

ment. Each departmental manager has an administrative function. He is a dual personality. His administrative function is part of himself, as well as is the more direct management function; and I will confess right here, so far as I am concerned, that I am not able to draw the distinction always between the two. I cannot always say where one stops and the other begins, so far as its application to daily business is concerned.

CORRESPONDENCE

I. SHALL THE TAYLOR SOCIETY ADOPT A CREED?

ON the inside back cover of the BULLETIN has been carried for the past year "A Management Engineer's Creed." That creed was prepared by the Managing Director without special authority, and its publication has been continued because only favorable comments concerning it have been received.

It has several times been suggested by members that the Society formally adopt a creed. The following communication from Henry W. Shelton, in fact, places the suggestion squarely before the membership.

Enclosed is tentative draft of statement of the "Position of the Taylor Society in Relation to Industry." As far as I know, no engineering society has taken a definite stand toward present day industrial problems and I believe the Taylor Society would do well to be the first to come out of the woods and declare itself. If you agree with me perhaps you will think it worth while to present this to the Board of Directors to be later submitted, if they approve, to the membership for vote.

This statement is the outgrowth of a revision I made a short time ago of the statement of the American Association of Engineers on "Trade Unionism in the Profession" issued November 17, 1919. Of course I do not imply that it is a perfect product. I have no doubt that you could suggest important changes for the better, any of which will be most welcome.

Sincerely yours,

HENRY W. SHELTON

The enclosure referred to reads as follows:

POSITION OF THE TAYLOR SOCIETY IN RELATION TO INDUSTRY

Foreword: The American people, in common with the rest of the world, has entered a period of readjustment of its industrial ideals and practice following the World War. As a participant in this readjustment, the Taylor Society, (A Society to Promote the Science and the Art of Administration and of Management) desires to make a statement of its position in relation to industry.

The Engineer and the Manager: The engineer and the manager are servants of mankind. Through technical training and experience in the control of the forces of nature they acquire unique power.

Our Purpose: To promote the righteous use of this power individually by engineers and managers, and collectively by the professions, is the aim of this Society. Our in-

fluence should be constructively used for human welfare by forming sound ideals and standards, by stimulating effort and accomplishment, and by promoting efficient production and fair distribution of things men want.

But the bigger answer that I want to make to Mr. Drury is: that one of the administrative policies to be determined and put in force is the very policy of applying planning to the business as a whole; and if I can only get started consideration of the coordination of all the departments in the business, whether or not we apply the planning principle to the administrative function—the determination of the governing policies at the top—I shall be satisfied.

Increased Production: Because all men have not yet all the things they want, and because economic betterment goes hand in hand with mental and spiritual betterment, the production and distribution of goods and services should be increased, not limited. Restrictions on the production or distribution of things men want, whether by individuals, groups or corporations, cannot have our sanction. On the contrary, we urge upon all engaged in industry united effort in the discovery and application of the most effective methods. The day of science in industry has but dawned.

Reward According to Merit: Reward should be according to merit. By merit is meant the effectiveness with which one uses his powers in the service of his fellow-men. Men are not equal in this respect.

Method: Therefore justice requires that relative merit be measured. It also requires that the standards of measurement and their application be determined by all parties at interest,—not by one of them for another. The opportunity to improve relative standing through self-development encourages each to his best endeavor, while the collective recognition of achievement assures a just and unbegrudged reward. To promote the general recognition and application of fundamentals, we advocate organized associated effort, including responsible representation, when an aid to any group in the fulfillment of social ends.

The Goal: The liberation of the human spirit constitutes the very essence of the American tradition. Our nation was founded to promote religious and political liberty. This Society, to be worthy of its American heritage, must advocate the continuous development in industry of policies and mechanisms which will promote reasoned liberty and freedom of action both for the individual and for groups. Absolute freedom under intrinsic law—religious, political and industrial—is the goal of the race.

Responsibility: The dignity of any group, and its ability to hold the public confidence, rest on the maintenance of the highest ethical standards in service to society. As an incorporated organization, this Society is responsible for its corporate acts. It cannot, however, control the decisions or hold itself responsible for the professional acts of its individual members. If the act of a member is shown to be inconsistent with the position of the Society, the Society will both refuse to sanction the act and take such steps within its power as most effectually to make clear its position and to further its ends.

Conclusion: The Taylor Society recognizes its fundamental unity of interest with all other servants of the public good. In any controversy arising between one group and another this Society will exert its influence in behalf of whichever side it believes to be working most sincerely for the public good. Moreover, it will work unceasingly to discover and make known the truth in the light of which all controversies may be resolved.

