

3. Manufacturers should consider carefully the advantages of keeping a stock department. Such a department is practically a storage for temporary surplus, making possible production in advance of demand.

4. Manufacturers should endeavor to bring to bear upon jobbers and retailers a strong influence to anticipate sales and place orders early.

5. In certain industries where rapid changes in style are particularly detrimental, organized attempts should be made to restrict such changes of style within reasonable limits.

6. Manufacturers should study the possibility of developing a variety of products and introducing new lines which will be likely to find a market in seasons when sales of other staple lines fall off.

7. All establishments of any considerable size should maintain a special employment department required to keep careful records of employment, including the number of workers of each class employed throughout the year in each department; the wages, hours worked, number hired and discharged. The policy of such a department should be directed toward maintaining regularity as far as possible and instructing other departments of the business as to their employment requirements.

8. So far as possible, employees should be shifted from one department to another so that they may become familiar with various kinds of work necessary to the conduct of the business. In certain seasons, such training may make comparatively easy an increase of the force in some departments and a decrease of the force in others, thus reducing or eliminating the necessity of discharging experienced workers.

9. Employers should be educated to the necessity of maintaining an efficient organization by providing regular work, even at some apparent financial loss, in order to prevent the much greater financial loss incident to the reorganization of the working force at the beginning of the busy season.

10. Every effort should be made to bring about a thorough reorganization of the labor market in every trade or group of allied trades. It would be a great advantage to employers to be able to draw their labor from a central bureau which would, with experience, reach a position where it would be able to meet the demand for workers by shifting them rapidly from one job or one employer to another.

H. T. NOYES: "I think Mr. Valentine's theory is right. I believe the development of the profession of industrial counselor is of interest to those with the subject of scientific management at heart; and I believe the two subjects go together, and that the minds of business men may be opened to these points. I sympathize with Mr. Valentine's viewpoint, but I think his theories have carried him very far. One suggestion he made seems ridiculous to me. I am connected with an industry that must use a payroll. Mr. Valentine spoke of the institution that guaranteed a weekly minimum, whatever the conditions of the industry. Theoretically it is fine, but extreme conditions sometimes arise. He said that in a given industry he would assume the responsibility of standing squarely on this proposition, that if an industry failed to meet its weekly guarantees, that it should be declared insolvent and put in the hands of a receiver, as it would be practically for a failure to meet financial obligations. I will give him a few figures: Many industries in the last few months, due to the very unusual condition of affairs, have been booking business at 25 to 30 to 40 per cent of normal. Out of the clear sky things have happened which could not have been foreseen. Assume that industry had guaranteed weekly payments—say 1,000 people are guaranteed by a concern a weekly minimum, it might easily be true under these conditions, if they paid that weekly guarantee they could lose in one month perhaps an amount equal to what they would pay for one year on their bonded indebtedness and by way of dividend on their preferred stock. Their loss in one month might equal or be somewhat in excess of the sum they would have to pay annually on bonds and like indebtedness. Therefore it seems to me Mr. Valentine should be criticized for making such emphatic statements and saying that such a concern should be placed in the same category with the bankrupt."

MR. VALENTINE: There is nothing so theoretical as a practical man. I do not want for one minute to appear to retreat from the statement I made, but possibly it was over-

looked, and you are almost entirely sure to overlook it, that I said, "A very carefully guarded weekly minimum." I do not retreat from my general statement: It should be a carefully guarded minimum; and if you went over with me the definite safeguards you would be inclined, I believe to agree with me.

The particular safeguards I worked out, I worked out with a partner and a manager in a concern employing 1,000 people outside of the industry in question under this minimum wage matter. And it was the manager of this concern employing about 1,000 people that developed a plan for a weekly minimum wage under certain conditions which he felt he would be perfectly safe in adopting in his plant, and which he is considering adopting irrespective of whether the law established a minimum wage in his industry or not.

The particular element in the plan he worked out was: That the weekly minimum wage should be installed by ten-week periods. We will say that the law determined that instead of an hourly rate with an \$8 minimum, the weekly rate minimum should be \$7.75; that there should be reduction for voluntary absence, and the manager should be free to turn anybody out, and he should not be restricted from paying this minimum to any number.

Then, in a sense, the minimum wage is not a wage, it is simply a retainer fee for labor. I ask you, when you come to me, what does it cost you to work, and you say that you can get by on \$7 a week. Then after you have been with me a few weeks I would determine if you were or were not working within your retainer fee, and also determine whether your wages should be more or less than that amount.

It is merely a retainer fee for labor, and the man must earn that money in the course of the week for the employer, in order to enable the employer to pay him that much out of it. So you see he creates his own wage-scale.

Now this is the most helpful thing I had done for me, and that is that even that weekly wage, \$7.50, should not be paid to the employee for each week, but that it should be for a period of ten weeks preceding. That is, the employee should count on \$7.50 each week, and when they earn anything in any given week, say \$6, they get \$6 for that week; and if they earn \$8 the next week, they get \$8, and when it is figured up at the end of the ten weeks, the extra \$1 for one week will balance the lesser payment of another week.

PROF. HOXIE: I have been studying the bringing together of organized workers and employers. The possibility of bringing them together into some collective arrangement, whereby the principles of scientific management could be put over, has occurred to me. Now I do not think that abstractly there is any great difficulty to be found in getting some agreement between employers and workers whereby the principles of scientific management can be applied to industry under collective agreement. I say, abstractly. The trouble is to do it concretely.

