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NEW TIMES, NEW METHODS AND NEW MEN

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By

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FOREWORD

I COUNT it a very great privilege to have been closely associated recently with the Authoress of this book. Her practical experience and resolute faith in the principles she has expounded in this book helped all of us in the Newforge Organisation to adjust our thinking and methods of industrial administration to the changing social and economic conditions of the post-war years.

During 1948 and 1949 we had in our business ample opportunities for testing the principles and policies so ably expounded by Mrs. Clarke, and we have proved that wherever they were conscientiously and consistently applied they achieved a success beyond our expectations. We are therefore convinced that their consistent application throughout industry would quickly enable a weary and disillusioned country, such as our own, to recover from the material and spiritual damage resulting from the War and its aftermath.

Britain, and the world, have yet to climb from the abyss into which they were cast by the War, and the events leading up to the War. Hatred and mistrust are still rife, and they will not be dispelled by political creeds and legislation, nor by new purely material incentives for this class or that. The problems being encountered by industry in Britain to-day must be attacked by each individual in an industrial society in co-operation with, and assisted by, all the members of the group of which he forms a part.

We must each rediscover the art of living, as distinct from the means of working in these new times. Our new methods and outlook will help to make us new men freed from prejudice and hatred, and free to enjoy the abundance which life offers to all who conscientiously seek it, and who are willing " to co-operate for service to the individual and the community."

All of us must recognize that in 1950 we are living in an industrial civilization, therefore a great task lies ahead for those leaders in industry who, in these new times, see the

necessity of giving to industry a higher purpose which can again unite us all.

R. CLEMENT WILSON,
Chairman and Managing Director,
The Newforge Organisation,
Belfast, N. Ireland.

AUTHOR'S NOTE

I AM indebted to the authors of the books and publications listed in the Bibliography at the end of this book from which I have quoted extensively and with specific intent that others may read both for interest and information.

I would also like to express my gratitude to Mr. R. Clement Wilson for his help and encouragement at all times.

I

"England is now learning again that neither wealth nor power nor comfort, whether for class or individual, are ends in themselves: that the wealth of a nation consists in nothing but the virtue of her children and children's children. That no profits, education, law, custom, or institution that does not contribute to their health and goodness is of any enduring value. That the proper test of all legislation, of every political programme and economic activity, is not "Does it pay?" or "Does it enrich this class or that?" but "Will it make better men and women?" [1]

[1] From *English Saga*, by Arthur Bryant.

AN INTRODUCTION

NEW TIMES

"We are living at the present moment just at the beginning of one of those times when the whole structure of human society undergoes a vast change and reorganisation."

Sir Lawrence Bragg, Head of the Cambridge Laboratory

THIS is a time for greatness, a time for courage, for wisdom and purposeful living; a time of great opportunities, tremendous enterprise and magnificent adventure.

Whether we like it or not, this is a new age demanding new methods and new men; an age in which industry will play a predominant and increasingly important role in contributing to the reshaping of the social structure of the community in which we live.

The old world failed. It failed because it could not strike a balance between a rapidly advancing scientific and technical skill and the skill which is needed to acquire human co-operation. This involved us in two world wars of increasingly exhaustive effect.

The time has come for all men of courage and goodwill to revise their thinking and plan for a new world in which men will live and work together in harmony; a world in which the status and dignity of man will be fully acknowledged. The emphasis will no longer be on machines for mass production, or planning, or new factories, or new designs, new discoveries, but on men—where they like to work together, how they like to work together, when they like to work together and why? These considerations will be a fundamental responsibility and a first principle of any efficient and successful business enterprise.

Labour relations have become human relations. From now on industry will work to a deliberate plan for security and full employment; it will work to provide greater human satisfactions, that all men may live and live abundantly. The

magnificently enterprising industrial history of the last 150 years must be linked up with an increasing knowledge of the "humanities"; the two should be harnessed for the mutual benefit of all mankind.

It is not easy to live in a new world: it is uncomfortable in its challenge and demands. A whole-hearted effort is required to put the world on its feet again. Let us make no mistake; the responsibility for making this new world what we would like it to be rests with each and every individual. It is no good sitting back and waiting for a miracle; the age we live in is our age; it is we who make it by hard work and sustained effort. We must save ourselves; nothing else can save us. The state of the world merely reflects our mistakes and short-comings, our short-sighted thinking, mental maladjustments, and poverty of spirit.

What are we to do about it? First of all, there must be a complete change of heart, for without that there can be no real progress: there may be speeches, there may be great activity, but as long as the old ideas, the old prejudices remain, nothing will be changed. When this change is accomplished it will release a tide of spiritual energy that will carry men to great achievements and establish the new world for which every one is waiting. It will not be easy. Not only are our physical powers exhausted; we are suffering from an acute spiritual famine which is far more devastating, more serious in its consequences.

This has happened before: there is only one way out. It is to go back to one of the basic principles of life—co-operation for service to the individual, and to the community. This is in itself an ideal, a dedication by which the energy and potentialities of all will be translated into thought and action. If we have the heart, the desire to make things change for the better, nothing can stop us. If our thinking be right, then we are well on the way to the accomplishment of all the things that will make life worth living in a "brave new world."

When once men identify themselves with a high purpose they acquire the strength to fulfil it. Once the "blueprints" are there in the mind—as long as the plan is for the common

good, is intelligent and worth while—there is no limit to what can be accomplished. This is not wishful thinking, it is fact.

Let us therefore have the faith which can and will remove mountains. Let us not complain of the past but plan for the future. Let us build on firm democratic principles. Let us think in terms of co-operation and friendliness, of justice and charity. Let us build for our children a kinder world, a world released from the stranglehold of a drab materialism which has left us hungry and tired among the ruins of war—with little heart to start all over again.

The slate must be wiped clean. The old ideas, the old methods simply will not do; it is no good pretending that they will; they might patch things up for a while, but industry cannot work and certainly cannot progress as a plumbing operation. The new responsibilities and tasks are too tremendous to be based on so unsound, so insecure a foundation.

The outlook is quite different from that of fifty years ago; it is like looking through the same window at an entirely different view. Gone are the days of the "hiring and firing" owner-manager; even the days of the "benevolent despot" are numbered—for that technique will not do either. The wise leader, the wise owner or manager has willingly surrendered personal freedom and privileges to the much wider outlook now demanded by the new times. He is adopting the sane course of co-operating with events and the march of time.

This is the way that history is made; it has little to do with governments—it has everything to do with the evolution of man and the recognition of his innate dignity as a man. That is something outside the realm of material progression. It gives a purpose to the humblest contribution and satisfies the most deep-rooted of all human desires.

New men demand new leadership—a leadership, inspiring, intelligent, successful and hopeful. The quality of leadership is the thing that matters most in this new world. Enlightened leaders everywhere must evolve an industrial pattern in which all the potentialities for goodwill and service, all the

contributions in the human and technical fields, all the endeavours and aspirations of men will be encouraged and co-ordinated into a driving force which will consolidate the position of industry in the new society and guarantee an efficient and successful community in which men will work and live abundantly.

Everywhere, and in industry in particular, the *instinct of mutual aid* must be revived, so that men will no longer be dominated by the hampering fears and suspicions of a policy of "the survival of the fittest." Instead of the self-advancement, self-importance of the individual, let us have the richer, rarer conception of group enterprise, which is fundamentally a progressive, stimulating and vital experience—one which might unite men not only in industry, but on the far horizons of the world.

AN INDUSTRIAL POLICY

Anything that is to survive must be built on a solid foundation. So with an industrial policy. It must be built on certain sound and well-tried principles; it must satisfactorily fulfil certain conditions and it must guarantee to produce certain results. In other words, it must have its roots in the spiritual, psychological and material fabric of life, for these three, blended together, are the sum total of man's existence on this earth.

To maintain its link with spiritual values, an industrial policy should, above all things, be ethical and completely above suspicion. This means the explicit acceptance of principles which define "man's duty to his neighbours" and the non-acceptance of anti-social principles or practices. These are the links between industry and the community and must, of necessity, rank high in importance if an industrial policy is to form an important part of the social pattern. Such a policy should state a purpose which is worthy and acceptable; one to which men can respond with a high sense of duty and service to their fellow-men. It should supply the motive power by which men work loyally and harmoniously. It should inspire a faith in the wider and higher values of

communal (group) activity and its contribution to society. Without this spiritual foundation any industrial policy is likely to be dominated by the power of materialism. This, eventually, can only corrupt and destroy its potentialities for service, thus depriving it of its mainspring and its one chance of survival in a new world of enlightened values.

The psychological basis of an industrial policy should not be under estimated. To be successful it must be a policy which fulfils the fundamental human needs of both the individual and the working team. If it accomplishes this, then everything else will fall into place and be seen in its right perspective. Nothing can be substituted for these deep psychological needs—the desire for good personal relationships between human beings and between working groups, the basic desire for expression and development of personality and ability, the desire to contribute and co-operate to the fullest extent in the fulfilment of a common purpose.

Only by the embodiment of these needs in an industrial policy can that identity of interest so essential to good morale be created. This is not so much an application of right incentives as the creation of a right work atmosphere, giving the greatest satisfaction to the greatest number of people. It is important that the stated policy should be positive and attainable, easily recognisable and easily understood by the ordinary man and woman. It must be consistently and sincerely applied and implemented right down the line. This, in itself, gives a sense of participation in the aims and operation of the organisational plans. This, if accomplished, provides the sound psychological basis of any industrial policy.

From the material point of view an industrial policy must be, or prove itself to be, highly efficient and successful. It must be one which is easily adjustable to meet all emergencies with the least possible inconvenience to any member of the Organisation. It must accept the implications of new situations intelligently and with good faith. In this way it would inspire confidence and at the same time acknowledge dual responsibilities to the community within and without.

There should be a short term policy and a long term policy—for an organisation must be progressive—anticipating, if possible, both social and industrial changes in the national and international sphere. This bolder conception of policy should be capable of projecting itself so that the individual sees the broad picture and not just an isolated "peep-show" which minimises the importance of the individual contribution and imposes limitations on the individual's desire to co-operate or participate in the translation of policy.

A policy should be realistic and practicable, providing ease of mind and a sense of security to those employed. It can only do this if it is as sound in detail as in broad principle, if it can be analysed, implemented and co-ordinated at all levels. This demands clear direction and a high standard of leadership in all branches of administration, ensuring strong and reliable links in the structure of the Organisation. Such leadership would at all times embrace the principles of true democracy, delegating authority and giving full responsibility for the implementation of policy.

Whichever way we look at it, a good industrial policy is firmly anchored to basic human needs. These are the foundations upon which a house is built—a house dedicated to service and to the welfare and development of its members. On such foundations its productive achievement will be high, but its achievements in the realms of human happiness and well-being will be incalculable.

A MAN AND HIS WORK

Every one sees in the colossal tussle to put the world on its feet again, his or her own personal struggle with life. The individual relates everything that happens in the world around him to his own private life. Wars, international relations, changes of Government, the atom bomb and all scientific, industrial and social trends are finally measured up by their influence on the private life of the individual. He sees in them either threats to his security or aids to a better way of living: it depends on the quality of his thinking and

his ability to relate these things intelligently to his own life and almost certainly to the life and interests of his family.

This is a tremendously important factor in relation to industry. The average man spends most of his waking hours at work, and the influence of his environment, both mental and physical, is one of the most powerful influences in his life. The more favourable factors there are in his working world, the better worker, the better citizen he will be.

Man's visual world has been extended. He can go to the cinema and see how people live and behave in other parts of the world; he can come home and listen-in to world affairs, hear the specialists in industry, science, or the arts: he can pick up his paper and read what is happening at home, or he can go to evening classes and learn more and more about his job and other people's jobs. Because of this, a man can measure his everyday environment in a way which he was unable to do fifty to a hundred years ago. He is daily assimilating knowledge from outside sources and relating it to himself. He has extended his capacity to think, to appreciate, to criticise. For this reason he is not always able to accept the dictates of those in authority, nor accept conditions of work not in keeping with his self-respect. As his knowledge increases his criticism will become more and more constructive; his appreciation will find expression in greater all-round efficiency. This can only be of the utmost benefit to every one. Related to this increase of knowledge is the development of a social conscience, which, in its highest form, is expressed by the concern of a man, not for himself, but for the community in which he lives and works.

The late Henry Ford had the reputation of being the father of mass-production and the man who counted men as machines. His grandson, Henry Ford II, is a young man with rather more enlightened views on the human side of industry. He realised, as his grandfather had never done, that a policy of good human relations was the key to a sound economic policy either for industry or a nation.

Lately, a survey was taken in his workshop—the Ford Rouge Plant at Michigan, Ohio, and it was discovered that

there were four outstanding conditions which a man—manager, foreman, or workman—required to make his work fundamentally acceptable to him. These were—

1. A sense of security.
2. An opportunity to advance.
3. To be treated like a human being rather than a number on a pay roll.
4. A sense of human dignity that comes from feeling that his work is useful to society as a whole.

Surveys from other factories have added two more requirements to the list.

5. To have honest effort recognised.
6. To have an outlet for personal initiative.

These conditions satisfy the average reasonable man. There is nothing very new or startling about them, but they do seem to indicate an evolution towards a greater dignity and a sense of service in the everyday work that a man is called upon to perform, however humble it may be.

Production programmes depend on human beings, their conditions of work, their attitude of mind to those with whom and for whom they work, their private and personal joys and sorrows, their importance in the scheme of things and above all their dignity and status. At the time of the Western Electric Company's famous Hawthorne experiment, the engineers responsible for it said to Professor Mayo, who was conducting the investigation:

> "We do not want to improve production—we can do that at any time if we want to: what we want to do is to advance our knowledge of the kind of conditions required to make human beings comfortable at work. If anything goes wrong with a machine, we know how to set about finding out what is wrong, but we do not know how to set about finding out the best conditions for human beings at work."

Best conditions do not mean physical conditions of work only—such as good and correct seating accommodation, good lighting and ventilation; these are comparatively easy to provide. What is most important is the grouping of people

who like to work together, people who get along well with the least possible discord. It is the well-balanced group that produces the good work. Efficiency is always linked with stability and harmony. This is the outlook which industry has to develop in the interest of production and industrial peace.

Every one has a contribution to make and he or she should be rewarded in proportion to that contribution. Contributions and rewards are front page news, they are of vital concern to the nation, they are of vital concern to the moral and social welfare of the individual who can only contribute to the well-being of the community in proportion to his desire to work and to serve his fellow men. The extent of this desire to work will be controlled by the rewards, which are not necessarily related to the larger pay packet nor even the shorter working week. These are merely expedients and in no way contribute to that sense of being a "part" of a group or society which is the essence of human relationships and the mainspring of effort and accomplishment.

> "Common experience suggests that almost any man will do almost any job of work if it contains a certain minimum of inherent interest; if it brings a reward accepted as appropriate and fair, and if the work contributes to his self-respect and to a measure of recognition from his fellow men." [2]

It is this "measure of recognition" which is the key to so many problems, which can be the only effective antidote to the serious neurosis which affects many people in industry, and which will reconstitute a set of values acceptable to those who spend their lives doing the thousand and one production jobs which must be done if we are to live and achieve a sense of fulfilment in so doing.

[2] Dr. Mace, Professor of Psychology, London University, in *Industrial Psychology.*

II

THE PRINCIPLES AND PURPOSES OF MANAGEMENT

"Academic people may hope that what they are teaching will be followed by their students, but business men can actually themselves put into practice certain fundamental principles. They may be making useful products; in addition to that, they may be helping the individuals in their employ to further development; but even beyond all these things, by helping in solving the problems of organisation, they are helping to solve the problems of human relations, and that is certainly the greatest task man has been given on this planet." [1]

[1] Mary Parker Follett, Collected papers, *Dynamic Administration*, by Metcalf & Urwick.

THE PRINCIPLES AND PURPOSES OF MANAGEMENT

THE ADMINISTRATIVE DESIGN

ONE of the most significant factors in modern industrial history is the emphasis on the new and great responsibilities of the higher management. One might say that the complexity of business administration now calls for a high degree of industrial statesmanship, for the problems of organisation are nothing less than the working out of a new constitution for industry.

The scope and nature of industrial administration have widened and changed and are still rapidly undergoing successive changes both in outlook and responsibilities. These changes have been brought about by progressive forces, not least of which are the application of science to industry and the devolopment of a social conscience in all strata of society.

New methods of administration are being evolved and practised, involving changes in organisation and principles of management, which, in turn, demand a high quality of thinking and an outstanding sense of co-operation and co-ordination.

There is no evading the new responsibilities. A business is no longer a private affair. Apart from statutory legislation, public opinion, including the workers in industry, is taking a hand in shaping and controlling the new constitution.

As the structure of industry changes, direct personal control of a business becomes less and less feasible or practicable. Functional control and decentralisation are dictating a new kind of administrative design based on the delegation of authority and responsibility right down the line.

Many businesses expand at a much quicker rate than "the minds of the personnel concerned with their direction." The immediate necessity of expansion, as dictated by markets, new processes, or material available, has a limiting effect on planning which must then necessarily be expedient and not long-term. At these times mistakes are made which must be rectified and not perpetuated.

For these reasons and others it is not easy to finalise an administrative design. This is in no way desirable where a business is in the process or growing and of attracting and assimilating new minds, new methods, and "feeling its way," as it were, towards a sound plan of administration.

It is essential, too, that the plan of organisation within the administrative design should be flexible in the extreme, allowing for promotions and reorganisation to suit any new developments or adjustments which might be required.

What is practicable and necessary is that someone should see clearly the overall picture, not only of the immediate present, but of the future with its developments. There must be someone with vision and faith; someone able to make decisions which are not merely concerned with the present, but which anticipate the future with courage and foresight. The more people with this faith and vision the better it will be for the business concerned and the easier it will be to advance together. *The application of creative thought is just as essential to a business as financial procedure and methods of processing.* The difficulty is to persuade other people that this is so.

CENTRALISATION AND DECENTRALISATION

What most enlightened businesses realise is that industry is not merely concerned with production but with the "making of men" and the development of all the human resources, the latent capabilities of men and women within the particular group. This is a social obligation, a function of the highest order which should be "woven into the texture of the organisation."

A policy of decentralisation is necessary for the full development of all members of a group. Duplication of functional and management executives in other units of a business is a deliberate challenge for the training and encouragement of "understudies," assistant and junior executives; it offers an opportunity for comparison and competition.

Strict control by a central authority is not essential to

efficient production. The over-riding supremacy of the big business has been discounted. Except in the heavy industries, the economies in production which are effected are negligible. (This was commented on by the investigating Working Parties.) The cost of inflexibility of central control outweighs any alleged economy and undoubtedly places a restriction on the enthusiasm and creative effort of the individual. It has been suggested that "mass-production does not necessarily mean huge organisations" and that "technical progress is often on the side of the small unit." [2]

The most interesting administrative design is one which begins with reasonable control at the centre allowing for complete authority and initiative in the separate units of the group, including the main factory, and evolving towards complete independence and self-determination.

In the talk referred to, the Chairman of General Motors, one of the largest industrial concerns in the U.S.A. was quoted in these words: "In practically all our activities we seem to suffer from the inertia resulting from our great size. . . . Sometimes I am forced to the conclusion that General Motors is so large and its inertia so great that it is impossible for us to be leaders."

That is interesting and significant, for since then General Motors has been reorganised into a number of virtually autonomous units bound together by relatively loose control from the centre.

There is much to recommend the small, self-supporting, independent unit which can be just as deliberate a creation as a combine. If mere size counted and all the advantages were with the large firms, then no small manufacturing business would have survived the rationalisation which has taken place over the last twenty years. It is becoming increasingly evident that it is the small unit (or group of small units) that is performing a social function and fulfilling a social obligation. It needs no further justification.

In weaving the administrative design there must be strong threads in the fabric, running both horizontally and ver-

[2] Radio Talk—"Does Bigness Make for Efficiency," by S. R. Dennison.

tically, which give balance and substance to both design and fabric. These are "co-operation" and "co-ordination"—two items which must be resolved before decentralisation can become a workable proposition.

THE MANAGING DIRECTOR

The Managing Director has a particular role to play in the discharge of functions which have a decisive influence on the mental, moral and physical condition of the business of which he is leader. He has direct responsibility for:

(1) *Leadership.* The main function of the Managing Director is leadership, and on that will depend the effectiveness of his stewardship. The conception of leadership, particularly as related to the Group Leader, has changed considerably during the last few years. Leadership no longer means power or the imposition of the individual will on the wills of others. On the contrary, it means the ability to organise "the combined capacities of a group," to inspire the group to a sense of participation in leadership and responsibility and "to draw forth the forces, which are to be used co-operatively and constructively for a given end." [3]

Only the man of ability can do this. It stands to reason that there must be certain personal qualities which fit a man for leadership, whether he be foreman or managing director, but the qualities of character or personality are not in themselves the mark of a successful leader. There must be those qualities of intellect which allow the "controller-in-chief" to give reasoned counsel and sound judgment, arising from wide knowledge and a special aptitude for anticipating situations.

It is, indeed, a leadership of example, which is required of the Managing Director. "A good leader has people working with him, not for him." [3] This is the gospel which a Managing Director should expound to his colleagues in the interests of true co-operation and successful business, to develop a true sense of leadership and team-work throughout an Organisation, and at the same time to give ample opportunity and encouragement for practical expression of leadership at its best.

[3] Mary Parker Follett.

(2) *A Policy of Co-ordination.* The Managing Director is "co-ordinator-in-chief" of policies and functions. This is a tremendously important responsibility, for unless someone can see the broader picture and combine all the various parts into a harmonious and consistent whole, the waste of effort and ability will be enormous and result in a serious slowing down process and possible disintegration.

Co-ordination is a problem which has to be studied; it is the key-word to progress. It should be present at every level of administration—the highest no less than the lowest: it is often noticeably weak at the highest level. Authorities and responsibilities, both must be co-ordinated, and any tendency to play a lone hand should be checked.

Chief Executives who are specialists are necessary to any business, but unless there is a high degree of co-operation and co-ordination between them personally, and between the functions they fulfil, they are not contributing their full value or giving full support to the Group. In other words, "specialisation carries with it the twin problem of integration."[4] It is as well to remember that it is "group" and not individual intelligence which counts in the final analysis.

It is at this point that the Managing Director becomes chief negotiator, welding together points of view, integrating rather than compromising where there are conflicting opinions and generally relating the various experiences and contributions of colleagues and staff to the mutual benefit of the Group. The constructive thought and statesmanship required for the organisation and relation of experience or knowledge is perhaps the most important and up-to-date responsibility of the Group Leader.

(3) *A Statement of Purpose.* If people are to combine for a common purpose they must be told what that purpose is. It is the Managing Director's responsibility to state and restate the purpose and aims of the organisation, and to insist that all matters of policy are in keeping with the main objectives of the Organisation.

A statement of purpose (policy) should not be confined to

[4] *Education for Business Management,* by Dr. J. A. Bowie.

the Board of Directors and Chief executives; it is something which must be passed right down the line, and it is one of the first duties of any "leader" to make this statement of purpose abundantly clear to every one. In this way co-operation is achieved for a common purpose, combining all interests and activities.

The Managing Director should give the lead in this as in many other things. He should control policy in accordance with the ethical standards and statement of purpose which have been accepted. He should do more than this. His is not only a watching brief for the present; situations are changing and he must understand "the moment of passing" from one situation to another, and anticipate future trends both in policy and development. In this way he is able to guide and direct when others lose heart through lack of faith; in this way he is able to provide security and stability when others would abandon or "jettison" the cargo—a human cargo, dependent on the courage and foresight of those who navigate.

(4) *Selection of Administrative Staff.* It has been said that "the most vital factor in the success of any business is the right selection of administrative staff."

In this matter, too, should the Managing Director set an example not only by right selection, but by allowing for facilities for training, free expression and further education of his administrative staff, and at all times recognising true ability in junior executives and encouraging them to progress towards their desired goal.

On selection of staff Dr. Bowie has an interesting comment to make. It might be both advice and reproof for those at administrative levels who have not yet understood the true meaning of "leadership" and "delegation of authority and responsibility."

