressive and those that are conservative, are embarking on experiments of one or more of the above four types, it certainly cannot be said that personnel work in its fundamental sense is on the decline. Clearly it was never more dynamic than at this hour.

ORDWAY TEAD

The Employment Office

The Russell Sage Foundation has recently completed and published the result of an investigation of employment agencies. In the last number of Survey Midmonthly Mr. Bruère commented on some underlying principles developed by this study. Here Mr. Barnes, pioneer in the administration of public employment offices, discusses its technical findings from the point of view of the man on the job.

AIN'T nature grand!" may have been said by the girl who was taken up on a high mountain, but I want to make the same remark about evolution. Some twenty years ago certain people with social instincts commenced to advocate the finding of jobs through some public agency for those out of work. Then later, whenever we had a financial depression, the subject of establishing public employment offices was brought up because the general public then believed and even yet believes that in some vague way the establishing of public employment bureaus creates jobs, not realizing that the function of employment agencies, both in good times and bad, is the rapid and efficient bringing together of the job and the worker.

In 1913 President Wilson appointed the United States Industrial Relations Commission, better known as the Frank Walsh Commission. The purpose of this commission was to discover the cause of labor unrest, and, among other things, it attempted to ascertain whether or not it was advisable to organize a United States Employment Service. I was appointed to investigate the public employment bureaus then established in eleven states, and I spent a number of months inquiring into the methods and policies of the offices throughout the country. With few exceptions, I found the state systems were reservoirs for political hangers-on.

In 1914 the legislature of the state of New York passed a public employment office law, the bill having the backing of the City Club of New York. This was the first public employment office law requiring civil service examination for every appointee, from the state director down. In the latter part of 1914 I was appointed from the civil service list as state director and established employment offices in six of the largest cities in the state. Using the knowledge already obtained from other states, I made these offices serve not only as places for bringing the worker and the job to

gether, but also as clinics for the study of proper methods for running such offices.

At first it was thought that these offices scattered throughout the state could be of help in directing the transfer of workers from one section to another. But it was soon ascertained that there was no large movement of workers from one industrial center to another within the state of New York. It was, however, found that a large number of workers in the cities could be directed to jobs on the farms. The offices worked in cooperation with the farm bureaus of the state and met with considerable success. A few years later while working with the United States Employment Service I discovered that the movement of workers was not necessarily from one to another industrial center within a state, but that it often entirely disregarded state lines, so that clearance became a matter best handled by the federal government.

We Wondered How to Do it

In the four years of my directorship, we all learned many things. But we still in a general way remained in woeful ignorance of the best and most efficient manner in which public employment offices should be run. The workers in the different offices would listen to the assertion that every human being wanted to accomplish something and that there was no greater satisfaction than that of doing a job effectively; that therefore when they placed any kind of applicant in a position in which he could do efficient work they were doing a greater thing for that man than the minister who "saved his soul." But while enthusiasm for what he was doing could be aroused in the employment office worker, there yet remained to be discovered the best and most effective technique of placing applicants. Even if we had had the time, it was not possible for the superintendents in the various offices to stand at the shoulder of the nearly 100 interviewers and pass on to them the little knowledge which we in our work of superintending had gained. So night and day we uttered a silent prayer that someone with the ability and time would make a study of all the employment offices then existing, and set down in a book the fundamentals of public employment office work and the best methods of doing that work, so that a copy might be given to everyone of the office workers. I passed out of employment office work before this prayer was answered. But now I find that the mills of the gods have been grinding and evolution has been at work. The Russell Sage Foundation has produced the very book for which we all ardently longed.

"Ain't evolution grand!"

This Tells How

The Russell Sage Foundation has just issued *Public Employment Offices*, by Shelby M. Harrison and his associates. This study gives a history of the public employment office movement in this country, stresses the need for such offices, reveals in detail how they have functioned up to the present time and what may be hoped for in the way of establishing definite centers of employment information for the use of employers and workers.

