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Human Relations in Administration

THE SOCIOLOGY OF ORGANIZATION

PRENTICE-HALL INDUSTRIAL RELATIONS AND PERSONNEL SERIES

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Human Relations in Administration

THE SOCIOLOGY OF ORGANIZATION

with READINGS AND CASES

PRENTICE-HALL, INC.
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If names of persons or companies in the cases (Part II) in this book bear any similarity to those of actual persons or companies the similarity is purely fortuitous.

Introduction

THE PRESENT VOLUME deals with a problem that is recognized increasingly as most crucial in the administration of modern industry. The problem is that of understanding the human and social elements in the operation of industrial enterprises.

To declare that modern industry is becoming a vast complex structure is to utter a truism. An expanding division of labor, an increasing specialization of task, and a growth in huge operational units are factors, among others, which are working steadily to fashion an extensive and intricate industrial organization. The separate industrial tasks entering into this organization are multitudinous and highly diversified. They have come to be interconnected in a vast maze of indirect yet highly sensitive relations. They are caught up collectively in a fast-moving and changing system.

It is such a complex and dynamic structure that the present-day industrial executive is required more and more to be an administrator. His objective, as always, is to achieve an efficient and smoothly operating organization within the area of his authority and control. He is inclined to undertake this task in the same spirit in which one constructs a machine out of passive and amenable parts. He identifies the separate tasks that have to be performed and treats these as the units of the organization. He seeks to increase the skill of execution of these tasks so that they become more efficient parts. He endeavors to coordinate these parts into an effective functioning arrangement. In fashioning and guiding this organization he relies primarily on the power inherent in his authority, with the delegation of such authority, where needed, to various managers and supervisors.

In viewing industrial organization as a machine-like coordination of separate industrial tasks there is always a danger of failing to see clearly or to appreciate fully the social structure in which this coordination becomes embedded. Every industrial administrator, of course, has some realization of the human relations involved in the industrial arrangement. He knows that the separate industrial tasks are performed by human beings; he knows that such human beings develop personal relations with each other which are sometimes beneficial and sometimes detrimental to the effective operation of the organization. In one way or another he has to take into account the fact that the separate industrial tasks do not have the passivity of the parts of a machine. Yet, in general, the industrial administrator has only vague, fragmentary, and frequently distorted knowledge of the fabric of social relations that are enmeshed with the industrial organization.

There are three discernible lines along which a social organization develops in industry. First is the establishment of inter-personal relations, marked by

various alignments of friendship, enmity, rebelliousness, ingratiation, indifference, generosity, spite, envy, jealousy, respect, admiration, and exploitation of power. Second is the formation of various kinds of group attachments, ranging from small informal cliques through factions and status groups to the more formally organized relations between workers and management. Such groups form attitudes and take positions with regard to each other, exercise constraint over their members, and set various kinds of barriers among themselves. Third is the development of a variety of collective feelings such as low spirit, general dissatisfaction, indifference, enthusiasm, zest, or high morale. A social fabric fashioned out of developments along these three lines comes into existence wherever there is a diversified industrial organization and grows in and around the formal coordination of industrial tasks. It would be fatuous to deny that this social organization influences crucially the efficient and smooth working organization which the industrial administrator seeks. The social organization may become a dead weight on efficient operation. Or, in fortunate circumstances, it may impart to industrial production a vigorous output of effort and imaginative ingenuity that reaches unbelievable proportions.

These observations merely call attention to the important need of understanding and appreciating the structure of human and social relations in an industrial enterprise—a need which is constantly growing with the extension and differentiation of modern industrial effort.

This book by Professor Dubin provides the framework for the development of such understanding and appreciation. He has performed admirably the task of assembling the best thought and reasoned judgment now available on the topic of human organization in industry. More important, he has woven such separate treatments into a strikingly clear and unique structure of theory. Industrial administrators and students will gain from this theory a perspective which is so nicely worked out that it may be applied readily in innumerable places with valuable results. Finally, in the true spirit of an empirical social scientist Professor Dubin has supplied a rich volume of actual cases that show concretely the various ways in which human organization enters into the industrial pursuit. Readers of his discussion will benefit from these three marked contributions of the author.

HERBERT BLUMER

University of Chicago

Preface

THIS BOOK DEALS with an exceedingly difficult and complex subject. We all know that there is nothing simple about individual human behavior. When men join together into groups, new complexities are introduced. A structuring of interaction between people results. New dimensions of interaction and sentiment are created. A host of new kinds of relationships between people, between groups, and with physical objects comes into play.

Is there some possibility that the nature of this thing called human organization is so complex as to defy understanding? I think not. The state of our knowledge about the formal organizations of society has reached the point where we have both systematic knowledge and reinforcing insights. It should be possible to distill out of the fund of human knowledge a system of principles—theory, if you will—about human organizations. I firmly believe, furthermore, that this theory would have the utmost practical value to men of affairs.

This book is organized around two approaches to learning. For the student, still relatively inexperienced about the ways people behave in organizations, a long series of cases of actual organizational behavior is included. These cases should provide him with inductive insights into the nature of organizations. For the individual who has already had considerable experience in organizations, the first part of the book should serve to arrange his insights into a systematic body of principles. For both, the combination of experience (from direct contact or through these cases) and theory should establish a mature foundation for knowledge about and successful participation in the many organized groups around which their lives will center. In fact, life is inextricably interwoven with the organizations of which one is a part. No one can afford not to make a serious attempt to understand human behavior in organizations.

The whole of this book is based upon the conviction that theory is practical. There are those who say that administration of organized group action is an art. There are those who insist that the human relations of administration is most certainly an art. My only reply must be this—read this book. See if the theoretical insights are artistic in character. I think not.

This book is grounded in research. It is my conviction that theory that is not significantly related to research is but a prelude to knowledge, not the handmaiden of action. Well-grounded theory gives us the basis for meaningful and appropriate action. On the other hand, we must distinguish between theory and application. The market is flooded today with books that tell specifically what to do under this, that, or the other circumstance. None of them is grounded in fundamental theory. The result is that there are as many

rules for "good human relations" as there are different human relations situations. Can you keep a card file of 500 "human relations" rules in your head? (I have counted that many separate rules in the books.) The answer is No. But you can keep a fundamental theory in your head, because good theory is basically simple. It summarizes and classifies thousands of historically unique events in coordinated and significantly interrelated categories.

This, then, is not a "cook book." It does not contain 10 rules for this and 14 steps for that. Such rules are the height of impracticability. They confuse rather than enlighten. This is especially true when one becomes the slave of the rules, when one thinks only of the rules and not of the situations to which they are supposed to apply, how they are to apply, what they are to accomplish, or why they accomplish it. In short, in being rule-oriented, there is real danger of behaving pathologically in relation to the rules. (The meaning of this will be seen in Chapter 10.)

This book was written for the reader, not for academic colleagues. In assembling the readings, and in laying out the theoretical structure of which they are a part, I have purposely followed the practice of asking: Does this make sense, and how can it be most readily understood? My colleagues are sophisticated men and would, perhaps, have preferred a more esoteric language. But language is a means to understanding, not an end in itself.

I am particularly happy to be able to present the theory of human relations of administration in the form of readings. It means that the knowledge in this field is cumulative. It means that we can add bits and parts and get a coordinated whole. This is not just a set of readings, covering, in encyclopedic form, every last aspect of the human relations of administration. It is intended as a consistent and integrated treatment of the subject. There is constant interplay and feed-back among all the parts of the theory. It would, of course, have been possible to write the book in textbook form, relegating the authors to footnotes. But I welcome the opportunity to give the fullest measure of recognition to the men who have constructed or contributed to the theory of human relations of administration. There is no better way to do this than by quoting their very words.

The debt owed to the men who have contributed to one's education and insights is seldom fully perceived. To the men whose thoughts are here quoted must be extended the thanks of a grateful student. To their publishers go thanks for permission to reprint, which is acknowledged individually at the beginning of each selection. Professors Louis Wirth and Everett C. Hughes of the University of Chicago were the first to arouse the author's deep interest in the study of human organization. Dean Austin Grimshaw of the University of Washington College of Business Administration was responsible, when in charge of the Management Division at the University of Illinois, for inviting me to teach a course on "Problems of Administration and Organization" in the College of Commerce and Business Administration. His continued encouragement led to the collection of the cases contained in this book. The intellectual curiosity of the students in "Problems" and in a graduate seminar in sociology on "Theory of Social Groups" provided the immediate stimulus for developing the theoretical portion of this book. A small grant of funds from the Business Management Service of the University of Illinois facilitated the collection of some case material. Professor Merten J. Mandeville has taught

many of the cases in this book and has been helpful with suggestions for their final form. Many individuals in numerous organizations have contributed their time, experience, and insights to the case materials. For obvious reasons they must go unnamed.

A special debt is owed to Professor Herbert Blumer for writing the Introduction to this book and providing a long-time stimulus to the study of human behavior.

Martin Sweeney, of the Prentice-Hall editorial staff, has contributed importantly to the style, format, and substantive continuity of this volume.

I can, of course, shift responsibility for the contents of this volume to others only where they are the named authors of selections.

R. D.

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Part I

Human Relations in Administration

ONE

Education for Executives

INTRODUCTION

You and I will agree that executives need education. We may, however, argue for long hours over the content of such education. So let us start out by making clear what my ideas are. These ideas have determined the entire organization of this book and the selection of its contents.

We can begin by saying that education is two broad things. First, *it is a set of values and a corresponding frame of reference or outlook.* Second, *it is a body of substantive facts and principles about an area of reality.*

One difference between an educated and an ignorant man lies in the values each believes in. The educated man is likely to value truth, the ignorant man to value convenience or expediency. With education, a man develops humility about the world about him; the ignorant man, in T. S. Eliot's words, is "one of the low upon whom assurance sits, like a top hat on a Bradford millionaire." A man with education has a constructive imagination; the uneducated man builds castles in the air. Education develops a sense of relativity, a realization that things have an order of importance; ignorance breeds dogmatism and idolatry of glib generalities. These are several of the critical differences in the things we value if we are educated rather than ignorant.

There follows from this a frame of reference for the educated executive. As Barnard so aptly develops it in his contribution to this chapter, "A need of the executive of the future is for broad interests and wide imagination and understanding." A readiness to get beyond a "tool" approach to education; a willingness to develop strictly intellectual abilities; a desire to see things for their intrinsic significance (and thereby, ultimately improve the practical use to which knowledge can be put)—these are meant. In short, the frame of reference of the educated executive includes valuing knowledge, insight, and understanding as a basis for efficient and effective action as an executive.

Note one thing. I have *not* said that the education of an executive, *as executive,* includes learning to be management-minded, government-minded, union-minded, or organization-minded in terms of the special value system of the organization that employs him. Inevitably, every executive and administrator gets "minded" in accordance with the values of the organization for which he works. I submit, however, that the educated executive is one who can op-

erate effectively in different kinds of organizations having different values and objectives. Barnard himself is an outstanding example of this. He rose to be president of the New Jersey Bell Telephone Company. He served as State Director of the New Jersey Relief Administration. He was president of USO during World War II. He is now president of the Carnegie Corporation, which contributes its funds for research and human betterment. Here is a man who wrote the classic, *Functions of the Executive,* and pursued successive or concurrent careers in a business organization, as a government official, as director of a vast social service organization, and now, as top executive of a philanthropic institution.

Let us stop for a moment to think what it means to adopt as your own the value system of the organization in which you are an executive. It means that you have taken on a style of life and thinking—what Chamberlain, in the third selection of this chapter, calls a "structure of living." You become, in fact, management-minded, union-minded, or government-minded. As Chamberlain points out, you purposely choose certain goals over others. You are also very much less open-minded about the goals and values of people in other kinds of organizations.

What is added then, when the executive becomes a member of an organization? He occupies a specific office that is part of the structure of that organization. He is no longer a man trained to be an executive, but is an officeholder and officer of a specific organization. When you become a member of a firm, you learn and adopt a structure of living that gives you the sense of belonging and acceptance in that organization. The structure of living is specific to that organization and includes the values and standards—the rights and wrongs, the do's and don't's—that are characteristic of the particular organization. Those who have had military experience will remember that "there is a right way, a wrong way, and an Army way of doing things." The Army way *is* the Army way and is right for the Army.

Adapting yourself to a particular organization, then, is a part of the learning process. You learn to take on the rights, duties, and obligations of a particular *office.* But that is learning that takes place *after* you join an organization. In Chapter 6, organization office is discussed. In that chapter, the meaning of the term *office* will be made clear.

A final point on the question of values and frame of reference. Heron, in the second selection of this chapter, talks about the beginning of a new age. Mr. Heron is a successful American industrialist who has written with great insight about management problems. What Heron is saying here is that the social environment changes. We live in a dynamic world. The executive, too, lives in this dynamic world. Some of the specific values with which he operates must undergo constant testing against a shifting environment. In short, executives can never afford to, and seldom do, ignore the broad social fabric of which they and their actions are an integral part.

Let us now turn to our second point about education. We said it is a body of substantive facts and principles about an area of reality. Barnard's article should be read from this standpoint. Barnard points out the areas in which we should be looking for our facts in learning to be effective executives. He also indicates something of the kinds of principles we will need for executive and administrative behavior. For example, he says that we have to know something

about the nature of general social systems; that we have to turn to sociology, social anthropology, and social psychology for the facts and principles about social systems; that we have to know about formal organizations as organic and evolving systems.

This book deals with human relations in administration. That is our focus of attention. You will note that Chapters 2-6 deal with organizations as a social system, and with the organic and evolving qualities of formal organization. Chapters 6-20 deal with significant aspects of the formal organization that affect human relations. The last chapter summarizes, in terms of a military organization, the major principles and facts about human relations in administration.

EDUCATION FOR EXECUTIVES

CHESTER I. BARNARD *

In considering the problems of education for executives I shall not undertake to discuss either curriculums or pedagogical methods or their results. I prefer, instead, to limit my statement to what I think executives need, whether or not these needs may be met through formal educational means; and I restrict myself to a few points which I consider inadequately understood or much under-emphasized.

We should recognize that executives have various combinations of strengths and weaknesses. To speculate about which of them are of crucial importance, outside of those of moral character, does not seem to me fruitful. In fact, the test is not what qualifications a man is supposed to possess but how effectively he actually behaves. Even this in many cases will be a matter of doubt and sometimes the subject of unwise rationalization. Nevertheless, I suppose no one doubts that without education the supply of leaders of organization competent for conditions of the modern world would be wholly inadequate; and many of us suspect that if we knew better how to train men, we should be much better able than we are to cope with the social dilemmas we confront.

I shall focus my thought on executives of the future; for the changes that are going on, whether in production or in distribution, in public affairs or in education, are in the direction of a much closer formal integration of social activity as a whole than has heretofore obtained. In my judgment this calls for more emphasis on the topics I shall present than I would have been inclined to give them heretofore.

One further preliminary remark: It is, I suppose, obvious to everyone who thinks about it that the most that can be accomplished in education for executives before they undertake work in the world of affairs is a preliminary training and discipline, an initial orientation, and a very limited amount of knowledge. It probably will be even more true in the future than in the past that formal knowledge and cultural development must be acquired on the initiative of the

* From "Education for Executives," *The Journal of Business*, 18:175-182 (Oct. 1945). Used by permission of The University of Chicago Press.

individual subsequent to institutional instruction. However, in conjunction with the instruction given in educational institutions, it seems to me that it should be persistently repeated that, even as to the subjects being taught, only a beginning can be made and that one of the most important functions thereby performed is to help the student to learn how to continue to educate himself.

I

A need of the executive of the future is for broad interests and wide imagination and understanding. Whether or not narrowness of interest has limited present-day executives in their contribution to the general society which impinges on all their immediate activities and has also thereby restricted the performance of their direct duties is a matter of opinion. At any rate, nothing can be done about them now. However, there is a narrow-mindedness associated with the concentration heretofore deemed indispensable. In the future it would seriously limit the capacity of men to serve effectively both in the major and in the intermediate executive positions of large and small organizations. The emphasis I am placing here is upon the so-called humanities and also upon science as a part of general education. It is an emphasis that applies not merely to instruction in the schools but also to pursuits after graduation. I hope it needs no argument that persons occupying positions of leadership in the community need an understanding of what goes on in the world and of the nature of the interests served by and underlying its activities. Whether teaching has in the past been appropriate to the needs has been a matter of informed discussion by several distinguished educators and committees of competent and responsible authorities in educational work. My own views are in close agreement with the criticisms and suggestions made by Wallace B. Donham in his book, *Education for Responsible Living* (Harvard University Press, 1944). All that I need say is that in my opinion the need for such education has not been overemphasized by Professor Donham or others.

I fear this brief statement might appear as merely a courteous gesture in favor of general education, pleasing to that part of the academic world more directly concerned and consonant with the prevailing sentiments of educated men. I wish to demonstrate that what I have said is more than that and is not a reflection of the moment. About twenty years ago, an associate and I, who were general officers of a large organization, believed that we should try by some positive means to reduce the narrowness of view and interest that we thought afflicted too many of the men of the upper supervisory organization, limiting their flexibility and adaptability. Most of the several hundred men concerned were college graduates in either engineering or liberal arts but had been out of school in most cases fifteen years or more. We decided to subject them to a course of lectures and reading, requiring six full-time, though not consecutive, weeks. We enlisted the aid of Joseph H. Willits, then dean of the Wharton School, University of Pennsylvania, to manage the course. With a single exception no subject was given having anything directly to do with the business. The exception was the practice and philosophy of accounting, which every educated individual should know about. Probably this method which would need periodic repetition to accomplish its aim fully is impracticable because it involves too much interruption of regular work. One very able executive for the same

purpose once suggested that, if practicable, it would be advantageous to give such men a sabbatical year. These are not solutions, but they are evidence that the problem has been recognized as of practical importance.

II

A second need of the executive of the future is that of superior strictly intellectual capacities. This is superficially in contradiction to what I have said on other occasions and to what I shall later say here. There is no doubt in my mind that training in the more logical disciplines tends to foreclose the minds of many to the proper appreciation of human beings. Nevertheless, for executives, as well as for many others, the world of the future is one of complex technologies and intricate techniques that cannot be adequately comprehended for practical working purposes except by formal and conscious intellectual processes. To understand the formal aspects of a complex organization; to analyze formal relationships between organizations; to deal appropriately with combinations of technological, economic, financial, social and legal elements; and to explain them to others so manifestly call for ability in making accurate distinctions, in classification, in logical reasoning and analysis, that the point requires no argument. This means that the student needs rigorous training in subjects of intellectual difficulty, thereby to provide himself with the tools and the mental habits for dealing with certain classes of important problems that can be handled effectively only by the use of such tools.

III

Rigorous training in subjects intellectually difficult and, indeed, a large part of formal education, as I have already suggested, create a strong bias in many individuals against understanding in the field of human relations. The need of such understanding is of first importance to the executive; for human relations are the essence of managerial, employee, public, and political relations; and, in most cases, these rather than science, technology, law or finance are the central areas of the executive functions.

The need of understanding in the field of human relations would justify long discussion. I shall confine myself to three points, all of which I think are susceptible, at the initial stages at least, of treatment in educational institutions. The first I would stress is the need of inculcating an appreciation of the importance and of the inevitability of nonlogical behavior on the part of human beings. So-called intellectuals seem disposed greatly to underestimate the importance of nonlogical behavior; and many, forgetting what the psychologists make so clear, will not recognize that it is inevitable and constitutes a large part of the behavior of any human being whatsoever. This leads to an attitude of deprecation and condescension toward those not intellectually adept, at least on the verbal level. The disposition is to characterize them as stupid, dumb, and animal-like. No proper appreciation of the individual human being or of the nature of our society seems possible to those who have such an attitude. I doubt if you will question that many who are thoroughly trained in technical fields calling for highly developed intellectual equipment have this attitude. It spreads itself all too easily among well-educated people rather generally, resulting in a kind of caste identification. Among the best demonstrations of the essential point I am making was that given at

great length by Pareto in his *Mind and Society,* and I need not elaborate the point further except to repeat that the kind of bias referred to seems to me to prevent the necessary understanding of social behavior.

Next, I think an adequate understanding in the field of human relations involves instruction as to the nature of general social systems. I am aware that, in their present state, sociology, social anthropology, and social psychology, particularly as sciences as distinct from philosophic disciplines, have been subject to much criticism. I hope I may be forgiven if I say that I believe a good deal of conflicting bunk has been taught in these fields. This argues for improvement and development, not against teaching what can be taught. In the time of Newton or even much later a great deal of modern physics, and much that is fundamental in it, was not known, and for this reason, perhaps, a good deal of bunk was then taught in that field. Newton was a physicist, but he also was an alchemist. There is in my opinion much that is valuable to be taught about general social systems; but for the present, at least, it might well be presented to the young student not so much as science but rather as something much better than any common-sense understanding of the world he lives in can be.

My last suggestion with respect to understanding in the field of human relations is that there should be instruction about formal organizations as organic and evolving systems. I am aware that at the present time our formal knowledge, as distinct from our "know how," of such organizations is tentative and limited. The fact remains, however, that no one is an executive, as distinct from a mere leader, except in formal organizations. The fact also is that already a good deal can be taught about such specific social systems.

In this connection I should like to make clear my reason for emphasis upon formal organizations as *organic* and *evolving* social systems. It is that we persistently think about such systems in terms of mechanical, rather than biological, analogy. Our widespread use of mechanical and electrical systems makes this convenient. It results in regarding an organization as static and fixed, like a machine, instead of something that is living, that has grown up, and that is ever progressing or regressing with changing states of equilibrium of the human forces involved.

I wish to make sure that you understand my point and see its importance. To this end I shall relate an experience and give a hypothetical illustration that would have been appropriate on that occasion.

There is an institution known as the Conference of Science, Philosophy, and Religion which has met for several days in the fall for the last five years. Papers are not read at its meetings but, having been reproduced and distributed in advance, are discussed. Its members are theologians, philosophers, scholars, and scientists, and an occasional businessman, trying to make sense to each other with respect to fundamental problems of modern society. Two years ago world organization was the central interest. Several of us had been asked to prepare papers on practical organization aspects of the problem. The discussion was arranged as a panel of the authors led by Professor Lyman Bryson. It quickly appeared that a large part of the audience was completely convinced that (1) if a good scheme of organization were worked out on paper and (2) if men competent to fill the respective positions were recruited, then (3) we would have

a working, or at least a workable, organization. I strongly protested the validity of any such idea; but my view was obviously not acceptable to those present, except for a few sociologists, historians, and jurists. Most of the audience seemed unable to believe that workable organizations cannot be created in that way. Many of you will recall the testimony of an Army officer of the General Staff before a congressional committee some time ago to the effect that it was feasible to train an individual to be a soldier in comparatively few weeks, but it took much longer to create an effective division of such soldiers. That is a statement I would expect any experienced executive to accept at once.

The illustration that I thought of too late which would at least have made my point clear, if not acceptable, is as follows:

Suppose the Germans should drop a highly selective lethal gas on New Jersey that destroyed only the entire management organization of the New Jersey Bell Telephone Company (except the president, who has to be retained as a nucleus of a new organization). Now the scheme of organization of Bell Telephone companies is nearly standard. The New Jersey company is about one twentieth or one twenty-fifth of the whole system, so that, with some straining, it would in principle be feasible immediately to replace lost personnel by borrowing men from other companies. The replacing persons would know the formal organization, they would know the relations of their respective positions to all others relevant to their work, and each would possess adequate and tested technical competence for his position. How long would such an organization be able to function effectively? I would guess not more than twelve hours, especially without the sanctions of military discipline. Why? First, and most obviously, because no one would know the local conditions and how to interpret the changes in the environment to which the organization has constantly to adjust. Less obvious but much more important would be the inability of the men reliably to understand each other or to understand the employees or to be understood by them. In ordinary human relations the same words in the same context often have different meanings when uttered by different individuals. We understand people easily through our experience with them, which teaches us their special uses of words, the meaning of intonation and gestures, whether they are matter of fact or emotional, given to exaggeration or understatement, are reliable or unreliable, are reticent or voluble, and many other subtle characteristics of communication. Without the confidence that accompanies this kind of understanding, reticence, hesitation, indecision, delay, error, and panic ensue. "Know your people" is nearly as important as "know your language" in the communication upon which organized effort depends. The difficulty of communication on matters of concrete action between individuals who have not known each other is a matter of common experience, but its significance with respect to organization seems to be forgotten because the organizations we know have, in fact, developed usually through long periods. At a given time nearly everyone has habitual relationships with most of those with whom he needs to communicate regularly.

IV

The discussion of approaches to understanding human relations leads to

considering the need of appreciating the importance of persuasion in human affairs. This requires emphasis because a good many people of excellent intellectual development seem to regard persuasion as something undignified or as necessarily unethical, whether it relates to the selling of useful ideas or to changing harmful attitudes. In part, no doubt, this goes back to the failure to appreciate the importance and the inevitability of nonlogical behavior. Effective persuasion itself often involves also intrinsically nonlogical processes.

If the need of appreciating the importance of persuasion in human affairs is accepted, it leads to emphasis in education upon the development in the individual of the arts of expression, though not necessarily logical statement, in writing, oral exposition, and even public speaking, though not oratory. Certainly, one of the most important limitations, as well as one of the pre-eminently important difficulties of the modern executive, is the inability adequately in writing or in conference or in addressing substantial bodies of people to express intelligibly the facts with respect to complex situations of which he alone may have an understanding. In my estimation, society is suffering a good deal from this fact, for it is subjected to a barrage of expert verbalizers who do not know what they are talking about but are convincing to the uninformed because they talk about it very well. No one will suppose that an executive can drop other functions of management in order to become a wholesale and perennial expositor of what he is doing and why. Nevertheless, the increasing complexity of relationships will call more and more for explaining what executives are doing or think they are doing and more and more for a cogent justification of action in one field in its relation to other fields.

Another aspect of this subject on which I would lay emphasis is much more difficult. It will be increasingly required of the executive to translate or transform thinking on one level into that of another. The common-sense way to say this is that executives have to learn to think not only in the terms which are most convenient and appropriate from their own point of view but also in the terms of other men and from their points of view. Most people most of the time find it practically convenient to think in terms of simple cause and effect, but many of us some of the time in connection with our more complex problems have to think (often "feel" is more appropriate than "think") in terms of complex interdependencies in which no simple cause-and-effect logic is accurate or even intelligible. This calls for transformation in exposition from one type of logical process, best exemplified in mathematics, to another type which I have sometimes called "strategic reasoning." Strategic reasoning involves picking out a single factor and operating on it alone so that the effect may be said to be caused by the change in that factor. In this kind of reasoning of the everyday world the assumption is that all other things remain equal and that for all practical purposes there is only one effect. Whether this is true or not in any particular situation can usually be found out only from experience and not by reasoning. The analogy I have found illuminating is this: Although we know that a molecule of water is composed of two atoms of hydrogen and one of oxygen, nothing that we know of the properties of either hydrogen or oxygen would suggest the properties, except weight, either physical or chemical, of water. In everyday affairs, there

are innumerable situations whose characteristics are not explainable by the most thorough analysis. More and more, responsible people are dealing with the situations in which the change of one factor changes many others and there is not only potentially one effect which may be desirable but others which may be undesirable. So far as I am aware, adequate attention is not being given to the dilemma in which many executives are thereby being placed. Whatever the answer may be, the fact to which I am referring is one that can well be emphasized at an early stage in the teaching of the problems of human relations.

V

I come now to my final topic, which is the need of understanding which constitutes rational behavior toward the unknown and the unknowable. Unfortunately, not only the processes of education but habitual behavior and customary understandings persistently obscure the extent to which we live and act in a world of unknowns and of unknowables. Textbooks are written about what is known, not about what is unknown. We are overwhelmed by the enormous amount of factual and conceptual or theoretical knowledge which is available to us, because it far exceeds the possibility of being acquired by any human being. Indeed, the propaganda for science puts all its emphasis on the known, and only rarely does a scientist in general popular discussion emphasize the unknown. . . .

I believe it is desirable in teaching to give courageous emphasis to the practical fact that we often have to act without sufficient knowledge and that there is much that is literally unknowable. I am speaking now not in a philosophic sense but in the practical sense, that much knowledge, even if potentially procurable, at least cannot be obtained in time for use. I recently illustrated this from my experience as president of the United Service Organizations, where much of the information needed with respect to the activities of this far-flung organization would be at least three months old before it could reach headquarters, and much actually known was secret and could not be obtained or used. But decisions had to be made nevertheless.

The significance of this can be more generally stated as a need for understanding the distinction between calculable and incalculable risks. A calculable risk, as I use the term, is one in which it is approximately feasible to state that out of a collection of cases or events a certain percentage will have certain characteristics without its being possible to know of which specific cases this will be so. This is true of insured risks. The principles are applicable in actual management in a good many fields for which commercial insurance is not available. Now it seems obvious that there are many risks which are in this sense quite incalculable—indeed, specifically, they may not be known or recognized. In this connection I would emphasize that the treatises I have seen on risk and uncertainty, unfortunately from the point of view of these remarks, proceed on the assumption that facts as to the present and the past are adequately known and that the risks and uncertainties are exclusively of the future. The point I would emphasize is that executives, though they frequently act as if to deny this, are almost always lacking in adequate knowledge as to the present conditions and are unable to recover the facts of the past in many respects. Hence, the greatest of all their risks is the appraisal of the present sit-

uation, for it is only on that appraisal that it is possible at all to construct an estimate of the uncertain future.

No doubt it is apparent to you that some men are very good and others are very poor in behavior appropriate to the uncertainties. In common parlance, some are good at not getting out on a bad limb or in not sticking out their chins where there is no need or no purpose to be served thereby. Where there cannot be adequate knowledge, there is still place for wisdom. I suspect that practical people have learned patterns of behavior that generally meet such situations and that if there can be no teaching on this subject, at least at an early stage people can be taught that this is the kind of world in which they will behave.

And finally, in this same connection, emphasis should be placed upon the fact that most behavior of social groups is automatic or autonomic. I mean by this that what occurs is not directed from above but is the "spontaneous" result of interaction between people. What this means in practice is that people may be conditioned (by training, education, and many other methods) so that they collectively behave in what we regard as an appropriate way. When proper account is taken of this method, the executive may delegate authority with considerable confidence in areas where he could not have sufficient knowledge to permit giving specific orders even if it were otherwise practical to issue them. This is probably the most effective of all organization methods of dealing with the relevant facts, which, as a whole, are unknown and, indeed, unknowable by any individual executive.

If learning to be an effective executive and administrator is difficult, the ultimate rewards are great. This is an era when human relations are at the focus of our attention. The executive and administrator who is educated in the human relations of administration can expect substantial recognition and reward. In addition, the internal rewards of personal satisfaction and "psychic income" are great for the administrator who merits the traditional "well-done."

The industrialist Heron examines in the following selection another aspect of the executive's and administrator's systems of values. The values Heron calls attention to have their focus in the broad, underlying changes occurring in our society. Heron asks whether modern management as a group is prepared to function constructively in this period which he calls a revolutionary one.

MANAGEMENT'S CHANGED POSITION

ALEXANDER R. HERON *

Although these attitudes [that management need not inform employees of the basis for its decisions] were sincere, they became outdated. Management should have foreseen that they were inconsistent with the public school teachings of democracy, and untenable when business units became larger than was the average American state when the Constitution was adopted.

The first fallacy was that these decisions [affecting employees directly or indirectly] could be best made by the owner-manager group alone. The second was that the millions whose daily lives were affected could be told that such decisions were the function of the bosses, without becoming class-conscious. The third was that workers would believe or continue to believe that the decisions were in their interest while they were denied both a voice in the decisions and even an understanding of them. Finally, the basic premise that management had an inherent right to make the decisions has no support in the American doctrine of freedom of the individual.

We are halfway through a revolution in these relationships. Unless those who think of themselves as management get in step with the march, the half already behind us can well lead to destruction of our way of life. If they join the march they can lead it forward toward a new realization of industrial democracy.

Where are we at this middle stage of the revolution? In the list of casualties we can record these:

1. The legend of the employer in business for the benefit of his employees, the pure humanitarian, has vanished.
2. The power of management over many of the decisions it once called "prerogatives" has been destroyed.
3. The infallibility, or even superior ability, of management's decision in business has been discredited; first by an incredible depression, then by the incredible attacks of clever theorists.
4. The dependence of workers upon an immediate employer has been greatly weakened by mobility, unionization, labor laws, and social security.
5. The processes and conflicts of the revolution in themselves have absorbed major shares of the energies of both workers and managers, and have largely nullified the old incentives to work and produce.

Among the broad gains or positive achievements, we find these:

1. The mass market of prosperous workers has become universally recognized as essential to the success of all business; this mass purchasing power has been multiplied over any previous standard.
2. The organized workers have gained great strength, largely with the help of artificial government protection amounting to hothouse care; they are now throwing off even that paternalistic sponsorship.
3. Organized workers have obtained, by demand, negotiation, government grant, and sometimes by violence, the

* Reprinted from *Why Men Work,* by Alexander R. Heron, with the permission of the author and of the publishers, Stanford University Press (Stanford, California, 1948), pages 167-169.

right to participate in a wide variety of management decisions.

What is ahead of us in this process of revolution? Let us speculate first on the courses we do not want.

1. More areas of decision may be captured by the economic force of worker organizations, and placed in the inexperienced hands of the leaders who have been most aggressive or violent.

2. Powers of decision may be lost to management and not acquired by leaders of workers; the decisions may cease to be made or enforced; slowdowns, absenteeism, and sabotage may grow to a state of industrial anarchy. The consequence could easily be a dictatorship —military, Fascist, or Communist.