> "If the administrator merely held the reins, it would be natural for him to select managers of the submissive type, docile men accustomed to obey without question. But the modern administrator or managing director does the exact opposite, he seeks out men who are themselves

masters, men who can evolve policies in their own function, men who will work co-operatively with their fellows. Only thus can his own leadership rise to its highest stature and power."

It is in the Managing Director's power to persuade and educate his Chief Executives and Managers to the opinion that the training of understudies is a sign of strength and an obligation which cannot and must not be ignored if industry is to fulfil a useful social function to the community. Moreover, the delegation of authority and responsibility is a true test of efficient organisation and confident leadership.

Where the aim of the Organisation is the development and welfare of all members of the group, this should be a function of leadership and not just a charitable thought. It is indeed a serious obligation which must be accepted as a fundamental principle of management.

Right selection, mobility between administrative jobs (so that the men of vision and ability can eventually reach the directorate) and a continuous flow of new ideas and knowledge to all administrative positions, guarantee control over the quality of personnel within the plan of organisation. In this way, too, a reserve of trained and capable people would be always available.

(5) *Human Relations.* It is obvious that in accepting the responsibilities already referred to, the Managing Director must have a reasonably comprehensive knowledge of every branch of the industry which he controls.

The technical, financial, and production aspects demand a high degree of knowledge, but it is in the sphere of "human relations" that his ability and knowledge of the social sciences in their relation to industrial questions, will have a decisive influence on the whole question of labour relations within the Organisation and will be reflected in the firm's personnel policy.

It has been well said that "the proper study of management is man"; it is an inexhaustible study, and a far more subtle one than the study of processes or machines.

If the Managing Director recognises his responsibilities for

the people he employs—as men and citizens, if he fulfils his social obligations within and without the Organisation, then one can rest assured that the firm's personnel policy will take its lead from him and be both "human" and progressive.

With this aspect of policy on a right footing, it is reasonable to suppose that the business will be otherwise successful, for it is surprising what extraordinarily good business men most of industry's leading "idealists" are! Perhaps it is that they put first things first, and have a clearer view and better perspective than others, who see things with a specialist bias and who need to be persuaded that their sense of values is out of date and that industries and businesses are built up not merely by the money invested nor by the machines to produce, but essentially by the men and women who spend their daily lives within the factories.

Knowledge of men and human affairs is not acquired without study, without broad social contacts and interchange of ideas. It could never be acquired by the man who would not venture outside his own organisation with its limited experience and confined view, nor by the man who was not prepared to listen to and consider other points of view and experience.

For this reason the Managing Director should be relieved of much detailed work and be free to apply himself to whatever pursuits contribute to constructive thought and which bring with them a deep understanding, wide experience, and an appreciation of the subtle and variable forces that go to make a successful business organisation.

The imparting of this knowledge to colleagues and staff is part of the Managing Director's job: it is not easy, but once his steadfast ideas have permeated an organisation, once his name is associated with an administration of justice and wisdom, with an administration conscious of social obligations, so will it become increasingly difficult for any one member of the group to run contrary to the avowed policy of the business and the high principles which have dictated it.

THE BOARD OF DIRECTORS undertakes what is known in

America as a "trusteeship function."[3] This trusteeship now has pretty wide terms of reference and a much broader significance than is usually allowed. It is realised that the function of a Board is not merely to safeguard the shareholders but to safeguard the employees and that the distribution of an exhorbitant dividend is not the hall-mark of success. The profiit motive is no longer "enthroned to the exclusion of all others." There are now much wider social issues involved in the formulation and direction of policy. The success of a business is measured by the way in which it meets its obligations to the community and to its employees, by its contribution to the national effort to raise the standard of living and to a national policy of full employment.

The more these obligations are met, the better pleased should the shareholders be, for it is quite probable that any business which disregards its social obligations, will sooner or later find itself in difficult waters financially.

Above all virtues, one would say that a Board of Directors, individually and collectively, requires good judgment—both in the planning of long range policies and in the "snap" emergency decisions. The day of the ornamental director has long passed and to-day the highest skill is expected in the Board Room, both in administrative and functional spheres. To-day, few Boards of Directors carry passengers, and an age for retirement is set in many progressive firms. Nepotism is out of favour, for society demands that the young men of ability shall be given a chance and that industry shall preserve a high standard of service and integrity.

It is true to say that the conduct of a business is not a private affair: it is becoming less and less so: much is expected of a Board of Directors: the activities of the Board have become a social concern, and incompetence and unscrupulousness will not be tolerated, and will be increasingly difficult to conceal.

What does all this mean? It means that the new age has demanded a new outlook and new responsibilities of the leaders of industry: it demands a complete readjustment of

[3] *Top Management Organisation and Control*, by Holden, Fish and Smith.

values and a comprehension and fulfilment of social obligations hitherto neglected.

THE CHIEF EXECUTIVES are usually centralised in the main factory as "headquarters" staff, in the interests of uniform procedure throughout the group. They and their staffs are in effect "service" departments to the production units and act in advisory capacity to those decentralised units functioning under separate management.

The chief executives are specialists who have acquired by education or experience a wide knowledge of such matters as production procedure, finance, marketing, technical research, engineering, personnel or public relations. This specialised knowledge is used for the benefit of the whole group and each executive is responsible and accountable for the successful conduct of his particular function within the group.

They (the executives) should be concerned with the interests of the Organisation as a whole; they are responsible for carrying out their various functions strictly in accordance with the fundamental principles of policy. To do this effectively, it is essential that their separate functions and responsibilities should be well defined and that they should have within their own departments a sound plan of organisation indicating far-sighted planning and a clear definition of operating policy.

Not only should the separate functions of chief executives be clearly defined, they should, individually have a complete understanding of the scope of each individual executive function at this level, so that experiences may be related intelligently and for the mutual benefit of every one. Facts and experiences which are not organised and related are wasted and make no contribution to the "collective intelligence" of the whole.

Specialisation brings with it the danger of isolation; it brings with it the danger of "a parochialism of the imagination comparable to the military mind."[6] The imaginative isolation of the "specialist" chief executive is understandable

[6] *Big Business*, by Peter F. Drucker.

but undesirable, and even dangerous to a group enterprise. It is this type of executive who is least likely to select and train subordinates, who is least likely to delegate authority and responsibility, who is least likely to have any time for discussions and contacts which might broaden his outlook, who is least likely to set an example of leadership and who is most likely to disregard a policy of co-operation and good human relations, to the detriment of the whole group.

It is quite conceivable that the over-enthusiastic and most efficient "specialist" might be cutting right across the avowed personnel policy of a firm either because he cannot comprehend the significance of a good personnel policy or simply because he is out of touch with the work of other people. In either case, he should be subject to some kind of check in the same way that a foreman "dictator" must be checked in the interests of the whole group.

Only a determined policy of co-operation and co-ordination can help to eliminate this danger. Board meetings in themselves are not sufficient to allow for the understanding and integration of different points of view; there is no way of judging just how far chief executives carry out principles of policy except by relating their work to the work of other executives. The value of their contribution can only be estimated by a balanced "overall" picture of every one's contribution at executive level.

A Co-ordinating Committee of Chief Executives is essential to the efficient functioning of a group or groups, for unless the specialised knowledge of these able men is co-ordinated and integrated into a "collective intelligence" there can be no stable central control. It is not really a question of "harmonising conflicting interests" but of establishing a system of "cross relations" and a "horizontal" control or leadership through co-operation and co-ordination. This is a progression which is a distinctive feature of any efficient organisation at the present day.

"Specialisation," "individualism" must be a contribution to the whole. There can be no co-ordination without adjust-

ments and changes. Chief executives should be prepared and persuaded to make any necessary changes or adjustments either in personal views or departmental policy to meet the needs of a co-ordinated general policy. This kind of unity through functional relationships creates progressively new situations. To relate experiences and facts is to make future policy. In this way the responsibility of control and leadership is shared at the highest level.

An executive committee of this kind benefits from the specialised knowledge of individuals and from the "collective" knowledge of assembled facts and experiences. It provides an opportunity for co-ordination and co-operation in the making and carrying out of policy, both present and future, and makes a substantial contribution to the "forward march" of an organisation. It is in this committee that controls and authorities are correlated: it is here, too, that the Managing Director as "co-ordinator and administrator-in-chief" can show his ability and "statesmanship" in uniting all that is best in the executive team and in inspiring the will to co-operate and to make any adjustments deemed necessary in the interests of the whole group.

THE CHIEF EXECUTIVES AND DECENTRALISATION

A policy of decentralisation makes each headquarters' executive himself a co-ordinator of policy. In the first place decentralisation multiplies the demand for functional executives. The importance of selecting and training the right people has already been emphasised, but it is of particular importance where "specialists" are concerned; for in this case the chief executive is not merely delegating authority and responsibility, he is appointing a "specialist" to carry out a specialised function, not necessarily with the same technique as himself, but in such a way that all principles of policy are upheld in each separate unit.

It is therefore of particular importance to the group that the "specialist," before being appointed as a factory executive, should have been given a broad view of the principles of administration, the aim and purposes of the business, its code

of business ethics and, last but not least, its personnel policy. Insistence upon high specialist qualifications alone does not constitute right selection either in a branch accountant, engineer, or welfare officer.

Co-ordination does not mean a rigid acceptance of "conformity." Wherever possible factory executives should be allowed to run their resepctive departments in their own way, with the least possible control from headquarters and with encouragement to use their initiative in taking decisions. It is the fundamental principles which must be co-ordinated.

The role of Chief Executive is not easy, particularly for the specialist or individualist. It is necessary that functional executives should have specialised knowledge: it might even be desirable that a rank individualist should blaze a trail and enliven the whole concern once in a while. What is important is, that all that is of value collectively should not be lost for the sake of personal prestige or some fetish regarding secrecy.

The brilliance of chief executives who are specialists is precisely what makes it difficult for them to co-operate. "The brilliant soloist often makes a poor member of the orchestra." An industrial team, like an orchestra, depends on the blending, timing, harmonising of all performances. Individual performances may be good, even superlatively good, but it is the general performance which counts.

This does not take away from the prestige of the chief executive, neither does it under estimate the importance of the specialist. It is their responsibility to raise the standard of the general performance of the industrial team to something approximating to their own individual performances. If this be the objective, they will both enrich their experiences and increase the value of their contributions.

Chief executives, like Cabinet Ministers, must be above suspicion in matters of policy; they must endorse policy or dissent and come out into the open with a challenge. The spotlight is always on them; their interpretation of policy is noted by every member of the group. The man "below" sees, hears and understands more than is generally supposed: he is not easily bluffed. He does not expect chief executives to

be super-men, but he does expect from them a display of ability and leadership which commands respect.

In the small firm or group it is much easier to blend personalities and check the tendency to play a lone hand; it is much easier for the specialist to adjust himself to other points of view, it is much easier for him to guard against "imaginative isolation" by broad social contacts and visits, taken on behalf of the firm, and in many other ways.

The supreme value of chief executives lies in their ability to share control and leadership at the highest level. To do this they require that broad knowledge and human understanding, which in the long run will bring greater satisfaction, greater benefit to themselves and others than any specialised knowledge could ever bring. With well organised departments and a full acceptance of the principles of decentralisation, chief executives should be relieved of unnecessary administrative detail; this should give them opportunity to refresh both knowledge and viewpoint in a way which would allow them to stimulate the morale and effectiveness of the whole organisation.

THE MANAGEMENT FUNCTION

MANAGEMENT—SCIENCE AND ART

Incompetent management is out of date. In the interests of the industrial efficiency on which our national economy depends, the management of any business, large or small, which does not conform to the high standards now accepted, is liable to both public and private indictment.

World War No. 2 with its emphasis on production, with the expansion of Trade Unionism and the national recognition of Joint Consultation, revealed serious defects in the performance of those who "managed," many serious enough for state action and certainly serious enough to reinforce the persistent demand of the enlightened few for serious specialised training for Management.

"Scientific Management" has evolved from the great body

of knowledge, the ideas and beliefs, the experiments and research which began at the close of the nineteenth century with F. W. Taylor and his important theories on job analysis and the piece-rate system. Taylor's methods of the correct evaluation of effectiveness, productivity, processes, costs and other standards of efficiency have established themselves as criteria of management and are applied in most progressive businesses.

The scientific approach is essential to efficient management. Competence in planning, forecasting, regulating and controlling production operations with the greatest economy of effort and material depends on the acceptance and application of certain scientific principles already proven. But there is more to it than that. These things in themselves guarantee nothing without a complete understanding of the human element, something which cannot easily be measured or controlled, yet without which all the most up-to-date machines and methods are completely ineffective. *The behaviour of men and women, their reaction to the type of management to which they are subjected at their daily work is the controlling factor in any industry.*

For this reason, scientific management must necessarily include a study of man himself and the sciences which are concerned with his behaviour individually and collectively—physiology, psychology, sociology. But knowledge without wisdom is dangerous, particularly in its application to human beings, and it is at this point that the art of management takes precedence over all knowledge available and all the most scientific theories ever propounded. A combination of both the science and art of management is the ideal, but the latter is the more significant in the final analysis.

> ". . . scientific management is also necessarily human management, a point that bears and needs repetition. For management is essentially a human and social process, and primary among the factors that make it sound an effective are those that bear on co-ordination and morale. Lessen the motive, social purpose, interest, or contentment of the men and women in the team, and

almost automatically the level of work, or productivity, will fall, and with that the level of cost will rise. *The truth of this principle is so strong, that it might even be possible to rewrite the index or criterion of management not only in terms of output or cost, but in terms of human effort and interest.*" [7]

It should be noted that it was a "scientific" investigation —the Western Electric "Hawthorne Experiment" carried out by a balanced team of university scientists combined with technical men from the industry—"which diagnosed the fact that productivity and efficiency are closely related to the quality of human relations." [8]

Science has already made valuable contributions in the field of human activities. It should be as important for the manager to be well informed on the work of the Medical Research Council and the National Institute of Industrial Psychology as on modern mass-production methods and methods of costing. He should not have to be briefed on these matters by his Personnel Manager.

In spite of the repeated experiences of the two world wars, in spite of the availability of a great amount of specialised and valuable knowledge on the subject, it would still seem that the acceptance of the tenet that "the proper study of management is man" is a pretty half-hearted affair.

Managements still have to be persuaded that long hours of work do not necessarily mean increased production and that the contentment and productivity of the individual worker depend not so much on an elaborate administrative pattern or superimposed welfare schemes, but rather on the importance attached to the informal social groups within the factory and a genuine concern for man as a human being.

Management must of necessity have a hearty respect for scientific methods as applied both to production operations and to human relations respectively; they are interdependent. It is encouraging to note that the new Government Committee on Industrial Productivity has recognised the

[7] *The Nature and Significance of Management*, by E. F. L. Brech.
[8] *The Human Factor in Industry*—P. E. P. Broadsheet.

importance of the "human relations" factor by the appointment of a panel on Human Factors Affecting Industrial Productivity under the chairmanship of Sir George Schuster.

It is reasonable to assume that there is no hard and fast line between the science and art of management. The former will help to solve problems and establish principles which might be applied with benefit to the latter. Knowledge, wisdom and experience are all bound up in the art of management. This is admirably summed up by an authoritative writer in these words:

> "The whole argument as to whether management is or is not a science, on which much futile ink has been spilled, is in fact misleading. Management, like medicine, is an art—an art which we have been practising and must go on practising, whether it is described as a science or not. The important point is that, in our practice we should use as much exact knowledge as is available, be active in acquiring further exact knowledge and display integrity in the exercise of judgment so that it is based as far as possible on objectively measured fact and not on guess-work, emotion or interest." [9]

THE ATTAINMENT OF AN AIM

This is the ultimate objective or purpose to which the principles, functions and responsibilities of management are dedicated. To affirm that the aim or objective of an industrial organisation is production and production only is to identify Management with a conception of industry completely out of keeping with the times in which we live, completely unaware of the social obligations which industry has to accept if it is to be, as it must be to survive, an integrated part of society itself.

Management is an art and a profession: it is a profession not because it has learned to organise methods for the mass production of goods, but because it has achieved an ideal which places it on a level with the arts, education, law and

[9] "Education for Management." Paper to the Royal Society of Arts, by Lieut.-Colonel Urwick.

medicine. That ideal or aim is the welfare and development of the men and women in industry. This is a serious profession —a high calling. We make "things," but in making things we "make" better men and women. What happens in the process of production is more important than the product. The product may change, but the main objective, the purpose remains steadfast.

It is a mistake to assume that managements are concerned or interested only in the accumulation of profits or wealth. Many of them have found far more satisfaction in the application of creative thought to the development of an idea and to the solving of problems of human relations. This is not fantasy; it is readily understandable when one realises the tremendous satisfaction which accompanies any creative work, which is, after all, the mainspring of life.

Sixteen years ago, Mary Parker Follett, writing on "Business Management as a Profession," clearly indicated this new conception of Management in these words:

> "I have left to the last what seems to me the chief function, the real service of business: to give an opportunity for individual development through the better organisation of human relationships. Several times lately I have seen business defined as production, the production of useful articles. *But every activity of man should add to the intangible values of life as well as to the tangible*, should aim at other products than merely those which can be seen and handled. What does useful mean anyway? We could live without many of the articles manufactured. *But the greatest usefulness of these articles consists in the fact that their manufacture makes possible those manifold, interweaving activities of men by which spiritual values are created. There is no over-production here.*"

This philosophy of intangible values is the key to the new outlook in industry, and if accepted will revitalise industry in a way which cannot be explained by logic or scientific theories.

THE PRINCIPLES OF MANAGEMENT

The fundamental principles on which the function of management is based are precisely the same for every level of administration; they are principles of "effectiveness" which apply both to method and procedure, to production and personnel.

They are concerned with the attainment of the aim of the Organisation, with maximum co-ordination of work and co-operation both "vertically" and "horizontally." They are concerned with the delegation of authority and responsibility right down the line, with open lines of communication, with the clear definition of function, with the right selection and training of all members, particularly those in closest contact with the men and women on the job. They are concerned with the flexibility of structure and future planning, with economy and efficiency of operations, with the recognition and utilisation of human resources to the greatest advantage. Finally, they are concerned with justice and decency and all that is compatible with the rights and dignity of man.

A DEFINITION OF FUNCTION

A definition of the management function can only be the sum total of all the activities for which the Manager is held responsible. There is little difference of opinion as to what these activities are, but there may be considerable difference in emphasis between business and business. A manager is the person who is most intimately connected with the direction of the working team and the efficient operating of the production unit. He must achieve both these objectives *within the prescribed policy of the Organisation.*

To do this he must be able to recognise the separate divisions of his function as Manager of the Group. These are very clearly stated in many books on Management[10] and generally accepted in the business world. They are:

(1) Forecasting or planning operations and methods of production with a view to making work a con-

[10] In particular, Mr. E. F. L. Brech's *The Nature and Significance of Management.*

tinuing process contributing to the stability of the working team.

(2) Co-ordination of work and effort affecting the greatest economy in material—physical and human—and contributing to the harmony of the group.

(3) Leadership—inspiring the will to work together, pride in one's work and in the membership of a team—a leadership of example.

(4) Control—to ensure that instructions are being carried out and to check the results in terms of the aims and objects of the Organisation, noting weaknesses, rejecting the unsatisfactory, recording the good and bad for future reference.

Within these four divisions lies the active function of Management. *The dynamic qualities of the manager, his ability to lead and co-ordinate will determine his success, for in this lies the secret of the effectiveness of the whole organisation.*

The Manager who is capable of co-ordinating all the activities of the members of the group, who is capable of establishing control and joint responsibility through sound intelligent cross relationships, is indeed a leader and expert manager. The principles of organisation are tied up completely with co-ordination from, and in, the earliest stages to co-ordination as a "continuing process."

Forecasting and planning are not so much a matter of prediction as a recognition of all the factors in a situation, all the activities which go to make that situation and knowing how far they will contribute to creating the next or new situation. This knowledge is only possible where control is effected through co-ordination and the unification of the working team under a Manager who is predominantly a leader.

THE RESPONSIBILITY OF MANAGEMENT

The responsibilities of management are directly related to the achievement of the aim of the Organisation and to the social obligations of industry.

(1) During the last twenty years the emphasis on these responsibilities has changed owing to the separation of ownership and management. The owner is not necessarily the manager; the manager is now, generally speaking, an employee of the company or hired specialist. Under the circumstances there is naturally not the same personal interest in profits and much more interest in the wider responsibilities which accompany the "profession" of Management.

The whole point is that successful, efficient management will guarantee adequate rewards for service to all members, plus reasonable profits, which will not only give a fair return on capital, but more important still, will provide reserve funds for future developments and contingencies. This then is the first responsibility of management as "a balancer of the various interests" which it must protect.

In this connection, too, Management must be prepared to advise and to accept advice from both groups, the Board of Directors, including specialist executives and members of the Working Group. (It is quite conceivable that the manager may have more arguments with the Directors than with representatives of Trade Unions!)

(2) While Management is, of course, responsible for technical efficiency in all its phases within the factory (e.g., correct costs, quality, delivery time, etc.) its major responsibility is that of building up and maintaining a good morale, the right spirit, the right attitude of mind. This is accomplished by sound leadership and effective organisation. With this, technical efficiency should automatically result.

> "Contentment and high morale are the driving forces of earnest effort and the foundations of the sense of reasonable interest. Without them, effectiveness of operation can never attain its maximum; with them, it is bounded only by the skill and competence that the team have available to them." [11]

Accordingly, Management employs specialists for costs, accounts, personnel, engineering, quality control, but should handle the wider human problems, or indeed any human

[11] *The Nature and Significance of Management*, by E. F. L. Brech.

problems which might be passed on for management guidance or decision. No human problem should be too small, or considered too small, for presentation ot the Manager. Ideally, he should know, personally, every man, woman, boy and girl under his control.

(3) While Management should take advice from all in a position to give or to be consulted, the Manager must make his own decisions with absolute impartiality. For this reason, the Manager must be a very good listener and be able to relate facts and experiences with intelligent perception.

(4) The responsibility for selecting staff and defining functions or tasks calls for great ability in judging one's fellow men, particularly the reaction of one man to another. Management is responsible for ensuring that the definition of function, combining the necessary authority and responsibility, is fully understood by every member of the group. This is the recipe for a "happy ship."

(5) Management is responsible to the community, represented, firstly, by the workers employed, and, secondly, by the public utilising the manufactured product.

THE ILLUSION OF FINAL AUTHORITY

This is a theory[12] which might be studied with benefit by the Manager who accepts the new doctrines of his profession; it is one put forward some years ago and one which has received a great deal of attention from pioneers of effective management; it does indeed form a basis or jumping-off board, for a sound plan of organisation, allowing for authority and responsibility right down the line.

It starts with that most vital factor, the right selection of staff, which cannot be too much stressed. It is in the selection of assistants, technical and administrative staff, that a Manager or Executive gives a clear indication of his ability to judge men and a still clearer indication of the strength or weaknesses of his own character. It should always be remembered that leaders should be acceptable to the people they

[12] This theory is clearly enunciated in *Dynamic Administration* (Metcalf & Urwick—collected papers of Mary Parker Follett).

lead. This is of particular importance where contact is maintained continuously, as in the case of the foreman and chargehand, welfare officer, and time and motion study personnel.

Having made the necessary appointments, it is then essential that the task or function be clearly defined and that *the rightful responsibility and authority goes with the job.*

It is not a case of the Manager delegating some of his own authority and responsibility, it is a case of intelligent interpretation of function so that the function, be it personnel, production, accounting, engineering, time and motion study, *contains within itself* all the necessary responsibility and authority required to make it an intelligent, contributing factor in factory administration and management.

This, of course, further emphasises the importance of right and careful selection, for there is nothing worse for an industrial team than authority and responsibility in the wrong hands; this will cause irreparable damage to human relations and consequently to production programmes.

Authority and responsibility must be related exclusively to function: it is the function that is important, not the person or the position.

"A man should have just as much, no more and no less, responsibility as goes with this function or task. He should have just as much, no more and no less, authority as goes with his responsibility." [13]

Functional responsibility and authority do away with any attempt at autocratic management or control. No one, not even the Managing Director, has a "right" to all the authority and control, and by this time the wisest and best of managers have proved the soundness of this plan for the diffusion of responsibility and authority.