The problems of organization in both state and local employment offices are shown. The connections which have existed and which still exist between local, state and federal agencies and recommendations for future cooperation are described at length. There is much information regarding the attitude of employers, workers and labor organizations toward a system of employment exchanges as well as toward

the way in which public employment offices have operated. Reference is also made to special groups of applicants and the relation of public employment offices to all classes of work. The study clearly brings out the struggles of these offices due to lack of interest on the part of even those most directly concerned, the blight of politics, the reluctance of legislatures to give appropriations and the vague public conception that such offices are only for the use of the very lowest class of workers.

The mass of information which has been collected makes several propositions very evident.

Public employment offices should be organized with the state as the unit, but they should be federal-state-local offices.

The city should have a direct financial interest in the local offices and such control as might be exercised by a local advisory council which would see that the offices were impartially conducted.

The federal government should aid in establishing uniform records, policies, procedures and methods, attend to interstate clearance and collect national employment statistics. Unless it established uniform methods of reporting employment statistics, the information on that subject would be of little value; and the necessity for reliable statistics regarding employment is nowhere better demonstrated than in the wild guesses made during financial depressions as to the number of unemployed. It may be said in passing that it has often been found that the federal connection raises the standing of local employment offices.

Both national and local advisory councils representing employers and employes are desirable for arousing public interest and in securing impartiality in the work, but the manner in which these councils are to be selected and the methods under which they shall function are yet to be determined.

Public employment offices can only function if they have the confidence of and are used by employers and workers. The belief held by a great many employers regarding the partisan attitude of the United States Department of Labor precludes the idea of the successful establishment of a federal-state-local system under that Department. And therefore, this study recommends that the system be administered by a board made up of the Secretary of Labor, the Secretary of Commerce and the Secretary of Agriculture.

Owing to the limited field covered by the present number of public employment offices, Mr. Harrison and his associates admit the necessity for the various other kinds of employment agencies—the commercial or fee-charging agencies which are so often accused of exploitation, the philanthropic agencies, and the agencies maintained by fraternal and other organizations. There is no doubt of their present value if properly regulated and it would be inadvisable to attempt by law to eliminate them. But just as the public school has gradually encroached upon and practically supplanted the private school, so the public employment office should prove itself so efficient and so able to serve the interests of both employer and employes that eventually it will replace the private agency, except in the case of the most highly specialized occupations.

There is hardly a question of technique that arises in a public employment office but has been analyzed out of the records for the third section of the investigation. Here are gathered the results of wide experience on such vital subjects as the organization of the offices, what sort of data should be obtained from the applicants and what from the employers, the methods of interviewing and referring ap-

plicants and verifying the results of such referrals, the personnel of the offices, supervision, reports and statistics, local and long distance clearing, publicity, selection of premises, layout of offices, etc. It is because Mr. Harrison and his associates have built their report and recommendations out of the records of experience that their work is bound to have a positive effect upon the growth of the public employment office idea and upon the quality of the public service.

It is worth noting that events which occurred while this study was in course of preparation clearly show the impossibility of establishing unemployment insurance, either state or industrial, without the aid of employment offices. The Amalgamated Clothing Workers of America lately adopted unemployment insurance in the clothing industry in two of the largest clothing centers of the country. It was found absolutely necessary to create employment offices before the plan could successfully function. This is suggestive of a use for public employment offices which has as yet been little thought of in this country.

CHARLES B. BARNES

Cumulative Cooperation

THE cooperative movement in this country is registering two distinct kinds of progress—both of them essentially American. In no European country do cooperators have to struggle to achieve the kind of progress toward which it is necessary to work here. These gains were recorded at the fourth national congress of the Cooperative League, held last month in New York.

The first achievement of importance was this: the United States is now freed of "fake cooperatives." The underbrush of false and fraudulent "co-ops" that has prevented real cooperation from taking root, or had choked its healthy growth, has now entirely been cleared away. They have either been stopped by the courts, have perished from exposure, or have gone bankrupt. The American people have paid dearly for their luxurious crop of fakirs. It has cost them about \$50,000,000 to learn the difference between cooperation for service and "cooperation" for the private profit of promoters. They have purchased quantities of worthless stock. They have lost their money—and their credulity. Now they are ready to dig in deep and plant a sound cooperative movement.

