The mere denouncing of the agitator and the bald assertion of a community of interests of the employer and employee has not served to change the real attitude of mind on the part of workers in industry, although there may have been in unorganized industries an outward show of acceptance of the employer's theory to deceive the superficial observer.

The constructive task of management is not to deny the existence of the conflict of interests by sanctimonious cant, nor seek to suppress it by brute force, but, to quote once more Mr. Tead's apt phrase, "to make of industrial conflict a creative instead of a destructive force."

Sharing the predilections of my craft, I prefer economic terms to Mr. Tead's psychological terminology. Taking up, then, the formula that "all things being equal, the greater the part of the industrial product retained by the employer, the less there is left for the worker," how is management to deal in perfect candor with this proposition and yet turn the conflict into a constructive force? The practice and experience of a few decades of scientific management have provided a richly stocked arsenal of facts which serve to prove conclusively that things do not remain equal in industry which is no more free from the workings of the law of evolution than any process of nature.

Is a shorter work-day to be an object of strife between the employing and employed groups? "Most assuredly," says the labor agitator: "the less hours we work, the less we produce, and the greater will be the demand for labor and the higher the wages." "Most assuredly," echoes the old fashioned employer, who opposes the shorter work-day for the same reasons that the union leader demands it. Though ready to fight each other to the point of extermination, the two extremes meet in touching unanimity as to the effect of the shorter work-day in lessening the output of labor. Scientific management, which, true to its name, prefers observation and experimentation to a priori assumption, discovers that things do not remain equal with the reduction in hours, and, that the increased productivity of labor, relieved of the fatigue factor, more than makes up for the loss in hours.

Mr. Tead's paper is replete with other instances of advanced practice in management, which starting as concessions to labor to the apparent detriment of the interests of the employer have turned out to be beneficial to both.

Elimination of conflicting interests in industry is impossible so long as there are distinct economic groups contending for their respective shares of the industrial product. However, intelligent analysis, honest facing of facts and courageous experimentation with a view to a constructive solution of industrial problems can take the place of industrial warfare, provided management takes the lead and gives unmistakable evidence of honest intention to act according to the findings of fact, which implies willingness to share with the other groups the benefits derived from improved methods.

It would seem that in a discussion of purpose as a psychological factor in management, account should be taken of the two distinct elements which go to make up the so-called management group: the owners of industry, as represented on boards of directors and the professional salaried element in management. The two are not always actuated by identical purposes. So far as the professional element in the management groups is concerned, I believe it may be safely said that on the whole it is well familiar with the facts and tendencies brought out in Mr. Tead's paper. If this element had the final say about management policies, we would probably be much farther advanced along the road of constructive cooperation between industrial groups than we are at present. It is the owner element in management which presents no less serious a problem than the labor leader in a program such as Mr. Tead outlines. This is the element which today has the final say in the shaping of industrial policies. It has the power to further or to mar the work of the professional manager, and yet this power is not based upon individual fitness or professional training, but solely on the legal title of possession. Its vision is frequently blurred by self-interest, and the pocket nerve is no more helpful as an aid to a sound industrial psychology than is the incitement of the agitator at the opposite end of the industrial scale. The overwhelming majority of owner-managers in industry is not made up of Dennisons, Feisses and Filenes. An intensive study of this group, of its mental reactions against the background of its economic interests, of its mass psychology should furnish no less fruitful a field for the industrial psychologist than is offered by the mass of industrial employees.

A. T. Poffenberger.[9] Mr. Tead has made a very significant contribution to the solution of the problems of management by directing attention to certain

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fundamental facts of human behavior. Purposes like murders will out. It is a difficult matter for a manager to have a set of purposes and a set of actions that do not correspond. To introduce devices, for instance, that are ostensibly for the welfare of the worker, when the real purpose is merely to increase output, is to create an artificial situation, that will sooner or later be detected and lead to difficulties.

Mr. Tead is right in stating, further, that the purposes of all men, when reduced to their lowest terms, are identical or very similar. Such purposes are based upon the commonly inherited desires or instincts. And all the environmental influences that mold human nature tend to make these desires and purposes more uniform, or at least to keep them from becoming more diversified. One of the most potent of these influences is example. It is so potent because of the natural tendency to imitate, to copy and to emulate. We tend to want what we see others have—such is the basis of fashion. The newspapers, radio, motion pictures, means of rapid transportation and communication, and many other modern devices acquaint everyone with the mode of life of everyone else—they make all men neighbors in one respect at least, namely, in their wants. In this uniformity of wants Mr. Tead sees the basis of uniformity of effort. Why should not all men with like or similar wants work together for the satisfaction of these wants? The laborer, the manager, the owner, the public, with their common purposes should unite to do the best for all.

Such a program has in it one very serious error. It overlooks differences in *power*, in the midst of likeness of wants. There can be no question today that men are born different in power. (For purposes of illustration, we may think of power in terms of intellect, or intelligence, but it is probably more than that.) And environmental forces—education and all the other more casual forces—tend to magnify the natural differences in power. For instance our modern systems of education are looked upon as instruments for the development of each individual according to his capacity, and similar training has been shown to make people more different rather than more alike.

In these contrasting characteristics of purpose and power, the former tending toward uniformity and the latter toward difference, we have the basis of much of the industrial unrest. For accomplishment and remuneration depend more upon power than upon desire or purpose. Given equivalent desires in the laborer and the manager for the good things of life, and different power to get them, you have the basis for discontent and resentment. Thus it appears that likeness of purpose is the basis of conflict, rather than the basis of agreement among the various factors in industry.

In the limited time allotted to me, it has been possible merely to suggest the importance of power as contrasted with purpose, and to offer nothing in the way of proof. The remedy for the situation as I have outlined is neither simple nor easy. The social philosopher suggests that our notion of values is all wrong, that—to put the matter bluntly—the returns for work ought to be based on purpose and not upon power. Any job done to the best of one's ability would be equal in value to any other job done likewise, even if one be a laborer and the other the executive of a corporation. Thus all men would at once be made equal not only in purpose or desire, but in the possession of the means of satisfying the purpose or desire, by the mere shifting of the basis of values. It is not my intention to support such a remedy as this, or to offer any remedy of my own creation, but merely to show what I believe is a very serious difficulty in one section of Mr. Tead's splendid project.

Principles of Teaching

At a meeting of teachers of management held under the auspices of the Taylor Society in connection with the December meetings, a stimulating address on basic principles of teaching was delivered by Paul Hanus, Professor of Education, Emeritus, Harvard University. In response to the suggestion of many of those present, a compact outline of Professor Hanus' address has been prepared in a form suitable for framing. Believing that leadership in management is essentially a task of teaching and that the basic principles of teaching in the class-room apply to management as a teaching function, the Taylor Society is pleased to make Professor Hanus' outline available to all readers of the Bulletin. The outline has been printed on the back cover so that it may be removed for framing without impairing the Bulletin for binding.

Next Meeting

Friday, February 5, 8:15 P.M.

New York