When I started to prepare this paper, I wondered if you would be at all interested in a general discussion of personnel problems. That remains to be seen, but I would like to make one point to start with: I am assuming that by the very nature of your business you are concerned with the problem of what makes the personality of people tick. I think you are probably concerned not only about your employees and associates, but about your customers. You may note that the observations which follow are frequently hedged with reservations. This caution is necessary because there is so much that we do not know certainly. This caution is necessary because low are frequently hedged with reservations.

The practice of personnel management can be approached from several angles. One considers the scheme of organization necessary to support a personnel policy. A second approach emphasizes the personal attributes of the executive who bears primary responsibility for his firm's personnel practices. A third stresses the place of top management in proclaiming and supporting company-wide personnel policy. A fourth possibility studies the various functions commonly assigned to personnel units in business institutions.

All of these are useful and important ways of looking at the great problems of handling people. But no one or combination of these technical approaches can compare in significance with day-to-day success or failure in human relations achieved by every manager and supervisor in the organization.

The ultimate success or failure of any business organization depends more upon competence in the day-to-day handling of people than upon any other factor. You may say this is a truism. I agree. But it is a truism more often honored in the breach than not. No one argues with the theoretical desirability of good human relations. Yet every day in this country, in a hundred years hence will probably characterize our civilization as one dominated by technological change. I suspect that this historian will comment on our failure to equate technological progress with progress in human relations. I hope that he will not be forced to ascribe the decline and fall of our society to this social lag.

As a student of management, I have frequently admired, and sometimes envied, my colleague of the natural sciences. Their accomplishments seem so satisfactorily substantial, their procedures such a tribute to the glory of scientific method. I reflect, for example, that I have lived in the time when men achieved nuclear fusion, and that the date of this achievement, for good or evil, may be known thousands of years hence. But where are the formulae for analyzing and synthesizing the human personality?

To date the answer is that the techniques which have given us electric refrigerators, and new crops, and great bank buildings, and irrigation dams, and antibiotics, and rocket planes, are far too gross to serve as instruments for dealing with the almost incredible complexities of the human mind.

Who among us has the intellectual arrogance to assert that he knows, in all of its fine detail, the workings of a single human mind—his own, or any other? Intimacy of relationship sometimes seems merely to add to our confusion. Is there anyone who will assert seriously that he completely understands the stimulus-response mechanism of his own wife or child?

Perhaps you are wondering if we should not all give up. If our achievements in determining why people act as they do are so slight, of such uncertain value, why pursue the problem further? I admit that the answer is not wholly satisfying, but at least it is reasonably straightforward. We must persist in seeking the key to human relations because we can do no other. We are stuck with the problem. Every day, every living being in society confronts not once but usually many times, the necessity of relationships with his fellows.

Some may think that although the complexities of human relations are great in institutions with large memberships, the problem can be solved readily in smaller organizations. By definition, an organization consists of two or more individuals associated for some purpose or purposes. Surely, with one employer and one employee in a two-man organization, we may assume the personnel relations problem is in hand.

If we make any such assumption as this, we fail to take into account that the problem of personal relations is not merely quantitative but also qualitative. This is a two-dollar way of saying that we must not judge the difficulty of dealing successfully with people only in terms of the number of people involved. In a given instance, one person may be harder to understand, his motivations more obscure, than are those of many persons.

The exasperating, irritating, infuriating, ulcerating aspect of management is the human side whether in large or small organizations. Let us not be down-hearted. The human side is also the exhilarating, amazing, ingratiating, fulfilling aspect of group life. It is what can give point and savour to our existence.

Can we make any systematic approach to the day-to-day relations of people in the organization? Can we lay down any generalizations, establish any useful background against which to view personnel relations? I think we can.

In the first place, we should remember that the differences in people are more significant in our daily relations than are the commonnesses. True, men share certain common denominators. Most men are born with two legs, two arms, two eyes, and the same number of chromosomes as the other men. These common characteristics are of course important. But it is the differences among men rather than their similarities which create our chief difficulties in handling men. Men are not robots.