The trouble lies in two things: (1) The unions think they know all about scientific management, whereas they know nothing about it. (2) The employers and scientific managers think that they know unionism, and they know less about that than the unions know about them.

There is a constantly reiterated statement of employers and scientific managers that the unionists believe in the restriction of a scientific output. Now, the unionists do not believe any such thing. They do restrict output, we will have to grant, but they do not believe in it. And that means

January, 1915.

simply this, that you cannot say what the unionists believe in until you get below the surface of their actions and have discovered the reasons for their actions. The employers simply see the actions of the unions, and they assume to know what the beliefs of the unions are, and what you can depend on the unions to do. The unions do the same thing for the scientific managers and the employers.

If each could understand the why of the attitude of the other side, we would be able to come to some agreement. Why don't we get to the point where we can have each side understand the why of the other side?—Because when the unionists discuss the devilry of the employers, and explain it, they do it among themselves; and when the scientific managers discuss the question of the possibility of getting together with the unions, they tell each other what the unions do. My suggestion to you is if you want to promote the science of management, that you change your constitution so as to admit members of unions, and then make a campaign among the labor organizations; and if you do that I will furnish you with some names of trade unionists, that will join your organization, who are as keen as any of you here, and when you come to the discussion of restriction of output, you will find out why they take that stand.

THE SUPERVISOR OF PERSONNEL

By ERNEST M. HOPKINS²

The development of machinery and the later discovery of the sources of power, which made necessary the centralization of machinery within factory walls, imposed upon the industrial world a multitude of problems, which had to do, at first largely with machines and afterwards with the plant—that is, the structure of the building and its arrangement within. Meanwhile, the laborer was taken for granted, and if thought was given to him at all, it was with the promise that he was of lesser concern and that such discontent as he might have could better be quelled than removed. Along with this, there unquestionably has been the assumption that gradually industry was getting to the point where it would be less dependent upon the human factor.

IMPORTANCE OF THE INDIVIDUAL WORKER

Something of the same sort, as regards the importance of the individual, has proved true in industry. The functions of the individual workman have changed but dependency upon him remains. The day of large profits is passing. The time has already passed when knowledge and skill were confined to a few. Machinery and methods of production alike are becoming standardized. One does not see, to any large degree, manufacturing processes carried on in the type of building common fifteen or twenty years ago. Now, attention is centered on the status of the individual worker, and the individual worker is coming into his own as a supremely important subject for study and for development. Industry has become a science. When there is no advantage to one over another in plant, machinery methods, price of raw materials, or opportunity for distribution, varying grades of success will be determined by the intelligence of selection of the personnel and the reasonableness of the adjustments with it.

The production corps as a mass is a necessity of industry, and cannot be done without. No man, however great his capacity, could be omnipresent enough to cover the attendance

at numberless machines, or to execute the variety of processes of the modern factory, mill or shop. The efforts of the mass need co-relation and direction, to be sure, and for this the executive exists, but it is not considered now as in some times past, that the executive is the sole necessary adjunct of the institution, and that the productive force exists but to supplement his efforts. The cold logic of the proposition is rather the reverse.

THE SUPERVISOR OF PERSONNEL

Now if that be so, it should not be in any institution that department heads should be called upon to superimpose upon their other duties the necessity for choosing their employees. A man capable of directing the running of a machine, or of a hundred machines to maximum capacity is not necessarily the man who knows best how to get at the available labor supply of the given city or town and to pick from it. That is a separate and distinct function, and must be developed on its own lines. Thus it has become generally accepted that the selection of personnel is work for a special functionalized officer—a man who has made a study of this problem, and who goes at it with the same scientific attitude as that of the man who builds the plant or selects the mechanical equipment.

It should be said that it is true in every concern, unfortunately, that there are a few foremen and sub-managers who feel that in some subtle way their authority and discipline are impaired unless they independently seek their people, interview the applicants originally, and make their own arbitrary selection from them. To these, the establishment of an employment department is an offense and all its operations are anathema. The economic loss of detaching their attention from the operations on which they are specialists on the one hand, or of assigning the interviewing and selection to a subordinate in the department, on the other hand, never appeals to them. It is generally the type of foreman or manager which would most resent any suggestion that another might know anything of his business which most quickly resents the suggestion that a specialist on employment might be useful in sending to him a preferred group of applicants, saving him, at least, the weeding-out process. In the main, however, foremen and managers work heartily in accord with the employment manager and make his work pleasant.

NO FIXED "SYSTEM" FOR SELECTING WORKERS

The waste of money involved in unwise selection and consequent change is beyond the belief of those who have not investigated this. It is not enough that a position should be filled with one who will not botch his work: it needs the best available candidate, and changes as infrequent as may be.

I do not undertake to say that some of the widely advertised methods of judging human characteristics are not all that are proclaimed for them, but I do believe that cause and effect have been mixed under some of these—that the superficial attributes which are accepted as an index may have been developed by past achievement, or lack of it, and that while accurate in regard to this, the index may fail sometimes in determining potentiality.

There is, in my estimation, no "open sesame" which will do for all employment work. It is a matter of records, carefully gathered and scientifically kept, in regard to the sources of supply, special requirements of different departments and individuals, and respective successes and failures. It requires hard work, common sense, and good-natured persistence, wherein it is like most other work.

The position of the employment manager in the organization is of vital importance to the success of the work. He

¹A paper read at the Annual Meeting of the Society, December 5, 1914.

²Manager of the Employment Department of The Curtis Publishing Company, Philadelphia.