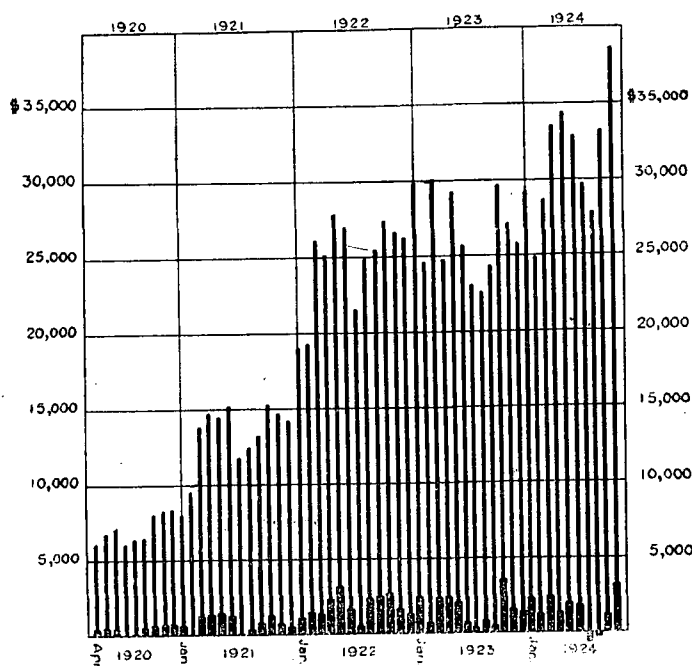
The legal committee of The Cooperative League reports that since the last cooperative congress, six organizations masquerading under the guise of cooperation have been completely put out of business. While agents of these organizations were peddling across the country their fake shares and their fake promises, in the name of cooperation, progress of the real thing was hampered. Now no fakes stand in the way. This is a distinct gain.

"And the other kind of progress?" you ask.

In the United States we are confident of ourselves. We go about things lightheartedly. We blunder cheerfully. We try over again and finally find out the right way. In Europe, cooperation is standardized. Experimentation is past. But American cooperators have finally found the right way. From Puget Sound to Buzzards Bay, the delegates at the congress agreed on the essentials. No time was wasted on arguments on *how* to start and run cooperatives; no disputes arose on technique; the men and women delegates were so sure of themselves—and so sure of each other (more import-

ant!) that they got down to business on how their organizations could work together. This was the second distinct gain.

Eight groups of cooperative organizations formed a federation to buy together. They believe that commodity buying



CONSUMERS' COOPERATIVE SERVICES, INC., NEW YORK

Chart showing growth by months of the four cafeterias and the laundry operated. The black columns represent total income, and the heavily shaded portions at the bottom represent the part of the income that has remained as net or "surplus earnings." The deficits of three summer months and one winter month appear below the base line.

is the first step toward the formation of the much needed national cooperative wholesale. For instance, all of them use quantities of flour, sugar and other staples. They plan now to order them in carload lots.

The federation is composed of the following organizations: The Central Exchange of Superior, Wis., a local wholesale with associated stores, doing an annual business of \$700,000; the Washington Grange Cooperative Warehouse Company with 47 member stores, doing an annual business of \$500,000; the Central States Cooperative Wholesale of East St. Louis, which is a federation of societies in Illinois; the United Cooperative Societies of Massachusetts with seven strong stores in Fitchburg, Maynard, Norwood, Worcester, Quincy and Gardner doing an annual business of \$1,000,000; the Massachusetts Bakeries, a federation of Jewish bakeries in New Bedford, Lynn, Brockton, Lawrence, Springfield and Worcester, doing an annual business of \$268,000. In greater New York, there are three large cooperative societies each doing a business of \$350,000 a year. One is the Finnish Cooperative Trading Association, another is the Cooperative Bakery of Brownsville and East New York and the third is "Our Cafeteria" (four restaurants and a laundry which have been incorporated under the name of Consumers' Cooperative Services). These eight organizations understand each other's needs. They have agreed to pool their experiences. They have definite plans for joint activities.

There remain very definite questions for cooperatives to study. Some of them were debated at the congress. Why,

for example, do some cooperators believe that cooperative housing is the best entering wedge for consumers' cooperation in the United States?

