

of labor as to skill requirements, have so influenced operating conditions as to effect marked decreases in unit costs, even though wages are higher than the wages for corresponding operations in the community; because with equipment in perfect condition and even running raw material, weavers and spinners are able to tend from two to three times as many looms and spindles as they have been tending before such maintenance control is developed.

VIII. The Northern Plants

21. The two northern plants are in charge of a General Manager and of individual plant managers. The central plant bleaches, finishes and packages the white absorbent cloths for surgical use, the dry goods trade and other markets. The other plant, when demand requires, can also produce these white absorbent cloths, but it is concerned principally with bleaching, mercerizing, dyeing, calendering, starching and other finishing for general purposes.

22. These mills are concerned in part with continuous processing—as in bleaching and primary finishing—and in part with intermittent processing—as in final preparation of items for the various consumer uses in accordance with the varying influences of demand on depletion of finished stores. They operate on production schedules based on sales schedules. The individual plant managers are trained in Taylor methods, and processing is planned and directed by a fully developed Taylor planning room, control being secured through complete standardization of products, materials, equipment and methods, through precise control of materials in stores and in process, and of machine and labor time, and through continuing inspection of results in terms of plans. All accounts—general as well as cost—are on a four-weeks basis, and complete financial and analytical cost statements are derived every four weeks.

IX. Industrial Relations

23. Although in other plants in which he is interested, where there are organized crafts, the president of Kendall Mills Inc. has established the policy of working agreements with craft organizations, in the Kendall Mills none of the crafts is organized. It has been the policy to establish the best working conditions in the mills, develop

sanitary and pleasant factory villages, inspire wholesome and attractive community life and citizenship and self government; and generally, for its educational influence and creative power of good will, to develop a spirit of community of interest embracing workers, managers and owners.

24. When a purchased mill is remodeled and re-equipped, provision is made for the best conditions of light, heat and ventilation, adequate sanitary and toilet facilities are provided and a first aid dispensary organized. In the southern mills the factory nurse becomes a visiting nurse for the community, and her work is concerned with general health and hygiene. Inasmuch as all workers in these country villages have homes but a few minutes' walk from the factory, such items as rest rooms and lunch rooms are not essential. They are provided, however, in the northern plants.

25. At the same time that arrangements are made for remodeling of the factory, arrangements are made for the development of a comfortable factory village. Streets are resurfaced, sidewalks built, landscape gardening begun, and workers' dwellings remodeled and equipped with baths and other conveniences. Churches are repaired and painted, or perhaps built, and facilities of entertainment are introduced. In various ways residents of unclean and anti-social habits are persuaded to move elsewhere. Eventually these southern mill workers from the agricultural back country and the mountains, who have had no experience in community self government, are led to take over the government of the factory village.

26. To broaden the point of view of executives of all grades, to develop widely diffused interest in the business and in management, and generally to inspire morale and better team work in "playing the game of work," it is the policy of Kendall Mills Inc. to promote intraplant conferences and interplant visits.

a. Southern managers' meetings are held monthly, at a place convenient for the five mill managers, to discuss their common problems; and if a particular process—say weaving—is to be discussed, all boss weavers will be present and free to participate in the discussions. Encouragement is given to everyone to co-operate in improvement of methods and machinery; and foremen are encouraged to go back to their workers as teachers and as inviting suggestions from the members of

their respective groups. It should be borne in mind that functional organization with its free intercourse is essentially *instructional* organization.

b. There are constant intervisits between the mills of the southern group, and every year a party is brought from the southern group of mills to visit the northern mills. In the party will be mill managers, overseers, office men, nurses, school teachers, and so on. They meet the entire organization in an informal way; they see the product, for which they have made the gray print cloth, all the way through to the finished product. They are entertained by the president of the company and by other executives. They are taken around to see the places of historic interest in and near Boston. Likewise, managers, superintendents, inspectors, sales executives, planning room executives and others of the northern mills are encouraged to visit the southern mills. All go back to their places of responsibility with better understanding of the business as a whole, of the relations of processes, of the part played by the processes for which they are individually responsible, of the

Annual Business Meeting

The annual business meeting of Taylor Society Incorporated was held at 4 P. M., December 8, 1927, in Room 611, 29 West 39th Street, New York, N. Y.

The call to order by President Cooke was followed by determination of the presence of a quorum and by reading of the official notice of the meeting.

The Managing Director then made an informal statement concerning the affairs of the Society since the previous annual meeting. Matters of outstanding interest were a gift which had enabled the Society to liquidate all outstanding indebtedness and begin the new fiscal year with a surplus amounting to \$1,935.22; a gift which had permitted the establishment of the James Mapes Dodge Fellowship in Scientific Management; and contributions which assured the founding of the Keppele Hall Tribute Library.

The report of the Treasurer was then received, accepted and placed on file.

The ballot Committee then reported the results of the letter ballot for election of officers, as follows:

importance of a one hundred per cent as compared with a seventy-five per cent performance, and—most important—with the spirit of co-operators rather than of individualists.

27. The business has met with prosperity as it has expanded rapidly from small beginnings, the greater part of the expansion having taken place during the past five years of severe depression in the textile industry. This prosperity has not been achieved through a lowering of manufacturing costs by depressing labor below proper standards of living; it has been achieved by paying wages above the market and securing economies through waste-eliminating methods of management. The management believes that good wages and low costs are not incompatible, and it has maintained a corresponding policy. The management believes also that with increasing opportunity in industry there is increasing responsibility. While not unmindful of the importance of the stability that is coupled with material success, their interest is quite as much in producing better citizens as in securing profits.

President and Director—Morris L. Cooke to succeed Morris L. Cooke.

Vice-President and Director—George D. Babcock to succeed Howard Coonley.

Treasurer and Director—Edward Clark 3rd to succeed Edward Clark 3rd.

Director—G. E. Schulz to succeed H. K. Hathaway.

Director—B. Eugenia Lies to succeed Lillian M. Gilbreth.

Officers whose terms have not expired are:

Vice-President and Director—C. L. Barnum.

Directors—N. G. Burleigh, H. S. Person and A. B. Rich.

The following were then chosen to constitute the Nominating Committee: Robert Andersen, Auburn, N. Y.; A. L. Kress, New Haven, Conn.; Philip Moen, Providence, R. I.; Mary van Kleeck, New York City; John H. Williams, New York City, Chairman.

It was then voted that the Managing Director send on behalf of the members appropriate letters of thanks to Mrs. Frederick W. Taylor, Mrs. James Mapes Dodge and Mrs. Keppele Hall for contributions to the Society during the year.