

their majors or division managers and from their colonel or superintendent. Of course they would also originate subjects on which they might wish to express their views.

In this manner each rank in turn would have an opportunity of meeting and expressing its views upon the subjects that most concern it.

The first effect of this series of assemblies would be to eliminate the bad management in various isolated districts. Employees are almost always keenly interested in good management; given an opportunity to express their ideas concerning their environment they become especially so. The resolutions of these small assemblies would be the block signals that would indicate that something is wrong in the territory over which the members of the assembly preside. It would indicate to the higher ranks that an investigation should be made concerning certain subjects. Naturally definite information concerning the personnel involved and the exact location of the trouble would be omitted in many cases. But where general topics were involved a more definite type of resolutions might be made.

These assemblies of officers would give an opportunity for the expression of views that otherwise would never extend beyond a limited environment. The mere formulating of opinions, which by the nature of the organization would be bound to be heard, would tend to arouse a greater interest in the organization and business on the part of the subordinate officers. Those who had initiated and supported a resolution concerning some feature of the business in which they were interested, would become the ardent supporters of such a policy. There is a tendency in large corporations to let the general staff do most of the thinking. The main purpose of the device that has been suggested is to induce thinking on the part of the lower ranks of supervising officers and to afford a channel by which their suggestions and criticisms may effectively reach the higher grades of supervising officers. The experience of a few progressive corporations has indicated the large amount of interest in the business that can be aroused when those who are closest to the work are given an opportunity to take part in making improvements and eliminating bad conditions.

In the primitive organization the foreman attends to everything in his room that comes within the limits of his authority. If a question comes up that is unusual or important, the foreman refers it to the assistant superintendent who may give the final answer or in his turn refer the question to the superintendent. The "buck"

can be passed only upwards until it reaches the owner where it is settled either wisely or unwisely as the case may be. During the question's journey upwards no officer can say "the answer to this question does not concern me." He can merely say, if he is going to pass the buck to his superior, that he considers the answer of the question to be of too serious a nature for him to take the responsibility of formulating it. Therefore the resolution of an assembly of officers would very much concern their superior officers, who in this simple organization have wide scope in authority and consequently diversified responsibilities. All officers then for several ranks in direct line from any given assembly would read attentively the assembly's resolutions. They would realize that the resolution referred to their job as commanding officers and that ultimately they could be held responsible by their superiors or their board of directors for their actions concerning these resolutions or their failure to act.

The same situation would be true for those corporations that had the functional form of management. But when a corporation has a general staff and perhaps staff officers for several subordinate officers, it is not so clear to whom a given question shall be referred. Undoubtedly many of the subjects touched upon by the resolutions could best be handled by some staff officer. At least it would be the duty of some staff to make the preliminary investigation, while the ultimate decision might rest with some line officer. Of course, this staff organization is the more efficient method of management whether the corporation be large or small and even if the staff consists only of half the time of a single officer.

Where staffs exist it should be part of their duties to read the resolutions of all assemblies that come within their sphere of activity. They would be held responsible for failure to take the necessary steps to start such an investigation as some resolution might indicate was desirable.

The policy here suggested is more than a mere mechanical device to point out spots of bad management. It is in line with the modern method of inducing employees to do their best. In the early stages of corporation development large profits were made by exploiting natural resources. In the next stage of development the wealth of the country was increased by the use of improved methods of manufacturing. We are apparently about to enter upon the third stage in the effort to acquire wealth; namely by means of improved methods of handling employees.

Let it be stated again that the main purpose of the plan suggested in the preceding pages is to foster creative thinking. John R. Commons has well expressed this idea.

"Isn't it something like this? Thinking and planning for the future. Keeping the mind of every man away from whatever there is of dullness and monotony in his task. Just touching the imagination; arousing in every heart zeal for progress and pride in a great common enterprise; lighting up the most menial and stupefying task with the rays of a great industrial vision."

We now see that management is becoming more and more the primary force for leadership in our large corporations. The time is apparently not far off when management will be the undisputed leader, with the stockholders and the rank and file of the employees subservient to it. We should therefore make every effort to make this management as efficient as possible in order that it may be able to occupy the place that it is destined to hold.

To quote from Commons's "Industrial Government":

INTO every branch of industry the human factor enters and where that factor exists, there must always remain a field outside the province of science. No amount of scientifically determined facts and principles can materially affect the problem of labor, except by indirect means. Science may elaborate, for instance, principles for the planning of work which are capable of universal application, but it must inevitably make the reservation that such principles are subject to the vagaries of the human factor. In other words, in so far as management deals with things, its methods can be reduced to terms of scientific principles; but in so far as it deals with men and women, it can only use scientific principles to the extent that the men and women are willing to subject themselves to them. The science of management may arrive at definite conclusions for each element of a man's work, but it is the art of the manager alone which will induce the man to put those conclusions into practice. There may be a science of costing, of planning, of manufacturing, and of dispatching, but there can be no science of cooperation.

This reservation is important, for there is a tendency, in the modern cult of efficiency, to imagine that, given a basis of scientific principles, the art of the manager

"The outstanding fact of our investigation is the importance of management. Instead of capitalism moving on like a blind force of nature, as Marx thought, here we see it moving on by the will of Management. It is Management that attracts capital through the confidence of investors, for the bulk of investors, like the bulk of laborers, do not want and cannot manage industry."

If the organization that is responsible for a large public service corporation is not satisfactory, the government will take over the corporation. When such a time comes it will be useless to point out that the management will then be worse. Public pressure will blindly compel the government to absorb the additional activity. If such a step should be taken the rate of pay of the supervising officers would probably be materially reduced. Promotion would depend to a less degree upon merit. Therefore it is important from a personal point of view that that part of the organization that consists of supervising officers should be managed as efficiently as possible.

consists only in applying those principles. This is far wide of experience. Where human beings are concerned, scientific principles may be so much waste paper. Certainly there are scientific ways of engaging and discharging, of paying, and of stimulating employees. But we have to recognize that such scientific methods are as likely to fail as to succeed, unless there is more in the manager than the knowledge of a set of working principles which he tries to twist around to meet the situation. A science of management can only affect the circumstances surrounding the relations of management and workers; it cannot touch the immediate human relations. That must remain a problem of mentality, of spirit, of ideals. The accumulated experience of the whole world would not ensure the wise application of one single principle to the relations of one man with another. The development of management as an industrial art, therefore, must come, not only by the construction of scientific principles governing the methods by which management may achieve certain ends, but also by the growth of a spirit in industry, governing the relations between all the various grades engaged in the conduct of industry. (Sheldon, *The Philosophy of Management*, pp. 34 and 35.)