

ADMINISTRATION IN ROCHESTER¹

BY

HENRY T. NOYES²

I AM sure we all agree that good management consists in the proper coordination of our resources and our human efforts to the best accomplishment of results. We are dealing with that problem constantly in connection with different plants and industries. I have been requested to tell you a bit, if I can, of what we have done in Rochester during the last fifteen or twenty years along the same line, but aiming to coordinate the community efforts and resources to the accomplishment of the best good for the community and for all concerned.

Perhaps I can tell you the story best if you will let me say just a little about Rochester and some of its advantages which have helped us to accomplish the most. Rochester is strictly a manufacturing city. We have little if any commerce. We have very little wholesale trade. Our interests, therefore, are to a remarkable extent common interests, centering around manufacturing.

It is a city of some 300,000 in population. Its largest industry with respect to labor and dollars and cents output is the clothing industry,—the men's clothing industry. The second, I believe, is the manufacture of ladies' fine shoes. Third, the making of cameras, photographic materials and the like. Fourth, the making of instruments—optical instruments, thermometers and things of that kind. Fifth, machine tools of various kinds. Perhaps next, the making of buttons.

The largest single concern in Rochester is the Eastman Kodak Company, with six or seven plants in the city with a total of about 12,000 employees in Rochester and vicinity. The next in size is the Bausch & Lomb Optical Company with about 4,500 employees.

The one thing remarkable about all the manufacturers of Rochester is the extent to which they make high quality goods. Those who have attempted to make cheap clothing and cheap shoes in Rochester, have failed. We make nothing in the city that is cheap. Remarkably true is this fact. I think it indicates something, however,—it shows that we have perhaps more common ideals in connection with our

manufacturing problems than have other communities.

We have thus a community concerned with *manufacturing* almost exclusively, manufacturing high grade goods only, and quite diversified in the character of goods manufactured; hence, we possess many advantages. Our community efforts have centered around our Chamber of Commerce and we feel tremendously proud of the Chamber's growth and its achievements.

Fortunately again, the Chamber of Commerce, concerned most largely with manufacturing interests, has not had to compete, as in some other cities, with a manufacturers' board of trade, a manufacturers' association, or an employers' association. Our interests have been for many years centered almost exclusively in that Chamber. The Chamber has taken a progressive stand on nearly all matters of community interest, and has been the leader. I shall be able to mention today only one or two achievements but these may be to you indicative of its work as a whole.

Some twelve years ago a committee of the Chamber assumed the responsibility of federating the charities of the city; and with the Chamber's backing, it successfully brought every single charity in the city into cooperation and into federation, one with the other.

The particular work of which I can tell you best—cooperation among the manufacturers—started possibly some ten years ago, when two or three of us in different industries (but brought together through Chamber work) started to exchange information concerning labor turnover. It was a new subject to us then. We had not heard it mentioned outside of Rochester. We attempted to get together and find a common basis for *computing* labor turnover, and as a result of those first exchanges of opinions, a group was formed of some twelve or fifteen execu-

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²Treasurer and General Manager, Art-in-Buttons, Inc., Rochester, N. Y.

tives, who for a good many years spent an hour and a half or two hours together each week at luncheon, on Wednesdays.

That little group was selected with care to represent the different industries of Rochester. There was one man from the shoe industry; two, I think, from the clothing industry; two from the camera interests; and so on. Out of those exchanges of opinions, I think, a great deal of cooperation developed. I want to emphasize, that all those men were actively connected with the Chamber of Commerce and were among the most active "juniors" in the Chamber at that time.

Through cooperation and exchange of opinions, the manufacturers of Rochester quite generally have come to feel that we in Rochester should pay rates of wages that are equal to or better than those prevailing in other communities, and to that end have endeavored to inform ourselves as to wages in cities like Cleveland, Buffalo, Syracuse, and Cincinnati. Where it was apparent that we should do so, there has been voluntary action to increase wages for labor in the city of Rochester. We have also come to feel that wages should properly reflect increases in the cost of living.

This work of cooperation led to the making of studies of the hours of work in other cities,—the *prevailing* hours of work; and I think (with some pride) we have secured more uniformity of working hours and working conditions in Rochester than you will find in almost any other city of which I have knowledge. We are constantly making investigations on that and similar subjects.

I can recall the time, a good many years ago, when the city as a whole—very largely so—was brought to the working basis of fifty hours. That was a real advance at the time, and yet it was brought about so that practically all the plants in the city were on that basis, with the exception of the clothing industry. That industry went to a forty-eight hour basis at that time. Later on the city was brought largely to a uniform basis of forty-eight hours, and with quite common rules regarding payments for overtime, time-and-a-half and double time for Sundays. This was in advance, if you please, of other cities. Many of these actions were in advance of the *war* developments which brought other cities to some degree of uniformity.

Some five or six years ago, the Chamber of Commerce of Rochester became interested in the work of the Executives' Club of Detroit, of which Mr. Boyd

Fisher was the acting head. We investigated at length the work of that Executives' Club in Detroit, and as the result of those investigations, the Chamber established in Rochester what is today known as the Industrial Management Council of the Chamber of Commerce.

With the idea that we have always had of coordination in Rochester and centralization of efforts in and about the Chamber, this Industrial Council was, of course, organized as a part of the Chamber of Commerce, and yet distinct in a way. It was necessary to raise large sums of money in order to carry on the work planned for the Industrial Management Council; and those concerns that were to receive the benefit of it were to pay. So while it was open to all of the members of the Chamber of Commerce, only those firms participated that paid their proper assessment.

We used as a basis of raising the funds necessary for the Industrial Management Council the number of employees in the different concerns; and, profiting a bit by the experience of the Executives' Club of Detroit, which did not provide sufficient funds adequately to finance itself, we adopted very high charges. We started our charge plan so that a small concern with 100 employees or less had to pay only a \$100 fee, but ran it up so that at least one concern in Rochester had to pay several thousand dollars per annum.

We had no difficulty in accomplishing this and getting the manufacturers to finance the Industrial Management Council; (of course, since then, salary conditions and wage conditions have changed materially). I am speaking now of pre-war times. At that time we felt that we had provided sufficient funds to finance the Industrial Management Council liberally on the basis of assessments.

The Chamber succeeded, when the Industrial Management Council was started, in bringing into it practically every large manufacturer of Rochester.

The purpose in raising large funds for the Industrial Management Council was to provide adequately for salaries and investigations. The expense of housing the Industrial Management Council was provided by the Chamber itself. The money raised was solely for salaried men—salaried secretaries and salaried investigators. It was our belief that cooperative effort must needs have back of it paid executives to make it most successful; and it was the aim of the group in establishing the Industrial Management Council that there should be funds in hand to maintain an adequately paid staff. The idea also was held that every *group* represented in the Industrial Management Council, to be