To add to the complexity of the problem, we must also recognize that human characteristics do not stand alone. Each of us possesses a whole personality. It may be a poor thing, but it is our own, and usually we are somewhat sensitive about it. At any one instant in time, this personality consists of what we were born with, plus everything which has happened to us up to that instant. Hence, even if we could know the total of human personality for any given individual, our knowledge could be
accurate only for an instant in time. Lest what I have just said seem entirely defeatist, let us reflect that the scope of any great problem must be appreciated before we can hope to move toward a comprehensive solution.

If it is broadly true that men differ in degree with respect to all the characteristics which taken together make up the human personality, it is safe to assume that men will differ in their evaluation of group relationships. This is to say, men vary, both as individuals and as groups, in the degree of enthusiasm or attachment they manifest for any particular organization. Theoretically, any given person might at any given moment, with respect to any given association, be found anywhere on a range varying from 100% enthusiasm for the particular association to a lack of enthusiasm of minus infinity.

If either of these hypothetical extremes remind any of us of present or former associates, "no reference is intended to any person living or dead." I have never personally met anyone I would class as possessing 100% enthusiasm for a particular group relationship. Whether anyone has ever concentrated a white-hot hatred on any single group relationship may be more speculative.

In the more realistic setting of things as they are, the membership of any group, business, social, religious, governmental, can be divided roughly among three possible echelons. The first of these, usually a minority, consists of those demonstrating a considerable enthusiasm for or "loyalty" to the ends of the organization. The second level, more often than not a majority, would be made up of people who possess some degree of positive interest in the ends of the organization, but a degree shading off toward neutrality. At least, these people do not actively drag their feet, even though many of them are "free riders." In the third category we find the group members who oppose in some degree the interests of the organization. Their individual attitudes may vary from sullenness to most active opposition.

The job of management is to attempt to redress the balances, seeking always, by one means or another, to increase the proportion of those in the first echelon at the expense of the membership of the second and third echelons. This, in broad, is the practical problem of administration and leadership.

Men are higher animals, and as with all animals, react in a stimulus-response cycle. Without giving blanket acceptance to the overly simplified hedonistic psychology—the idea that men respond to a pleasure-pain mechanism, that those things they like they want and reach for, and those things which promise pain they avoid—it does seem reasonable to assume that all normal men have a weighing mechanism within the mind, whose weights are subject to revaluation from moment to moment and circumstance to circumstance. As P. Sargent Florence has pointed out, this assumption does not require us to assume in turn that men are all "rational," characterized by complete dispassion and lacking in capacity for emotional explosion. In a given instance, the result of the evaluation of a situation may be an explosion of mad fury; in another, the response, or the sum of a series of responses, may be the development of the higher calculus.

Executives are hired to modify favorably the value mechanism of members of the organization by adding (quantitatively or qualitatively, or both) to the inducement capacity of the organization, thus causing a re-weighing of alternatives in the mind of the member of the group.

What basic motivations enter into the weighing and re-weighing of alternatives and hence are likely to influence the reactions of people to group relationships? Apparently they stem from two principal sources—the facts of life and those less tangible influences which make up the myths of men. In any given organization, at any particular moment, these two principal sources of impact on the human mind may be arrayed in opposition, in mutual support, or in some compromise relationship. If the first situation prevails, the organization will very likely be subject to great tension and disintegrative pressure. If the second, where the impact of reality and myth are mutually reinforcing, the strength of the organization is likely to be very high.

Certain myths are powerful enough to permit continued devotion to the objectives of an organization even in the face of adverse circumstances. But these myths are strongest in a few areas of human relationship, as in the preservation of the family unit, organized religion, and organized society in the form of the nation. The whole history of mankind supports the observation that for the protection of the family and of religious or national interest, men are willing to continue to struggle against the most hostile realities. Statistically speaking, this is not true in the same degree for most members of most business organizations.

