

ment. We have leaped far too hurriedly to the conclusion that the functional divisions, as we have made them to suit our industry, correspond to some basic psychological differences. It may be that the differences are not basic and that a higher culture for industry is practicable by means of a functional system which has been weaved into a departmental organization. It may be that by some such means as these we can aid in the necessary task of co-ordination, and that we can use men far more highly trained, with experience in a few functional responsibilities, in the work of general direction to the advantage of that direction.

Thus I am not at all ready to take up the cudgels either for or against the functional system. In the rush of enthusiasm in which it was introduced there were very real dangers and these dangers were so evident that many were led rather hastily to scrap functionalization altogether. But it is clear that in some way or other we must provide for a close specialization and that where the same type of specialization is needed in various departments of an industry a functional allotment is inevitable. Not only is it specialization but it is particularization of a point of view. Wise management can see this coming and set out to meet it without making a sudden change from departmental or territorial organization to purely functional organization. To go out and meet it is one thing, to provide for it, to test it within the range of its adoption so that its value for a wider range will be known—this seems to indicate the sound process. But it will depend upon the industry and it will depend upon the management. For we shall do well to ask ourselves how it comes about in our industries, with all the opportunities which we have had for closer organization, that in the main we have failed to procure any similitude of social cohesion. For this purpose there can be little doubt that functional organization is an effective means, since it demands personal skill and the frank recognition of the skill of others. In this way industry may yet take its place in the training of mankind.

Though I claim that functional direction is inevitable, just as more and more finely distributed mass production is inevitable, I do not think that standing alone they will be tolerable as the method of industry. The instinct of man will seek something which makes a wider demand upon his capacities. So if we are convinced that functional direc-

tion and machine-mass-production are essential to the successful conduct of industry and to the supply of an ever increasing demand we shall be bound to accompany both the direction and the work of production with other methods into which mankind can throw capacities and energies of a different kind. It is at this point that we can reach a summary judgment. Functionalization is an essential instrument in the conduct of industry, an essential element in the organization. But it is an instrument in the hands of man, an essential element in the organization which is to be subordinate to man. By what means mankind will be able to use functional direction in industry and yet keep himself free from its evils, if it should obtain the dominance, is not easy to say at this juncture. We have not yet gone far enough from the departmental or the territorial method to be able to conjecture what would be needed if functional organization became dominant; precisely in the same way that we have not yet gone far enough in respect of mass or machine production to be able to estimate its appropriate limits. Nevertheless we are able to peer into the future and we can make something of a guess as to the direction in which correctives for functional organization as for mass production will be found. Clearly they will be in the nature of corporate efforts at an understanding of the full purpose of the industry; clearly, too, they will use some machinery of the corporate type for the focusing of a common attention upon the central purpose, accompanying it by manifold contributions from experience and knowledge. If it means therefore that functional organization makes this demand upon us, if it quickens our interest and warms our human associations, it may be that it will achieve far more than its votaries dared dream. It may lead the way to cheaper and better organized production and thus to further triumphs of industry, but at the same time it may be the means of a revolt against the very narrowness of life, both of direction and of production, for which it may seem to have been responsible. Those who introduce functional direction with some such vision in their minds may be building far more securely than they know, and the structure after it is reared may be a true and real association not merely in production but in that mutuality of endeavor which brings the best out of men and by that means builds for the generations which are to come.

We know something of the legacy of Greece and of Rome and of the Middle Ages. It is clear that the legacy which we shall leave behind us is the legacy of industrial organization, far more inclusive in its scope than we yet realize. If we are to hand it on with due and appropriate and balanced and sensitive regard for the men and women who are to use it as a mighty instrument, we shall need to consider in what way it shall be constructed as not only to permit and to encourage each individual to do his best but to permit and encourage the corporate whole to be more effective by reason of the greater efficiency of the individual as individual and as part of the corporate whole. This is the task before us and we must watch all our experiments from this angle. It subtends more of human life than we suppose. It means that man is learning from industry in what manner he shall live and that involves a recognition both of the corporate and of the individual aspects and of a *tertium quid*, the sacredness of the individual aspect as part of the corporate aspect.

A very effective parallel may be drawn between colonization and industry to illustrate this point. The task of British colonization today is infinitely more difficult and infinitely more complex than the colonization of ancient Rome. It is not because the distances which separate the mother country from the colonies are immeasurably greater, but because the establishment of Britains overseas must involve a nationhood of their own which yet shares in the nationhood of the home country and of the

whole. Rome colonized the world and held her colonies in a firm grip. Today there must be something more than a strong grip from the center; there must be a radiant life pulsing through the whole. In industry the old departmental divisions will have many of the characteristics of the Roman colonies and in so far as we use the functional system wisely it will be to seek the channels for a flow of life both outward and inward of which the purely departmental system did not prove itself capable. Yet in doing so we must remember that the functional system itself is an instrument only and that it is not life but only a channel of life. This sums up the position which we shall claim for it. As yet no one can define the limits but we can define the purpose. It may aid us to a far closer welding of the industrial structure enabling all men's contributions more readily to be offered and more readily to be accepted. With this as our criterion we may well proceed knowing that, as yet, we are in a very rudimentary stage in respect to knowing and understanding of what it is capable. But with an appropriate sense of balance, with a recognition of the sense of organization in which it can take its place, we can boldly adopt this and that experiment, provided that the sacredness of man is kept steadily before us and that his culture and his development are definitely regarded as part of industrial culture and industrial development. Where functionalization unites the two it is a helpful ally; where it separates it is an evil.

THIRDLY, and most important of all, I believe that the functional conception of management, alone of all the theories of industrial organization which have been put before us in the last decades, really goes to the heart of our difficulties. In his last book, Mr. H. G. Wells writes, "A vast amount of moral force has been wasted in the past hundred years by the antagonism of Labor to Capital, as though this was the primary issue in human affairs. But this never was the primary issue and it is steadily receding from its former importance." I believe that to be absolutely and literally true. No man, whatever his political complexion, who has any practical experience of ad-

ministration today, really pretends to himself that a mere shift of ownership in the means of production, or in the right to its surplus, will make any fundamental difference in industrial relations. Whatever the ownership of industry, the real hardships will continue unless there is a fundamental change in organization and method. ("The Nature of the Educational Training to Equip Foremen and Supervisors," by L. Urwick, O.B.E., M.A., from Report of First Triennial Congress of the International Industrial Relations Association held at Cambridge, England, July, 1928, on the subject of *Fundamental Relationships Between All Sections of the Industrial Community*, pp. 144-145.)