

touch with the system after actual installation has taken place, and the necessary education of employes to the point where they are handling factors involved properly. But there is a further side to the story. Many times in the actual construction of a record the form would be differently compiled if a technically trained employe were to operate it or one not so skilled.

There is the effect of seasonal businesses to be considered. Forms requiring but one person to operate them during a dull period may require many more during the busiest season. This may mean subdivision of records, etc., in order to secure a division of labor.

There is the question of the determination of the proper period of examination of existing records in order to secure the necessary data for new construction.

There is the consideration of the demands of the management for special information and its possible effects upon account classification and consequently the columniation of records.

There is the possible effect of peculiar conditions of the particular business, such as the necessity of weekly Income, Profit and Loss statements, various special analyses, etc.

These are some of the "great principles" of system structure, for the remainder of the work is merely adapting the standard forms and records, so completely explained by the author, after revising them to meet the situation as clarified through the answers to these questions.

If the author had included these factors that warrant the use of the particular methods he describes, there would have resulted a manual indispensable to the profession.

GEORGE J. GEIER*

The New Leadership in Industry. By Sam A. Lewisohn, E. P. Dutton & Co., New York, 1926, pages x, 229.

A book that is notable for its sound common sense and constructive sanity is Sam A. Lewisohn's "The New Leadership in Industry." Written by a man of practical managerial experience, it has the atmosphere of realism that is characteristic of the work of those who deal with familiar things. At the same time, it has a rare objectivity that enables the author to speak of the shortcomings of management frankly and without bias. In addition to these two excellent qualities, the style is clear, direct, and free from pedantic obscurities.

The author's principal thesis is that industry, as distinct from agriculture and other pursuits, is coming to play an increasingly important role in modern life, that management, regardless of ownership, is the most important factor in industry, and that, consequently, it is of utmost concern to society at large that management should be intelligent and enlightened. The purpose of industry, Mr. Lewisohn asserts, is to produce goods and contribute to human well-being. There rests upon management, there-

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fore, a threefold responsibility: for development of the industry as such, for the well-being of the employes, and a social responsibility to the community at large. The extent of the latter depends upon the existing circumstances. In a large community of diverse interests an executive of an industrial enterprise may have no more responsibilities than any other good citizen, but in an isolated industrial community the comfort of all the inhabitants depends more or less directly on the intelligence and good will of the resident manager.

Few would be inclined to question the justice of Mr. Lewisohn's claims as to the importance of management. His practical suggestions as to sound managerial policy are, therefore, the more interesting and worthy of consideration. Of outstanding importance are his chapters on employe representation and trade unionism, though perhaps the most significant single chapter is the one on "The Modern Employer's Wage Policies." One gathers that Mr. Lewisohn recognizes the right of labor to organize and despises the cruder methods of opposing trade unionism, but believes that employe representation under a management of intelligence and good will is the best arrangement. He rejects the idea that there can ever be complete democracy in industry and contends, soundly enough, that most wage earners do not want a controlling voice in management.

The book is so essentially constructive and sound that one hesitates to criticize. One or two points where differences of opinion are possible may be mentioned, however. It is not surprising that Mr. Lewisohn should defend the capitalist system, and he does so in gentle and reasonable terms. Even so, he claims too much for it when he implies that none of its evils are peculiar to it and would be present under any system.

Mr. Lewisohn himself would be the last to claim that he has made a complete statement of the purposes and methods either of trade unionism or of employe representation. His book is not a treatise on either subject. However, as a consequence, there is some danger that the uninformed reader may obtain some impressions that further inquiry will not confirm.

The author's criticism of the use that has been made of the theory of the living wage is basically sound, but it is not likely that he would wish to be taken with absolute literalness at this point. Should national income be a basis for determining what can be paid in a particular case in view of the absence of national uniformity either of prices or profits? And since management represents the key to so much that is desirable, may it not be just as well that a stimulus be offered occasionally in the form of a wage demand that would require greater managerial efficiency if it is to be met?

However that may be, Mr. Lewisohn has written a book that ought to be read by every manager for its constructive suggestions and by every intelligent citizen for its revealing light on some of the problems of industry.

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