Men whose sense of group values permit them to lay down their lives for certain common causes would regard a request that they respond likewise to meet the needs of an employer as either humorous or impudent. That there are individual exceptions to this rule I freely grant, but its general correctness I believe will receive support from your own experience. This fact places the added responsibility upon business managers to sway the human factor if they are to achieve adequate intensity of response and hence competitive success.

If an employee does not respond to the needs of an organization, we may assume it is because: First, the individual fails to perceive the true importance of the organization. Secondly, granting the individual accurately perceives the importance of his group relationships, he simply does not believe a particular group relationship should be placed very high on his personal scale of values.

Sometimes it is helpful to put a problem negatively. Why do people fail to do what they ought to? Or, more accurately, what the management of the group activity with which they are associated think they ought to? Analysis of the problem places a great share of the responsibility for inadequate response on the shoulders of
management. Let us consider some of the reasons why people fail in assignments.

1. It may be because of lack of training. The individual may have native ability, but has not acquired the necessary skill, technique, expertise, or what you will, to accomplish the assignment. And this must be marked up as an error in management, on our ideal performance board.

2. People may fail even with fine intentions, because they simply lack the native ability to deal with an assignment. And this must be marked up as an error in selection, or retention, by management.

3. The assignment given personnel may either not be clear or even be impossible. This, too, must be marked up as an error in management. It is the business of management to have so contrived circumstances and personnel selections that assignments are clear and feasible of accomplishment.

4. Even if assignments are clear and within the realm of possibility, members of organizations may not have been assigned means adequate to the responsibility given them. And this likewise is a failure by management.

5. Basic devotion to the organization, either in terms of means or ends, may be lacking. Here management fails again because it has either selected the wrong people in terms of means and ends, or has failed to establish conviction in the minds of the right people.

Can we lay down any tactics to encourage enthusiasm on the part of the personnel of organizations? Two general approaches seem to be worth examining. In the first place, we may work to revise, favorably, either by appealing to negative or to positive incentives, the scale of values we find dominating our present personnel. That is, we may hope to intensify response by emphasizing the unpleasant aspect of organizational or individual failure, or by emphasizing the personal gains to be achieved from organizational success.

In the second place, we may revise the ends and means of the organization, as may appear necessary and appropriate. If, for example, no one wants buggies, the finest buggy manufacturing establishment in the country will go out of business. We may be able to save the organization by turning to the manufacture of motor cars or wheelbarrows. Such a move will permit us to roll with the tide of reality, and not see our strength exhausted by fruitless struggle against it. While we rightly stress the importance of morale, it simply is not true that enthusiasm can overcome every adverse circumstance.

Suppose we wish to establish an organization capable of achieving certain stipulated ends. How can this be done? Theoretically, by either of two approaches.

As a first possibility, we may depend primarily upon providing the organization with a complete scheme of operation. All contingencies, of whatever degree, great or small, will have been anticipated and the necessary solution provided. A certain type of mind looks wistfully toward this solution. Actually, of course, it is a possibility only in degree. Or again, we may rely primarily upon policies which call for intelligent flexibility in operational procedure, requiring the exercise of individual initiative within a broad framework of policy guidance.

It is with this second procedure that the great bulk of our superior business organi-zations place their faith. Obviously, however, under this approach the personnel requirements, in terms of individual enthusiasm and of individual competence, will be greater than would be required if we could rely upon a completely detailed scheme of operation to solve our every problem.

Superior organizations, whether large or small, are distinguished by strong morale. Perhaps the chief weakness of management lies in failure to understand the importance of morale and how it can be built and maintained.