The next step in the process is co-ordination of the experiences of those functional leaders with responsibility and authority. These experiences (their day to day work) bring fresh responsibility and authority every day, sometimes

[13] *Dynamic Administration.*

a different kind of responsibility and authority. (This is particularly true of personnel work.)

It is the Manager's job, by conference, committee, consultation, to interpret facts and experiences, to add up individual decisions and opinions which have already dealt with and solved problems all along the line—to add up all those factors into a final decision. In point of fact, it is not "final responsibility" or "final authority," but a "shared responsibility." The Manager is but the symbol of final responsibility.

This, then, is the "illusion of final responsibility" which is really nothing more or less than intelligent and efficient management, confident management, recognising and taking advantage of functional leadership, authority, responsibility —using it to its own advantage and for the utmost benefit of every one concerned.

In other words, the Manager, within his sphere, is the statesman who sees ahead, who plans, who administers. To his staff, his factory executives, he leaves the authority and responsibility for the carrying out of a specific job of work.

The diffusion of responsibility has tremendous advantages; it encourages complete independence of thought and action so vital and so lacking in many organisations, it brings to each function a sense of dignity and prestige, a sense of intelligent participation in the Management Function. (If it comes to the point, every individual worker "manages" his own job.)

Most important of all, it implies the acceptance of co-ordination as the dominating factor in organisation; this is essential at all levels in producing decisions which *make* the necessary authority recognised as part of the final or "cumulative control."

The diffusion of responsibility is a recognised method of organisation. Co-ordination, right selection, and supremely good management are its fundamental adjuncts. There is no other method which will limit and finally dispose of autocratic control with its limitations, frustrations, and endless complications.

"The best method of organisation is not that which works out most meticulously or most logically the place for "finals" and "ultimates," but that which provides possibilities for a cumulative responsibility, which provides for gathering together all the responsibility which there actually is in the plant, which provides for making the various individual and group responsibilities more effective by the working out of a system of cross-relations. And as a business is organised to-day . . . the illusion of final responsibility is disappearing." [14]

DISCIPLINE

Discipline is essential to a useful and happy existence. This applies to the individual and to the group, of which the factory is an excellent example. It is important to explain what is meant by discipline, for it is easily misconstrued and inappropriately applied.

The discipline of a factory is determined by the "work atmosphere" which in turn is determined by the Manager and his ability to inspire confidence and trust, his ability to maintain co-operative effort and a sense of intelligent participation throughout the organisation.

Morale and discipline are inseparable; if the morale is good, the discipline will be excellent. A manager who is sensible of all those things both tangible and intangible which build up and maintain good morale, the right spirit, the right attitude of mind in the men and women who work with and for him, will have little or no trouble in maintaining discipline.

There are three types of discipline:

(1) The discipline associated with rigid control on the army pattern.
(2) The discipline which guides and instructs.
(3) The self-imposed discipline.

The military type of discipline is neither necessary nor acceptable in industry. Rigid control creates the automaton and the automaton is not a lively thinker, neither is he likely to contribute anything more than is demanded of him. The

[14] *Dynamic Administration.*

good soldier is one who obeys orders unquestioningly. It may be necessary for the factory worker to obey orders without question from time to time, but to obey an order blindly whether it be wise or unwise is not the hall-mark of a good worker or intelligent group member.

In industry to-day much more is expected of each and every member. A sense of responsibility and intelligent participation will impose its own kind of discipline of much more exacting standards.

It is futile to assume that both organisation and discipline in a factory can be modelled on the army. This idea should be treated with extreme caution, however harmless it may sound. It should be remembered by those who are apt to use the army simile too glibly that the German army was extremely well disciplined, so much so, that once the chain of authority was broken, the process of disintegration was swift.

The army is one thing, industry is quite another matter. One of the major problems of rehabilitation has been the sometime dangerous association of army rank with qualifications for civilian jobs. Ex-officers, who have given excellent service in the armed forces, are not necessarily the best peacetime leaders of men. With all the best will in the world one cannot always reconcile rank with those qualities of mind and character required for leadership in industry any more than high academic qualifications can guarantee the most suitable or successful personnel manager.

Rules are necessary in any organisation because they guide and instruct—or should do so simply and clearly. The book of rules, the administrative chart, the clear definition of function—all have necessary and important parts to play in enabling an organisation to function in an orderly and effective manner: they are important in helping to maintain discipline by establishing confidence, a sense of direction and orderliness, and a sense of security so essential to reasonable behaviour and efficiency. Most indiscipline can generally be traced to lack of confidence, insecurity, and the accompanying sense of grievance.

Discipline, above all things, should be instructive. "Punishment in any shape or form is either a means to an end or else it is completely unjustifiable." [15]

Arbitrary personal decisions are never a solution to a disciplinary problem and should always be discountenanced. A man has a right to be judged dispassionately: this is the kind of justice meted out to him in civil life and which he has a right to expect at his work if industry is to fulfil fundamental social obligations.

What have been described as "irrational mass dislikes" [16] are perhaps the most dangerous elements in any situation involving indiscipline. The trade unionist can know the manager to be a decent fellow, but has a traditional dislike of "management." For this reason, it is essential that good personal relationships in a factory are encouraged and maintained by all possible methods. Joint consultation, free discussion and depersonalising of orders (as later explained in the section on foremanship) are recognised as particularly helpful aids in maintaining effective morale within a factory and dispelling irrational behaviour as such.

Conflict, which is at the root of all indiscipline, is not necessarily disruptive; it might even be progressive. Much will depend on the attitude of the management and whether the Manager has the ability to handle "conflicting forces" rationally and not emotionally; whether he has the ability to recognise and appreciate the "good" and "bad" inherent in the situation without prejudice.

Conflict [17] can only be useful if it is resolved intelligently. One sure method of doing this is by putting into operation sound machinery for the ventilation of grievances and their right and just settlement—not by high-handedness ("You can get peace at any moment if your sledge hammer is big enough"), or doubtful compromise (this does not resolve anything) but by some constructive method of "integration" of points of view, so that both sides may benefit from the

[15] *Managers, Men and Morale* (Raphael and Brown).
[16] *Managers, Men and Morale* (Raphael and Brown).
[17] See *Dynamic Administration* Mary Parker Follett on "Constructive Conflict."

experience, however slight or however bitter it might have been, and, what is just as important, so that both sides feel satisfied that justice has been done.

The practical machinery associated with the maintenance of discipline will be most effective if based on the following elementary principles of justice.

(1) Rules should be easily understood and acceptable to those who have to keep them. For this reason it would seem right that people should have a say in making the rules.

(2) Penalties for non-observance should be imposed without personal prejudice and in such a way that will ultimately benefit the transgressor.

(3) There should be a right of appeal to a completely independent tribunal. This is fundamental justice.

In the final resource, the discipline which is self-imposed is most to be encouraged and desired. It is the result of inspired leadership, a leadership of example. It flourishes where there is a lively concern for justice and fair play and all those things which satisfy deep human needs.

To a great extent, respect for authority depends on the fulfilment of social obligations to the individual and to the community. The aim and purpose of the organisation, the personnel policy on which the ordinary man judges the company, even the product itself, its usefulness or otherwise, these things have a direct bearing on the morale or discipline obtaining in an organisation or factory. In other words, the ethics of a business lay the foundation of all that is good and stable and profoundly influence the behaviour of the ordinary man or woman employed within the organisation.

It would be wise to disabuse one's mind of the idea that discipline is merely a matter of making rules and seeing that they are kept, that authority means power, too often an arbitrary and irresponsible power, which destroys all mutual respect and understanding. Discipline is fundamentally a matter of good human relationships, the encouragement of self-respect, pride in one's work, the dignity of work and an unfailing sense of responsibility to oneself, to the factory

group, and, finally, to the community outside the factory.

This is what the Manager has to strive for by ceaseless endeavour and the high example of his own conduct and the conduct of all those in supervisory capacity. High ethical standards are required of him and a code of professional conduct in all matters, whether requiring disciplinary action or not which should place him, "like Cæsar's wife, above suspicion."

MANAGEMENT OF THE FUTURE

It can readily be appreciated just how complex and important is the study of Management. For this reason, it is now accepted that training for the profession of management is highly desirable, both from the point of view of efficiency and economic recovery and from the important view point of its contributions to society, individually and collectively.

The profession of management will have an accepted code of conduct like that of the medical profession or the profession of "law." It will call for a study of those subjects which will add to its technical and administrative efficiency, i.e., Production Methods, Job Analysis, Costing, Office and Staff Organisation, Accounting, Time and Motion Study, Personnel Management; but in addition it will provide for a broader educational background, a broader culture which makes its chief contribution to Management in a wider understanding of men and women and all the forces which "shape a destiny." The wider the knowledge, the deeper the understanding; the greater the wisdom, the greater the tolerance, the justice, the unerring judgment and the unfailing disposition to command loyalty and respect.

Management—profession, science, art, places great responsibility on those who select and teach the young men and women who are to be the managers of the future. Unfortunately, the universities would appear to be singularly slow in rising to this new opportunity.

Lieut.-Colonel Urwick, in a recent paper on "Education for Management" given to the Royal Society of Arts, com-

ments with pungency on this fact. He says, "The implication that education for the vocation of business management is in some way less honourable than education for agriculture, forestry, engineering, teaching, playing the organ, or a score of other callings for which British universities are prepared to grant degrees to students is curiously archaic."

It is not suggested that the granting of a degree or diploma excludes any young men or women from opportunities to advance to managerial status, but it is suggested that in future a high degree of training and education, as well as practical experience and high qualities of character, will be the accepted standard for future managerial posts.

The whole country is suffering from a dearth of high creative and executive ability. There is just as much wastage in management and management practices as there is in strikes and lock-outs. Unfortunately it cannot be measured in quite the same way.

"The problem of producing a continuous succession of able managers is one of the most important that a growing business has to face." Management is in essence leadership of men by men *with capacity of achievement.* A Manager can plan, co-ordinate and control, *but he must lead* if he is to maintain morale and the social cohesion of the group. His is not a solo performance in any sense of the word, for his success depends not on the possession of power or authority but on the practice of co-operation and tolerance.

There must be some "blue print" for factory government, a recognisable, sane method of organisation and a code of business ethics akin to a code of "professional" conduct with an awareness of the social obligations of industry and their prior claim in all matters of policy. In general it is a case of consolidating the swift advances of the difficult post-war years, of keeping the structure of management flexible enough to withstand change and of being prepared for all eventualities. Conscious of its difficulties both internal and external, any management should be quite undeterred from putting into practice fundamental principles of policy which do justice to the vision and vigour of this progressive age.

FOREMANSHIP

Although in the reorganisation of industry, certain specialised functions of the foreman have diminished, his position and importance in the functional organisation of any industry, has, in the last twenty years, been clearly defined and recognised. The interpretation of policy and the implementation of instructions and production procedure are finally the responsibility of the foreman. Not all the specialist planning or efficiency schemes will avail unless there is a "live" contact with factory personnel. This is maintained by the foreman. An organisation must be essentially "alive"; it is composed of human beings working together for an agreed purpose. Without the harmonious co-operation of men and women engaged in production work, this purpose could not be achieved. Strife and dissatisfaction slow down and disrupt production.

It is essential that the foreman as the final representative of management, and as part of management itself, should have his responsibilities clearly defined and fully understood by every one within an organisation.

THE NEW FOREMANSHIP

Social and economic changes have dictated the new outlook and the new methods implied by it. These profoundly affect the foreman and his responsibilities. A policy of good human relations is the keynote to the new outlook in industry. Production demands no longer over-ride every other consideration. Indeed, they are to a great measure dependent on satisfactory human relations. This fact has been firmly established by the experience of enlightened leaders of industry, and is—probably from the point of view of the foreman—the most revolutionary change in outlook. He, like every one else, has to adapt himself to this change; he should be prepared to follow this new pattern which is the outcome of the industrial experience and thought to which he himself has contributed over the years.

THE FOREMAN AND HIS RELATION TO FACTORY PERSONNEL

In these times a foreman finds himself responsible not only for directing the work of others, but for ensuring their co-operation, their happiness and well-being while they are at work. This is a tall order. It means that apart from his skill as a tradesman, he must have or acquire the skill to handle people and so maintain good human relations. A foreman is primarily concerned with people: their attitude towards their work and towards the Group for whom they work, will depend on the quality of his leadership, and the qualities of character which he displays. Apart from respect for the individual rights of human beings as such, the misplacing and mishandling of factory personnel can be an expensive item in production costs. It is, therefore, essential that the foreman should be fully acquainted with the Personnel Policy of the firm, and that the following observations should be quite clear to him.

(1) SELECTION AND INTRODUCTION OF NEW FACTORY PERSONNEL. It is necessary that the foreman should be consulted and brought into the picture in this matter of selection. He is the man with an intimate knowledge of the working group and of working conditions in the factory. He knows the physical and temperamental qualities necessary to make a person feel at home within the group, and thus make the maximum contribution to production. If he is consulted, he is more likely to take a personal interest in any newcomers, and a good working relationship is established from the outset. Moreover, this encourages a strong liaison between the Personnel Department and the foreman, which is most desirable. Careful selection in finding the right man for the job should be the joint responsibility of both the Personnel Officer and the foreman.

The introduction of new personnel to the factory is the foreman's final responsibility. It is his business to introduce them to their jobs and to the people with whom they have to work. It is at this point that his ability to lead, and his qualifications of character (friendliness, tact, sympathy, understanding) will be most apparent. It depends on the

foreman just how soon newcomers settle down at their work and are on good terms with him as well as their workmates. If it is important to receive newcomers on a prearranged plan, it is equally important to employ "follow-up" methods which will ensure that they have become contented and useful members of the group. A personal interest, an encouraging word from time to time and a helpful, friendly approach are the best means which could be employed as a "follow-up" method. The labour turnover and absentee figures of any department are more often than not a good indication of the foreman's ability to lead, teach and handle people and situations.

(2) A GOOD WORK ATMOSPHERE is the outcome of good team work, good morale. The consistent maximum efficiency of any group can only be achieved where there are harmonious human relationships. In this, too, quality of leadership sets the standard. The avoidance of friction and the creation of a sense of confidence and goodwill are first principles to be observed. The personality of the foreman and his ability to control and direct the working team with justice, sound judgment and human understanding are essential to the establishment and maintenance of a good work atmosphere and the consequent efficiency of the working team.

(3) LEADERSHIP. The essence of leadership is example. A good foreman should so inspire the men and women working for him, that they will freely co-operate with him in every way. Such co-operation would ensure a high standard of work and behaviour. It would confirm the establishment of good human relations through good leadership, good foremanship. There must be a purpose in leadership; it must be positive. Team work is not easily achieved. It is essentially the outcome of the work climate or atmosphere. If it is achieved the foreman will be fulfilling one of the most important of all functions in industry.

(4) DISCIPLINE. "Team work, although an admirable aim and a desirable condition, is not to be purchased by negotiations, but acquired as the natural outcome of first-class foremanship."[18] This implies a sense of order and discipline.

[18] *The New Foremanship*, by F. J. Burns Morton.

Not the discipline of fear and threats, or even authority, but self-discipline, imposed by a good leader, a good foreman. True discipline means that people behave well and do what is required of them because they have been made to understand the necessity and desirability of so doing. Discipline of this kind is educational. This approach to the matter is something quite new to many people in industry, but is of particular importance to the foreman, who has to get results from the people with whom he works. For this reason, if for no other reason, the foreman should know something about the difficult art of giving instructions or orders in such a way that there will be the least opposition, conflict or friction, and no conscious or unconscious resistance: it is the unconscious resistance which slows down production or affects the quality of the product. As far as the people on the job are concerned the foreman is the man who gives orders and instructions: this procedure should be strictly followed for "Production efficiency is always in danger of being affected whenever the long distance order is substituted for the face to face suggestion." [19]

THE GIVING OF ORDERS.[20] Psychologically it has been proved that you may not get people to do things by ordering them or reasoning or begging or convincing. Moreover "to demand an unquestioning obedience to orders not approved, not perhaps even understood, is bad business policy." The response to the giving of an instruction is not always what we think it is; it may appear so on the surface, but experience has shown that over and over again both time and energy have been wasted for the simple reason that no one has bothered to study how orders should be given in order to obtain prompt intelligent and co-operative response.

Peremptory orders shouted or given in a bossing or disagreeable way offend personal dignity and self-respect; they arouse the wrong "behaviour pattern" in people which is detrimental in every way to the organisation as a whole and

[19] Mary Parker Follett.
[20] Mary Parker Follett—*Dynamic Administration* (Metcalf & Urwick), the chapter on "The Giving of Orders."

which can sabotage efficiency just as thoroughly as any restrictive practice. A resentful, sullen or even bewildered worker will never give of his best, and his or her attitude will be anything but co-operative. Obviously orders and instructions must be given and obeyed, but a little thought on the matter may illuminate the difficulties and increase the effectiveness.

The intelligent approach to the matter is a conscious attempt to change the attitude of people towards the giving of an instruction. This can best be done if orders are "depersonalised." In other words, Mr. X does not give instructions on his own behalf for a change of production programme, but "the law of the situation," i.e., a shortage or glut of raw material makes it necessary for the change to be made. In this way one person is not taking orders from another person, both take their orders from "the law of the situation," with which there is no argument and therefore no unfavourable reaction of resentment or strife. This creates understanding and a willingness to carry out instructions, and suggests or takes for granted participation and responsibility by the people involved.

This method of giving instructions takes no more time than the shouted and often disputed orders: it is at least instructive and intelligent from every point of view. It is quite a different matter when employees realise that employers, too, have to take their orders from "the law of the situation." "Bossing" is out of date and the army "command" does not apply. Incidentally, it might be observed that the Generals Montgomery and Slim both made full use of the "law of the situation." A little thought on this matter by the foremen themselves might increase their all-round effectiveness and certainly improve personal relationships where necessary.

Justice and impartiality are essential in maintaining discipline. A sense of injustice breeds indiscipline and conflict. *A Foreman must, above all things, be impartial and free from any kind of personal prejudice.* A foreman must know how to listen to suggestions and investigate complaints

without any suspicion of "favouritism" creeping in. There must always be time for this. It might be a personal problem or the settling of a grievance over wages. Whatever it is, much will depend on the personal contact and the unbiased judgment of the foreman. By prompt attention to these matters he will build up the confidence and gain the respect of those working for him. A foreman who is fair and just in all matters has a reasonable chance of maintaining a high standard of discipline which will be reflected in the productive efficiency of his department. Rules and regulations are essential in an organisation. They can only be effective if they are clearly stated and if people understand the reason for them. It is up to the foreman to see that rules are explained and observed.

It will be easy for a foreman to maintain discipline if he thinks in terms of his job rather than his position. Only by example can he inspire others to self-discipline for the good of the "whole."

(5) CONDITIONS OF WORK. Good physical conditions of work are the responsibility of the Personnel Department, but the foreman, as the man on the spot, must take responsibility for the conditions of work in his own department. He is free to condemn or make suggestions for improvement. The conditions under which men and women work are important; they contribute to the group morale and to production generally. A foreman should be interested in:

(a) *Good Lighting.* It has been known to increase production by twenty per cent and has a very decided effect on nervous and physical health. Bad lighting has been a contributory cause of many accidents.

(b) *Heat and Ventilation.* Abnormal temperatures cause tiredness, resulting in carelessness and loss of productive efficiency.

(c) *Seating accommodation and the arrangements of work and material.* There should be adequate seating accommodation for all, whether they sit or stand at their work. Spacing, the lifting of weights, the height of benches, the distance work has to be carried, are important enough to warrant the

attention of the foreman. The neglect of these things quite often negatives efficiency by a loss of energy and waste of time.

(d) *All safety measures* and the quick attention to injuries, however slight, are the responsibilities of the foreman. He should instruct all personnel on the necessity of prompt attendance at the surgery following injury of any kind. The importance of this point, particularly in regard to sepsis, was stressed in the last report of H.M. Chief Inspector of Factories.

(e) *Good housekeeping* is the sign of a good foreman. The tidiness and brightness of a department affect the people working in it and reflect the work atmosphere. Anything that the foreman can do or suggest to improve conditions of work or general environment is greatly to his credit.

FURTHER RESPONSIBILITIES OF THE FOREMAN

"Responsibility 'for' seems to me a higher conception than responsibility 'to'." [21]

This applies to every grade of management. This conception of responsibility places the emphasis on the job, rather than the position, and gives a right perspective to the work (or responsibilities) in relation to the whole. This is fundamental to a sense of balance and stability. The foreman has many responsibilities and his ability to carry them out depends on qualities of character and his qualifications for the job.

(1) TRAINING. A foreman must be a good teacher. He is the man who has to get results. To do so he must first see that he is using all the resources for work and usefulness which he has at his disposal. Waste of labour is worse than waste of material. The foreman must, therefore, try as far as possible to suit the man or woman to the job. The more he knows and understands the people who work with him, the easier this will be. His aim should be to get the very best out of his workpeople, but to do this they must be, as far as possible, physically and temperamentally suited to their

[21] Mary Parker Follett.

work. The teaching, directing and controlling of factory personnel is an important responsibility. Only a foreman who knows his job and has gained the confidence of the working team, can carry this out efficiently. If mistakes are made, it is desirable that reproofs should be constructive—a process of "educating" rather than blaming.

The training of assistants, deputies and charge-hands should never be a half-hearted job. Any by-passing of this responsibility is an indictment of management, and more often than not indicates either autocratic or inefficient supervision. The attitude of the foreman to training is one which should be watched, for no firm can afford to lose the useful potentialities of men and women because of a selfish or disinterested attitude on the part of management supervision. The selection of charge-hands, deputies or section-leaders should not be left to the foremen, but should be a matter of joint consultation in which the Personnel Department is well represented. It is essential to remember that the "giving of orders never takes the place of training." [22] The foreman is responsible for personnel, for plant, for material, and, finally, for the finished product. *His success and efficiency will depend on how he executes his first great responsibility to the men and women working with him.*

(2) EDUCATION. Social and industrial changes are of vital concern to the foreman. A foreman should keep himself informed of new developments and trends of thought as affecting his own work, the Company for whom he works, and the outside world. In this period of upheavals, readjustments and reorientation of thought, a well-informed foreman is equipped to meet any emergency, from the difficulties of a full employment policy to new production developments or practices within an industry. The study of human beings, human behaviour, incentives to work, is inexhaustible and opens up a new field of interesting thought for any one who takes the trouble to think on broad lines. The foreman, in immediate contact with the people on the job, has much to contribute and much to learn. The quality of leadership to

[22] *The New Foremanship*, by F. J. Burns Morton.

which people are subjected, day in and day out, is vitally important in maintaining industrial efficiency and stability. The foreman himself should be willing to undertake any training or study which will assist him in carrying out his difficult responsibilities.

Voluntary acceptance of the need for continual study applies at all levels. It is no good educating oneself for industry as it was yesterday, or as it is to-day; the idea is to educate oneself for the industrial world of to-morrow.

Times and methods have changed and are changing rapidly, with increasing demands on all levels of management personnel. To meet these demands "supervision" should keep well abreast of the times in both specialised and administrative knowledge.

> "The selection of supervisors is based primarily, not on evidence of intelligence and sound education, but on the man's ability to apply intelligence and make practical use of education. Some indication of what a man has done to improve himself may be more revealing than what has been done for him by way of formal instruction." [23]

The supervisory problems and executive duties with which the modern foreman has to cope, demand a broader outlook and a wider education than was expected of the old type foreman. Industry in general has recognised that a high standard of supervision is expected and required to deal with the new developments in industry. Incompetence in technical, personnel or administrative matters spells failure. All three are necessary. The new theory of foremanship suggests a lively interest in a wide field of studies and the ability to apply the knowledge gained in as practical a way as possible.

(3) KNOWLEDGE OF PRODUCTION METHODS. This is not in itself sufficient to make a good foreman, but it is obviously essential that a foreman should know the procedure and methods required in the production process. What is more important is that he should at all times give thought to

[23] *The New Foremanship*, by F. J. Burns Morton.

improvements and encourage suggestions from his working group. No one's responsibility ends with the mere carrying out of instructions.

