

Jenks, Jeremiah, Whipple

The Soul of Business

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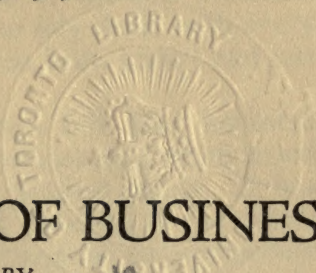
THE SOUL OF BUSINESS



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THE SOUL OF BUSINESS

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FOREWORD

Ten years ago the Alexander Hamilton Institute came into being with the purpose of inculcating the basic principles of modern business. In so doing it has sought to ally itself with every forward movement that has been tested and has proved its worth.

The Institute has always felt that business could unfold its great usefulness only when based upon and fortified by the highest ideals. It has always stood for practical idealism in the world of affairs and it seems fitting to commemorate the first decade of its successful history by a publication which brings this attitude into clear relief.

The problems now facing us are more complex than any that business men have heretofore been called upon to solve. We need more than ever before the keenest, surest insight into the business principles that are basic. Methods and devices, however good, will not suffice in these days. We need the principles that lie deep in the nature of men, as they have been worked out in the sanest business practices.

Doctor Jenks has made a study of this field of business psychology and business ethics. In the illustrations that show the universality of the application of these principles appears much that will seem new and possibly strange. Few will deny that they are sound. We are sure that they are practical. We hope that whether or not you agree in all points, you will find them interesting.

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The Soul of Business

THE American government and American business men are facing problems far more complex and difficult than those of preparing for war. They need as never before to search out the principles of human nature which give life to business organization and methods and practices, so that instead of being mere dead rules and forms they grow and act. Mr. Schwab has said that in his war work with the Emergency Fleet Corporation, he did not need to plan any new organization. He made no special change. He merely asked the men from director to riveter to think of the Country's need and meet it. In other words, Mr. Schwab thru his knowledge of men and the supreme value of spirit in industry breathed the breath of life into the Corporation and the miracle was performed. Cannot the same work be done in other fields by other men? Cannot the principles of human nature that thus find living expression in human activity and, when followed, insure success in any field of human effort be sought out, analyzed and stated for the use of all?

A generation ago men were fond of asserting dogmatically as a profound truth that business was business. The statement seems obvious, so obvious as to

be needless. Yet to those who used it, that phrase was pregnant with meaning not so much for what it said as for what it left unsaid. Business was to them a thing apart. Whatever a man might be or seem elsewhere, however deep his religious feeling, however lofty his ideals of life and however exemplary his conduct—all this, it was implied, had no relation whatever to his business dealings.

But now a change has come. Consciously or unconsciously we recognize today that man's nature is not an aggregate of separate compartments. We realize that a man cannot very well on Sunday profess to love his neighbor as himself, and on Monday bully his employes.

In the day of our national conflict we saw men of all ranks of life set aside their personal comfort and convenience and devote themselves to their country's cause. Men whom public repute would have us believe cold, calculating money grubbers, worked for the national welfare with an enthusiasm and a self-sacrifice that had in it the stuff of which religious votaries are made. Could this have happened if business had not implanted in them ideals and purposes which lifted them out of a merely materialistic pursuit of wealth? Could it have occurred if there had been within nothing of the spirit of the prophets, saints and martyrs? To ask these questions is to answer them. Here again is proved that it is "the spirit that quickeneth." But what is that spirit? What life-giving force is there behind these mani-

festations which on occasion can work miracles and which is at all times guiding and directing our actions in business life? What, in short, is the soul of business?

There is an old adage that it is easier to ask questions than to answer them, and the more vital they are, the greater is the difficulty. There is another well-worn adage that the longest way round is the shortest way home. Let this be the justification of seeking an answer to the question thru establishing certain analogies with the professions.

From childhood it has been my good fortune to be associated largely with men of affairs. Later in the academic field I learned something of the vocabulary and methods of reasoning of the teachers of economics, "the science of business."

The academicians in their generalized reasoning often saw far-reaching principles that had escaped the thought of the busy man of affairs, but more often the thoughtful business man from his nearness to the living facts and his experienced knowledge of the motives and feelings of the business man (which after all must always form the major premise in all business reasoning) was nearer the core of business life than his more bookish brother. Both types of thought and study are needed, if we are fully to understand how to cultivate best the field of business.

As the social sciences touch life at all points, as they concern so often what ought to be as well as what is, it is plain that they have important ethical

bearings. Since it is the historical fact that morality has had its source in religion, it is natural and reasonable to look to the Bible for constructive suggestions. Those who know that wonderful book only by dim repute might be astonished to learn how much light it throws upon the social and political problems of today. In later years as I have moved among the business men of the United States, I have found a widely extended sympathy and understanding, not so much for any Biblical lore, but for the fundamental ideals of everyday living which to my mind are more finely expressed in the Book of Books than elsewhere. Whether business men know it or not, I have been convinced thru study that these fundamental ideals do apply largely in business in a practical way—in other words, that business has a soul. And I have found not a few business men, especially those of the very highest rank, who both believe this and act upon their belief. Let us return now to the analogies, closer perhaps than many imagine, between business and the professions.

THE SOUL OF THE PROFESSIONS

Tho the number and variety of professional pursuits is constantly growing, when men speak of professions we think instinctively of law, medicine and theology. In these fields we look for higher motives among practitioners than the mere making of money. They find expression in a fundamental concept, an ideal which every sincere, earnest man

seeks to realize. This fundamental ideal or conception of any activity we may well call the soul of the work. It inspires and directs its life.

