

26. *The Founding of the Society to Promote the Science of Management.* On November 11, 1910, half a dozen interested persons met at the Athletic Club, New York, to consider the matter. It was decided to organize a group for the discussion and promotion of scientific management. A formal organization was not effected, but from then on James M. Dodge, president of the Link-Belt Company, presided at meetings, and Robert Kent acted as secretary-treasurer. For two years, with such informal organization, some twenty or twenty-five persons met once each month, usually at Keene's Chop House, where management subjects of live interest were discussed.

27. Because of the increasing public interest in management, resulting from the Eastern Rate Case Hearings (winter of 1911-1912), it was decided to make the organization more formal and to make more of the Society. Accordingly a meeting was held at the Hotel Astor, November 7, 1912, and a formal organization effected. The Society was named The Society to Promote the Science of Management. James M. Dodge was elected president and Robert Kent secretary. Meetings were thereafter held less frequently (three times a year) but were more carefully planned. The place of meeting was usually New York, Philadelphia, or Boston. In 1913 H. S. Person, director of the Amos Tuck School, was elected president, and succeeded himself annually until 1919. In December, 1914, was begun the publication of a small journal for members, called the Bulletin of the Society to Promote the Science of Management. By 1917, when the United States entered the war, the membership had increased to about 110.

28. *During the War.* During the war the activities of the Society were held in abeyance, the officers and

over 50 per cent of the members of the Society having been absorbed into the war organization on the United States.

29. *Reorganization and Change of Name to Taylor Society.* Immediately after the armistice in 1918, members of the Society in Washington and the vicinity held a meeting to consider the resumption of activities of the Society. It was felt that the Society should undertake more serious work, in view of the probable larger public service possible during reconstruction, and it was decided to establish a central office with a salaried executive. An office was established April 1, 1919, in the Engineering Societies Building, New York; H. S. Person was chosen the managing director, and John Otterson, Winchester Repeating Arms Co., was elected president. Mr. Otterson was succeeded in 1920 by Henry S. Dennison, Dennison Manufacturing Co., and Mr. Dennison was succeeded in 1921 by Richard A. Feiss, Joseph & Feiss Co., the present president.

30. In 1916 the name of the Society had been changed to Taylor Society, in honor of Frederick W. Taylor, the first to perceive a science in management, who had died in 1915.

31. Since the establishment of the New York office in 1919, the Society has grown to a membership of 802. While, during the past ten years, other similar societies have come into being and have disappeared, the Taylor Society has shown a remarkable vitality. This, perhaps, is because it has had a definite program of education and of service, has stuck to its last, and has not tried to spread out too thin; but more probably because its motive has been professional instead of commercial, and because its members have been inspired principally by what they could put into the Society rather than by what they could take out of it.

CERTAINLY, where human elements are introduced into a problem, scientific methods alone will hardly achieve a complete solution . . . Many concerns succeed because they have taken care of this human side of the problem, even though they lack scientific methods of procedure and exactness of in-

formation. Other concerns which expect to reduce management to an algebraic formula fail in the attempt because they neglect to foster growth and initiative in the working force . . . Truly scientific management takes account of both sides of the problem.—James Mapes Dodge (1911).

MASTER BUDGETS OF SALES AND PRODUCTION¹

AT THE DENNISON MANUFACTURING COMPANY

By E. E. Brooks²

FROM several angles and because of several conditions the Dennison Manufacturing Company is able to be of service to other concerns which may be in very different branches of business endeavor. The character of our merchandise makes it possible for us to do more than an ordinary amount of experimenting without endangering our business seriously. We are fortunate in being able to make of ourselves a laboratory test as it were for the benefit of other concerns. If a manufacturer of clothing should try to put into effect in his plant some quite radical experiment he might possibly invite disaster, if the experiment should fail; whereas, we have so many items that the experiment can be made to cover some which are comparatively unimportant without endangering the whole structure. This applies with equal truth to experiments in production as well as experiments in selling.

In order to show the importance of budgets, it is necessary for us to give a fairly wide view of the organization. It is one of the peculiarities of the present subject that an explanation of the organization behind the budget makes the explanation of the budget almost unnecessary. It is really true that the forces which have given rise to the necessity for a budget are the complete explanation of the budget with the exception of its mere mechanical details. A certain warning is necessary in connection with the making of experiments. There are a good many people who expect an experiment to prove a thing that is in their minds before they start experimenting. It is highly desirable, however, that an entirely different point of view should be maintained if experiments are to give the greatest amount of benefit to the experimenters; and that is that one's mind should be entirely open to truth which may be shown by the experiment. Nearly every experiment will show us some new aspect of truth and in the enthusiasm over a new experiment human beings are

prone to consider the new aspect of truth as all truth whereas it will certainly be but a very small part of it. One attitude certainly leads to dogmatism, whereas the other one leads to satisfying growth.

We also have a decided advantage over a great many concerns who make a comparatively small number of items, inasmuch as a lesson which we may learn from one set of items is very often applicable to a great many others which may be quite unrelated in general aspect. We try to plan our business so that all facilities may be employed to capacity at all times. But we also plan to have our employees sufficiently versatile so that if a depression should hit us from one direction it will be possible to absorb the workers in that department into other parts of the plant. We have not yet reached the millenium in this direction, but at least we are learning a good many things and are nearer it than we were a number of years ago.

Then, too, we feel that we are able to be of unusual service to other concerns because of the light of publicity which has been thrown in our direction during these last few years by reason of a very wide interest in our industrial partnership plans. Never before has there been so much interest manifested in plans which affect the relationship of employers and employees. We believe that we have a great deal to gain by careful working out of these plans, and that a very large part of this gain will come through the assumption of responsibility by the employees as a whole. The education of a large group of people is a thoroughly interesting as well as thoroughly worth-while proposition, even when that is measured in terms of dollars and cents.

We make a very wide variety of items—some 4,000 in all. Here are shoe tags about twenty inches square and silk-strung jewelry tags less than one-quarter of an inch square. Here are shipping tags in several colors and baggage checks as used by the railroads the country over. Here are marking tags of various kinds of which hundreds of millions are used, and various kinds of

¹ A paper presented at a meeting of the Taylor Society, New York, Nov. 24, 1922.

² Dennison Manufacturing Company, Framingham, Mass.