

employ an educational motive. They are peculiarly in danger if at any time the leader develops pathological tendencies, as leaders have all too frequently been known to do under the strain of responsibility. If the leader has a physical infirmity or handicap, he may try to compensate for this by unduly aggressive conduct. If he finds some definite limitation in his mental or emotional equipment, he may try to compensate for this in some harmful way. Numberless examples of both of these phenomena could be cited. Those led are peculiarly in danger where the leader does not for any reason keep up with the times, keep up with the facts of the technology of the enterprise, or facts regarding the current temper of the members of the enterprise.

I mention these dangers not because I have ready at hand prescriptions for their avoidance, but explicit statement of them is the first step toward being on guard against them.

Summary

I have tried in this presentation to do the following: To explain why it is that the subject of leadership can profit by new thinking today. The point of emphasis is upon the new conception of human nature and upon the ways of helping its unfolding which modern psychology and pedagogy are suggesting. I have defined leadership in terms of influencing others in such ways that a true harmony of desires and objectives is created, and in terms of purposes being served which are recognized as valid for all concerned. I have then tried to give substance to our conception of creative leadership by discussing several important aspects of the leader's task and several dangers which he confronts in accomplishing it.

In conclusion, I want to remind you of the wider stage on which our industrial drama is being played. Industrial leadership must come to

be creative, it would seem, because our common life is set in a cultural environment where what are called democratic forces are at work. These democratic forces mean, as they are reflected in human behavior, that people with all their varying desires and objectives are insisting upon selecting their own ends as they will. They want their goals and satisfactions to be self-chosen and the realizing of them to be self-achieved.

Yet such democratic developments do not, or should not, mean leaderless, uninspired, or unguided shifts of popular desire and aim. On the contrary, democratic institutions more uniquely than any others require for their functioning and growth the wisest kind of leadership. "A people," said Mill, "may be unprepared for good institutions, but to build a desire for them is a necessary part of the preparation." This is a dictum for the leader. His role is not merely to carry on with purposes already established. His role in its best conception is to kindle and evoke new and finer aims—finer not because they conform to some sentimental or arbitrary standards but because of the permanence, quality and vigor of the satisfactions people experience in realizing them.

Industrial institutions, then, if they are to move in a more democratic direction—and there are evidences at hand that this may be in store—require as never before a type of management in which creative leadership is the dominant note. They require creative leadership at every executive level, because the demand throughout business organizations will be for structural arrangements and for an animating spirit in and through which people can grow in a sense of self-fulfillment—a sense secured not in their leisure hours but in the process of living their industrial life. This demand that industrial experience must itself become truly creative for the led no less than for the leader is the unique essence of the new leadership idea.

Third International Management Congress

Rome, Italy

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Labor's Interest in Industrial Waste Elimination

Four Papers Presented Before a Conference on the Elimination of Waste in Industry, Held Under the Auspices of the Central Labor College of Philadelphia, April 9 and 10, 1927

Labor and Waste Elimination

By WILLIAM GREEN

President, American Federation of Labor

TIME and experience have developed a new conception of the vital problems which affect industry. Our viewpoint and understanding of the effect of industrial processes upon the welfare of all associated with industry have undergone a most revolutionary change. We now find that the line of separation cannot be drawn between any group or groups either interested in or connected with the producing forces of industry. There is no point which can be definitely fixed where the interest of one group begins or ends. The interests of all are so inextricably woven together as to preclude a diversion of effort or objective. One group cannot permanently prosper at the expense of the other nor is any one group immune from the evil consequences of uneconomic industrial operation. Industry is made profitable and the rewards of industrial efforts are increased in proportion to the co-operation established between employers, employees and management.

The exploitation of the workers on the part of employers and management cannot be defended by those who believe in justice and fair dealing. Driving processes are regarded as unscientific and inhuman. The successful employer inspires and leads men and women to give their best service and to do so freely and voluntarily.

The workers understand, as never before, that high wages depend upon the degree of efficiency developed among individual workers and the collective productivity of all who are employed. The basis of successful management as well as the basis of our modern wage structure has been changed.

Modern industry requires management to formulate plans, adopt methods and utilize every reason-

able and honorable means at its command to promote economic production. Wages very largely depend upon successful management and the sustained service of the workers, made possible through the creation of opportunity for personal initiative and group activity.

There may have been a time when working people did not regard industrial waste as pertinent or important. They felt that it was no concern of theirs but that it was a problem belonging to management. Working people were chiefly concerned with wages, hours and conditions of employment. When conferences were held between the representatives of the workers and management discussion was limited by management to those questions. If the workers suggested changes or improvements in industrial methods or processes as an argument in favor of higher wages such suggestions were resented as an intrusion upon the prerogatives of management. Industrial waste, duplication of effort, increased efficiency and productivity were questions which were considered outside the limit of conference discussion between employers and employees.

Because of this mental attitude on the part of employers and employees no joint effort was made to seek a remedy for this condition of affairs. Where the wage schedules and conditions of employment were formulated and posted by employers without consultation with their employees there was no opportunity for a joint discussion of the questions of management and labor. Under such conditions management assumed full responsibility for industrial success or failure. It automatically fixed wages, hours and conditions of employment and all other questions, connected with the operation of industry were regarded as belonging to managerial control and determination. This state of affairs still prevails in some industries.