Doctrinaires believe that cooperation in the United States must follow the course of the English Rochdale weavers. They began by opening a little grocery store, three nights a week. That was in 1844. Now cooperation has grown in England until it does a distributive business of over one billion dollars a year.

Very good for England: but in America we don't need more grocery stores, and we do need more homes—free from speculative profit. In Brooklyn there are at least twelve real cooperative apartments, housing around 250 families. These are financed and erected by the tenant-members themselves. Cooperators pay \$35 for five room apartments. In the same neighborhood similar apartments, rented from landlords, cost the hapless tenants \$65. You don't need to persuade people that this kind of cooperation is good. Living in these apartments every day is argument enough. Then again, when people once invest their savings in as permanent a thing as brick and stone, they stick. They don't drift off bargain hunting. But cooperative store members often lose the early ardor and also their loyalty. The competing grocery store, across the way, offers too many inducements. Among our country's drifting population, cooperation will succeed best, some think, along housing lines. It takes a permanent hold on its members.

And besides, when cooperators unite under one roof in big apartments, or in a garden suburb, they soon begin to work together along other cooperative lines. In the Bedford-Barrow apartments in New York, the members are cooperating along so many side lines that every tenant is included. Plans have been made for playgrounds, for joint purchase of coal, and for log-wood for fire-places; for one milk company to serve all at a reduction of price; for one ice-man, one newspaper boy, etc., all at a saving. Cases of fruit, canned goods, staples, a small buying club—these are all entering wedges for consumers' cooperation on a large scale in the future.

Can cooperative milk distribution always succeed as well as it does in Minneapolis? The Franklin Cooperative Creamery is doing more than half of the milk business of that hustling Minnesota city; \$3,000,000 worth of the purest, richest milk that Minneapolis has ever had is being distributed annually to the members of this consumer's society.

A few figures will tell better than anything else the steady growth of this cooperative enterprise. It started in 1919 with a strike of milk-drivers. For over a year they studied cooperation and finally educated themselves and some con-

sumers to a belief in cooperation. They opened a distributing milk business in 1921. This is the way it has grown:

	No. of Wagons	No. of Employees	No. of Bottles Distributed	Total Sales
July, 1921	46	120	968,495	\$86,849.10
July, 1922	82	178	1,570,540	\$137,006.40
July, 1923	146	381	3,234,959	\$286,095.04
July, 1924	175	410	?	?

And here are the figures which show the improvement in the quality of the milk:

	1921	1922	1st 7 mos., 1923
Average Bacteria	31,719 per c.c.	16,166 per c.c.	19,206 per c.c.
Butterfat Test.....	3.71	3.79	3.76

Below is the contrast in costs and prices of milk between Minneapolis, Chicago and New York. In Minneapolis the consumers pay less for their milk and the farmers get more for their product.

	PRODUCER RECEIVES PER 100 LBS.	PUBLIC PAYS PER QUART
Minneapolis	\$2.90	12 cents
Chicago, Ill.	\$2.67	14 cents
New York	\$2.78	15 cents

What are the factors of success for a cooperative coal yard in a small city?

Why have cooperative restaurants succeeded better in New York than cooperative grocery stores? Is it due to management or demand?

