

ance of America's industrial, social and economic supremacy. It is a valuable object lesson. In America, taking us generally, we are self-satisfied and complacent. We have enjoyed prosperity far beyond perhaps that of any other nation. This has been largely due to the general adoption of better management throughout our industries. But, with the exception of the mass production industries, the average of American management today falls far short of the standard of organization and accomplishment of the Kendall group.

Since I got back from my sojourn on the west coast and my trip around the world, I have visited plants that are regarded as successful, that are making money and are pretty well satisfied with their management. They think they are applying scientific management. They have what they call a planning department. They have what they call a staff organization. And they have what they call method study or time study. But it is certainly not more than 50 per cent of what it should be either in form or in accomplishment.

There has spread from the early work of Taylor and his associates a smattering in the way of understanding of the principles of scientific management and its technique. This has been accompanied by what might almost be called a contempt of the details of the mechanisms or the ways and means for applying the principles. There has likewise been lack of understanding of the principles. And yet, as a result largely of that smattering of understanding and imperfect application of the principles of scientific management, we have attained and maintained a prosperity, a standard of living, a social standard that is beyond that of any other country.

Now, if we are going to be satisfied with that we are riding for a fall, because some of the other countries of the world are not standing still. I spent last year several very pleasant and interesting months in Japan. Japan is a very young country industrially. They have many problems, but they are working intelligently, faithfully and industriously toward their solution. These problems have mainly to do with the development of markets and the development of industry, in which the Japanese recognize scientific management as being an important means to the end. Already Japan has some industries which compare favorably with our best in point of management and efficiency.

The same thing is going on in many of the countries of Europe.

I think that the Taylor Society should try to get across to American industry the message that it must wake up; it must become dissatisfied with the superficial application of the principles of scientific management, the complacent ignorance of not only principles of scientific management and of organization as set forth by the speaker this morning, but with ignorance of such simple matters as the technique of scientific management.

One reason for this situation is that the men at the head of American industries, the captains of industry, the general managers, the heads of financial institutions, have not been willing to take the time or the trouble to learn what scientific management really is. They are willing to assume knowledge of it which they do not possess.

One of the reasons for Mr. Kendall's success is the fact that the man at the head of it knows scientific management—not vaguely or superficially, but intimately; he knows all of the technique of scientific management as well as its principles.

Now if we can get men at the heads of industries to take the same trouble to study scientific management, to learn the Taylor System, as have Mr. Kendall and those associated with him, I think America has a bright future. Otherwise I am inclined to think that some of our neighbors on the other side of the ocean, either side of the United States, may give us a pretty hard run for our money.

Lawrence C. Haaser.<sup>6</sup> I deem it a pleasure and compliment to have been asked to comment on Mr. Lamson's paper. My experience has been in the ranks and it is out of that experience only that I can contribute.

At one time I was employed in an executive capacity for a very prosperous concern whose owners, partners, were rated as millionaires. One of these individuals, like myself, had started in at a dollar a day polishing shears and cutlery. He was industrious and a thorough student and had finally become the president of a labor union in the locality. When a strike was called by his union, he went out with the rest and, as so often happens, when the strike was over, he was unable to secure

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a job in the small community. He therefore went to Newark, New Jersey, and worked for awhile at his trade. While there, he developed and patented his idea for making manicure nail files and started an industry at Fremont. He associated with himself another gentleman, and they made a financial success of the business. In the course of time, however, they were "pushed" out by the financial interests. This is a sad story. The reasons, however, were these, which were very evident: (1) the lack of development of the science of management in the organization; (2) the lack of intimate and friendly co-operation between the management and men and (3) no definite plan of perpetuating the business other than to create personal wealth. Even though, as already stated, this man had grown from the ranks and had been president of a labor union, he had lost his contact as he moved up. It had become difficult for his employees to reach him. Unconsciously a lot of "red tape" was set up as a barrier between them.

In contrast, the men in the organization with whom I have come in contact in the furniture industry have had a definite purpose in mind. The man with whom I am at present associated would make a good half-brother of Mr. Kendall. He is not in the business merely to make a lot of money for himself but for the purpose of perpetuating the business, and is well aware of its possibilities. He associates himself with men who can keep him posted as to present trends and the result is that he has a good business that fortunately has not been affected by the present slump. Last March, when men were being threatened with the loss of their jobs, he raised the wage of every man in the organization. He realized that it was good business to take money from the man who has it and put it back in the industry whence it came.

The organization chart as set forth here by Mr. Lamson is very complete and interesting and serves as a model for us, to be sure. At the present time we are exerting our efforts in establishing a well defined organization, a well established line of authorized organization of our foremen, that has proved to be a great benefit. At the last meeting of our Foremen's Club, we were addressed by a gentleman from the Ohio Brass Company. He stated that his organization has no secrets, that they distribute all the information they have, including financial statements, to their employees.

We do not go quite this far but we do believe management's business is to make good and a profit.

H. S. Person.<sup>7</sup> I should like to ask Mr. Lamson two questions. First, how has this general organization of policy and industrial responsibility worked out during the strike in the South? And second, is there provision for horizontal as well as vertical contacts below the level of general administrative control?

Frederick L. Lamson. When the strike situation developed in the South Mr. Kendall called his employees together and asked them what they wanted to do. The strike was the result of an objection to one man's handling as many as sixty-four looms. Our men were handling 120. He said to them, "If you feel you must go out, go. We won't throw you out of your houses if you decide to go out. Stay in them. But take time to think and talk the whole matter over." The result was that in five mills only three employees voted in favor of striking. All the rest voted against it. Our mills ran night and day all through the strike.

As to the other question, the sales managers meet with the factory managers; the general managers meet with each other; the foremen get together, but most important of all, Mr. Kendall meets with all of them. Self-expression all along the line is encouraged. Mr. Kendall recently met with all the southern mill managers and foremen in an effort to bring hours down to a level with those in other industries. He was not completely successful as some of you know who have read in the papers the reception which his proposition to the President received. We were successful, however, in cutting hours twenty-eight hours per week. The night and day shifts now run 105 hours per week and the operators are paid exactly the same wage as they were paid before the reduction.

Frank R. Goodell.<sup>7</sup> Having spent some of my youth in the wide place in the road between North and South Carolina, I am interested in the question of child labor in the South. I have wondered what Mr. Kendall has been able to accomplish in reducing child labor in his mills.

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