Question any thoughtful lawyer as to the soul of the law, the fundamental ideal toward which he and all good lawyers strive in the practice of their profession. Will he not answer—*Service to the Community thru Justice?* The soul of the profession of medicine is *Service to the Community thru the Relief and Prevention of Suffering by the Maintenance or Re-establishment of Health.* The soul of theology, under whatever form of religion or creed, is *Service to Men by the Establishment and Maintenance of Right Relations with God.* Incidentally, in many of the early creeds, emphasis was laid upon the belief that by securing right relations with God men's souls would be saved from torment hereafter. Today the emphasis has shifted to the belief that right relations with God will also promote the earthly welfare of men.

Almost any business man of today, even one of the best type, if asked his main purpose in carrying on his business would reply "To make a living." This is as it should be. It is a measure of success universally applied. The physician, the lawyer, the preacher, all make a living, or ought to, from the practice of their professions. But in well-established professions for which men fit themselves by thoro courses of training, there are wrought into and embedded in their minds higher ideals toward which

the best men strive, and which really form the soul, the underlying motive of the profession.

What light does this throw upon the soul of business? By what right do we claim a soul for business? Some centuries ago the colony of Virginia was founded by the Virginia Company who sent men out to the new world and sought to grow rich on the harvests of tobacco which were sent back to the old. After a few years the colonists petitioned the company that it establish a college for the training of ministers of the gospel who might look after the interests of their souls. The reply of the company in the business language of the day was terse: "Damn their souls, let them raise tobacco."

In like manner a modern objector might contend, suppose it to be true that each profession has a soul, business is not a profession. Now that is a widely prevalent belief, but is it wholly true? Does it represent the modern trend of thought? Has not business in the eyes of the world acquired a dignity and an importance in leadership comparable to that of law and medicine and theology? Perhaps it is a new doctrine to speak formally of business as a profession, but for all practical purposes it approaches so closely to one that it is the expression rather than the thought which startles. For what is a profession? Briefly it is a calling for which men prepare themselves by special study, and which they exercise partly indeed for gain, but also in accordance with certain ideals commonly called the ethics of the profession.

A profession then implies mastery of a science, and the utilization of that knowledge in social life in conformity with accepted standards of conduct.

Let us then inquire into the mutual relations of business, science and ethics as they are revealed in the business life of today.

SCIENTIFIC AND PROFESSIONAL ASPECTS OF BUSINESS

Business a Complicated Study.—Heretofore the administration of business has not been put on a par with the practice of any of the professions. It is not generally recognized as a profession. The preacher, the lawyer, the doctor, the chemist, in days past were known to have studied and hence had been recognized as members of learned professions. The business man simply picked his ideas up in practice, and hence had no profession. Nevertheless it doubtless requires as much ability to make a success in business as in law or medicine; and a man who practices business will get a mental training and a scientific development from his work fully as great as does a lawyer, or doctor, or preacher from the practice of his profession. This may sound like new doctrine, but it is true. Moreover, business as a study is to be classified with the humanities.

The doctor must understand the human body and the influences that are working upon it. The same method of treatment that applies to one case of

typhoid or one surgical operation for appendicitis applies to another. Of course, there are minor differences—there is the matter of temperament—but primarily only the knowledge of one human body is required.

A lawyer must understand the statutes of his own State, and, to a certain degree, those of other states. He must know the leading court decisions that are made upon those laws as well as certain basic principles mostly evolved from the common law. Of course, the great lawyers go further; but, at its best, as compared with business, law is relatively simple, complex as our laws are.

A business man who is the head of his concern—and it is the business manager we are dealing with primarily—must have a wider range to cover his field. If he is a manufacturer of steel, he needs a very complete knowledge of metallurgy, chemistry and physics, the scientific side. Of course, he can hire this knowledge, but it is desirable that he know many of these things himself. He must deal with his stockholders and his customers so as to satisfy both. In dealing with his workmen he has a problem even more complex. He must get along, as sympathetically as he can, with numbers of people, often representing different nationalities, with entirely different types of training each from the other, with different degrees of intelligence and different prejudices, and often acting under the influence of others outside his establishment. He wants to do the right thing by them.

At the same time he must maintain discipline, or his work breaks down. He must be, potentially at least, scientist, lawyer, physician, ruler, guide, statesman, judge, confidant and friend—all of these and more.

Most business men so far have not recognized that business is the most difficult of sciences or even that it is a science at all. Observe carefully the plans and methods of most small tradesmen, butchers, bakers, grocers. Generally they understand little of the principles that control prices and sales. They have been brought up in a hit or miss way to do the things that have been done before by the people with whom business and medicine or law, which men are now they have worked. Note the difference between such compelled to study for three or four years before they are allowed to practice.

Fifty years ago, in some states, an apprentice sat around a doctor's office for awhile and then went out to practice medicine by himself. Lawyers in some states could practice without passing any examination. Not all of them were shysters; some became pretty good lawyers, but they were without scientific training, and only the exceptional men were to be followed with safety. Now conditions for practice are severe and well enforced.

But most of our business men are still untrained apprentices. Many have learned from experience in their own special line a great deal about business, but this experience has been at the expense of the public. If they become business managers, only a

few of them have much knowledge of the fundamental business principles that really make up the science and that are essential to the highest success. This is wrong. They ought to have been trained.