3. The new forms of security, social and economic, may permanently stifle the incentive to work and produce beyond absolute necessity; we may move to a lower standard of living and a declining national strength.

But speculation in the other direction is more useful and more challenging. It must begin with the assumption that we are moving to complete the revolution, not to reverse it, and not to permit it to be sidetracked toward anarchy or dictatorship.

1. Management may voluntarily abdicate some of its remaining powers in favor of an orderly enlistment of all interested parties.

2. Management may help to create both the machinery and attitudes through which workers can share the task of thinking.

3. Management may fit itself, prepare its individual members, to be the accepted leaders of a new industrial order.

We are in a period of revolution. The old order can never be safely and permanently restored. The present status cannot be tolerated. We can come out of this new industrial revolution, directly into a workable industrial democracy, without going through a further period of chaos and conflict. Have we the courage and the ability to lead the way—we who have accepted the responsibilities of management in the past?

Chamberlain highlights for us the manager's "structure of living" by showing how it stands out when challenged. His discussion is cast in terms of collective bargaining, but his major point is more general. Industrial management *as a group* has a system of values distinct from the value system of a competent executive acting in his technical capacity as executive. The idea and practice of outside intervention in the affairs of a particular business is not foreign. It makes a difference, however, who intervenes. On technical grounds, there is no principle that forbids outside intervention. In terms of industrial management's value system, there are strong arguments for any opposition to the intervention of some people or groups.

The Heron and Chamberlain articles together should make clear that we must distinguish between: (1) the value system of the executive or administrator as a technician, as Barnard develops it, and (2) the value system of management as a group. These are two different systems of valued goals and objectives. The educated executive can distinguish between the two systems.

THE MANAGER'S "STRUCTURE OF LIVING" AND OUTSIDE INTERVENTION

NEIL W. CHAMBERLAIN *

Other forms of intervention in managerial decisions may be presented but these [cited in the next sentence] are sufficient to establish the point of present interest—namely, that collective bargaining with unions is not the only means by which management shares its authority. By bargaining with other collectivities, and by responding to the influences of strategically situated "outside" groups of financial houses, suppliers, customers, competitors, and trade associations, it is likewise sharing authority. The procedures may be less formal, the results less openly arrived at, the relationships more traditional. Nevertheless, it is clear that the unions are breaking no new paths in seeking to participate in the determination of corporate policy. Since this is so, the question arises why there has been more widespread managerial opposition to granting the unions a voice in business decisions than there has been to the intervention of other pressure groups.

Basically . . . the answer to the question of why management has more willingly accepted outside intervention other than that from unions lies in the fact that, except primarily for the unions, outside intervenors have shared with management the same social and economic beliefs, the same goals, the same philosophy, the same legal responsibilities. In short, management and such outside pressure groups have a common structure of living. Business is part and parcel of this structure of living. Banking houses, suppliers, customers, and competitors are all themselves business corporations faced with the same kinds of problems as the businesses with which they deal, and meeting them in the same manner. Trade associations are merely such corporations in collaboration. Sharing authority with such groups might mean a loss of personal power (though in some instances it means an actual expansion in power, an enlargement of the area within which authority is exercised). It involves no violation of the system of authority itself, however, or of the business framework. It constitutes no threat to the social position of the managers. It is, in fact, part of "the game." To win at the game may therefore be accepted merely as evidence of ability, commanding respect and providing example for emulation, so long as one observes the codes and rules. The significant fact is that managers have been more willing to accept outside intervention when brought by those who are themselves "in business." To sum it up briefly, they understand each other.

To this structure of living of the managers the unions, however, pose a threat. They seem to endanger the organizational framework and the system of authority throughout the corporation. Their philosophy has idealistic values foreign to the predominantly realistic outlook of businessmen. They challenge the accepted codes and rules. They substitute for the legal responsibilities of the managers political responsibilities

* From *The Union Challenge to Management Control.* New York: 1948, from pages 69, 71, 72, copyright by Harper & Brothers Used by permission.

of their own. Their program is revolutionary insofar as it seeks not merely a shifting of authority within the existing system but modification of the system itself. How common it is to hear the managerial condemnation that the methods and objectives of the unions "won't work" in a competitive business society.

It is this challenge to the way of life of the managers that provides them with their sterner attitude to the intervention of unions than to the intervention of other business groups.

is working. Human satisfaction depends on activities pursued in common and directed towards some future achievement or purpose; so a society will only be healthy in so far as the human contacts are adequate in the present, and in so far as these contacts are efficiently organized for their purpose. It is this double objective which the administrator should aim at, not the economic purpose only.

It is true that the administrator, especially in business, sinks or swims according as he achieves the economic purpose. The ultimate test is the balance sheet. And had industrial communities been blessed with a satisfactory record of prosperous enterprises, set in a society likely to tolerate this situation indefinitely, there would be nothing more to be said. Unfortunately, balance sheets are too often "in the red," and increasingly so. Large masses of industrial workers are showing evident dissatisfactions of one sort or another; they are not whole-heartedly assisting the economic purposes of business. Society itself, that is the more general organizations of large communities, is becoming increasingly brittle, and unable to prevent or cure its own ills by intelligent action. The world-wide depression of 1929-1935 is an illustration in point. Individuals do not believe themselves to be happy or suitably organized; the tendency to violent political revolutions and catastrophic changes shows this.

It would be absurd to blame administrators for social situations of which they are themselves the product. But if the practical test of an administrator is his balance sheet, it does seem likely that he will succeed better by a deliberate consideration of the social situation which his own actions are moulding, and on which his whole edifice is based.

BLUEPRINT ORGANIZATION AND SOCIAL STRUCTURE

FRITZ J. ROETHLISBERGER *

An industrial organization is more than a plurality of individuals acting only with regard to their own economic interests. These individuals also have feelings and sentiments toward one another, and in their daily associations together they tend to build up routine patterns of interaction. Most of the individuals who live among these patterns come to accept them as obvious and necessary truths and to react as they dictate.

If one looks at a factory situation, for example, one finds individuals and groups of people associated together at work, acting in certain accepted and prescribed ways toward one another. There is not complete homogeneity of behavior between individuals or between one group of individuals and another, but rather there are differences of behavior expressing differences in social relationship. Individuals conscious of their membership in certain groups are reacting in certain accepted ways to other individuals representing another group. Behavior varies according to these stereotyped conceptions of rela-

* Reprinted by permission of the publishers from Fritz J. Roethlisberger, *Management and Morale*. Cambridge, Mass · Harvard University Press, 1941, pages 59-62.

tionship. The worker, for example, behaves toward his foreman in one way, toward his first-line supervisor in another way, toward his fellow worker in still another. People holding the rank of inspectors expect a certain kind of behavior from the operators, the operators from the inspectors. Now these relationships, as we all know from everyday experience, are finely shaded and sometimes become very complicated. When a person is in the presence of his boss alone, he acts quite differently from the way he acts when his boss's boss is also present. Likewise his boss acts towards him alone quite differently from the way he behaves when his own boss is also there. These subtle nuances of relationship are so much a part of our everyday life that they are commonplace. We take them for granted. We hardly realize the vast amount of social conditioning that has taken place in order that we can maneuver ourselves gracefully through the intricacies of these finely shaded social distinctions. We only pay attention to them when we blunder into new social situations where our past social training prevents us from making the necessary delicate interpretation of a given social signal and hence brings forth the socially wrong response.

In the factory, as in any social milieu, a process of social evaluation is constantly at work. From this process distinctions of good, bad, inferior, superior, etc., arise. This process of evaluation is carried on with simple and ready generalizations by means of which values become attached to individuals and to groups performing certain tasks and operations. It assigns to a group of individuals performing such and such a task a particular rank in the established prestige scale. Each work group becomes a carrier of social value. In industry, with its extreme diversity of occupations, there are a number of such groupings. Any noticeable similarity or difference, not only in occupation but also in sex, age, and nationality, can serve as a basis of social classification, as for example the married woman, the old-timer, the white-collared or clerical worker, the foreign element. Each of these groups too has its own value system.

Now the patterns of interaction that arise between individuals or between different groups can be graded according to the degree of intimacy involved in a relationship. Grades of intimacy or understanding can be arranged on a scale and expressed in terms of social distance. Social distance measures differences of sentiment and interest which separate individuals or groups from one another. Between the president of a company and the elevator operator, there is considerable social distance; more, for example, than between the foreman and the bench worker. Social distance is to social organization what physical distance is to physical space. However, physical and social distance do not necessarily coincide. Two people may be physically near but socially distant.

Just as every employee has a particular physical location, so he has a particular social place in the total social organization. But this place is not so rigidly fixed as in a caste system. In any factory there is considerable social mobility or movement. Movement can occur in two ways: The individual may pass from one occupation to another occupation higher up in the prestige scale. Or the prestige scale itself may change. It is obvious that these scales of value are never completely accepted by all the groups in the social environment. The shop worker does not quite see why the office worker, for example,

should have shorter hours of work than he has. Or the newcomer whose efficiency on a particular job is about the same but whose hourly rate is less than that of some old-timer wonders why service should count so much. The management group, in turn, from the security of its social elevation, does not understand what all the fuss is about. Advocates of a different social scale, therefore, are constantly trying to upset the existing social equilibrium and establish the supremacy of their own scale.

Any person who has achieved a certain rank in the prestige scale regards anything, real or imaginary, which tends to alter his status adversely as something unfair or unjust. It can be seen that any move on the part of the company may alter the existing social equilibrium to which the employee has grown accustomed and by means of which his status is defined. Immediately this disruption will be expressed in sentiments of resistance to the real or imagined alterations in the social equilibrium. . . .

In the technical organization of most companies there is very little explicit recognition given to these social distinctions. The blueprint organization plans of a company show the functional relations between working units, but they do not express these distinctions of social distance, movement or equilibrium. This hierarchy of prestige values, which tends to make the work of men more important than the work of women, the work of clerks more important than the work at the bench, has no meaning for the technical organization. Nor does a blueprint plan show the primary groups, that is, groups enjoying daily face-to-face relations. Logical lines of vertical and horizontal coordination of functions replace the actually existing patterns of interaction between people of different social places. From a technical standpoint, social place has no existence; only physical space exists. In place of all the sentiments of value residing in the social organization by means of which individuals and groups are differentiated, ordered, and integrated, there is substituted the logic of efficiency.

Emile Durkheim, the great French sociologist, wrote a brilliant study of the division of labor in society. There is one very small section of this study, here reprinted, that is often overlooked, but is highly significant. In elaborating his analysis of the division of labor, Durkheim pointed out how it tended to break down the solidarity and unity in society. People who do different kinds of work are much less likely to have a common basis for talking with each other and sharing sentiments and attitudes. Carried to an extreme, the division of labor could lead to almost complete isolation of the individual from the normal channels of social interaction.

Durkheim also saw the other side of the coin of division of labor. He pointed out that the division of labor can only be carried on when there is a corresponding integration of the separate parts. In short, the division of labor has an accompanying process of interdependence.

The meaning of this selection from Durkheim for our purposes should be clear. Lest we jump to the conclusion that the many specialized tasks and

groups in an organization are forever pulling the organization apart, let us stop to remember that these disparate parts are knitted together by interdependence. This interdependence is built into division of labor and hence, built into the organization.

DIVISION OF LABOR AND INTERDEPENDENCE

EMILE DURKHEIM *

It [the division of labor in industry] has often been accused of degrading the individual by making him a machine. And truly, if he does not know whither the operations he performs are tending, if he relates them to no end, he can only continue to work through routine. Every day he repeats the same movements with monotonous regularity, but without being interested in them. He is no longer a living cell of a living organism which unceasingly vibrates with neighboring cells, which acts upon them, and to whose actions it responds and with whose needs and circumstances it changes. He is no longer anything but an inert piece of machinery, only an external force set going which always moves in the same direction and in the same way. Surely, no matter how one may represent the moral ideal, one cannot remain indifferent to such debasement of human nature. If morality has individual perfection as its goal, it cannot thus permit the ruin of the individual, and if it has society as its goal, it cannot let the very source of social life be drained, for the peril does not threaten only economic functions, but all social functions, as elevated as they may be. "If," says Comte, "we have often justly deplored, in the material world, the workman being exclusively occupied during his whole life with the manufacture of knife-handles, or pin-heads, healthy philosophy ought not less bemoan, in the intellectual order, the exclusive and continuous employment of the human brain in the resolution of some equations or in the classification of some insects. The moral effect, in one case, as in the other, is unfortunately very much the same." [1]

As a remedy, it has sometimes been proposed that, in addition to their technical and special instruction, workers be given a general education. But, suppose that we can thus relieve some of the bad effects attributed to the division of labor; that is not a means of preventing them. The division does not change its nature because it has been preceded by general culture. No doubt, it is good for the worker to be interested in art, literature, etc., but it is none the less bad that he should be treated as a machine all day long. Who cannot see, moreover, that two such existences are too opposed to be reconciled, and cannot be led by the same man! If a person has grown accustomed to vast horizons, total views, broad generalities, he cannot be con-

* From *Division of Labor in Society*. Glencoe, Illinois: Free Press, 1947, pages 371-373. Translated by George Simpson. Used by permission.

[1] *Cours*, IV, page 430.

fined, without impatience, within the strict limits of a special task. Such a remedy would make specialization inoffensive by making it intolerable, and, consequently, more or less impossible.

What solves the contradiction is that, contrary to what has been said, the division of labor does not produce these consequences because of a necessity of its own nature, but only in exceptional and abnormal circumstances. In order for it to develop without having such a disastrous influence on the human conscience, it is not necessary to temper it with its opposite. It is necessary and it is sufficient for it to be itself, for nothing to come from without to denature it. For, normally, the role of each special function does not require that the individual close himself in, but that he keep himself in constant relations with neighboring functions, take conscience of their needs, of the changes which they undergo, etc. The division of labor presumes that the worker, far from being hemmed in by his task, does not lose sight of his collaborators, that he acts upon them, and reacts to them. He is, then, not a machine who repeats his movements without knowing their meaning, but he knows that they tend, in some way, towards an end that he conceives more or less distinctly. He feels that he is serving something. For that, he need not embrace vast portions of the social horizon; it is sufficient that he perceive enough of it to understand that his actions have an aim beyond themselves. From that time, as special and uniform as his activity may be, it is that of an intelligent being, for it has direction, and he knows it. The economists would not have left this essential character of the division of labor in the shade and, accordingly, would not have exposed it to this unmerited reproach, if they had not reduced it to being merely a means of increasing the produce of social forces, if they had seen that it is above all a source of solidarity.

Motivation of Organization Activities

INTRODUCTION

It is necessary to ground our consideration of the human relations of administration upon an analysis of motivation. We will do so within a sociological framework. Such a framework is consistent with the point of view of this entire book. We are not attempting here to deal directly with motivation in psychological terms. Psychologists have a lot to say about motivation, but in many respects it is said in a framework that holds other things constant. What we want to do is to deal with motivation in its institutional setting, not apart from it.

Motivation is intimately tied up with the institutional patterns of behavior of a society. Furthermore, the institutionalization of the behavior patterns we are most concerned with is to be found in organized group activities—in organizations. From this standpoint, we want to develop our understanding of personal motivation *in organizations*. We are not concerned with the individual floating free on the sea of society, or the intrinsic motivations that keep him living and acting in a socially meaningful way. We assume that the individual is behaving in ways that tend to keep him alive and functioning. We know that he is motivated toward sexual activity. We assume that this appetite is being satisfied. We know that he is motivated to satisfy his hunger; and again, we assume that his hunger is satisfied.

The sex and hunger drives exist just as strongly for the businessman as for the doctor. The underlying drives are the same because both are men. We know, however, that the businessman and the doctor behave in quite different ways *in their professional capacities*. We would be hard pressed to prove that this is because their sex and hunger drives are different.

We have now come to the first really difficult part in learning about human relations of administration. This chapter, and particularly the first selection, by Parsons, requires close attention to learn what is being said. It is essential, however, to see the broad outlines of what is being presented in order to develop a real grasp of how people behave as members of organizations.

Parsons' central thesis is that people behave the way they do in economic organizations because behavior patterns have become institutionalized in such organizations. Self-interest to the businessman and self-interest to the professional man are expressed in quite different kinds of behavior, as Parsons

necticut. During the war they knew that their big brass cartridges were helping to protect their country. After the Armistice these men were hard to get along with. In order to keep going, the big plants had had to turn to making *lipstick-holders!* Yet the observer would probably have assumed that the more intricate manipulations required for the vanity-boxes gave the worker something like delight, while the cruder fabrication of the patriotic cartridges furnished nothing but monotony and boredom!

Even the munitions maker wants, of course, like every other worker, to be sure that his high function is well performed—that it represents a convincing proportion between effort expended and results achieved. The laborer outside the Woolwich arsenal had this fundamental in mind, as well as its counterpart in the public's rating, when he urged me *not* to join him and his fellows inside the gates. "It's day after day of movin' things from here to there, and then back from there to here to-morrow! W'y, even the tramway men call out at this stop here: 'All out fer Convalescents' Home!' or mebbe, 'Saints' Rest!' You'll get your money, all right, but you'll be disrespected by yourself and everybody else!"

No, nothing is more certain than that it is impossible to squeeze a man's work as its doer sees it into the puny limits of a few mechanical operations, or even of a whole factory. "What's your job?" simply can't be answered except by asking "What's it for?"

To better the conditions of a man's task? By all means, improve the machine and the working place, if this can be done—and it usually can. That of itself will hardly fail, as we have seen, to improve the type of worker whom these selectors attract and retain. But if these can not be improved as much as could be hoped, large opportunity may still remain to change the work's most important part—the spiritual fringe which passes around it, the worker, and us outsiders, and ties all of us together. The best way to improve the job may often be, in fact, to *change what the outside public thinks about it and its doers.*

In the following short selection from Durkheim, we have another facet of the conditions in an organization that can reduce or destroy motivation of the members. Durkheim is pointing out that when the division of labor is carried too far, there may result enforced inactivity that is destructive of a willingness to work effectively in an organization. When you do not have enough work to do on your official job and are not permitted to use your leisure for unofficial or private purposes, the strength of your motivation in carrying out your assigned job is reduced.

To the industrial engineer, as well as to the general administrator, this should be a real warning. Specialization, carried to its technical extreme, may produce decreased efficiency. The specialized tasks may be simpler to do. But each specialized task must necessarily be integrated with the others. The whole chain of interconnecting jobs can produce at the speed of only the slowest task. The people performing the other jobs must wait for the slow one. Being forced to be without productive labor is what makes solidarity break down.

OVERSPECIALIZATION

EMILE DURKHEIM *

It often happens in a commercial, industrial, or other enterprise that functions are distributed in such a way that they do not offer sufficient material for individual activity. There is evidently a deplorable loss of effort in that, but we need not trouble ourselves with the economic aspects of the situation. What should be of interest to us is another fact which always accompanies waste,—a more or less great lack of co-ordination of these functions. It is well known that in a business where each employee is not sufficiently occupied movements are badly adjusted to one another, operations are carried on without any unity; in short, solidarity breaks down, incoherence and disorder make their appearance. At the court of the lower Empire, functions were infinitely specialized, and yet veritable anarchy resulted. Thus, there are cases where the division of labor, pushed very far, produces a very imperfect integration. How does this happen? We might be tempted to reply that what is lacking is a regulative organ, a direction. This explanation is not very satisfying, since, very often, this unhealthy state is the work of the directive power itself. For the evil to disappear, it is not enough that there be regulative action, but this must be employed in a certain way. We are well aware of the way in which it should be used. The first care of an intelligent, scientific chief will be to suppress useless tasks, to distribute work in such a way that each one will be sufficiently occupied and, consequently, to increase the functional activity of each worker. Thus, order will be achieved at the same time that work is more economically managed. How is this to be done? We have already seen it badly done. For, ultimately, if each functionary has a well determined task, if he performs it well, he will necessarily need help from neighboring functionaries, and will not feel solidary without it. Is it important whether this task is small or large, so long as it is specialized? Is it important whether or not it absorbs his time and energies?

It is very important. In general fashion, solidarity depends very greatly upon the functional activity of specialized parts. The two terms vary with each other. Where functions languish, they are not well specialized, they are badly co-ordinated, and incompletely feel their mutual dependence. . . .

What makes this growth of functional activity determine a growth of solidarity is that the functions of an organism can become more active only on condition of also becoming more continuous. Consider one of them in particular. As it can do nothing without the help of others, so it can produce more only if others produce more. But the tasks of these can be elevated, in their turn, only if that one can elevate itself by a new effort. All growth of activity in functions, implying a corresponding growth in solidary functions, implies a new growth in the former. This is possible only if it becomes more continuous. Carefully considered, moreover, these counterblows are not indefinitely produced, but a time comes when equilib-

* From *Division of Labor in Society*. Glencoe, Illinois: Free Press, 1947, pages 389-393. Translated by George Simpson. Used by permission.

rium is established anew. If the muscles and the nerves work more, richer nourishment will be necessary for them, which the stomach will furnish on condition of functioning more actively; but to accomplish this, it will be necessary for it to receive more materials to work with, and these materials will be obtained only through a new dispensation of nervous and muscular energy. A very great industrial production necessitates the investment of a very great quantity of capital in the form of machines, but this capital, in its turn, in order to hold itself together, to repair its losses, that is to say, to pay the price of its hire, demands a very great industrial production. When the movement which animates all the parts of a machine is very rapid, it is uninterrupted because it passes without disturbance from one to the other. They mutually come together. If, moreover, not only an isolated function, but all of them at the same time become more active, the continuity of each will be still more increased. . . .

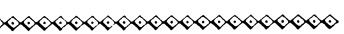
If, then, the work furnished is not only not considerable but even insufficient, it is natural that solidarity itself is not only less perfect, but becomes more and more completely faulty. This is what happens in enterprises where tasks are apportioned in such a way that the activity of each worker is lower than it would normally be. The different functions are, then, too discontinuous to be able to adjust themselves exactly to one another and move in concert. This is how the incoherence spoken about comes into being.



In the final selection of this chapter, Jack Barbash deals with motives for joining a union. Mr. Barbash was himself a union official. He sees things from a union standpoint.

Note the factors that he places first in his list of reasons for joining unions. Uniformity in wages for the same jobs, elimination of supervisory favoritism, reduction of arbitrary management actions, and job protection are the first four items discussed. These are all intimately related to the work situation within the business organization. Even the bandwagon effect and the personal desire for a leadership role are related to the work situation, although less directly.

The point, of course, is that these motivations for joining a union are a product of the social system of the factory. What goes on inside the business firm is the most important influence in determining the development of a plant union. We see, then, in the context of the union organization (an integral, yet independent part of the business organization), the same institutionalization of motivation that we have already examined in the business organization.



WHY WORKERS JOIN UNIONS

JACK BARBASH *

Higher wages and shorter hours are obvious reasons for workers' joining a union. Even so, the wages and hours inducement is put in terms of status. The organizer's appeal is more "Look what the fellows in the union doing the same work are getting" rather than "Conditions are very bad in your shop." During the steel industry organizing campaign in 1937, the Steel Workers union research department deliberately set out to collect material on wage inequalities and this was promptly fed to the organizers. "Who said a craneman is worth twenty cents more in Pittsburgh than in Chicago?" proclaimed loudspeakers outside of plant gates in the Chicago area.

The appeal of "more" rarely functions alone in motivating a worker to sign a union application card. For one, the improvement over existing conditions which the union organizer promises or can deliver is hardly ever so markedly higher that it can serve as a basis for a stirring "before-and-after" type of appeal. An organizer's manual prepared by the Longshoremen's union asserts in this connection, "Don't make rash promises of immediate gains and fabulous wages." For another, employers who want to spike the union's guns will frequently match or even better union conditions in order to keep the union out of the plant during an organizing drive. In another manual, prepared by the Women's Trade Union League, a situation is described in which "the organizer concluded that next time she would get the workers ready and call a strike . . . before the manufacturers had time to raise wages and thus prevent a strike." The southern textile organizing drive of 1946 by the AFL and CIO unions in the field evoked substantial wage increases by nonunion mills.

Another potent motive for joining a union is the worker's interest in eliminating favoritism by management. The insistence with which the union representative normally puts forth the claim for a seniority system in a newly organized plant reflects the high value workers place on seniority as a method of ensuring understandable objectivity in layoffs and rehiring. Golden and Ruttenberg, with much experience in organizing steel workers, observe that the appeal against favoritism is "perhaps the organizer's strongest appeal." The appeal couched in terms of

> Join the union so you can get a square deal. When you get a contract with seniority protection you don't have to worry every morning when you get to work whether you'll have a job when you come home at night; you won't have to worry about the boss firing you because he don't like the color of your hair, or of promoting a younger man to the job you should have because he is a member of the same fraternal order as the boss; and you won't have to shine the foreman's shoes [or some other colloquialism] to get a nickel raise or a better job—it'll be yours if you have the years of service to get it and can do the job.

The antifavoritism motivation is set in another context by the Marine Firemen:

> For prior to the unionization of the industry, you hunted your jobs on the

* From *Labor Unions in Action.* New York: 1948, pages 8-12, copyright by Harper and Brothers. Used by permission.

docks and ships. You stood around in the rain and the snow when a ship came in, and waited for an opportunity to ship. When your chance finally did come, some contemptuous shipping master crooked his finger with a "Hey, You!"

You got pushed around plenty, brother. You stood around, and saw the guys with pull and drag get the jobs. Guys from college making a trip for fun and getting on a ship because they knew the port captain or the chief engineer or a big stockholder in the company. You wore out plenty of shoe leather prowling from ship to ship and dock to dock.

The cards were stacked against you! Favoritism was rife! The guy that was the lackey got the first preference You got shoved around in an atmosphere of uplifted noses and superiority complexes, for you were "the crew" Focsle hands. Trash! Tripe! Scum of the universe, and devoid of humane consideration.

Favoritism on the part of small employers can be just as effective in impelling unorganized workers to join a union. In the needle trades, where the operations are relatively small scale, the unions have utilized the equal division of work as a strong selling appeal, since a sore point among workers in "slack" seasons has been favoritism in dividing the work load which under a piecework system determines the take-home pay.

Without the union, the hugeness and impersonality of modern industry leaves the average worker feeling overwhelmed in a forest of procedures and levels of authority. The union provides an outlet for the worker to channel and give constructive and emotional expression to his "gripes" and problems without fear of retaliation.

In general, nonpecuniary motivations loom larger in workers' calculations than many employers have realized. The UAW-CIO organizers in the Ford campaign were frank to assert that the oppressiveness of Ford supervision surveillance was much more fruitful in getting workers to join the union than was the anticipation of wage increases. Brendan Sexton, who was active in the Bethlehem Steel organization campaign, says that the union got little for the workers at first in the way of increased wages. But what was important to them was the promise of protection from arbitrary discipline that the union offered.

Where unions exercise effective control over employment opportunities—through the closed shop or its variants—joining the union is a matter of course. In the building trades, for example, where this situation prevails, the prospective member seeks out the union representative rather than the other way around. It is relevant to note in this connection that the closed shop is a capitalization of intensive organizing activity in the past—sometimes in the remote past. During the war much of the increase in union membership was of either the closed-shop or "maintenance of membership" variety. Vigorous union campaigns in the war period were the exception rather than the rule. In the case of maintenance of membership there was, however, relatively little defection from union ranks during the allowable "escape" period, which may be an indication that once the workers were in the union they wanted to stay in.

Even though there may be no *formal* closed shop prevailing in a plant where union membership predominates, the new worker, even if he is so disposed, cannot long persist in a refusal to join the union, against the social and other kinds of pressures exerted on him by his fellow workers. A steel shop steward says, "When a new man comes into our shop he has twenty days to qualify.... If that man ... gets close to qualifying it is the duty of the office and the shop

steward to inform that man that there is a union in the shop and that he is expected to join. We are not asking him to join, we expect him to join." On the railroads the closed shop is forbidden by law. As a matter of practice, however, it is difficult for a worker to remain in the good graces of fellow employees on organized roads if he holds out against joining the union. The nonunion worker in these situations finds it extremely hard to get adequate handling of his grievances. This fact the union members on the job are at great pains to point out to him. In extreme cases the organized workers will refuse to work with "free riders."

In large-scale organization drives, joining the union involves for many workers nothing else than "climbing on the band wagon" once the leaders among the workers in the plant have been brought into the union and the fear of employer retaliation is broken down. Then joining the union is a matter of being in the swing of things and remaining out of the union is risking the hostility of the group. It was this bandwagon urge that was undoubtedly responsible for much of the gain in union organization during the NRA period.

The responsiveness of the intellectual climate to social reform that characterized the 1930's has stimulated something which can be called "sentimental unionism." This kind of unionism grows out of the disposition, of intellectuals particularly, to be in the vogue. Thus liberal ministers of the gospel organized a ministers' union. Many college professors and free-lance intellectuals in the United States, for whom the benefits of collective bargaining could not be great, have joined and have even organized unions.

Many workers join a union because it provides them with an outlet of expression for the aspirations to leadership. The company unions in the steel and telephone industries, for example, provided a training ground for many of the local union leaders, and in the case of telephones for the national leadership as well. When many of these people began to feel restricted by the limitations of company unionism they were ripe for the appeal of the organizers of the free unions. As it turned out, the leadership qualities developed in the company unions were easily transferable to the free union environment.

The open interest of workers in free unions can be minimized by oppressive employer tactics. Yet no organization situation can be so bleak that the union organizer cannot find a few hardy souls who will consent to act as a union nucleus. To these people unionism is a cause. Not even in such places, during the early and middle thirties, as the Harlan County coal fields or throughout the automobile industry, where organized antiunion terrorism was the order of the day, could the desire of at least a small nucleus of workers for a free union be obliterated.

The ultrabelligerent type of American employer who responds to a union organizing drive only in terms of supression suffers from a blind spot, which makes him unable to comprehend the tenacity with which, under violent suppression, some workers will keep alive their desire for unionism of their own choosing. The discovery through an NLRB election that a large majority of his workers wanted an outside union as against his own despotic-benevolent paternalism so shocked Henry Ford that, with little pressure on the part of union negotiators, he conceded in quick succession to what were token demands for the closed shop and the checkoff.

FOUR

Informal Organization

INTRODUCTION

From the standpoint of personal experience, most of us have spent more time in small, informal groups than we have in any other kind of human association. In early childhood we found in our play groups the informal association that Cooley, the sociologist, has called the primary group. Throughout our schooling, much time was spent in group associations on teams, in gangs, and as members of cliques. Even when we went to work, we found ourselves living in a series of social circles made up of our bowling team, bridge group, coffee club, gossip center, lunch associates, drinking companions, and the like. In short, a large part of our life is spent in informal group activities.

Because of our familiarity with informal groups, we can approach the study of organization best by dealing with the informal aspects of organization.

Immediately, we have to draw a distinction. The weekly bridge group is one kind of informal group association. The clique of workers engaged in restriction of output is another kind of informal group. What things serve to distinguish these two groups? Most important is the fact that the bridge group is independent of any formal organization. The clique of workers, on the other hand, is an integral part of a formal organization. There are other distinctions in terms of frequency of gathering, basis for inclusion in the group, and the tie between the member and the group, that need not trouble us here. Let us focus attention on the first difference noted.

The independent, informal association is usually grounded in the common interests of its members. Members can come into and move out of such association as needs, interests, and compatability dictate. To some extent, the informal group within a formal organization shares these characteristics. The notable addition to the situation is that the informal group in a formal organization has meaning and significance primarily in relation to the formal organization of which it is a part.

Most of us have an intuitive grasp of what an informal group in a formal organization is like. We tend, however, to be less well oriented regarding the functions of such informal groups.

The most commonly held view of the function of informal groups is that they are subversive of the purposes of the formal organization. They come into

being in order effectively to oppose demands coming from higher authority and work counter to the purposes set by management. By now, it is common knowledge that restriction of output is a product of the informal group that sets output standards below management's expectations and then polices the observance of the lower standards. Other kinds of operating situations suggest themselves as exhibiting the same function for the informal group. Here we have one view of the relationship between formal and informal organization. The informal structures provide the means for organizing opposition to management control and direction.

In such a struggle, the informal group can be exceedingly strong. Formal control from the top down depends upon a system for catching a culprit in violation of an organization regulation and then punishing him in an appropriate way defined by the rules of the organization. Such kinds of control are remote, at best, and unless constant policing is in force, much actual violation of rules and regulations gets by unnoticed. The informal group in the work situation is in almost constant contact with all of its members and maintains an all-seeing surveillance of members' activities. Very little is missed in the behavior of a group member and the possibility of "getting away with something" is small. What the informal group may lack in power to confront the formal organization head-on, it makes up in the intense and constantly-policed unity that makes for near unanimity among its members. As Gardner quotes a worker, "You gotta decide whether to go along with the group or to stand in with the boss. And if you don't go along, the gang can make it mighty unpleasant." [1]

Before we conclude that opposition to authority is the sole function of informal groups, we had better face up to some critical questions. Does this mean that much of the energy of an organization is dissipated in quelling rebellion among its members? That if all individual motives and desires were satisfied in an organization, there would not be any informal groups? That the only roots of face-to-face cooperation are to be found in an external threat to the standards or integrity of an informal face-to-face association? These are compelling questions. The answer to each seems to be a clear No.

The first selection of this chapter presents another view of the function of informal associations within formal organizations. Shils develops this viewpoint out of studies of the Army. His general conclusion, in the form of an hypothesis, is that the informal group serves to bolster the formal (corporate) organization. It does so by strengthening the desire to execute commands out of a feeling of obligation to immediate associates.

This is an important contrast in approaching an understanding of the functions of the informal group within a formal organization. It seems highly probable that both views are correct. If that be the case, then the informal group has both positive and negative influence on the formal organization of which it is a part.

