

## Friday Afternoon

Group I: Maintenance of Materials and Equipment Standards.

Leader of Discussion: George D. Babcock, Vice President, Central Lumber Mills, Inc., Fletcher, N. C.

Group II: Developing New Items and Channels.  
Leader of Discussion: S. W. Van Ness, Director of Merchandising, Dennison Manufacturing Company, Framingham, Mass.

Group III: Measuring and Rating Management.  
Leader of Discussion: Walter Rautenstrauch, Professor of Industrial Engineering, Columbia University, New York.

## Friday Evening

Management Problems of the Next Decade.

By David Friday, Economist and Writer, A. G. Becker & Company, Investment Bankers, New York.

## News of the Sections and Notes

## Central New York

The group held its February meeting on the fourteenth at the Hotel Syracuse in Syracuse. Mr. Wallace Waterfall, Secretary of the Acoustical Society of America, spoke on "The New Science of Noise Control," and its application to factories, offices, public buildings and homes.

At the meeting on March 21 Henry P. Kendall, President of The Kendall Company and of the Taylor Society, was the speaker of the evening. His subject, "How Scientific Management Has Been Helping Textile Readjustments," aroused keen interest.

## New York Metropolitan

Mr. Kendall also addressed the New York Metropolitan Section of the Taylor Society on Thursday, March 20. He chose as his subject a description of a piece of reorganization work which has recently been completed in one of the new divisions of The Kendall Company in Chicago. Mr. F. G. Coburn, of Sanderson and Porter, and Henry C. Metcalf, of the Bureau of Personnel Administration, participated in the discussion of this concrete case of an application of scientific management principles.

## University of North Carolina

Under the guidance of Professor Schwenning, the local branch of the Taylor Society, the North Carolina Club and a seminar of the department of commerce were responsible for arranging a meeting at which Mr. Kendall again spoke on "Management Problems in the Textile Industry." This was one of a series of University meetings planned to afford the students an opportunity to hear all sides of the textile situation.

## Erratum

In the last issue of the BULLETIN (February, 1930), the caption accompanying the illustrations of the Le Chatelier medal, opposite page 38, twice referred to the International Management Congress in Paris last June as the *Fifth* International Management Congress. *Fifth* should in each case be changed to *Fourth*.

## Back Numbers Wanted

The following out-of-print numbers of the BULLETIN are in demand for completing sets for libraries, etc. We shall be glad to pay fifty cents each for any or all of the following numbers for which we have especially urgent requests:

Vol. VI, Nos. 1, 5 and 6

Vol. VII, Nos. 2 and 4

Vol. XI, No. 1

Vol. XII, Nos. 4 and 6

## Reviews

*Industrial Standardization*. National Industrial Conference Board, Inc., New York, 1929, pages xiv, 306.

This study is a contribution to the entirely inadequate non-technical literature on the important subject of Industrial Standardization. Much of a technical nature has been written upon standards in individual industries and upon various engineering standards, but little has been done in summarizing the status of industrial standardization, except what has been presented in the somewhat limited space of the always valuable and interesting Year Books of the American Standards Association.

This study is divided into two parts. Part One gives a summary of the activities of the more important organizations interested in developing and promoting Industrial Standardization, not only in the United States, but also abroad. Persons who have not had the opportunity to be-

come closely associated with the standardization movement will, no doubt, be greatly impressed by the very considerable amount of work being done by individual companies, trade associations, engineering societies and national and international standardizing bodies.

Part Two is devoted to a discussion of the economic aspects of standardization. In this part an evaluation of the business saving from standardization is made. The relationship of standardization to marketing technique, to the size of business, to the ultimate consumer, standardization as an aid in the stabilization of business, are the subjects which are discussed in some detail. The appendices contain carefully selected material and add to the value of the study.

It is to be regretted that in a study of Industrial Standardization, it was not found feasible to devote even as much as a single chapter to the discussion of the very important subject of the establishment of operating standards. It is felt that too narrow a definition of the term, scientific management, is used in order to justify this omission.

