than locally will admit that there is not the degree of efficiency in hospitals that there is in industry. There are a lot of reasons producing this condition, and I shall not attempt in the time allotted me to outline those reasons. I am, however, going to attempt to outline what to me is fundamental and, if followed in the main, will, I believe, produce a more efficient performance than can be produced under the haphazard methods of the average hospital.

It has been my privilege in the past six years to have seen a very large percentage of the larger hospitals as an official visitor, having been sent into the hospitals for a specific purpose; therefore, I have seen these institutions in a much more intimate way than the casual visitor would see them, and I feel that I am qualified in a slight measure to say something of the inside workings of our hospitals. I should like to preface my remarks by assuring you that there is nothing personal in any comment that I have to make; that my sole object is to attempt to stimulate closer understanding of the complex problem of hospital operation and to induce our administrative bodies to apply the same fundamental principles in the operation of their philanthropy that they have applied in the producing of their personal successes. I shall therefore attempt to outline an organization from the Board of Trustees down, not going as much into detail as I should like by reason of the lack of time, but giving you a skeleton or framework of the organization.

Board of Trustees

Members of boards of trustees are in the main selected because of their individual successful performances. They are pre-eminent in their respective places, but the sad commentary is that when they are put on the administrative bodies of philanthropies, they forget the principles that made them successful in their individual walks of life. It must be realized and realized all the time that the fundamental principles of operating a steel mill are identical with the fundamentals of operating a hospital. Therefore the same scheme of organization or schemes of organization that have produced efficiency in industry are applicable to hospitals.

It must be borne in mind that the board of trustees of any organization is the policy-forming body interested in the big perspective of the whole problem, in the formation of policies, both administrative and financial, and in the selection of some one delegated with the power to carry out the principles outlined by them. There is a very pernicious practice in a large majority of our hospitals of committees of the board acting in

other than an advisory capacity. The trouble with most of our boards of trustees is that they are trying to run everything, instead of having a superintendent capable of administering the affairs of the institution-you might just as well be a twenty-five cent rubber stamp. The superintendent in a very large number of instances has no control whatever over the organization he or she serves, and then you wonder why you don't get efficiency. I can show you organizations in which the superintendent no more presumes to give instructions to his various department heads without consultation with the board of trustees, than he would think of flying, for the very reason that he knows that if he did, and the department head disagreed with the instructions, they would go to some member of the board, and the next day the order would be rescinded. I should like to ask vou how long such a policy would last in industry?

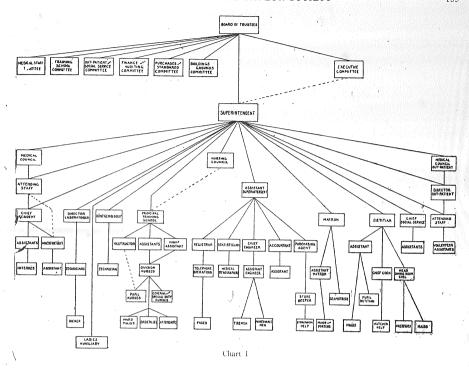
If the average hospital of today were compelled to stand exclusively on its own resources, we should not have nearly so many hospitals as we do. Please do not misunderstand. I do not expect that the hospital rendering community service can be self-supporting, but I do believe that the funds given by a community to serve the indigent and quasi-indigent of that community are sacred trusts, and that it is obligatory for the administrative bodies of our hospitals to apply those methods that will produce the most efficient operation. If this statement is correct, what is the necessity of experimentation? Industry has very definitely shown us what methods will produce results. Why not think of our hospitals in terms of industry, and take from industry those fundamentals that have made industry successful, and apply them with slight modification of detail in the operation of our hospitals?

Size of Board

So far as the size of the board is concerned, I think this is immaterial, but first of all let's get an active board. Let's get a board that is composed of men from every possible walk of life, so that we may bring into the deliberations of the board a composite knowledge of as many divergent points of view as possible. Let's get an individual who can bring the social point of view, the financial point of view, the merchandising point of view, ad infinitum, so that the policy-forming body will bring into its deliberations a broad view of all of the complex problems of the activities of the community.

cial, and in the selection of some one delegated with the power to carry out the principles outlined by them.

There is a very pernicious practice in a large majority of our hospitals of committees of the board acting in get that the operation of a hospital is one of the most complex procedures in our life today. In addition to all of the physical problems that one has, do not forget that we are dealing all of the time with abnormal



humanity. With such a complex procedure, the administrative officer is going to need every bit of advice and every bit of help that the board of trustees, properly functioning, can give him. It is the primary job of the board, as I see it, to afford the administrative officer that inspiration that is so necessary to success.

I believe that an ideal board is of approximately eighteen members. In my opinion there should be very definite standing committees, approximately five in number. I have had distributed this evening the chart of organization of the institution that I represent (Chart I). This chart is illustrative of a board of eighteen members, with an Executive Committee, a Medical Staff Committee, a Buildings and Grounds Committee, a Purchase and Standards Committee, a Finance and Audit Committee, an Out Patient and Social Service Committee, and a Training School Committee. These committees are made up, with the exception of the

Executive Committee, of the Chairman and two members. An attendance of two is expected at all committee meetings, and these committees meet regularly in the performance of their work.

The Executive Committee is comprised of the chairmen of these standing committees with the President of the Board of Trustees as Chairman. The Secretary and Treasurer of the board are also *cx officio* members of this committee.

No committee of the board of trustees may give instructions to the administrative officer. The Executive Committee has authority to give instructions in an emergency, but such instructions must be confirmed by the board of trustees at their next meeting. All their instructions, except, of course, in emergencies, must come through regular channels to the Board of Trustees, and by them be transmitted to the administrative officer. May I give you one of the reasons for this?