Ethical Problems of Business.—From the ethical viewpoint, as well as from the strictly business viewpoint, the most conscientious employer wants to see that his workmen are well treated; that they have good conditions of work, so that there may be less disease, less dissatisfaction, fewer accidents. He has to see that the men are not over-worked, and at the same time that they do a good day's work. All this requires high expert knowledge.

To find a manager of real executive ability is the difficult problem. A company can hire a chemist. That is easy. But a man who knows how to direct other men, who knows what a day's work is and how to get it from the workmen in a way that will be both acceptable to the men and just to the owners, is a very rare person. That man is practising the art of business; he is making it a profession; he needs to know its scientific basis.

Again, from the ethical side the business manager has to keep in mind not merely the welfare of his working men and the profits of his stockholders, but very frequently social questions that are of far wider range. Take the case of a large corporation like a big railroad or the United States Steel Corporation. It has had a fairly good year; it has earned a considerable surplus. The question comes before the Board

of Directors: Shall that surplus be used in improving the plant? Shall it be added to the reserves so that the company's credit will be stronger? Shall it be distributed as dividends? When people invest they usually want to begin receiving interest or dividends very soon. In many cases they must have returns soon or they are in trouble. Large companies whose stock is sold on the exchanges, if they have a good reputation, have many small stockholders, tho to be sure, as yet few are of the wage-earning class. That will come with the thrift habit.

When the New York, New Haven and Hartford Railroad suspended dividends some years ago there was a general outcry all over New England. There was hardly a schoolma'am, or preacher, or widow who had inherited a little money that did not hold this stock, and the failure of those dividends caused serious suffering to thousands of helpless people. Many entirely self-respecting women had to turn to their friends for support. Now, a Board of Directors of such a company has that kind of fact to keep in mind whenever the question comes up of dividing profits. They must not overlook the small stockholders and their interests, even tho the majority interest must, of course, control.

Business a Social Science Involving Morals.—We have not thought of business as a social science heretofore, nor have we placed much emphasis upon the moral side of the conduct of business beyond what may be represented by the old adage, "Honesty is

the best policy." To be sure, of late years much has been done for workmen and workwomen—welfare work, sanitation in the factories and legislation to protect not merely the health but also the morals of workwomen—but if the motive is only kindness, even tho it is known that it pays, that is not the conduct of business.

When, however, we look at the question critically, do we not see that the actual conduct of business is really social work, possibly the most important of all social work, and that, at the very foundation, it involves moral questions of the deepest import?

Morals, even from the derivation of the word—mores—means customs, habits that are social in their nature. Any question that involves the relations of human beings one with another and that affects the welfare or happiness of the people is a moral question. The view that I have here expressed may be unlike the old. It may not be better, but it has a very practical relation to life and it seems to fit in with the teaching of the New Testament.

THE SOUL OF BUSINESS

These considerations have made it clear that business is, or is becoming, a science, and that those who engage in this calling may be animated by ideals as high as those which prevail in the professions. The Soul of Business must then be kindred to the Soul of the Professions.

Now it will not have escaped attention that when it came to giving a definite expression to the highest ideals of law, and medicine and religion, we found them centered about the idea of service. And this again is true of business for, *The Soul of Business is Service to Society in Business Dealings thru the Employment of Truth and the Development of the Sense of Personal Responsibility.*

The terms used are general. What is their specific content? Just what do they mean in business life?

Tho they are universal in their application, they were originally drawn from the sphere that men variously designate as morals, ethics, religion. It is in the latter field that they have their fullest flower. Since human ideals are always best understood by analogy and comparison with their highest expression, we shall refer briefly to the teachings of religion in the field of social relations in order to illuminate the ideals which are embodied in the best practice of modern business.

The Ideal of Service.—The literature of today in all fields of endeavor, but notably in the world of business, is insistent upon the word service. It has become one of those fashionable catch words, which are so often repeated that they become too frequently a mere disguise for lack of thought. The things to which all men are willing to subscribe are usually those that they have thought nothing about. We must probe deeper than the word itself if it is to have any meaning. We must ask ourselves what is the

service that business men can render, that many of them do render, and that more and more is giving the tone to the best business.

This service assumes various forms.

Public Service.—A gambler whether in a bar-room, on the stock exchange or elsewhere, knows that every dollar he makes, another loses. He renders no personal service in return. He may be very successful, but he is not a business man. The buyer of stocks is often not a gambler, even tho he takes risks. He is probably a business man. Is his purchase real? Has he an eye to service and fair dealing? Or is he merely betting on future prices with no service in mind, only another man's loss? Every man's business should be so run as to promote the public welfare and every man should devote some energy directly to public service. The doctor promotes the public health by curing patients. He should also be ready to make suggestions to the City Council free of charge if need be, regarding sanitary measures. The lawyer promotes the public welfare by inquiry into what ought to be justice in his cases. He should also try to get good laws by aiding legislators to understand the best in lawmaking. The manufacturer and merchant render service to the public by dealing honestly with their customers. They should also, when opportunity offers, serve the public directly by giving their services as citizens to see that public money is wisely used in erecting public buildings, improving parks, getting the right lighting, transportation or

water systems. They should be ready to place their expert knowledge at the service of city committees or councils, of the State or Federal Government, wherever they can be of use. All should be ready, even to the extent of personal sacrifice, to serve on public committees or in public office, to put their training from their business whatever it may be at the service of the public in the way to be most useful.

