

great sums of money involved. Banks specializing in this field must have a form of organization very different from that which is necessary in banks dealing with industries not employing this particular method of financing transactions.

The collection of interest coupons detached from bonds is another practice which should be mentioned. Along with the tremendous increase in the size of business organizations there has naturally followed a corresponding increase in the number of bonds sold to investors by corporations. While some of the largest corporations make payment of their own coupons, by far the greater number of such coupons are payable at banks acting in the capacity of fiscal agents. Moreover, in practically all cases, investors deposit the coupons in banks for collection by presentation at the office of the paying agent. Therefore, we find that in this kind of business banks act as agents for investors in making collections of coupons and as agents for borrowers in paying coupons as presented.

This is, of course, an individual problem as are many of those touched upon throughout this paper. Obviously in trying to present the problems of organization which confront banks it has been necessary to conceive of what might be termed a typical bank comprising all functions in even degree. Naturally no such bank exists. Every problem, however, is present to some degree in every large bank and most of them are not unknown to the smaller banks as well.

THE IDEAL organization is this: The chief executive is not an executive at all but a checker-up and inspirer. He properly should have no duties. His place is to see the results of each man's work and to discover what is wrong or how best the activity of a division may be increased, and then to see that the departments act in unison. He does not delegate authority; he reviews authority by results obtained. This throws the responsibility for results upon the under-executives, and, in the ideal type, each of these men has full authority in his own department. If he misuses his authority, it is not the fault of the plan but of the men; the wrong man is in charge, and it is the duty of the head executive to see that the right man is in charge. Likewise, within a department the head will allocate responsibility—each man will

Lastly, reference should be made to a special problem of organization the importance of which, particularly to the larger banking institutions, would have justified extended treatment in this paper if space had permitted—the planning, construction and utilization of the bank building.

No one who is at all familiar with what has been done by banks all over the country in creating monumental buildings for the purpose of housing their organizations, can doubt that bankers have understood and appreciated the publicity value attaching to structures of fine architectural design, portraying strength and solidity. In striving for results in this direction, however, they have in large part subordinated the more important consideration of so planning the interiors of their buildings as to make them an effective aid in securing successful operating results. In consequence, there is probably no line of business in this country which has had to pay a heavier penalty in the shape of expenditures for costly alterations, re-arrangements and extensions, and losses of operating efficiency, to say nothing of the far more important factors of health and comfort of employes and officers alike.

This condition will persist until bankers learn to profit by the experiences of industrial establishments which have long ago recognized the validity of the principle that the building should be adjusted to the requirements of the organization, rather than that the latter should be restricted by the possibilities of the building.

run his subdivision within the general plan and be responsible for obtaining results. Every man in the organization will be, so to speak, on a piece-work basis.

How this can best be arranged is to be decided on the facts. The big point is to divide activities and to place responsibility so squarely that not only will initiative, and consequently dignity, be built up, but also that the old game of "passing the buck" cannot be played.

With this type of organization the fullest in every man is realized, and there is no human limit at all to the size of the business. This is the new way of business. The centralization should come not in authority but in finance and research. (William R. Basset, *The Organization of Modern Business*, pp. 173, 174.)

Personnel Problems of Staff Men in Industry

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THE title of this paper—"Personnel Problems of Staff Men in Industry"—calls for some definitions. I define "Staff Men in Industry" as those specialists in various fields of management who are not responsible for operating activities, as are foremen, superintendents, etc.—those types that are usually referred to as personnel managers, mechanical or industrial engineers, chemists, time study and rate setting men, etc. By "Personnel Problems" I mean the common difficulties which such men meet in their attempts to establish improvements in standards of work and management, what might be crudely described as the difficulties they experience in getting their patients to take their medicine, or to lead the hygienic life which is necessary for their business health. It is not overstating the case to claim that these are the chief staff problems of all—the most fundamental and important.

In a small manufacturing business it is common to find the foreman or superintendent responsible for all the work of this nature. As a company increases in size, the time comes when it is deemed expedient and economical to place a specialist in charge of personnel matters, or development, or other work. It is at this point that some of the difficulties of which I wish to speak arise.

At the beginning of the work of a specialist of this kind it is very apparent that he is taking over some of the work of the foreman or superintendent; in other words, relieving him of certain of his responsibilities. Perhaps to make myself clearer I might say that the foreman or superintendent feels that his job is being diminished in size and importance. To the foreman or superintendent there thus naturally comes a feeling (whether conscious or unconscious, it does not matter) that in some measure his job has become too big for him, or that other people think it has. In such circumstances to feel a certain sense of defeat is perfectly natural. This again means that some resentment towards the situation is easily turned into resentment or antagonism towards the specialist who is the embodiment of the changed con-

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dition. The staff man too often does nothing to alleviate this feeling; in fact, he frequently seems to be ignorant or indifferent to the fact that such a feeling exists. In many cases, certainly, he shows little appreciation of the line man's point of view. Even if the greatest consideration is shown on both sides, there is still a tendency for a negative relationship instead of a positive one; that is, the foreman and the specialist go their separate ways, and do not work out solutions of their problems together.

Too many times the staff man, when he comes to write up a report of his work, ignores or forgets the contributions that have been made by others to the final result. Although no injustice is intended, the net result is a feeling on the part of the line man that the staff man is fattening at his expense.

The foreman's or superintendent's job is, in large measure, the maintenance of the morale of his working forces. He must be sensitive to, and aware of, such forces if he is going to do his job properly. To him these considerations are very real and vitally important. The staff man is, however, all too often far from any realization of these facts. He is apt to create many difficulties of which he is either ignorant or indifferent. He is even apt to consider his specialty as the one redeeming feature of the management, and to feel that everything should be ordered so as to make his way smooth and prosperous. Perhaps it is to be expected that the use of the scientific method as a means of the solution of industrial problems builds up an attitude of mind in the specialist that is intolerant of opinions, feelings, and other expressions of human nature. It is vital for the staff man to realize, however, that if he has not taken into account the psychological factors, he has not done his job, and the least he can do is to accept the contribution of the line man in this respect.

I have seen staff men of great ability who assumed the attitude of an oracle handing down decrees—thus and so should things be hereafter—and who were full of criticism of the factory management for not accepting said decrees. I have also seen staff men who say, or at least appear to feel, that when they have developed a new policy or method, that it should be immediately adopted. This may sometimes be true, but certainly many times it is not true. It may cost far more in the long run to force immediate adoption than to establish standards over a longer period of time. There are staff men who regard their own children as perfect wonders, and expect an ad-