It is the foreman's job to acquire all relevant information of production methods and procedure. It is of great importance that he should possess or aim at possessing a thorough technical knowledge of the processes carried on in his department. Lack of technical knowledge is a serious handicap in someone officially responsible for day-to-day production. It also curtails authority and ability to train and control factory personnel. It may also seriously interfere with prospects for promotion.

Having acquired a thorough technical knowledge of processes a foreman should be able to apply that knowledge constructively and with imagination. Knowledge without imagination is non-productive in times of emergency. Knowledge, imagination, adaptability are essential in a factory where production programmes are subject to a quick change-over according to availability of materials.

It is not enough for a foreman to be production conscious, he must also be sales conscious. This is a point he should make when training factory personnel. It is an excellent way of stressing the quality factor and is often overlooked. Knowledge brings confidence and immense personal satisfaction. The greater the knowledge the greater the contribution, and that, after all, is the aim of all who are working together within an industrial group.

(4) THE ELEMENTS OF INDUSTRIAL ORGANISATION. It is obvious that a foreman cannot be trained in every branch of a business—research, costing, sales, bacteriology, chemistry, engineering, personnel work, but he should know the part that each of these departments play in the business as a whole. This stresses the importance of collaboration between departments and of a free flow of information on all matters to the foreman, and the necessity for the foreman to be educated and trained in what are obviously the elements of industrial organisation.

(5) COLLABORATION WITH OTHER FOREMEN AND DEPART-

MENTS. The necessity for this form of collaboration is apparent to all. No department functions on its own. Responsibility for production is shared by every one. Collaboration between foremen strengthens their sense of responsibility and lessens the chance of any one foreman wishing to shirk his responsibility or pass it higher up the line. Cross relationships are just as important as the "up and down the line" relationships. Helpful co-operation in training schemes as well as in production programmes can only be achieved if there are friendly and good relations between foreman and foreman. The example of co-operative work and good personal relations among supervision is important to factory personnel. It helps to maintain and ensure good factory morale. Every foreman should know what goes on in the next department, without being interfering or critical, but always ready to help out with advice or personnel. It has been said that there is no such thing as a departmental problem. The responsibility is shared. The foreman deserves and needs the co-operation of every one, and good social and working contacts with other departments, foremen and heads of departments. The very nature of his particular role in directing the working force and at the same time implementing management policy might tend to "isolationism." This can effectively be avoided by inter-relationships and cross functioning, on which eventually the whole process of production depends.

ORGANISING ABILITY. Technical and administrative knowledge should never be under-estimated, but both are useless without the capacity for organising and practical management. A foreman must have the ability to organise and co-ordinate the human and material factors within his department. Team work, successful collaboration with other departments and higher executives are the result of good organising ability. For efficient production all effort must be organised and co-ordinated. The successful running of a department, including efficient production and good human relations is a clear indication of a foreman's ability to organise both his work and executive duties. In the selection

of foremen it is clear that ability to organise and co-ordinate should come high on the list of qualifications. There is nothing worse for the morale of factory personnel than bad or slack organisation. Most people respond to order in thinking and planning and in the practical carrying out of their work. They take their cue from the foreman. Lack of organising ability creates apathy and incompetence and is always a source of irritation.

To be a good organiser, a foreman must be able to think and see ahead, as well as have a complete grasp of immediate production methods and programmes. He must be able to translate production programmes into terms of men and women and so organise human resources and potentialities to the benefit of every one concerned.

> "Organising ability fundamentally calls for an orderly mind and methodical habits of work. The person organising must possess a sense of proportion in order to discriminate between the fundamental and the trivial . . ." [24]

To be able to discriminate in this way is the mark of a good administrator and leader. It is not always easy to do so.

THE FOREMAN AND COMPANY POLICY

Principles which are preached must eventually be put into practice. For this reason, it is important that a statement on policy should be made and clearly understood by all grades of management, particularly by the foremen.

Translation and carrying out of policy is not easy: it requires practice so that it becomes a habit, an attitude of mind. Availability of information on all aspects of policy is essentially vital to good foremanship. It is quite indefensible for any one to withhold information which might contribute to the more efficient and intelligent interpretation of policy by the foreman or any member of a supervisory staff. This should be the one unpardonable sin.

[24] *The New Foremanship.*

(1) PERSONNEL POLICY AS IT CONCERNS THE FOREMAN

(a) The selection, introduction and follow-up of new factory personnel.

(b) The supervision of working conditions (including hours of work and overtime) which is primarily the responsibility of the Personnel Department, but requiring the co-operation of the foreman for the observance of same.

(c) Absenteeism. The foreman can be of tremendous help to the personnel department in obtaining full and correct information on all cases of absenteeism, and in passing on this information for records and research work.

(d) Labour Turnover. This, too, has been commented on, and the co-operation of the foreman is essential to the keeping of factual records in the Personnel Department. Labour turnover figures should be submitted to the Foremen's Committee for comments or recommendations.

(e) Transfers and dismissals should always be submitted to the Personnel Department for agreement or otherwise. The responsibility for a short term transfer, a matter of hours or days can be left with the foreman, but a longer period, a production transfer, should be jointly agreed by both Personnel Officer and the Foreman concerned; (there may be confidential matters affecting the health or domestic responsibilities of the person concerned, known only to the Personnel Officer).

The matter of transferring people is one which requires considerable social skill, and in this respect both the Personnel Officer and the foreman have great responsibility. It should be remembered that it is an affront to personal dignity to move people about, without reasonable explanation.

The final responsibility for dismissals should rest with the Personnel Executive as the competent authority on Company Personnel Policy.

(f) Disciplinary action, including suspensions, should be first agreed upon by consultation with the Personnel Department and exact records kept of any disciplinary action taken. There should always be a right of appeal.

(g) Continuity of employment. The foreman has his own responsibility in this matter in an effort to provide security of employment.

It is agreed that security of any kind must be earned by the joint efforts of every one.

An unavoidable reduction in the working force would require the careful consideration of employees' service records and all relevant information by both foreman and Personnel Officer.

(h) Employees' Services. The foreman should be acquainted with Company Personnel Policy in the matter of aiding employees in times of need, etc. The Personnel Department or officer will always supply this information and act accordingly.

Foremen should be trained to carry the responsibility for good Personnel Management, resulting from an enlightened Personnel Policy, into the factory, so that they will at all times help to establish and maintain those good personal relationships so badly needed in industry to-day.

(2) GENERAL POLICY. The foreman should recognise that the fundamental principles of any Policy are social responsibilities both to the individual employed within the Organisation and to the outside community. In the maintenance of both these objects, they have tremendous responsibilities. Executives on the other hand should fully realise their responsibility in training, encouraging and developing good foremanship.

Foremen are only human; they are not a race apart and need all the support and co-operation they can get. Their day-to-day contacts with factory personnel make them a vital factor in production efficiency, and unless this link is strong and reliable, there is little chance of success.

THE NEW FOREMANSHIP

This subject is almost inexhaustible. It might be apt to conclude with two quotations; one from a most valuable contribution to industrial literature, *The New Foremanship,* and the other from the Newforge publication, *Group Enterprise.*

The first quotation reads:

> "The aims of the new foremanship, in conclusion, may thus be expressed: to be quick but not hasty with decisions: to investigate the facts before action, rather than to make impetuous decisions on scanty information: to measure and not to guess: to accept the fundamental facts open-mindedly without prejudice and to reject the trivial and superficial: to organise routine work and to improvise in an emergency: to administer with impartiality and to eliminate favouritism: to lead rather than to force: to explain instructions cleary and not simply give dogmatic orders: to train employees to high standards of proficiency and to avoid slackness and slovenliness in operation: to commend more and to condemn less: to encourage workers and not dispirit them: to engender certainty and to dispel insecurity: to create contentment in team-work and to prevent friction from misunderstanding."

—and from *Group Enterprise,*[25] a paragraph which is important because it:

(a) emphasises the right selection of foremen.
(b) safeguards them while on a training period.
(c) accepts full responsibility for the correct induction and training of foremen.

These three points are fundamental to the whole question of training for foremanship.

"Whatever the difficulties or special responsibilities of a department, no foreman or supervisor should be asked, or expected, to accept the responsibilities which must go with the position, unless he is familiar with the duties required of him and is competent to carry them out to the standards

[25] By R. Clement Wilson.

agreed upon by Management, or by the deputy of the Manager in control.

To save confusion, no full title of foreman shall be used until a man has proved over a period that:

(a) he fully understands his duties.
(b) he fully understands his responsibilities.
(c) he no longer requires training in routine technique.
(d) he has proved by efficient administration that he can be relied upon to carry out his duties with skill, imagination, tact, good departmental discipline, and in co-operation with other foremen, technical staffs and other executives.

If circumstances make it necessary to appoint any man who has not all these qualifications, then the words ' acting,' ' assistant ' or ' trainee ' must precede the title as evidence that status has not yet been confirmed."

This is the new approach to the question of Foremanship. It indicates a recognition of the importance of the role of the foreman in industry, and a wider understanding of industrial problems, including the need for sound leadership and good human relations at all levels.

FOOTNOTE

A Supervisors' Forum is an excellent method of further training for foremen in matters of procedure and policy and in those broader issues which have much to contribute to efficient foremanship. This should be wholeheartedly supported by Management, for unless all grades of Management contribute no new or progressive situation is likely to be arrived at.

THE PERSONNEL FUNCTION

A SHORT HISTORY OF PERSONNEL MANAGEMENT [26]

Personnel Management is not new. It has been practised in one form or another by enlightened employers since the close of the nineteenth century.

The agitation of Robert Owen, a zealous social reformer, led to the Factory Act of 1833—"the first great landmark in the story of personnel management." This was the beginning of the factory inspector and the establishment of the

[26] See *The Making of Scientific Management*, Vol. II (Urwick & Brech).

fundamental principle of all personnel work—the priority of "people" over "things."

Further industrial and social reforms followed in this century of change and revolution—1849, 1867, 1878. Progress was slow, painfully slow against the hard and bitter opposition of employers who were concerned only with material success and who were not prepared to accept regulations which would increase their costs and curb their personal ambitions. There were countless ways of evading the law and exploiting the workers. The answer to this was the rise and growing strength of trade-unionism and the dogged fight to improve the lot of the working man. The opposition was organised in the Employers' Federation.

This led gradually to two important developments—the machinery for "collective bargaining and negotiation between employers and trades' unions, which still is, in 1948, the traditional framework of British industry"—and secondly, though of much slower development, the establishment of personnel management as an essential function of management.

Welfare work was at first (and the tradition dies hard!) a charitable duty performed outside the factory by well-meaning persons. "A factory might, indeed must be a slum—human nature being human nature and competition being competition—but, the misfortunes of those condemned to such accommodation should be palliated by some district visiting." [27]

The names of Wedgwood, Courtauld, Cadbury, Rowntree, Hans Renold will always be associated with the acceptance and development of true welfare work and personnel management. Their contributions, and indeed the contributions of many firms in the twentieth century, have been shining examples of enlightened thought, enlightened management and progressive action.

It should be widely known that in 1900 Edward Cadbury of Bournville, Ltd., wrote:

"the spirit of welfare work matters far more than the

[27] See *The Making of Scientific Management*, Vol. II (Urwick & Brech).

facilities provided and the spirit must be one that imbues equally all directors, heads of departments, foremen and forewomen, as well as all those who are especially responsible for the work."

It is a solemn thought that in this year nineteen hundred and forty-eight, there are still employers who grudgingly and cynically tolerate "welfare work" as the newest fad and "sop to the workers." It is even more sobering to read that "in its main substance the personnel management function of industry was already explicitly formulated, almost in detail, at least fifty years ago and has been available in published form for over three decades." Yet it still requires pioneers and crusaders to "put it on the map" in many industries large and small! Little wonder that we are still lacking that social skill by which men can endeavour to live in peace.

Edward Cadbury's writings of 1900 are an indictment of the retrogressive forces which are still very much alive in industry to-day and which make one profoundly thankful for those "captains of industry" who have, and have had the vision and courage to blaze a trail, sometimes a very unpopular and uncomfortable one.

The war of 1914–18 brought the first official recognition of the significance of the "human factor" in industry. In 1915, the "Health of Munitions Workers' Committee" established this principle and established it authoritatively. This was followed by the Industrial Welfare Department of the Ministry of Munitions, in 1916 under the direction of Mr. B. S. Rowntree. By "peaceful penetration" methods this department had the job of persuading managements of the importance to the war effort of the welfare and personnel aspects of management—a job described as "difficult and arduous."

Between the wars (1920–40) much ground was lost to well entrenched and still unenlightened opposition, and the inevitable reaction to war-time measures followed. But the work done by Mr. Rowntree and his department was not in vain, in spite of the fact that "The new Ministry of Supply

in 1939 saw fit to begin its operations without even the shadow of a fully-fledged and highly calibred personnel management section. Ministers in 1940 repeated almost verbatim the facile exhortations to excessive hours which had brought the country to the brink of disaster in 1915." [28]

This was not very heartening or inspiring for those who looked for a more enlightened lead in the face of unquestionable evidence, proven facts—the contribution of first-class scientists, economists, sociologists, psychologists, physiologists and innumerable practical successful industrialists who had collaborated wholeheartedly by reason of the same burning faith in the final achievements.

However, attention had been drawn to a hitherto completely neglected social science. Industrialists and others realised the great possibilities of work of this nature. A history of personnel management would not be complete without mention of the four bodies which have contributed to its establishment as a profession and its standing as an occupation worthy of the highest qualities of mind and character. These are:

(1) The Industrial Health Research Board, founded in 1918, whose members have brought a considerable body of advanced thought to such subjects as: Hours of Work; Environmental Conditions; Physiology and Psychology of Work; Industrial Sickness, etc.

(2) The National Institute of Industrial Psychology—a scientific body founded in 1921 for experiment and research.

(3) The Industrial Welfare Society, founded in 1919, now providing a first-class advisory service to industry, among other activities.

(4) The Institute of Personnel Management—the professional society of men and women engaged in personnel and welfare work. This has developed from the Association of Industrial Welfare Workers, founded in 1913.

[28] *The Making of Scientific Management*, Vol. II (Urwick & Brech).

These four bodies have gradually built up a fund of knowledge and experience for the benefit of industry in general and for the expert guidance of those engaged in the specialised work of Personnel Management. The last body in particular has contributed to the definition of the function of personnel management now accepted by most firms employing personnel managers.

It took another war and a colossus of a Minister of Labour to put into effect that knowledge and experience which was to contribute so much to the effective organisation of wartime industry and without which maximum production could not have been achieved.

A DEFINITION

"Personnel Management is that part of the management function which is primarily concerned with the human relationships within an organisation. Its objective is the maintenance of those relationships on a basis which, by consideration of the well-being of the individual enables all those engaged in the undertaking to make their maximum personal contribution to the effective working of that undertaking."

That is the official definition arrived at by members of the Institute of Personnel Management. "Consideration of the well-being of the individual" is not quite as simple as it sounds, and "human relationships" require intelligent thought and action, careful study and a "scientific" approach to those patterns of behaviour which manifest themselves wherever people work together in a group.

The importance of the human factor in industry is accepted generally by enlightened managements—including those enlightened foremen and charge-hands who have had the advantage of attending conferences and personnel courses. But it is in the Personnel Department that the analysis, testing, recording of all information relating to the human factor and human relationships should be concentrated. It is in the Personnel Department that certain functions must be centralised in order to build up and

administer a uniform personnel policy within an organisation.

Personnel work is a recognised profession for which university training is provided. *The Personnel Department is not merely an appendage to the administration chart or the industrial organisation—it is a service department in the highest sense of the word; it is the hub or nerve centre of any industrial concern, for it specialises in the problems concerned with the effective organisation and functioning of the will to work together.* The stability and soundness of good human relations depend on effective organisation and specialist practice, and cannot be left to chance or to the individual supervisor.

The myth that the small firm of two to four hundred does not require a personnel officer or department, has long been exploded. The Managing Director who is all things to all men is a proven fallacy. This type of employer (particular to the end of the nineteenth and beginning of the twentieth century) has been admirably described in the following paragraph:

> "However intimately the small man knew his employees, however intimate his relations with Bill, Tom and Harry, however sincere his inquiries after their families, these modes did not prevent him, more often than not, from compelling them to work in unwholesome conditions, to put in destructively long hours, to forego many of the benefits of civilised life, to fight for every penny of every wage increase, and to become paupers when his own negligence or parsimony left them the victims of an unguarded machine." [29]

Good intentions towards one's employees are not enough. It is most desirable that all members, particularly those in a supervisory capacity, should be well acquainted with the personnel policy of a firm, that they should fully understand the meaning and importance of good human relations and do something about them. But unless there is a department solely concerned with every aspect of personnel work—

[29] *The Making of Scientific Management*, Part II (Urwick & Brech).

including statutory laws governing conditions of work, unless there is a department which specialises in the mechanics which bring about good human relations, a department which can advise through the study of its own observations plus the considerable body of specialised knowledge available to it—nothing very much will happen; there will be no progress, no particular contribution to the human problems which confront industry to-day.

One cannot expect the foreman or the production superintendent to be a psychologist, economist, sociologist; one can rightly expect him to be personnel or welfare minded—which is a vastly different proposition. The foreman knows when he has a happy and contented group of people working for him: it is his duty to keep them so; but he has neither the time nor the expert knowledge to study and record why they get on well together or why they will resist any change in department or personnel. That is the expert's job, the expert who has learnt to understand the patterns of behaviour, who has acquired the ability to unravel the many psychological stresses which affect people and their work.

This is the kind of specialist service which the up-to-date personnel officer and his department render to industry. It is this kind of specialist knowledge which will enable the machinery of good human relations to run smoothly and effectively. It is this kind of work to which personnel officers should be able to give far more time than they do at present. Routine work is necessary and important, but it is also important that there should be staff available in the department to do this work, allowing the personnel officer to give much more time and study to these matters which are vital to the future well-being of industry. The Personnel Officer of the future should have a much wider contribution to make in the sphere of human relations—a contribution based on expert observation, scientific thinking and a broad knowledge of men and affairs.

A PERSONNEL POLICY

The most efficient personnel manager with the most

up-to-date personnel department has no chance of succeeding with his avowed aim unless the conception of good human relations is reflected sincerely and enthusiastically in the Company's policy. There must be someone at the highest executive level with a particular interest in and responsibility for personnel policy and its application throughout the organisation.

Because the relationship of the worker to his employer is a human and not merely a commercial one, it is essential that there should be a definite personnel policy, clearly defined and clearly understood; it is as important as a clearly defined sales or development policy. *In point of fact, the personnel policy is, or should be, the main policy to which all organisational policies are related.*

A personnel policy embodies the governing principles or code of ethics of the business or industry; it defines accepted responsibilities in regard to matters affecting all members of a group or industrial unit; it is essentially, in its widest sense, *a vivid statement of beliefs* revealing the whole purpose of an industrial organisation.

For all these reasons it should be known and understood and implemented, both in the spirit and the letter, from the Board Room downwards. "'Principles' are fundamental truths, 'Policy' is a course or plan of action."[30] Without high principles and a sound plan of action no personnel policy can succeed. It is no good having high principles unless they dictate action, the kind of action that is required in the everyday, intelligent and just treatment of men and women.

There are certain basic principles which must be accepted as the foundation of any sincere, intelligent personnel policy (and a personnel policy must be intelligent and wise, not emotional or untidy). These principles are:

(1) Recognition of the innate dignity of man and his work, however humble.
(2) Justice for all men in all matters.
(3) Recognition of the right of all men to equal opportunities.

[30] Harold Whitehead in *British Management Review*, Vol. VI, No. 3.

(4) Responsibility for the welfare and development of all members of a group.
(5) A genuine acceptance of the principles of co-operation and participation in a "joint venture." (People must have a hand in saving themselves; they cannot and will not be saved from outside.)
(6) The recognition and acceptance of social obligations both to the men and women employed and to the community.

THE PERSONNEL OFFICER

It is necessary that principles of policy be understood and applied to meet all cases. So much will depend on the quality of thinking which the Personnel Manager brings to his job and to the translation of the policy. Once again, academic or technical qualifications alone do not necessarily guarantee the wise and successful application of a Personnel Policy as laid down by the Board of Directors.

It is important that policy should be interpreted with sympathetic understanding, with good judgment, with tact and a wide degree of common sense. It is always possible to supplement a limited education by reading, by University lectures, and Personnel courses, but deficiencies in qualities of character, in personality, in outlook are not easy to remedy.

The good intentions of a firm in this matter of personnel policy can be completely negatived by the wrong type of Personnel Officer, who might neither understand nor be in sympathy with its policy towards its members. The selection of the right type of man or woman for this most important work is an obvious conclusion.

A personnel officer must be able to control and administer his own department with ability. Because of his particular function he should be able to co-operate freely with all other departments and for the same reason he should have the ability, the strength of character, belief and confidence in the purpose of his work to withstand and oppose any direct or indirect "by-passing" of policy by those more directly con-

cerned with production and production programmes. It is no good pretending that this does not happen, for it has happened too often. If the personnel officer is weak or compromising, it will happen again and again.

He should above all things build up confidence in himself and his department, a respect for his opinions, his knowledge of his job, his integrity and steadfastness of purpose, his wise guidance and counsel in all matters personal and otherwise. Only under the direction of someone dedicated to the high ideals of his profession—"the functional service of the human factor in industry"—can the Personnel Department hope to fulfil its purpose in the industrial organisation and to persuade the doubtful and uninitiated that an organisation without a Personnel Policy and department has not a hope of survival in this new world.

A paragraph from the 1942 Select Committee on National Expenditure indicated the lines on which industry would have to develop for maximum production and efficiency—so necessary then—so vital now; it was indeed a "British declaration of personnel management" and is quoted here in full:

> "It has already been stated that maximum efficiency cannot be attained unless the human factor in production is recognised as being of at least as much importance as the engineering, production or research sides. Once this principle is accepted, the management in order to ensure wholehearted co-operation from the workers, must adopt a clear policy for all personnel and welfare matters. *The functions of a personnel officer can briefly be defined as those of a specialised adviser to the management, supervisors and foremen on all questions affecting relations between the workers and the management.* Personnel managers or welfare officers must be able to win the confidence of both the management and the workers; they must have sufficient knowledge of the production side as well as sufficient understanding of personal problems of the workers to be able to guide the policy of the management on many general problems,

and they must have authority to carry out this policy when it has been agreed." [31]

Sir Wilfred Garrett, H.M. Chief Inspector of Factories during the difficult war years, stressed the importance of the establishment of sound human relations through the offices of a Personnel Manager or Officer and Personnel Department. Many such observations have been made by people with long and wide experience of industry and a thorough technical knowledge of what makes the wheels go round. Like Mr. Cadbury, Mr. Rowntree and their successors, they were neither idealists nor cranks, but practical men of expert knowledge and experience.

THE PERSONNEL DEPARTMENT AND ITS FUNCTIONS

It has been recognised that all the activities concerned with human relationships should be concentrated in one department.

This is essential if the maximum amount of care is to be taken in the administration of human affairs and if the maximum amount of time and creative thought is to be expended on the many problems and studies associated with men and women and their daily work. It must be emphasised that these matters cannot be left to chance. To suggest that they might shows a complete misunderstanding of the personnel function in industry and a misconception of the wider responsibilities which are part of the new outlook in industry. It may be wishful thinking or a reluctance to do anything about it which prompts such an idea, but it is quite certain that it would be a pretty poor look out for industry in general and for the man or woman on the floor of the factory in particular if there were no specialised department to look after these matters.

The establishment of a Personnel Department backed by the highest executive authority is an acknowledgment of the importance of human relationships in industry and a recognition of new social responsibilities in which a man's work is more than something which has to be tolerated for

[31] From *The Making of Scientific Management*, Vol. II (Urwick & Brech).

monetary reward and in which industry becomes an interesting and essential part of society as a whole.

A personnel department is concerned with the intelligent translation of the company's policy, the intelligent handling of human relations in accordance with that policy, and the maintenance of good relationships based on mutual confidence and respect.