Service to Customers.—Probably their greatest service to the people will be in their regular work. When we find the butchers and bakers, manufacturers and merchants keeping in mind chiefly the welfare of their customers, looking after the quality of their goods, the promptness of service, and opportunities to please, we shall see a very decided change, which will be for the benefit of the business men as well as of the community. This is coming. We can see already that great strides have been made in that direction.

A very successful business man said the other day: "You can't get around it. You must give service in business. Look at Henry Ford—a common mechanic with no business training. But he had the idea of service for the multitude. He gave it—he is giving it, and he has his reward." It is not a matter of charity. It is business. Big value for low prices. The intent is not under discussion.

Service for Employers and Workmen.—The principle is equally sound within a business tho less extensively applied. For their own sake as well as

that of society workmen should do their work in a spirit of loyalty to the job, for that really means loyalty to the Community. Some local workmen's unions and sometimes men themselves refuse to render a service which they think worth more than their wages. They make a mistake. As a business principle, until workmen earn more than they receive, it is not possible to raise their wages. Where would the means come from to pay the increase? Is it not equally evident that whenever for any length of time workers earn distinctly more than they are receiving, their employers must either increase their compensation or lose the workmen? Ought not pay to be in proportion to results?

From the output of the establishment, and only from that source, must wages be paid as well as cost of raw materials, profits and interest on the capital invested. Every custom or rule, whether of employer or workmen, that restricts output makes it more difficult to raise wages as well as to make profits. Efficiency of labor that increases value of output, either by increasing the quantity or improving the quality of the output makes easier an advance of both wages and profits. When that fact is fully appreciated by the laborers and when the employers on their part understand that they are not businesslike unless they serve the interests of their workmen, both profits and wages may be greatly increased.

On the other side the spirit of service will prevent the employer from demanding overwork except in

emergencies, even if his good sense does not show him that overwork makes for inefficiency. The proper spirit of service on both sides will result in the adjustment of hours and the skill of the laborers so as to produce the largest and best result. With those best results of output must go also a corresponding reward to the laborer in payment for results with of course the best care taken for the personal and social welfare of workers and public. This, fully realized and acted upon by workmen, employers and public, is the solution of the strike problem. The employers who never have strikes are those living nearest to this principle. The late war experiences both here and in Great Britain have emphasized these facts more than ever before. Too great speeding up and increase of working hours soon led to inefficiency.

There has been much talk of kindness toward workmen, of welfare work, as if it were a charity. Workmen very properly resent such a spirit or such an implication. They want good working conditions because they are right, because such conditions pay the employer as well as the workmen. They are urged to be loyal to their employers. It is better judgment to show them that it is good sense to be faithful, and that loyalty to the job which shows improved results will generally increase their wages. And employers must be equally loyal to their men. In so far as the spirit of loyal cooperation and service to the workmen as well as from the workmen prevails, business will prosper. The worth of the worker

and the rights of the employer are both to be recognized and preserved.

Whence arise such ideals of service as we have described? Rightly considered, are they anything other than the application to business affairs of principles of conduct which shine in every incident of the life and in every reported word of the Founder of Christianity? Is it not all summed up in the command "Thou shalt love thy neighbor as thyself?"

He did not put the matter abstractly, talking in general terms of "social betterment" or "public welfare." Speaking in the concrete, pulsing phrases of the born orator and poet and teacher, He covered the whole field of social welfare in his summary statement of the judgment of the King: "Come, ye blessed of my Father, inherit the kingdom prepared for you from the foundation of the world. For I was an hungered and ye gave me meat; I was thirsty, and ye gave me drink; I was a stranger and ye took me in; naked, and ye clothed me; I was sick and ye visited me; I was in prison and ye came unto me." And then when the listeners, not recognizing the universal significance of His judgment, protested that they had not done these things, He added, "Inasmuch as ye have done it unto one of these my brethren, ye have done it unto Me." The whole range of public as well as of private social service is thus completely summed up.

The Ideal of Truth.—The spirit of service which is the central point of business ideals manifests itself

in a hundred different ways, but nowhere more forcibly than in its emphasis on sincerity and truth. In fact truth is the foundation stone of business.

The manufacturer who can be trusted, the quality of whose product never fails, soon builds a name that brings success. Absolute integrity and fair dealing bring clients to a business house and hold them for years, even at times temporarily in the face of poor service or high prices. Often, however, no serious deception may be intended, yet there is not sufficient frankness to give the best service. A saleswoman in our great costuming establishments will call attention to the newness of style of the gown, but generally she will not warn that it is unbecoming. Local partisan, even personal advantages are often concealed in tax laws, while congressional speeches are loudly claiming furtherance of the welfare of the public. Absolute integrity, accuracy and trustworthiness are likewise the most important qualities of workmen of all types.

One could scarcely emphasize more strongly the value of trustworthiness of character than did J. P. Morgan in his testimony before the Senate Committee when he asserted that credit is a matter of character; that he had loaned a million dollars to a man on no security except that of his character, whereas he would not loan on any security to a man whose integrity he did not trust.

And again we can go back to the teachings of religion. No one can question the emphasis which Jesus

placed upon *absolute sincerity and truth*. In his teachings, truth of word and act and even of thought appear absolutely necessary as the foundation for social regeneration. "As a man thinketh in his heart so is he."

The Principle of Responsibility.—Go back to our definition of the soul of business and you will see that service to society becomes most effective on the one hand thru the employment of truth, on the other thru the development of the sense of personal responsibility.