Most owners and executives are interested in their work and the firms with which they are associated. It is natural, but erroneous, to assume that subordinates have the same interest in their jobs as management has in its work. Executives who have observed that the contrary is more frequently true often profess to be puzzled by the fact they have stumbled upon. Any such puzzlement simply indicates the failure of the manager to think about his problem in terms of the prevailing scales of values of his employees. Executives should weigh the considerations by which most men seem to be influenced in judging whether a job is a "good job" or not, and which affect the degree of their enthusiasm in responding to the job's demands and opportunities.

Among the commonly accepted measures of a "good job" are the following:

1. Proper compensation is allowed in material terms.
2. The work makes a suitable contribution to, or at least does not too greatly affect, human dignity.
3. The work is important enough to elicit respect, and especially from one's co-workers and close associates.
4. The work contains some opportunity for advancement.
5. The work contains, is some degree, the element of security.
6. The work is characterized neither by too much variety nor too much monotony.
7. The work is attractive to the individual concerned.

Many management people would have a better understanding of the shortcomings of their subordinates if they gave more thought to the respects in which the jobs of these subordinates fail to meet minimum standards in terms of the measures just listed. If the job held by a particular subordinate rates low in most of the points just mentioned, are we not unreasonable if we expect that subordinate to demonstrate extraordinary enthusiasm for the interests of the organization?

A few comments on these points may be in order.

True it is that man does not live by bread alone, but it is also true that very few men flourish without bread. Let me emphasize that this is not a matter of humanitarianism, alone or even primarily. To underpay an employee is to invite conflict with at least one of the usual chief interests of his life, the welfare of his family. As an illustration, whenever I read of an embez- zlement by a minor employee in a financial institution, I am led to wonder what his pay was. You can talk all you want to about the necessity for absolute honesty, but the tradition of underpaying tellers in banks, by providing conflict with family and personal status values, has been a chief contributing factor to acts of dishonesty.

This leads me directly to the second item on my list. One of the considerations which mark a job as making a suitable contribution to human dignity is that it receives compensation at a level which permits the individual to acknowledge the reality of human dignity. In a business civilization such as ours, where control over purchasing power is such an important mark of success, it is hard for an individual paid on a marginal basis to feel that the assignment supports personal dignity.

More than money, however, must be considered when we think of human dignity. Working conditions are important, and I include both tangible and intangible aspects of the job. As long as an employee

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**Superior Organizations, Large or Small, Distinguished by Personnel's High Morale**

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believes his assignment has its importance and dignity, he likely can be counted upon to respond accordingly. The more I see of business establishments, the more I am inclined to believe that a principal cause of lack of enthusiasm, or even outright disloyalty, on the part of employees, lies in the failure of managers to let employees know that managers know their jobs are worth doing.

People must think their jobs important, but they must also believe that at least some other people think the jobs are important. I sometimes remark to personnel classes that if an individual gets up in the morning, looks himself in the bathroom mirror, any says with conviction, "You are no damn good," that man is in bad shape. And if he can add with equal conviction, "Nobody else thinks you are any good, either," he is in really bad shape. Few men have strength of character enough to resist the feeling among their associates, and particularly their employers, that their work is insignificant. Especially do I believe this to be true of the more intelligent and sensitive among our kind. And these are the more important people.

Opportunity for advancement is a relative matter. Not all men are possessed by a demon of aggressiveness and urge to dominance. Yet, each in his own way has a yearning for accomplishment and a desire for recognition by others.

Men find themselves continually torn between the urge to take a chance and the desire for security. There are those who seek the heady wine of adventure, and those content with the small beer of a regular existence. One must know the individual to say which spirit dominates him either generally or at a particular moment. Napoleon held out a lure to his followers of a marshal's baton in the knapsack of every private. But Napoleon was operating a "business" in which the spirit of wild opportunism ruled. Most commercial enterprises need a mixture of types, with the proportion of those influenced by an exceptional spirit of enterprise larger among the executives and lesser among the rank-and-file. And yet, if the whole organization is to maintain adequate vigor, an element of sturdy interest in opportunity must be present among the ranks as well as among the leaders.

