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**BULLETIN OF THE
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A SOCIETY TO PROMOTE THE SCIENCE AND THE
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COMMENT

WE hope that readers will not fail to perceive the significance of the subdivisions of the paper, on another page, on the application of the principles of scientific management to the office. The subdivision captions emphasize what are the fundamentals of scientific management. (1) Control; planned and precise bringing together of the elements of production (whether the production of material goods, office services, sales or anything else), so that there will be the least waste of the elements (materials, labor energy, equipment, etc.); (2) The Establishment of Standards; standards of materials, equipment, methods and

effort, so that control may assume definite reactions on which alone precise plans and expectations may be based; (3) Investigation and Research; to discover the best standards to be established and made available to control. Investigation and research discover not only what standard to adopt in the particular circumstances, but also what methods and mechanisms are most suitable for the development and maintenance of those standards; investigation and research also determine the methods and mechanisms most suitable for the utilization of these standards, that is, for the conduct of operations. These methods and mechanisms become the "system" of management. The above fundamentals constitute the principles of good management, applicable to any enterprise.

IN the preceding issue of the BULLETIN, in editorial comment on Cecil Pigou's article, we made the observation that joint attack by executives on the problems of the economic environment (problems imposed by forces which restrict the opportunities for good management in the individual plant) is as practical a matter, and as much an administration and managerial responsibility, as is an attack on problems within the individual plant. Some executives do not agree with us. They seem to premise the reasoning which leads to their disagreement with the assumption that these environmental forces are "economic laws," natural and changeless, interesting for "theorists," but not worthy the attention of "practical" men. In an address recently before the National Agricultural Conference, Wesley C. Mitchell made some observations, according to press reports, which constitute a reply to and should command the respectful attention of these executives. These observations were to the effect that "economic laws" are but man-made generalizations concerning the behavior of men in their economic activities; the behavior comes first and the laws follow; if the behavior changes, the laws change. Of course, men in the mass do not change their beliefs, ideals and habits easily, but they can effect some degree of change if they will to do so. If they join in modification of their economic behavior (administrative and managerial policies and methods), executives can modify, and in the long run change, "economic laws." When one speaks of the "new economics," as one frequently does, one means simply that generalizations based on an earlier behavior are no longer reliable; that behavior is changing and generalizations must be modified to conform to a new behavior.