The principle is equally sound psychologically and practically. Strong character is built by carrying personal responsibility, and the giving of responsibility rests on belief in the worth of each individual, the reality of personality. The war has emphasized as never before the rôle of the people as human beings, as persons in politics.

No less, modern business, especially in the United States and other free countries, is built upon the individual. Freedom of contract rests absolutely upon the individual's assumption of personal responsibility. The importance of responsibility is so felt that a good manager usually has an understudy to learn his work upon whom from time to time the burden is shifted until he can bear it alone in case of need.

The principle of individual responsibility should be greatly extended in practice. The organization and the successful management of every farm, factory,

bank, railroad, mercantile establishment, rests most safely upon the proper assignment and acceptance of responsibility, from the head of the establishment to the common laborer. Just as far as each individual, however humble his part in any business may be, can be trusted with responsibility in his own field, just so far is that business successful.

Not nearly so much has been made of this principle in business as will be made when its significance is fully understood. Business should always be organized and conducted in such a way that each individual connected with the business establishment shall feel and carry his own personal responsibility. That is in reality a non-financial incentive to work that often begets an efficiency not to be brought about thru mere increase of wage.

Many of the important business men of today would not agree with that statement. They would say that in a successful business a few men must take the responsibility; the others must do as they are told. They believe that the average workman does not need to feel that he has to do independent thinking and to take responsibility for himself. For moderate success they are right. For the highest success they are absolutely wrong. There must be discipline in business. That is clearly essential. The limit to which each individual who forms part of a big business machine shall be given responsibility to decide upon his course of action must, of course, be rigidly held within his own field of action.

But in his own field, however small, the more you can get each man to take responsibility and to feel that the success of the establishment rests upon his doing his work right, the more successful your business will be. In taking responsibility the man should know that if his work succeeds he will be paid accordingly, and that if he fails he must take the consequences. He cannot be allowed to wreck the enterprise. In the long run this personal responsibility of the workmen properly organized and directed will furnish whatever solution there is of the labor problem. It is the other aspect of mutual service. It best recognizes the dignity of labor. It develops the workman's self-respect. It fits his pay to his work. It increases his efficiency. This is the only democracy of labor that is sound. And this democracy will work. It has already worked in various establishments where workmen's associations have taken an active part in thinking out their own plans for work and efficiency in work.

The principle is in no way opposed to the best trade unionism, nor to collective bargaining. It will in many ways modify many present forms of bargains, but to the advantage of the workmen as well as of the employers.

Great Significance of Responsibility.—We have yet to learn the full significance of this principle in business, tho the great business generals recognize it for themselves, and some of the wisest build upon it in training leaders. Few carry it to its logical

conclusion. When they do, the production of wealth will go forward by leaps and bounds.

No workman who relies solely upon others for his thinking and planning ever becomes really skilled. No foreman can work properly if continually nagged and not trusted. In one of our great manufacturing combinations a new superintendent was placed at the head of a single plant. Soon production fell off. He sent for the production manager of the corporation who found the weak department and gave good advice. Soon trouble arose again, and was again adjusted. A third time the general manager had to come. The plant superintendent proposed they go thru the different departments to locate the trouble. "No," said the manager, "I've located the trouble. It's you. You try to do everything yourself. Call the men together; tell them you've made the mistake of not seeing their worth and giving them responsibility; say that hereafter you will take your responsibility as superintendent by holding each foreman and each man responsible for his own work and that you believe they have the ability to produce good results; that you are starting on a vacation for two weeks; that you trust them to pull together and get the plant running again to full capacity." It was bitter medicine, but the superintendent was man enough to take it. He recognized the worth of the men, each in his place. The men responded; the trouble ended.

Independence.—As a corollary of the assumption

of responsibility, a man must be independent in his thought and judgment. He may seek advice, he may take good counsel, the decision must be his own. Nor does independent thinking among workmen imply laxity of discipline or disinclination to obey orders. It merely implies the natural corollary to responsibility. The man who decides must think or blunder.

The best results in any business or in any line of endeavor come when each individual, *acting strictly within his own special field of activity*, feeling his responsibility, judges independently and decides his own acts. This brings the best team work; this means willing, glad obedience to necessary orders; this gives self-discipline, which is the best discipline. This makes real men.

I have known men working automatic machines regulated by power to increase their efficiency more than seventy-five per cent beyond the average of the shop by simply taking care never to waste a moment of working time or to indulge in the common carelessness which prevents the machine from accomplishing its best results. They felt their responsibility; they thought independently; in consequence they imposed upon themselves a discipline that no boss could effect by rules or penalties.

The keynote of the so-called efficiency method, so far as it is sound, is that every movement of each individual shall be carefully thought out so that no energy shall be wasted. But every one knows that unless the individual workman himself puts his independent

will to work to follow up the standard set, no such plan will be successful.

This is the problem: How to assign responsibility, give discretion and check up results, so that each man can develop his own powers best and his employer, as well as the man, can know exactly how each man's job fits in the other, and what progress is made, and can then act accordingly. In this way the best plan for team work can be decided upon.

Tolerance.—But if a man demands independence for himself and the right to assume responsibility, he must give the same right to his fellows, even when their thoughts and judgments differ from his own. He must be tolerant.

Every one knows how annoying and obstructive on a board of directors is a narrow-minded man who cannot admit merit in the view of others; how short-sighted is the business man who is not tolerant enough to be willing to learn from his competitors; how foolish is the salesman who "knocks" the goods of his competitors instead of cheerfully acknowledging their merits; how impossible the workman who "knows it all." The man who succeeds takes his ideas from every source. He is tolerant of the view of others, and is ready to learn. The great corporations have often picked their lawyers and managers from among the men who have most successfully fought them. They have not been prejudiced by narrow intolerance.

