in the development, with all its ramifications, of mass production which, together with Taylor's conception of scientific management, is America's contribution to the history of industrial management. Except in the case of Henry Ford, the unclassifiable, the need for a great aggregate of capital, as exemplified in the billion dollar corporations, has spread ownership over a vast array of people, from the workers through stock ownership to innumerable investors on the stock exchanges without knowledge of or capacity for management. Hence, no longer is the entrepreneur a self-appointed head but a servant of the corporation, chosen not because he possesses skill or capital but because he is an industrial scientist with vision and imagination to comprehend the intangible as well as the tangible elements of modern civilization.

Owen Young in his dedication address at the Harvard School of Business Administration spoke of a future in which the workers might look forward to the employment of capital, meaning "the men who are giving their lives and their efforts" to the great business organizations. More broadly interpreted, this must refer to the right to choose the entrepreneur, since the day has passed when either worker or capitalist as such can assume the professional duties of management. Like the alchemist who mixes the potions, the entrepreneur performs an esoteric function in combining labor and capital effectively to supply consumer wants.

Reviews

The Filene Store. A Study of Employes' Relation to Management in a Retail Store. By Mary La Dame, Russell Sage Foundation, New York, 1930, pages 541.

The student of the science of administration feels keenly the need for first-hand studies of companies which have made experiments with new forms of employe relations. The Russell Sage Foundation has here supplied such a study which is of unprecedented value. This value derives both from the importance of the experiment studied, and the unusual competence of the analysis.

The Filene store in Boston has long been known for its effort to afford a new and larger share than is typical of employe participation in management, in profits and ultimately in ownership. About such an effort all the inevitable and necessary questions arise for answer: Does employe sharing in management help or hurt? Does employe sharing in profits supply a genuine and wise incentive, and if so what form should it take? How can employe participation in ownership be evolved to assure permanence of wise direction? How can the continuance of progressive and experimental labor policies be assured in companies where these policies are initially inspired by one or two owners or executives when they pass away or sell out?

This volume purports only to answer these questions so far as the Filene experience down to January 31, 1927 sheds light upon them, which it does in a most helpful manner. Miss La Dame is to be congratulated from every point of view. Her outlook is broad without being extreme. Her criteria are social but kept well within the scheme of possible objectives under the existing economic order. Her facts are clearly stated and her conclusions apparently sound deductions from the available data. Her background understanding of contemporary developments in the field of personnel experience seems complete enough to relate this company's efforts to the trend of the times with similar programs.

Perhaps the outstanding fact of this study is its warning that we today face no assurance—and seem hardly to have thought of finding one—as to the continuation of personnel policies and experiments when the leaders and inspirers of them pass off the industrial scene. Many of us have observed it as unquestionably true that the initiation of significant personnel achievement depends on owners and executives possessed of rare idealism, vision, courage, patience, intelligence and insight. But fewer of us have honestly faced the dilemma met when such leadership is withdrawn, as it has been essentially in this case and with a few others that might be cited. Yet it becomes increasingly clear that mergers, bank domination of companies, the selling out of family companies to a broadened ownership—that these and other active factors are in danger of leading to the abandonment of companies' commitments in the personnel field which seem sound and forward looking.

Because of certain shifts in ownership in the store under examination such a lessening of the power and direct influence of the Filene brothers is already a fact. And Miss La Dame appears to draw the conclusion that as a consistently well thought through personnel program, this company's effort is really a thing of the past by the time her study reaches the public.

Another outstanding conclusion is as to the difficulty of getting genuine and widespread interest among employes in managerial affairs and of getting any important assumption of managerial responsibility by them. This conclusion is not surprising. It confirms the observation and experience of other managements which have labored over the same problem. The author shows how this condition might possibly have been minimized by a more specific educational technique.

But the fact remains that those who "view with alarm" the extension of employe influence through employe representation seem to have set up a man of straw to take fright at. And employe representation still remains as at least immediately valuable as a channel of expressing employe attitude and desire on certain matters, even if it fails as yet to open up promise of a method of employe assumption of any important managerial authority. To be sure, the extent to which this last objective is desirable may be questioned. But it was an aim definitely striven for in the Filene store.