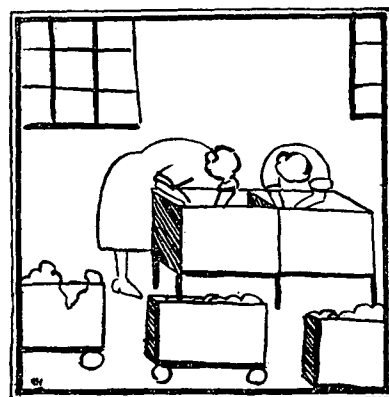
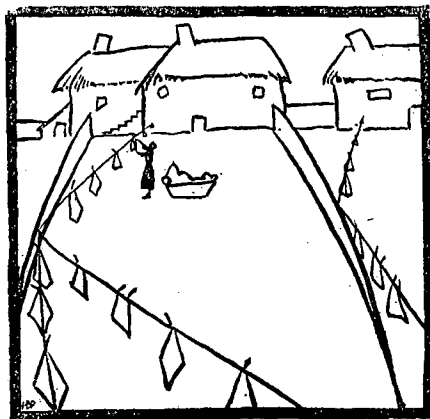
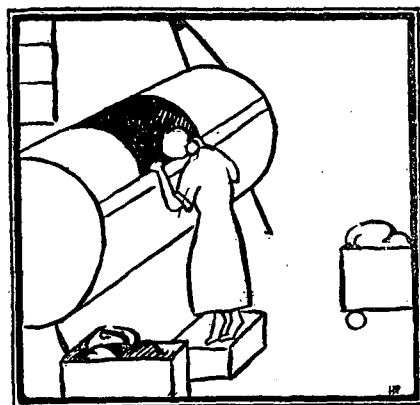
Most of the people who are familiar with Our Cafeteria in New York will tell you that its growth has been due to expert management. The management itself will tell you that it is because there is a demand for the service it renders. I think it is both. Its growth, noted below, is especially interesting because it has hammered away on spreading the first principles of cooperation as much as it has on serving good portions of delicious food at fair prices. Its commercial success has never turned its head. It confronts you with figures of growth and prosperity—and then you believe it can be done. Even in the greatest commercial city in the world, cooperation can succeed.

Bakeries have been run largely by Jewish cooperators. What are the conditions that make for wider success?

Can cooperative grocery stores buck the chain store system in the United States without strong national and district wholesales?

How do labor banks differ from real cooperative banks? Can they ever become cooperative in this country, in the technical sense?

What legislation is needed to extend to credit unions the banking privileges of ordinary banks?



Drawings by Helen B. Phelps

THIS IS THE WAY THE COOPERATIVE LAUNDRY IN NEW YORK ADVERTISES ITS SERVICES

Why do farmers need to cooperate in purchasing their commodities just as much as in marketing their crops?

These are interesting questions, and they provoked interesting discussions. But after all, as the delegates said, "It's the work we do back home that really counts." Work, not talk, is the thing that erects mile-stones of cooperative progress.

There were delegates at the congress from the states of Washington, Montana, Idaho, Minnesota, Wisconsin, Michigan, Iowa, Arkansas, Kentucky, Illinois, Ohio, Pennsylvania, New Jersey, New York, Maryland, District of Columbia, Connecticut and Massachusetts, representing 170 societies.

Not very many! The movement is yet young in the United States. We have not suffered enough to turn to cooperation. The encouraging thing is that the three hundred and thirty-three strongest and best societies in the United States are now united in the national federation which they control, The Cooperative League. As a result of its standardization and education, these societies are sounder and better organized than ever before.

AGNES D. WARBASSE

The Social Ideal in Scientific Management

SOME forty-five years ago—1880 or 1881—a blond haired, blue-eyed, 140-pound young man, twenty-four or twenty-five years of age, was made gang boss over a group of machines at the Midvale steel plant, Philadelphia. He had had an Exeter but not a college education, had served his apprenticeship as machinist and patternmaker, and had worked as yard laborer, machinist and time keeper.

Born with a disposition to do his best and to expect it of others, to undertake a task with energy and to stick to it with bulldog determination—all intensified by an inherited Puritan-Quaker conscience—Fred Taylor set out to get production from his machines. He naturally pursued the then customary method of foremanship in the steel industry—guessing how much work should be done by a man at a machine in a day, and giving orders with no question of the accuracy of his guess or the certainty of his authority.

The young gang boss immediately found himself in the midst of a small cyclone. He discovered that workers can believe there is a time when they should not give of their best, that there can be quite a different point of view from that which inspired him. Why should one get the work done quickly, only to be laid off because there is no more work to do? They had not forgotten incidents of the prolonged depression following the Civil War. Why should one set a good pace only to have rates cut? American workers at that time were having sore experience with rate cutting. The struggle between Taylor and his gang lasted for some time and the young foreman eventually won; but at what a cost of shattered nerves and shaken spirit because of disillusion concerning the fairness as well as the effectiveness of methods of management then prevalent in American industry. Ownership and management left responsibility and authority for getting output to the boss—a functionary peculiar to American industry; and because of limitations of technical knowledge the boss could meet his responsibility in only one way—guess what the output should be and drive men to get that output.