Preparation.—The assumption of responsibility in

any field of work demands that a person give no decision without basing it upon knowledge and study. This is the proper course for even the greatest, most brilliant minds. "Genius is only great capacity for taking pains." Aristotle, probably the greatest scientific thinker of history, was twenty years in Plato's school. He was in middle life at forty before he published independent works. One of the great faults of our times—possibly the most frequent cause of failure in business—is the rendering of decisions without due care to learn facts. An employer has no moral right to deal with workmen till he has studied the workmen's problem from their viewpoint. A workman must fit himself for his job. Every business man must study and know before he acts.

I have dwelt at length upon this principle of individual responsibility to be placed in the hands of workmen of all classes and grades because I am fully convinced that in this principle lies the opportunity for the next great forward move in business.

Only the principle can be stated, for each separate establishment, whether bank or factory, steamship or farm has its own separate problem. No two have the same solution. To attempt to fit all kinds of establishments into one form like that of a legislature—often, but not always a good form—is to confuse principle with form. The principle is sound. The form must vary. Much depends upon the nature of the business, much upon the personnel. But a few lines of procedure may wisely be followed.

a. Analyze the business and organize it so that each step in the process of work is clearly seen and defined by itself.

b. So group the workmen and assign their tasks that each one will know as exactly as possible just what his personal duties are and at just what point the task becomes that of his fellow workman.

c. So plan that exact tests and measurements can be frequently made and recorded of the quality and quantity of the results accomplished by each small group, if possible by each man. In this way comparison between men and especially between successive days' results of the same man's work can be made.

d. Record and show when desirable the results obtained by different men and different groups. The use of charts is often most convenient.

e. Pay by results, taking care that working rules are such that there will be no undue temptation to overwork or unfair practices.

In this way, if the matter is tactfully managed a spirit of healthy rivalry can be stimulated. Best of all each man can see just what progress and improvements he personally is making. If his work falls off he not only himself knows it, but he knows that his employer and probably his fellows know it, and all can see the exact cause of his failure. If the reason assigned is not satisfactory, he will feel that also. The spirit of a whole establishment will thus be steadily toned up and maintained at a high level.

Such a plan takes time and thought to organize.

In some cases it will take time and trouble to care for records. Carried out in the right spirit it will show results. The essential thing is to get the right spirit thruout the establishment.

There is too much in common between the views of personal responsibility in business and the consequences which flow from them, and the substance of Christian teaching for them to be entirely unrelated. It is a historical fact that the influence of religious forces grows rather than diminishes. The more it is recognized that the essence of religion is a guide to conduct in the present life and not merely an insurance policy against perils of the life to come, the more natural that its teachings should permeate all branches of social life. No one, even of the great thinkers, before Christ, realized or taught the supreme value of the individual. Recognition of the worth of the individual ascribes to each human being a real personality. Earlier philosophers and teachers had said that the few thinkers should lay down the rules of conduct. The many should obey and follow. Jesus laid down the principle that by his own decisions each man is to be judged. No priests or rulers can make for him the final decision, tho they may well give good counsel.

PRACTICAL APPLICATIONS

These principles, too, are universal in their application in all fields of human endeavor. Think of them in the field of Government. Let every voter, every

adult, be truthful and sincere, ready to bear personal responsibility, independent in political thinking, tolerant of the views of others, eager to study and prepare himself for his public duties and devoted unselfishly to the public welfare—you will have the ideal republic. These are the basic principles of popular self-government for which the world has been fighting. They must be sound. They lie so deep in human nature that human beings find it impossible to act contrary to them in the long run. People not familiar with the thought basis of the Christian religion will not have noted that Jesus Christ recognized this scientific fact more completely than any other thinker. In consequence, in basing His religious teaching upon these principles He became, unconsciously perhaps, the real founder of republican self-government. He sacrificed His life for these principles. What is of far greater significance, He staked His life work upon them. And He won!

The only question that could be raised, or that will be raised by any intelligent business man as to the merits of these principles in conducting business, is whether they are admissible in large degree in great establishments where there are many untrained men. Will they not upset the necessary coordination of effort and necessary discipline?

Everything depends upon the intelligence and good will of the employers and workers themselves.

With an ignorant or prejudiced or dishonest group of workmen the amount of supervision must be in-

creased. But just in the measure that each individual, from the president or chairman down to the lowest office boy or most unskilled manual laborer, can be trusted or can be led to think independently for himself in his special field, to study out his own work, to be tolerant in judging his fellows and in receiving the judgment of his "boss" or superintendent; and just as far as he can and will then take upon himself the responsibility for carrying out his task, just in that measure will the business succeed. You see the difference at once even in an office boy or section hand. I once promoted an office boy within two or three weeks, when he thoughtfully called attention to a little waste on postage that had escaped his superintendent's notice. He had shown more clearly his professional spirit than does many a man in a series of years. Of course the principles must be applied with good judgment adapting them to the conditions of each separate case.

