



FIGURE 5.  
RECORD OF NEW EMPLOYEES AND QUITTERS.

should be taken. In case there is an increase in the organization, the percentage of quitters to the average standing payroll should be taken. In the first case that amount by which the number of quitters exceeds the number of new employees will account for the reduction. In the second place, the amount by which the new employees exceed the number of quitters will account for the increase.

56. For purposes of intelligent comparison, quitters should be classified as "unavoidable" and "avoidable." "Unavoidable" should include discharges, death, sickness, accident, marriage, retirement, etc. "Avoidable" should include cases of dissatisfaction and all cases that cannot unquestionably be classified as unavoidable. In every organization there are bound to be some unavoidable quitters. The records of the avoidable quitters, therefore, is the important thing. The record of new employees and quitters for 1914, as shown in Figure 5, demonstrates, among other things,

that the avoidable quitters had been reduced to a figure less than one-half as large as that of the unavoidable quitters and were only 6.4% of the working force.

57. Nothing shows more clearly the progress which has been made in this respect at the Clothcraft Shops than the record of "labor turnover" for the five years from 1910 to 1914 inclusive as shown in Table I.

TABLE I.  
LABOR TURNOVER 1910-1914

Year	Stand. Payroll	New Hands	Per Cent.
1910	1044	1570	150.3
1911	951	807	84.8
1912	887	663	74.7
1913	854	569	66.6
1914	865	290	33.5

These records tell their own story. It may be also worthy of note that over 1-3 of the members of the Clothcraft organization have been in the continuous employ of the company for a period of five years, or more. It is practically impossible to obtain accurate figures as to normal labor turnover. In the few instances where figures are available, progress has already been made. In the case of one large concern in the men's clothing industry, the number of people employed for 1914 amounted to 115% of the payroll, which is undoubtedly better than the average in the industry. The following relating to a somewhat similar industry is from the report of the Federal Industrial Relations Commission (page 166): "An investigation of the cloak and suit industry in New York showed the maximum number of employees in sixteen occupations during any week of the year to be 1952. Actually, however, the payrolls showed that 4000 people were employed in these occupations."

58. It can readily be seen how intricate are the problems involved in the art of handling men. Every step toward the solution of these problems is a step in the direction of democracy. Efficiency as a whole is accomplished by efficiency of the individual and efficiency of the individual is accomplished only by methods involving personal contact.

59. In a recent noteworthy article on "The Progress of the Social Conscience" by William Jewett Tucker, President Emeritus of Dartmouth College, the following statement is made: "Public opinion as the governing force in modern democracy is the objective of social conscience." It is the awakening of the social conscience that is making the man at the head of an organization realize the necessity of free expression of public opinion. The development of this expression through the natural channels of intimate contact will lead in the most normal and direct way to the democratization of industry.

60. The existence of democracy in an organization is not dependent upon any particular method or any particular form of expression.

Professor Thomas N. Carver of Harvard University in his book entitled "Essays in Social Justice" says:

"This leads us to a consideration of a statement which is so frequently set forth in the ephemeral literature of the day, by popular writers and speakers to the effect that as the nineteenth century achieved political democracy, it remains for the twentieth century to achieve industrial democracy. They who have this point of view have apparently never gotten beyond the idea that balloting and democracy are synonymous. We have heard a great deal of preaching in our day regarding idolatry of wealth, of the worship of the almighty dollar. We have heard apparently little of the worship of the almighty ballot, and yet of the two forms of idolatry the latter is not only more vicious, but more silly. Two things and two things only are essential to real democracy. The first is an open road to talent, that is to say that every man shall have an opportunity to rise to positions of power and responsibility in proportion to his ability, regardless of birth, privilege, caste or other social barriers. The son of the peasant may become the ruler in government or the employer in business by sheer force of his own merit, if he happens to possess merit. The second essential of pure democracy is that they who are in positions of power and responsibility shall be made sensitive to the needs, the desires, and the interests of those over whom they exercise power and responsibility."

1. Appearing in the 1915 September issue of the Atlantic Monthly.  
2. Harvard University Press, Cambridge, Mass. 1915.]

61. The open road to talent is an essential to every successful organization. At the Clothcraft Shops the road is not only open, but every possible aid is given for advancement. Practically all positions in the organization, including clerical and executive positions, are filled by those who by reason of sheer personal merit have come up from the ranks.

62. One of the most important functions of the Employment and Service Department is to develop organization spirit and free expression of personal and public opinion. It forms a direct channel of expression from its source to the ear of the management. In fact the chief purpose of a scientifically organized department is nothing more than the development of that intimate personal contact so necessary to management. At the Clothcraft Shops about one-fifth of the total number of employees come daily in contact with the Employment and Service Department. All cases where direct contact with the management would be beneficial are immediately referred to it. This requires constant daily contact of the management with the department, and brings it into intimate relationship with a great many more cases than would be possible in the average organization of much smaller size. Wherever the management assumes the policy of the closed door, this department may well be shut down.

63. Results cannot be accomplished in the spirit of charity, but must emanate entirely from a sense of justice. It must be understood that work along the lines described above can never take the place of wages. Such work must have as a reason for its existence not only increased efficiency, but the increased reward to which increased efficiency is entitled. Figure 6 is a chart showing the progress of the Clothcraft Shops in respect to wages and efficiency from June, 1910, to January, 1915. This shows during this period an increase in production of 42%; an increase in the average individual hourly wages of 45%, weekly wages 37%; and a decrease in total manufacturing cost of about 10%. During this period the weekly working schedule was reduced from fifty-four to forty-eight hours.

64. It is our belief that results, such as these, are obtainable only when Scientific Management is scientifically applied. Scientific Management will live if for no other reason than that it has faced the problem squarely and recognizes that the science of management is the science of handling men.

65. That Scientific Management is a solution of the industrial problem involving all the ethics of human relationship was recognized by no one so well as by the Father of Scientific Management himself. For proof we need only remember the four principles of Scientific Management<sup>2</sup> as propounded by Mr. Taylor, and his well known words that the "Product of a factory is not materials, but men." The most hopeful sign of the times is the awakening public conscience in regard to the elements of success. The measure of success is no longer how much you make, but how you make it.

1. The development of a true science.  
2. The scientific selection of the workman.  
3. His scientific education and development.  
4. Intimate friendly co-operation between the management and the men.

("The Principles of Scientific Management")  
by Frederick Winslow Taylor,  
Harper & Bros. New York.