Looking back many years later, Taylor said: "I was a

young man in years, but I give you my word that I was a great deal older than I am now, what with the worry, meanness and contemptibleness of the whole damn thing . . . This life was a miserable one, and I made up my mind to either get out of the business entirely . . . or to find some remedy for this unbearable condition."

Taylor was no quitter; if ever there was a man for whom the fascination of a problem varied directly with its difficulty, it was he. He did not get out of the business; he devoted the rest of his life to seeking the remedy for that "unbearable condition." Within two years he had worked out a boss's technique which solved the problem for him and his gang; during the next fifteen years he extended and refined this technique to make it adaptable to larger and more complicated situations; and then he translated what he had been doing into general principles and gave the world a new philosophy of management.

The Taylor System

The boss's technique which he worked out during the year or two following that first and last quarrel with workers under his supervision, was what in its later and more refined form came to be known as the Taylor system. At that time—as always later, when developed and utilized in the spirit of its founder and not in a counterfeit way—it established relatively harmonious industrial relations in highly productive cooperative effort. In its outline the system is simple: first, painstaking investigation to get the facts concerning every—even the most detailed—problem of management, to determine what the output of a particular machine on a particular job should be; second, setting up standards of materials, equipment, methods, achievement and reward on the basis of these facts; third, maintenance of these standards as a stable basis for estimates, schedules and expectations; fourth, making every worker a business man on his own account by high wages and high earnings in accordance with his productivity on the basis of these standards. Such things as time study, functional organization, route sheets and instruction cards are but devices to accomplish these essential things.

A great philosopher has said that the grand systems of philosophy are but rationalized explanations of systematized conduct acquired in reaction to environment. Environment changes, conduct changes, and then comes a new philosophy rationalizing the new conduct. I imagine that is equally true of specialized philosophies, such as a philosophy of management. At any rate, that is true of scientific management, which was first formulated as an explanation of the Taylor system. The system was worked out first, developing step by step in the solution of practical problems as they came up; then came rationalized explanation. Taylor believed this philosophy and the principles formulated in explanation to be fundamental and enduring. He believed the system, however, to be subject to change as industrial conditions change—he even expressed the opinion that not one mechanism of the system as it then was, would be in existence ten years after his death. The philosophy of scientific management is essentially this: knowledge of laws governing industrial operations instead of guess must be the master; industrial effort in the light of known facts and laws will be more productive of facilities for human happiness than effort which is blind; management must be the servant of knowledge instead of the ally of whim and chance; the manager must be a leader and teacher instead of a driver.

Such in brief were the nature and the origin of the Taylor system and of scientific management. From the very beginning, because of the man from whom they sprang, they had in them a strong strain of unsentimental, practical idealism. It was inevitable that the system, or rather some of the devices in the system, should be appropriated and used for ends not consistent with the Taylor spirit; and it was inevitable that these efforts should fail in their purpose, to the detriment of the prestige of Taylor and his work. Fortunately it was also inevitable that there should be those who should adopt and adapt in the Taylor spirit and should carry on to successful demonstration. In American, French and English industry are to be found managements which are adequate proof of the penetration of the system; and at the recent Prague International Management Congress was overwhelming demonstration of the world-wide penetration of the idealism and the philosophy.

Adopt and adapt! Scientific management is a dynamic thing; its principles are the principles of growth and change, and it is for that reason that its progress has been sure and swift. In the eighties and the nineties as a nation we were still exploring, appropriating and exploiting a continent of great physical resources and mechanical problems were in the foreground. Under such conditions Taylor formulated a philosophy of management of material things by human beings for human interests. Into it he incorporated a social idealism. Since 1900 the development of a more complicated and delicate industrial mechanism has created complicated and delicate human relations, and the human problem has come to the foreground. But that social element which scientific management had in its beginning, has enabled it to meet the challenge of the later period. In so doing it has not lost its practicality and freedom from sentimentalism.