As a brief for a modern personnel program, however, this study is impressive. Whether or not all the hopes of the Filene brothers were being realized, they were supplying a convincing example of corporate and human benefits growing out of the best kind of modern personnel work. The courage they showed, the faith in employe good sense and business judgment which they evidenced, the investment in specialized personnel techniques which they were willing to authorize—all these seem to have been abundantly justified.

One only wishes that conditions had been such that the personal efforts of these two men themselves could, as the store grew, have been kept closer to the actual conduct of personnel affairs. That they were not able to convince their close executive associates of the wisdom of their vision seems retrospectively to have been the cardinal failure. Rather than demonstrate the fatuity of the vision they cherished, the results seem to show the essentially personal character of much that is valuable in managerial-worker relationships. Much can no doubt be done through forms, structures, constitutions and procedures which can be given permanent, legal effect. But regardless of corporate forms and basic ownership assumptions, experience in Russia as in Germany, England and America proves conclusively that administrative measures in their going effectiveness are the lengthened shadow of a man or group. And no economic structure, however set up, is led more intelligently and co-operatively than its leaders are intelligent and co-operative. If this be deemed a discouraging conclusion, well and good. But this study supports such a conviction and seems to me the more significant and worth while for that reason. If the truth is that industrial progress depends upon high-minded leaders, then upon the problem of developing high-minded leaders must our attention be centered.

Miss La Dame's provocative study supplies support for this thesis. And although this is only one phase of a many-sided analysis which should be read to be appreciated for its numerous conclusions, it is a phase which perhaps merits the most universal concern. For this may well prove to be the central problem now to be faced by all who wish to advance in a fundamental way the science of good management.

ORDWAY TEAD[1]

Is It Safe to Work? By Edison L. Bowers, Houghton Mifflin Company for the Pollak Foundation for Economic Research, Boston and New York, 1930, pages xiii, 229.

After a decade or so of the annual bickerings over liberalizing our workmen's compensation laws, it is refreshing to encounter the unselfish and non-partisan views of an economist who, through the murk of legislative compromise, discerns an objective more satisfying than the rehabilitation of cripples and more to be desired than adequate compensation for loss of earning power and dependency.

Edison Bowers believes in the efficacy of the safety movement and in its concomitants of efficiency and larger production, lowered costs and improved labor relations. At the same time, however, he recognizes how scattered have been its really notable advances in the industrial field. Yet engineering and educational ability is not lacking, he says, to consolidate and extend these gains. The vital deficiency lies in the failure of so many employers to sense their obligation to society for the protection of the earning power of the State, and to realize the benefits returnable to them as dividends on very modest investments in accident prevention. But the present compensation laws have lost their virtue as inducements, and insurance principles have tended merely to level the extremes of industrial practice. Can we expect the executive to attach much importance to an expense item which is equivalent to but 1 per cent of his payroll?

After pointing out how far the benefits awarded under the present laws fall short of yielding a fair compensation for loss of earning power and dependency—and how the economic corollary of rehabilitation has faltered and lagged, Bowers introduces the major tenet of his thesis. "The principal reason why more money is not spent for injury prevention," he declares, "is that the employer is not compelled to do it. . . The injury expense is relatively small because injury benefits are small. Injury benefits are small because human beings are not rated at their true economic worth. If industry had to pay the actual loss caused by industrial injuries, the safety problem would loom large in the average company's affairs; the tactics employed in preventing injuries would correspond to the new importance of the enterprise." And, not only must benefits (and the insurance premiums which cover them) be larger, he points out, but the differential must adequately separate the more hazardous from the less hazardous plants and, through the pressure of competitive costs, actually force the former to reduce their accident rates. And so, by changing the basis and increasing the scale of benefits, is the safety movement to be accelerated, more adequate compensation provided, and the way prepared for the needed extension of rehabilitation work. Bowers believes such changes are bound to come and that they will produce in the end no appreciable increase in the costs of industrial products.

The title of the book is somewhat misleading and one might find fault with the publishers' statement on the jacket that it contains "clear and practical suggestions for the prevention of accidents"—which was obviously not the intention of the author. To some, the detailed discussion of schedules and benefits may seem unnecessarily prolonged. The source of the subject matter is not always made clear; the index is rather slim and the bibliography is not quite up-to-date. But these are minor criticisms; the author has a real message to deliver and delivers it fluently, clearly and with effect. The book contains so much food for sober thought by those concerned with the human element in

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