This study fills a definite need for a non-technical book presenting the existing status of industrial standardization in a way that can be understood by all.

V. S. KARABASZ<sup>1</sup>

*Wage Incentive Methods, Their Selection, Installation and Operation*. By Charles Walter Lytle, M.E., The Ronald Press Company, New York, 1929, pages vii, 457.

From the multiplicity of known wage incentive plans the author has selected twenty-five which he has subjected to a painstaking study with a view to so presenting their various features that comparison will be facilitated and the executive assisted to a decision as to which plan may best meet the needs of a given set of conditions. To this end numerous charts are presented showing wage cost or operators' earnings for various percentages of a "standard production" and also the variations in total cost for given rates of production under the various plans. Some of these charts by reason of the number of curves and small scale of reproduction are difficult to read. Interesting statistics are given on the extent to which various incentive wage plans are used as well as reports on the experience of many representative companies.

In commenting on the number of plans that have been devised the author states, "The worst that we can say of the better pioneers is that they tried too many variations and attached their names to plans which were not sufficiently distinct to justify any new names." The reviewer joins with the author in the expressed hope, "that the past tendency to diverge from well established plans will either cease or else new plans in the future will be so distinctive that they will really serve special purposes. Only 'fond parents' would claim this for some of the twenty-five plans."

The author points out the need for standardization, planning and control, maintenance and inspection in connection with incentive pay systems. Incentive plans for groups of employees,

<sup>1</sup>Assistant Professor, Wharton School of Finance and Commerce, University of Pennsylvania, Philadelphia, Pa.

quality bonuses and incentive plans for those engaged in supervision office work and other indirect capacities are described.

The chapters dealing with base rates of pay and the relative evaluation of different classes of work should be of assistance to employers in checking up their own practice.

The difficulties with which the author had to contend and with which the reader is also required to cope are not limited to the number of plans dealt with. They are heightened by the fact that several of the plans may be varied in such details as what should be regarded as "standard," or 100 per cent production, the point in the scale of production at which "premium" or "bonus" earnings should commence, and the ratio of these to base earnings. Furthermore, as the author points out, "According to Lichtner the task used by Barth, Baum, Halsey and Rowan would allow performance of 200 per cent" and "under the Emerson plan a large number of employees will produce from 125 to 150 per cent of standard. Under the Taylor and Gantt plans production of more than 110 per cent will be very rare." As a consequence of the different objectives, manners of establishing standards of performance, plans of organization, systems of management and general state of affairs that the originators of the various plans had in mind, it is no easy matter to avoid confusion in analyzing and describing twenty-five plans and to present the material so that every plan may be compared with every other plan. The reviewer, in spite of long experience with a variety of incentive wage systems, felt somewhat bewildered after a first reading of the book. It is a question whether the majority of executives, who should benefit from this work, will have the perseverance necessary to an understanding reading.

The book would, in the reviewer's opinion, have been of far greater value if it had been more logically arranged and simplified in its manner of presentation. He also is of the opinion that this is something more easily said than done.

The author refers frequently to the work of Taylor and his associates, both directly and in connection with the practices which have spread from that source. But, although he does not neglect it, he fails to bring out adequately what Taylor indicated as a basic difference between the task idea, the essence of his differential Piece Rate System as well as of the Gantt Task and Bonus Plan, and what he termed the "Drifting Systems." This distinction the reviewer feels cannot be too strongly nor too frequently emphasized. As the task idea is essential to true scientific management, and as virtually all of the plans other than those devised by Taylor, Gantt and Merrick evade the task idea with the responsibilities that it imposes, it is not probable that the book will have much influence in raising the standard of management from what Kendall has described as the systematized stage to the scientific; in other words, in raising it from a diluted and distorted form to one conforming to the principles of scientific management with its correspondingly greater effectiveness.

Although many of the practices described as a part of incentive pay systems bearing other names will be recognized as appropriations or adaptations from Taylor technique, the fact that the majority of the plans presented were devised to fit systems of organization and management with standards