

So I organized our employees, both office and factory, into the Wilson Associates for the purpose of making money.

The associates realized that they could earn only so much money with their hands, and that it was not possible for them to do anything in a large way with their money individually, but they were convinced that by cooperation they could do something worth while.

Let me explain here that we are financing our business on the plan of the Golden Rule. We are not offering the investing public an opportunity to lend us their money for seven and eight per cent. We give workers an opportunity to pro rate in fifty per cent of the net profits.

The associates have subscribed for \$11,000 worth of our stock. There were less than thirty of them in our organization at that time. As time goes on they will continue to invest in organizations which show and share in the profits, and not simply lend their money.

We have discussions upon the different methods of investment and analyze them so that our associates are rapidly becoming competent to make investments for themselves.

If our concern had adopted our plan and their employees had subscribed in the same proportion as did our associates last year, they would have raised \$1,100,000. This would have made them a money power. But they did not.

We want our associates to know the earning power of money.

We want to and we believe we can make each and every one independent if he will stick to us.

That this produces efficiency is proved by the fact that we have never punched a card in our time clock. All it does is to ring bells on the different floors for the hands to knock off work. The associates are ready five or ten minutes before starting time, and on the job when the bell rings, and work until it rings for them to quit. They wash up and go out on their own time.

The other day when we had some work on the bench that could not be left until morning without serious loss, the associates voluntarily made arrangements to finish up the job then, and although they worked quite a bit overtime, everybody went out happy and without a frown.

When our new production manager took charge, he could hardly believe the associates were not piece workers and said, "One of your girls will do more work than any three girls I ever hired."

We believe we have the confidence, the respect and

the loyalty of every individual in our organization. Why? Because they are no longer employees but business associates. That is why they make suggestions as to the speeding up of the work and elimination of waste.

My idea of a "formula for an efficient workman" is to treat one's employees like human beings and show them how they can get ahead in the world, instead of talking about "the human element in business."

LILLIAN M. GILBRETH<sup>1</sup>: Mr. Fisher's "formula" is evidently designed to act as a thought detonator and as a stimulus for suggestions rather than as a complete outline or working schedule. It has been criticized as "paternalistic" and as not affording room for individual development. We believe, however, that the arrangement, not the contents, offers ground for such criticism, for a reading of the chart backwards shows numerous opportunities for self-expression by the worker in many lines of activity.

In order most quickly to stimulate and suggest development of this formula, every topic given by Mr. Fisher might profitably be expanded, as he has expanded the main topic. It is difficult to resist the temptation to expand on such topics as intelligence tests, motion study, fatigue study, promotion and mental hygiene, all of which have, as have many other topics given, not only a well-thought-out theory, but an established and standardized practice and a well-perfected technique.

We shall take as a sample of this, the topic "task instruction—where necessary." Under this we might profitably put: first, type of work, the work being classified according to the type of learning involved; second, learning process; third, likenesses, i. e., relation to other types; fourth, incentives or motivation; fifth, the one best way to do work or to perform the activity.

Through the units, methods and devices of scientific management, it is now possible not only to classify the work assigned, but to formulate the method to be used for doing the work and the efficient learning process. Thus we have not only *the one best way to do work* but *the one best way to teach and learn the work*.

Mr. Fisher is to be congratulated not only upon the completeness with which he has covered the subject, but upon the excellent wording. No one who has not struggled to express technical ideas in simple terms realizes how difficult it is not to fall into the error of using terms which, while unfamiliar to the general reader, seem simple and indispensable to the man en-

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gaged in the special field. Many of the topics in his chart cover sciences with a complete vocabulary and literature, and to summarize their findings and worth to industry in simple, easily-understood terms is an achievement. What is needed is constructive criticism, elaboration, and co-operation.

BOYD FISHER: (Closure) The question of the relation of industrial democracy to the efficiency of the workman, has been brought up by several of the speakers. It may relate to the question either from an ethical or from a scientific point of view. It may or may not be right, for instance, to give workers control over the conditions of their efficiency and it may or may not be most productive to do so. Neither question depends upon the other, and either may be excluded for the moment from our consideration. At this moment I prefer to consider only the questions raised by science, because not only is industrial democracy imperfectly applied to industry today, but as Mr. Bloomfield has so clearly pointed out, it is a tragedy that the workers themselves are reluctant to assume even their rightful responsibilities in management.

From the scientific point of view, industrial democracy may be urged if it is true that active participation in a program arouses greater enthusiasm and effort than merely passing submission to it. We have given at least a subordinate place to this idea in our chart. The average level of intelligence among workers, and the present state of experience in self government among workers, both seem to impose some lim-

itations upon the value of their contribution, and even act as some offset to the contribution from their enthusiasm.

Indeed, I think it is unsound to rest the case for industrial democracy in industry upon what the workers will voluntarily produce as a result of it, because to do so implies either that they are consciously withholding effort or that enthusiasm will cause them to over-exert themselves.

The main point of this chart lies in the emphasis upon the fact that we ought not look for increased efficiency solely, or even first, to a mere voluntary increase in effort. We protest against all of the propaganda of the economist or psychologist in favor of mere increases in human effort. We prefer to emphasize the surrounding conditions and the tools and appliances which greatly extend or seriously limit the efficiency of any workman. We prefer to consider, first, everything that science and good management can do to prepare the way for the efficient workman. Then we wish to consider the best assignment of each worker according to his natural talents. Efficiency is relative. A moron well placed may be an efficient workman. Last of all do we wish to consider what increased effort even voluntarily given through a workman's own organization may do as a means of increasing efficiency. To depend solely upon democracy for carrying on this program is to rely on false hopes. Indeed, if democracy means writing down progress to the level of average intelligence, it is not a desirable form of organization.

WE have often wondered why it is that, in discussions of industrial relations, so many speakers seem to assume that management's effort to develop the best operating methods is unrelated—sometimes, they seem to assume, opposed—to the best industrial relations. The evidence is quite to the contrary. Those whose minds run on the single track of interest in the relations between employer and employee introduce their list of noteworthy firms in evidence; those whose minds run on the other single track of interest in the best technical methods introduce their list of noteworthy firms in evidence; those whose minds run on the double track of interest in both improved technique and improved industrial relations introduce their list in evidence—and, behold, the lists are pretty much identical!

Those executives and engineers who start from a

genuine interest in improved operating methods soon find that the development of improved methods is dependent upon the good will of workers, and in practice give as much attention to the latter as to the former. Those who start from a genuine interest in improved industrial relations soon find that the best relations are dependent upon improved technique—improved marketing, which insures more continuous employment; and improved processing, which promotes better working conditions, lower costs and higher wages.

As soon as the effort to develop better operating methods has begun to show results, it will usually be found that better industrial relations have been a by-product; as soon as the desire for better industrial relations has been given expression by concrete, effective action, it will be found usually that better technique has resulted as a by-product.