Organizations which build for permanence, must usually stress the need for security, and tend to recruit, sometimes in excess, those to whom the factor of security is highly significant. Banking, in its very nature, falls under this category. Banks want "steady" employees, for the most part, not those of risk-taking temperament. The severe lessons of the 1920's and 1930's reinforced this lesson. And yet in banking there should always be a place for a chosen few with outstanding imaginative qualities, to lessen the lump.

Men vary in their ability to respond favorably to routine. Some find a safe refuge in the daily round of repetitive performance; others are less readily tamed by habit. And there are those who pass long periods in seeming contentment with their routine lot, only to break out in an expression of resentment often injurious to the interest of the organization. If we could only know accurately the whole personality of men, we could hope to place them in work reasonably well suited to their variety-monotony response pattern. Our success in this field still depends largely upon the astute summing up of individual personality by the executive mind.

My final point was that an assignment must be generally attractive to the individual, particularly wherever we deal with long-term assignments. Most of us can stand drudgery and uninteresting work if we have reason to believe the situation will change shortly in our favor. It is when we become convinced that we face an indefinite future of drudgery that we are impelled to break out of bonds.

You may believe that this point is highly theoretical and a typical observation from the academic ivory tower. Let me pose this simple question to you. How many people do you know, working for others, who face each working day with joyous anticipation? Does my very phrasing here seem ironical? There are degrees of difference in revulsion from the daily round of affairs, of course. But how many people do you know at any level who seem really content in their occupation? I am not referring here to the casual, half-humorous complaints with which all of us seek to relieve the pressures of life. Rather I am thinking of the moment when we confront our place in life and either in anger or resignation reflect that if we could, our feet would have trod other paths. Let me point out that the relative fluidity of our social order in America causes this consideration to be of more importance than is true where the weight of a more static social order tends to bind people to the wheel of life.

Even if you accept much of what I have said, perhaps you are wondering what the moral is. To my mind, the moral is that those organizations flourish best wherein the executives and supervisors recognize both the dangers and opportunities in the use and manipulation of people. And this requires the employment of the art and practice, unfortunately not yet the science, of personnel management. It is the most demanding, the most difficult, yet in my estimation the most rewarding of human activities, to be able to so balance and apply the human factor that the managerial effort is crowned with success.

One of the most revolting terms with which I am familiar is "Human Engineering." People are not machines, as managers above all should know. Their reactions are always likely to contain the unpredictable. And yet, properly and sympathetically guided, reined in here and encouraged to move freely there, they are capable of rising to extraordinary heights of achievement, both as individuals and in teamwork. It is to move toward such accomplishment that managers are retained, that executives exist. And for this reason we cannot repeat too often the saying that "The mark of the superior executive being his ability to deal with people, the main burden of executive art and action lies in the field of personnel management."

Satire . . .

rate, children no longer labor in the mines and there is more official concern with the poor. This is perhaps the last hope of the satirist—that some day his collective utterance may serve as one of the forces that move mankind toward good.

The satirist is man's public conscience. This function he performs, not by extolling man's virtues, but by revealing his faults. He is the constant corrective to such complacent optimism as that of the noble lord who, objecting to the legal regulation of employment of children by chimney sweeps, asserted that such matters could be safely left to the conscience of the most moral people on earth—the English. Man constantly tends to relapse into the beast; the satirist attempts to prevent that relapse by reminding him, in the ugliest terms, of his bestial heritage. Like the individual conscience, he is seldom heard; that is not to his discredit, but mankind's. We are now beginning to reap a whirlwind which is largely of our own, and our ancestors' sowing; Aristophanes and Swift saw very clearly what of what that sowing consisted. Their words have fallen heretofore upon deaf ears; later generations may listen and be saved.

Milton Analyzed

The Poems of Mr. John Milton: the 1645 Edition. With essays in analysis by Cleanth Brooks and John Edward Hardy, has recently been published by Harcourt, Brace and Company. Mr. Hardy is an Instructor in English at the University.