

extent of letting the employees in on a share of the profits, of paying them during periods of idleness, of giving them information heretofore considered confidential, etc. The result is a new purpose or set of purposes satisfactory to all concerned. And they prove satisfactory because in the process of experience each group has found the old purposes inadequate to give them what they find they want, and has found that a modification in purpose is not as bad as it might theoretically have seemed to be in advance,—is, indeed, when experience shows it in its true light, desirable and satisfying. And one of the elements in the experience of showing it to be satisfactory is the realization that the purposes of the other groups are also changing.

Whether or not, under the conditions outlined above, the customers and the general public can be in harmony with the shared purposes of these other three groups constitutes at present a real question. And the creating of conditions under which they will share purposes with the three is going to require a good deal of inventive thinking. Much depends on the direction in which the new common purposes of investors, managers and workers become modified. If they virtually conspire in a given case to raise dividends, salaries, and wages and take it out of the public in high prices or shoddy goods, there is no possibility of a further integration of such purposes with customers. But if the combined desires of the three primary agents in production look toward rendering public service consciously and willingly on reasonable terms, they will find consumers and everyone else sharing their purpose.

Most emphatically, it is not to be understood that the examples of devices which have been used to illustrate attempts to reconcile the purposes of different groups are here being completely endorsed or recommended as anything like panaceas. They are rather given as illustrations of attempts more or less successful to carry into practice a principle¹ which it is the thesis of this discussion to support and advance for practical application in whatever ways inventive managerial minds can hit upon; the thesis, namely, that the sharing and harmonizing of purposes by managers and workers requires the creation of attendant conditions and terms in a setting where the growth of everyone's purposes is a natural result of the whole experience.

There has been, in short, some slight measure of success already attained in a certain few companies in establishing and giving effect to purposes which can be shared in and worked for by the different groups in industry—or at least, some of them. And it is not difficult to project out of modern tendencies a conception of an industrial republic (of producers) in which our usual notions of democratic organizations have been put into effect and have been reconciled in practice with claims of efficiency, economy and productivity.

This brings the discussion to a point where it seems possible to answer the final question.

VII. A Constructive Principle

Do any principle and any method suggest themselves from this analysis which will help managers to bring to pass a greater integration of the several group purposes in industry than exists today? The answer to this question seems to be in the affirmative. Methods are available, and new ones will undoubtedly be devised, which will create a situation in industrial and mercantile corporations, and perhaps in whole industries, where it will be to the definite interest of different groups to espouse purposes which they could not safely espouse before. These may be purposes of productivity, of profit, of public service, or of some other sort. Considerations of the relative social validity of the different types of purpose is not here in place, although it is probably true that whatever purposes are found to secure simultaneously the adherence of the largest number of the affected groups will be socially the most valid.

One important principle is that *group purposes cannot be changed solely by exhortation or by appeals to the intellect*. Purposes change only in the process of active experience. How the change gets its start has already been shown. It is by the impact of actual events into which the individual or group is more or less inevitably thrust. Let one unsettling suggestion regarding present purposes enter, or one failure to achieve present purposes occur, and as new experience follows, activity is at once either tending to confirm or to deny the validity of some already tentatively influential new purpose. Experience has already tended to suggest a purpose which is more tenable and likely of fulfillment.

A vital corollary of this truth is that individuals or groups do not accept the purposes of others

ready-made. One writer has wisely pointed out that for specific purposes to be fully apprehended one must have a share in accepting them as well as in deriving ways and means of realizing them. This should really be axiomatic, since purposes which are taken over and given only intellectual assent have not come through the vivid and vital channel of motor experience, and thus have not the living quality which is necessary to make them influential in conduct. The process of sharing in the formulation of a purpose and in inventing the means of realizing it provides a strong psychological presumption in favor of having it continue to influence action. This fact gives support to the case for the use of the so-called "democratic method" of conducting organizations in a way which can only be mentioned here.

The definite principle to be evoked as the outgrowth of this study is that *where the purposes of groups are in conflict, the only way to secure a basis of genuine cooperative activity is to modify the purposes in the direction of others which are acceptable to the several groups; and this modification can come about only by the invention and use of methods and procedures which allow the groups using them clearly to benefit from them and thus to change their purposes*.

This principle may not at first glance seem either very illuminating or very valuable. Yet it calls attention to three homely truths about the industrial problem which merit emphasis and which need all the scientific re-enforcement they can get. It calls attention, first, to the impossibility of getting far with industrial peace while the purposes and desires of groups are at odds; limited, narrowly construed, ingrown. Second, it emphasizes the necessity of using the occurrence of problem or difficulty as the psycho-

logical time to inject new ideas and methods. And third, it calls attention to the necessity for courageous experiment and new insight in the direction of methods and structural arrangements which will be the outward condition and channel for allowing people to manifest goodwill and generous purposes without being imposed upon or exploited in the process!

Discussion

Elliott Dunlap Smith.² (Mr. Tead in announcing the theme of his paper said: "*The purposes and motives which actuate managers in their work are as important to its true success as their methods.*") In elaborating this theme he has addressed himself primarily to the problem of integration of group purposes. His statement, however, has such important implications in regard to the conduct of individual managers in handling their daily work-shop problems as to deserve further consideration in this regard.

In dealing with the behavior of the individual manager, it is important not only to distinguish between specific and basic purpose—as Mr. Tead has done, but between objective and purpose—between what the manager is doing and what, to use a work-shop phrase, he "*is after*." A manager in performing an act of management usually has a definite objective in mind—a specific result which he is trying to accomplish. If he is asked *what he is doing*, he will answer by describing that result. He also has in mind a *method* of acting so as to get this result. But quite apart from his method, or his immediate objective, is the reason he wants to get this result, *the thing he really "is after," or, to speak more psychologically, his motivating desire or purpose*.

For example: a manager decides to introduce employee representation into his plant. He calls a mass meeting and proposes a preordained constitution. He tells his board of directors that he has done this in order to quiet the restlessness of his workers and forestall unionization. In this case his immediate objective is to establish employee representation, his method is the mass meeting and the prepared constitution, while his purpose is to defeat unionization. Exactly the same plan might have been carried through for various other purposes, such as the desire to provide a means of better mutual understanding between managers and employees. Again, a superintendent

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¹See John Dewey, "Reconstruction in Philosophy," page 209. "The best guarantee of collective efficiency and power is liberation and use of the diversity of individual capacities in initiative, planning, foresight, vigor and endurance. Personality must be educated, and personality cannot be educated by confining its operations to technical and specialized things, or to the less important relationships of life. Full education comes only when there is a responsible share on the part of each person, in proportion to capacity, in shaping the aims and policies of the social groups to which he belongs. This fact fixes the significance of democracy. It cannot be conceived as a sectarian or racial thing nor as a consecration of some form of government which has already attained constitutional sanction. It is but a name for the fact that human nature is developed only when its elements take part in directing things which are common, things for the sake of which men and women form groups—families, industrial companies, governments, churches, scientific associations and so on."