Sacrifice for Public Welfare.—We have spoken much in the last two years of the spirit of sacrifice, and every citizen who is loyal will gladly make whatever sacrifice his country needs. But there is another side—the business side—to the question of sacrifice. The straits of war compelled us to make sacrifices. Even so, it is by no means improbable that this life of sacrifice, even though unwilling on the part of some, has in many cases paid, and may yet pay well from the financial standpoint. I am not at all pessimistic regarding the future so far as business is con-

cerned. Under the pressure of war, we sacrificed our prejudices, our rules, our profit, and all cooperated—laborers and employers and Government. Not only did we act a noble part to win the war, but we probably gained greatly in business strength. If the spirit of cooperation of laborers and employers and Government can be made to continue, this country will become the greatest producer of wealth that the world has ever seen. Without such cooperation—and there is grave danger that the cooperation may be seriously delayed—there will be commercial and industrial crises equally colossal. This is today and in the future the real crux of our problem.

Effect of the War on Business Ideals.—Business men as well as statesmen and soldiers found themselves summoned by the world war to look into the deeper meanings of their acts. They had to consider their work not only from the viewpoint of profit but also from that of patriotism, of morals, of religion. It is now a commonplace thruout the world that Germany's chief failure was a moral failure, and that, in spite of the familiar appeals to God and the assertion of the righteousness of the German cause, the words were misused or hypocritical. True religion and calculated falsity are incompatible, and as the event showed, right wins. The determination to do justice by all and to sacrifice for the common good was the decisive factor in the war. America would not have entered the war if the Americans had believed that Germany's ethical standards, her practi-

cal religion, were of a type as noble as those of France and England; if they had not seen that principles of right and wrong in everyday life were at stake.

The war touched every one. It put all whose work was needed on the same plane. Government officials, munitions makers, physicians, teachers, farmers, dealers in grain, railroad men, ditch diggers, manufacturers, traders—all whose work affected the community, it was finally seen, could render an equal tho less heroic service with those whose guns were trained upon the enemy. This fact gives to the acts of all public spirited men the sanction of patriotism, of religion, so long as they are sincere and unselfish in their acts.

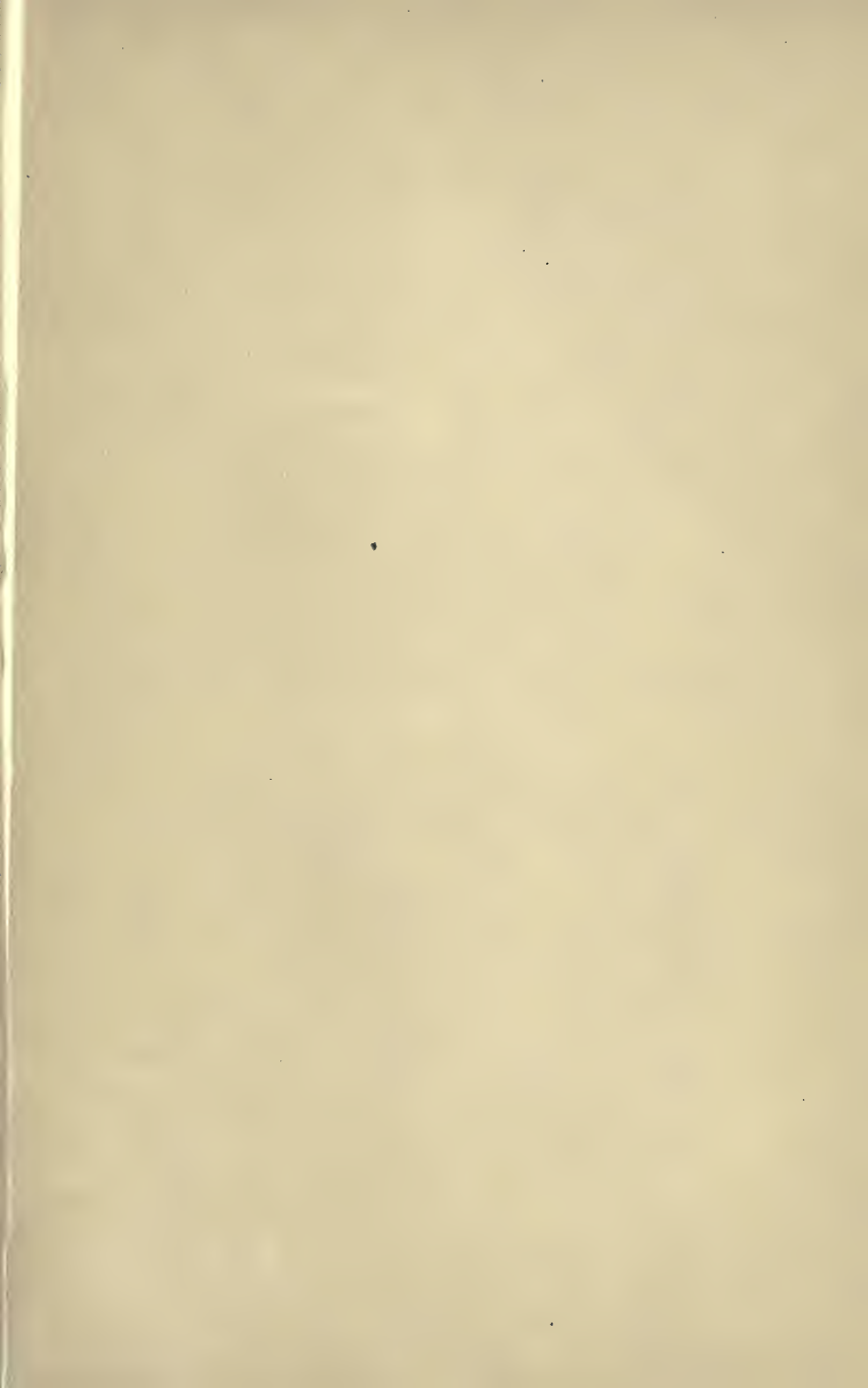
A Chief Factor in Human Progress.—It is best to note again the beginning of our argument and see the results attained. The deepest principles of business, because they are imbedded in the human nature of all doers of business, were asserted to be service to others, truth and sincerity in business dealings, and the assumption of personal responsibility by each individual. These are the principles that make business a living science. They are its soul.

