

will accept the word of the captains that all is well with their companies. In industrial language of course the captain becomes a foreman and the major an assistant superintendent and the colonel a superintendent. Perhaps the company or the foreman's department is getting along all right, but frequently it is not. A very bad situation can exist for years without being remedied or even known to the colonel or superintendent. So long as the situation is not so bad as to disturb the business seriously it frequently is ignored for years. Every one at all familiar with a large corporation can give many examples of groups of employees that are badly supervised and therefore acting in a manner detrimental both to the corporation and to the public whom the corporation may serve.

When the corporation was small and was managed by its owner, the various subdivisions were usually scrupulously supervised by the owner. He knew the situation in each foreman's department or in each district sales division. Oftentimes a group of employees were badly treated because of the natural "cussedness" of the owner; but when the companies were small they were never overlooked, for the owner always knew of each small division in the organization although he may have neglected them.

With the large corporation failure in supervision becomes a very serious problem. Not only is it sometimes caused by carelessness, laziness and deliberate neglect of duty as already indicated, but it can also be caused by the overburdening of the supervising officer with work that he does himself instead of delegating it to his subordinates. Under these circumstances the industrial colonel is often so confined to his private office that he merely accepts the reports of his majors in regard to the condition of subdivisions reporting to his captains. The supervising officer seems to fail to realize in many cases that the officer's main duty is to supervise his department or division. Work that he does himself without reference to his subordinates should occupy a minor portion of his time. Perhaps this desire of supervising officers to be doing some definite work as much of the time as possible, is an inheritance from the country's pioneer days, when business was transacted on a small scale and a certain part of the routine work was very properly done by the manager. Possibly he did the buying and paid the bills in addition to supervising the employees. Even when the corporations have become very large this habit of work on definite objects still persists with the supervising officer. I once knew a factory manager who spent nearly

all his time at his desk attending to correspondence, much of which was of minor importance, and in keeping certain records which should have been taken care of by others. One day he had been obliged to spend all his time in settling questions of policy for the factory and in changing the character of his products in consultation with his salesmen and foremen. At the close of the day he remarked: "I haven't had time today to do any real work"! He failed to realize that what he had been doing was his real and most important work. In factory organizations we have all seen heads of departments working overtime year after year while their subordinates had not enough to do to keep themselves busy during the regular hours. Perhaps this attitude is due in part to our pioneer inheritance and in part to the opinion of the supervising officer that his subordinates are not capable of doing the work that he is doing. The result of course is the neglect of his primary job of supervising a department and developing an efficient personnel. But it is not always the major fault that he spends an unduly large amount of his time at his desk; he is frequently obeying the orders of his industrial colonel who in his turn is overloaded by work given him for his personal attention by his industrial general. From a sense of false economy the general has assigned too much to the colonel's personal effort. I know of a large mill that suffered from insufficient supervision. But the owner could not bear to see anyone who was not working on some definite desk job. As a result of this mistaken economy hundreds of thousands of dollars a year were lost that might have been added to the net profits of the corporation. On the other hand I remember an Englishman once telling me that when he inherited the control of a mill he decided that there should be one man who could walk through that plant with his hands in his pockets, and he was going to be that one. If his mill were a large one, perhaps he would have been still better off if there had been more than one who could supervise in this manner.

During the last century the armies of the leading nations have introduced two modifications in form of organization. One is the so-called "general staff," and the other is the "functional type of organization." These innovations have both been adopted in recent years by the more progressive corporations. While these features may tend to alleviate the bad conditions that we are describing, they can by no means be considered as remedies.

The principal of the general staff has been adopted by many corporations without the name. The staff was

designed to relieve the administrative offices of many duties that the ever increasing complexity of business has imposed upon them, and to insure that these duties shall be more intelligently and carefully performed. But unfortunately few executives use their staff for all the purposes for which the "general staff" was originally created. In most cases it is used only for research work. Outside of the army it is seldom used to relieve the officer of detailed executive duties.

The other innovation called "functional management" that has been introduced into the military type of organization is subject to the same defects that we have been describing. For in functional management all those engaged in the same line of work or profession report in the usual sequence to some general officer, who in turn reports to the general manager or the president. In certain types of business as well as in military affairs this form of management has many advantages. But it merely breaks a corporation up into several parallel streams of "hierarchy of authority" instead of one broad stream. Each sequence of authority or department as it is called in industry represents the simple military type of organization and therefore is subject to the defects that have already been described.

To overcome at least in part these defects in the supervision and the resulting inefficiency of the military type of organization, the following modification of the supervisory feature of the organization is suggested.

Let each rank among the supervising officers have the opportunity to comment upon the character of the management to which they are subjected and to make suggestions concerning the improvement of the activities in which they are engaged. This does not mean that each rank would take an active part in the management. It merely is intended to give each rank or group of supervising officers some official means of commenting upon that part of the business in which they are most interested. It is an official publicity device, where the criticisms and suggestions are composed by one group of supervising officers and read only by their superiors.

It is obviously unwise for a subordinate to criticize his immediate superior. Unless he succeeds in having his superior removed from his position, the employee is almost sure to suffer in regard to promotion or to preferment of one kind or another. Therefore any criticism made concerning the management of the corporation must be as far as possible in general terms. Personalities should be avoided unless a condition is very flagrant.

It is not contemplated that this device should extend to the rank and file of the employees. Unions and employee representatives are the means whereby the lower ranks of the employees give advice and can ask for the remedy of grievances. It is intended that this device should eliminate failures in the supervisory methods.

In order to work out the details of this plan let us take for an example a corporation whose officers are scattered over a considerable territory. An assembly of officers of a given rank will then have to be confined to those from a comparatively small territory. The lowest rank to be involved in this plan might be the managers of the local offices. Our assembly would be composed of all managers of local offices who report through various district managers to the same division manager. These local managers could correspond to lieutenants in our standard scale of authority. The managers' immediate superiors, who perhaps would be called district managers (in our industrial language) would then correspond to the rank of captain. Thus in army language the lieutenants of a battalion would meet in an assembly for the purpose of discussing impersonally the character of the supervision and the management of the battalion or division of the corporation to which they belonged.

In order to keep the assembly from dwelling upon trivial details or petty grievances the following procedure is suggested:

As soon as the assembly meets it will organize by electing a chairman, a secretary and a committee on resolutions. The major or division manager will then submit a few subjects in writing on which he would like to have the comments of the assembly. The various captains or district managers will do the same. The assembly itself will originate subjects on which it would like to express an opinion. All these subjects will be referred to the committee on resolutions. The committee will formulate such resolutions as it thinks proper and refer them to the assembly for approval, rejection or modification. Such resolutions as are passed by the assembly will be sent to the major or division manager and the captains or district managers.

The next assembly to meet would consist of captains or district managers. Since there are only a few officers of this rank in any battalion or division of the corporation, the district managers of several divisions might unite to form one assembly. They would then organize in the same manner, as the lieutenants had done, and would receive subjects for discussion from