[1] In W. F. Whyte (ed.), *Industry and Society*. New York: McGraw-Hill Book Company, Inc., 1946, page 7.

The American Soldier is a four-volume report of a monumental study of the United States Army made by the Research Branch, United States Army, during World War II. In analyzing certain of the data contained in this study, Shils develops the idea that the informal, face-to-face group in the Army is important in supporting the formal command structure. This results from a feeling of moral obligation to the other members of the informal association in not wanting to let them down.

As Shils points out, however, supplementing and supporting of the formal organization occurs only where there is close identification with the organization and its operating goals. In the combat Army, this meant accepting the job of winning battles and some degree of obligation in carrying out this task. It would be fatal to the Army to have the informal group asking such questions as "Why are we fighting?" In such circumstance, we would very probably find opposition developing between the informal group and the Army, after the fashion described by Gardner.

Shils' discussion centering on the Army should suggest some interesting parallels in other kinds of organizations.

INFORMAL ORGANIZATION AND FORMAL ORGANIZATION

EDWARD A. SHILS *

The first problem of primary group analysis in relation to corporate bodies is: how does the influence of membership in the group affect the operation of the corporate body; and particularly, the attainment of the goals of the corporate body. This problem is forthrightly faced in *The American Soldier*.

The re-discovery of the primary group (or the informal group as it is usually called in *The American Soldier*) has not blinded them [the authors of *The American Soldier*]—as it has blinded some of its other re-discoverers—to the fundamental fact that a large corporate body like an Army is more than an assembly of primary groups accidently coordinated with one another by primary group relationships. They are well aware that the army is an organization in which formally constituted agencies exercise authority over persons with whom they have no primary group relations whatsoever. The fundamental significance of command and sanction never disappears from their field of vision. They understand that whole constellations of motives and sets of institutions broader than and prior to the Army and much narrower than the Army are intertwined with formal military authority (with its powers of command and coercion) in directing the conduct of the effective soldier. They are at pains to assign to each of these different factors their proper weight, but they are hampered by the paucity

* From "Primary Groups in the American Army," chapter in Robert K. Merton and Paul F. Lazarsfeld (eds.), *Continuities in Social Research: Studies in the Scope and Method of "The American Soldier,"* pages 19-22 Copyright by The Free Press. Used by permission.

of their data and to some extent by the form in which they were gathered.

The crucial data bearing directly on the limited power of expectations of coercive sanctions are relatively scanty and not entirely free from self-contradiction at certain points. The appearance of contradiction is however diminished by the relative infrequency with which soldiers mention coercion and the fear of sanctions in explaining their *own* behavior in battle. It is also diminished by the insight of the Research Branch that moral considerations (*i.e.*, conceptions of duty and legitimacy), primary group sanctions and formal military sanctions in most cases move in the same direction, reinforcing one another in ways which present research techniques and conceptual schemes do not allow us easily to disentangle from one another. "One important general function of the existence of formal sanctions was . . . that when imposed they called into automatic operation informal sanctions both social and internalized. The existence of these informal sanctions gave the formal sanction much of its force." [1]

The formal coercive powers of the Army must moreover lose some of their directive force in the very situation towards which the entire military organization is directed: namely, the situation of battle. Here, as a result of the high probability of the unforeseen, the need for discretion is at a maximum and the dangers can be faced and contended with only if there is a positive self-impelled effort coming from within the general disposition of the individual soldier and reinforced by the most diverse kinds of gratifications and compensatory pressures. And it is in this very situation that formal authority changes some of its bases and formal sanctions become less effectively coercive. The actual role of expectations of coercion and of specific stipulated rewards in the instigation of effort on behalf of corporate goals and their place among the other influences on behavior in corporate bodies represents a central and still unsolved problem of social science. Among these alternative or complementary influences are loyalties to general impersonal standards, to large collectivities such as state, nation, army, or party, and loyalty to primary groups.

One of the most significant contributions to the clarification and very tentative resolution of this problem and thereby to our knowledge of the importance of primary groups in the execution of the goals of large corporate organizations comes from certain inquiries made by the Research Branch into the soldier's own assessment of the factors which caused him "to keep going." Two major inquiries conducted on different occasions and somewhat differently phrased both indicate that the desire to avoid "letting the other fellow down" was one of the most important of all factors and was surpassed only by prayer when the "going was tough," [2] or by the "desire to get the job over with" in the second inquiry. In reply to the query: "Generally in your combat experience, what was most important to you in making you want to keep going and to do as well as you could?" addressed to infantry combat veterans in Europe, 39 per cent mentioned "ending the task"; 14 per cent, solidarity with group, "cannot let the other fellows or the outfit down"; "sticking together," "buddies depending on me"; "my friends around me"; 9 per cent, "sense

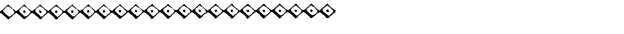
[1] Vol. II, p. 114, *The American Soldier.*

[2] Vol. II, p. 174, *The American Soldier.*

of duty and self-respect"; 10 per cent, "thoughts of home and loved ones." Five per cent mentioned "idealistic reasons," 2 per cent vindictiveness, only 3 per cent indicated absence of alternatives, leadership, discipline.[3] In another inquiry into the factors which helped when the "going was tough," Pacific and Mediterranean veterans answered as follows: "prayer helped a lot," was indicated by 70 per cent of the Pacific veterans and 83 per cent of the Mediterranean veterans; "couldn't let the other men down," by 61 per cent and 56 per cent, respectively; "had to finish the job in order to get home again," 42 per cent and 28 per cent; "thoughts of hatred for the enemy," 38 per cent and 28 per cent; "what we are fighting for," 34 per cent and 29 per cent.[4]

It will be noted that in both inquiries and in both theaters, motives connected with primary group solidarity were estimated as very important and that none of the preponderant "motives" refers to the acceptance of a formal command from a formally appointed authority although obviously a good share of their importance consists in the extent to which they furthered the execution of commands or the exercise of initiative within the general framework of commands.

These data support the more complex hypothesis that primary group solidarity functions in the corporate body to strengthen the motivation for the fulfillment of substantive prescriptions and commands issued by the official agents of the corporate body, within the context of *a set of generalized moral predispositions* or *sense of obligation.* The latter need not be strongly present in consciousness but some measure of identification with the collectivity and some sense of generalized obligation and readiness to acknowledge the legitimacy of its demands in numerous particular situations must exist. Thus, for example, the soldiers who first thought of getting the job done, must, in some way, have accepted the legitimacy of the "job" and felt some degree of obligation to carry it out. The general setting of their goal was given by their identification with the United States and this made for an acceptance of specific commands from their officers. But even the 39 per cent who mentioned "ending the task" as a motivating consideration might have been lax and reluctant if they had not been subject to the pressure of their comrades who, more or less hiding the same belief, added the autonomous weight of their approval and affection for those who conformed and disapproval for those who were deviant. In other words then, it cannot be said that goals are set by membership in the primary group but only that efforts to achieve the legitimate formally prescribed goals may be strengthened by such membership.



The following selection is the only piece of semi-fictional writing in this book. Henry Kraus, an able journalist who has worked in the labor movement, was the first editor of the UAW-CIO newspaper. In the UAW-CIO he was identified with the Thomas-Addes faction, which unsuccessfully opposed the rise of Walter Reuther to the presidency of that union.

This selection is taken from Kraus'

[3] Vol II, *The American Soldier,* pp. 108-109.
[4] *Ibid.,* p. 174.

semi-fictional account of the sit-down strikes in Flint, Michigan, during the bitter days when the automobile industry was being organized. Kraus himself participated in the Flint activities and therefore reports much of the developments as an eyewitness. This particular section of his story takes place in Fisher Body Plant No. 1.

Why include this story here? It is an exceptionally vivid account of the atmosphere of group unity and pressure. You have a feeling of oppressive tension as Joe Urban is being dragged down the production line. This incident had an almost hypnotic influence upon the workers of the "body-in-white" department. Or, take again the scene in Plant Manager Parker's office. The clever play to break the group solidarity is worth noticing. Note particularly how three men, Simons, Moore, and Devitt, acting as leaders, manipulate the group. This is indeed an effective account of how the unity of an informally associated group of men provides the basis for their formal organization into the union.

INCIPIENT ORGANIZATION

HENRY KRAUS *

*T*hree days after Travis' meeting with the union's volunteer organizers, a situation such as he had anticipated arose. The day before the supervision had removed one worker from a group of "bow-men." (The "bow" is a supporting angle-iron that is welded across the top of the roof structure of the auto body.) Two of the men were brothers, typical farm boys from mid-state, named Perkins. Another was a little Italian-American, full of guts. None of them were in the union but they had been reading about the Bendix strike so they simply stopped working. The foreman and the superintendent came over and begged them to go back to work, they were holding up the line. A long discussion took place over the increased production required due to the removal of the one man.

"The day crew is doing it, why can't you?" the superintendent asked. It was perhaps the billionth time this argument had been repeated in an industrial plant.

They sat gabbing that way until there was a job-gap of twenty jobs. And then the workers got a little disturbed to see it. It made them nervous to be responsible for such disorder on the production line. Finally they agreed to go back to work, to continue putting out for that night. But tomorrow they'd talk to the day shift fellows about it! Before they got back to work however, the whole department had become interested in the argument. At shift-end the excitement overflowed. Everybody talked about the sitdown of the "bow-men." So that's what a sitdown was! Nothing to it, really! The men felt awfully pleased about it somehow.

When the two Perkins boys came to work the next evening they found their cards were missing from the rack. In their places were tell-tale notices: "Re-

* From *The Many and the Few*. Los Angeles. The Plantin Press, 1947, pages 47-55. Copyright by Henry Kraus and used with his permission.

port to the employment office." They went and sure enough there was their money waiting for them. But the union had anticipated this contingency. The committee had talked the situation over with Travis the night before, after the end of the shift. It was decided that this would be an excellent opportunity to come out in the open. If anyone was victimized over the little stoppage the entire "body-in-white" department (where the main welding and soldering work of the assembly process takes place) must be closed down.

When the two brothers showed Simons and the other committee members their red cards the latter ran up to the department and spread the word:

"The Perkins boys were fired! Nobody starts working!"

The whistle blew. Every man in the department stood at his station, a deep, significant tenseness in him. The foreman pushed the button and the skeleton bodies, already partly assembled when they got to this point, began to rumble forward. But no one lifted a hand. All eyes were turned to Simons who stood out in the aisle by himself.

The bosses ran about like mad.

"Whatsamatter? Whatsamatter? Get to work!" they shouted.

But the men acted as though they never heard them. One or two of them couldn't stand the tension. Habit was deep in them and it was like physical agony for them to see the bodies pass untouched. They grabbed their tools and chased after them. "Rat! Rat!" the men growled without moving and the others came to their senses.

The superintendent stopped by the "bow-men."

"You're to blame for this!" he snarled.

"So what if we are?" little Joe Urban, the Italian, cried, overflowing with pride. "You ain't running your line, are you?"

That was altogether too much. The superintendent grabbed Joe and started for the office with him. The two went down along the entire line, while the men stood rigid as though awaiting the word of command. It was like that because they were organized but their organization only went that far and no further. What now?

Simons, a torch-solderer, was almost at the end of the line. He too was momentarily held in a vise by the superintendent's overt act of authority. The latter had dragged Joe Urban past him when he finally found presence of mind to call out:

"Hey, Teefee, where you going?"

It was spoken in just an ordinary conversational tone and the other was taken so aback he answered the really impertinent question.

"I'm taking him to the office to have a little talk with him." Then suddenly he realized and got mad. "Say, I think I'll take you along too!"

That was his mistake.

"No you won't!" Simons said calmly.

"Oh yes I will!" and he took hold of his shirt.

Simons yanked himself loose.

And suddenly at this simple act of insurgence Teefee realized his danger. He seemed to become acutely conscious of the long line of silent men and felt the threat of their potential strength. They had been transformed into something he had never known before and over which he no longer had any command. He let loose of Simons and started off again with Joe Urban, hastening his pace. Simons yelled:

"Come on, fellows, don't let them fire little Joe!"

About a dozen men shot out of the line and started after Teefee. The

superintendent dropped Joe like a hot poker and deer-footed it for the door. The men returned to their places and all stood waiting. Now what? The next move was the company's. The moment tingled with expectancy.

Teefee returned shortly, accompanied by Bill Lynch, the assistant plant manager. Lynch was a friendly sort of person and was liked by the men. He went straight to Simons.

"I hear we've got trouble here," he said in a chatty way. "What are we going to do about it?"

"I think we'll get a committee together and go in and see Parker," Simons replied.

Lynch agreed. So Simons began picking the solid men out as had been prearranged. The foreman tried to smuggle in a couple of company-minded individuals, so Simons chose a group of no less than eighteen to make sure that the scrappers would outnumber the others. Walt Moore went with him but Joe Devitt remained behind to see that the bosses didn't try any monkeyshines. The others headed for the office where Evan Parker, the plant manager, greeted them as smooth as silk.

"You can smoke if you want to, boys," he said as he bid them to take the available chairs. "Well what seems to be the trouble here? We ought to be able to settle this thing."

"Mr. Parker, it's the speedup the boys are complaining about," Simons said, taking the lead. "It's absolutely beyond human endurance. And now we've organized ourselves into a union. It's the union you're talking to now, Mr. Parker."

"Why that's perfectly all right, boys," Parker said affably. "Whatever a man does outside the plant is his own business."

The men were almost bowled over by this manner. They had never known Parker as anything but a tough cold tomato with an army sergeant's style. He was clearly trying to play to the weaker boys on the committee and began asking them leading questions. Simons or Walt Moore would try to break in and answer for them.

"Now I didn't ask you," Parker would say, "you can talk when it's your turn!" In this way he sought to split the committee up into so many individuals. Simons realized he had to put an end to that quickly.

"We might as well quit talking right now, Mr. Parker," he said, putting on a tough act. "Those men have got to go back and that's all there is to it!"

"That's what you say," Parker snapped back.

"No, that's what the men say. You can go out and see for yourself. Nobody is going to work until that happens."

Parker knew that was true. Joe Devitt and several other good men who had been left behind were seeing to that. The plant manager seemed to soften again. All right, he said, he'd agree to take the two men back if he found their attitude was okay.

"Who's to judge that?" Simons asked.

"I will, of course!"

"Uh-uh!" Simons smiled and shook his head.

The thing bogged down again. Finally Parker said the Perkins brothers could return unconditionally on Monday. This was Friday night and they'd already gone home so there was no point holding up thousands of men until they could be found and brought back. To make this arrangement final he agreed that the workers in the department would get paid for the time lost during the stoppage. But Simons held fast to the original demand. Who knew what might happen till Monday? The Per-

kins fellows would have to be back in the line that night or the entire incident might turn out a flop.

"They go back tonight," he insisted.

Parker was fit to be tied. What was this? Never before in his life had he seen anything like it!

"Those boys have left!" he shouted. "It might take hours to get them back. Are you going to keep the line tied up all that time?"

"We'll see what the men say," Simons replied, realizing that a little rank and file backing would not be out of the way. The committee rose and started back for the shop.

As they entered a zealous foreman preceded them, hollering: "Everybody back to work!" The men dashed for their places.

Simons jumped onto a bench.

"Wait a minute!" he shouted. The men crowded around him. He waited until they were all there and then told them in full detail of the discussion in the office. Courage visibly mounted into the men's faces as they heard of the unwavering manner in which their committee had acted in the dread presence itself.

"What are we going to do, fellows," Simons asked, "take the company's word and go back to work or wait till the Perkins boys are right there at their jobs?"

"Bring them back first!" Walt Moore and Joe Devitt began yelling and the whole crowd took up the cry.

Simons seized the psychological moment to make it official.

"As many's in favor of bringing the Perkins boys back before we go to work, say Aye!" There was a roar in answer. "Opposed, Nay!" Only a few timid voices sounded—those of the company men and the foremen who had been circulating among the workers trying to influence them to go back to work. Simons turned to them.

"There you are," he said.

One of the foremen had taken out pencil and paper and after the vote he went around recording names. "You want to go to work?" he asked each of the men. Finally he came to one chap who stuck his chin out and said loudly: "Emphatically not!" which made the rest of the boys laugh and settled the issue.

Mr. Parker got the news and decided to terminate the matter as swiftly as possible. He contacted the police and asked them to bring the Perkins boys in. One was at home but the other had gone out with his girl. The police short-waved his license number to all scout cars. The local radio station cut into its program several times to announce that the brothers were wanted back at the plant. Such fame would probably never again come to these humble workers. By chance the second boy caught the announcement over the radio in his car and came to the plant all bewildered. When told what had happened the unappreciative chap refused to go to work until he had driven his girl home and changed his clothes! And a thousand men waited another half hour while the meticulous fellow was getting out of his Sunday duds.

When the two brothers came back into the shop at last, accompanied by the committee, the workers let out a deafening cheer that could be heard in the most distant reaches of the quarter-mile-long plant. There had never been anything like this happen in Flint before. The workers didn't have to be told to know the immense significance of their victory. Simons called the Perkins boys up on the impromptu platform. They were too shy to even stammer their thanks.

"You glad to be back?" Simons coached them.

"You bet!"

"Who did it for you?"

"You boys did."

Simons then gave a little talk though carefully refraining from mentioning the union.

"Fellows," he said amid a sudden silence, "you've seen what you can do by sticking together. All I want you to do is remember that. Now let's get to work."

The men got the double meaning of his last words and from that moment the barriers were down at Fisher Body No. 1. Organization shot out from "body-in-white" to the other departments—into paint, trim, assembly, press-and-metal; even the girls in "cut-and-sew" began heeding the call.

And more. The news of the Fisher One sitdown spread through the entire city. The Fisher One boys began bringing friends into the union from Fisher Two, Buick and Chevrolet. The response at Fisher Two was especially good. In one afternoon alone Travis signed up fifty workers in a beer hall near the plant. Shortly after that he rented a store across Fisher One from a union sympathizer and the first open meeting was announced. There was an overflow crowd. Mortimer came back for the meeting, accompanied by Adolph Germer of the CIO. Dick Frankensteen came up also to bring the greetings of the Detroit workers and to tell of equally exciting things occurring in the motor capital, the Midland Steel sitdown strike having just begun. As the workers stood outside the open door of the jammed hall, craning their necks for a look, while the applause crashed out repeatedly, there was no one any longer that could doubt that the union had come to Fisher One.

And in fact the management itself was seemingly prepared to admit this fact. It began to bargain regularly with the union committee. Numerous grievances were corrected, wage raises and speed reductions won. At the same time the stewards system was being perfected inside the plant and union buttons began to sprout like dandelions everywhere.

FIVE

Informal Organization: Structure and Processes

INTRODUCTION

We now have some conception of the nature of informal groups and their functions within the formal structure. Let us next turn our attention to the structure of informal relations and the processes that characterize informal interaction.

An initial distinction is important. We have to recognize in our thinking and analysis the difference between informal groups and informal interaction among people. There *is* a difference. It is a real one, and comprehension of it advances our thinking in this field.

The informal group is something we distinguish from the formal organization. It is a smaller grouping of people and may function either to subvert the purposes of the larger structure or to support them. It is a spontaneous group that arises simply because men associate with one another. Such groups are to be found in all kinds of organizations, regardless of their nature.

Informal interaction between members of an organization bears a similar relationship to the prescribed interaction required by organization procedures and operations. There are formal ways of behaving and doing business in the organization. It would sometimes be exceedingly cumbersome and inefficient to follow such prescribed procedures. To overcome that, we "cut corners" or "expedite" work or "see Joe about it" or ignore, in other ways, the requirements of the formal organization. An organization would soon break down if everybody in it did only what his formal job descriptions called for, and did it "according to the book." In short, people develop informal patterns of interaction in order to do the work required of them most expeditiously.

What then, is the function of informal interaction in the organization? In general, we can say that the informal way of doing things serves to make operations more efficient. People go around the official methods of getting a job done because, *from their standpoint,* they have a better way of doing the job. The end result may be more or better output for the organization. The end result may also be to solve a private problem involved in the work situation. In Professor Whyte's selection in this chapter, he describes the instance of the bartender who worked out his own

drink-mixing system. The system was designed to protect him from having to respond individually to the order of each waitress. In deciding to mix batches of drinks at one time, the bartender was violating the general requirement that orders be on a first-come, first-serve basis. With his own system the bartender was happier, and the waitresses considered him very efficient.

We shall start this chapter with an analysis of types of informal groups in industry. The Mayo-Lombard selection suggests three types of informal work groups. The "natural group" and the "family group" are both spontaneous in origin. The third kind, the "organized group," is a product of the leadership exercised by the formally designated leader, the foreman. The organized group is dependent upon an integration and unity that might be characterized as willingness to cooperate. The leader develops this unity as a result of leadership qualities above and beyond technical direction necessary to get the job done.

The Whyte and Dalton studies deal with both informal group structures and informal interaction among people. It should be emphasized that all three selections of this chapter are from research reports. We are grounding our knowledge in research, not speculation. What we find out about the structure and processes of informal organization is based upon real knowledge, not inference or guesswork.

The Mayo-Lombard study was conducted in California aircraft plants early in World War II, when production was undergoing rapid expansion. The mention of specific work centers and groups in the quoted portion of the study refers to designated groups that are described in the full report.

TYPES OF WORK TEAMS

ELTON MAYO AND
GEORGE F. F. LOMBARD *

What number of people can naturally associate themselves together in work? Many arbitrary or empirical answers have been given to this question. The Army, for instance, places it at from 8 to 14 according to function; certain industrial psychologists say 5 without any convincing reason for doing so. We found that we had in our hands some evidence of definite interest in this connection. There seemed to be three types of group in our studies: the "natural" group, the "family," and the "organized." These distinctions are empirical and tentative, but they indicate something in fact that demands further inquiry.

a. The "natural" group. In the records of 69 work centers given earlier in this report, there are 12 with a regular attendance record of over 80%. Since one of these consists of only 1 worker (we do not know the "company" reason for this), we shall ignore it. The other 11 groups are all small, several of 2 or

* From *Teamwork and Labor Turnover in the Aircraft Industry of Southern California,* Harvard Business School, Division of Research, Business Research Studies No. 32, 1944, pages 22-23. Used by permission.

3 workers, the highest numbers are 6 and 7. The regularity of attendance does not occur independently of supervision, for Department I has definitely more good working teams than the other two, and this accords with the reputation in the plant of the department's foreman. But regular attendance may occur in the most unlikely places. Actually it is evidence in support of the claim that human beings like regular association with others at work; such association will happen in the natural order of events without explicit attention from management to the organization of human needs, unless some interference prevents. *In the absence of an internal plant organization deliberately designed to foster the habit of daily association, almost anything may operate as interference.* In Southern California the possible interferences are very numerous. This point should be borne in mind by every executive and supervisor. It should also be remembered that in the fall of 1943 the aircraft companies had existed at their peak size for only a short time. Particularly under such conditions it is not surprising that the "natural" group remains small in size.

b. The "family" group. The "natural" group, if not too much discouraged, may develop in size, by way of a move toward organization almost as equally automatic and unguided by supervision as the formation of a "natural" group. Work Center 3, Department I, second shift, to which we have previously referred, is an example. It consisted of 30 workers of whom 80% had a regular attendance record. Of the 30, 8 were veterans [in service with company], 5 with almost perfect attendance records, only 1 at all doubtful. Twenty-two were relative newcomers; of these 17 had almost perfect attendance records, and only 3 could be classified as irregulars.

Our term "family" is purely arbitrary as a description; it is intended to denote a situation in which a core of regulars may, if they have prestige, determine, almost by inadvertence, the group attendance. Wise parenthood, we are told, builds on the principle that "example is better than precept." This is all that the word "family" is here intended to denote; a situation in which the behavior of newer members is determined by the example set them by those who have been there longer. This situation is, of course, more common in the industrial centers of the East than in California; yet it occurred there in Work Center 3 of Department I. Its significance for management is limited to situations where a "natural" group can be held together long enough to act as a core for a larger group. Our researches have given us little insight on how long such a period must be. Our estimate is that, except under conditions of emergency or unusual stress when even larger teams may be achieved overnight, the minimal period necessary for the formation of teams the size of which we are speaking, and without explicit attention from management to the organization of human needs, may be between six months and a year of continuous working together.

c. The "organized" group. "Natural" and "family" groups achieve their integration, not by direct action of management, but spontaneously and because management establishes around the workers a "climate" of technical and operating aspects of organization such that groups can grow. The relationship of management to such growth is thus indirect; whereas in an "organized" group it is direct. This type of group we have already discussed in the de-

scription of the B work center of Department IV. It differs from both other types in that someone—leadman Z—with the respect and confidence of the workers and with the support of management as indicated by his selection as leadman, *has set himself deliberately, with intelligence and skill, to achieve a group integrity of association* and to order the relations of his own integral group with other departments in the plant. Given sufficient experience, intelligence, and skill in management, the problem of number therefore does not arise. For the first type of group, the number limit seems to be in the neighborhood of 6 or 7; we have given an instance of the second type numbering 30; but there is no reason why the third type should not extend over an entire plant and include persons of widely different backgrounds. The desiderata are the group integrity of small groups, and, beyond this, an integral relationship among all groups. But this is the proper task of administration and management.

You will note in studying the following report of Professor Whyte's research that he places great emphasis on informal interaction. But note also the care he takes in indicating the extent to which the formal division of labor provides the framework within which the informal interaction develops. The four charts accompanying the article are descriptions of the division of labor within the restaurant. By studying these charts you will see the structure within which the informal behavior described takes place.

SOCIAL STRUCTURE OF THE ORGANIZATION: THE RESTAURANT

WILLIAM FOOTE WHYTE *

While research has provided a large and rapidly growing fund of knowledge concerning the social organization of a factory, studies of other industrial and business structures are only beginning. Sociologists who are concerned with working out the comparative structures of economic organizations must therefore look beyond as well as into the factory. This paper represents one effort in that direction. It grows out of a fourteen-month study of restaurants.[1] We do not claim to have studied

* From "The Social Structure of the Restaurant," *American Journal of Sociology*, 54: 302-308 (Jan. 1949). Used by permission of The University of Chicago Press.

[1] The research was financed by the National Restaurant Association. The field work was done by Margaret Chandler, Edith Lentz, John Schaefer, and William Whyte We made interview or participant-observation studies of twelve restaurants in Chicago and did some brief interviewing outside Chicago. From one to four months was spent upon each Chicago restaurant In *Human Relations in the Restaurant Industry* (New York: McGraw-Hill Book Co., 1948), I report the study in detail. Since the book is primarily addressed to restaurant

a representative sample of restaurants. In an industry having so many types of operations and sizes of units, such a task would have taken years. We did aim to find out, at least in a general way, what sort of structure a restaurant is and what human problems are found within it.

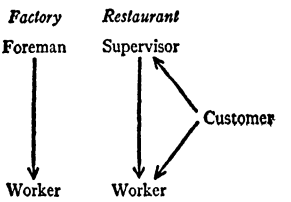
Here I shall present a schematic picture of the findings as they bear upon problems of social structure. . . .

CHARACTERISTICS OF THE RESTAURANT

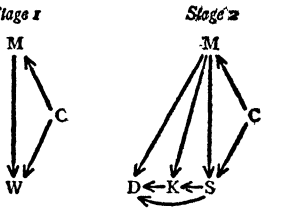
The restaurant is a combination production and service unit. It differs from the factory, which is solely a production unit, and also from the retail store, which is solely a service unit.

The restaurant operator produces a perishable product for immediate sale. Success requires a delicate adjustment of supply to demand and skilful co-ordination of production with service. The production and service tie-up not only makes for difficult human problems of co-ordinating action but adds a new dimension to the structure of the organization: the customer-employee relationship.

The contrast between factory and restaurant can be illustrated by this simple diagram, representing the direction of orders in the two structures: [2]



The problems of co-ordination and customer relations are relatively simple in the small restaurant, but they become much more difficult as the organization grows. This may be illustrated structurally in terms of five stages of growth.[3]



M—Manager
C—Customers
W—Workers
S—Service employees
K—Kitchen employees
D—Dishwashers

In the first stage, we have a small restaurant where the owner and several other employees dispense short orders over the counter. There is little division of labor. The owner and employees serve together as cooks, countermen, and dishwashers.

In the second stage, the business is still characterized by the informality and flexibility of its relationships. The boss knows most customers and all his employees on a personal basis. There is no need for formal controls and elaborate paper work. Still, the organization has grown in complexity as it has grown in size. The volume of business is such that it becomes necessary to divide the work, and we have dishwashers and kitchen employees, as well as those who wait on the customers. Now the problems of co-ordination begin to grow also,

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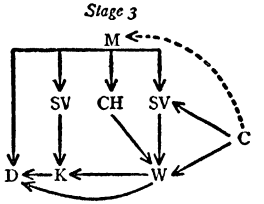
operators and supervisors, the sociological frame of reference given here does not duplicate the more detailed publication

[2] This is, of course, an oversimplified picture, for many factory workers interact also with inspectors, engineers, time-study men, etc., but the frequency of such interaction does not compare with that which we observe between customers and waiters or waitresses in a restaurant.

[3] I am indebted to Donald Wray for the particular structural approach presented here.

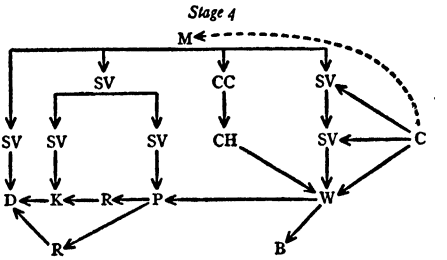
but the organization is still small enough so that the owner-manager can observe directly a large part of its activities and step in to straighten out friction or inefficiency.

As the business continues to expand, it requires a still more complex organization as well as larger quarters. No longer able to supervise all activities directly, the owner-manager hires a service supervisor, a food production supervisor, and places one of his employees in charge of the dishroom as a working supervisor. He also employs a checker to total checks for his waitresses and see that the food is served in correct portions and style.



M—Manager
SV—Supervisor
CH—Checker
C—Customer
W—Waitress
K—Kitchen worker
D—Dishwasher

In time, the owner-manager finds that he can accommodate a larger number of customers if he takes one more step in the division of labor. Up to now the cooks have been serving the food to the waitresses. When these functions are divided, both cooking and serving can proceed more efficiently. Therefore, he sets up a service pantry apart from the kitchen. The cooks now concentrate on cooking, the runners carry food from kitchen to pantry and carry orders from pantry to kitchen, and the pantry girls serve the waitresses over the counter. This adds two more groups (pantry girls and runners) to be supervised, and, to cope with this and the larger scale of operation, the owner adds another level of supervision, so that there are two supervisors between himself and the workers. Somewhere along the line of development, perhaps he begins serving drinks and adds bartenders to his organization.



M—Manager
SV—Supervisor
CH—Checker
CC—Cost control supervisor
C—Customer
W—Waitress
B—Bartender
P—Pantry worker
K—Kitchen worker
R—Runner
D—Dishwasher

Stage 5 need not be diagrammed here, for it does not necessarily involve any structural changes in the individual unit. Here several units are tied together into a chain, and one or more levels of authority are set up in a main office above the individual unit structures.[4]

This expansion process magnifies old problems and gives rise to new ones. They may be considered under three headings: administration, the customer relationship, and the flow of work. Whenever we lengthen the hierarchy, adding new levels of authority to separate top executive from workers, the problem of administration becomes more complex. However, this is true for any organization, and therefore these prob-

[4] The structural changes arising with union organization are beyond the scope of this article. They are discussed in the book, *op. cit*, in the chapter, "The Role of Union Organization."

lems of hierarchy need not be given special attention in an article on restaurants.

The particular problem of the large restaurant is to tie together its line of authority with the relations that arise along the flow of work. In the first instance, this involves the customer relationship, for here is where the flow of work begins. The handling of the customer relationship is crucial for the adjustment of the restaurant personnel, and a large part of that problem can be stated in strictly quantitative interaction terms: Who originates action for whom and how often? In a large and busy restaurant a waitress may take orders from fifty to one hundred customers a day (and perhaps several times for each meal) in addition to the orders (much less frequent) she receives from her supervisor. When we add to this the problem of adjusting to service pantry workers, bartenders, and perhaps checkers, we can readily see the possibilities of emotional tension—and, in our study, we did see a number of girls break down and cry under the strain.

Our findings suggested that emotional tension could be related directly to this quantitative interaction picture. The skilful waitress, who maintained her emotional equilibrium, did not simply respond to the initiative of customers. In various obvious and subtle ways she took the play away from customers, got them responding to her, and fitted them into the pattern of her work. She was also more aggressive than the emotionally insecure in originating action for other waitresses, service pantry people, and supervisor.

While in the rush hour the waitress works under a good deal of tension at best, the supervisor can either add to or relieve it. Here again we can speak in quantitative terms. In one restaurant we observed a change in dining-room management when a supervisor who was skilful in originating action for customers (thus taking pressure off waitresses) and who responded frequently to the initiation of waitresses was replaced by a supervisor who had less skill in controlling customers and who originated for the girls much more frequently and seldom responded to them. (Of the new supervisor, the waitresses would say, "She's always finding something to criticize"; "She's never around when we need her"; "She's always telling you; she doesn't care what you have to say"; etc.) This change was followed by evidences of increased nervous tension, especially among the less experienced waitresses, and finally by a series of waitress resignations.

