

**R**EST rooms, playgrounds, dispensaries, cafeterias, libraries and all the rest of the perfectly legitimate activities of an industrial relations department are of no value whatever if the management is evading responsibility in effecting fair methods of payment, intelligent supervision, and policies which protect and benefit all members of the organization. On the other hand, these activities should not be regarded as reducing wages but as useful factors in promoting earning ability if they rest on sound management.

By sound management we do not mean autocratic management. Sound management may be defined as management which assumes due responsibility for initiating and affecting methods and policies which benefit all the members of an organization—employees, executives, and stockholders—with the advice and co-operation of all parties concerned.

This new conception of management necessitates a revision and revamping of the position of "employment manager." The employment manager, or personnel director, or director of industrial relations, or whatever the man or woman in charge of labor relations in an industrial plant may be termed, is no longer the person who, with the aid of the management, dictates labor policies. On the other hand, he is the tool which helps to mold the labor policies evolved out of group viewpoints and group psychology. It is his business to work hand in hand with the members of the works council and the executives of the plant, not attempting to steer or guide their opinions, but acquainting himself thoroughly with their desires and aims, serving not only as a means of communication between them and the management but also as an influence in bringing about harmonious government based on sympathetic understanding. (Mary B. Gilson, *The Joseph & Feiss Company*, in *Wellesley Alumnae Quarterly*, May, 1922.)

**W**E abstract the following from Chapter XII, entitled "The Essentials of a Sound Business," in "The Organization of Modern Business (Dodd, Mead & Co.), by William R. Bassett:

I. A unit of business is a tool with which to do a certain job. We have been fooling along manufacturing for money when really we must manufacture for service. The best business is that which in its various sections is so exactly coordinated that it can, quite without waste, render the service for which it is designed. . . . Service in the sense in which I use it means giving the best possible article to the community at the fairest possible price and at the same

time adequately paying labor and a properly apportioned profit.

II. In order to give the highest service the production must not only be of a standardized product made through repetitive process, but the production must be as nearly as possible continuous. . . . one must so coordinate the making and selling as to form a production scheme. . . . The natural progress of industry makes impossible the intermittent work which is at the very root of the objections to that capitalistic scheme of affairs under which we live.

III. The plant itself—that is, the structure of the building, its location, and all that concerns it, partake also of the tool idea and are, whenever possible, to be designed exclusively for the work in hand.

IV. Philanthropy has no place in business, and prices, wages, or profits are not to be considered in the light of being fair or unfair. High prices may or may not be immoral; low prices may or may not be immoral.

V. Price and quality, considered together, form the real manufacturing problem. . . . The real business comes from putting the very best materials through exactly fitted machinery managed by skilful labor so that an absolutely first-class article will go through at a minimum cost. Then only can you make a good thing at a low price, make a fair profit, and establish a solid trade. . . . The modern plant producing at a high rate and a low cost cannot do odd jobs

selling is not one department and making another, but the two have to work in the very closest harmony if that good business is to be attained which is a service to the public and which consists of low prices and high profits. The new selling and the new advertising sell the produce of a tool and not simply a product.

VI. An industrial plant is only an inconveniently sorted mass of junk unless some one is around to see that the bricks, mortar and machinery become tools of production. . . . an industrial adventure needs the services of human beings.

VII. The organization of the human element is possibly the largest part of the whole organization of business. . . . it is only a part and it is not the whole; also it is something different from what we call the labor problem. . . . it comprehends worker, technician and executive. . . . any labor policy which attempts to consider labor as apart from education, as a commodity, is bound to fail. One of the troubles with the average trades union is that while declaiming that labor is not a commodity, it insists that labor be considered as a commodity and have its price fixed.

VIII. An organization is nothing of itself. When one speaks of the automatic, smooth-running machinery of Big Business, one is talking nonsense. The wheels do not go around of themselves—they must be propelled by leadership.

IX. Most of the dangers in business finance arise out of putting the speculative side above the fabricating or merchandising. . . . The mixing of manufacturing and selling with speculation is the greatest of all deterrents to sound business practice and organization. . . . a manufacturer . . . a merchandiser . . . should look for their recompense in the results of the skill with which they perform their functions.

X. The end of planning is so to shape the manufacturing, selling, and financial portions of a business that all will function perfectly together. . . . It is the part of management to manage . . . of science to overcome difficulties.

XI. The principle that a manufacturer shall contribute a service and simply add the cost of that service to the value of the raw material, thus keeping his prices consonant with the buying power of the public, will have little force if somewhere in the processes before him or in the processes after him, the speculative element so controls the situation that he cannot function on schedule.

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