"The primary aim of the personnel department is to contribute *an essential service* to the efficiency of the business. It is this service that counts, and on the quality of this service the department as a whole will be judged."

The "esential service" is entirely related to the human factor, around which the many functions of the personnel department centre. These functions will vary in detail and emphasis from industry to industry and according to the size of the industrial unit, but remain basically the same. They are concerned with:

(1) The recruitment, selection and placing of personnel, with special emphasis on careful selection, intelligent methods of interviewing and training, and most important of all the utilisation of human resources to the full. Waste of capabilities is an almost unpardonable sin from the point of view of the individual and the group.

(2) Information on terms of employment, wage rates and standards of payment, conditions of work, welfare facilities and factory amenities, including all employee services.

(3) Responsibility for seeing that statutory obligations under the Factories Act are fulfilled. This involves attention to floor space, seating accommodation, temperatures, ventilation, lighting, the guarding of machines, protective clothing, hours of work, nightshift and overtime regulations, and many other matters affecting the health and safety of all employees.

(4) Responsibility for conducting trade union negotiations according to the recognised procedure, and

for the provision of joint consultation in any form whatsoever.

(5) Responsibility for the fullest possible information on all employees, including health, capabilities, and any factor affecting the physical, mental or psychological "make up" of the individual. The grading of employees and other personnel statistics are important individually and as a basis for research work. It is essential that all information regarding personnel should be recorded in the personnel files; this includes transfers, promotions, dismissals and any disciplinary action taken.

WAGES AND THE PERSONNEL DEPARTMENT

An efficient industry must be able to pay a decent wage and provide an ever-increasing standard of living for its workers. *That is one of the tests of efficient management.* The responsibility for the provision of these rewards lies fairly and squarely on the shoulders of those responsible for the organisation and administration of an industrial group, and in particular, on the management, who by up-to-date methods, by the application of the fundamental principles of a good industrial policy *can assure an efficient economy to meet these responsibilities.* Such a management would inspire the working team so that every one would work to contribute his or her share to the success and security of the group. For wages and the standard of living ultimately depend on how well every one does his or her job, and on the effectiveness of our individual and group effort.

Among the serious obligations which the Personnel department undertakes is the responsibility for the maintenance of a good wage policy and all that that implies. This is much more serious an undertaking than is generally understood.

(1) To maintain the accepted wages structure is comparatively simple where the rate for the job is paid on an hourly or time basis. Where the system is one of payment by results, there should be the closest possible collaboration between the time-

study department and the personnel department. It should be the joint responsibility of these two departments to interpret and explain any such system and to see that it *functions as it was intended to function.* The personnel manager should have first-hand knowledge and a complete understanding of the "economics" of any system in operation, and, most important of all, he must be able to explain discrepancies or fluctuations in payments and to attend to wage or bonus queries with the least possible delay. The irritation, or sense of grievance, caused by delay is generally out of all proportion to the amount involved and causes more dissatisfaction than any other single known factor.

(2) To quote: "There should be no alteration in rates of pay without the written authority of the head of the personnel department, acting with the consent of the works' manager or executive head of the business. Unless this centralisation takes place, variations will creep into the wages structure with the inevitable repercussions."[82] This should be made quite clear in the interests of efficiency and maximum production, for limitation of output is more often than not the reaction to an unexplained wages anomaly.

(3) All wage rates, whether negotiated through trade unions or trade boards should be negotiated by the Personnel Officer, acting on behalf of the firm. This applies also to special payments for holidays, breakdowns, overtime, etc. Payment for overtime has a special significance from the personnel angle. It has been said that "overtime is bad management organisation." Whatever it is, and there is quite a useful amount of evidence to support that view, it is the duty of the personnel

[82] *Functions of a Personnel Department*—G. R. Moxon Institute of Personnel Management, Broadsheet.

manager to review carefully all overtime worked in relation to (a) health, (b) efficiency, and (c) statutory legislation, and constantly to make recommendations for its curtailment or elimination. Continuous overtime is indefensible and should be avoided at all costs. A systematic review of earnings can be most enlightening; it can reveal weaknesses and at the same time be a good indication of the level of satisfaction within each and every department.

In the same way shift work, including night-shift work, should be closely supervised to ensure that all necessary conditions are being fulfilled. It is most important that the personnel manager accepts full responsibility for the fulfilment of all factory legislation and the implementation of all negotiated wage rates. The moral obligation in these matters should, of course, be shared by all responsible people within an organisation.

(4) The head of the personnel department must be able to advise the manager or senior executive on any matter affecting wages, whether internal, as on new developments, or external—in particular the cost of living. He should always work in close collaboration with the time-study engineers or industrial consultants: it is surprising what mistakes efficiency "experts" can make through over-enthusiasm for the job and underestimation of simple human factors. Certainly a check should be kept on all job evaluations and discrimination made in the case of jobs which obviously cannot be measured and for which no standards are attainable. There is no reason why a bonus system should not be successful, provided it is thoroughly understood, efficient and fair; it is, however, a debatable point whether it is completely satisfactory as an intelligent incentive of the highest social value.

MOTION STUDY

At this point it seems desirable to stress the importance of motion study as distinct from time study; the two are not synonymous—but complementary. Motion study is a highly specialised branch of scientific management, which has as yet received only scant attention in proportion to the scope of its potentialities. The cotton industry and other heavy industries, particularly engineering, have benefited considerably from the work of motion study experts, but the implications of the intelligent application of motion study are not fully appreciated in terms of production efficiency.

> "Motion study is the scientific investigation of the movements involved in the performance of any piece of work and the development of methods which eliminate unnecessary movement and conserve energy, time and materials." [33]

In other words, it is concerned with making more efficient use of the available labour in industry by conserving that valuable commodity, human energy; by the improvement of methods of work and the tools necessary for the job, by the study of psychological factors involved and the elimination of unnecessary factors contributing to fatigue and inefficiency.

Motion study is not a new science: it originated in the U.S.A. about the close of the nineteenth century, but it is a misunderstood science, probably because it is quite erroneously associated in many people's minds with the abuses to which the early application of the science was subject. A great deal of education is required to counteract this suspicion, and personnel managers might count it one of their obligations to be intelligently "motion study minded" and to make use of all available information on the subject for the benefit and enlightenment of managements. Because of its association with the human factor, it is desirable that the Personnel Officer should be able to advise and make recommendations for the application of motion study. It

[33] *The Theory and Application of Motion Study*, by A. G. Shaw.

cannot be too highly stressed, however, that this is a specialist job for which there is specialist training available.

WELFARE

Welfare is a function of personnel. The Personnel Officer must take final responsibility for this function, even though it may be entrusted to a Welfare Officer. It is his business to consult and advise when necessary, but the fullest responsibility and authority must be given to the person concerned for the carrying out of this work in accordance with the policy of the company. A Welfare Officer should have the utmost confidence in his or her immediate superior and vice versa. They should work in close collaboration with the least possible reference to a higher authority.

Good working conditions are never a substitute for good wages and conditions of employment; nor could they ever be substituted for that most important of all conditions—the atmosphere of goodwill and harmonious relationships within a factory. Elaborate so-called welfare schemes are sometimes mere window dressing and a clever attempt to evade more serious responsibilities. Good conditions of work are no longer considered to be some specially significant concession on the part of the Management: that idea is completely out of date, for it deceives no one, least of all the man and woman in the factory. The cynical approach to welfare never succeeds in doing anything: it fails completely unless it is dictated by the right spirit from the Board Room downwards.

It is important that someone should supervise lighting, heating, ventilation and seating accommodation, and that one particular department should have the responsibility of safeguarding all personnel from industrial hazards—from such things as dangerous or heavy machinery, or the tiresome monotony of repetitive jobs and their effect on the health or happiness of men and women. This is quite a specialised job. However, no foreman or worker should accept bad conditions of work either for himself or his neighbour.

There is room for great imagination in industry. So much

can be done with colour and design, with canteen and rest-room arrangements, with music and gaiety. Anything is worth trying that will make one's working hours pleasant and inspiring.

STAFF MANAGEMENT

It is just as important that all members of staff are given the same attention, services and amenities as those members of a group concerned directly with production. Too often the staff is sadly lacking in ambition, enthusiasm and goodwill, for the simple reason that its unspectacular work receives neither praise nor blame, with the obvious results—cynicism, mistrust, apathy. This can be extremely dangerous to an individual and to a group.

Staff Management is also a specialised function and should be the concern of one particular individual. The secretary of a company is usually the nominal head of staff, but it is the accepted practice to have the actual staff management in the hands of a personnel executive. It is just as important that careful interviewing, selection, training and induction schemes should apply to applicants for staff posts, and that records should be available for all members of staff as for factory personnel. It is also psychologically correct that the staff should know that there is one person specifically concerned with their welfare and development, and always available for personal interviews.

Human relationships are as important at staff level as at any other level. The Staff Manager, like the Factory Manager should realise that recognition is the greatest incentive to loyal service and that waste of capabilities among staff members is just as serious and damaging as elsewhere.

During the war years there was a tendency to take the staff for granted and for attention to be focussed on production personnel. It is high time that all distinctions went to the wall; the industrial unit is an indivisible whole with all members playing their part. Conditions of work are, however, generally speaking, easier for staff than factory mem-

bers, and care should be taken not to create a staff superiority complex by unnecessary privileges which are not strictly related to individual contribution.

A Staff Manager should have first-hand knowledge of the work entailed in any individual job. The staff should be organised in such a way that the fullest possible use could be made of section leaders. Rules and regulations should be carefully explained and any divergence or difference in individual treatment be accounted for. It is not knowing the reasons for a particular line of action that causes trouble. Most people respond to "order" and to any regulations which make for efficiency and harmony.

A FINAL NOTE

The question of the status of the Personnel Officer varies according to the size of the factory concerned, but it should certainly be on a par with other functional heads of departments. In many firms it is on a par with Works' Management, but whatever the status, the Personnel Officer must, by reason of his particular function and stewardship, always have access to the highest authority. Where men and women and human relationships are concerned this is vital.

The Personnel Department, as a service department of the highest order, should have full measure of authority and responsibility vested in it. This will depend on the strength and ability of the Personnel Manager and his staff. Only those matters affecting important production issues should have to be referred to Management. It is up to the Personnel Officer himself to see that there is a clear definition of function enabling him and his department to be of the utmost service to management and men alike.

A Personnel Policy should be publicised in such a way that there can be no doubt whatsoever about its implications. Without a doubt all personnel, particularly those in executive, supervisory and administrative jobs should know that a first consideration is the welfare and development of all members of a group. Every one should be encouraged to be "personnel minded"; every one should be encouraged to administer his

or her job, or section, or department in accordance with principles of policy. A policy of good human relations should be "woven into the texture" of an organisation. That is the kind of healthy ground in which a strong and reliable personnel department should flourish, contributing to the whole organisation expert opinion and experience of the highest order.

III

JOINT CONSULTATION

The New Relationship

"Many writers tell us that we are living in a barren age and deplore this as a sign of our degeneration. . . . Such people make the mistake of connecting creativeness always and inevitably with individuals. They do not see that we are now at the beginning of a period of creative energy, but that instead of being the individual creativeness of the past which gave us our artists and our poets, we may now enter on a period of collective creativeness if we have the imagination to see its potentialities, its reach, its ultimate significance; above all, if we are willing patiently to work out the method." [1]

[1] Mary Parker Follett, *Dynamic Administration* (Metcalf & Urwick).

JOINT CONSULTATION

The New Relationship

PROGRESSIVE leaders of industry are conscious of the contribution which they can make in the practical application of methods and principles of organisation and management which may help to solve not only their own problems but are in themselves of significant value to the wider problem of human relationships. It is for them to experiment boldly in the construction of an industrial society of intelligent and harmonious relationships which may well be an example to a somewhat bewildered world contending with disrupting forces and the disharmony in which all things are static.

"Collective creativeness" might indeed be another term for that social skill which is the hope and despair of those who would live in peace and make some contribution towards the evolution of a saner and more satisfying way of life; for the making of goods is fundamentally a matter of human relationships, of collective effort and the co-ordination of experiences. The will to work together for a common purpose which is the basis of all co-operative effort is not easily accomplished: it is the result of hard thinking, deliberate and careful planning, a lively inventiveness, and a perceptive imaginative sense of "the shape of things to come."

Any society, any group which endeavours to make maximum use of the potentialities of men and women, which utilises the driving force of human hopes and endeavours, which harnesses the power behind the satisfaction of deep human needs, which works to the highest common factor of usefulness and service, this is the society or group which will reveal the effectiveness of unity as the one and only means of sound and sure progression towards the creation of a new and better state of affairs whether in industry or in the society or nation in which we live.

Effective relationships, the "interweaving of responsibilities and functions," are fundamental to the unity of a

group, producing a sense of balanced effectiveness which cannot be easily disturbed. The last war, more than any other war in history, demonstrated a man's dependence on his neighbour, whether he was a grocer's assistant or an hereditary peer of the realm; their values and experiences were inter-related. It is this inter-dependence, this inter-relationship, of men and women in industry which should be used to full advantage in stimulating the will to work together, in provoking the maximum effort from every one in a common cause, and acknowledging the value of each member's contribution to the good of the whole and making effective use of it.

A NEW RELATIONSHIP

It would be futile to deny that there is a new relationship between employer and employed, one which is essentially human and democratic in outlook. The evolution of this new relationship is the most significant development in the industrial history of the last thirty years. It has revolutionised the theory and practice of management by demanding a new industrial technique which makes of the manager a skilled negotiator, "skilled in the use of joint consultation or conference as a means of mobilising all the effective productive power within a group or industry," and as a means of establishing that common purpose for which men will work with a will and find satisfaction and a sense of fulfilment in doing so.

The significance of this new relationship is that it has nothing to do with the "rights" of this side or that, but with the newly-accepted social obligations of industry in which "the ideal and practical have joined hands." The welfare and development of people is bound up with the technique of operating and producing goods: they cannot or should not, be disassociated. Industry in the future is liable to be judged by its contribution to society in the development of the men and women it employs and not exclusively, as in the past, by its products or assets. For this reason management should demonstrate its ability to develop the human resources at its

disposal through the most up-to-date management organisation, allowing for intelligent participation and constructive co-operation throughout the working group.

The theory of inter-dependence, of thinking in terms of the whole, is a progression away from thinking in terms of rights. Instead of fighting for the rights of conflicting sides one would like to see joint action taken by contributing sides for the benefit of the whole group. This is possible where management and men recognise the significance of the new relationship which has developed in industry and are prepared to work to a plan for intelligent and sincere co-operation.

There is nothing wrong with taking sides; there must often essentially be divergence of opinions between employer and employed: it is quite reasonable to expect points of view to clash from time to time, but it is not reasonable or necessary to adopt an attitude of aggressiveness, suspicion, distrust. Where it exists the "fighting" attitude must be disposed of, and in its place the difference in point of view should be treated as a problem for joint consideration.

There is no need to go into the history which has perpetuated the "fight" attitude in industry; much of the traditional suspicion of, and hostility to, management is completely justified. Unfortunately, there are still those on both sides who want to see industrial relations as a fight; they are opposed to any machinery, any methods, any way of thinking which will contribute to unity. Both employers and employed have been guilty of sabotaging sincere efforts to improve industrial relations by a display of bigotry, stubbornness, greed and ignorance, guaranteed to perpetuate class distinctions of the worst kind.

There are still those who cling tenaciously to a wrong conception of power which is always opposed to the best interests of a group and is, more often than not, merely the expression of an inferiority complex or prompted by the sheer pleasure of domination. These are the true enemies of progression and can easily be identified by the tenacity of their hold on dogmas which consciously or unconsciously

uphold the concept of opposition, either active or passive—dogmas which are as dead as the proverbial "dodo."

The only answer to this is to encourage a new method of thinking, a new attitude of mind, which will substitute conferring for fighting. There is still a tendency to regard joint consultation, or conference, as an arraignment of opposing forces instead of a joint activity. The term needs a much wider interpretation—one which does not confine it inevitably to the conference room, but which expresses an attitude of mind inducing at all times co-operative habits of thought and behaviour throughout an organisation.

The conference method is not easy, particularly where "sides" are sharply defined, and the "fight" tradition is encouraged. The lead must come from the top. It is no good asking workpeople to adopt a responsible and co-operative attitude unless the executives are shining examples. One hears a lot about asking for the co-operation and loyalty of ordinary factory members associated with production lines, and little enough about securing the co-operation of executives and their loyalty to workpeople, which is even more important.

In the same way it is useless to talk of co-operation and the spontaneous and eager participation of every one in the effort to improve production or relationships in industry unless there is a method to ensure that co-operative practices are encouraged. In these enlightened days there is no evading the responsibility of management for setting up a constitution which will use to the full the creative energy and power of the working group and all its potentialities for good and useful service. Failing this, it is quite certain that this energy and power will be diverted into destructive and subversive channels which will manifest themselves in restrictive practices, irresponsible behaviour, and a defensive attitude of mistrust and suspicion on both sides, which is precisely what the world is afflicted with at the moment.

THE PRINCIPLE OF PARTICIPATION

The principle of participation is fundamental to good

industrial relationships and the will to work together for a common purpose. It is concerned with individual contributions, making constructive use of all the creative energy, mental and physical, within an organisation, and with the co-ordination of all constructive contributions for the good of the whole.

This is indicative of the fundamental change in thinking which has brought about in many cases a new relationship between the worker and his employer. To make that relationship wholly satisfactory a man must be made to feel "that he belongs to an organised community with a sense of common purpose by which he is accepted as a fully responsible and contributing member."

The money incentive is not enough, it is only a small part of the total satisfaction and will not compensate for the basic human needs—the opportunity to contribute, to be well-informed, to share in decisions which affect one's work, one's future—in fact, a sense of full participation in, and identification with, the aims and operation of the organisation. There is no substitute for this.[2]

Participation is essential to co-operation: co-operation is essential to progress. Any organisation which has as its aim the welfare and development of the men and women employed has taken upon itself a great responsibility. It can never be content with a situation which is merely peaceful or appears to be peaceful. One can never be sure about peace; it is unwise to assume that peace guarantees co-operation. Peace is relatively unimportant, it might even mean a state of stagnancy which is charged with all kinds of dangers —seen and unseen. "Peace is not the aim—but progress."[3] It is far more important that there should be progress, and progress can only be guaranteed by co-operation, by joint determination, joint action, and the valuable incentive of intelligent participation.

Participation is a continuous process, not something to fall back on when there are serious problems or grievances to

[2] "The Psychologist Looks at Incentives" (E. P. Menzies in *British Management Review*, Vol. VI, No. 4).

[3] Mary Parker Follett.

be settled: it is a first principle of management organisation by which people work together to improve the efficiency of production to improve working conditions, to establish good personal relationships, to stabilise employment, in the full knowledge that their contribution counts, that they are expected to contribute and accept that responsibility and authority which make one's work tremendously important and intensely satisfying.

The will to participate or co-operate is not enough; it will not automatically happen but is an achievement of the highest order, calling for qualities of leadership hitherto unknown, a leadership of perception which comprehends the real significance of the new outlook in industry, the necessity for integrating and relating all the knowledge and experience within an organisation. It will require inventiveness, ingenuity, deep and serious thought to accomplish this; it must be worked for, striven for as a very necessary part of more and better management.

Participation and its accompanying sense of responsibility is the one factor more responsible for morale than any combination of factors. Both management and men are suspicious of it, but suspicion must be overcome in the interests of progress and the future of industry and the community. Only experience will change habits and attitudes of mind which are, or have been, the result of some "abstract notion of rights." What one should understand is that whatever benefits the whole group or organisation automatically benefits all individuals concerned irrespective of "sides" or "rights." It is only the sharing of experiences, the interweaving of responsibilities and relationships which will contribute to the development of men and women, now acknowledged to be a serious obligation which industry should undertake in the interests of a continuing society.

THE NEW LEADERSHIP

This situation in industry demands a new type of leadership. The lack of any desire for active participation within an industrial group can be attributed to:

(1) The inability of managers to state a common purpose with which each and every member can identify himself or herself.

(2) Their failure to recognise and act on principles of participation at every level.

(3) Their failure to provide the necessary machinery in their organisation plans through which participation becomes an essential part of management procedure.

"Part of the task of the leader is to make others participate in his leadership."[4] The men who have the ability and intelligence to do this through organisation and management are the apostles of the new age and the architects of a new plan, not only for industry but for the forward march of civilisation. There are men in industry to-day who are shining examples of true leadership, who by real industrial statesmanship have acquired a degree of co-operation and active participation within their own particular industrial groups hitherto unheard of. These men have not abandoned prestige or power by sharing their problems, their hopes and aspirations, their failures, their successes. On the contrary, they have recognised that real power is "the combined capacities of a group"; it has nothing to do with personal power but is concerned with those effective and valuable relationships within an industry which *"increase the power and managing capacity" of the group.* The best leaders work to the principle of "power with" not " power over" ; they are not concerned with concessions, or rights but with the recognition of the status of the individual as a human being and not a number on the pay roll; they are concerned with the development of a joint power in industry which will urge men to greater and higher achievements.

The new leaders will be possessed of great human understanding; they will be frank and sincere in their efforts to unite all in a common purpose; they will face up to the new relationship between management and men; they will seek and find new and lasting values which will be their

[4] Mary Parker Follett.

strength and our salvation. Many have already done so, and their testimony cannot easily be dismissed: they are practical men living in a hard, practical world. These progressive and successful directors and managers of businesses, large and small, have two things in common, a true perspective of values in which men come first, and profits and incentives in their rightful places, and, finally, a sense of the future which illuminates their minds and gives to their work the authoritative stamp of true leadership.

THE THEORY OF INTEGRATIVE UNITY[5]

To understand the true meaning of participation and co-operation, to comprehend the significance of this new phase in industrial history, it is necessary to study and understand the underlying principle of all forms of "consultation," by which real values are substituted for the insubstantial and purely material motives or incentives which are becoming less and less acceptable to the more enlightened members of society. This underlying principle is the desire, the will to integrate or blend points of view in such a way that everything that is of value will be retained and effectively used to create a new and better situation. It is this interpenetrating of ideas that unifies a group and proclaims a common interest so essential to co-operation and real progress.

A divergence of opinion in industry, as elsewhere, is valuable and important. Integration is concerned with what advantage can be gained from varying or even conflicting points of view. This requires three necessary stages:

(1) A joint investigation or fact finding in which all cards are put on the table, all opinions and ideas stated and the situation analysed.

(2) A joint determination to find a solution by appreciating and understanding divergent points of view.

(3) Joint action in which all this is good is recognised, retained and acted upon.

This is the process of integration which is behind any

[5] See Mary Parker Follett in *Dynamic Administration* (Metcalf & Urwick).

plan for joint conference and consultation. Its practice will bring about a "consciousness of unity" which all the fighting or preaching in the world would not make possible. The sometimes conflicting interests of management and men are subordinated to the interest of the whole by an intelligent examination of facts, by holding on to what is useful and valuable so that the situation moves forward and not backward.

This is integrative unity of the highest order; it is the only way in which "collective creativeness" will develop, the only way in which industry can demonstrate a way of life, a method of working, which is both creative and progressive and which may be a shining example of social skill in these days of unsolved problems and difficult world situations.

Integration should not be confused with compromise. Compromise is concerned with bargaining, and bargaining can sometimes obstruct the long and wide view: it is an expedient too often associated with tactical victories and invariably, consciously or unconsciously, leaves a feeling of resentment over concessions made by one side or the other. The experience of history is that compromise does not solve a problem nor does it stabilise a situation.

Integration is a new technique which should be studied in the interest of industrial peace and progress. It is only by the use of integrative methods that problems will really be solved and progress made both materially and spiritually, for not only will they create a new and better work situation but also they will create a spirit of confidence and hope, a sense of shared responsibility, or purposefulness, and a correspondingly high sense of satisfaction with one's life and work. Such methods will eventually dispose of the "fight" theory as an antiquated weapon, a legacy of a late but not lamented reactionary world.

