

shall be regarded as a branch of engineering, and as such forming a basis for qualification for admission to the grade of Member." This is recognition of the industrial manager and of the industrial engineer as engineers, with an implication in the words "basis for qualification" that the A. S. M. E. does not believe that everyone who appropriates for himself the titles in the first sentence of this paragraph becomes, by such appropriation merely, genuinely an engineer.

AGREEMENT on terms to define concepts is fundamental to the accurate exchange of ideas. There are perhaps no wastes greater than the wastes in discussion. Discussions, oral and printed, are carried on to interminable lengths because minds fail to meet; and in most instances minds fail to meet, not because of mental incapacity but because certain vital words, instruments of the exchange of key ideas, are inexact and confusing in their meaning. For instance, economists are troubled about the word *value*; it seems not to stand always for the same concept in their writings; so the suggestion has been made that that word and others to be coined (e. g., *val*, *valure*, *valurat*) be given definite, agreed-upon meanings. Among business men how many have the same concept when the word *executive* is used—or *administration*, *management*, *organization*? Some give *executive* the same meaning that others give *administrative*, and *administrative* the meaning the others give *executive*. In the minds of some the *management* is greater than and creates the *organization*; in the minds of others *organization* comes before *management*, the latter being merely the activities of the *organization*. It is time for a society which is continually using these words to venture to standardize the meaning of each. Mr. Schulze has yielded to the solicitation of the editor that he offer a few tentative definitions, which will be found on another page. It is hoped that every reader who disagrees with Mr. Schulze will send in his definitions.

READERS of *The Captains of Finance and the Engineers* on another page will undoubtedly be stimulated by Professor Veblen's keen analysis of the industrial system of the United States and of the dominant characteristics given our industrial life by the captains of industry. Some will immediately agree; some will immediately disagree; most readers will wish to test the generalizations by recalling what they have learned of our earlier and observed in our recent in-

dustrial life. They will be startled by the concluding suggestions. To the statement that the dominant influence of the captains of finance is now held on sufferance of the engineers they may give a reserved assent; but to the suggestion that the engineers permit nascent class-consciousness to develop into an organized guild for the purpose of exercising a balance of power in the struggle of industrial classes and of compelling a return to the motive of livelihood and of productive efficiency—we wonder if that suggestion may not provoke a few letters which will make interesting reading in the BULLETIN. Is it more startling to imagine a guild of engineers registering a demand to participate as principals in the settlement of policies on the higher plane of industrial-political policy-determination, than it would have been five years ago to imagine the workers making a demand to participate in the settlement of policies on the plane of shop-policy determination? Professor Veblen is not the only one discovered harboring such ideas; in the correspondence columns of the *New York Times* have appeared a number of letters of the same general point of view.

ACCORDING to the *New York Times*—we have not yet received the report itself—a report of the National Industrial Conference Board concludes, after an investigation of the metal manufacturing industries, that it was impossible for "a considerable proportion of establishments to maintain production on a schedule of fifty hours a week;" that "of sixty-six establishments which reduced to a fifty-hour week, four reported production as increased, twenty-eight as maintained, and thirty-four as reduced." Concerning the forty-eight-hour week it says that if both management and workers would actively cooperate, such a week "might prove practicable in a larger number of establishments than is now the case. But unless such cooperation is secured there can be little question that the general adoption of the forty-eight-hour week in the metal trades would involve a serious economic loss to the nation." We wonder what is meant by the suggestion of cooperation between management and workers; there is not enough in this brief news item to make that clear. It usually means when used by manufacturers' associations that it is up to labor to do something unusual while the manager stands pat. All that is up to the worker in this particular industry is to perform in each of the reduced number of working hours a rea-

sonable hour's work in accordance with improved production methods—and they usually manifest a willingness to do that. The big task of cooperation is up to the management. It is in the metal working industries of all industries that the possibilities of improved production methods have been amply demonstrated—improved production methods pertaining to the functions of management. Labor must cooperate by permitting improved management methods, but the problem is one which requires that management take the initiative. If practically fifty per cent of the plants in which any trial has been made in connection with the investigation could at least maintain production, we prophesy that with the introduction of real scientific management, throughout the industry, the aggregate production of a forty-eight-hour week would show a startling surplus over the aggregate of the working week now prevalent.

SOME DEFINITIONS

IT seems desirable that managers should have in mind a universally understood concept when such a term as *organization*, *management*, *administration*, *executive*, etc., is employed in discussion.

The following attempt to lay down the basis for standard definitions of certain terms which seem now to lack standardization, made at the request of the editor, is not approached with any marked degree of confidence. The writer recognizes full well that he may be exposing himself to attack from various schools of thought. However, that is exactly the object sought. Someone must make a start in initiating discussion which may lead to official definitions of fundamental terms pertaining to management by an authoritative body, such as in the Taylor Society.

An organization is a combination of the necessary human beings, materials, tools, equipment, working space and appurtenances, brought together in systematic and effective correlation, to accomplish some desired object.

The very word *organization* implies more than one. More than one what? Is a group of people without equipment and material to be spoken of as an organization?

The writer concedes that the popular conception of the term usually has reference only to the human beings involved. This probably follows from the fact that the human beings form by far the most important factor—and, by the same token, the most difficult problem. Yet any group of people, no matter how skilled,

would be impotent without the tools, equipment, and other paraphernalia mentioned in the definition, with which to do their work.

It may be argued that a group of people will create these things and that the material things are not essential because they invariably result from the group of people. The answer is, however, that not until these material things have been added can the personnel be regarded as an organization ready to perform the work laid out for them.

The mechanic's tools, bench and machinery; the office employe's desk and office appliances; the space which the people must occupy; the telephones, lighting system, electric buzzer system—yes, the stationery, forms and the like needed in the carrying on of their work—are all part of the organization. If they are not, then under what category do they belong?

The word *organization*, as the writer conceives it, is not satisfied with the mere existence of these factors. It assumes that they are brought together to form a whole, correlated with respect to an ultimate object. This correlation must be so systematic as to permit the object to be gained in an effective manner—that is, without the use of excessive energy.

Attention is directed to the word *permit*. It is used advisedly and is intended to signify that the organization itself is a human and physical mechanism which stands ready to accomplish the thing for the accomplishment of which it was created. It does not actually function, however, until management pulls the lever.

Management is the force which leads, guides, and directs an organization in the accomplishment of a pre-determined object.

Criticism may be made of the conception that management is a *force*. It is the writer's belief that management consists of more than an individual or a group of individuals who direct the destinies of an organization. It is these plus a spirit, an atmosphere, set of ideals, enthusiasm, inspiration, loyalty, orderliness, morality, humaneness, sympathy, discipline—it is each of these things and all of them together with their antitheses. The writer knows of no other word into which they can all be summed that is better than the word *force*.

This force, then, has the responsibility (the word *responsibility* also being used advisedly), not of accomplishing by and of itself the object sought, but of so leading and guiding and directing the organization entrusted to it, that, combined, the object is accomplished.