Its Fundamental Objective

Because it is of the very essence of its philosophy, scientific management watches for, listens to, considers and appraises whatever has a bearing on betterment of management; and if it discovers something worth while, it adopts and adapts it. And in so doing it never forgets that human welfare is the fundamental objective, and whatever it adopts must be contributory to that welfare.

Ten years ago the voice of Robert Valentine, preaching the doctrine of workers' consent, was as the voice of one crying in the wilderness. The Taylor Society gave him a forum, and it is to the bulletin of that society that one goes to read the statement of his doctrine. About the same time Robert Wolf came down from the woods of northern New Hampshire with a message concerning recognition in management of the part which may be played by the instinct of creative effort, and the Taylor Society gave him a forum. Both the Taylor Society and these leaders became bigger forces from the contact. They experienced what Mary Follett in her *Creative Experience* describes as a circular response. Recently the Society has joined forces with the psychologists to bring psychology to the service of management.

During the war the movement towards the establishment of functionalized personnel departments in industrial enterprises made noteworthy advance—in fact, assumed the proportions of an inflation, and subsequently suffered the penalty of inflation. During this period scientific management steadily refused to be excited by the artificial and temporarily expedient, made its contribution by organizing personal re-

lations along fundamental lines, held to what it achieved, and refused to become a party to reaction.

The depression from which American industry is emerging has focused attention on instability of industry as a major social as well as technical problem—one to be solved by wise administration and efficient management. Scientific management plants have attacked the problem fundamentally and their constructive efforts, as at the Dennison Manufacturing Company and the Walworth Company, are cited as examples which point the way towards ultimate solution.

At the Dennison Manufacturing Company is a striking example of effort to adapt corporate structure to all the interests at stake in modern corporate enterprise—a step beyond the zone of technical into the zone of legal organization in search of a sound basis for just human relations in industry.

A few years ago John Commons reported the result of a survey of plants having the reputation of superior achievement in the matter of industrial relations. It is interesting to note that the list of plants investigated reads like a list of examples of scientific management. It is equally interesting to note the following among other inferences by Commons.

From 10 per cent to 25 per cent of American employers may be said to be so far ahead of the game that trade unions cannot reach them. Conditions are better, wages are better, security is better than unions can actually deliver to their members . . . the outstanding fact in our investigation is the importance of management.

This inference affords no argument against labor unions, but it is a tribute to scientific management.

And today in the shops of the Baltimore and Ohio Railroad, organized labor and management are cooperating* in the development of better management along scientific management lines, the engineer being in the employ of the unions. It will be a great day for American industry if this effort is a success, and if, under the stimulus of the success, such cooperation becomes general.

Scientific management can never lose its large social content. Its primary idea is management on the basis of facts, and there is an essential fact which no research can ignore—industrial enterprise is human enterprise.

H. S. PERSON

**The Survey* for January 1, 1923, carried Mr. Beyer's story on this piece of cooperation. President Willard of the B. & O. has just expressed the conviction, in a public address, "that the cooperative plan which the Baltimore and Ohio Railroad has put into effect, in cooperation with its shop employes, and their respective unions, is no longer an experiment. It has more than justified itself from many different angles." The October issue of the *Machinists' Journal* contained the report of that association's committee on railroads dealing with the Union-Management Cooperation Program. "After a very thorough investigation of the results accomplished on the B. & O." the committee finds that "the program has been of great benefit both to the railroad (and to the employes) in improving working conditions, lessening of grievances and more prompt settlement of such grievances as do occur." The committee therefore recommended the extension of the cooperative plan to other railroads. The actual record of experience seems fully to have sustained Mr. Beyer's prophecy that B. & O. Engine 1003 would come to stand in the eyes of management and men as a symbol of a new development in collective bargaining between the standard trade unions and the railroad managements.

BOOKS IN OUR ALCOVE

Can the Popular Be True?

THE popularizers of knowledge have a hard time. If they are interesting, science calls them "sensational"; if they are academically precise, the people call them dull. We do not know where in the field of letters there is a more difficult role than that of liaison officer between new facts or ideas and the popular mind. Nor what literary function is more profoundly useful. We pity the men who undertake the job—and yet so robust and dynamic are they that none seem to need pity less.