Here we see that the customer-waitress, waitress-supervisor, waitress-service-pantry-worker relationships are interdependent parts of a social system. Changes in one part of the system will necessarily lead to changes in other parts. Furthermore, if the people involved in the system are to maintain their emotional balance, there must be some sort of compensatory activity to meet large interactional changes. For example, when waitresses are subject to a large increase in the originations of customers (at the peak of rush hours), the supervisor allows them to originate action for her with increasing frequency and diminishes the frequency with which she gives them orders. This is, in fact, the sort of behavior we have observed among supervisors who enjoy the closest co-operation with waitresses, as reported by the waitresses.

The customer relationship is, of course, only one point along the flow of work which brings orders from dining-room to kitchen and food from kitchen to dining-room. In a large restaurant operating on several floors, this

is a long chain which may break down at any point, thus leading to emotional explosions in all quarters. The orders may go from waitress to pantry girl and then, as the pantry girl runs low in supplies, from pantry girl to pantry supplyman, from pantry supplyman to kitchen supplyman, and from kitchen supplyman to cook. And the food comes back along the same route in the opposite direction. Where drinks are served, the bar must be tied in with this flow of work, but there the chain is short and the problem less complex.

We have here a social system whose parts are interdependent in a highly sensitive manner. Thus the emotional tension experienced by waitresses is readily transmitted, link by link, all the way to the kitchen.

I have already noted how a skilful dining-room supervisor may help to relieve the tension on the entire system at its point of origin. Here we may consider other factors which affect the relations among employees along the flow of work: status, sex relations, and layout and equipment.

I would propose the hypothesis that relations among individuals along the flow of work will run more smoothly when those of higher status are in a position to originate for those of lower status in the organization and, conversely, that frictions will be observed more often when lower-status individuals seek to originate for those of higher status. (This is, of course, by no means a complete explanation of the friction or adjustment we observe.)

While more data are needed on this point, we made certain observations which tend to bear out the hypothesis. For example, in one kitchen we observed supplymen seeking to originate action (in getting food supplies) for cooks who were older, of greater seniority, more highly skilled, and much higher paid. This relationship was one of the sore points of the organization. Still, we discovered that there had been one supplyman who got along well with the cooks. When we got his story, we found that he had related himself to the cooks quite differently from the other supplymen. He sought to avoid calling orders to the cooks and instead just asked them to call him when a certain item was ready. In this way, he allowed them to increase the frequency of their origination for him, and, according to all accounts, he got better co-operation and service from the cooks than any other supplyman.

Much the same point is involved in the relations between the sexes. In our society most men grow up to be comfortable in a relationship in which they originate for women and to be uneasy, if not more seriously disturbed, when the originations go in the other direction. It is therefore a matter of some consequence how the sexes are distributed along the flow of work. On this question we gave particular attention to the dining-room-service pantry and dining-room-bar relationships.

In the dining-room-pantry situation there are four possible types of relationship by sex: waiter-counterman, waiter-pantry girl, waitress-pantry girl, and waitress-counterman. We were not able to give much attention to the first two types, but we did make intensive studies of two restaurants illustrating the third and fourth types. Ideally, for scientific purposes, we would want to hold everything else constant except for these sex differences. We had no such laboratory, but the two restaurants were nevertheless closely comparable. They were both large, busy establishments, operating on several floors, and serving the same price range of food in the same section of the city.

Perhaps the chief differences were found in the dining-room-pantry relationship itself. In restaurant A, waitresses gave their orders orally to the pantry girls. On the main serving floor of restaurant B, waitresses wrote out slips which they placed on spindles on top of a warming compartment separating them from the countermen. The men picked off the order slips, filled them, and put the plates in the compartment where the waitresses picked them up. In most cases there was no direct face-to-face interaction between waitresses and countermen, and, indeed, the warming compartment was so high that only the taller waitresses could see over its top.

These differences were not unrelated to the problems of sex in the flow of work. One of the countermen in restaurant B told us that, in all his years' experience, he had never before worked in such a wonderful place. Most workers who express such sentiments talk about their relations with their superiors or with fellow-employees on the same job or perhaps about wages, but this man had nothing to say about any of those subjects. He would discuss only the barrier that protected him from the waitresses. He described earlier experiences in other restaurants where there had been no such barrier and let us know that to be left out in the open where all the girls could call their orders in was an ordeal to which no man should be subjected. In such places, he said, there was constant wrangling.

This seems to check with experience in the industry. While we observed frictions arising between waitresses and pantry girls, such a relationship can at least be maintained with relative stability. On the other hand, it is difficult to prevent blowups between countermen and waitresses when the girls call their orders in. Most restaurants consciously or unconsciously interpose certain barriers to cut down waitress origination of action for countermen. It may be a warming compartment as in this case, or, as we observed in another restaurant, there was a man pantry supervisor who collected the order slips from the waitresses as they came in and passed them out to the countermen. There are a variety of ways of meeting the problem, but they all seem to involve this principle of social insulation.

The rule that all orders must be written also serves to cut down on interaction between waitresses and countermen, but this in itself is not always enough to eliminate friction. Where there is no physical barrier, there can be trouble unless the men who are on the receiving end of the orders work out their own system of getting out from under. Such systems we observed at one bar and at one of the serving counters in restaurant B. The counter in this case was only waist high. While the girls wrote out their orders, they were also able to try to spur the men on orally, and there was much pulling and hauling on this point both at the bar and at the pantry counter.

The men who did not get along in this relationship played a waiting game. That is, when the girls seemed to be putting on special pressure for speed, they would very obviously slow down or else even turn away from the bar or counter and not go back to work until the offending waitresses just left their order slips and stepped away themselves. Thus they originated action for the waitresses. While this defensive maneuver provided the men with some emotional satisfaction, it slowed down the service, increased the frustrations of the waitresses, and thus built up ten-

sions, to be released in larger explosions later.

One bartender and one counterman not only enjoyed their work but were considered by waitresses to be highly efficient and pleasant to deal with. Both of them had independently worked out the same system of handling the job when the rush hour got under way. Instead of handling each order slip in turn as it was handed to them (thus responding to each individual waitress), they would collect several slips that came in at about the same time, lay them out on the counter before them, and fill the orders in whatever order seemed most efficient. For example, the bartender would go through the slips to see how many "Martinis," "Old Fashions," and so on were required. Then he would make up all the "Martinis" at once before he went on to the next drink.

When the work was done this way, the girl first in was not necessarily first out with her tray, but the system was so efficient that it speeded up the work on the average, and the girls were content to profit this way in the long run. The men described the system to us simply in terms of efficiency; but note that, in organizing their jobs, they had changed quantitatively the relations they had with the waitresses. Instead of responding to each waitress, they were originating action for the girls (filling their orders as the men saw fit and sending them out when the men were ready).

Along with our consideration of layout and equipment in the flow of work, we should give attention to the communication system. Where the restaurant operates on one floor, the relations at each step in the flow can be worked out on a face-to-face basis. There may be friction, but there is also the possibility of working out many problems on a friendly, informal basis.

When a restaurant operates on two or more floors, as many large ones do, face-to-face interaction must be supplemented by mechanical means of communication. We saw three such mechanical means substituted for direct interaction, and each one had its difficulties.

People can try to co-ordinate their activities through the house telephone. Without facial expressions and gestures, there is a real loss of understanding, for we do not generally respond solely to people's voices. Still, this might serve reasonably well, if the connection between kitchen and pantry could be kept constantly open. At least in the one restaurant where we gave this subject special attention, that solution was out of the question, as one call from kitchen to pantry tied up the whole house phone system and nobody could call the manager, the cashier, or anybody else on this system as long as another call was being made. Consequently, the telephone could be used only to supplement other mechanical aids (in this case, the teleautograph).

The public address system has the advantage over the telephone that it can be used all the time, but it has the great disadvantage of being a very noisy instrument. Busy kitchens and service pantries are noisy places at best, so that the addition of a public address system might be most unwelcome. We do not yet know enough of the effect of noise upon the human nervous system to evaluate the instrument from this point of view, but we should recognize the obvious fact that surrounding noise affects the ability of people to communicate with each other and becomes therefore a problem in human relations.

The teleautograph makes no noise and can be used at all times, yet it has its own disadvantages. Here we have an

instrument in the service pantry and one in the kitchen. As the pantry supplyman writes his order, it appears simultaneously on the kitchen teleautograph. The kitchen's replies are transmitted upstairs in the same way. The machine records faithfully, but it does not solve the problem of meaning in interaction. We may pass over the problem of illegibility of handwriting, although we have seen that cause serious difficulties. The more interesting problem is this: How urgent is an order?

When the rush hour comes along, with customers pushing waitresses, waitresses pushing pantry girls, and pantry girls pushing supplymen, the supplyman is on the end of the line so far as face-to-face interaction is concerned, and he is likely to get nervous and excited. He may then put in a larger order than he will actually use or write "Rush" above many of his orders. If he overorders, the leftovers come back to the kitchen at the end of the meal, and the kitchen supplymen and cooks learn thus that the pantry supplyman did not really know how much he needed. They take this into account in interpreting his future orders. And, when everything is marked "Rush," the kitchen supplymen cannot tell the difference between the urgent and not so urgent ones. Thus the word becomes meaningless, and communication deteriorates. Stuck in this impasse, the pantry supplyman may abandon his machine and dash down to the kitchen to try to snatch the order himself. The kitchen people will block this move whenever they can, so, more often, the pantry supplyman appeals to his supervisor. In the heat of the rush hour, we have seen pantry supervisors running up and down stairs, trying to get orders, trying to find out what is holding up things in the kitchen. Since they have supervisor status, the kitchen workers do not resist them openly, but the invasion of an upstairs supervisor tends to disrupt relations in the kitchen. It adds to the pressures there, for it comes as an emergency that lets everybody know that the organization is not functioning smoothly.

It is not the function of this article to work out possible solutions to this problem of communication. I am concerned here with pointing out a significant new area for sociological investigation: the effects on human relations of various mechanical systems of communication. It is difficult enough to coordinate an organization in which the key people in the supervisory hierarchy are in direct face-to-face relations. It is a much more difficult problem (and one as yet little understood) when the coordination must be achieved in large measure through mechanical communication systems.

We are normally inclined to think that union-management relations are characterized by the formal interaction of diplomatic conventions. This excellent study by Dalton makes clear to us that informal interaction takes place even in conflict situations. You will note that there is an apparent effort on the part of both management and union plant officials to act contrary to the formal expectations of their respective "home offices." Is this subversive? Or can we view it as the attempts of operating people to make the best of a difficult situation?

Note one of the important things accomplished by the informal and in some respects "illegal" interaction between

company and union officials. At the operating level they work out an effective *modus operandi* that permits them to get their labor relations as well as their other tasks done. By keeping the operating behavior at the informal level, top policy-makers in both union and company are left with a much narrower area of problems to deal with. Furthermore, these top policy-makers are able to continue operating towards each other as though relations are much more strained than they actually are at the operating level. Thus we have the apparent paradox of formal hostility and informal fraternization, operating simultaneously in the organization.

I submit that this paradox is real only to those who insist that an organization is what the organization charts and the job descriptions say it is. Informal relations in the organization serve to preserve the organization from the self-destruction that would result from literal obedience to the formal policies, rules, regulations, and procedures.

UNOFFICIAL UNION-MANAGEMENT RELATIONS

MELVILLE DALTON *

The purpose of this paper is to discuss some phases of informal behavior occurring between union and management at the plant level in some of the larger industrial organizations working under national labor agreements. At this level, contrary to expectations of top union and management, there are frequent departures from provisions of the negotiated contract.[1] It is this area of activity that will be examined: the unofficial and often formally unacceptable behavior, evading and manipulating the formal labor agreement, but nevertheless constituting a great part of the actual functioning relations between management and union at the plant level.

Data for this report are drawn from participant experiences in three factories.[2]

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* From "Unofficial Union-Management Relations," *American Sociological Review*, 15. 611-619 (Oct 1950). Copyright by the American Sociological Society Used by permission

[1] Though there is practically nothing in the sociological literature treating the difficulties that top union and management have in enforcing strict conformity down the line to provisions of the contract, there has been considerable published research and theory pointing to the gap between "management logics" and actual behavior among industrial personnel (chiefly production workers) and stressing management's need to recognize the necessity of personal group relations Among others, see F. J. Roethlisberger and W. J. Dickson, *Management and the Worker* (Cambridge: Harvard University Press, 1939); W. F. Whyte, ed, *Industry and Society* (New York McGraw-Hill Book Co, 1946), W. Lloyd Warner and J O Low, *The Social System of the Modern Factory* (New Haven· Yale University Press, 1947); B M. Selekman, *Labor Relations and Human Relations* (New York McGraw-Hill Book Co, 1947); B B Gardner, *Human Relations in Industry* (Chicago: R D. Irwin, Inc, 1945)

[2] The writer spent several years in various departments of these factories, both as a worker and a member of management. Some aspects of experiences at the work level were reported earlier as "Wage Incentive and Social Behavior" (Unpublished M A. thesis, Dept of Sociology, University of Chicago, 1946); "Worker Response and Social Background,"

Methodologically, there are obvious limitations to the activities of the industrial participant observer. Regardless of the number and variety of positions such an observer may hold, or the number of years he may spend in industry, or the aid given him by participating intimates, he cannot hope to cover all behavior important for his purposes in large organizations. He is further handicapped when, as in the present case, the behavior in which he is interested is carefully guarded. Hence the discussion here does not presume to cover all the informal behavior that occurred in these plants [3] in the category of union-management relations.

But despite such limitations, there were discernible axes along which behavior moved. From a study of these, informal union-management relations appeared in the main to stem from (1) a tacit agreement by members of both union and management to work outside the contract when "necessary," (2) lack of union-consciousness among workers, (3) managerial incohesiveness, and from (4) the effects of economic and production pressures. These four conditions will be used as analytical categories.

TACIT EVASION OF THE CONTRACT

The plants to be discussed were all under contract with national unions, but both labor and management in the local plants winked at the agreement. This attitude was not the result of intentional neglect by top officials, for the national unions and corporation headquarters periodically sent questionnaires to both groups requesting statements of their problems. These requests were treated lightly. There was much cynicism about the ability of top officials to care for local problems. Local groups believed the contracts were too general and inflexible to cover the problems of many widely-scattered plants functioning under different conditions.[4]

Journal of Political Economy, LV (August, 1947) 323-332; "The Industrial 'Rate-Buster' A Characterization," *Applied Anthropology*, VII (Winter, 1948), 5-18, an intensive study of the personality characteristics of workers likely to respond most strongly to the appeal of money incentive

Research among managers was reported as "Conflicts Between Staff and Line Managerial Officers," *American Sociological Review*, XV (June, 1950), 342-351.

A report of several areas of managerial behavior in one plant only was given in "A Study of Informal Organization Among the Managers of an Industrial Plant," (Unpublished Ph D thesis, Dept of Sociology, University of Chicago, 1949)

[3] Names and locations are confidential, but these are the same plants—ranging in size from 4,500 to 20,000 employees—that were discussed in the earlier paper on staff-line conflict. As noted in that paper, there were at least three additional areas of conflict (1) the union-management relations of the present paper; (2) inter-departmental power struggles to keep operational costs down and win favor with top management; and (3) the disturbing influence of numerous managerial officers seeking to increase their status in the hierarchy. These areas were interrelated and often reciprocally compromising Because of this a separate discussion of union-management relations will be admittedly somewhat unrealistic. Areas number two and three are probably also characteristic of many other organizations, industrial and otherwise.

[4] It is likely that some element of rationalization existed in these beliefs, for, as will be shown, behavior in the plants was so expedient and variable that probably the most detailed local contract would have been evaded to some degree Slichter stresses the remoteness of professional officers of the national union from the rank and file (Sumner H. Slichter, *The Challenge of Industrial Relations*, Cornell University Press, 1947, p 15). This may have been a factor in the complaints and behavior of workmen in the two larger plants discussed here In a sense they were rebelling against the restrictive effects of this distance on their control of policy. Simultaneously the white collar workers were competing with the

In one of the plants a departmental superintendent declared:

> [The plant manager and his assistant] have both said they don't give a damn what kind of arrangements are made with the union as long as things run smoothly and it's kept out of writing.

Grievance committeemen made similar statements. Two of those whom I knew intimately were quite specific. One stated:

> The top people [policy makers] lay down too many hard and fast rules to follow. But we get around the contract by doing a lot of things that we can work out and keep off the record.

The other said:

> Top union and management are always bothering the local plant We can work out our own arrangements if they'll leave us alone. [The plant superintendent and assistant] told us they don't care what arrangements we make but if we get in trouble the contract will have to be followed to the letter right down the line.

This was the only case in which a union officer admitted direct informal communication from management approving evasion of the contract, but actual behavior was similar in all the plants, and had a character that could hardly have existed if local managerial and union officers had been opposed to evasion.

LACK OF UNION-CONSCIOUSNESS

Ninety per cent or more of the production workers of the three plants were union members. They responded to strikes called by the national union. They showed considerable solidarity in holding production to agreed levels. However, there was a general lack of union-consciousness among them.

On matters that could be handled secretly, even enthusiastic supporters of the union engaged in private dealing that was advantageous to them in terms of income, a better work position, desirable days off during the work week, preferred weeks of the year for vacation, and so on. This covert bargaining usually involved a grievance committeeman and a departmental superintendent. These officers would trade favors that often led to the development of an exchange structure. For example, there were cases (occurring too often to be exceptional) of workmen being reclassified from lower to higher pay categories without actually proving the skill formally required by tests.[5] For such considerations the grievance committeemen would accept "frozen schedules" (easy to prepare but less flexible than workmen liked), refrain from forcing "tough" or "rotten" grievances on the superintendent, and so on.

The behavior of successful (see below) grievance committeemen was revealing with respect to informal union-management relations. They were skilled in manipulating both workers and man-

production workers for favors from the national union and felt that their numerical inferiority was a handicap "because we can't make as much noise as they can."

[5] *E g*, a machinist wished to move from "B" to "A" rating By agreement between his grievance committeeman and departmental superintendent, he won his reclassification by giving only the appearance of passing the test Formally the test required setting up and operating the machine for one hour unaided In this case the candidate found the job already setup. The cutting heads were adjusted, the tool bits were properly ground and inserted to the correct depth and at the proper angle The feeds, and timing were adjusted so that the machine could have run unattended beyond the required hour. The candidate had but to press the starting button, stand by the machine for one hour, and press the stopping button.

agers. Some of them confidentially stated that a measure of political artifice was necessary for success in that office.[6]

Quite often expediency drew grievance officer and superintendent together in alliance against similar cliques. Though leaks of these practices sometimes occurred, the uncertainty among all participants as to what behavior future situations might require of them served to check formal protests. Two brief cases will indicate the strength to which some union-management cliques could grow.

In the largest of the three plants, the superintendent of a division of 3,500 workers was demoted to a foremanship which he had earlier held. The committeeman with whom he had dealt as superintendent volunteered to call a "wildcat" strike (which the foreman opposed) for the purpose of returning him to his former position.

In the plant [7] of 4,500 employees such a strike *was* initiated by a grievance committeeman and nearly a hundred workers because their foreman failed to get the vacated office of assistant superintendent. Though the strike lasted but four days and failed of its purpose, its significance is apparent.

Relationships of the successful grievance committeeman with his constituents are instructive. Grievance officers who succeeded in being re-elected were those showing political astuteness rather than fiery opposition to management. For instance, in each shop there were informal leaders whom the area grievance man employed as political whips. They defended his behavior to workmen and campaigned for his re-election. In return he rewarded them with favors growing out of his unofficial dealings with management, as in the case of reclassification noted above which was given to an informal leader. As a rule, the belligerent committeeman served only one term. Instead of such an officer, the rank and file preferred a griever who could win them individual and group gains—even though he might "play ball" with management to some extent. Admittedly the

[6] Explaining his third re-election, one officer said. "Industrial relations is all based on good relations You've got to be friends to some extent You can't have industrial relations without giving and taking on both sides You'll always win more cases by getting along with supervision than by being tough You've got to swap for swap and make trades. . A griever [committeeman] has the problem of holding the union together and keeping peace in it while he tries to please both the union and management. Some of the big shots don't like me—they want to win all the time But I figure that some of the best friends I have are big shots here in the plant. Sometimes I have to talk like hell to explain some of the deals I make with them—and sometimes I keep what I'm doing to myself if I see a chance to get something good later on. The thing some grievers never get through their heads is that a lot of the bosses are on the spot theirselves If you go a little easy on them when they're on the pan, by G— you make friends—they'll stand by you sometime when you're back of the eight ball Sometimes when I have a rotten grievance, I'll take the case up to the soop [supt.] and let him know I won't push it hard."

[7] In this same plant informal bargaining involved the president of the union local. Management wished to drop a wage incentive system that had got out of hand, and was prepared in the future to pay workmen "average earnings," *i e*, the average of bonus pay (above guaranteed hourly pay) that had been earned over a specific period The president of the local, whose average earnings were 95 cents an hour, opposed management Shortly thereafter the records of his past performance were "lost," and his average earnings were found to have been "in error" After re-calculation his average earnings were 34 5 cents an hour He agreed to withdrawal of the incentive plan. At the same time he did not oppose reduction from 2 5 cents to 1 5 cents in the average earnings of several aging, unaggressive workmen.

behavior of committeemen and their informal leaders was somewhat oligarchical, but the fact that such officers were re-elected indicated that a majority of the workmen, consciously or not, accepted this as the best practical working arrangement.

Available data suggest that the successful griever quickly learned to settle grievances informally and to use formal procedure only as a last resort. Data on nine of the seventeen (of a total of 46) committeemen who had served more than one term showed that each officer's annual total of formally processed grievances (those in the first three steps [8]) declined with each succeeding year in office. The total in each of these steps also declined annually.[9] Decline in number of grievances among these committeemen did not necessarily mean a decrease in union-management tensions, but rather that friction was more and more being resolved informally.

At least up through the divisional level,[10] grievance officers found managers who, because of the contradictory situations in which they were caught, were quite willing to settle their differences informally, as will now be shown.

MANAGERIAL INCOHESIVENESS

Industrial organizations are usually regarded as bureaucracies in the technical sense of having hierarchies of officials, with specific authority and status, functioning inside a set of guiding rules.[11] Contrary to the assumption that such structures are integrated and function impersonally, the plants discussed here [12] showed much rule-evasion, disorganization, and conflict.

First-line foremen, for instance, often considered themselves as abandoned by higher management to the union.[13] Many of their earlier functions, such as hiring, firing, and influencing the pay of workmen, had been assumed by various staff organizations. Entertaining ambivalent sentiments toward higher management, first-line foremen defended themselves and salvaged what they could from the situation. Having been reversed many times by their superiors because of decisions they had made that led to the filing of grievances, these foremen in most cases refused to process grievances and instead passed them on to the general foremen, thus working contrary to expectations of the man-

[8] Steps in the formal grievance procedure were as follows: First step, the foreman, second step, the departmental superintendent; third step, the plant manager or assistants; fourth step, between representatives of the national union and management; fifth step, arbitration

[9] *E g.*, the total first step grievances during their first year in office for each of the nine committeemen ranged from 149 to 194; total second step grievances ranged from 65 to 91, while those settled in the third step varied from 15 to 31. By the fourth year, formal grievances in the same steps for the same men varied respectively from 30 to 98, 10 to 44, and 2 to 9.

[10] Strata of the managerial hierarchy from the worker level up were, in order, first-line foremen, general foremen, departmental superintendents, divisional superintendents, and plant manager. In the two larger plants there were usually additional strata consisting of "assistants" at most of the levels indicated.

[11] See Max Weber, *The Theory of Social and Economic Organization,* trans Talcott Parsons and A M. Henderson (New York. Oxford University Press, 1947), 329-340; *From Max Weber: Essays in Sociology,* trans H. H Gerth and C. Wright Mills (New York: Oxford University Press, 1946), 196-244.

[12] For one aspect of these tensions see "Conflicts Between Staff and Line Managerial Officers," *op. cit.*

[13] Depression of the first-line foreman seems to be nearly universal. See B M. Selekman, *op. cit.*, 53-54; Donald E. Wray, "Marginal Men of Industry. The Foremen," *American Journal of Sociology,* LIV (January, 1949), 298-301.

agerial organization. On the other hand, first-line foremen sought to control, or at least bargain with, the union in officially unacceptable ways.

One control device was to delay giving reclassification tests to workmen after the latter had received official approval to take the tests. During the interim the foreman derived satisfaction from indicating to the candidate that he had better be a "good guy" or expect to receive a "tough" test.[14]

An extreme case will make clear the process of informal bargaining at the work level. A first-line foreman had an arrangement with the grievance committeeman of the division which allowed the foreman to give his brother,[15] a workman, higher-paying jobs than other members of that work group (numbering 18) received. In return the foreman was to approve by signature the use of certain bonus-increasing factors (when questioned by management's incentive-appliers as to whether use of the factors was warranted by "good shop practice") applicable to the operations of another group of 95 workers also under his authority. The larger group was content with the arrangement, but the other 18 men were not. They made threats, but filed no grievances, for occasionally they did receive "good" jobs. Formal action would have precluded their ever getting such jobs or winning a "legitimate" grievance.

Informal bargaining of this kind occurred also among departmental and divisional heads. The case above of worker reclassification without meeting formal requirements was fairly common and, as earlier mentioned, was usually effected with the aid of the departmental chief.[16] In another case, however, a departmental superintendent refused to cooperate. He gave the tests strictly according to rules to three candidates sponsored by the committeeman. All three failed. The griever then carried the case to the divisional head and claimed that the tests had been "too tough." The division chief himself had two employees, whom he considered to have uncommon ability, that he wished to promote, but they lacked seniority and he knew the union would block their promotion. So he now brought the case of his two protégés to the attention of the committeeman. The latter agreed to their promotion if his three men were given tests they could pass and if he were allowed to witness the testing of the superintendent's two candidates.

In another case bargaining between a division head and a grievance man evolved a method for inducing the less enthusiastic members of the union—under certain conditions—to sign the

[14] Standardization of tests, in terms of skill or knowledge required, was usually next to impossible.

[15] Plant rules forbade individuals related by blood or marriage to a member of management to work directly or indirectly under his supervision.

[16] It was not always possible to conceal these relations, as shown by the sequel to one case. When two workmen learned of a manipulated reclassification, they asked their committeeman for a similar favor. The superintendent (who had aided others in this way before) feared that he was going too far and refused to cooperate. In seeking a way out of his dilemma, the griever and his informal shop leaders utilized the safety rules to win the superintendent's cooperation. They contended that a safety hazard existed when a candidate was placed before a strange machine to prove his skill without benefit of communication with others, and that certain other workmen should be allowed to caution him if and when they saw him about to endanger himself or others. The superintendent agreed, thus allowing, as he knew, manipulation of the safety rule so that a candidate, who might not be ready for the test, could receive helpful hints from his friends.

check-off ticket.[17] In those parts of two of the plants where workmen were reclassified on the basis of proven skill, they petitioned for a test. When the division chief received this request he indicated his approval by signing it and passing it back to the petitioner's foreman. However, in the present case the griever succeeded in having the division chief return such petitions to him rather than the foreman. If the candidate had not signed the check-off, the griever then told him that he could not take the test until he did sign. Once he signed, the grievance man notified the division head that the petition was ready for final approval.[18]

In another case a departmental superintendent made an informal pact with his committeeman which allowed the bonus hours for certain jobs to be increased. However, the bonus system had been developed by the industrial engineering staff which restudied the jobs and cut the time to its original figure. The aggressive committeeman then coerced the superintendent (who was too deeply involved in unacceptable activities to risk exposure) into bargaining with the staff organization for a compromise. This was a case of one managerial group bargaining with another in the same plant for the benefit of the union.

Unofficial behavior of management toward the union as an organization also showed a marked absence of the usually presumed antipathy. For example, many of the managers (1) revealed sentiments of indebtedness toward the union for salary increases, (2) insisted that workmen sign the check-off, and (3) bought raffle tickets from the union knowing that the proceeds would be used to strengthen the union as an organization.

Concerning point one, all members of management in all three plants received unannounced salary increases soon after every general wage increase won by production workers. At least in some cases the percentage of increase was greater than that received by workmen. Numerous managerial officers, from first-line foreman through department heads, confidentially declared that they "might never" get a salary increase "if it wasn't for the union." One high officer regarded by some workmen as "reactionary," said:

> After all these years of just existing, now for the first time my wife and me are able to get our noses up for a breath of air. And by G— we owe it all to the union! If the union hadn't come in we'd stayed in the same damn old rut. In the last few years I've put four kids through high school and three of them through college. They're all on their own now, but they'd never have had a chance if my income hadn't shot up. I still believe in the law of supply and demand, but by G— I know which side my bread's buttered on, too.

A case was cited above of a divisional superintendent cooperating covertly with a union officer to force workmen to sign the check-off. But in a number of other cases in that plant and others, general foremen and department heads personally urged reluctant workers to authorize the check-off, and (according to workmen) in some cases threatened them with discharge. Workmen were told that they should sign for their "own good," and because failure to sign "makes the other men sore and causes trouble."

[17] As the reader will recall, the Labor Management Relations Act of 1947 forbids the employer to check off union dues unless the employee authorizes it in writing

[18] Top union officials not only were ignorant of this arrangement (according to the committeeman), but had issued specific orders, when the Labor Management Relations Act became law, that unwilling workers were not to be coerced into signing the check-off.

In a similar vein was management's purchase of raffle tickets from the union. Television sets, automobiles, and other articles were raffled off by the union. Especially from 1946 on, presidents of the locals, grievance men, and shop stewards went about the plants freely selling chances to everyone, with the managers buying more per person than the workers. Management was aware that the proceeds were being used for political action, because a receipt of membership in the union's political organization was offered with each minimum purchase of three chances.[19]

Possibly the most objective indication of management's lack of antipathy toward the union as such was the fact that individuals were often members of both management and the workers' union. Data are incomplete, but in over thirty cases in these plants first-line foremen were also dues-paying members of the union and many of them were known to be members at the time they were selected as foremen.[20] And in one of the plants the president of the local was called on each summer to substitute for vacationing foremen.

These cases indicate that management, like the union, was guided in its behavior less by sentiments of group loyalty than by the demands of expediency and friendship, and the fear of exposure for rule-evasion.

ECONOMIC AND PRODUCTION PRESSURES

Pressures by top management for greater production caught the first-line foreman between the union and his superiors. (Some of his escapes were noted earlier.) Since the union prevented application of any large-scale productive coercion, the foreman discreetly sought to reward those workers who "put out" with such favors as giving them (1) the higher-paying jobs,[21] (2) more desirable jobs in terms of the ease with which they could be done, and/or their freedom from dirt, heat, hazard, unpleasant odors and drafts, and (3) available overtime in his own and other departments in which he knew such time was to be had. The characteristic willingness of workmen

[19] Remarks after these purchases gave an insight into managerial fantasies Though all the managers smilingly declined receipts of membership, some of them later expressed a fear concerning "what might happen" to them if the signatures they had given for the tickets should "turn up in some . . spy-investigating committee"

[20] These cases of workmen entering management suggest that American workers have not yet resigned themselves to remaining in that category.

Though policy was contradictory on the point of whether individuals could be members of both the workers' union and management, when such aspirants did become managers and were able covertly to strengthen the unofficial exchange structure, union officers usually gave informal approval. *E.g*, one such officer stated "We don't try to keep our men from entering supervision. We've got a number of men in supervision who are in the union . . . We're glad to see them get up. It helps us as long as they remember who helps them out and keeps things running smooth for them We help them by seeing that their seniority runs unbroken If they go on salary and become officially part of management, they can still pay their dues and keep their seniority . . In case they get bumped, we'll stand back of them. When cases like this come up, we argue that we only *lent* the men to the company and that they never ceased being part of the union. So far we've got away with it It's a good policy for us to follow You know, the company *could* dislike a man and put him on salary so they could can [discharge] him. But they can't do that the way we work it."

[21] See the paper, "The Industrial 'Rate-Buster': A Characterization," *op. cit.*, p 16, for specific data on the shifting of a job to reward high producers though the change increased the cost of the job more than five times.

to accept confidential favors made such exchanges relatively easy, and sometimes grievance committeemen collaborated by (1) denying to suspicious workmen that such conditions were deliberate, and (2) refusing to process grievances filed on such issues.

Cost to the union of carrying grievances to the fourth step was a compulsion toward settlement at some lower step. The fourth step in disputes was argued in the "area office" of the plants. This office was sufficiently distant that the unions regarded the cost of travel and maintenance of personnel as a strain on their resources. Depending on the number of men involved and the number of conferences required, each grievance taken to the fourth step cost the union from two hundred to four hundred dollars. Hence it carried to the fourth step only those grievances it felt sure of winning. These economic limitations reduced the union's aggressiveness at the third step for fear that management might throw the grievance into the fourth step. (Union officials confidentially admitted that bluffing was a major element in their tactics at the third step.) This constraint to settle grievances preferably below the third step and certainly below the fourth, thus intensified informal bargaining.

According to some of the divisional superintendents, management, too, had its fear of the fourth step because the central offices "preferred" that grievances be settled in the local plant. And in the local plant, from the divisional level down, managerial officers feared [22] the wrath of top local management which, as mentioned earlier, had indicated its approval of any informal arrangements that could be contained, and had implied its dislike of being drawn into grievances by vague threats of strict interpretation of the contract if such involvement occurred. The fear which middle and lower level officers had of top officers has already been indicated by their use of nonpecuniary bribes, favors, and exchange devices in connection with union-management relations.

[22] Career ambitions were of course important in this fear, but that problem will be discussed in a separate paper.