It is much quicker to solve a problem by an arbitrary decision: it is much wiser to confer, to make sure that the decision taken is the best and wisest from the point of view of the whole, from the point of view of the future as well as the present. Decisions which are a joint responsibility can

be counted as permanent gains, for they will represent the examination and integrating of all factors in a situation, and there are always more than just two—one "for" and one "against." These alternatives do not exhaust the possibilities of a situation. There must be a progression away from that attitude of mind which sees only two alternatives. This stultifies clear thinking and predetermines a result which can only lead to suspicion and conflict. A responsibility to the whole calls for integrative methods which will disperse suspicion and call for a response to a partnership and not merely to an employer or a trade union. "No one wins where there is true integration," but it requires men with a great capacity for leadership and statesmanship to understand and act on the high principles involved in the development of good progressive human and industrial relations based on integrative unity and collective power.

THE CASE FOR A WORKS COUNCIL

Effective participation and co-operation needs the machinery of joint consultation or conference. No wishful thinking, no pious aspirations, no statement of policy, however sincere and enlightened, will by themselves bring about a co-operative attitude or inculcate a sense of responsibility within an organisation. It is essential that the mechanics of management organisation should include a deliberate plan or plans by which management and men will meet to discuss plans, to exchange points of view, to make judgments, reach decisions and act upon them. Unless joint consultation can be made a practical working proposition from the bottom level upwards to the joint conference room, it has neither been understood nor accepted as the right principle upon which the future structure of industry will be built. In the absence of effective joint consultation the administration of industry will continue to be a "government of consent" already outdated in any society, and completely lacking in that dynamic power so necessary to a living, continuing society of progress and change.

The need for joint consultation or conference has already

been proved. No one wants it as a concession, or a sop, or as a high powered method of getting management policy across, or as a by-passing of union activities or management responsibilities, nor even as an incentive. It is none of these things: it is essentially a part of good, sound, sensible, efficient management plans; it is in keeping with the social obligations of industry in the welfare and development of both management and men. For it is from the outset a process of education for all those concerned—dispelling prejudices, breaking down preconceived ideas of this side or that, cancelling the notion of rights and privileges, whether of management or men, bringing with it understanding and respect for points of view, encouraging the ability to state a case clearly and truthfully, learning to use "the language of adjustment" and not grievance or conflict, and so mould a situation in which just and useful decisions can be made and acted upon.

There is no magic in the words joint consultation; those who expect immediate and spectacular results will be disappointed. It is a means of inculcating a sense of responsibility through the sharing of responsibility; it is a means of encouraging co-operative habits which will become part and parcel of management organisation of the future; it is indicative of the times in which we live. It must be deliberate and formal—a serious undertaking which should ultimately raise the level of efficiency and output, not by virtue of any committee meeting but by virtue of the recognition of the status of the factory member as a responsibile working partner who is asked for the benefit of his knowledge and experience on the job, and in return learns to appreciate the problem of those in management and executive jobs. This is not the "consent of the governed" which gives only one point of view, one contribution, but the active principle of participation in operation whereby all might contribute for the benefit of the whole. A majority vote, taken in a factory, in favour of a management proposal is not joint consultation, nor does it guarantee agreement—there has been no participation, no integration; the situation has not moved forward;

it is unstable; anything may happen in spite of a majority vote. That is the "consent of the governed."

The need for joint consultation has become more and more apparent to the discerning over a number of years. Recently it was reported that thirty-eight out of fifty-four important British industries have considered some form of joint consultation, through works councils or committees or similar constitutions. The war, one appreciates, hastened the development and acceptance of worker-management conferences when it was imperative that all the productive powers of industry should be mobilised for the successful prosecution of the war. It is still essential that all the productive powers of industry should be mobilised; it is still essential that management and men should meet in conference because it has been acknowledged that these two items are fundamental to good human relations, to efficiency, and to the future success of industry. Efficient production is a social obligation: it is the joint responsibility of management and men; a responsible partnership will alone make possible continuity of production and the systematic and intelligent development of men. *The only control possible in these enlightened and democratic days is the control of "effective unity." That should be the ultimate aim of management, a management organised to put into effect, "a jointly developing power" which will create new and lasting values, not just rearrange them or alter the balance of power.*

Joint consultation by Factory Conference or Committee is a logical outcome of the decline of craftsmanship. The need for self-expression accelerated by more and better education and the development of man's social and political conscience, has asserted itself by a desire for the intelligent satisfying of human needs by participation and co-operation. In this way the balance is restored—an inexorable law of nature. Management and men have become more and more aware of their inter-dependence, and the value of their individual knowledge and experience to each other, not only in times of emergency but as a "continuing process."

Added to this, the power of the trade unions, and their

ever vigilant brief on behalf of their "brethren," is firmly established and officially recognised by all shades of political opinion.

"With all this in mind, it is plain folly to imagine that the traditional predominance of the employer in industry can remain unchallenged. The suggestion still heard in some quarters that the essential *status quo* can be maintained provided certain 'sops' are offered to labour and provided that employees are allowed to 'blow off steam' is about as sensible as to offer sops to a hungry tiger—and just about as safe." [6]

No ostrich-like attitude can refute the establishment of a new relationship in industry which is clearly the recognition of labour as on equal terms with Capital and Management. "This," says Dr. Walpole, "is the three-legged stool on which the prosperity of the community, and all our hopes of social security, rest."

The establishment of a Factory Conference or Council is fundamental in encouraging the right thinking, the right outlook, by which this new association can fulfil its dynamic function in the interest of the future of industry and the community.

A STATEMENT OF PURPOSE ON THE ESTABLISHMENT OF A FACTORY CONFERENCE

No excessive claims are made on behalf of joint consultation: it is a means to an end in training both management and men for a responsible partnership in industry. It is a method whereby the special knowledge and experience of both groups is pooled in the common interest of all. It is a recognition of the need to convert all contributions—to get every bit of knowledge and experience that can be of help from the man or woman in touch with production processes and production problems.

The giving and receiving of information is of great value, but a conference does not meet merely "to register views already held." It meets to collect evidence, to integrate points

[6] Dr. G. S. Walpole in *Management and Men.*

of view, to reach agreement on decision to be made and action taken. It needs intelligence and vision to see the advantage of this as an asset to an organisation and not just a waste of time. United judgment, united opinion, joint action, has a value beyond the short-sighted expedience of autocratic management.

A Factory Conference is not concerned with the use of political or economic power, or the concealments which have characterised so many union-employer negotiations. It is fundamentally opposed to such tactics and is primarily an opportunity for the use of integrative methods by which industrial problems might be solved and new values, new situations, created. A Factory Conference is the training ground for all latent ability and the energy and inventiveness so often submerged in day to day jobs. This is not assuming that every employee has a vital contribution to make—far from it—but it is a guarantee against the tragic waste of good material and the deadening frustration of good ideas and intentions for which there is no official outlet.

Frank and businesslike discussions round the conference table might do more to assure the factory member that he is not being exploited than any advanced personnel policy can ever do. At least he has a chance of asking questions and having them answered, a chance of seeing the whole picture and not just a corner of his particular workshop. Whether he understands it fully or not is not very important; what is important is the fact that he has been told what is going on and why. His deductions might be surprisingly intelligent—and, as Mr. Courtauld says, "Modern industry needs every ounce of intelligence it can lay hold of, and it needs the co-operative goodwill of every one employed in it."

Goodwill in industry is not a matter of back-slapping or even good working conditions, wages, hours of work. It goes much deeper than that and is concerned with intangible issues which, whether we recognise them or not, are at the root of all power, all progress, all conflict. Opportunities for promotion and economic rewards do not solve what has been described as "the major problem of industrial society"[1]—

[1] *Big Business*, by Peter Drucker.

the problem of psychological and social satisfaction. *There* is the intangible issue which many refuse to see or believe, but which, nevertheless, is very real and very powerful, and is concerned with the innate dignity of man and his sense of fulfilment or function in the society or group in which he lives and works. "Status" means nothing to a man unless it fulfils the deep human desire of recognition as a responsible human being—"It is not the character of the work which determines satisfaction, but the importance attached to the worker." [7] The management that recognises that the satisfaction of "this primary demand" is the key to the whole situation will not have to be persuaded that the principle of joint consultation is both logical and constructive, and that a new conception of industry in which management and men will be responsible partners is the only possible basis for a satisfactory and intelligent way of working in which all other problems will be seen in their right perspective.

MANAGEMENT AND JOINT CONSULTATION

A Factory Conference does not imply "Committee Management." Such an assumption is both stupid and dangerous, and arouses suspicion of the worst kind. Intelligent men and women, including trade unionists everywhere, are fully aware that expert management with the specialised knowledge that goes with the job, is absolutely essential to any industry and cannot be replaced by Committee Management. A Factory Conference is an integral part of the organisation plans for efficient management; it does not conflict with executive authority or in any way usurp the management function. It is fundamentally consultative and advisory; it is concerned with the sharing of problems and their solution and that interchange of information which is always preferable to independent action or investigation.

A Factory Conference does not relieve the manager of any of his executive responsibilities, but increases his responsibilities in many ways. The "inter-penetrating responsibility" of management and men, as manifested in a Factory Conference does not relieve any executive of the responsibilities

particular to his status and function. It *does* mean that there should be a display of competence in management circles which could always stand the test of inquiry by joint consultation. An effective management organisation in which functions and responsibilities are clearly defined, understood and accepted, is absolutely essential before joint consultation can become effective in any way whatsoever. In other words, the Manager should have his house in order before inviting the full co-operation of others who are dependent on the strength and effectiveness of the Management structure.

This point is admirably made in the following quotation:

> "A new spirit in industry is being preached and there is a garment of new ideas and schemes for giving expression to it. It is my contention that this new spirit can lead to a new order in industry, and the new ideas and schemes can become viable and effective on one condition only—that the basic framework of management is adequate." [8]

Following this, management has primarily to understand and appreciate the significance of this new association of management and men and be prepared to accept it sincerely and in good faith.

The conference method demands great skill if it is to be used to the utmost benefit of every one: it requires from management the ability "to explain and analyse situations." Reports from chief executives should contain the kind of organised knowledge of management methods which would educate and stimulate those factory representatives who are eager and intelligent enough to benefit by it. This kind of knowledge circulated through a Factory Conference commands respect and aids intelligent participation and co-operation. The responsibility of management in this matter is great and far-reaching, for a conference must be constructive to be in keeping with its basic fundamental principle.

The attitude of management to joint consultation is all important: it should above all things be firmly positive, born of conviction and not necessity. Impatience and passive

[8] Sir Charles Renold on "Managers and Men" (*British Management Review*).

opposition will do more to kill the will to co-operate than anything else.

> "Patience produces the conditions, the climate in which virtue has a chance to grow and flower, where good work may lead to excellence. Impatience, on the other hand, is the great witherer."

There will only be a response to a lead by management which is determined, intelligent and sincere and which does not adopt the attitude of "infallibility" so discouraging, so irritating and so easily "debunked."

It will be seen from the foregoing paragraphs that the mere suggestion of joint consultation increases responsibilities all round. This, in itself, is commendable and denies the assertion frequently made, that joint consultation is a frill or stunt. The standard of work from both management and men is open to criticism and suggestions if it is not in keeping with efficiency standards or principles of policy.

> "It means (i.e. joint consultation) that the managers will need to give more consideration to the requirements of the people working with them and to be accountable to these people for the discharge of their duties. If anything, this will call for greater competence in the managers and a higher level of professional training. There is another gain—the people in the organisation must be expected to display a greater sense of responsibility in the performance of their own tasks, deficiencies in this direction being easily and objectively brought to light in the process of joint consultation. In both respects, the principle is closely in accord with those that have been enunciated as fundamental to effective management." [9]

It is sometimes suggested that the term "management and men" implies opposing sides. Far from it. There is all the difference in the world between conflicting and contributory sides. The terminology is quite immaterial, for whether it be "management," "chief executives" or "higher levels," none of these terms changes the functions of those who

[9] E. F. L. Brech in *The Nature and Significance of Management.*

manage or those who are managed. If a "term" can arouse a feeling of opposing interests in an organisation, then it is badly in need of joint consultation. Management and men is a perfectly healthy normal term. If there are opposing interests, as there must necessarily be from time to time, a Factory Conference will make of them "unifying and not disruptive interests." It should, moreover, be remembered that members of a Factory Conference meet as equals in the sense that they are all responsible members of an organisation with a common aim and interests: they are not just "samples" of the "top" and "bottom" levels of industry, with "prerogatives" and "rights." In view of the times we live in, both management and men are very much in the same boat, and opposing interests have been reduced to a minimum. Identity of interests is the aim of joint consultation; it is most emphatically not a drawing together of two opposing factions. That concept is erroneous and out of date, and sets the stage for a fight and not a conference. There is to-day no justification whatever for autocratic management, either on ethical or material grounds. A revision of "the conventional practices"[10] of management is long overdue, particularly in the matter of arbitrary decisions with all the "back-wash" of emotional reactions which clutter and slow down the industrial machine.

JOINT CONSULTATION IN THE FACTORY

Co-ordination of experiences and effort must start on the floor of the factory. The conference method should become habit. To ascertain the facts of a situation in its earliest stages, in most cases, prevents that situation becoming a problem or grievance. Understanding and explanation is much easier in the early stages where the foreman understands and sees the difficulty of the factory member and vice versa. Both find it easier to talk and accept responsibility at their own level because of their immediate knowledge of facts. The sharing of experiences makes it easier to find a solution and come to an agreement. Finding the true facts of

[10] See p. 100 in *Managers, Men and Morale* (Raphael & Brown).

the case should always be encouraged at every step as a basis for discussion whether it be on wage anomalies or waste. The importance of group responsibility should never be minimised, and whether there is a main Factory Conference or not, some departmental organisation is advisable covering both the workers and key men within the group.

> "It is those in the last rank of management (i.e. foremen, supervisors, chargehands) that most need to take part in joint consultation with workers' representatives. This is not because they are the least competent, but because to the average worker they are the most real part of management." [11]

These are the people with common problems at the factory level. Joint consultation as such fails unless it induces co-operative attitudes and habits right along the line. This emphasises the inter-dependence of all within an organisation and places the responsibility of keeping people informed —fairly regularly—on the shoulders of management.

> "In fact, joint consultation within and throughout the ranks of management comes before joint consultation between management and men, if the latter is not to lead to disappointment." [12]

All this does not dispense with the need for a main Factory Conference, but rather increases its importance and value covering all levels from the Managing Director to the line operator and including that most active part of management —the foreman.

The theory that information and instruction can be passed up and down an administrative chain only, has inherent dangers which are completely negatived by a Factory Conference. How often does the "message" get distorted when passed up or down the chain of so many persons, and what is the use of "instruction" if it is unacceptable to the majority? A Factory Conference, by the interchange of information over a broad field of responsibilities, will strengthen the administrative chain or find the weak links so easily con-

[11] *Managers, Men and Morale*, by Raphael & Brown.
[12] Sir Charles Renold in *British Management Review*, Vol. VII, No. 2.

cealed in the up and down process. No one but a bad leader can possibly fear the danger of his authority being undermined by any so-called "by-passing" by a Factory Conference. The bully can flourish where there is only line administration—for the corporal might be right and the captain might not like it!

What really happens is that joint consultation in practice establishes "a new conception of the managerial and supervisory functions" in which the serious obligations of appreciating and acting upon the principle and method of joint consultation—as demonstrated in the Factory Conference and embodied in the firm's policy, is accepted by every one in a supervisory capacity right down the line. This calls for more statesmanship at the higher levels, more authority and responsibility down below.

Many workers and trade unions have already shown considerable managing capacity in making constructive contributions to joint problems in industry. The large engineering firms in particular would admit that post-war problems might have been very sticky hurdles had it not been for the able help of joint consultation. The cessation of army and navy contracts and the switch over to peace-time production brought grave problems, such as the problem of redundancy, the transference of indirect workers to direct work, followed by the fuel crisis and staggering of hours. Any of these were potential dynamite if badly handled. There was no spirit of collective bargaining in their solution: they had become joint problems, for joint discussion, joint action. Both points of view (management and men) were necessary and important, but the result was what was best for the factory as a whole. This is the kind of process which has great power for good and a definite social and community value. The value of taking factory members along with one step by step, examining information and experience and comparing it with past experience is incalculable. Agreement sought this way will be both progressive and enduring; this is not a method of getting consent but true co-operation. A Factory Conference cannot always forestall difficulties but it can

provide for the interchange of information and the submission of legitimate grievances which will disperse apprehensions and suspicion, thus neutralising opposition and creating a mutually and progressively helpful situation.

Finally a Factory Conference is not an experiment or solution of human problems *per se*; it is a manifestation of a new era in which men are developing a spirit of brotherhood, motivated by the desire to live in peace and find new values to replace the material unbalanced thinking which is the root cause of wars and rumours of wars, with their attendant chaos and unhappiness. What happens in the future is the sum total of our understanding, our desires, our endeavours, individually and collectively. The direction is "forward from chaos" to a rebirth of light and hope through the development of men and women everywhere.

TOWARDS JOINT CONSULTATION

Without hesitation one would say that the goal towards which industry is striving is "not peace but progress." To be satisfied with the existing administration is an assertion which could not be supported in the light of national policy. The absence of criticism of an administration is no criterion or guide. One would need joint consultation to discover whether the assertion be true or not! It is no good sitting and hoping that every one is contented. As so often happens, disease can develop insidiously, and disease in a modern factory is almost always mental, which makes it difficult to diagnose and impossible to cure without the aid of some ventilating machinery. One can never be sure that tares have not been sown in the most favourable conditions: they may not be visible, but capable of breaking ground any moment.

It should be so much easier to start joint consultation before there is any danger of so-called disease or division of management and men. If there is discontent, it is much saner to find it and apply in time whatever remedy may be necessary. It is unjust to presume that unions alone keep alive a divergence of interests. The employee's interest is not always safeguarded, particularly in large concerns. Lines of com-

munication are not always open and the technique of the big stick is still employed and very much alive. Thus both management and men have their watch-dogs, and will continue to do so until we reach that blessed state in which a true industrial partnership has been firmly established, one which can dispense with "collective bargaining resting on the balance of power" between the powerful trade unions and the equally powerful employers' federations.

Joint consultation is neither a tonic for a diseased condition nor a stimulant for a healthy body. These are merely incidental to the main function of the committee, which is the promotion of participation and co-operation. The term joint is used (a) in the sense of sharing and (b) as jointly developing. The advisory function of a Committee applies to every one on it from the Managing Director to the factory representative; for it is the man on the job who can give the best advice. The tendency of a bonus system is to focus attention on output irrespective of group loyalties, group interest and those other estimable factors which tend to go to the wall where such systems operate. A Factory Conference should be an antidote to this, one in which feelings of responsibility, loyalty, intelligent interest and a sense of fulfilment could be achieved to make up for any shortcomings of a bonus system.

Any measure of informal joint consultation is excellent and should not be disturbed but increased. The formal and official recognition of the principles of joint consultation by the inauguration of an Advisory Council would be a tremendous advance. The "mechanics" must be organised and working to ensure getting the full benefit of any interchange of information and ideas which might be of value to the whole group. Sitting round the table with "the Boss" in formal council and "having your say" is a vastly different matter from sending in a suggestion which your foreman might not like, or complaining to the Manager about "raw material." In council the Managing Director, the Chief Chemist or Chief Accountant become "agents for both sides" as do the foreman and line operator.

Dr. Walpole writes:

> "I have sometimes been told by employers that they have no need for joint consultative machinery because 'my chaps all know that they can come to see me personally if they are dissatisfied about anything.' Apart from the fact that an assertion of this kind is seldom altogether true, this argument begs the main question. It is not a matter of a man being accorded a privilege, *although an employee,* of stating a complaint or offering a suggestion, but of his having a recognised responsibility for doing so *because* he is an employee, and therefore a joint partner in the enterprise in which he is investing not his money, but his life." [13]

OINTS TO BE NOTED

(1) The importance of educating management and men) the idea of joint conference, joint responsibility should e undertaken before plans for a Factory Conference are nnounced. The help of the Works Relations Officer and of ıe Personnel Department should be enlisted to the full in his connection. Every one within an organisation should ave a chance of thinking about and discussing the venture: . cannot be announced as a *fait accompli.* It is not a step) be undertaken lightly, and a great deal of preliminary ducating is essential if people are to understand and grasp he fundamental principles. Any one with any experience of ıdustry will know how difficult it is to get people to accept esponsibility of any kind.

There will be many, many difficulties to be encountered nd overcome. The will to overcome them will be in propor- ion to the desire, the enthusiasm, the determination, the nshakable belief in the justice of the cause which inspires hose already converted. It is more than faith that will emove mountains; it is the concentrated thought and effort) do the right thing, not because it brings any immediate ıaterial reward but because it is contributing to the up-surge f life and the development of men and women.

[13] In *Management and Men.*

(2) It has been argued that Committees are a waste of time.[14] This argument does not bear examination, particularly if the Factory Conference, over a period, studies the problem of absenteeism and actually reduces it through a stimulation of morale and consequent efficiency. It has been argued that Committees rarely give birth to ideas. That may be true, but the ideas of individuals or small groups of people working together in industry might be lost forever were it not for a Committee which could assess their value and set the machinery working to implement them. All the knowledge and the experience circulated in conference might be in itself a stimulus to ideas and provide the opportunity for them to be put into practice, which is perhaps the most important thing of all. We use committees because "we are convinced that the committee method is part of the essence of the democratic way of life."

(3) Joint consultation is an internal matter even though it has social and community value; it is not and should not be used to ventilate petty grievances or to encourage "organised" opposition.

(4) Particular care should be taken to see that the foremen attend a Factory Conference on a rota basis. As many as possible should be included, for it is of the first importance that precise information following the discussion of products or problems should reach the foreman concerned direct, so that he does not feel he is being sidestepped by Management. It is most necessary that the foreman should be kept well in the picture. This is psychologically sound in these days when so many of the foreman's functions have been taken from him by specialists. They are, after all, the key production men, and unless they understand and appreciate the sound sense and value of joint consultation through participation in the main conference, they might indeed form the nucleus of a formidable opposition to the whole scheme.

(5) Activity must be interpreted—the responsibility of reporting back and passing on information is important. Here

[14] Read *Managers, Men and Morale*, p. 117 (Raphael & Brown).

again the services of the Works Relations Officer should be utilised to the full. A special Factory Conference notice-board is a good idea, where a synopsis of the minutes (which might be rather too long to read) covering questions, discussions, decisions and action taken, etc., could be posted. However, the most useful method of passing on information is in the departmental committee, foremen's committee, and the informal group discussions, so that every one has a reasonable chance of knowing what is going on and making some contribution to the subjects under discussion. (The significance of the small working group and its relative value to the efficiency and happiness of the Organisation cannot be overestimated.)

(6) The success and usefulness of a Factory Conference will depend almost entirely on the determined enthusiasm of all members of an Organisation (whether members of the conference or not) and will be maintained by a sincere belief in the value of joint consultation. To a major extent, the conference will flourish or fade according to the attitude of mind of the Chairman in guiding its deliberations, of the Management members in meeting constructive criticism, of the workpeople in the acceptance of proved facts and according to the honesty of purpose with which all concerned approach the problems. As the idea of joint consultation develops, the workpeople's representatives will show closer and more intelligent co-operation which should be met by an equally honest and intelligent response from Management representatives.

POSTSCRIPT

"What will be sought, as industry gradually settles down to a post-war footing, is a relationship which satisfies the deepest-root of all human desires—recognition of the dignity of man as *Man*: a relationship in which he can feel that he is, in a fundamental sense, a *full partner* in industry, and not for so many hours every day the *servant* of an employer.

"Any plans for the rehabilitation of industry will in my

view fail—no matter how generous in intent—unless they satisfy this primary demand. If it *is* satisfied all other questions will fall into their proper relationship and perspective. It is my sincere faith that the way of joint consultation is the solution. It may lead us very far; and in the journey may well bring us to industrial conceptions which would have horrified our grandfathers. But I am sure that it will always lead us to the Heights." [15]

[15] Dr. G. S. Walpole in *Management and Men*.