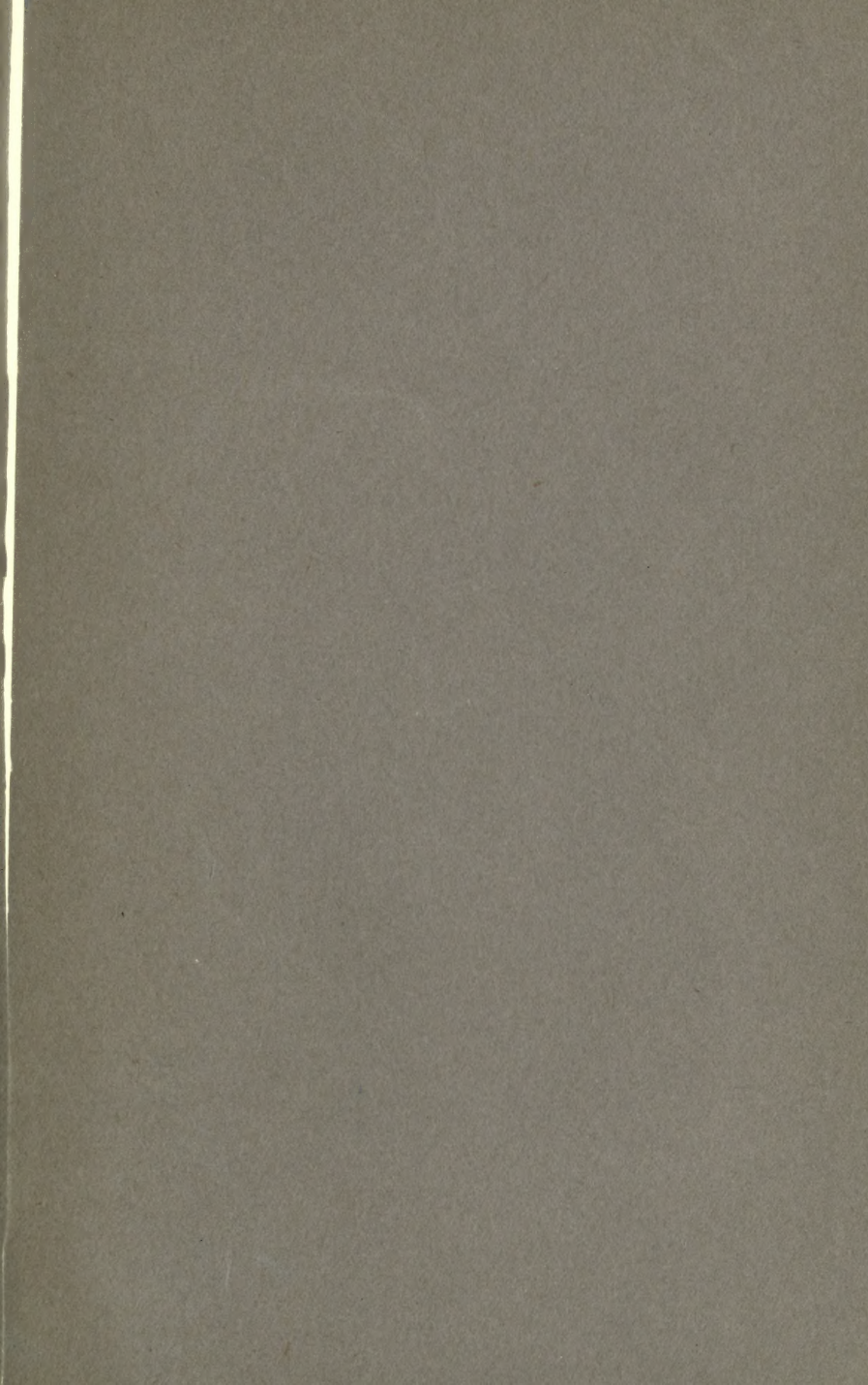
It was found that they work excellent results in business; that contrary actions spell failure.

Later observations showed that on these same principles is republican self-government built; then, that it was the Founder of the Christian Religion who first put such emphasis upon the adoption of these

principles in the life of every one, and, as the Great Teacher, so marvellously lived those principles that thru the passing ages they have spread in knowledge, tho not always in practice, thruout the world. As they are principles founded in human nature, they will eventually conquer in all fields of endeavor. Jesus Himself stated with the calm certainty of the scientist in His last talk with His disciples, "Be of good cheer, I have overcome the world."

The Soul of Religion, The Soul of Government, the Soul of the Learned Professions, the Soul of Business—are all akin. They vitalize the work of men in their various activities. They work together for the upbuilding of humanity. As business stretches its long arms around the world, as it enters into the daily life in every home in every land most intimately, when its every practice shall eventually be directed by its living soul, not only will it be far more profitable and useful in its own field, but it will also be a chief factor, doubtless the chief factor in the promotion of man's progress.





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