SUMMARY AND IMPLICATIONS

Study of three factories showed that despite the existence of labor agreements to guide union-management relations, the formal contracts were often evaded. These unofficial relations were analyzed as due largely to (1) the belief by union and management that the agreements were, paradoxically, both too general and inflexible; (2) the lack of group consciousness among both workers and managers and a willingness among members of each group to bargain privately with members of the other; (3) the intricate conflict system in which other processes, such as staff-line friction and inter-departmental struggles occurred and colored union-management relations, and in which dynamic situations called for quick, compromise decisions that fully satisfied no one and were, hence, subject to ceaseless pressures by individuals and groups for further changes to bring conditions more in line with demands; (4) the wish among managerial and union officers to realize personal goals, deal with enemies, reward friends, protect themselves, increase their status, and the readiness to use expedients for these ends; (5) the economic restrictions on the union and production pressures on management, with the expectation by top officials that differences between the two be settled below a certain level of argumentation.

The conditions in these plants prob-

ably have importance for union-management relations in most large corporations. Instead of the clear-cut behavioral distinctions in which this phase of industrial life is usually presumed to operate, relations become a shifting intermixed matter of conflict, cooperation, and accommodation carried on largely through the media of personal relations between members of management and of the union. In the area of these immediate relations there is little of the strict adherence and loyalty of members to the presumed interests respectively of management and the union.

Implications for communication and control of members in giant organizations are important. American managerial theory,[23] in terms of an efficient and impersonally functioning hierarchy, is in most cases similar to that presented by Max Weber as the ideal-type bureaucracy, but the actual relations in industry are seldom covered by such theory.[24] Our changing society, our lack of an administrative tradition, and our emphasis on individual success combine to prevent impersonal relations in this area. Exhortations for union-management cooperation sometimes appear only to aggravate disapproved informal relations. Often union and managerial officers are forced to make decisions when they are not prepared to act and when alternative courses of action cannot be brought into the open because of prior informal commitments and possible damage to their own status and/or the status of individuals who have claims on them and on whom they in turn are dependent for favors. In such cases formal rules and communication channels are likely to be side-stepped.

There was little indication that the workers in these plants were inclined to regard themselves as members of the "lower class," or as permanent members of labor unions. The latter condition would seem to be essential for continued strong union-consciousness. The relative absence of such feeling may be in part related to (1) forgetfulness with increasing distance from the critical union-fomenting period of the early thirties, (2) over a decade of high employment and income, and (3) the growing number of workers who never experienced responsibilities during the recent depression.

Some social scientists contend that friction between union and management would disappear if industrial "bureaucracy" could be eliminated and if "inflexible executives" could be "educated to their responsibilities." If bureaucracy as here used refers to impersonal relations and blind adherence to rules as a cause of industrial friction, it is clear that such thinking does not explain what occurred in the plants reported here, where relations were informal and personal, yet not without conflict. Furthermore, in most corporations executives themselves are employees (rather than owners) subject to orders and with little power to initiate formal changes. In such cases it may be extreme to put the onus of blame on management when many of its members, like the worker, are caught in a scheme that limits mobility, causes anxiety and frustration, and stimulates evasion.

There is no wish here to present informal union-management relations as a

[23] See R. C. Davis, *Industrial Organization and Management* (New York: Harper, 1940), and A. G. Anderson, *Industrial Engineering and Factory Management* (New York: The Ronald Press, 1928).

[24] Those who wish to hear a successful, practicing industrialist on this point may read H. Frederick Willkie, *A Rebel Yells* (New York: D. Van Nostrand Company, 1946), especially pp. 186-192.

type of behavior unique in our society. We all know the dynamic and experimental nature of our institutional life, especially in the areas of political and sexual behavior. There is probably much similar conduct in our theoretically rigid and impersonal bureaucracies. Ralph Turner has indicated the need of personal rule-evasive behavior to survive in at least one area of a military bureaucracy [25] (which, unlike industrial bureaucracies, has the power of life and death to enforce its rules).

The extreme positions, that destructive union-management conflict is unavoidable or that perfect cooperation is possible, may need modification. In practice, the sharing of a common human nature stimulates members of both union and management to work under an appearance of conformity and cooperation while manipulating top-level contractual expectations to ease multiple pressures and win personal aims.

This condition [26] is likely to continue as long as (1) workers (a) hope to rise socio-economically, (b) crave personal distinctions, (c) elect ambitious union officers on the strength of their political skills, and (d) aspire to enter the ranks of management; and as long as (2) union and managerial officers find that evasion is of more aid than adherence to rules in protecting themselves against the resentments, aggressions, and expectations of others as all persons involved behave expediently in a social order holding personal success as a major value.

[25] Ralph H. Turner, "The Navy Disbursing Officer as a Bureaucrat," *American Sociological Review,* XI (October, 1946), 501-505.

[26] It is possible that behavior in these plants was exceptional, but according to a lawyer who has been intimate for several years with union-management relations at the plant level in Northeastern United States, the conditions depicted in this paper are common. However, this informant insisted during a conversation on the subject that I have "misinterpreted the meaning" of informal relations. He declared with feeling that behavior of the kind described here is not evasion of the contract but "democracy at work," and that a "semantic approach" would clarify the seeming difficulty.

SIX

Organization Office

INTRODUCTION

With this chapter we begin the systematic analysis of formal organization proper. The first three chapters deal with the total organization viewed as a social system. In Chapters 4 and 5, we focused our attention on informal organization. We developed our ideas about the relationships between informal organization (including informal groups and informal interaction) and the total organization. In turning our attention to systematic analysis of formal organization, we are not assuming that in a real situation the formal and informal aspects of an organization can be treated as though they are unrelated. We make this distinction for analytical purposes only. In Chapter 21, you will find the two main streams of our analysis pulled back together in studying the Navy as an organization.

This chapter on organization office is intimately related to the three succeeding ones. Chapter 7 deals with the office of the executive. Chapter 8 examines the office of expert, or specialist, or staff specialist. In Chapter 9, the office of foreman is examined analytically. We want to start by treating the concept of office by itself. We will then examine these three important and critical offices found in typical business firms, and paralleled in most organizations.

What do we mean by organization office? Hughes, in the first selection, defines it: "An office is a standardized group of duties and privileges devolving upon a person in certain defined situations."

We want to take one additional step in making this definition more specific: *An office is a standardized group of duties and privileges that are part of a job and its performance in an organization.*

A person fills an office. The office is prior in time to the individual in the usual organization situation. It is in terms of this time priority that we can see the manner in which the organization molds the individual. When we take a job in an organization, the job is more than merely the physical or mental tasks that we perform. Each job includes a set of duties and privileges that set that job, or class of jobs, off from the rest in the organization. If we fulfill our job adequately, we are accepting and carrying out the duties surrounding it. At the same time we accept and use the privileges accorded to us because of the job we do. Thus, when we have a clearly defined set of physical and mental tasks,

accompanied by duties and privileges that are not an immediate part of task performance, we have an office. We can, for example, consider the executive rank as constituting a modern organization office. In fact, we call executives *officials*—holders of offices.

Hughes traces the development of organization offices from more elementary forms of collective behavior. He points out that status distinctions arise out of early forms of collective action. The marks of status—deference or acts of superiority—serve to differentiate between classes of people. When an individual distinguishes himself in some special direction, he is acting in a role that is unique to him. The status that attaches to him as a member of a class of men in part determines his role behavior, and in part determines the reception of it by those around him. Should his role behavior be highly valued, others will attempt to succeed him in that role with his passing. This is the point at which the role created by the individual becomes institutionalized into an office.

Hughes carries on the discussion by pointing out the relationship between office and ritual. Ritual solidifies an office. It makes its performance and the rights and duties surrounding it fixed and unchanging. This, among other things, makes it possible to transfer the office to a successor with a minimum of disturbance in the organization. When sufficient stability surrounds an office, we react more and more to the office, and less to the individual occupying it. The King of England occupies an almost completely ritualistic office. His subjects react to the king very little in terms of his personal qualities, and almost completely in terms of the office of king. In Hughes' words, "The incumbents are but symbols rather than responsible agents."

We should not overlook the importance of the stability that offices of an organization give to it. An army could not operate without rigidly defined offices. If a commander is killed in battle, he can be replaced immediately, and with a high probability that his successor will be successful in taking over the reins at once. In politics, "sweeping the rascals out" does not create anarchy before the new politicians can take over their jobs. Government efficiency is little disturbed by turnover in personnel. It is also true in business organizations that turnover in top offices need not be disturbing to the organization. Thus, *part* of the cement holding an organization together is the development of fixed offices in a standard relationship to one another.

The final point made by Hughes is that the less ritualistic an office, the greater is the possibility that the individual can change it or even create a new one. In the relationship between personal role and official role, the more "rational" the office, the greater the personal freedom in fulfilling it. We can see, then, that while the offices of an organization are part of the cement that holds it together, the evolution and change in the offices is evidence that the organization is responding to its environment. Organizations are both stable and dynamic.

INSTITUTIONAL OFFICE AND THE PERSON

EVERETT C. HUGHES *

The conscious fulfilling of formally defined offices distinguishes social institutions from more elementary collective phenomena. This paper will discuss the nature of institutional offices and their relations to the peculiar roles . . . of persons.[1]

OFFICE AND ROLE

Sumner insisted that mores differentiate, as well as standardize, behavior, for status lies in them.[2] Status assigns individuals to various accepted social categories; each category has its own rights and duties. No individual becomes a moral person until he has a sense of his own station and the ways proper to it. Status, in its active and conscious aspect, is an elementary form of office. An office is a standardized group of duties and privileges devolving upon a person in certain defined situations.

In current writing on the development of personality, a great deal is made of social role. What is generally meant is that the individual gets some consistent conception of himself in relation to other people. This conception, although identified with one's self as a unique being, is a social product; Cooley would have said, a product of primary group life. But role, however individual and unique, does not remain free of status. Indeed, Linton says "a role is the dynamic aspect of a status." [3] Role *is* dynamic, but it is also something more than status. Status refers only to that part of one's role which has a standard definition in the mores or in law. A status is never peculiar to the individual; it is historic. The person, in status and in institutional office, is identified with a *historic role*. The peculiar role of a prophet or a political leader may be transformed into the historic role or office of priesthood or kingship. Every office has had a history, in which the informal and unique have become formal and somewhat impersonal. The story of an institution might well be told in terms of the growth of its offices, with which have been identified the personal roles of series of individuals.

Entrance into a status is not always a matter of choice. That does not prevent persons from being aware that they are entering it, from focusing their wills upon it, or from fulfilling the attendant obligations with consciously varying degrees of skill and scruple. Status gives self-consciousness and the conscience something to bite on.[4]

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* From "Institutional Office and the Person," *American Journal of Sociology*, 43:404-409 (Nov 1937). Used by permission of The University of Chicago Press.

[1] W G. Sumner, *The Folkways*, pars 40, 41, 56, 61, 63, 67, *et passim;* C. H Cooley, *Social Organization*, chaps. iii, xxviii; E Faris, "The Primary Group: Essence and Accident," *American Journal of Sociology*, XXXVIII (July, 1932), 41-50

[2] *Op. cit.*, par. 73.

[3] Ralph Linton, *The Study of Man*, chap. viii, "Status and Role."

[4] B. Malinowski, in *Crime and Custom in Savage Society*, chap. v. *et passim*, attacks the notion, so prominent in evolutionary social theory, that the member of a primitive society adheres to custom unconsciously and automatically. He maintains that among the Trobriand Islanders there is a considerable margin between the maximum and minimum fulfilling of obligations and that, within these limits, persons are impelled by motives very like

Every social order is, viewed in one way, a round of life. Anthropologists almost invariably describe it so, and show how persons of different status fit their activities into this round. But beyond routine, even in simple and stable societies, occur great ceremonial occasions and crucial enterprises. On such occasions some person or persons become the center of enhanced attention. Collective expression and effort are co-ordinated about them. Status may determine the selection of these persons, but they must perform special offices appropriate to the occasion. They become, within the limits of their offices, especially responsible for the fate of their fellows and for the integrity of their communities.[5]

The person who fills such a great office is judged not as the common run of mankind but with reference to his predecessors in office and to the popular conception of what the office should be. He is exposed to special demands. He is also protected, in so far as the office sets the limits of his responsibility, from both the bludgeons of critics and the sharp thrusts of his own conscience.

Objective differentiation of duty reaches its ultimate rigidity in ritual office. The subjective aspect of such rigidity is punctiliousness.[6] The responsibilities of ritual office are so clear-cut as to allow the incumbent a feeling of assurance that he is doing his whole duty. The anxiety lest he fall short is but the greater.[7] Anxiety and responsibility are alike focused upon the office, as something transcending the individual. The incumbent tends to be impatient of the criticisms of others. He wards them off by declaring that whoever criticizes him attacks the sacred office.

In the performance of ritual one may realize profoundly that he, even he, is playing a historic role; he may be transfigured in an ecstasy in which his personal attributes are merged with those of the office. Each meticulous gesture bursts with symbolic meaning. E. Boyd Barrett writes thus of his feeling while celebrating his first mass.

> On the snow-white altar cloth before me lay a chalice of wine and on a paten a wafer of unleavened bread. Presently *at my words*, at my repetition of the eternal formula of consecration, the wine would become the blood of Christ, and the bread the body of Christ. My hands, soiled and sinful though they were, would be privileged to raise aloft in adoration the Son of God, the Saviour of the world. . . . Surely the words "Sanctus! Sanctus! Sanctus!" were none too sacred to pronounce in presence of this mystery of mysteries . . . My first mass was an ecstasy of joy. . . . I

those recognized among us. Some men show an excess of zeal and generosity, banking upon a return in goods and prestige. He points also to a conflict of offices embodied in one person; a man is at once affectionate parent of his own children and guardian of the property and interests of his sister's children Malinowski suggests that the man is often aware of this conflict.

[5] See R. Redfield, *Chan Kom, a Maya Village,* pp. 153-59, for description of the *fiesta* and the office of *cargador*; B. Malinowski, *Argonauts of the Western Pacific,* for the office of the chieftain in canoe-building and expeditions, and that of the magician in gardening.

[6] Sumner, *op. cit*, par. 67.

[7] The psychoanalysts trace ritual to anxieties arising from unconscious guilt. In compulsion neurosis the individual ceaselessly performs rituals of *Buss* and *Nichtgeschehenmachen* (see A. Fenichel, *Hysterien und Zwangsneurosen,* chap. iv). J. Piaget, in *The Moral Judgment of the Child,* finds that young children play marbles as ritual before they play it as a game. In this early stage they observe punctiliously such rules as they know, attributing their origin to their fathers, the city alderman, and God. They are quick to accuse and facile at self-excuse, but show little regard for their fellow-players.

gave myself confidently and wholeheartedly to God and I felt that He gave Himself to me.[8]

While devotion and sense of office may be at their maximum in such moments, judgment is in abeyance. It is in the nature of ritual that it should be, since each action is part of a sacred whole. Furthermore, rituals are performed under compulsion often backed by a vow. A vow allows no turning back, no changing of the mind, no further exercise of judgment.[9]

An office may eventually become so ritualistic that the successive incumbents are but symbols rather than responsible agents. A rigid etiquette is observed in approaching them, and sentiments of reverence become so intense that the office is worshipped. This final point of impersonal institution of an office is reached at the cost of the more active functions of leadership. In ongoing collective life, contingencies arise to require decisions. Even a ritual may not go on without a stage manager. Furthermore, every ritual is proper to an occasion. The occasion must be recognized and met. An office may become purely symbolic only if the meeting of contingencies is allocated to some other office.[10]

Coming down to earth, the person cannot, apart from ritual, escape judgments. His peculiar social role asserts itself and may come into conflict with the office which he fills. The fusion of personal role and office is perhaps never complete save in ritual.

One of the extreme forms in which one's personal role appears is that of a call or peculiar mission. The person's

[8] *Ex-Jesuit,* p. 124. Many Catholics expect special blessings from a priest's first mass

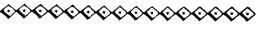
[9] See W. G. Sumner, *War and Other Essays,* "Mores of the Present and Future," p. 157, in which he says: "One of the most noteworthy and far-reaching features in modern mores is the unwillingness to recognize a vow or to enforce a vow by any civil or ecclesiastical process. . . . In modern mores it is allowed that a man may change his mind as long as he lives." The belief that a man may change his mind is an essentially secular attitude Catholic doctrine recognizes this, by distinguishing resolutions, promises, and vows Vows are the most sacred, since they are promises to God "A subsequent change in one's purpose is a want of respect to God; it is like taking away something that has been dedicated to Him, and committing sacrilege in the widest sense of the word." Resolutions are mere present intentions, without a commitment; promises between man and man or to the saints should be kept, but the breach is not so serious as that of a vow (The Catholic Encyclopedia, Vol. XV, "Vows.") It is, perhaps, the residue of the compulsion of a vow that gives ex-priests the sense of being marked men. See E. Boyd Barrett, *op. cit.* Ordinary life may be something of an anticlimax for these men once dedicated to holy office. Such men are also suspect. A French-Canadian recently dismissed all that a certain psychologist might say by remarking, "C'est un homme qui a porté la soutane."

There are many instances in sociological literature of the profound changes in an institution that accompany the decline of compulsion in its offices. Redfield, *op. cit.,* tells how in towns and cities the *fiesta* becomes something of a secular enterprise. No longer is it a sacred festival, led by a *cargador* who accepted "the holy burden" from his predecessor The Webbs, in *English Local Government: the Parish and the County,* describe a similar decline of the sense of obligation to serve as parish officers in growing industrial towns.

[10] Max Weber, in his "Politik als Beruf" (*Gesammelte politische Schriften,* pp. 396-450), essays a natural history of various types of political office. He shows how certain offices, as that of sultan, become purely symbolic, while the wielding of political power and the risk of making mistakes were assumed by others. The position of the emperor of Japan is similar; the emperor is divine, but he speaks only through the voices of men. It is not suggested that these two features do not sometimes appear in the same office. They do, as in the papacy. Offices vary in their proportions of symbol and action.

conception of his mission may carry him beyond the conception which others have of his office. As an office becomes defined, there arise devices by which one's fellows decide whether one is the person fit to fill it. The first leader of a sect may be "called" to his task; his successors, too, are "called," but the validity of the call is decided by other men, as well as by himself.[11] Thus the "call," a subjective assurance and compulsion, is brought under the control of one's fellows. But the sense of mission may be so strong that it makes the person impatient of the discipline exercised by his colleagues.[12]

There are other ways in which personal role and office may conflict. It is sufficient for our present purposes to suggest that the very sense of personal role which leads one into an institutional office may make him chafe under its bonds. The economy of energy and will, devotion and judgment, peculiar to the individual does not completely disappear when he is clothed with an established, even a holy, office. The more secular offices make fewer formal demands upon the individual; they require less suppression of the individuality. They are less symbolic and more subject to the test of effectiveness in action. A free, secular society, from this point of view, is one in which the individual may direct his energies toward new objects; one in which he may even succeed in creating a new office, as well as in changing the nature and functions of existing ones.



In his pioneering and excellent study of business leadership, Gordon devoted a great deal of attention to the professionalization of such leadership. His conclusions in this field are presented in the following selection.

You may ask: What is the relationship between organization office and professionalization? The answer is clear. As an occupation or a class of jobs becomes stabilized and is surrounded with the characteristics of office it is possible to set forth objectively the prerequisites for selection to the job. When reliance on individual idiosyncrasies for defining a job is supplanted by reliance on the job characteristics themselves, we have the foundation for professionalizing the job. Thus, professionalization of an occupation, or at least its designation by a distinctive name, is one result of transforming the occupation into an office.

In Gordon's analysis, one of the prin-

[11] See the *Catholic Encyclopedia,* Vol. XV, "Vocation" While the Catholic church admits the possibility that divine light may be shed so abundantly upon a soul as to render deliberation about the validity of a vocation unnecessary in some cases, it does not regard such inner assurance necessary to vocation The spiritual director is to discover and develop the germ of vocation by forming the character and encouraging "generosity of the will." The church insists that two wills should concur before one can enter the clergy: the will of the individual and the will of the church. The latter is "external vocation," which is "the admission of the candidate in due form by competent authority."

[12] The ardor of a person with a peculiar mission may become an insufferable reproach to his colleagues and contain a trace of insubordination to his superiors. The neophyte who is too *exalté* can be borne, but a certain relaxation of ardor is demanded in course of time. In a well-established institution, ardor must be kept within the limits demanded by authority and decorum; it may not necessarily reach the state in which "men, fearing to outdo their duty, leave it half done," as Goldsmith said of the English clergy.

cipal features of the professionalization of business leadership is that the owner-entrepreneur plays a less prominent role in modern business organizations. His place is being filled, especially in our large corporations, by professional executives. Gordon points out that professional executives do not necessarily react to business situations in the same way as owner-managers. The differences are set forth in detail, and with real insight, based upon his research.

PROFESSIONALIZATION OF BUSINESS LEADERSHIP

ROBERT A. GORDON *

We stressed the importance of the function of business leadership in our complex, dynamic, and closely articulated economic system. We emphasized the fact that, particularly in the large firm, the business leader's decisions are not necessarily predetermined by underlying economic forces. What he does and the decisions he makes depend in part upon the kind of person he is, the leadership organization within which he operates, the institutional pressures which bear upon him, and the incentives to which he reacts. The wider the range of alternatives which underlying economic forces leave open to the business leader, the more important are the institutional, organizational, and personal factors mentioned to an understanding of why our business leaders act as they do. We therefore asked the question: Who does exercise the function of business leadership in the large corporation, with its hierarchy of delegated responsibility and with a variety of groups competing for power and influence in the firm's affairs? Part II was devoted to answering this question. We considered in turn the leadership activities of executives, directors, and each of the important interest groups associated with the large corporation.

Our chief findings in this connection have already been stated. In the very large corporation of today, the main elements of business leadership are exercised by the executive group. This general conclusion is subject to some, but essentially only minor, modifications as a result of our study of the power, influence, and activities of directors, minority stockholders, bankers, and the other groups. . . .

When we speak of the "executive group," the second of these two words needs to be stressed. The chief executive is the most important single figure in the large corporation, but he is only one of a sizable body of professional managers who individually and collectively make the decisions and provide the coordination that give unity and direction to the firm's activities.

The primary responsibility for business leadership in the large corporation has devolved upon a group of men who are professional managers. Their position is not achieved through ownership. They are salaried experts, trained by education and experience in the field of management. Though only salaried managers, they find themselves responsible for making the decisions which affect

* From *Business Leadership in the Large Corporation,* Washington, D. C., 1945, pages 317-326. Copyright by the Brookings Institution. Used by permission.

not merely the dividends their stockholders receive but also the prices consumers pay, the wages their workers earn, and the level of output and employment in their own firms and in the economy as a whole.

As far as the facts are concerned, there is nothing startlingly new about these conclusions. They have been sensed by the man in the street, and they are part of the everyday experience of those closely associated with big business. The detailed picture, however, has not been presented before in systematic form, and it has been obscured by loose generalizations about the "control" exercised by influential banking and stockholding groups. It is probably safe to say that the full extent to which professional executives have assumed the mantle of business leadership has not been adequately appreciated, either by economists or by the public generally.

The analysis of the preceding chapters has been confined to the very large corporation, particularly to the giants with assets of 50 million dollars or more. Chapter II indicated how important this segment of the business community is. Actually, of course, our findings are also applicable in some measure to a great many firms smaller than the giants, especially to those whose securities are fairly widely held. Observation of the business scene indicates clearly that delegation of decision-making within management, the power of the executive group and the relative passivity of directors, the incentive system described, and our conclusions with respect to the power and activities of the various interest groups are not confined exclusively to the very largest corporations. In general, the smaller the firm and the more closely held is its stock, the less should we expect that the leadership conditions we have described would hold. Of course, not all concerns of a given size and a given degree of diffusion of ownership will operate under the same set of leadership conditions. The situation varies from firm to firm.

In the remainder of this chapter we shall be concerned with some of the economic implications of the professionalization of business leadership in the large corporation. The extent of the transfer of the leadership function to salaried managers, the way in which these executives operate, the relative passivity of directors, and the strength or weakness of the various interest groups raise important questions concerning the functioning of our private enterprise economy, the distribution of powers within the corporation, and the impact of larger-scale enterprise upon public welfare.

Thus the "problem" of the small stockholder has occupied public attention for more than a decade and was in good part responsible for the federal securities legislation of 1933-34. Not a little has also been written about the present anomalous position of the board of directors. Outside of management circles, it is generally accepted that the power of the executive group needs to be curbed if stockholders are to be adequately protected. It is also generally assumed that the board of directors should be revivified as an active and independent *decision-making* body, although, as we shall see, there are serious difficulties in putting such a proposal into effect.

These are broad questions of economic policy, full consideration of which lies outside the scope of our study.[1] But

[1] Another broad question which also lies outside the scope of this study and which we can only mention here concerns the social and economic implications of the declining importance of the owner-entrepreneur as a social

the extent to which business leadership has become lodged in the executive group has a bearing upon these questions, and we shall have to comment upon them briefly in this chapter.

First, however, let us consider another important question. Granted that leadership decisions in the large corporation are made primarily by professional executives, are the decisions which these men make likely to be any different from those which an owner-entrepreneur would make in the same circumstances? We have already stated that there *may* be a difference. Without attempting an exhaustive analysis, we need to look into this question a bit more closely.

FACTORS AFFECTING DECISION-MAKING BY PROFESSIONAL EXECUTIVES

Our reasoning about the working of a private enterprise system has long been predicated on the assumption that the business decisions entering into the leadership function are made by owner-entrepreneurs seeking to maximize profits for their firms and thus for themselves—or at least, if concerns are not managed by their owners, that business leaders will make exactly the same decisions as profits-maximizing owner-entrepreneurs would have made in similar circumstances. While not an unreasonable assumption to make regarding business behavior in a profit system, this is clearly only an approximation of the facts, when we come to deal with the sort of leadership conditions prevailing in the modern large corporation.

Professional executives do not necessarily react to business situations in the same way as owner-managers. The personal attributes, background, and training of the salaried manager are likely to differ from those of the owner-entrepreneur of an earlier day or of most owner-managers operating in the modern industrial scene. The incentive systems to which the two types of business leaders react differ in significant respects. Institutional pressures are by no means the same in the two cases. Finally, the transition from personal to professional management tends to invite more formal and ultimately more bureaucratic patterns of organization. These tend to grow in complexity with the size of the firm. It is in the giant corporation with which we are dealing that professional management is likely to depart to the greatest degree from the pattern of owner-leadership in the small business concern that has been the basis of much of our economic reasoning.[2] In the pages that follow we shall be concerned with this contrast—in which size, as well as professionalization . . . plays a part.

. . . Decision-making has been specialized and diffused through the various layers of management in the large corporation. In particular, a great deal of the initiation of decisions must come from the lower levels. Are lower-ranking executives as willing and able to pioneer

class under capitalism For some provocative remarks on this subject, see J. A. Schumpeter, *Capitalism, Socialism, and Democracy* (1942), Chap. 12.

[2] Of course, the larger the concern the less likely are we to encounter cases of owner-management. Indeed, bigness requires that some entrepreneurial decision-making be delegated to salaried managers. Large size inevitably professionalizes business leadership for two reasons. First, ownership tends to become diffused with increase in size of the firm, requiring a transfer of leadership from stockholders to salaried managers. Secondly, even if ownership is concentrated in one or a few persons, such owners of a very large concern would find it a sheer impossibility to make all the entrepreneurial decisions necessary—hence the need for some delegation to professional managers.

and break from the beaten path as the individual owner-entrepreneur? [3] What are the effects of internal financial controls and other checks and balances, especially those inherent in large-scale organization, as plans are initiated at one level and thread their way upward for approval? Can functional and other departmental executives be expected always to give full consideration to the consequences of particular decisions on the enterprise as a whole? It would be surprising if organizational conditions such as these did not frequently result in decisions significantly different from those which an owner-entrepreneur would make in response to a given set of underlying forces.

There are also important differences between the responses and leadership activities of the chief executive and those of the owner-entrepreneur. We have noted the fact that the chief executive must stress the co-ordinating aspects of this job. This co-ordinating function, however, is of minor importance to the ordinary owner-enterpriser who, just in proportion as his business is small and personal, can make the important decisions himself, thus reducing the co-ordinating function to a minimum. As a matter of fact, part of the co-ordinating job imposed upon the chief executive of the large concern is for the small business performed by the external forces of the market.

The professional chief executive in the large corporation must attempt to co-ordinate the decisions of many lesser executives. The larger the firm, the more must original decision-making be delegated. What the chief executive approves depends in good part on what filters up to him for approval. And in exercising his approval function he is likely to apply very broad, particularly financial, criteria. Standards of solvency and liquidity not infrequently take precedence over those of profitability and efficiency. In the very large corporation, the size of the stakes often impels the professional manager to emphasize financial caution at the expense of imaginative and creative leadership.[4] The owner-enterpriser may be more willing to gamble his own money than the chief executive of a great corporation may be to jeopardize the financial empire of which he is trustee. The daring of the owner-entrepreneur may be checked by the investment or commercial banker, but the chief executive of the large corporation is more likely to feel the responsibilities of the financier upon his own shoulders.

In general, the bureaucratic tendencies inherent in large-scale organization lessen the ability of professional executives to perform their functions effectively, even if they conscientiously seek to serve the best interests of the firm. Big business, like large-scale government, tends to suffer from a bureaucratic stiffening of the joints.[5] The result is to impair management efficiency, to create inflexibility of operation and some resistance to change, and to increase the strain placed on the personal and leadership qualities of the chief executive.

On the other hand, the professional manager's emphasis on organization and the organizational techniques permitted by the size of the large corporation have contributed to management's efficiency and have permitted constructive pro-

[3] Assuming that the owner of the business himself were able to make the decisions at these lower levels.

[4] These considerations are likely to hold even more for the board of directors, insofar as it is active, than for the chief executive.

[5] See TNEC Monograph No. 11, *Bureaucracy and Trusteeship in Large Corporations*, Pts. 2 and 3.

grams to be carried through that would have been impossible otherwise. The management structure within the large corporation has its positive as well as its negative side, so far as its effects upon business leadership are concerned.

In addition to problems of internal organization, top management in the large corporation must also deal with directors and with important outside interest groups. The "institutional environment" of the salaried executive, therefore, differs from that of the owner-entrepreneur, particularly of the small concern. In many companies, of course, the role of the non-officer director is a nominal one. But where the influence of leadership of directors is important, the resulting business decisions may well reflect an undue degree of financial caution. On occasion, they may reflect interests, outside the business, which particular directors wish to further.

From his stockholders and perhaps from powerful banking interests associated with the firm, the chief executive of the large corporation is subject to pressures which the owner-entrepreneur avoids, although on occasion the latter may also have his problems with (chiefly commercial) banks.[6] The large firm with outstanding securities is subject to more government regulation than the small owner-managed concern; its legal problems are more varied, hence the influence of the legal profession is greater; and its management must ordinarily be more sensitive to public opinion. The results on decision-making are two-fold. These influences create additional data which management must take into account in making its decisions. Equally important, the character of the chief executive's job is affected. He must spend a substantial part of his time handling these and other external relations of the firm. For this reason, as well as because of the complexities of internal management organization, he must stress the co-ordinating aspects of his job and leave largely to subordinates the initiation and to some extent even the approval of important operating decisions.[7]

No two business executives are exactly alike. Nonetheless there are certain characteristics which we can attribute to professional managers as a group, and these attributes condition the business thinking and decision-making of the professional business leader.

The modern corporation executive is better educated and in many respects better trained than the owner-entrepreneur of an earlier or even the present day.[8] With this education and training has gone a marked development of a scientific approach to business problems, as evident in the increasing emphasis on careful planning, the use of advisory and research staffs, the development of accounting techniques and budget procedures, the attention being paid to problems of internal organization and executive personnel, and so on.[9]

[6] The owner-entrepreneur may also have occasional difficulties with partners or minority stockholders—as, for example, did Henry Ford.

[7] These considerations regarding the importance of external pressures hold not only for the giant concerns we have studied but also for many corporations in the smaller size brackets.

[8] The educational backgrounds of the presidents of 100 large corporations are summarized in *Fortune*, February 1940, p. 61. See also F W. Taussig and C. J. Joslyn, *American Business Leaders* (1932), Chap. 17, for further data on the backgrounds of corporation executives.

[9] Many large and small concerns, including those managed by their owners, acquire a good deal of specialized managerial services from accounting, management, sales promotion, and similar service companies, and also through

Among some professional executives, scientific caution may degenerate into a tendency to play safe. They do not receive the profits which may result from taking a chance, while their position in the firm may be jeopardized in the event of serious loss.[10] This is an aspect of the bureaucratic tendencies mentioned previously making for inflexibility and some resistance to change.

In spite of the better education and training of the professional executive, his general business background may not be as wide as that of the man running his own business. In the lower executive ranks, it is particularly likely to be narrow, while the chief executive himself is apt to have come up through the ranks and to have devoted most of his career to one or a few functions. Even at the top, the latter may continue to be primarily a specialist in his decision-making; hence the dependence on influential directors and bankers for advice, the development of advisory staffs, and the great reliance on management committees and group decision-making.[11]

Of course, the greatest contrast between the professional manager and the owner-entrepreneur lies in the character of their respective stakes in the business. A considerable literature has developed concerning the implications, especially from the point of view of the stockholder, of the separation of management and "control" from ownership.

. . . Management's small stockholdings have significantly diminished the strength of the profits incentive among professional business leaders, and this has been accompanied by a strengthening of the various non-financial attractions which the large corporation has to offer. For example, satisfaction of the creative urge and professional interest in the job compete with profit-making as a guide to action, although profits for the firm remain the primary criterion. Power and prestige for the individual executive are not dependent on the personal receipts of profits, and they are only loosely correlated with profits for the firm.