Two books before us suggest these reflections. The first is scarcely a book; it is a box slip-cover containing twenty neatly printed paper pamphlets—*Lectures-in-Print*. The author is Everett Dean Martin, the social-psychologist, director of the People's Institute in New York City. The subject is *What Psychology Has to Teach You About Yourself and Your World*. Each lecture takes up a single aspect of psychology, and contains perhaps 7,000 words. They are popular, for they were given to what the cover describes as "the largest audiences in the history of that famous auditorium, Cooper Union." A stenographer took down the lectures, they were edited and printed. And there you have them—*Lectures-in-Print*, a new way of bringing to people of "upper middle-class" intelligence facts about what students of society quite generally judge the most important body of knowledge that the members of society can master if they are to take places in a self-conscious social organization.

Now we may ask two questions of Mr. Martin: does he give an honest report of the present knowledge about psychology? And does he make it understandable and popular? The success of the original lectures and their sale in print answers the latter question—they do reach people. The present device for reprinting we recommend to those trying to disseminate information. There is nothing particularly new about this method—for the correspondence schools long ago found out the value of the course in sections. But we should recall the fear a non-trained mind has in the face of a whole unbroken book. He feels he has to follow a long and arduous course, along which there can be no breaks or let-downs. So he just won't start. Here he has to do only one stint at a time. He can finish that and call it a day. Mr. Martin applied his psychology pretty well, we imagine, in selecting this novel format.

Now as to content: in fairness, we should ask no new contribution to the subject from these authors, though Mr. Martin has, as a premium here, his own gift to make, and includes his own estimate of the theories wherewith he deals. The creative gift wanted is the dual ability to grasp the original sources in their prickly difficulty and to invent a method that will make them simple, clear and useful to

average people. Indeed, the work is best done when it is not confused by the author's advocacy of some private controversy or thesis of his own. This requires great self-restraint, and is one reason the art is not easy! Most original sources are over disputatious.

Positively, we can demand that such books contain no plain falsehood. Not even getting people interested in ideas can justify getting them interested in untrue ideas. But here again the criterion must be applied carefully. The popularizer has no more absolute test of truth than has the research scientist. He tells what he believes is true, and he is just as liable as the rest of the human race to make mistakes. What we ask perhaps is that he write with character; that he do not misstate or distort merely to secure notorious prestige, or to increase the sale of his books. He must tell the truth in so far as it lies in him. His purpose must be pure and honest.

Mr. Martin stands this test. His difficulties may be indicated by some of the matters he undertakes to outline in his short lectures. For example, *The Place of William James*; *Psycho-Analysis*; *Freud and His Followers*; *The Fatality of Habits*; *Human Nature and Instinct*; *The Unconscious*; *the Significance of Intelligence Tests*; and *Behaviorism*. Psychologists, it is well known, do not agree on these matters. But they do agree that they are important—practically important. Therefore, it will not do to say they should not be treated in so brief a space, but reserved for the authoritative and exhaustive treatment. Exhaustive tomes do not get read by the people, and yet the people are those we desire to inform on these very issues—that they may perhaps correct their habits and control their instincts. Moreover, the main notions in these fields are not too difficult to be presented briefly, even with some statement of both sides. Read the lecture on Freud, and you will see how the psychoanalytic concept of dreams, of defense mechanisms, and rationalization can be reduced to simple terms for everyday handling.

We hold no brief for Mr. Martin's ideas on psychology, religion or crowds. He has plenty of critics. He is probably often wrong, and sometimes right, like the rest of us. But we do say he has a method which makes people think, and offers them the first materials for thinking. These are high achievements, likely to help society solve some of its problems, and the only acceptable criticism is from the inventor of a better method of doing these desirable things.

THE second book is *The Fruit of the Family Tree* by Albert Edward Wiggam, the author of the widely read *New Decalogue of Science*. The titles indicate the popular appeal. They have the color, picturesqueness, and perhaps inaccuracy of the instinctive journalist. The subject matter—the meaning of heredity and the up-building of the