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BULLETIN OF THE
TAYLOR SOCIETY
A SOCIETY TO PROMOTE THE SCIENCE AND THE
ART OF ADMINISTRATION AND OF MANAGEMENT
Published by the Taylor Society at
Engineering Societies Building
29 West Thirty-ninth St.
New York

Copyrighted 1922, by the Taylor Society. Published every other month. Per Year to Members \$2.50; to others \$3.00. This Issue \$.75

Entered as second-class matter, Dec. 17, 1921, at the Post Office at New York, N. Y., under the Act of March 3, 1879.

VOL. VII / OCTOBER, 1922 No. 5

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COMMENT

WE consider the article in this issue by Mr. H. Feldman on "The New Emphasis in the Problem of Reducing Unemployment" the most satisfactory brief analysis of the unemployment problem we have seen. We could not well appraise it differently, for it is the first clean-cut statement of a point of view that coincides with the point of view which this Society has maintained during the ten years of its existence. The Taylor Society, in order to assure itself that it should never become narrow, and in order to possess the demonstrated valuable element in every new point of view, has always been generous in affording a forum for the presentation and consideration of progressive ideas con-

cerning the industrial problem; but it should never be forgotten that year in and year out the Society has maintained that the point of attack on practically every phase of the industrial problem is in the individual plant, and that better industrial conditions in general are to be achieved by wiser administrations and more scientific managements of individual enterprises.

ELSEWHERE in this issue is an editorial on Producers and Non-Producers. It is a general reply to a specific inquiry from a member of the Society, an operating executive. The question raised is of such basic importance that it was believed that the letter of inquiry and the reply should be made available in editorial form to all our readers. The incident suggests the possible development of a new and important feature of the BULLETIN—provided members write a sufficient number of letters of inquiry concerning fundamentals of administration and management, and provided competent persons can be found to prepare the replies. If members will assume the former obligation we shall attempt to assume the latter.

WHY is the inquiry of such fundamental importance? Because the quality of management an enterprise will develop is sure to be determined in large measure by the understanding held by directors, executives and workers of what kind of work is productive and what kind is not. If false assumptions concerning the nature of productivity are held by those who are in a position to determine the kind of management an enterprise is to have, then the resultant kind of management will be correspondingly ineffective. If an executive assumes, for instance, that indirect labor is non-productive, he will not, if he can help it, utilize indirect labor in his operations; but in that case, if indirect labor should in fact be highly productive, he would be losing the advantage of important elements in his operations, and would be inefficient in his management.

IT seems to be a common assumption of executives that direct labor only is productive, that indirect labor is a non-productive expense. We can think of no assumption which is more likely to lead a manager astray in his effort to develop the best management—in fact, in view of the uniformity of productivity of direct labor in competitive industries, the superiority of the management of an individual enterprise is likely to be in proportion to its utilization of *productive indirect*