Copies of the "Creed" were sent to Members of the Board of Directors and the following replies were received. One reads:

I think there is much good to be done by a constant reiteration of sound principles, especially those which emphasize the professional standards desirable in business and the necessity of taking the employees into account as human beings. The difficulty with Mr. Shelton's proposition lies chiefly in the fact that there seems to be something fundamentally incongruous between a general vote and a statement of principle. I suppose a statement of principle which can be voted in the affirmative by a number of people has to be so vague as to be not much good.

My suggestion would be, therefore, that we give space to this statement as coming from Mr. Shelton, invite comments from members and arrange with a dozen or so that they will make supporting and interpretative comments.

A second reads:

I have yours of the 24th relating to communication from Shelton. I think that the Society could very readily subscribe to all that he sets forth. I am not sure but that this is not pretty well covered in our Constitution. My thought is that in the form of a resolution from the Governing Board or some other form this might well appear on the first page of the Bulletin.

A third reads:

Replying to your memorandum of July 24th, 1920, relative to a letter with enclosure to you from Mr. Shelton, I see no value to the move he recommends because it has been my experience that people pay but little attention to platforms, and particularly in this case, because the platform on this subject is bound to sound like an aggregation of platitudes. It seems to me that the creed of our Society is enough.

In the Managing Director's appropriate jacket is room for letters on this proposition from all members of the Society.

II. TOP CONTROL

The following letter, written by one member of the Society to another, reminds us of the discussion in Vol. IV, No. 2, "Centralization of Administrative Authority."

My dear Mr. _____:

I have been thinking with much interest about your idea of a top control through super-organization. Is not the effectiveness of such a top control dependent on the point of view which those at the top control take toward the organization? Have they a mechanistic or an organic conception? If their conception is mechanistic, the organization which they direct will need all of its motive force from the top; it will be neither self-acting nor self-correcting. If their conception is organic, the organization will furnish its own motive power and only be guided by those at the top. It will be largely self-acting but also self-correcting. If you want self-correction, you must allow freedom and self-action.

In a mechanistic organization, the farther away from the center you go, the weaker is the control, because it is a control largely by methods and mechanisms. In an organic organization, the farther away you go from the center, the more complete may be the expression and fulfillment of the central control, because it is a control of ideas and ideals.

Is it not true that the larger and more complex the organization, the more must the top control be one of ideas and ideals rather than one of methods and mechanisms? Does not its effectiveness fall down when it tries to prescribe too definitely the mode of expression of those who are expected to carry out its principles? Does it not succeed in proportion as it clarifies its own purposes and is able to get its ideas across to those who are to carry them out in detail? Somewhere down the line, you may say, right practice must be developed. Is it not truer to say that right practice is developed all along down the line?

It seems to me that the organic point of view is the only sound one to take and that the weakness of the other position is the apparent tendency to lean toward the idea of a mechanistic control. On the organic basis the top control must be a clearing house, gaining impressions, and sending out impulses based on those impressions, but leaving the actual final work and method to be done largely by the local organisms. The top control is the strategical center from which will emanate the motive impulses to guide action all down the line. If the top control properly fulfills its function, the actions all down the line, however they may vary in detail, will be harmonious because acting on a common basis.

The mechanistic idea seems to me to lead to the exercise of authority based on position; the organic idea to the exercise of authority based on knowledge and fitness. Such knowledge and fitness functions fully and properly in its own sphere, no matter where it occurs in the scale of organization. The tendency and characteristics of the two kinds of authority may be contrasted in the following table:

TOP CONTROL ACCORDING TO

| AUTHORITY OF POSITION | AUTHORITY OF KNOWLEDGE (FACTS) |
|---|---|
| Autocratic. | Democratic. |
| Imposed from the top. | Built up from the bottom. |
| Interested at least partly in maintaining its authority or dignity. | Interested only in results; therefore, willing to give up position or anything for results. |
| Dogmatic. | Scientific. |
| Fearful of losing position. | Fearless, having nothing to lose. |
| Demands particular thing to be done "my way." | Compels recognition of right principles to which right practice will conform. |
| Inflexible, fearing a change for the worse. | Flexible, welcoming changes for the better. |
| Conservative, resting on precedent. | Progressive, eager to gain new knowledge. |
| Forcing "my way" makes for disloyalty and disintegration. | Demonstrating the right way makes for loyalty, confidence, and esprit de corps. |
| Discounts ability of the other fellow who disagrees. | Recognizes and seeks other points of view as a check. |
| Dislikes criticism. | Welcomes criticism. |
| Wants to go it alone. | Wants the cooperation of the bunch. |
| Trusts only self. | Trusts others. |
| Wants to be the capstone of the pyramid. | Wants to be the bottom foundation and support of the pyramid. |
| Corresponds to the arbitrary action of the objective or unconscious mind. | Corresponds to the creative action of the subjective or subconscious mind. |