These considerations regarding incentives raise important questions. Do professional managements seek always to maximize profits for their firms, and is their distribution of earnings always equitable to stockholders and such as to facilitate the smooth functioning of the economic system?[12] Equally important is the broader question as to what role profits may play in a private enterprise system if they are not the reward for active business leadership.

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trade association channels. Thus many untrained businessmen can benefit in some degree from the knowledge of trained experts without needing to hire them full time Nonetheless, it is generally true that the scientific approach to management problems is most marked among the larger firms well staffed with trained professional executives.

[10] For further discussion of the tendency among salaried managers to play safe, see P. S Florence, *The Logic of Industrial Organization*, pp 197, 219, 224-25. For an overdrawn statement of the same sort of tendency, see Miriam Beard, *A History of the Business Man*, p. 727. The tendency to play safe is, as has been noted, also found among directors.

[11] For further discussion of the limited backgrounds and experience of professional executives, see TNEC Monograph No. 11, pp. 46, 49-50.

[12] See, for example, N. S. Buchanan, *The Economics of Corporate Enterprise* (1940), pp. 448-49. Buchanan concludes that, on the whole, the economic effects of the separation of ownership and management are not particularly significant.

Let us anticipate Chapter 10, which deals with bureaucracy. Until we get to that chapter, we can work with a common-sense notion of bureaucracy. Let us take it to mean employees working in a government bureau.

At the beginning of his selection, Reissman indicates that he is trying to find out how government bureaucrats view themselves and the roles that they are playing. He points out that a role is played in terms of three ways of viewing a situation: (1) in accordance with the general standards of behavior in the society; (2) in terms of the behavior required in fulfilling an office (in this study, a government bureaucratic office); (3) from the standpoint of the unique characteristics possessed by the individual.

Based upon interviews with state government employees in Wisconsin, Reissman distinguishes four kinds of bureaucrats. For our purposes, this study provides concrete evidence of how the organization office and the individual's role come together. The four types of bureaucrats show that the molding of the organization is not total, and that the individual's personality does have some channel of expression while fulfilling an office.

THE BUREAUCRAT'S OWN ROLE CONCEPTS

LEONARD REISSMAN *

THE THEORETICAL FORMULATION

An adequate sociological presentation of bureaucracy must include the formal structure, the interpersonal relationships within it, and the effects of the surrounding social milieu. These three aspects can be interrelated in the "social role" which the bureaucratic official fulfills, as that role mirrors both the formal and informal structures, as well as the culture of which he is obviously a part. The following quotation from George H. Mead presents the social psychological mechanism of role-taking, where "role" is defined as the expected or recurrent behavior in a given situation:

> ... the human organism may arouse the same response ... in itself which it aroused through its gesture in the other form (other human organism) and it finds itself, therefore, in the attitude of the other in so far as this attitude which it calls out in another is called out in itself.
>
> Such a pattern would only be present in so far as it served a function. The advantage of the individual approaching his own response from the standpoints of those also involved in the same conduct is evident enough. It would need to be present in the emphasis which it would give to appropriate responses of the individual. ...
>
> A matter of very great importance in connection with this consideration is *the organization of the conduct of the individual about this pattern of group activities, and in so far as these group activities are interrelated, about the pattern of the group conduct as a whole. ... The self, then would inevitably be organized about the pattern of the group activities in so far as they are unitary.* In various respects this is the case, and those respects are particularly important to the individual. They are

* From "A Study of Role Conceptions in Bureaucracy," *Social Forces*, 27: 305-306, 308-310 (March 1949). Used by permission.

those in which the individual has specific functions, duties, rights, and privileges in the group.[1]

Two factors are important in the use of the concept of "social role." First, the social role must always be seen in terms of a given social situation. Secondly, allowance must be made for a range of individual role fulfillment based upon that person's experiences and values, if the *concept* of a social role is to be more adequately expressive of an *acting* individual. The alternative is rejected—that of structuring the social role exclusively in terms of the situation and ideal behavior patterns derived therefrom with little or no concern for modifications due to individual definitions. Such an approach would lead to formulations of behavior based solely upon logically derived extensions of an ideal-type concept of bureaucratic organizations.[2]

The problem posed by this study was to determine what the civil servant conceived his social role to be. In addition to "role," a corollary conceptual tool was introduced. The content of the responses given by the bureaucrats was viewed as constituting a synthesis of three functionally interrelated levels of defining the situation in which the role is performed. The first consists of the culturally prescribed behavior which conforms to the normative standards of the society. The respect for individuality, the altruistic submergence of individual ends for the good of the group, and the qualities of amiability in dealing with people are indicative of such values to which the civil servant, as a member of society, gives credence. The second level consists of the bureaucratically defined behavior required by the formal structure of the organization. The duties, the authority, and the responsibilities which inhere in the office occupied by the individual civil servant carry with them highly explicit definitions of relationships and functions. The third level is that of the individually defined behavior which takes into account not only the requirements already distinguished, but also adds to it the unique individual elements. This includes the final synthesis of the individual's experience and the conception upon which he acts.[3]

The situational background against which this particular social role was performed was the bureaucratic form of administrative organization, which has been given its most explicit theoretical treatment by Max Weber.[4] Briefly, it is characterized by an emphasis upon a rational organization ordered by rules, a high degree of disciplined behavior, an established office hierarchy, clearly-defined areas of power for each office, and appointed specialists to fill these offices. The civil servant of this study then, is seen as a bureaucratic official or specialist in a midwestern State government. He has shown qualifications (by means

[1] George H. Mead, *Philosophy of the Act*, edited by Charles W. Morris and others (Chicago: University of Chicago Press, 1938), pp. 448-9. (Italics mine).

[2] The reasoning followed in this instance derives the personality characteristics most suited for a given ideal form of bureaucratic organization. *Cf.* Robert K. Merton, "Bureaucratic Structure and Personality," *Social Forces*, 18: 560-568 (May 1940).

[3] It would be unreal to omit the individual category in our framework. Even though it is methodologically necessary to concentrate upon a single role among the many which individuals fulfill, there is obviously a psychological unity (the total individual) throughout this segmentalized behavior.

[4] *From Max Weber: Essays in Sociology*, transl. & edited by H. H Gerth and C. W. Mills (New York. Oxford University Press, 1946), chap. VIII. *The Theory of Social and Economic Organization*, transl. by A. M. Henderson and T Parsons (New York: Oxford University Press, 1947), pp. 329-341.

of a technical examination) to fulfill the duties ascribed to the given office which he holds.

FINDINGS OF THE STUDY

The substantive content for each of the four bureaucratic types which follow represents only a beginning formulation in that the necessary criteria for delineating the individual in each empirical instance have not been sufficiently sharpened in this study. They represent more accurately a potential tool in the analysis of the "bureaucratic personality"; in capturing more adequately the ranges of real variation with the formal organization. They also present a means of ordering the data within the informal organization and indicate the consequences which the behavior of each type presents. They are included as ideal-types at present for these reasons.

The first type is the *Functional Bureaucrat*—one who is oriented towards and seeks his recognition from a given professional group outside of rather than within the bureaucracy. He may be portrayed as a professional who "just happens to be working for the government." His evaluations of success and accomplishment are not measured in terms of satisfactorily fulfilling a given bureaucratic policy or aim (over and above that required of him in the position), but rather in terms of the professional quality with which he does his job. Psychologically he is facing outward and away from the bureaucratic structure. He entered civil service because it offered material advantages and allowed him to do unique or specialized professional work. He is active in his professional societies and seeks appreciation and recognition on the basis of his professional specialties. Avoiding any identification with the office group, he declines any such intimacy with other civil servants because it is based only upon a common work situation. His future plans include doing research along lines of professional interests. His standards for the "good" civil servant are the standards of success in the profession, and not necessarily related to success in the bureaucracy. He feels no conflict between his professional ethics and his job because only the former standard exists for him. The bureaucracy imposes certain well-defined limitations upon him, but within these he is professionally biased.

The second type is the *Specialist Bureaucrat*. Though he resembles the first type in his professional orientations, he exhibits a greater awareness of an identification with the bureaucracy. He seeks his recognition from the department and the people with whom he works rather than from like-professionals who are privately employed. He entered civil service for "negative" reasons, *i.e.* he was forced in because of the depression or a business failure. Though he contacts other professional people, he remains aware of the difference between them and himself as a government employee. The ambivalent nature of his position is evident throughout—the orientation to his professional status on the one hand, and his position within the bureaucratic hierarchy on the other. This is more pointedly shown in his aspirations which evidence a desire to "get ahead" in his profession, yet realizing that this must occur through the mechanism of the bureaucratic promotion system. Overly meticulous about the rules and regulations, he attempts always to remain safely within these limits.

The third type is the *Service Bureaucrat*. Here too, as noted in the preceding type, a position of ambivalence is created. He is oriented in terms of the bureaucratic structure, but seeks rec-

ognition for the job he does from a group outside of it. He entered civil service primarily to realize certain personally-held goals which center about rendering service to a certain group.[5] The bureaucracy offers a framework through which he can best function and his task is one of utilizing that mechanism to achieve his goals.

The last type is the *Job Bureaucrat.* He is immersed entirely within the structure. Professional skills only provide the necessary entrance qualifications and determine the nature of the work to be done. He seeks recognition along departmental rather than professional lines. Satisfactions are found in the technical aspects of the work itself, and improvement of the operating efficiency of the bureau becomes an end in itself. His aspirations consist of achieving material rewards and increased status through promotions. He strongly adheres to the rules and the job constitutes his full center of attention and the end to be served.

The over-all role conceptions as they mirror the three levels of situational definitions presented in the theoretical formulations above present additional data.[6] The civil servant readily identifies himself as working for the goals of the bureaucracy at those points which explicitly embody the ideal cultural values to which a democratic form of government is traditionally dedicated. He feels, therefore, that in his position he is "working for the good of the public" and that he is constantly "aware of the best interests of the public." Such values, however, undergo modification and interpretation as the bureaucrat is faced with fulfilling the requirements of his job. Hence, he is most pleased with those people who cooperate, follow instructions, and take the advice he offers, *i.e.* allow *him* to determine which course of action is to the "best interests of the public." He feels, too, that "the public" treats him as "just another government official" according to popular evaluations of government administration, instead of as an individual. This situation poses a dilemma for him, in that he desires on the one hand to be treated as an individual rather than as a cog in a machine, and yet on the other hand desires to retain his superordinate position which the bureaucratic rules reserve for him in his public contacts.

The bureaucratic structure also imposes certain values which must be incorporated into these role conceptions. Hence, we find that the "good" civil servant is one "who can get along with people," who is "honest" and "loyal" to the department, and who is not so ambitious that he is constantly striving to "get ahead" even though promotions might not be immediately available. There is the recognition that higher supervisory positions carry with them more discretionary power to modify existing regulations in certain cases. Such changes will be made more readily while working in the field rather than in the office, although the civil servant feels no greater psychological tension in one place as compared to the other. It is significant to note that his conceptions of bureaucratic organization are similar to those held by the public. He believes, for example, that government administration is less efficient than that of private organizations, and that personal merit and faithful service are more readily recognized in private employment. Also,

[5] He need not himself be a member of that group as, for example, in the case of the civil servant who renders service to handicapped children.

[6] These conclusions are based upon a statistically significant frequency of responses in each generalization.

the term "bureaucracy" is for him descriptive of the operation of the Federal government and he does not believe that "we have any 'bureaucracy' in this State."

That part of the role conceptions which incorporates the values on the individual level have been partly implied in the presentation of the bureaucratic types. Personal aspirations center about raising one's standard of living rather than specifically about job promotions. However, the level of achievement is appraised most often on a standard based upon psychic as contrasted with material rewards. Accordingly, the civil servant can rate himself equally with a similar age and professional stratum in the community. However, when he uses a standard of material rewards, he ranks himself below average as a consequence. He frequently speaks of changing to private employment or going into business for himself, but such mobility is often verbalized but rarely acted upon.[7]

Finally, the civil servant does not feel that he is part of a "government class" but instead identifies himself with other class and status groups in the community. This is bolstered by seeking his close friendships from professional and business people who are not employed by the government.[8] Naturally, the civil servant feels quite certain that there is no difference in the personalities attracted to civil service as contrasted to private organizations.

CONCLUSIONS

The concept of "role" offers a valuable tool for the study of bureaucracy in at least two important ways. First, it serves to focus upon the basic content and processes in the bureaucratic situation through the individuals actually involved. A range of individual variation is thus more easily grasped from which empirically derived types can then be constructed. Secondly, it serves to synthesize information gained from other relevant areas. White's studies [9] of the public's evaluations of the prestige of government employment and Kingsley's work [10] on the historical dynamics surrounding civil service reforms in England are but two examples of valuable corollaries against which the bureaucrat's role conceptions can be placed and interpreted.

Too often the personalities are overlooked as important data in the analysis of bureaucracy, although the individuals on all administrative levels who make the mechanism function are quite obviously an integral part of such study.

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[7] This generalization is limited by the fact that the sample interviewed obviously includes only those civil servants who have chosen to remain in the service

[8] All responses to this point indicated that those who are employed in the State university are not considered as "other civil servants" although a strict definition would most certainly include them.

[9] Leonard D. White, *Prestige Value of Public Employment* (Chicago: University of Chicago Press, 1929); *Further Contributions to the Prestige Value of Public Employment* (Chicago: University of Chicago Press, 1932).

[10] J. Donald Kingsley, *Representative Bureaucracy* (Yellow Springs: Antioch Press, 1944).

The roads to particular organization offices are varied. On the other hand, certain uniformities and regularities are evident. When there is sufficient regularity so that we can talk about a pattern of development to a particular office, we then have what we can call a career.

Hughes, in the following selection, deals with the relations between career and office. With his usual broad approach to a subject, he develops a wide variety of examples to make his points and calls our attention to some very interesting byways. From our standpoint, his central emphasis is that a career is a sequence of offices.

Organizations "are but the forms in which the collective behavior and collective action of people go on. In the course of a career, the person finds his place within these forms, carries on his active life with reference to other people, and interprets the meaning of the one life he has to live." In the three following chapters, dealing with executives, specialists, and foremen, we can get some idea of special careers as "the moving perspective in which the person sees his life as a whole and interprets the meaning of his various attributes, actions, and the things which happen to him."

CAREER AND OFFICE

EVERETT C. HUGHES *

In any society there is an appropriate behavior of the child at each age. Normal development of personality involves passing in due time from one status to another. Some stages in this development are of long duration; others are brief. While some are thought of as essentially preparatory, and their length justified by some notion that the preparation for the next stage requires a set time, they are, nevertheless, conventional.

In a relatively stable state of society, the passage from one status to another is smooth and the experience of each generation is very like that of its predecessor. In such a state the expected rate of passage from one status to another and an accompanying scheme of training and selection of those who are to succeed to instituted offices determine the ambitions, efforts, and accomplishments of the individual. In a society where major changes are taking place, the sequence of generations in an office and that of offices in the life of the person are disturbed. A generation may be lost by disorder lasting only for the few years of passage through one phase.

However one's ambitions and accomplishments turn, they involve some sequence of relations to organized life. In a highly and rigidly structured society, a career consists, objectively, of a series of statuses and clearly defined offices. In a freer one, the individual has more latitude for creating his own position or choosing from a number of existing ones; he has also less certainty of achieving any given position. There are more adventurers and more failures; but unless complete disorder reigns,

* From "Institutional Office and the Person," *American Journal of Sociology*, 43:404-413 (Nov. 1937) Used by permission of The University of Chicago Press

there will be typical sequences of position, achievement, responsibility, and even of adventure. The social order will set limits upon the individual's orientation of his life, both as to direction of effort and as to interpretation of its meaning.

Subjectively, a career is the moving perspective in which the person sees his life as a whole and interprets the meaning of his various attributes, actions, and the things which happen to him. This perspective is not absolutely fixed either as to points of view, direction, or destination. In a rigid society the child may, indeed, get a fixed notion of his destined station. Even in our society he may adopt a line of achievement as his own to the point of becoming impervious to conflicting ambitions. Consistent lines of interest and tough conceptions of one's destined role may appear early in life.[1]

Whatever the importance of early signs of budding careers, they rarely remain unchanged by experience. The child's conception of the social order in which adults live and move is perhaps more naive than are his conceptions of his own abilities and peculiar destiny. Both are revised in keeping with experience. In the interplay of his maturing personality and an enlarging world the individual must keep his orientation.

Careers in our society are thought of very much in terms of jobs, for these are the characteristic and crucial connections of the individual with the institutional structure. Jobs are not only the accepted evidence that one can "put himself over"; they also furnish the means whereby other things that are significant in life may be procured. But the career is by no means exhausted in a series of business and professional achievements. There are other points at which one's life touches the social order, other lines of social accomplishment—influence, responsibility, and recognition.

A woman may have a career in holding together a family or in raising it to a new position. Some people of quite modest occupational achievements have careers in patriotic, religious, and civic organizations. They may, indeed, budget their efforts toward some cherished office of this kind rather than toward advancement in their occupations. It is possible to have a career in an avocation as well as in a vocation.

Places of influence in our greater noncommercial organizations are, however, open mainly to those who have acquired prestige in some other field. The governors of universities are selected partly on the basis of their business successes. A recent analysis of the governing boards of settlement houses in New York City shows that they are made up of people with prestige in business and

[1] Psychoanalysts trace to very lowly motives the lines of consistency in the individual's conception of his life and the way in which he disciplines and marshals his efforts Their more important point is that these phenomena rise out of intimate family relationships They also use the term "mobility of the libido" (*cf.* Klein, "The Role of the School in the Libidinal Development of the Child," *International Journal of Psychoanalysis,* V [1924], 312-31) to indicate the child's capacity to transfer his affections and energies to objects in a larger world as he grows and extends his circle of activity A great deal, however, remains to be done in the way of understanding the bearing of early experiences on the subsequent careers of persons. It is evident that the age, as well as the frequency, of appearance of a sense of career varies greatly from family to family and from class to class The pressure on children to discipline themselves for careers likewise varies, the psychological by-products of these pressures want studying, for they seem sometimes to thwart the ends they seek.

See H D Lasswell, *World Politics and Personal Insecurity,* pp. 210-12, for a discussion of "career lines."

professional life, as well as some leisure and the ability to contribute something to the budget.[2]

It would be interesting to know just how significant these offices appear to the people who fill them; and further, to whom they regard themselves responsible for the discharge of their functions. Apart from that question, it is of importance that these offices are by-products of achievements of another kind. They are prerogatives and responsibilities acquired incidentally; it might even be said that they are exercised ex officio or *ex statu.*

The interlocking of the directorates of educational, charitable, and other philanthropic agencies is due perhaps not so much to a cabal as to the very fact that they are philanthropic. Philanthropy, as we know it, implies economic success; it comes late in a career. It may come only in the second generation of success. But when it does come, it is quite as much a matter of assuming certain prerogatives and responsibilities in the control of philanthropic institutions as of giving money. These prerogatives and responsibilities form part of the successful man's conception of himself and part of the world's expectation of him.[3]

Another line of career characteristic of our society and its institutional organization is that which leads to the position of "executive." It is a feature of our society that a great many of its functions are carried out by corporate bodies. These bodies must seek the approval and support of the public, either through advertising or propaganda. Few institutions enjoy such prestige and endowments that they can forego continued reinterpretation of their meaning and value to the community. This brings with it the necessity of having some set of functionaries who will act as promoters and propagandists as well as administrators. Even such a traditional profession as medicine and such an established organization as the Roman Catholic church must have people of this sort. By whatever names they be called. their function is there and may be identified.

Sometimes, as in the case of executive secretaries of medical associations, these people are drawn from the ranks of the profession. In other cases they are drawn from outside. University presidents have often been drawn from the clergy. In the Y.M.C.A. the chief executive officer is quite often not drawn from the ranks of the "secretaries." But whether or not that be the case, the functions of these executive officers are such that they do not remain full colleagues of their professional associates. They are rather liaison officers between the technical staff, governing boards, and the contributing and clientele publics. Their technique is essentially a political one; it is much the same whether they act for a trade association, the Y.M.C.A., a hospital, a social agency, or a university. There is, indeed, a good deal of competition among institutions for men who have this technique, and some movement of them from one institution to another. They are also men of enthusiasm and imagination. The institution becomes to them something in which dreams may be realized.[4]

[2] Kennedy, Farra, and Associates, *Social Settlements in New York,* chap. xiv; T. Veblen, *The Higher Learning in America,* p. 72 *et passim.*

[3] The Junior League frankly undertakes to train young women of leisure for their expected offices in philanthropic agencies.

[4] The reports made by the American Association of University Professors on conflicts between professors and college presidents sometimes reveal in an interesting way the characteristics of both and of the offices they fill. See *Bulletin of the American Association*

These enthusiastic men, skilled in a kind of politics necessary in a philanthropic, democratic society, often come to blows with the older hierarchical organization of the institutions with which they are connected. Therein lies their importance to the present theme. They change the balance of power between the various functioning parts of institutions. They change not only their own offices but those of others.

Studies of certain other types of careers would likewise throw light on the nature of our institutions—as, for instance, the road to political office by way of fraternal orders, labor unions, and patriotic societies. Such careers are enterprises and require a kind of mobility, perhaps even a certain opportunism, if the person is to achieve his ambitions. These ambitions themselves seem fluid, rather than fixed upon solid and neatly defined objectives. They are the opposites of bureaucratic careers, in which the steps to be taken for advancement are clearly and rigidly defined, as are the prerogatives of each office and its place in the official hierarchy.[5] It may be that there is a tendency for our social structure to become rigid, and thus for the roads to various positions to be more clearly defined. Such a trend would make more fateful each turning-point in a personal career. It might also require individuals to cut their conceptions of themselves to neater, more conventional, and perhaps smaller patterns.

However that may be, a study of careers—of the moving perspective in which persons orient themselves with reference to the social order, and of the typical sequences and concatenations of office—may be expected to reveal the nature and "working constitution" of a society. Institutions are but the forms in which the collective behavior and collective action of people go on. In the course of a career the person finds his place within these forms, carries on his active life with reference to other people, and interprets the meaning of the one life he has to live.

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of University Professors, XXI (March, 1935), 224-66, "The University of Pittsburgh"; XIX (November, 1933), 416-38, "Rollins College"

See also Bartlett, Hogan, and Boyd, *The Y M.C.A. Executive Secretary,* for discussion of the activities, technique, and selection of these officers.

[5] Mannheim would limit the term "career" to this type of thing Career success, he says, can be conceived only as *Amtskarriere.* At each step in it one receives a neat package of prestige and power whose size is known in advance. Its keynote is security; the unforeseen is reduced to the vanishing-point ("Uber das Wesen und die Bedeutung des wirtschaftlichen Erfolgstrebens," *Archiv fur Sozialwissenschaft und Sozialpolitik,* LXIII [1930], 458 ff.).

SEVEN

The Executive

INTRODUCTION

*I*n examining the role of the executive we want to get some notion of the dimensions of the job or office that he fills. It is easy enough to define an executive in a dictionary sense. However, when we come to ask: how does the executive operate, how does he relate himself to those above and below him, what is expected of him in carrying out his responsibilities, what privileges and status does he enjoy by virtue of his position, and a host of similar questions, the dictionary definition becomes more than useless. It might actually stand in the way of our understanding.

We want to accomplish two things in this chapter. First, we want to get some insight into the personality structure of the executive. Second, we want to heighten our own perceptions about the meaning of the office of executive by seeing some of the general characteristics of the organization that mold the content of this office.

In a very real sense, the executive and administrator is the central figure in all the succeeding chapters of this book. When we talk about staff specialists, one of the principal problems is the executive's relations to them. The same is true in examining the position of foreman. Our whole discussion of bureaucracy, power, authority, decision-making, leadership, status, and subordination has the executive as the center of attention. This is equally true of the chapters on communication, control, technology, and organization fictions.

The remaining chapters of this book can be viewed as a multisided analysis of the executive and administrator in the organization.

At the beginning of Henry's selection, he discusses the relationship between role and personality. As we have already seen, the social role *is* the personality, acting within the limits and confines set by the social structure. If there is a high degree of selection in filling the executive offices of an organization, and if there is the swift penalty of dismissal for failure in performance, then the study of the personality of successful executives will provide us with a great deal of insight into the office of executive. That is what we find in Henry's article.

Consider, for example, his discussion of decisiveness: "It is almost as though the role [of executive] demanded conviction and certainty as an integral aspect of it," asserts Henry. Or again, on authority, the executive "does not see

the authority figures in his environment as destructive or prohibiting forces." Both of these statements, and similar ones made in Henry's article, give us a sense of the characteristics of the office of executive.

THE BUSINESS EXECUTIVE: PSYCHODYNAMICS OF A SOCIAL ROLE

WILLIAM E. HENRY *

The business executive is a central figure in the economic and social life of the United States. His direction of business enterprise and his participation in informal social groupings give him a place of significance in community life. In both its economic and social aspects, the role of the business executive is a highly visible one sociologically. It has clearly definable limits and characteristics known to the general public. These characteristics indicate the function of the business executive in the social structure, define the behavior expected of the individual executive, and serve as a guide to the selection of the novice.

Social pressure, plus the constant demands of the business organization of which he is a part, direct the behavior of the executive into the mold appropriate to the defined role. "Success" is the name applied to the whole-hearted adoption of this role. It assumes that the individual behaves in the manner dictated by the society and society rewards the individual with "success" if his behavior conforms to the role. It punishes him with "failure" should he deviate from it.

The participation in this role, however, is not a thing apart from the personality of the individual participant. It is not a game that the person is playing, it is the way of behaving and thinking that he knows best, that he finds rewarding, and in which he believes.

Thus the role as socially defined has its counterpart in the personality structure of the individuals who participate in it. To some extent the personality structure is reshaped to be in harmony with the social role. The extent to which such reshaping of the adult personality is possible, however, seems limited. An initial selection process occurs in order to reduce the amount of time involved in teaching the appropriate behavior. Those persons whose personality structure is most readily adaptable to this particular role tend to be selected, whereas those whose personality is not already partially akin to this role are rejected.

This paper describes the personality communalities of a group of successful business executives. The research upon which it is based was undertaken to explore the general importance of personality structure in the selection of executive personnel. Many aptitude tests have been employed in the industry to decrease the risk involved in the hiring of untried personnel and to assist in their placement. These tests have been

* From "The Business Executive: A Study in the Psychodynamics of a Social Role," *American Journal of Sociology*, LIV (Jan. 1949), 286-291 Used by permission of The University of Chicago Press.

far less effective in the selection of high level executive personnel than in the selection of clerical and other non-administrating persons. Many business executives have found persons of unquestioned high intelligence often turn out to be ineffective when placed in positions of increased responsibility. The reasons for their failure lie in their social relationships. No really effective means has yet been found to clarify and predict this area of executive functioning. It is to this problem that our research [1] was directed.

From the research it became clear that the "successful" [2] business executives studied had many personality characteristics in common. It was equally clear that an absence of these characteristics was coincident with "failure" [2] within the organization. This personality constellation might be thought of as the minimal requirement for "success" within our present business system and as the psychodynamic motivation of persons in this occupation. Individual uniqueness in personality was clearly present but despite these unique aspects, each executive had in common this personality pattern.

Achievement Desires. All show high drive and achievement desire. They conceive of themselves as hard working and achieving people who must accomplish in order to be happy. The areas in which they do their work are clearly different, but each feels this drive for accomplishment. This should be distinguished from a type of pseudo-achievement drive in which the glory of the end product alone is stressed. The person with this latter type of drive, seldom found in the successful executives, looks to the future in terms of glory it provides him and the projects that he will have completed —as opposed to the achievement drive of the successful executive, which looks more to the sheer accomplishment of the work itself. The successful business

[1] The research undertaken will be described in its entirety in a subsequent report. In summary it involved the study of over 100 business executives in various types of business houses The techniques employed were the Thematic Apperception Test, a short undirected interview and a projective analysis of a number of traditional personality tests. The validity of our analyses, which was done "blind," rested upon the coincidence of identical conclusions from separately analyzed instruments, upon surveys of past job performance, and the anecdotal summary of present job behavior by the executive's superiors and associates. The writer wishes to express his thanks to these executives, to Dr. Burleigh Gardner of Social Research, Inc, under whose auspices the study was made, and to Carson McGuire, Robert F. Peck, Norman Martin, and Harriett Bruce Moore, of the University of Chicago, for their assistance in the collection and analysis of data and clarification of conclusions.

[2] Success and failure as here used refer to the combined societal and business definition. All of our "successful" executives have a history of continuous promotion, are thought to be still "promotable" within the organization, are now in positions of major administrative responsibility, and are earning salaries within the upper ranges of current business salaries. Men in lower level supervisory positions, men who are considered "failures" in executive positions, and men in clerical and laboring jobs show clear deviations from this pattern. This suggests, of course, that this pattern is specific for the successful business executive and that it serves to differentiate him from other groupings in industry

The majority of these executives come from distributive (rather than manufacturing) businesses of moderately loose organizational structure where cooperation and teamwork are valued and where relative independence of action is stressed within the framework of a clearly defined over-all company policy. In organizations in which far greater rigidity of structure is present or where outstanding independence of action is required, it is possible that there will be significant variations from the personality pattern presented here. We are currently extending our data in these directions.

leader gets much satisfaction from doing rather than merely from contemplating the completed product. To some extent this is the difference between the dreamer and the doer. It is not that the successful executives do not have an over-all goal in mind, nor that they do not derive satisfaction from the contemplation of future ease, nor that they do not gain pleasure from prestige. Far more real to them, however, is the continual stimulation that derives from the pleasure of immediate accomplishment.

Mobility Drive. All the successful executives have strong mobility drives. They feel the necessity to move continually upward and to accumulate the rewards of increased accomplishment. For some the sense of successful mobility comes through the achievement of competence on the job. These men struggle for increased responsibility and derive a strong feeling of satisfaction from the completion of a task. Finished work and newly gained competence provide them with their sense of continued mobility.

A second group rely more upon the social prestige of increased status in their home communities or within the organizational hierarchy. To them the real objective is increased status. Competence in work is of value and at times crucial. But the satisfactions of the second group come from the social reputation, not from the personal feeling that necessary work has been well done. Both types of mobility drive are highly motivating. The zeal and energy put into the job is equal in both instances. The distinction appears in the kinds of work which the men find interesting. For the first group the primary factor is the nature of the work itself—is it challenging, is it necessary, is it interesting? For the second group, the crucial factor is its relation to their goals of status mobility —is it a step in the direction of increased prestige, is it appropriate to my present problem, what would other people think of me if I did it?

The Idea of Authority. The successful executive posits authority as a controlling but helpful relationship to superiors. He looks to his superiors as persons of more advanced training and experience whom he can consult on special problems and who issue to him certain guiding directives. He does not see the authority figures in his environment as destructive or prohibiting forces.

Those executives who view authority as a prohibiting and destructive force have difficulty relating themselves to superiors and resent their authority over them. They are either unable to work smoothly with their superiors, or indirectly and unconsciously do things to obstruct the work of their bosses or to assert their independence unnecessarily.

It is of interest that the dominant crystallization of attitudes about authority of these men is toward superior and toward subordinates, rather than towards Self. This implies that most crucial in their concept of authority is the view of being a part of a wider and more final authority-system. In contrast, a few executives of the "Self-made," driving type, characteristic of the past of business enterprise, maintain a specific concept of authority with regard to Self. They are the men who most always forge their own frontiers, who are unable to operate within anyone else's framework, to whom cooperation and teamwork are foreign concepts. To these men, the ultimate authority is in themselves and their image does not include the surrounding area of shared or delegated power.

Organization and Its Implications. While executives who are successful vary

considerably in their intelligence test ratings, all of them have a high degree of ability to organize unstructured situations and to see the implications of their organization. This implies that they have the ability to take several seemingly isolated events or facts and to see relationships that exist between them. Further, they are interested in looking into the future and are concerned with predicting the outcome of their decisions and actions.

This ability to organize often results in a forced organization, however. Even though some situations arise with which they feel unfamiliar and are unable to cope, they still force an organization upon it. Thus they bring it into the sphere of familiarity. This tendency operates partially as a mold, as a pattern into which new or unfamiliar experiences are fit. This means, of course, that there is a strong tendency to rely upon techniques that they know will work and to resist situations which do not readily fit this mold.

Decisiveness. Decisiveness is a further trait of this group. This does not imply the popular idea of the executive making quick and final decisions in rapid-fire succession, although this seems to be true of some of the executives. More crucial, however, is an ability to come to a decision among several alternative courses of action—whether it be done on the spot or whether after detailed consideration. Very seldom does this ability break down. While less competent and well organized individuals may become flustered and operate inefficiently in certain spots, most of these men force their way to a conclusion. Nothing is too difficult for them to tackle at least and try to solve. When poorly directed and not modified by proper judgment, this attitude may be more of a handicap than a help. That is to say, this trait remains in operation and results in decision-making action regardless of the reasonableness of the decision or its reality in terms of related facts. The breakdown of this trait (usually found only in cases where some more profound personality change has also occurred) is one of the most disastrous for the executive. As soon as this trait shows disturbance, the executive's superiors become apprehensive about him. This suggests an interesting relationship to the total executive constellation. Whenever a junior executive loses this quality of decisiveness, he seems to pass out of the socially defined role. It is almost as though the role demanded conviction and certainty as an integral aspect of it. The weakening of other aspects of the ideal executive constellation can be readily reintegrated into the total constellation. The questioning of the individual's certainty and decisiveness, however, causes weakening of the entire constellation and tends to be punished by superiors.

