

"break his neck" when those higher up have not done so to all appearances. Or of what avail is it to call a worker to account (as he should be) if he takes much longer than he should to do a job, or fail to earn his bonus or premium, only to find that his tools were not gotten ready for him in advance, and that he had to wait a quarter or half an hour after he had been "rung in" on a job for the foreman or himself to hunt up, grind or adjust the tools required; or if a new operator has to stumble through a new job as best she can without the thorough and detailed instruction she should have from her foreman? The management must set the example for the sub-executives, and they in turn for the workers, by insistence on thorough preparation, planning and carrying out their end and furnishing the means for the workers to carry out theirs.

In the final analysis, the main goal sought by this method of stimulating, rating and rewarding performance, is not to *make* men do things, but to make them *want* to do them. In training salesmen in the selling of goods, we have for a good many years emphasized "don't make your man buy, make him *want* to buy," and this applies just as forcibly in getting results in the shop and office as it does in selling. In one of

the recent Taylor Society meetings, in discussing the special inducements and rewards at the Joseph & Feiss plant for getting workers to learn other than their usual operations, it was jokingly remarked that they "bribed" them to do what they wanted them to do and what was best for the workers. The same conditions often exist in trying to get sub-executives to do what you want them to. It is making it sufficiently *interesting* to them to make them *want* to do it, for the higher standing and the additional money there is in it for them, if for nothing more. So both the moral and financial stimulus of this rating and bonus method results in the sub-executives *wanting* to co-operate, follow instructions, and execute fully. *It pays.*

As a further analogy in the sales field: we impress on our salesmen to continually stress the point with their prospects that the article offered will "make them money," and "save them money." So our sub-executives are led to feel through the performance ratings and bonus that their cooperation and "delivery of the goods" pay them in money as well as in their standing with their fellows and with the company and in getting the better things out of life. *It pays everybody concerned.*

COST ACCOUNTING—A REVIEW

Cost Accounting to Aid Production. By G. Charter Harrison, New York, The Engineering Magazine Co., 1921, pp. xv, 234.

The author of this publication, though himself a professional accountant, strongly indicts his profession for its decided shortcomings in the manner in which its members as a class have in the past missed their opportunities to render full service to their respective employers. He also calls attention to the principles of scientific management as being just as applicable to cost accounting as to shop production. But though recognizing Taylor as the founder of scientific management, the author appears to be unaware that Taylor developed a highly scientific, completely interlocking cost and accounting system¹ even years before he can be considered as having become conscious of his development of a system of scientific shop management. The author states that Mr. Harrington Emerson was the first apostle of scientific management to call attention to the inadequacy of the unscientific methods employed by, and the purely retrospective results obtained by cost accountants in general; and that the late Mr. Gantt² did the same thing somewhat later. The author thereby creates the false impression—which it is partly the object of this review to correct—that Mr. Taylor never gave any serious attention to cost accounting. This impression is conveyed in the following passage:

"The engineering profession, however, has very clearly perceived many of the defects and absurdities of the established methods of cost accounting, and in no case have these been better demonstrated than by Mr. Harrington Emerson in his work entitled 'Efficiency as a Basis for Operation and Wages.' In the numerous volumes on scientific management and cost accounting which have appeared since that book was published

it is surprising to find so little information along constructive lines as to the methods to be followed in order to put into practical operation the ideas advanced by Mr. Emerson."

But as Mr. Taylor at least thirty years ago found that the accountants with whom he was brought in contact, could furnish him with only a lot of stuff that was of no value to him, he finally, though reluctantly, made up his mind to study the subject of cost accounting for himself, with the result, which was inevitable for a man of his make-up, that he eventually revolutionized completely both what he had learned in the course of accounting he passed through and the practice of the industrial cost accountants he had been associated with. Yes, so much so, that for some time (in the middle nineties) the introduction of his cost accounting methods constituted the principal part of his professional activities.

However, realizing that the increase of shop efficiency would benefit his clients vastly more than improved cost accounting, he soon concentrated on the former, without however deprecating the, at that time, only secondary value of the latter. In view of these facts, it would appear that to Taylor, and not to

¹It is all the more interesting to note that the author of the foreword to this book, Mr. L. P. Alford, mentions Taylor's name first among those who emphasized the importance of costs in connection with the general scheme of management.

²Mr. Gantt was one of Taylor's earliest pupils and co-workers and acquired his knowledge of the basic principles and practice of scientific management in that service. However, he did not remain with Taylor long enough to get at the time the full significance of Taylor principles and practice, and in later years offered as original and improvements on Taylor methods, methods that were embodied in what he had acquired from Mr. Taylor in years gone by.

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HOSPITAL ADMINISTRATION¹

By FRANK E. CHAPMAN²

WHEN I received an invitation from this Society to discuss with you the question of hospital operation, it seemed to me a little bit presumptuous that I should discuss a subject of scientific management with a group of individuals such as constitutes the Taylor Society. In looking over the faces of my audience, however, I feel that there are more guests than Taylorites here, and it seems to me that I am but transferring my activities just a little bit further East, that the majority of the group before me are the same faces that I have been in the habit of talking to for a good many years.

To me, one of the enlightening things of a meeting of this kind, and frankly the thing that decided me in accepting this invitation more than anything else, is the fact that somebody from the outside is taking a little interest, and looking on the inside of hospital organization. To me it seems to indicate an awakening in interest concerning hospitals that cannot but help produce good results. One of the mistakes that we have made in the past is the fact that we have surrounded our activities with a shroud of mystery. We have taken the attitude that we have certain functions to perform, that we should perform them as we see fit, with no consideration for the opinion of the laity of the community, which after all is the group that we are attempting to serve. I do not believe that this position is a tenable one. I believe, whether we will admit it or not, that immediately upon a hospital's opening its doors it becomes a public utility, dedicated to a degree of public service far more fundamental than any other public utility of which I know. By very reason of this fact, the public whom we are serving is entitled to a knowledge of the things we are giving them. In submitting this statement, I should like it clearly under-

stood that I do not differentiate between the hospital for the care of the indigent or the hospital for the care of the provident.

In a discussion of the theories and principles of hospital operation, it is believed that we should first visualize what a hospital is. If I read my history correctly, the first hospitals were for the insane, and the development of hospitals in those early centuries was practically at a standstill with respect to function. With the introduction of the principles of antiseptics and asepsis, and with a better understanding of the theory of anesthesia, we see a gradual development of the surgical hospital. After a period of time, with the progress of the science of medicine, and the realization of the need for that intensive correlation of various medical specialties in order to get the proper diagnosis, there developed the need for a hospital offering facilities other than surgical. I believe, and I believe it sincerely, that a hospital to function properly must be the health center of the community it serves. It must furnish every known means for the scientific diagnosis and care of patients. Just in so far as it does furnish each of these needs is it going to succeed.

It is my further belief that with the development of hospitals with this principle uppermost in their scheme of operation, we are going to see a more intensive and extensive hospitalization of the sick than ever before. There are many conditions which lead one to make this prediction: the demands of the clinician which cannot be met in the matter; our present-day shortage of both medical men and nurses; our present-day method of living—these are among the most important factors that will produce this greater hospitalization. If this prediction is sound in the main, is it not up to you and to me to see to it that our hospitals fulfill the obligations assumed when they took unto themselves the names of hospitals?

We have heard innumerable comments that hospitals are inefficient, and I believe those of us who have been privileged to know the hospital field generally rather

¹A paper presented at a meeting of the Philadelphia Section of the Taylor Society, January 23, 1922.

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