

Cooperative Association. It is through such machinery as is represented by these committees that questions of the conduct of the business which affect the employee,—working conditions and methods, hours, wages, etc.—can be threshed out. If the research or experiment department has decided that a certain job should be done in a certain manner, it can go before a properly organized board who give their consent to it, so that when it comes to the work people, it goes through smoothly, more smoothly than if it were put up to them as an entirely fresh proposition. There will have been recognized their right to be consulted about, and to consent to, a proposition which affects them—which affects their consumers' as well as producers' efficiency.

5. All the subjects of investigation suggested above lead to the final and most important subject of investigation, the consent of the worker to that which affects him. I believe that the utilization of every production method or mechanism should be conditioned on the consent of those interested parties: (1) the management or owners, (2) the individual employee affected, (3) the group of employees directly or indirectly affected. I am not talking about the workman's consent to the experiments which determine the best method of doing a particular thing; I am talking about the workman's consent to putting that best method into use through him. In the laboratory it may have been demonstrated by anyone you choose that the new method is technically,

as a production process, the most efficient; but has not the workman the right to a judgment whether it is most efficient from the viewpoint of his consumer's efficiency?

I go so far as to believe that the individual workman affected and organizations representing every group of workmen affected, within or without the plant, should give consent to the putting into effect of even the most minute new mechanisms or methods.

What is the importance of the study of the relation between efficiency and consent to the practical business man? To discover the industrial conditions of the application of a new method is as practical and important a matter as to discover the new method. Big ideas concerning industrial democracy—real industrial democracy—are in the air and are crystallizing. They are each year defining anew the conditions to industrial operations. The practical business man is he who marches with progress, and is not taken unawares by unforeseen conditions. There are two equally practical ways of keeping step with progress. One is by each day taking the best one finds and moulding and adding to or taking from and building on by small increments. But he who follows this method only usually lags considerably. The other is by continual analysis of the whole industrial environment in the search for signs of the direction of progress. He who does this anticipates his competitors, secures advantages and is the wiser and more practical man.

RESEARCH is essential to industrial progress. It promotes inventions; it protects against charlatanry. It means a willingness to accept what is good; a willingness to discard what is worthless. Research provides the basis for taking the next step in advance or shows that what seemed a basis is really unsound. In either case, research contributes to industrial progress.

In many cases, industry has recognized its need for research. It maintains close connection with university laboratories. It studies scientific papers. It sends students to the colleges. It even maintains its own research laboratories where impartial investigation is conducted by scientific men. In these ways, industry shows its appreciation of the fact that discovery is the basis of progress and that leadership requires an immediate con-

nection with discoveries as they are made.

Research in personnel has, in some cases, been recognized to be as essential as research in chemistry. The problems of human engineering and of management require research. They cannot be solved by the dogmatic assertions of self-professed experts in human nature. They cannot be solved by intuition any more than the weight of a new element can be determined by guesswork. The problems arising in the field of industrial personnel must be approached from the point of view of research, of impartial investigation, if there is to be a sound basis for labor management. Any insight into the methods of scientific procedure inspires tolerance and open-mindedness. (Scott and Clothier, *Personnel Management*, pp. 485-6.)

THE FIELD OF PERSONNEL ADMINISTRATION

BY ORDWAY TEAD¹

PERSONNEL administration may be defined as that branch of an administrative organization which is primarily concerned to enlist the energy, interest, and good will of all the workers in the organization to the end of forwarding the defined objects of that organization with the minimum of effort and friction and with due regard for the welfare of the workers.

There are several points in this definition which require amplification, if a concrete and adequate picture of the responsibilities and duties of this branch of administrative work is to be given. Emphasis is required upon the points: (1) that this work is *managerial* in character; (2) that it is concerned in concrete ways with certain activities directly affecting the workers; (3) that it assumes some approximate advance agreement and understanding as to the purpose of the enterprise in question; (4) that it further assumes some hypothesis as to what constitutes "welfare" for human beings in general and workers in particular.

First, as the definition indicates, personnel administration is not the peculiar adjunct of industrial or mercantile management. Broadly viewed, it is a vital half of the administration and management of *any* organization—wherever exists the relationship of director to directed, of manager to managed. There is in the conduct of every organization not only the aspect of process, technology, material, but there is also the aspect of human attention, interest, will, cooperation. The problems are by no means inseparable, and there is a wide hinterland where they intermingle closely. The fact that administration is not yet viewed in all types of organizations as embracing these two complimentary halves does not alter the fact. Implicitly every enterprise—be it hospital, bank, railroad, steamship, municipal department, university or what not—has two fundamentally distinct aspects to its directive problem. And in all organizations of any size (where there are more people and technical problems to look after than one executive can

conveniently know and deal with) the failure to make special managerial provision for the work of personnel direction is bound to mean that the refinements are ignored in any endeavor to enlist the best efforts of the personnel.

In short, the problem of personnel administration is not solely industrial. It is *organizational*, which puts the occupation, theoretically at least, in a much sounder position as respects its inherent and widespread utility.

It is in industry, however, that the need of differentiating managerial duties has first been recognized. And the practical exigencies of large scale industry, more or less simultaneously with the reflections and studies of those interested in a science of administration, have in industry brought considerable activity in the establishment of managerial departments of personnel. The practical difficulty to date has been that while a number of corporations have seen the wisdom of functionalized management of human problems, they have in fact been slow to delegate to equipped executives adequate authority in the personnel field. They have set up employment offices and instituted safety and educational work, but they have all too often failed to specify a major executive in charge over *all* such activities. One reason for this has been that there have been relatively few executives fitted by special training to direct the multifarious activities now embraced under personnel administration. So that this department of administration still remains in most plants in the hands of the head executive, who determines and directs personnel policy as best he can, just as he does in respect to other major policies.

It is important to call attention to this discrepancy between the admittedly sound administrative theory which would place a trained personnel manager in the top councils of every organization of over two or three hundred workers, and the current practice of most enterprises where trained personnel workers are used but are not allowed any substantial voice in fixing fundamental policies. There is every reason to believe, however, that this situation will change as more and more

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