Strong Self Structure. One way of differentiating between people is in the relative strength or weakness of their notions of self-identity, their self-structure. Some persons lack definiteness and are easily influenced by outside pressures. Some, such as these executives, are firm and well-defined in their sense of self-identity. They know what they are and what they want and have well developed techniques for getting what they want. The things they want and the techniques for getting it are of course quite different for each individual, but this strength and firmness is a common and necessary characteristic. It is, of course, true that too great firmness of sense of self-identity leads to rigidity and to inflexibility. And while some of these executives could genuinely be accused of this, in general they maintain considerable flexibility and adapta-

bility *within the framework of their desires and within the often rather narrow possibilities of their own business organization.*

Activity and Aggression. The executive is essentially an active, striving, aggressive person. His underlying personality motivations are active and aggressive—although he is not necessarily aggressive and hostile overtly in his dealings with other people. This activity and aggressiveness are always well channellized into work or struggles for status and prestige. This implies a constant need to keep moving, to do something, to be active. This does not mean that they are always in bodily movement and moving physically from place to place (though this is often true), but rather that they are mentally and emotionally alert and active.

This constant motivator unfortunately cannot be shut off. It may be part of the reason why so many executives find themselves unable to take vacations leisurely or to stop worrying about already solved problems.

Apprehension and the Fear of Failure. If one is continually active and always trying to solve problems and arrive at decisions, any inability to do so successfully may well result in feelings of frustration. This seems to be true of the executives. In spite of their firmness of character and their drive to activity, they also harbor a rather pervasive feeling that they may not really succeed and be able to do the things they want. It is not implied that this sense of frustration comes only from their immediate business experience. It seems far more likely to be a feeling of long standing within the executives and to be only accentuated and reinforced by their present business experience.

This sense of the perpetually unattained is an integral part of this constellation and is part of its dilemma. It means that there is always some place to go, but no defined point at which to stop. It emphasizes the "self-propelled" nature of the dynamics of this role and highlights the inherent need to always keep moving and to see another goal always ahead. This also suggests that cessation of mobility and of struggling for new achievements will be accompanied by an inversion of this constant energy. The person whose mobility is blocked, either by his own limitations or by those of the social system, finds this energy diverted into other channels. Psychosomatic symptoms, the enlargement of interpersonal dissatisfactions, and the development of rationalized compulsive and/or paranoid-like defenses may reflect the re-direction of this potent energy demand.

Strong Reality Orientation. The successful executives are strongly oriented to immediate realities and their implications. They are directly interested in the practical and the immediate and the direct. This is of course generally good for the immediate business situation, though an overdeveloped sense of reality may have secondary complications. If a man's sense of reality is too highly developed, he ceases to be a man of vision. For a man of vision must get above reality to plan and even dream about future possibilities. In addition, a too strong reality sense that does not find the realities in tune with individual's ambitions may well leave a further sense of frustration and unpleasantness of reality. This happens to many executives who find progress and promotion too slow for their drives. The result is often a restlessness rather than activity, a fidgetyness rather than a well channellized aggression, and a lack of ease that may well disrupt many of their usual interpersonal relations.

The Nature of Their Interpersonal Relations. In general the mobile and successful executive looks to his superiors with a feeling of personal attachment and tends to identify with them. His superior represents for him a symbol of his own achievement and activity desires and he tends to identify himself with these traits in those who have achieved more. He is very responsive to his superiors--the nature of this responsiveness of course depending on his other feelings, his idea of authority, and the extent to which his sense of frustration is present.

On the other hand, he looks to his subordinates in a detached and impersonal way seeing them as "doers of work" rather than as people. He treats them impersonally, with no real feeling of being akin to them or having deep interest in them as persons. It is almost as though he viewed his subordinates as representatives of things he has left behind, both factually and emotionally. Still uncertain of his next forward step, he cannot afford to become personally identified or emotionally involved with the past he has left behind. The only direction of his emotional energy that is real to him is upward and toward the symbols of that upward interest, his superiors.

This does not mean that he is cold and treats all subordinates casually. In fact he tends to be generally sympathetic with many of them. This element of sympathy with subordinates is most apparent when the subordinate shows personality traits that are most like those of the superior. Thus the superior is able to take pride in certain successful young persons without also feeling an equal interest in all subordinates.

The Attitude Toward His Own Parents. In a sense the successful executive is a "man who has left home." He feels and acts as though he were on his own, as though his emotional ties and obligations to his parents were severed. It seems to be most crucial that he has not retained resentment of his parents, but has rather simply broken their emotional hold on him and been left psychologically free to make his own decisions. We have found those who have not broken this tie to be either too dependent upon their superiors in the work situation, or to be resentful of their supervision (depending of course upon whether they have retained their dependency parental ties or whether they are still actively fighting against them).

In general we find the relationship to the mother to have been the most clearly broken tie. The tie to the father remains positive in the sense that he views the father as a helpful but not restraining figure. Those men who still feel a strong emotional tie to the mother have systematically had difficulty in the business situation. The residual emotional tie seems contradictory to the necessary attitude of activity, progress, and channellized aggression. The tie to the father, however, must remain positive—as the emotional counterpart of the admired and more successful male figure. Without this image, struggle for success seems difficult.

The Nature of Dependency-Feelings and Concentration Upon Self. A special problem in differentiating the type of generally successful executive is the nature of his dependency-feelings. It was pointed out above that the dependency upon the mother-image must be eliminated. For those executives who work within the framework of a large organization where cooperation and group-and-company loyalty are necessities, there must remain feelings of dependency upon the father-image and a need to operate within an established

framework. This does not mean that the activity-aggression need cannot operate or that the individual is not decisive and self-directional. It means only that he is so within the framework of an already established set of over-all goals. For most executives this over-all framework provides a needed guidance and allows them to concentrate upon their achievement and work demands with only minimal concern for policy making of the entire organization. For those executives who prefer complete independence and who are unable to work within a framework established by somebody else, the element of narcissism is much higher and their feelings of loyalty are only to themselves rather than to a father-image or its impersonal counterpart in company policy. These feelings differentiate the executives who can cooperate with others and who can promote the over-all policy of a company from those who must be the whole show themselves. Clearly there are situations in which the person of high concentration upon self and low dependency-loyalty feelings is of great value. But he should be distinguished in advance and placed only in such situations where these traits are of value.

The successful executive represents a crystallization of many of the attitudes and values generally accepted by middle class American society. The value of accumulation and achievement, of self-directedness and independent thought and their rewards in prestige and status and property are found in this group. But they also pay the price of holding these values and of profiting from them. Uncertainty, constant activity, the continual fear of losing ground, the inability to be introspectively leisurely, the ever present fear of failure, and the artificial limitations put upon their emotionalized interpersonal relations—these are some of the costs of this role.

The following selection calls our attention to one of the tolls of the executive office. Those who manipulate human beings are more fatigued in their jobs than those who are responsible for manipulating materials. To the hardened executive, this will come as no surprise. To the student and the junior executive on the way up, this selection may serve to point out that the office of senior executive is not only mahogany furniture, deep-pile rugs, and pretty secretaries, but also problems, pressures, and wearisome details.

EXECUTIVES' JOB FATIGUE

E. WIGHT BAKKE *

Reports of interviewers indicate that the sense of fatigue is increased to the extent that Functional Specifications involve dealings with other human beings. Those whose primary responsibilities involve the manipulation of human beings report greater fatigue than those whose primary responsibilities involve manipulation of

* From *Bonds of Organization*, New York, 1950, pages 41-42. Copyright by Harper and Brothers. Used by permission.

materials. The nature and character of human beings is less well understood, less predictable than that of materials. Adaptive behavior for the organizer or leader is, therefore, less clearly indicated. The uncertainty, the possibility of mistakes, the range of alternative actions in dealing with human beings, present problems which are productive of the experience of fatigue more frequently than are those problems connected with the manipulation of materials. Since the job specifications of management involve a considerable amount of responsibility for human relationships, the result is not unexpected.

One cannot refrain from indicating, however, that the problem of fatigue in industrial life is normally discussed in physical terms, a result of concentration on the circumstances of *employees* who manipulate materials. The organization includes management as well as employees. The fatigue of the former is produced by frustration in attempts to manage human materials. At least this is an important factor.

We have so far looked at personality characteristics of successful business executives. Let us now turn our attention to the second purpose of this chapter. We want to see how the character of an organization molds and shapes the principal offices in it. For this purpose we turn to the union organization and an excellent analysis of it by Barbash.

Barbash describes the imperatives of union leadership. In his own words, "Union leadership expresses itself through many kinds of temperaments and personalities; the imperatives constitute the hard core common to all leadership however a particular union leader reveals himself as a total personality." The corporate group, the formal organization, sets limits and creates expectations which constitute imperatives for leadership.

As we see the general principle of interaction between organization and office, we have a firm foundation for understanding administration. The concept of organization office plays a central role in this understanding. The preceding chapter, this one, and the next two should make this concept a permanent part of your frame of reference in viewing organization structure.

IMPERATIVES OF UNION LEADERSHIP

JACK BARBASH *

Union leadership in the United States is characterized by certain basic imperatives—a kind of hard core of qualities common to all union leadership. The first imperative is the emphasis on maximizing the favorable position of the union members in the short run; or, more tersely, "more here and now."

* From *Labor Unions in Action*. New York. 1948, pages 176-181, copyright by Harper & Brothers Used by permission.

More here and now means the maintenance of the maximum possible number of job opportunities for the union membership in the discernible present. It means more pay for less work. It means, too, that since the effectuation of these objectives depends upon the existence of a profitable enterprise, union leadership has a real interest in maintaining an optimum profitability for the business that provides jobs for the members of the union. Optimum in this context signifies the lowest profit consistent with providing the most jobs at the highest pay and the best working conditions during a given period.

General adherence to a political and economic philosophy which may appear to run counter to the dictates of more here and now has nothing to do with the validity of this generalization. Thus, both John Lewis, an avowed Republican, and David Dubinsky, a leader of Socialist extraction, have found it necessary to lend funds to faltering enterprises in their industries. Both the Cigar Makers—the citadel of union conservatism—and the Amalgamated Clothing Workers—with more liberal aspirations—were much concerned with promoting what appeared to them more profitable price arrangements for their respective industries. The Communist-sympathetic National Maritime Union manifests the same concern over protecting its own members in the face of an influx of "green men" who can't find jobs elsewhere—the "trip card men"—as any so-called conservative union shows in taking care of its full-fledged members as against "permit" holders.

Another set of imperatives of union leadership is related to the nature of the union as a democratic institution. Democratic institutions require politicians to make democracy manageable on a day-to-day basis, since nose counting is out of the question in all but the smallest aggregates. The union leader must therefore be a politician, which in the labor movement as in any other democratic enterprise means that he must be accessible, personable, and remember to help his friends and supporters.

The way the international president carries on his work reflects one facet of the political character of the modern union. The union president is invariably accessible to the lowliest of local union officials and even to rank-and-file members in a way that would be fantastic for an important executive of a corporation. If the international office of the union is located in an area of great concentration of union membership—like Akron for rubber, Detroit for automobiles, and New York for the garment trades—the president's office is the forum for the airing of every grievance from issues of major union policy to political squabbles among local union officers. As a result, an international president is constantly in the midst of matters of immediate urgency and has little opportunity for what some would consider the orderly administration of union business.

If the local officers and membership cannot come to the president, they insist that he come to them, as the Paper Makers' survey complains:

> Some local unions as well as some employers occasionally approve the arbitrary position of demanding that the International President must come to their locality and personally do the job to be done. Granting that they are sincere, and the problems serious, the fact still remains that there are many serious problems confronting Headquarters every day. While the President is away, work accumulates. Reports of field men continue to flow in; questions from field men, local unions, employers, requiring his personal attention remain unanswered; important decisions are not forthcoming; the pile of mail and telegrams

on his desk mounts ever higher. The net result is that while the President is away from his office handling one local problem, ten others are suffering from lack of attention.

The International President should be in a position to devote his time and talents to the over-all picture, and not be required to negotiate agreements, settle controversies, organize new locals, handle local complaints, etc.

A further imperative of union leadership, which stems from the political character of unionism, is the fact that leadership almost always works its way up from the ranks. The personal following that is the indispensable ingredient of leadership is not at the beck and call of any Johnny-come-lately, and is only available to the men who have worked their way up within the union. C. Wright Mills, who has made an interesting analysis of the vital statistics of union leaders concludes that "the majority of these leaders have worked as laborers in the industries with which they later dealt as officials; the majority took their first union jobs with a local."

A few thumbnail sketches of representative figures in American union leadership reinforce this point:

William Green—coal miner, 1899-1900; United Mine Workers sub-district president, 1900-1906; district president, 1906-1910; member Ohio Senate, 1910-1912; secretary-treasurer United Mine Workers, 1912-1924; member executive council, 1913-1924; AFL president, 1924- .

Harvey Brown—machinist apprentice, 1902-1905; journeyman machinist, 1905-1911; Machinists Union business representative, 1911-1922; Machinists Union vice-president, 1921-1938; Machinists Union president, 1938- ; AFL executive council member, 1940-1945.

William Hutcheson—journeyman carpenter, 1902; union business agent, 1902-1913; international vice-president, 1913-1918; international president, 1915- .

Alexander F. Whitney—railroad news agent, 1888-1890; brakeman, 1890-1901; chairman general grievance committee Brotherhood of Railroad Trainmen, 1901-1907; vice-president, 1907-1928; president, 1928- .

James Carey—inspector radio manufacturing plant, 1929-1934; assisted in organizing AFL federal union, 1933; AFL general organizer, 1934; president United Electrical and Radio Workers (CIO), 1936-1941; secretary-treasurer CIO, 1942- .

Reid Robinson—member AFL Newsboys Union, 1919; mine worker, 1926-1933; secretary Butte Miners Union, 1933; president local union, 1934-1935; international president Mine, Mill and Smelter Workers, 1936- .

A few union leaders have not come up from the ranks: Donald Henderson of the Food and Tobacco Workers, who came into the labor movement via the Columbia University faculty and radical politics; A. Philip Randolph of the Sleeping Car Porters, whose interest in the union stemmed from activity in the Socialist and race relations movements; Ralph Helstein, who rose to the office of president of the Packinghouse Workers from his position as general counsel to the organization.

The rapid growth of many CIO unions evoked two unusual trends with respect to what Mills calls the career pattern of leadership: first, the comparative youthfulness of the CIO top leadership, the average of which was 42 in 1945 as compared to 55 for the AFL. The second trend is to be found in the fact of leadership transferability, most notably in the case of the Steel Workers where Murray, David MacDonald, Van Bittner, and Clinton Golden had already established their union backgrounds in organizations other than steel and, with the exception of the last named, all in the Miners. This is, of course, a reflection of the fact that John Lewis had put UMW officers in charge of the steel industry organizing campaign.

Finally, among the political imperatives of union leadership is the need,

first, to build a following and, second, to maintain it once leadership status has been achieved. The intensity of the pressure to build what in less elegant language may be called a machine varies directly with the level of leadership. Frequently local union leadership may not be highly prized and little effort may be required in getting office and holding it. The Paper Makers' investigation notes:

> ... our locals sometimes have trouble finding a member who will accept an office There are many reasons why men decline nominations. They may be "too busy," "live too far away," "work wrong shift," or any one of a dozen other alibis. They may suspect an office in the union may hurt their chances of promotion or maybe they would rather be able to criticize the other fellow than have to take some of it themselves. A few sincerely believe they are not qualified.

The Philadelphia correspondent for the *Coopers International Journal* asserts with great feeling:

> To those members who at one time or another held office in a local union, the writer can say he certainly realizes what it means to be an officer and not sit out in the quorum and criticize most anything that officers are trying to do. It is not an easy job to be an officer of a local union. A little more appreciation on the part of the members would be a great encouragement. Above all, dignity and respect that goes with it is more important than anything else.

Where the president, secretary-treasurer, business agent in larger locals are full-time officials and are therefore paid, the position is somewhat more competitive. Although the salary is not much more than a better paid worker receives in the shop, there is more security in the better established locals and the character of the work has a somewhat higher social status.

The systematic character of the efforts involved in building a following depends, of course, on the extent to which there exist rival groups within the union. In any event, union leadership takes these groups into account. How much account depends on how well organized and articulate these groups are.

Union groups or factions may divide themselves geographically, by national origin, by religious groups, by industry segments, and by ideology. They are either in the form of informal groupings or well-organized and disciplined factions. They may be part of an administration coalition or in active opposition to the administration.

Luigi Antonini's position as first vice-president of the International Ladies' Garment Workers' Union is in part a recognition of his standing with respect to the large Italian membership in the union. Unions with Canadian membership will invariably give this condition appropriate recognition by providing for some representation on the executive board. When the Pulp and Sulphite Workers set up a research and educational department generally, a special section was set up for Canada. Philip Murray, whenever he appoints over-all CIO committees, will see that representation is provided for the anti-Communists, the middle-of-the-roaders on the issues, and the pro-Communist groups. It is a common practice for unions functioning in interracial industrial situations in the South to give representation to Negro members among the various union offices. Probably the only way in which the Hosiery Workers can be kept within the Textile Workers-CIO is to give them virtual autonomy as a group. The fact that Albert Fitzgerald is president of the Electrical Workers-CIO represents in part a concession by the dominant Communist-

minded leadership to the strong Catholic group within the union. Union leadership will also maintain its position by playing a balance of power strategy, as did R. J. Thomas who, with no following in his own right, managed to hold the presidency of the UAW-CIO for eight years by neutralizing the opposing forces of Walter Reuther and George Addes.

On the other extreme is the leadership that is in such undisputed control of a situation that the problem of cultivating various groups is reduced to the bare minimum of rewarding friends and punishing enemies. In this category would fall George Berry of the Pressmen, Hutcheson of the Carpenters, the late Sidney Hillman of the Clothing Workers, John L. Lewis of the Miners, and Philip Murray in the Steel Workers.

Thus far we have been discussing the *imperatives* of union leadership—"more here and now," rising from the ranks, and building and maintaining a following. But these imperatives are rarely discernible in union leaders in the simple and unadorned fashion in which they have been described here. Rather, union leadership expresses itself through many kinds of temperaments and personalities; the imperatives constitute the hard core common to all leadership however a particular union leader reveals himself as a total personality.

EIGHT

Specialists

INTRODUCTION

We now turn our attention to another important group of organization officials who usually do highly technical things—the specialists.

Gordon, in his section on the professionalization of business leadership, Chapter 6, has shown how the dynamic, complex characteristics of modern, large-scale business lead to professional specialization. We want to examine that aspect of organization in detail in this chapter.

From the standpoint of their functional role in the organization, the problem of specialists is a critical one. We want to know first of all how far we can go in depending upon the expert. Second, we want to know how to fit the specialist into an organization. These are the basic questions the administrator asks about experts and specialists.

How reliable is the expert? That seems a stupid question on its face. If he is an expert, he knows his field better than a layman. The expert must of necessity be highly reliable in his own field. But it does not follow that he must be reliable in the total organization of which he is a functionary in one specialized field.

Let us use Roethlisberger's question, asked in the first selection of this section: "What is that part of the situation which may be ignored or inaccurately stated by the limitations of a specialist logic, which must be understood and taken into account by the administrator if the control exercised is to be adequate?" Note that he mentions the limitations of a specialist logic. That should give us a clew as to the nature of our problem. Is there something about specialization that makes for difficult problems for the administrator?

The purpose of this chapter is *not* to prove that the specialist or expert in the organization creates problems for the organization, and hence, let us get rid of the specialists and organizations will be better off. That is manifestly impossible and undesirable.

The division of labor and functional specialization that pervades our society breeds the specialist and expert. He is truly a product of the structure of our society, in the organizations that carry out the activities of our social life. We could not get rid of experts if we wanted to. They are built into the specialized niches and jobs that make up the fabric of society.

Thorstein Veblen suggested that the specialist was characterized by "trained incapacity." He not only is expert in

one field, but by virtue of this very expertness, is inexpert or ignorant in other fields. The intensity of his training in one area means training in other areas is usually neglected. The intensity of concentration upon the problems of one area means that consideration of surrounding areas is often limited to the "all other things being equal" approach. To the administrator or executive who coordinates the work of different kinds of specialists, all other things are not equal. They must be considered as important variables in a total situation.

Suppose we agree that the specialist is likely to be characterized by "trained incapacity." Is there anything beyond that which is characteristic of specialization? Yes, two important points: (1) regularizing, or, as the sociologists say, institutionalizing the distinctions between expert and nonexpert. The selection by Moore and Tumin deals with this phenomenon; (2) the development of an ingrown view of things and the sense of limited responsibility, which is described by Merton in his selection.

These two typical facets of the behavior of experts constitute important additions to our knowledge of the function, position, and operating characteristics of experts.

Following the Merton selection, there is a summary of the limitations of the expert. These limitations all derive from the very intensity of training and concentration on limited problems that make the expert. These limitations are particularly significant for the executive and administrator to understand. They place the executive-expert relationship in proper perspective.

Let us now consider where the specialist fits into the organization. In the classical development of organization theory, the expert is viewed as occupying a staff position. We see this in pure form in certain kinds of military staffs. The expert is supposed to be a continuous consultant to the organizational doer-of-things, the line executive. Well and good—in theory. Unfortunately, this theoretical pure staff function is difficult to find in fact. Part of the reason for this is the expanded conception of *staff* that has grown up in the usage of this term. The concept of staff has been formulated in two broad senses.

First, a staff is composed of the personal, expert advisors of the executive or administrator. Staff in this sense means the specialized talents and brains that supplement, but do not supplant, the administrator or executive. This kind of staff is at the beck and call of the administrator. The only reason for such a staff's existing is that the problems confronting the administrator are so technical, specialized, or complex, that one unaided man is incapable of making adequate decisions about them. In every respect, the administrator's or executive's office retains the full responsibility for action and decision. Neither action nor decision has its locus in the staff. Nothing is delegated to such a staff as an operating function. This kind of staff literally sits and waits to be consulted, or follows a long-range program of gathering and maintaining information that may conceivably be useful at some future time.

The second way in which we use the staff concept is in talking about certain activities of an organization that have become functionally distinct. Furthermore, these distinct functions are viewed as auxiliary to accomplishing the main purposes of the organization. The functionally distinct groups that carry out these specialized activities are usually designated as *staff groups*. Thus, the personnel department is often viewed as a staff department. The personnel opera-

tions are necessary to the functioning of the organization, but they are not the reason for the organization's existence. An automobile company is for making autos, not perfecting personnel practices.

It will be noted that a staff, in this second sense, will ordinarily do things in the organization. Action and decision that affect the organization are activities of such a staff. Administratively, the structural problem relating to such a staff is to determine the area of staff activity and competence and to draw the boundaries between the staff's activities and the actions of other units of the organization. To return to our personnel example, where does the boundary fall between the personnel actions of the foreman (a line official) and the actions of the personnel department (a staff agency)?

These two structurally and functionally different conceptions of staff are clearly set forth in the sections dealing with the consultant, on the one hand, and Dalton's outstanding study of staff-line conflicts, on the other hand. In the short paper on the industrial consultant, we see the pure advisory role of the specialist. Simmel's discussion of the stranger gives us the theoretical background for understanding the role of the expert who, because he is a stranger to the organization he is advising, is able to accomplish his advisory task more effectively. Dalton's study sets forth the problems of relationship between a staff that carries on functionally distinct activities and other units in the organization.

In summary, this chapter on specialists deals with their limitations as contributors to the organization, and with the structural and functional relations of experts to an organization.

THE ADMINISTRATOR'S OBJECTIVES AND STAFF SPECIALISTS

FRITZ J. ROETHLISBERGER *

The problem [of directing an organization] is not a choice between two opposing alternatives—between "efficiency" on the one hand, and "morale" on the other; it is a problem of maintaining, under given conditions, a type and kind of equilibrium which will allow for maximum efficiency and collaboration. Now this is the problem with which any administrator is confronted every day. He is trying to use every method which will cut costs, increase output, improve quality, cut down waste and accidents, and make his department or division technically efficient. At the same time, he is trying to secure the cooperation of individuals in attaining these technical ends. Not only does he have to secure their willingness to contribute their services to these purposes, but also he must see to it that by giving their services to these ends they will obtain social satisfactions which make them continuously desirous of cooperating. Now this is not a static problem of black and white. It is a dynamic

* Reprinted by permission of the publishers from Fritz J. Roethlisberger, *Management and Morale,* Cambridge, Mass: Harvard University Press, 1941, pages 156-159.

problem of equilibrium; it is a problem of knowing the technological limitations, the limitations of the human organization, and the particular objectives that can be accomplished under these limiting conditions. In part, it is a problem of sizing up a situation and knowing what needs to be done and how it should be done here and now in order to attain the cooperative purpose. In part, it is the problem of a constant exercise of judgment in a situation of equilibrium, of assessing its nature, and of spotting possible sources of interference which may unduly disrupt the condition of balance.

To assist him in doing his job, the administrator has staff specialists or control agencies. Each of these specialists has specific functions. He selects from the total situation those aspects for which he is functionally responsible. Each is therefore evaluating the total situation in terms of the partial abstractions dictated by his specialty. Among these specialists in modern business must be included the personnel man. He too is responsible for certain functions: hiring, firing, placement, training, and welfare of employees. For each of these functions he too has specialized techniques: selection tests, job evaluation, employee-rating plans, conference techniques, pension plans, welfare plans.

Each of these specialists, control agencies, or functional staff groups can be arranged on a scale expressing the degree to which the application of its specialty involves cooperative phenomena. On one end would be the physicist, the chemist, the engineer. At the other end would be the rate setter, specialists engaged in job evaluation, measuring employee performance, and wage incentive systems. The latter groups are keenly aware of their relation to cooperative phenomena. They realize that their standards can be set only in cooperation with the different people and groups involved. At every turn the cooperation of employees, supervisors, and even top management must be sought. Only in this way can the desired results be achieved.

However, when the administrator has to conceive of his organization as a functioning whole and has to assess the contributions of each specialist group to it and make decisions in accordance with his size-up of the total situation, he is up against a concrete situation involving the interactions of people. And for this purpose what skills does he use? In terms of what data does he act? In what frame of reference is his thought set? If all the specialist skills are not the skill of the administrator, if all these partial controls of different specialist groups do not add up to the final control exercised by the administrator, then what is the administrative skill? What is that part of the situation which may be ignored or inaccurately stated by the limitations of a specialist logic, which must be understood and taken into account by the administrator if the control exercised is to be adequate? What, in short, does the administrator control?

It is the thesis of this book that "good judgment," "long experience," "common sense," "discretion," "a grain of salt," "being realistic," are not sufficient answers to these questions. Granted that some people exercise these skills successfully, how do they do it? What is their point of view? How do they secure the cooperation of people? How does one conceive of a business organization as a functioning whole? What is the matrix from which can be made certain useful abstractions which ignore cooperative phenomena but which, when applied, have to be taken into account?

It would be absurd to imagine that

the answers to these questions are simple; nor is there any claim that they have been completely, finally, or definitively answered in the preceding chapters. Rather, in each chapter an attempt has been made to suggest more fruitful ways of stating certain problems involving cooperative phenomena and more profitable avenues of inquiry. It has been the intention to provoke research, and not more talk, on problems relating to cooperative phenomena.

Therefore, in no chapter have there been given, let us say, ten specific rules for securing collaboration, or ten things which a rate setter needs to take into account in order to get the cooperation of employees. These omissions were not unconsciously made in order to avoid being specific and practical. Such rules and principles were deliberately omitted because in terms of the orientation which was suggested they are the height of impracticability. They substitute a verbal, ritualistic orientation for a diagnostic orientation to concrete situations. They try to solve a problem before they state it.

It is our attitude that "control" means understanding the nature of the phenomena with which one is dealing and the simple uniformities that can be found among them. This applies also to human control—the control of cooperative phenomena. This requires research, more research, continuous research, and research in which theory and practice go hand in hand. This, in our opinion, is the simple lesson to be learned from the history of the physical sciences. Man's control over his physical environment increased when he stopped trying to legislate verbally as to how and what the universe should be, and began to seek patiently and laboriously for the simple uniformities that existed in a limited class of data, and to behave, at least in respect to this aspect of his environment, in accordance with these uniformities.

Roethlisberger has pointed out that the staff specialist is selected primarily to do a given task, not a general job. Each specialist is "evaluating the total situation in terms of the partial abstractions dictated by his specialty." The abstractions or points of view of the specialists can be arranged, says Roethlisberger, according to the degree to which they involve the human factor. A chemist can work with little or no reference to the human factor in the application of his results to the organization. The personnel specialist can work only in terms of the human factor in doing his job. In short, the "specialist logic" is characteristic of each specialty. But what about the administrator? Is the "administrator's logic" merely the sum of all the specialist's logic? The answer seems to be no.

I have purposely left the last three paragraphs of Roethlisberger's statement in this selection. He asserts here a general theme that runs through this book. It is worth repeating often.

The specialist is usually an intelligent and highly trained man. He is a *man,* not just a brain. His behavior in relation to other people is very human, often perverse, and sometimes irritating. Moore and Tumin point out for us how the specialist turns his special knowledge into an instrument for preserving his social status. He tries to keep the consumer of his special talents

ignorant of his methods. In this way, his status is tied to his exclusive knowledge. Let us not forget that the consumer of the specialist's talents *in an organization* is the executive and the administrator!

Ignorance on the part of nonspecialists also provides a basis for limiting the competition for the specialist's jobs. This is a common phenomenon that we are likely to think of in terms of trade union activity. It is well to be reminded that this characteristic kind of behavior is much more widespread. By maximizing ignorance on the part of the nonspecialists, the specialist improves his job opportunities.

SPECIALISTS AND THE IGNORANCE OF NON-SPECIALISTS

WILBERT E. MOORE
AND MELVIN M. TUMIN *

The function of ignorance that is most obvious, particularly to the cynical, is its role in preserving social differentials. However, a purely cynical view is likely to overlook the extent to which the continuity of any social structure depends on differential access to knowledge in general, and, *a fortiori,* to specialized knowledge of various kinds. In many instances, of course, the counterpart of ignorance on the part of the outsider is *secrecy* on the part of the possessor of knowledge. Some of the outstanding examples of this general function of ignorance are summarized in the following paragraphs.

The Specialist and the Consumer. Ignorance on the part of a consumer of specialized services (for example, medical or legal advice) helps to preserve the privileged position of a specialized dispenser of these services. This is in some measure a by-product of the division of labor, and theoretically the same persons may occupy super-ordinate or subordinate positions as one or another service or skill is demanded. However, there are both theoretical and empirical bases for concluding that some persons whose skills are both scarce and functionally important will occupy a generalized superior position.[1] Although that status is not solely the product of the ignorance of others, in concrete instances it is partially maintained by such ignorance.

One evidence of the function of ignorance as a preservative of privileged position lies in the situation where the consumer acquires, through continuous exposure to the services of the specialist, a sense of his own ability to deal with his problems, and thus to dispense with the services of the specialist (*e.g.*, when we learn how to treat common colds, simple fevers, and bruises, and where we learn how to send stern notes concerning contractual obligations). Thus the range of situations in which the

* From "Some Social Functions of Ignorance," *American Sociological Review,* 14: 788-789 (Dec 1949). Copyright by the American Sociological Society. Used by permission.

[1] Kingsley Davis and Wilbert E. Moore, "Some Principles of Stratification," *American Sociological Review,* 10: 242-249, April, 1945.

special services are believed to be required is altered from the original position.

On the other hand, the specialist commonly develops devices to protect himself against this sort of attrition. A common device is that of specialized and possibly esoteric vocabulary, or the use of instruments and techniques not intrinsically required for the solution but seemingly so.

However, the central point remains that real or presumed differential knowledge and skills are inherently necessary to maintain mutually satisfactory relationships between specialist and consumer.

The Specialist and the Potential Competitor. Another facet to the preservation of the privileged position of the specialist is perhaps worthy of special mention. It was noted in the preceding paragraphs that the specialist's position may be endangered by "the patient becoming his own physician." A related danger is that the privileged position of the specialist will be so attractive that too many competitors will appear in the market. This is simply another, and more common, way of saying that ignorance operates to protect the specialist from potential competitors. Perhaps the commonest devices for guarding against this danger are "trade secrets" and their protection through the control by the specialists themselves of training and thus of access to the privileged positions. Examples in contemporary society are to be found in the limited access to certain professions and in the restriction of apprenticeship on the part of various craft unions. Although often justified as a means for protecting technical standards, these restrictions appear also to preserve a sharp distinction between the knowledge of specialists and the ignorance of aspirants. For the society as a whole the result may be a restriction in essential services, either directly through limitation of the number of specialists or indirectly through increasing costs so that other goods must be sacrificed by the consumer.

LIMITED PERSPECTIVE OF STAFF SPECIALISTS

ROBERT K. MERTON *

New applications of science to production by the engineer . . . do not merely affect the methods of production. They are inescapably social decisions affecting the routines and satisfactions of men at work on the machine and, in their larger reaches, shaping the very organization of the economy and society.

The central role of engineers as the General Staff of our productive systems only underscores the great importance of their social and political orientations; the social strata with which they identify themselves; the texture of group loyalties woven by their economic position and their occupational careers; the groups to whom they look for direction; the types of social effects of their work which they take into account—in short, only by exploring the entire range of

* From "The Machine, The Worker and The Engineer," *Science,* 105: 79-81 (Jan. 24, 1947). Reprinted by permission.

their allegiances, perspectives, and concerns can engineers achieve that self-clarification of their social role which makes for fully responsible participation in society.

But to say that this poses sociological problems for "the" engineer is to make a reference so inclusive and vague as to mean little at all. The large and multifarious family of men called engineers have a far-flung kinship, but they also have much that marks sub-groups off, each from the others. There are military, civil, mechanical, chemical, electrical, and metallurgical engineers, and so on down through the hundreds of titles found among the members of national engineering societies. But whatever their specialty, so long as they are concerned with the design, construction, or operation of the equipments and processes of production, they are confronted with social and political implications of their position in society.