IV

THE SOCIAL OBLIGATIONS OF INDUSTRY

"Do those who devote themselves to the governance of industry quite realise what an important part they play in the national life? To a large and increasing section of the community factory life is inevitable, and what takes place within the factory is the most important aspect of its existence. The responsibility is thus upon all those who occupy positions of authority to keep steadily before them the aim of developing the human beings under their control." [1]

[1] *Education for Business Management*, by James A. Bowie.

THE SOCIAL OBLIGATIONS OF INDUSTRY

WHAT has been described as the second industrial revolution is characterised by the social significance attached to industry both individual and collective, and to the social obligations which industry is now called upon to fulfil if it is to survive as part of the new social fabric. Since the days of Robert Owen there have always been individual employers concerned with "social obligations," but never before has "the acceptance of the idea of a social purpose in industry" been so widespread or so interwoven into our habits of thinking.

For the first time in history leaders of industry are thinking in terms of "national" economy, "national" export programmes, "national" full employment, "national" resources and disposition of manpower and material. This is in itself a revolution in a way of thinking which was unheard of not very many years ago when industrialists were all out for themselves and great social injustices, poverty, and hardships went hand-in-hand with the individual accumulation of untold wealth and power—a state of affairs which should never be seen again.

The old order has changed and is still rapidly changing with the widespread breakdown of conventional habits of thinking and conventional practices. The system of *laissez-faire* is dead; so, too, is autocratic control and management as such. To keep abreast of the times leaders of industry are having to face the difficulties "of developing and sustaining a genuine social climate of democratic authority" within an organisation or business which not only accepts the social obligations of industry but actually incorporates them in a new form of constitution.

Industry, as it is known to-day, is not very old—a mere 150 years or so. All this time it has been evolving towards some social and moral basis for its survival, knowing full well that nothing survives that is not in accordance with Christian

principles preached 2,000 years ago. Industry, like the nation, has developed a social conscience in which the high ideals of service, both to the individual and to the community, are linked with the conception of a social purpose and the fulfilment of social obligations. These are the ethics of management and the principles on which industrial policies should be based if industry is to contribute to the pattern of the social fabric of our time and to the mental, moral, and social development of man himself. The evolution of a satisfactory form of industrial society will go a long way to help with the rebuilding of the structure of society in general. The factory group, or industrial unit, is important because of the social development made possible by and within it. The sum total of this development of men and women might begin to help solve the problem of *effective co-operation* (which Professor Mayo describes as "the problem of the twentieth century,") and without which the future of civilisation looks grim and hopeless.

There are several factors which have had considerable bearing on the development of industry to its present stage of social consciousness. Over the years both external and internal pressure has been brought to bear on the conduct of industry. Public opinion and the development of a social conscience has manifested itself in the passing of statutory legislation and a series of factory acts designed to protect men and women in industry from working unduly long hours in unsatisfactory conditions, and from many other hazards within the factory itself. A very able Chief Inspector of Factories quite recently made notable contributions in focussing attention on the social purpose of industry and the importance attached to the individual worker. The factory inspectorate is under independent government control, and is indefatigable in its efforts to protect human life and effort. Industry is no longer an exclusively private affair. It is open to public criticism and censure and may be controlled by legislation or direct state action if it falls short of its "social" obligations.

Within industry itself, two factors of greater significance

have consciously or unconsciously brought pressure to bear in exactly the same way as the outside forces. The rise of the great trade unions and the development of man himself have undoubtedly been responsible for the development of a social conscience within industry and for a complete reorientation of thinking on the part of the leaders in industry. It might be noted that industry's acceptance of social obligations through the active participation and co-operation of its employees will also call for a reorientation of thinking on the part of trade union leaders.

"Just in proportion as managers consider themselves the representatives of the interest of their employees as well as of the shareholders, so will the function of the trade unions cease to be one of warfare, and come to be one of co-operation." [2]

The future policies of unions will require some revision in the light of this new outlook—by which industry is acknowledging its purpose and aim of service to the community and is accepting its social obligations as an integral part of the society in which we live.

The responsibilities of these social obligations lie broadly in two directions:

(1) to the men and women engaged in industry.
(2) to the community or society of which any particular industry is a part.

These obligations have, to a large extent, been dictated by the way men and women themselves have changed and to the progressive forces which have brought about that change. Two generations of compulsory education have given us an educated working class; at least one must think in terms of the more intelligent and active minded citizen who has made full use of the widespread knowledge available in books, in the Workers' Educational Association, University extension lectures, in wireless talks, on the films, and the many methods used to broadcast information. The men and women in the factory are now knowledgable persons who are expecting and desiring more satisfaction from their work than is contained in the pay packet.

[2] *Education for Business Management*, J. A. Bowie.

"It is a common error to assume that while science and technology have advanced and methods and processes developed, the human factor alone has remained static during the past fifty years. Nothing could be farther from the truth. No achievement of the laboratory, and no development of the production engineer has achieved a change half so startling or far reaching as the change in the living and thinking habits of the working man." [3]

They are, too, free citizens of a democratic country and are well aware of their political and social rights and responsibilities. On this score alone "the worker is justified in expecting that the principles which govern the control of himself as a citizen shall to a large extent also apply to himself as an employee." [4]

Because of these factors, industry now has to perform a social function. It is no longer exclusively concerned with products and profits; it is concerned with making a man's work a satisfactory part of his life and enabling him to use to the utmost what latent capabilities he might have. It is concerned with the dignity of man, the spirit of man, which makes him greater and more important than any machine or process ever invented. It is concerned with his acknowledged rights and responsibilities as a citizen both inside and outside a factory, so that a man at all times is assured of justice and fair play, a chance to progress, a chance to participate and co-operate, a chance to make a living, and, in return, accept those responsibilities of citizenship by which he will contribute to the stability and success of the organisation in which he is employed, and through this to the progress of the society in which he lives.

This is at the same time a challenge to industry and an opportunity for enlightened leadership, enlightened management and industrial statesmanship that will make the government of industry a social function of the highest order, in which the needs of a "continuing society" will be understood and accepted as part of the function of management.

[3] *Management and Men*, Dr. G. S. Walpole.

[4] *Industry*, August 1947. "Some Ethical Problems in Management," by W. H. Bower.

This implies, at the outset, a repudiation of the materialistic outlook in which financial incentives have been held to be the one and only motivation necessary. This belief has had the disastrous effect of degrading both work and worker and of slowing up the development of industry as a social process—"the belief in financial gain as the only or even the predominant motive for work is a pernicious fallacy which has in the past seriously retarded the evolution of industry as a truly human institution." [5]

INDUSTRY AND THE INDIVIDUAL

(1) The first social obligation to the men and women employed in industry is to make work as interesting and as satisfying as possible and to give it great human value compatible with the dignity of man. This is not easy and will be bitterly opposed by those whose interests it cuts across and who cannot see the larger and wider picture. There are always dirty and monotonous jobs to be done, but good conditions of work, satisfying personal relationships within the factory, and an emphasis on the importance and dignity of work, however humble, can do much to offset the monotony of the lowest type job.

More than anything else, a lively sense of participation, whether by suggestion scheme or joint consultation is absolutely essential in the industry which accepts these obligations. It is no good trying to compensate for them by elaborate welfare schemes or even shorter hours of work. There must be that kind of social satisfaction within the group itself which will meet the demand of fundamental human needs and aim at the development of men and women.

There is every indication to-day that the social obligations of industry are not only being recognised but are being studied and reported upon in such a way that the Government, employers and trade unions will be persuaded of their importance not only to our economic recovery but to the

[5] "Incentives in Industry," by Walter L. Sachs (*Industrial Welfare*, March-April).

peace and stability of society—whether industrial or not. It is of particular significance that the Committee on Human Factors relating to Industrial Productivity, under the chairmanship of Sir George Schuster, has received the official and active support of the General Council of the T.U.C. "This is a big step forward, for industrial research has been much hampered in the past by trade union suspicions that the psychologist in the workshop was out to try to trick the workers into working harder for the same pay. If the trade unions will really co-operate with Sir George Schuster's Committee, not only will research itself be helped but the knowledge gained can be applied quickly."[6]

Further to this, Dr. J. Koebakker of Holland, reporting on the findings of twenty-five groups throughout the world which had investigated industrial relations, made this point to a recent Conference on Mental Hygiene:

> "The industrial worker living in a democratic society where he has a responsible role in groups outside industry gets embarrassed about the situation in his plant where he has hardly any responsible role in the organisation. Most students of the democracies complain of the poor sense of responsibility of the common man in his work, of his political apathy and the opiate nature of his leisure activities. The easiest way to initiate changes would be to give him an experience of democracy in his work, in that part of his life in which he spends half of his active hours."[7]

What has really been proved is that the social purpose of industry is not a secondary affair, but that the development of men and women, through providing opportunities for them to live fully satisfying lives as responsible interested workers is a fundamental principle of good business and that industry must identify itself with the community in this way and in any direction which would make a factory or organisation an indispensable institution in society.

(2) The whole question of making work reasonably satisfy-

[6] *Manchester Guardian*, 10th August, 1948.
[7] *News Chronicle*, 20th August, 1948.

ing and pleasant requires some original thinking and a great deal of imagination—a commodity all too rare in many industrial circles. Not only the "climate of work" but working conditions themselves could do with a drastic overhaul. What are sometimes described as "good working conditions," so clean, so sanitary, but so deadly dull and uninteresting, are quite inescapably restrictive and respressive in more senses than one. An interesting point has been made about the elimination of unpleasant jobs:

> "The real difficulty is that all of us have tended to think of the elimination of unpleasant jobs as desirable but not vitally important. What I am asking is that we should regard it as an urgent social problem. . . . Managements and designers and engineers and all other people who decide what a job shall be like, tend, as we all do, to accept the situation as they find it. . . . As long as it is taken as a matter of course that plenty of jobs should be rather dull, drab, pointless affairs, they will remain so. I am asking you here to refuse to accept that and to agree that no man or woman should be expected to spend the best hours of the day and the best years of life in work which is not enjoyable and satisfactory in itself." [8]

The work of the British Colour Council and of "Industrial Design" is already well known to many industrialists. Art and industry are not to-day an unusual combination. The closer association of the two is, at least, a stimulating and provocative thought.

(3) If work is to be truly satisfying there must be an opportunity for training and promotion, the chance to make one's work a career, to express oneself and make constructive use of what capabilities one has. Frustration has been described as "the industrial disease of the age." In the opinion of experts it is the cause of strikes, and all kinds of irresponsible behaviour which slow up production and unsettle the whole structure of industry and consequently

[8] Nigel Balchin, "Why Work?"—*The Listener*, December 1947.

the whole nation and world. Freedom from industrial upheavals is a necessary condition for progress and the transition from wars and rumours of wars to a peaceful co-operative world situation.

Few people realise the seriously damaging effects of boredom or frustration. There is nothing worse, nothing more degrading, nothing more damaging to human endeavours and hopes than having to work within the limits of a job far below one's mental capacity and seeing no chance of promotion or change. There is nothing more hampering than being treated as an irresponsible person who must be continuously supervised, without being given the chance to accept responsibility or trained to accept it. This applies particularly to the young people coming into industry; they should not be left to sink or swim. It is essentially a social obligation that they should be trained and educated to a proper plan of development in the interest of themselves, industry and the nation. These young people need help and encouragement if they are to be useful, responsible citizens, living full and happy lives. Vocational guidance, occupational and psychological tests are not just a waste of time if in any way they can be proved (as they have been in many cases) to help the square pegs into the square holes and eliminate the boredom and disillusionment which so often attend the first job.

(4) An industrial society is essentially the same as any other society in that it should be administered with justice and wisdom. The application of justice as affecting individuals in industry is somewhat haphazard and influenced by factors such as prestige, expediency, and even personal motives. A case has been made for "an independent judiciary or Appeal Board" which might be a step in the right direction in ensuring complete justice, a right of appeal, an impartial hearing to all law-breakers or to those who have been judged "passengers" in an industrial concern. Injustice of any kind is not in keeping with ethical principles or with the dignity and rights of citizenship; it is incompatible with the social purpose of industry. The law must be observed, but the law-breaker has a right to be judged dispassionately. This is a

consideration which merits more attention than is usually accorded it." [9]

"Justice as interpreted by the State and justice as administered by management in industry and commerce is, I believe, one of the really big issues of conflict which exists between the community and management, and I also believe that a good many of our industrial troubles, strikes and disputes, lack of respect for superiors in management, although traceable to certain definite incidents, are fundamentally caused by the wide difference in the application of justice as such as applied by the community on the one hand and by management on the other." [10]

This seems reasonably sound and is, of course, linked with the damaging reactions caused by any kind of injustice deliberate or otherwise. The Senior Personnel Executive should make himself responsible for some clear cut procedure to cover this point. A Factory Council is valuable machinery for the administration of the law and for ventilating grievances and bringing injustices to light: it might also take a hand in making and revising the law.

The whole question of justice is a democratic principle which should not be appeased by make-shift methods or independent executive decisions, but by a definite scheme for its administration throughout an organisation—whether it deals with absenteeism, victimisation, theft, sabotage, or merely "temperament."

INDUSTRY AND THE COMMUNITY

These obligations discussed in the foregoing paragraphs are those most vital to the individual, but in fulfilling these, industry is making a useful contribution to society as a whole. The theory of interdependence holds good in relation to the individual, the community, the nation and the world. The broader social obligations of industry to the community are essentially dependent on the systems of co-operation and co-ordination worked out within an organisation to induce

[9] Lieut.-Col. Urwick.
[10] "Some Ethical Problems in Management," W. H. Bower, in *Industry*.

effective operation and production through sound and effective human relationships.

No business or industry can be successful permanently unless it works to high principles. "Without principles the management is without character, and in time this element of unreliability and untrustworthiness destroys confidence and goodwill and the enterprise shrivels up." [11] It is a recognised social obligation to the community that any business should be run efficiently and be solvent, and, in this way, make a contribution to the security and full employment programme of the nation. Unemployment is a major social and economic problem. No one can be given security on a silver platter. It is in the final extremity a responsibility of the state, but what each and every industry can do in this direction is part of the sum total of what the state can do about it. The nation cannot afford insolvency and inefficiency in the management of industry, but it goes much deeper than that. The nation cannot afford industry which has no ethical purpose and which does not provide "useful and needed service" to the community. For this reason a business should be above suspicion in every way, it should be well organised and efficiently administered by directors and managers who have accepted the social obligations of their "calling" and who conform to standards of social conduct quite above criticism by the community. High standards of production are necessary if industry is to administer at moderate price to the communal need. These high standards will be achieved not, as may be imagined, by aligning a cut in costs with a reduction in wages, but by inspiring the will to work by fulfilling the social obligation "of making the work seem worth while, by developing the individual self-respect of the workers and restoring to them their sense of being people, both separate people and members of a functioning group . . ." [12]

The day of individualism and exploitation is over; it has

[11] "The Social Significance of Management"—Harold Whitehead in *British Management Review*, Vol. VI.

[12] From "Payment and Incentives," by Charles Madge in *Occupational Psychology*, January 1948.

no chance of survival, and will have still less as industry becomes more and more conscious of its social responsibilities and of its place in a civilised society. Managers of the future will be expected to understand the social implications of their job and undertake a deliberate policy for the development of all who make up an industrial society. There will be no exploitation of "brains" or "hands" but a clear recognition of the fact that every worker is a citizen and that it is a social obligation to see that industry does not make him a less efficient citizen—but, "that by virtue of all he enjoys at his work, a good wage, happy relationships, justice and decency, a chance to express himself and make a career for himself—that by virtue of all these things contributing to his innate dignity as a man and not just a check number on a pay roll, he shall acquit himself as a useful and intelligent member of society living a full and satisfying life."

A TRIAL OF FAITH

The acceptance of social obligations based on high principles of policy is a serious undertaking for any board of directors. It is quite possible that a set of circumstances will arise which could try principles of policy to the utmost and that in the vent of a not so successful year, facts and figures, seemingly conclusive, might be produced to disprove or aim at some compromise on principles of policy. This is the testing point. There can be no compromise where a "principle" is concerned, otherwise it ceases to be a principle and becomes merely an expedient. Facts and figures, points scored in argument, prove nothing nor can be made to prove anything. What people often fail to take into account are the "intangibles" or "imponderables" in any situation, the psychological soundness of high principles which generate confidence, goodwill and loyalty within an organisation, and which, in turn, will provide the impetus or moral strength by which the next situation will be arrived at.

If principles of policy go to the wall nothing permanent remains. Any attempt at compromise would destroy confidence and build up a barrier of suspicion and distrust—so

destructive in effect, so disastrous in consequence. As a case in point—if a "security" guarantee of one kind or another has been given to a stable working force a drop in profits should make not the slightest difference to the principles which dictated the guarantee. That does not mean that one does not have to be realistic about a drop in profits, but it does mean that principles stand even though their implementation may have to be revised in practical detail. No firm should be expected to carry passengers, but a financial crisis is not the time to decide who are passengers and who are not. This should be done in the ordinary course of business. It is easy to have high principles with correspondingly high profits, and it is also easy to scrap principles in times of crisis. At these times a most careful diagnosis of the trouble should be made and principles restated and re-enforced; never abandoned. At the first sign of compromise injustices will creep in; injustices which invariably tend to affect the lowest levels, i.e., the ordinary factory member, whereas it might be advisable that the "soul searching" should begin at the highest level where responsibility is greater and any damage done correspondingly more serious. It is so important to identify problems with the right causes and not associate them with temporarily inconvenient principles of policy. The latter approach indicates a lack of faith and a misrepresentation of ethical standards denying both moral and social obligations.

No business can hope to survive on this kind of expediency. Principles must stand in spite of reverses: they are the scaffolding upon which the whole edifice is built; methods and policies may be modified but never principles. A principle has been defined as a "fundamental truth"; as such it can stand up to anything, provided there is faith and reasoned constructive thought. If industry accepts its social obligations then "it must adhere to the principles of decency, fair play and humanity on which all actions must be based if individually we are to live full and useful lives that give and gain happiness and peace of mind"—not as an expedient, but as a sure prop for all times. It takes great moral courage

to be steadfast in times of adversity. This is the test of sincere belief, the trial of faith.

THE PROFIT MOTIVE AND PROFIT SHARING

"There is nothing wrong with the profit motive except its enthronement to the exclusion of other motives far more important."[13] The making of profits on capital invested is one of the primary purposes of industry. However, profits are not now the sole criterion by which the success of an industry is judged. The emphasis has changed. There are so many dubious ways of making money. An enlightened public is insisting that wages, wealth and profit shall be proof of a service rendered to the community. The relationship between the motive of service to the community (and thereby to the individual) and the profit motive is a significant pointer to the readjustment of thought in industry.

To fulfil its obligations both to shareholders and to workpeople an industry must make profits; but this should be incidental to the service rendered to the community and not a determining factor as in the past. The management that accepts its social responsibilities must of necessity accept those principles of policy and administration which guarantee a successful and efficient production unit. Only a management on the highest level of personal and administrative ability, trained to accept its wider obligations, will be competent in future to handle so wide a range of responsibilities. (Few professions have been asked to accept such a complete readjustment of function and responsibilities as the present day profession of management.) The provision of goods or services which have a social purpose—those which the community needs or desires, with all the obligations which this implies to the producers of the goods—is the underlying purpose of industry and not the making of profits. This subordination of private gain to the social needs of the community is surely fundamental to management ethics. The following observation covers the point adequately. "The object of industry or commerce is not to make a profit, and

[13] Arthur Bryant's *English Saga*.

incidentally thereby to render a service to the community, but rather that the object of industry is to render a social service and thereby to make a profit."[14] Social obligations first and the profits will follow. What has been called "the balanced relation between need and motive"—between "economics" and social (and ethical) obligations is required of industry in these new times.

An adequate standard of reasonable profits is a necessity and indeed an obligation. In these days there is less and less chance of excessive profits. Prices, generally speaking, are controlled or industry is under a moral obligation not to increase the cost of an article. Income tax does not encourage excessive payments of dividends. Last year, 1948, for the first time industry, with very few exceptions, was required to publish a summarised profit and loss account and balance sheet. In other words, the economic aspect of industry is more than ever exposed to social criticism and must either conform to social and ethical standards or run the risk of being controlled by the State in the interests of the community.

It is in the distribution of profits that "opposing interests" could be (and are) fostered. It has been suggested that a financial statement on profit and loss should be made to all members of a firm: it has also been suggested that profits should be shared. This is quite reasonable but does not necessarily mean a distribution of shares and payment of an annual dividend all round—though several firms already have this form of profit sharing. What is important is that people should know what happens to the profit which they help to make and be able to make suggestions or comment on the distribution of profits—particularly on a specified portion earmarked for employee services—including a "security" policy, conditions of work, training and education in its widest sense.

One point should be made quite clear. An ordinary output bonus is not a profit sharing scheme. The worker gets higher wages only by producing more, while the unit cost of the article remains the same—except for lower overheads due

[14] W. H. Bower, *Some Ethical Problems of Management.*

to shorter production time (which might lower the unit cost!) This is not profit sharing. An adequate incentive bonus scheme—related to standards of work and conduct—is a vastly different matter, for this kind of bonus does give people a share in the prosperity of the business.

Profit sharing schemes, co-partnership schemes, are attracting much attention these days, for it is claimed that they are:

(1) a wholesome corrective to a disproportionate distribution of profits; and

(2) a practical alternative to the monopoly of state socialism.

In spite of a great deal of loose talk about profits and profit sharing, it does seem logical to assume that with the development of plans for increased and shared responsibility by the worker, there might also be plans for some form of profit sharing which the ordinary factory member can appreciate and understand. It has been stated authoritatively that one of the social principles of management as applying to our present day economic situation is that "a business enterprise must share its prosperity with the public, the members of the enterprise, and persons providing the capital."[15] The application of this principle would, of course, be individual to a particular firm allowing for different methods of interpretation.

As an interesting example, in one particular firm the Factory Council decides what is a reasonable dividend for shareholders (7½ per cent). After that the following five interests are voted a reasonable share of the profits:

(1) Research and development (a social obligation of the highest order).

(2) Improvement of working conditions.

(3) Improvement of equipment. (It is quite rare to meet resistance to labour saving machinery these days. Some of the gain must of necessity go to the worker. If there is resistance one can look a little deeper for the cause.)

[15] Mr. Harold Whitehead, Chairman of Council Institute of Industrial Administration in *British Management Review*.

(4) Wages and salaries. (Incentive bonus schemes?)
(5) Lowering the price and raising the quality of the product.[16]

There is nothing very much to quarrel with in this particular profit sharing scheme for it meets the social purpose and obligations of industry fairly and squarely—both to those inside and to those outside the factory. More and more managements are realising the wisdom of making a statement to employees on profit and loss with a clear exposition of where and how the money goes. It is unreasonable to expect people to be intelligently interested in their work or to put forward their maximum effort if the financial policy of the firm is a closed book: there is no reason why it should be if the policy is in line with fundamental ethical principles. "If you start withholding this, that, and the other, if you've got some financial policy of which you're ashamed, and most things of which we're ashamed we say nothing about, then you're in danger. We shouldn't have financial policies that won't stand the light of day." [17]

It should be possible to advance information of some kind without the least embarrassment to the Board of Directors. It is just one more "conventional practice" which might be scrapped and not treated as a hurdle made impossible by prejudice or short-sightedness.

It is not suggested that either profit sharing or the publication of a balance sheet will solve industrial problems. It does, however, suggest that a sane approach to these matters will generate a better spirit of co-operativeness and responsibility and is quite frankly a rational development in keeping with the new phase of industrial relations.

Before leaving the question of the production of wealth, it might be fitting to quote two very sound observations by Mr. B. S. Rowntree.

(1) In the process of wealth production, industry should pay the greatest possible regard to the general welfare of the community and pursue no policy detrimental to it.

[16] The Glacier Metal Works, with W. D. B. Brown as Managing Director.
[17] Sir Charles Bartlett, Managing Director Vauxhall Motor.

(2) Industry should distribute the wealth produced in such a manner as will best serve the highest needs of the community.

These, too, are social obligations of a high order which emphasise the enormous influence on life and society which industry can exert and which can, to a certain extent, guide our national policy. Whether industry accepts the challenge and, through its managers, fulfils a function in society which will be a shining example of "national-mindedness" and responsible industrial statesmanship—will depend on the high calibre and training of the men to whom the management function is entrusted. They will be men of wide vision and a high order of intelligence to whom well-defined policies, which include all the social obligations of industry to the individual and to the community, will be a first necessity and a moral responsibility. They will be men who will ask, "Is it right?" not "Does it pay?" They will be men trained to a high standard of citizenship and integrity of purpose, who will see and recognise "the need of a continuing society" as well as the immediate present, which is perhaps most important of all, since they will be entrusted with "no less than the guiding and regulating of the system by which modern society lives and makes its progress." [18]

Industry is no longer isolated; it is part of our social environment and policy, part of our lives. The rise of industrialism has not been a particularly happy one; it has been accompanied by many evils both individual and social. There is a great hope for the future if the development plans of industry concentrate more on men rather than machines, on the happiness of workers rather than on output bonus schemes. The acceptance of social obligations will be the beginning of a tremendous experiment in leading men and women to live useful responsible lives as citizens of industry and the state. In this way, too, industry will commit itself to the service of the age in which we live—an age badly in need of the constructive and co-operative effort which industry can put forth on its behalf.

[18] E. F. L. Brech's *The Nature and Significance of Management.*

V

WHERE DO WE GO FROM HERE?

"There is no wealth, as Ruskin said, but life; and there is no consummation of life except in the perpetual growth and renewal of the human person; machines, organisations, institutions, wealth, power, culture, cities, landscapes, industries, are all secondary instruments in that process. Whatever nourishes the personality, humanises it, refines it, deepens it, intensifies its aptitude and broadens its field of action is good: whatever limits it or thwarts it . . . must be counted as bad. Nothing that man has created is outside his capacity to change, to remould, to supplant or to destroy: his machines are no more sacred or substantial than the dreams in which they originated." [1]

[1] From *The Condition of Man,* by Lewis Mumford.

WHERE DO WE GO FROM HERE?

THE future is not a matter of chance: it is being made from moment to moment: it is being shaped by the quality of our thinking, our state of enlightenment, inventiveness, determination and courage. It is fatal to be afraid of the future, afraid to make decisions, to make changes, discoveries; afraid to believe, afraid to have faith in the eternal values which are the same yesterday, to-day and forever. These things are the true source of greatness and the weapons of survival by which the future will be shaped and controlled, even the atom bomb. The great thing is to stop being afraid and to believe in a future and the ability to control it. "We are not afraid of the future because of a bomb. We are afraid of bombs because we have no faith in the future." [2]

This is an age in which the vital importance of scientific research and its remarkable achievements have impressed themselves on the most ordinary citizen and have affected every day life and behaviour to a far greater extent than most people realise. The men of science have streaked ahead with their world shaking discoveries; they have discovered the laws governing this, that, and the other, and in so doing have acquired a power not only over inanimate things, but over the nations of the world—the human world. For all this our fate is in our own hands; our futures are not tied to an atom bomb, if only we can have the wisdom to reassert our moral strength and courage, to restate and affirm the principles of justice and truth and acquire the understanding and tolerance which is needed in a world paralysed by suspicion and bitter memories.

The scientific revolution is something of which we should be tremendously proud if only we had the ability to control it and use it for the construction of a new society. Science is power. "But power without wisdom is dangerous, and what our age needs is wisdom even more than knowledge. Given wisdom, the power conferred by science can bring a new

[2] Professor Bronowski in *The Listener*, 3rd June, 1948.

degree of well-being to all mankind; without wisdom it can only bring destruction."[8] The advance of science leaves us in a state of unbalance, which is always a state of unrest and disharmony, for we have not yet devised means of developing the science of the "humanities" at an even reasonably corresponding rate. We have not acquired the skill by which men will live in peace with understanding and with tolerance. Of what use are scientific discoveries if they must be used destructively and not for the benefit of a world at peace? It is lack of this skill which is retarding the progress of civilisation. Every time men fail to co-operate they are guilty of holding up progress towards a much saner and happier way of living: it is as simple and as tragic as that.

Wisdom is not scientific or academic; it "cometh from the heart": it is within each and every one according to our perception and our ability to find and use it. It is this wisdom which is required to balance the achievements of science and our purely mechanised materialistic progress. What the world needs now is equilibrium, and the stability necessary for growth and the fulfilment of life. This is not a matter for scientists, but for ordinary men and women, who are guided by finer impulses of mind and spirit to find and restate the true values of life so that the work of the artist will not be in vain, so that the work of the poets and musicians will not be in vain, so that the work of countless ordinary men and women will not be in vain.

What has this to do with industry? It has been said that the factory is an experiment in co-operative living: it is a community dedicated to a social purpose, that of producing useful goods: it is a community governed by methods which reflect principles of policy which, in turn, profoundly influence the outlook of every man and woman employed, either for good or for bad. Life and work are one and the same thing: if our work is unsatisfactory, purposeless, then life becomes bleak and sterile and we have nothing useful to contribute. It is within the factory that social skill may be deliberately fostered and encouraged by methods and

[8] Bertrand Russell in *The Listener*, 5th May, 1948.

management requiring a high degree of co-operation and shared responsibility: it is within the factory that the right attitude of mind towards human problems and the human purpose behind any activity may be inculcated; it is within the factory that the true values of truth, honesty, justice, decency, and those qualities of character and intellect which must in the end balance the scales for us should be recognised and exalted above all else; it is within the factory that men and women should learn to understand the purpose and dignity of work, whether manual work or brain work, and find joy of fulfilment in work well done.

By reason of all these things, industry has become a dynamic force in the shaping of our future—not by virtue of the goods it produces but by virtue of the men and women it produces, by the development of enlightened management, by the contribution of its members in solving those problems of human co-operation, which, up to date, have proved stone wall obstacles to peace and progression. It is the men and women in industry who are learning to think and act co-operatively, who are learning to accept responsibility, who are beginning to appreciate what it is that makes a man's work worth while; it is the ordinary men and women in industry who will decide where we go from here, and their decision rests to a great extent with the type of leadership to which they are subjected. If it is an inspired leadership which accepts moral and social obligations for the fulfilment of life through the development of men and women, if it is a leadership which sees quite clearly the unbalance due to a spiritual crisis in the affairs of men and not just an economic crisis then there is hope for the future. Industry has a chance to unfold a plan of direction based on its day-to-day experience of purposeful living and a belief in the ability of man to reshape the future. It is a challenge which cannot be ignored.

> "It is not from machines that we learn the purpose of machines: it is not by unlocking the power of the atom that we learn how to make ourselves men and how to make communities serve the purpose of men. . . . If

> we are to control machines and organisations, then, we must make men, and our first task is that of self-examination, self-education, self-control. Those who fail at this point will be incapable of contributing to the political, economic and social transformations that are now so long overdue."[4]

In order to direct the future we must understand the mistakes of the past. Let those who extol the industrial revolution and a policy of expansionism think how these things have recoiled upon us because they were divorced from the Christian tradition and dedicated to a power policy which invariably brings its own reward. The Christian tradition has survived though empires disintegrate and civilisation itself is in jeopardy. What a text for the preacher. What a chance for a spiritual revolution! The spirit of man transcends the machine and life is more than physical survival. "Never before have machines been so perfect, never before have men sunk so low." (Think of Belsen and Dachau!) *There* is the unbalance which must be righted if we are to survive. From the industrial revolution on, man has been so hypnotised by his achievements and material progress that he could not see the tragedy of his own soul, and the insidious growth of Fascism was upon him before he would heed those who warned him that everything that men had held sacred from time immemorial was in mortal danger of disruption and decay. Those with clear eyes who have seen what has happened have no illusions about our civilisation; they have no illusions about the future.

If this is a time of danger, it is equally a time of opportunity. The decay of faith must be halted: that can only be done by men who can see the vanity and futility of the "era of expansionism" and exploitation which is passing beyond recall, men who are already accepting new values, new activities, new goals, new purposes; men who see life as a continuing process, in which time is eternal and life the manifestation of a higher plan which has been completely forgotten in the all-out race for wealth, power, and synthetic

[4] *The Condition of Man*, Lewis Mumford.

glory. "The theme for the new period will be neither arms and the man, nor machines and the man; its theme will be the resurgence of life, the displacement of the mechanical by the organic, and the re-establishment of the person as the ultimate term of all human effort." [5]

In terms of industry and production programmes this means a reorientation of thought and outlook by all sections of an industrial unit, not just the Board, not just the Management, not just the Personnel Department, or foremen, or charge-hands, but by shop stewards, by union and non-union members, the lift-man and the gardener, the medical officer and the watchman, the wages clerk and the typist, the accountant and the canteen supervisor. Those in authority should give the lead in showing that industry is working, or will work, to an entirely different set of motives—not goods, not profits, not expansion, not power, not private advancement, but in the interests of human society and a new civilisation—in the interests of survival. We should finish talking about co-operation and shared responsibility, about the welfare and development of men and women, about incentives and work that is pleasant and satisfying. This is the time for action, for making use of the resources and knowledge which science, both social and technical, has put at our disposal. World conditions are as men have made them: it is sheer nonsense to talk of the favourable conditions of 1880 or some such year. This is 1950 and men can no longer scramble for gold, for monopolies, for mineral rights and concessions, or for the exploitation of colonial or other labour. There is no escape that way from the implications of the atom bomb: it is a case of saving one's skin and, incidentally, one's soul if there is to be any kind of future for mankind.

Those industries whose leaders have the vision and courage to resolve this problem of survival for themselves will be the ones to be watched and encouraged: their motives will be clear and simple and in complete contradiction to the past. Within these industries will evolve groups of

[5] Lewis Mumford.

people, among whom *the infinite value of human associations* will be demonstrated in terms of co-operation and efficiency, in the will to work for something worth while, for a purpose which has been made clear to them, and in which there are no ulterior motives. Mentally, physically and spiritually they will achieve satisfaction in working for a new world, a new pattern of industrial society which is firmly anchored to basic human needs, which will be identified with constructive purposes, not with those purposes generally associated with industry—high finance, high profits, monopolies, trade associations, trusts, cartels, which are as unstable as a pack of cards, and can never be anything else in a changing world.

This is the trend of the future—*"there must must be a shift in capital investments from industries promising high profits to industries promising a better fulfilment of social needs: a shift in expenditure from the luxury simulating industries to the life maintaining industries: above all, there must be a shift in the standards of living, from one expressed in money rewards to one expressed in terms of direct biological, social and personal satisfaction."*[6]

So many people would like to build an industrial society on the pattern of the past—a past which denied the fulfilment of life to so many, denied man's need for a higher purpose, meaning, order, value in life, a past which was essentially a "power civilisation," unbalanced and ruthless, indifferent to human and spiritual values, a past of mechanisation, specialisation, mass production, piecework, repetition, monotony, with few compensations except potted entertainment of one kind or another.

Fortunately, there are others who have taken the lessons of the past to heart; who know that civilisation has reached the cross roads and that the art of living must be revived; who know that peace, recovery and a balanced economy depend not on high finance but on the development of the human personality and the chance of living a full life in which religion, art, science, music, philosophy, all help to produce the balanced personality of the new man for the new age.

[6] Lewis Mumford.

The industrial leaders who have the vision and faith to see quite clearly the direction of the future will become the practical men of industry—for their so-called "idealism" has become a last hope of civilised men and has called the bluff of the practical men of industry and politics, who have been unable to rally or control in the interest of recovery, the vast resources of men and knowledge at their disposal, for the simple reason that their motives have been wrong. Wherever we go from here, industry has a good chance of influencing the direction either forward or backward. Much publicised welfare schemes, personnel policies, high wages, or short hours will not conceal the direction. If in industry man can be persuaded to replace his mechanical "slot machine mind" for a mind of his own capable of formulating opinions which will enable him to choose his direction, to take the initiative, and become a responsible interested adult, thinking and acting co-operatively—then the direction will be forward and the spirit of man will once more transcend not only the machine, but the atom bomb.

The industrial future is thus bound up with the development of man, and the revival of what creative processes have survived the past. These things can best be accomplished in the smaller industrial unit (with a maximum of four to five hundred people) where personal relationships can influence behaviour, and where the example of efficient and responsible leadership can be readily followed: where simplification of motives and purposes is possible, where true human values can be established and spurious ones quickly exposed.

The development of men and women implies a respect for the individual as such and an opportunity for him to express himself and renew himself through making the most of whatever gifts he may possess. In this way only will he be encouraged to live a full life of great satisfaction, which will be reflected in his work and his behaviour both inside and outside the factory. The smaller industrial unit can take the lead in this process of education; for whatever the good intentions of the larger unit (and they are usually excellent) it is difficult, in practice, to adopt the "cult of the individual" by remote control.

The word education is not popular because it has often interfered with tyranny and privilege; it may be disconcerting and inconvenient to raise the standard of education in case people become too articulate in their demands for a better life or for the fulfilment of social obligations which, even at this crucial time, some employers of labour are not prepared to admit. There *are* industries, however, which already have Training and Education Officers, which already have advanced plans for apprentice training, and foremanship training; which already have established extensive joint consultation, which in itself is an education for both management and men. This is the time to extend that education in such a way that the foreman becomes a good foreman, not just because of his specialist training, but because a wider education embracing science, philosophy, history, literature, music, art, has been made available to him, and has stimulated his mind and broadened his vision in such a way that he sees a purpose in life not only for himself but for his fellow workers.

There has been over-specialisation in industry as elsewhere, the kind of specialisation that has enabled men to reach high executive jobs without a smattering of the wisdom, tolerance and understanding which only men of wide culture and educational experiences achieve. There is no dearth of specialists, but there is a dearth of men who understand the real meaning and purpose of life and its relation to the individual whether at the desk or the bench. The "crank" point of view is never a good one, and there is already a vast amount of specialised knowledge which is being wasted for want of proper and intelligent application. It would be wise to catch up on this knowledge and learn how to apply it in the interests of man and progress.

This is a worthwhile, indeed an essential, job which may be tackled successfully by the smaller group if there is the will and enthusiasm to do the right thing. Discussion groups, lectures, exchange visits, conferences, and all possible methods of exchanging knowledge and points of view should be encouraged. Bring in the philosophers, the scientists, the

historians, the artists, and let them tell their tales! Industry is no more exclusive than the university or studio. There is a pattern of civilisation to see and understand, and the manual worker has his part in it on equal terms with the scientist or any one else: all are necessary, all must learn from each other if any kind of balanced existence is to be forthcoming in this post-war catastrophic world.

There is every reason why industry should make the first move and invite co-operation in this "life-saving" venture. It is easy for industry to be embedded in routine and hostile to change, but industry can no longer afford to be outside human affairs nor completely indifferent to them. A new industrial order is being built requiring fearless pioneers who are not hide-bound by the conventional practices of the past, who are convinced that life, that industry, revolves around the human personality and not the other way about, who are convinced that the higher attributes of the human personabilty must not and shall not again be sacrificed to the machine.

This is what is meant by the welfare and development of human beings: the canteen and training scheme are only one small part of it, and they mean nothing at all unless they embody respect for the individual and the desire to help him live a full life. If there are but a handful of people who understand and believe this, who in face of difficulties and tangible opposition stand fast and reassert their beliefs, who are able to pin-point the weak spots in an Organisation and re-enforce them, who are able to live their beliefs and put them into practical operation—these are the crusaders for the new age, the new men who will direct the footsteps of others who are still inclined to cling to out-moded ideas and ideologies which limit their perception and field of action.

Every one within an Organisation has his or her responsibility to try to understand what this revaluation of the individual means. This is not easy in a generation which is still suffering consciously or unconsciously from the effects of an "industrial civilisation" and who are only aware of inarticulate feelings of unrest and dissatisfaction deep down

within them. Small wonder that their behaviour is often irrational and neurotic or that they have become automatons with "slot machine minds." The day of delivery is here with the new age, but we must accept the burden of it individually for "the price of liberty is not only eternal vigilance; it is perpetual hard labour as well."[7] We must discover new values for ourselves and judge them by a new criterion—their contribution to the betterment of man and the fulfilment of spiritual and human needs. "Each one . . . must carry into his immediate day's work a changed attitude towards all his functions and obligations. His collective work cannot rise to a higher level than his personal scale of values. Once a change is effected in the person, every group will record and respond to it."[8] This is a personal challenge.

It would be foolish to underrate the difficulties and disappointments ahead. The world is full of suspicion, mistrust, hatred. Let us by all means have differences of opinions: human experience is built up in this way: they add to the richness and vigour of life, but no man is sufficient unto himself, and the first lessons to be learnt are tolerance and understanding, which are essential to co-operation whether between nations or individuals in industry. As long as men hate and mistrust, their viewpoint will be limited and warped; as long as men are indifferent to their fellow-men there will be strife and disruption, there will be exploitation or enslavement of one kind or another with the inevitable excesses and injustices. Let us, however, have no divergence of opinion on the anti-social nature of these things or the potentialities for evil in monopolies, cartels, trade associations and excessive profits. The future of industry does not lie in that direction; it is not a case of returning to the original *status quo*—which is what a number of people are thinking about: in that case we should be back where we started from, which is no use to any one. To the men of perception and vision the future indicates a break with tradition, a change in personal relationships, a preoccupation with social

[7] Arnold Toynbee in *The Listener*, 30th October, 1948.
[8] Lewis Mumford.

trends, fresh objectives, a conscious change in attitude and direction by which industry will identify itself with the reclamation of lost values and the rebuilding of a new world, a new civilisation. All the dynamic forces available in industry and elsewhere must be used to reconstruct this new society before it is too late, before, once again, men succumb to the lust for power and a complete disregard of the human element which can only bring total destruction and the disintegration of society.

To have "vision" is to have more than knowledge or power: it is the ability to comprehend not with the mind but with the heart, to have a sense of perception which cannot be explained in terms of "facts" and "good sense," which is all that most people understand. For that reason most leaders find difficulty in communicating with those around them: but this is the day and age in which they must make themselves heard in order to avoid disaster. Once they have been heard, there must be action, prompt action. Future trends are quite clear to men of perception in industry and elsewhere. The issue is simple. Either we reassert human and spiritual values or we watch civilisation die of decay: either we accept the obligations for the development of men and women or we sit and wait for the crash. Civilisations have died before and they never recover. The issue is much more than whether we in this country survive an economic crisis or not, and the sooner men take off their secular blinkers and see the extent of the damage in terms of moral decadence the better. Victory over Fascism means nothing unless men are prepared to stocktake and see how far they themselves were involved in that insidious corruptness; whether there is some infection within themselves and whether they are prepared to sacrifice their illusions, their dreams of self-aggrandisement at the expense of any kind of future for their children. It is essentially a personal issue which must first of all be faced.

The elaborate complications of our "push-button" age have meant very little in terms of human happiness: we have sacrificed so much for the illusion of living in comfort, and

then find, almost too late, that it is no life at all. For a civilisation which will forever be associated with gas masks, mass production, submarines, skyscrapers, aircraft-carriers, displaced persons, talking pictures, rockets, dog racing, factories, speedway tracks, beauty parlours, conveyor belts, psycho-analysis, *putsches* and the cult of every "ism" under the sun—is finally stopped short by the atom bomb and must change its direction or perish.

This is the time for inspired leadership, not the kind associated with black shirts, brown shirts, red shirts, white shirts, or any other publicity stunt inaccurately associated with progress in the twentieth century. For a conscious change of direction is the most difficult thing in the world and can only be achieved through the selfless example of men who can see very clearly where we go from here, and have the courage to face the "philistines" who would yet make a deal with a discreditable past at the expense of the future. Industry has its full quota of philistines well entrenched behind a fog of conventional practices and traditions, often vigorously defending obsolete and inflexible structures and perpetuating a standardisation of thought and outlook which would paralyse any creative capacity and deny the dignity of personal liberty and that respect for the individual which is, after all, the sure test of any kind of civilised life. Their policy has been to gear everything and everybody, including life itself, to the industrial machine.

But life does not function as a machine, and all the maladjustments of mind, body and spirit of this age have now to be balanced in an age of humanisation and human development. Any industry which subordinates public need to private profit, any industry which subordinates the man to the machine will be checked and counter-checked by significant limitations despite technical efficiency. There can be, in the future, no success at the expense of higher values and the growth of the human personality.

Industry will again become the servant and not the master, and production not an end in itself but a process of education in the art of living and working so that there will be com-

plete emancipation for the individual from any kind of economic or industrial enslavement. It will be a victory of high ideals over the artifices and cunning which man has developed along with his money-making machines, and a complete denial of "the domination of the living by the non-living, the persistence of fixity and habit over flexibility and purposeful change."

For all that one finds discouraging in the present industrial situation there are, if one looks for them, hopeful signs of a change of direction. Even the "philistines" have lost much of their old confidence and are not so eager to accept risks or take a long chance. There was a time when that was all part of the game. But the industrial game is not quite the same when it has to be played in the open: it is a disconcerting and unexpected complication to those who would play it their own way with their own set of rules.

There are men and women, in high and low places, who do not believe that industry is a game but a creative activity of the highest order, fulfilling a purpose in society as part of life and not a thing apart to be run by armament kings or industrial barons for private gain—heavily camouflaged as "foreign policy" or "national necessity." There are men and women who believe that war, fear, cut-throat competition and all the paraphernalia that has cluttered and impeded this age and generation can and will be replaced by a conscious philosophy of living which will not be denied fulfilment nor accept death and defeat as the only alternatives.

These are the enlightened people who see the atom bomb as merely "a symbol of our predicament," who know that the real danger lies not in things, but in men—how they think, how they feel, how they live, how they work. These are the leaders who in the factories and workshops pin their hopes to men and not machines, whose methods and practices must follow the pattern of their principles and beliefs if they are to inspire others by their example.

It is no good having a philosophy unless it is seen in practice. Those, who from tradition or experience cannot believe in the imperative necessity of a new outlook, new

beliefs, must stand aside or yield; the times are too urgent for compromise or conversion. The new leaders should gather around them those who are prepared to put into action methods and practices which will contribute to the revitalisation of those human beings whose lives and work are bound up with industry in making useful goods for a fair share of responsibility and reward, and an opportunity of living a full and satisfying life, a sane and mature life, a dignified and joyous life.

The integration of industry with society can only be achieved by the acceptance of the "whole man" who will be both citizen and worker governed by the same moral laws whether at home or at work; who will experience the fullest kind of human growth and spiritual sustenance in the cultivation of the "best life possible" wherever he is and whatever he does. All activity will be directed to this end so that a man will find real satisfaction in the job and not resort to empty and futile pursuits as a relief from the job.

For this reason industry should seek to fill an æsthetic need, for no life can be complete without the contemplation of beauty in one form or another, not once in a while, but every day. The location of industry, the design of factories, of tools, of finished goods are becoming increasingly important as fundamental to the acceptance of communal obligations, in that beauty, order, harmony, shall become part of man's environment, part of his everyday experience. Money is not the goal but a richer life, full of inspiration and meaning, stripped of its gaudy artificialities so that the simple life becomes the "very foundation of refinement."

It is *Man* who is the miracle of the age, not the machine, nor the atom bomb. If the "labourer" must be "worthy of his hire" then indeed the work must be worthy of the man and compatible with human dignity.

This will not be an atomic age but an age of equilibrium in which men will seek to rediscover all that is worth while in life both for themselves and their children; an age in which men will seek to rediscover themselves by adjusting the unbalance of their thoughts and behaviour, so that an inner

harmony will bring them to contemplate the purpose and meaning of life not as a lunatic scramble for power and material goods, but as an expression of their own souls, an expression of truth in all things.

This is a defeated and war-weary world: it is not easy to call for action under these circumstances, but if we are to uncover the realities which alone can guarantee our survival there must be a roll of drums and a clarion call which will inspire men to a rededication of their lives and energies.

> "Much has been taken away from us but much remains; and no knowledge is too bitter to be assimilated provided it gives us the insight we need to improve our condition —and courage to go on. Not once, but repeatedly in man's history, has an all enveloping crisis provided the condition essential to a renewal of the personality and the community. In the darkness of the present day that memory is also a promise."[9]

Belfast, October, 1948

[9] From *The Condition of Man*, by Lewis Mumford.

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