A nascent trend toward full recognition of these implications is curbed by several obstacles, chief among which, it would seem, are (1) marked specialization and division of scientific labor, (2) the applications of professional codes governing the social outlook of engineers, and (3) the incorporation of engineers into industrial bureaucracies.

SPECIALIZATION

The intensified division of labor has become a splendid device for escaping social responsibilities. As professions subdivide, each group of specialists finds it increasingly possible to "pass the buck" for the social consequences of their work, on the assumption, it would seem, that in this complex transfer of responsibility there will be no hindmost for the devil to take. When appalled by resulting social dislocations, each specialist, secure in the knowledge that he has performed his task to the best of his ability, can readily disclaim responsibility for them. And, of course, no one group of specialists, the engineer any more than the others, alone initiates these consequences. Rather, within our economic and social structure each technological contribution meshes into a cumulative pattern of effects, some of which none has desired and all have brought about.

THE PROFESSIONAL ETHIC

Deriving in part from the specialization of functions, engineers, not unlike scientists, come to be indoctrinated with an ethical sense of limited responsibilities. The scientist, busy on his distinctive task of carving out new knowledge from the realm of ignorance, has long disclaimed responsibility for attending to the ways in which this knowledge was applied. (History creates its own symbols. It required an atomic bomb to shake many scientists loose from this tenaciously held doctrine.)

So, in many quarters, it has been held absurd that the engineer should be thought accountable for the social and psychological effects of technology, since it is perfectly clear that these do not come within his special province. After all, it is the engineer's "job"—note how effectively this defines the limits of one's role and, thereby, one's social responsibility—to improve processes of production, and it is "not his concern" to consider their ramified social effects. The occupational code focuses the attention of engineers upon the first links in the chain of consequences of technological innovation and diverts their attention, both as specialists and as citizens, from succeeding links in the chain as, for example, the consequences for wage levels and employment opportunities.

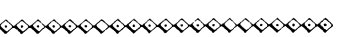
"But we have to include consequences impartially"—this is John Dewey putting the issue in more general form. "It is willful folly to fasten upon some single end or consequence which is liked, and permit the view of that to blot from perception all other undesired and undesirable consequences."

BUREAUCRATIC STATUS

The employment of large numbers of engineers and technologists in industrial bureaucracies further shapes their social perspectives. Knit into a bureaucratic apparatus, many engineers take their place as experts in a subaltern role with fixed spheres of competence and authority and with a severely delimited orientation toward the larger social system. In this status, they are rewarded for viewing themselves as technical auxiliaries. As such, it is not their function to consider the human and social consequences of introducing their efficient equipments and processes or to decide when and how they are to be introduced These are matters for administrative and managerial concern. . . .

Max Weber and Thorstein Veblen, among others, have pointed to the danger that this occupational perspective, involving the rationalized abdication of social responsibility in favor of the administrator, may be transferred by engineers beyond the immediate economic enterprise. From this transference of outlook and the resulting trained incapacity for dealing with human affairs there develops a passive and dependent role for engineers and technologists in the realm of political organization, economic institutions, and social policy. The citizen-self threatens to become submerged in the occupational-self.

As technical specialists thus attend to "their own" limited tasks, the over-all impact of technology upon the social structure becomes nobody's business through default.



Professor Merton has suggested some of the specialist's particular limitations and how they develop. The analysis is in terms of the engineer, but the generalizations apply to the entire class of people who are specialists or experts in any field. Merton shows how specialization, a professional ethics of limited responsibility, and a bureaucratic status combine to develop the specialist's indifference to the consequences of his work. Moore and Tumin tell us how and why the specialist posts the "keep out" sign around his specialty.

To the points already made by Roethlisberger, Moore and Tumin, and Merton about the expert and his limitations as a contributor to the organization, we can add several more that are developed by the late Harold Laski.[1]

Laski emphasises the trained incapacity of the expert. This is expressed in four characteristic ways.

1. The expert sacrifices common-sense insights to the intensity of his experience in his special field. He fails to trust common sense in himself or others, because common sense is based on broad experience that goes beyond a field of special training. An example will illustrate the point. A large number of men in an army battalion are suddenly afflicted with diarrhea. The medics are in frantic search of a cause. The veteri-

[1] Harold J. Laski, "The Limitations of the Expert," *Harper's Magazine*, 162: 102-106 (Dec. 1930).

nary officer painstakingly investigates the meat served and also draws a blank in his searches. The battalion officers are baffled. Finally, a wise sergeant gives the common sense explanation: during a rainy period, the men of the battalion are permitted to enter the mess hall at the exit so that the waiting line can be placed around the outside aisle of the hall and more men can be put under cover from the rain while waiting. At the exit are the G.I. cans for washing mess tools. Ordinarily, a man leaving the mess hall stirs his mess tools in a soapy solution, a chemical solution, and a clear-water rinse to clean them. The habit of cleaning the tools is so ingrained that the men do it automatically as they go past the can on their way into the mess hall on rainy days. They end up with GI soap, a highly laxative compound, on their mess tools. The medical men are so accustomed to looking for pathological causes that the common sense of the situation has completely escaped their consideration.

2. A second typical feature of the expert's trained incapacity is a marked aversion to new ideas. Experts in a field are usually the first to take up arms against innovation. Pasteur had a bitter struggle convincing some of his colleagues of the importance of his discoveries. Jenner fought a long and bitter battle with his medical contemporaries to gain the acceptance of vaccination. These examples could be multiplied. They seem to indicate clearly that broad innovations requiring modification of the systematic ideas of a field of specialization are likely to be met by active resistance from the specialists in that field.

3. Experts seldom see things in their entirety. This is the third feature of their trained incapacity. They take the subject of their specialty necessarily as the center of importance and relate everything to that. Roethlisberger touched this point when he called attention to the special logic of the expert, which includes a necessary emphasis on his field of specialization to the exclusion of other fields or objects of attention closely allied to it.

4. The fourth aspect of the expert's trained incapacity is the feeling of superiority that is likely to be associated with his position. This lack of humility often makes experts fail to see the obvious when it is in front of their noses. It is in this connection that the executive or administrator, if he keeps himself from being "taken in" by the expert's air of superiority, can often save himself from bad advice.

Two more points should be made about the expert's limitations. Experts tend to have strong identification with fellow specialists, so that the evidence and arguments marshaled by nonexperts is viewed with suspicion. This is the other side of the coin of the specialist's keeping the layman in the dark. Experts not only try to keep the layman ignorant, but also assume that he is ignorant because he is a layman!

The final point about experts is that they are likely to confuse the importance of their knowledge and facts with the significance of what they recommend be done with them. The government bureau expert is likely to view the legislator as standing in the way of accomplishment. The president of a company may be considered stubborn because he fails to follow the advice of his industrial relations specialist. There are many examples of this same point. The expert tends to confuse knowledge with wisdom. Wisdom is by no means the sole property of specialists. The layman, the nonspecialist, has his share of wisdom too.

The importance of recognizing the limitations of the expert lies in having a proper perspective on the contributions and difficulties of fitting the specialist into an organization. It should be emphasized again that this analysis is not meant to lead to the conclusion that experts are "bad" or should be avoided. They are necessary and inherent in the complex division of labor that characterizes our urban-industrial society. But society and the organizations of society need both expertness and wisdom, and cannot be governed by expertness alone. We can now turn to a consideration of the place of experts in organizations.

You will recall that in the introduction to this chapter, we drew the distinction between the functionally distinct group performing auxiliary tasks in the organization, as one kind of staff, and the advisor, as another kind of staff position. Let us look at this advisory staff role.

In industry today, the advisory staff role is found increasingly in the hands of paid consultants. In almost every area of business activity, it is possible to hire a professional advisor. This is an interesting commentary on the extent to which division of labor and specialization have been carried out in industry. It has reached the point where some staff work is carried out by people who are not even employees of the firm!

The short statement from *Modern Industry* lists what a staff consultant can do, and sets forth four points showing why the outside specialist is able to accomplish what he does.

The following selection from the writings of Georg Simmel, a famous German sociologist who died in 1918, gives us a theoretical basis for understanding how the outside specialist, the "stranger" specialist, establishes an effective basis of interaction with the group to which he is a stranger.

THE MANAGEMENT CONSULTANT

MODERN INDUSTRY *

Management consultants have, in recent years, moved into respectability and general industrial acceptance.

For many years previously there were a number of incompetents—even some charlatans—in the field. Many able and conscientious consultants had rough going. Very few incompetents and charlatans are left. They were found out.

Hundreds of companies, big and small, have been discovering what consultants can do for them—and what they cannot tackle.

Here's what an expert consultant can offer the management man:

1. Time to study the client's problem, unhampered by routine.

2. Objectivity, unhampered by set habits of operational thinking, uninfluenced by personalities—the "outside point of view."

* From *Modern Industry*, 20: 6 (Dec. 15, 1950), page 54. Used by permission.

3. Experience gained from servicing many other clients—knowing, therefore, what is likely to work and what isn't.

4. Freedom from the suspicion of favoritism or prejudice; the ability to say what can't always be said from within.

If a consultant can deliver on all four of these points, he is likely to be worth his fee. (He doesn't work for peanuts.)

When is a consultant needed? First, when a tortuous, irritating company problem remains unsolved for years; second, when a specific project is to be undertaken, but permanent additions to the staff are unnecessary; and third, when the company needs physical or psychological face-lifting.

Most consulting firms supply specialized studies of individual problems as well as appraisals of the whole company. Some, generally smaller firms, deal in specialized studies only.

A consultant is occasionally hired only to analyze a problem and report what should be done about it. In other instances, management expects him to help carry out his recommendations.

Whatever use the consultant is put to, he should be carefully selected. Make sure his philosophy of business is at least similar to your own; that he won't antagonize or unnecessarily distract your staff; that his ability to produce has been proved in other companies. You'd be wise to query clients of two or three years ago. (Current clients are generally enthusiastic—before they have time to weigh long-range results.)

Before selecting the consultant: Make sure the job can't be done internally. *After* choosing the consultant: Tell your staff he's on his way, and why he's necessary.

When the consultant gets to work, he should receive sincere—not lip-service—cooperation. He should feel free to examine every record, every machine, every skeleton in the closet. He should be allowed to use any members of the organization—including the men who "can't" be spared.

In other words, avoid the "show me" attitude. Help him to succeed. After all, the company has more to gain than he does.

THE STRANGER

GEORG SIMMEL *

If wandering is the liberation from every given point in space, and thus the conceptional opposite to fixation at such a point, the sociological form of the "stranger" presents the unity, as it were, of these two characteristics. This phenomenon too, however, reveals that spatial relations are only the condition, on the one hand, and the symbol, on the other, of human relations. The stranger is thus being discussed here, not in the sense often touched upon in the past, as the wanderer who comes today and goes tomor-

* From *The Sociology of Georg Simmel,* translated by Kurt H. Wolff. Glencoe, Ill.: 1950, pages 402-406, copyright by The Free Press. Used by permission.

row, but rather as the person who comes today and stays tomorrow. He is, so to speak, the *potential* wanderer; although he has not moved on, he has not quite overcome the freedom of coming and going. He is fixed within a particular spatial group, or within a group whose boundaries are similar to spatial boundaries. But his position in this group is determined, essentially, by the fact that he has not belonged to it from the beginning, that he imports qualities into it, which do not and cannot stem from the group itself.

The unity of nearness and remoteness involved in every human relation is organized, in the phenomenon of the stranger, in a way which may be most briefly formulated by saying that in the relationship to him, distance means that he, who is close by, is far, and strangeness means that he, who is also far, is actually near. For to be a stranger is naturally a very positive relation; it is a specific form of interaction. The inhabitants of Sirius are not really strangers to us, at least not in any sociologically relevant sense: they do not exist for us at all: they are beyond far and near. The stranger like the poor and like sundry "inner enemies," is an element of the group itself. His position as a full-fledged member involves both being outside it and confronting it. The following statements, which are by no means intended as exhaustive, indicate how elements which increase distance and repel, in the relations of and with the stranger produce a pattern of coordination and consistent interaction.

Throughout the history of economics the stranger everywhere appears as the trader, or the trader as stranger. As long as economy is essentially self-sufficient, or products are exchanged within a spatially narrow group, it needs no middleman: a trader is only required for products that originate outside the group. Insofar as members do not leave the circle in order to buy these necessities—in which case *they* are the "strange" merchants in the outside territory—the trader *must* be a stranger, since nobody else has a chance to make a living.

This position of the stranger stands out more sharply if he settles down in the place of his activity, instead of leaving it again: in innumerable cases even this is possible if he can live by intermediate trade. Once an economy is somehow closed, the land is divided up, and handicrafts are established that satisfy the demand for them, the trader, too, can find his existence. For in trade, which alone makes possible unlimited combinations, intelligence always finds expansions and new territories, an achievement which is very difficult to attain for the original producer with his lesser mobility and his dependence upon a circle of customers that can be increased only slowly. Trade can always absorb more people than primary production; it is, therefore, the sphere indicated for the stranger, who intrudes as a supernumerary, so to speak, into a group in which the economic positions are actually occupied—the classical example is the history of European Jews. The stranger is by nature no "owner of soil"—soil not only in the physical, but also in the figurative sense of a life-substance which is fixed, if not in a point in space, at least in an ideal point of the social environment. Although in more intimate relations, he may develop all kinds of charm and significance, as long as he is considered a stranger in the eyes of the other, he is not an "owner of soil." Restriction to intermediary trade, and often (as though sublimated from it) to pure finance, gives him the specific character of *mobility*. If mobil-

ity takes place within a closed group, it embodies that synthesis of nearness and distance which constitutes the formal position of the stranger. For, the fundamentally mobile person comes in contact, at one time or another, with every individual, but is not organically connected, through established ties of kinship, locality, and occupation, with any single one.

Another expression of this constellation lies in the objectivity of the stranger. He is not radically committed to the unique ingredients and peculiar tendencies of the group, and therefore approaches them with the specific attitude of "objectivity." But objectivity does not simply involve passivity and detachment; it is a particular structure composed of distance and nearness, indifference and involvement. I refer to the discussion (in a previous chapter) of the dominating positions of the person who is a stranger in the group; its most typical instance was the practice of those Italian cities to call their judges from the outside, because no native was free from entanglement in family and party interests.

With the objectivity of the stranger is connected, also, the phenomenon touched upon elsewhere, although it is chiefly (but not exclusively) true of the stranger who moves on. This is the fact that he often receives the most surprising openness—confidences which sometimes have the character of a confessional and which would be carefully withheld from a more closely related person. Objectivity is by no means nonparticipation (which is altogether outside both subjective and objective interaction), but a positive and specific kind of participation—just as the objectivity of a theoretical observation does not refer to the mind as a passive *tabula rasa* on which things inscribe their qualities, but on the contrary, to its full activity that operates according to its own laws, and to the elimination, thereby, of accidental dislocations and emphases, whose individual and subjective differences would produce different pictures of the same object.

Objectivity may also be defined as freedom: the objective individual is bound by no commitments which could prejudice his perception, understanding, and evaluation of the given. The freedom, however, which allows the stranger to experience and treat even his close relationships as though from a bird's-eye view, contains many dangerous possibilities. In uprisings of all sorts, the party attacked has claimed, from the beginning of things, that provocation has come from the outside, through emissaries and instigators. Insofar as this is true, it is an exaggeration of the specific role of the stranger: he is freer, practically and theoretically; he surveys conditions with less prejudice; his criteria for them are more general and more objective ideals; he is not tied down in his action by habit, piety and precedent.[1]

Finally, the proportion of nearness and remoteness which gives the stranger the character of objectivity, also finds practical expression in the more *abstract nature* of the relation to him. That is, with the stranger one has only certain *more general* qualities in common, whereas the relation to more organically connected persons is based on the com-

[1] But where the attacked make the assertion falsely, they do so from the tendency of those in higher position to exculpate inferiors, who, up to the rebellion, have been in a consistently close relation with them. For, by creating the fiction that the rebels were not really guilty, but only instigated, and that the rebellion did not really start with *them,* they exonerate themselves, inasmuch as they altogether deny all real grounds for the uprising.

monness of specific differences from merely general features. In fact, all somehow personal relations follow this scheme in various patterns. They are determined not only by the circumstance that certain common features exist among the individuals, along with individual differences, which either influence the relationship or remain outside of it. For, the common features themselves are basically determined in their effect upon the relation by the question whether they exist only between the participants in this particular relationship, and thus are quite general in regard to this relation, but are specific and incomparable in regard to everything outside of it—or whether the participants feel that these features are common to them because they are common to a group, a type, or mankind in general. In the case of the second alternative, the effectiveness of the common features becomes diluted in proportion to the size of the group composed of members who are similar in this sense. Although the commonness functions as their unifying basis, it does not make *these* particular persons interdependent on one another, because it could as easily connect every one of them with all kinds of individuals other than the members of his group. This too, evidently, is a way in which a relationship includes both nearness and distance at the same time: to the extent to which the common features are general, they add, to the warmth of the relation founded on them, an element of coolness, a feeling of the contingency of precisely *this* relation—the connecting forces have lost their specific and centripetal character.

In the relation to the stranger, it seems to me, this constellation has an extraordinary and basic preponderance over the individual elements that are exclusive with the particular relationship. The stranger is close to us, insofar as we feel between him and ourselves common features of a national, social, occupational, or generally human, nature. He is far from us, insofar as these common features extend beyond him or us, and connect us only because they connect a great many people.

Let us now turn our attention to the relationships between the functionally specialized staff, composed of experts, and the line organization. In an excellent study by Dalton, reported in the following paper, we see this relationship laid bare in its various dimensions.

Much of our academic thinking about staff-line relations is wholly unrealistic. It flows from a formal analysis rather than from the actual structure of relationships. Dalton decided actually to take a look at how staff and line got together or failed to do so. He studied the situation in three industrial plants. This is his report and analysis of the situations he encountered.

Note how the theoretical points made in the preceding sections of this chapter are illuminated in this empirical study. Note also, the additional general points made. These are summarized at the end of the study.

STAFF AND LINE RELATIONSHIPS— A STUDY OF CONFLICTS

MELVILLE DALTON *

In its concentration on union-management relations, industrial sociology has tended to neglect the study of processes inside the ranks of industrial management. Obviously the doors to this research area are more closely guarded than the entry to industrial processes through the avenue of production workers, but an industrial sociology worthy of the name must sooner or later extend its inquiries to include the activities of all industrial personnel.

The present paper is the result of an attempt to study processes among industrial managers. It is specifically a report on the functioning interaction between the two major vertical groupings of industrial management: (1) the *staff* organization, the functions of which are research and advisory; and (2) the *line* organization, which has exclusive authority over production processes.

Industrial staff organizations are relatively new. Their appearance is a response to many complex interrelated forces, such as economic competition, scientific advance, industrial expansion, growth of the labor movement, and so on. During the last four or five decades these rapid changes and resulting unstable conditions have caused top industrial officials more and more to call in "specialists" to aid them toward the goal of greater production and efficiency. These specialists are of many kinds including chemists, statisticians, public and industrial relations officers, personnel officers, accountants, and a great variety of engineers, such as mechanical, draughting, electrical, chemical, fuel, lubricating, and industrial engineers. In industry these individuals are usually known as "staff people." Their functions, again, for the most part are to increase and apply their specialized knowledge in problem areas, and to advise those officers who make up the "line" organization and have authority [1] over production processes.

This theoretically satisfying industrial structure of specialized experts advising busy administrators has in a number of significant cases failed to function as expected. The assumptions that (a) the staff specialists would be reasonably content to function without a measure of formal authority [2] over production, and that (b) their suggestions regarding improvement of processes and techniques for control over personnel and production would be welcomed by line officers and be applied, require closer examination. In practice there is often much conflict between industrial staff and line organizations and in varying degrees the members of these organizations oppose each other.[3]

* From "Conflicts Between Staff and Line Managerial Officers," *American Sociological Review*, 15: 342-351 (June 1950). Copyright by the American Sociological Society Used by permission.

[1] *Inside* their particular staff organization, staff officers also may have authority over their subordinates, but not over production personnel.

[2] To the extent that staff officers influence line policy they do, of course, have a certain *informal* authority

[3] Some social scientists have noted the possibility of staff-line friction, and industrial executives themselves have expressed strong

The aim of this paper is, therefore, to present and analyze data dealing with staff-line tensions.

Data were drawn from three industrial plants [4] in which the writer had been either a participating member of one or both of the groups or was intimate with reliable informants among the officers who were.

Approached sociologically, relations among members of management in the plants could be viewed as a general conflict system caused and perpetuated chiefly by (1) power struggles in the organization stemming in the main from competition among departments to maintain low operating costs; (2) drives by numerous members to increase their status in the hierarchy; (3) conflict between union and management; and (4) the staff-line friction which is the subject of this paper.[5] This milieu of tensions was not only unaccounted for by the blue-print organizations of the plants, but was often contradictory to, and even destructive of, the organizations' formal aims. All members of management, especially in the middle and lower ranks,[6] were caught up in this conflict system. Even though they might wish to escape, the obligation of at least appearing to carry out formal functions compelled individuals to take sides in order to protect themselves against the

feelings on the matter See Burleigh B Gardner, *Human Relations in Industry* (Chicago Richard D. Irwin, Inc, 1945) and H. E. Dimock, *The Executive in Action* (New York: Harper & Brothers, 1945). Dimock believes that we are too "staff-minded" and that we should become more "executive-minded" (p 241) A high line officer in a large corporation denounced staff organizations to the writer on the ground of their "costing more than they're worth," and that "They stir up too much trouble and are too theoretical" He felt that their function (excepting that of accountants, chemists, and "a few mechanical engineers") could be better carried out by replacing them with "highly-select front-line foremen [the lowest placed line officers] who are really the backbone of management, and pay them ten or twelve thousand dollars a year"

[4] These plants were in related industries and ranged in size from 4,500 to 20,000 employees, with the managerial groups numbering from 200 to nearly 1,000. Details concerning the plants and their location are confidential. Methodological details concerning an intensive study embracing staff-line relations and several other areas of behavior in one of the plants are given in the writer's unpublished doctoral thesis, "A Study of Informal Organization Among the Managers of an Industrial Plant" (Department of Sociology, University of Chicago, 1949).

[5] Because these conflict areas were interrelated and continually shifting and reorganizing, discussion of any one of them separately—as in the case of staff-line relations—will, of course, be unrealistic to some extent

[6] From bottom to top, the line hierarchy consisted of the following strata of officers (1) first-line foremen, who were directly in charge of production workmen, (2) general foremen; (3) departmental superintendents; (4) divisional superintendents; (5) assistant plant manager; (6) plant manager. In the preceding strata there were often "assistants," such as "assistant general foreman," "assistant superintendent," etc., in which case the total strata of the line hierarchy could be almost double that indicated here.

In the staff organizations the order from bottom to top was (1) supervisor (equivalent to the first-line foreman); (2) general supervisor (equivalent to the general foreman); (3) staff head—sometimes "superintendent" (equivalent to departmental superintendent in the line organization). Occasionally there were strata of assistant supervisors and assistant staff heads

The term "upper line" will refer to all strata above the departmental superintendent. "Middle line" will include the departmental superintendent and assistants. "Lower line" will refer to general and first-line foremen and their assistants.

"Lower," "middle," and "upper" staff will refer respectively to the supervisor, general supervisor and staff head.

"Top management" will refer to the upper line and the few staff heads with whom upper line officers were especially intimate on matters of policy.

aggressions of others. And the intensity of the conflict was aggravated by the fact that it was formally unacceptable and had to be hidden.

For analytical convenience, staff-line friction may be examined apart from the reciprocal effects of the general conflict system. Regarded in this way, the data indicated that three conditions were basic to staff-line struggles: (1) the conspicuous ambition and "individualistic" behavior among staff officers; (2) the complication arising from staff efforts to justify its existence and get acceptance of its contributions; and, related to point two, (3) the fact that incumbency of the higher staff offices was dependent on line approval. The significance of these conditions will be discussed in order.

MOBILE BEHAVIOR OF STAFF PERSONNEL

As a group, staff personnel in the three plants were markedly ambitious, restless, and individualistic. There was much concern to win rapid promotion, to make the "right impressions," and to receive individual recognition. Data showed that the desire among staff members for personal distinctions often over-rode their sentiments of group consciousness and caused intra-staff tensions.[7]

The relatively high turnover of staff personnel [8] quite possibly reflected the dissatisfactions and frustrations of members over inability to achieve the distinction and status they hoped for. Several factors appeared to be of importance in this restlessness of staff personnel. Among these were age and social differences between line and staff officers, structural differences in the hierarchy of the two groups, and the staff group's lack of authority over production.

With respect to age, the staff officers were significantly younger than line officers.[9] This would account to some extent for their restlessness. Being presumably less well-established in life in terms of material accumulations, occupational status, and security, while hav-

[7] In a typical case in one of the plants, a young staff officer developed a plan for increasing the life of certain equipment in the plant. He carried the plan directly to the superintendent of the department in which he hoped to introduce it, but was rebuffed by the superintendent who privately acknowledged the merit of the scheme but resented the staff officer's "trying to lord it over" him. The staff organization condemned the behavior of its member and felt that he should have allowed the plan to appear as a contribution of the staff group rather than as one of its members. The officer himself declared that "By G— it's my idea and I want credit. There's not a damn one of you guys [the staff group] that wouldn't make the same squawk if you were in my place!"

[8] During the period between 1944 and 1950 turnover of staff personnel in these plants was between two and four times as great as that of line personnel. This grouping included all the non-managerial members of staff and line and all the hourly-paid (non-salaried) members of management (about 60 assistant first-line foremen). Turnover was determined by dividing the average number of employees for a given year (in line or staff) into the accessions or separations, whichever was the smaller.

[9] Complete age data were available in one of the larger plants. Here the 36 staff heads, staff specialists, and assistants had a mean age of 42.9 years. This value would have been less than 40 years, except for the inclusion of several older former line officers, but even a mean of 42.9 years was significantly less (C.R 2.8) than that of the 35 line superintendents in the plant who had a mean age of 48.7 years. The age difference was even more significant when the staff heads were compared with the 61 general foremen who had a mean age of 50 0 years. And between the 93 salaried first-line foremen (mean age of 48 5 years) and the 270 salaried nonsupervisory staff personnel (mean age of 31.0 years) the difference was still greater.

ing greater expectations (see below), and more energy, as well as more life ahead in which to make new starts elsewhere if necessary, the staff groups were understandably more dynamic and driving.[10]

Age-conflict [11] was also significant in staff-line antagonisms. The incident just noted of the young staff officer seeking to get direct acceptance by the line of his contribution failed in part—judging from the strong sentiments later expressed by the line superintendent—because of an age antipathy. The older line officers disliked receiving what they regarded as instruction from men so much younger than themselves, and staff personnel clearly were conscious of this attitude among line officers. [12] In staff-line meetings staff officers frequently had their ideas slighted or even treated with amusement by line incumbents. Whether such treatment was warranted or not, the effects were disillusioning to the younger, less experienced staff officers. Often selected by the organization because of their outstanding academic records, they had entered industry with the belief that they had much to contribute, and that their efforts would win early recognition and rapid advancement. Certainly they had no thought that their contributions would be in any degree unwelcome. This naiveté [13] was apparently due to lack of earlier first-hand experience in industry (or acquaintance with those who had such experience), and to omission of realistic instruction in the social sciences from their academic training. The unsophisticated staff officer's initial contacts with the shifting, covert, expedient arrangements between members of staff and line usually gave him a severe shock. He had entered industry prepared to engage in logical, well-formulated relations with members of the managerial hierarchy, and to carry out precise, methodical functions for which his training had equipped him. Now he learned that (1) his freedom to function was snared in a web of informal commitments; (2) his academic specialty (on which he leaned for support in his new position) was often irrelevant [14] for carrying out his f[redacted]s-

[10] One might also hypothesize that the drive of staff officers was reflected in the fact that the staff heads and specialists gained their positions (those held when the data were collected) in less time than did members of the line groups. *E.g.,* the 36 staff officers discussed above had spent a median of 10 years attaining their positions, as against a median of 11 years for the first-line foremen, 17 years for the general foremen, and 19 years for the superintendents. But one must consider that some of the staff groups were relatively new (13-15 years old) and had grown rapidly, which probably accelerated their rate of promotions as compared with that of the older line organization.

[11] E. A. Ross in *Principles of Sociology* (New York· D. Appleton-Century Co , 1938) pp. 238-48, has pertinent comments on this.

[12] Explaining the relatively few cases in which his staff had succeeded in "selling ideas" to the line, an assistant staff head remarked: "We're always in hot water with these old guys on the line. You can't tell them a damn thing. They're bull-headed as hell! Most of the time we offer a suggestion it's either laughed at or not considered at all. The same idea in the mouth of some old codger on the line'd get a round of applause. They treat us like kids."

Line officers in these plants often referred to staff personnel (especially members of the auditing, production planning, industrial engineering, and industrial relation staffs) as "college punks," "slide-rules," "crackpots," "pretty boys," and "chair-warmers."

[13] John Mills, a research engineer retired from the telephone industry, has noted the worldly naiveté of research engineers in that field in his *The Engineer in Society* (New York: D. Van Nostrand Co., 1946).

[14] Among the staff heads and assistants referred to earlier, only 50 per cent of those with college training (32 of the 36 officers) were occupied with duties related to their

signments; and that (3) the important thing to do was to learn who the informally powerful line officers were and what ideas they would welcome which at the same time would be acceptable to his superiors.

Usually the staff officer's reaction to these conditions is to look elsewhere for a job or make an accommodation in the the direction of protecting himself and finding a niche where he can make his existence in the plant tolerable and safe. If he chooses the latter course, he is likely to be less concerned with creative effort for his employer than with attempts to develop reliable social relations that will aid his personal advancement. The staff officer's recourse to this behavior and his use of other status-increasing devices will be discussed below in another connection.

The formal structure, or hierarchy of statuses, of the two larger plants from which data were drawn, offered a frustration to the ambitious staff officer. That is, in these plants the strata, or levels of authority, in the staff organizations ranged from three to five as against from five to ten in the line organization. Consequently there were fewer possible positions for exercise of authority into which staff personnel could move. This condition may have been an irritant to expansion among the staff groups. Unable to move vertically to the degree possible in the line organization, the ambitious staff officer could enlarge his area of authority in a given position only by lateral expansion—by increasing his personnel. Whether or not aspiring staff incumbents revolted against the relatively low hierarchy through which they could move, the fact remains that (1) they appeared eager to increase the number of personnel under their authority, [15] (2) the personnel of staff groups

specialized training. *E.g.*, the head of the indu[redacted]relations staff had a B S degree in ae[redacted]l engineering; his assistant had a sin[redacted]gree in chemical engineering. Consider[redacted]hat staff officers are assumed to be specialists trained to aid and advise management in a particular function, the condition presented here raises a question as to what the criteria of selection were. (As will be shown in a separate paper, the answer appeared to be that personal—as well as impersonal—criteria were used.) Among the college-trained of 190 line officers in the same plant, the gap between training and function was still greater, with 61 per cent in positions not related to the specialized part of their college work.

[15] This was suggested by unnecessary references among some staff officers to "the number of men under me," and by their somewhat fanciful excuses for increase of personnel These excuses included statements of needing more personnel to (1) carry on research, (2) control new processes, (3) keep records and reports up-to-date. These statements often did not square with (1) the excessive concern among staff people about their "privileges" (such as arriving on the job late, leaving early, leaving the plant for long periods during working hours, having a radio in the office during the World Series, etc); (2) the great amount of time (relative to that of line officers) spent by lower staff personnel in social activities on the job, and (3) the constantly recurring (but not always provoked) claims among staff personnel of their functional importance for production The duties of middle and lower staff personnel allowed them sufficient time to argue a great deal over their respective functions (as well as many irrelevant topics) and to challenge the relative merit of one another's contributions or "ideas" In some of the staffs these discussions could go on intermittently for hours and develop into highly theoretical jousts and wit battles. Where staff people regarded such behavior as a privilege of their status, line officers considered it as a threat to themselves This lax control (in terms of line discipline) was in part a tacit reward from staff heads to their subordinates. The reward was expected because staff superiors (especially in the industrial relations, industrial engineering, and planning staffs) often overlooked and/or perverted the work of subordinates (which was resented) in response to pressures from the line. This behavior will be noted later

did increase disproportionately to those of the line,[16] and (3) there was a trend of personnel movement from staff to line,[17] rather than the reverse, presumably (reflecting the drive and ambition of staff members) because there were more positions of authority, as well as more authority to be exercised, more prestige, and usually more income in the line.

Behavior in the plants indicated that line and staff personnel belonged to different social status groups and that line and staff antipathies were at least in part related to these social distinctions. For example, with respect to the item of formal education, the staff group stood on a higher level than members of the line. In the plant from which the age data were taken, the 36 staff officers had a mean of 14.6 years of schooling as compared with 13.1 years for 35 line superintendents, 11.2 years for 60 general foremen, and 10.5 years for 93 first-line foremen. The difference between the mean education of the staff group and that of the highest line group (14.6-13.1) was statistically significant at better than the one per cent level. The 270 non-supervisory staff personnel had a mean of 13.1 years—the same as that of the line superintendents. Consciousness of this difference probably contributed to a feeling of superiority among staff members, while the sentiment of line officers toward staff personnel was reflected in the name-calling noted earlier.

Staff members were also much concerned about their dress, a daily shave, and a weekly hair-cut. On the other hand line officers, especially below the level of departmental superintendent, were relatively indifferent to such matters. Usually they were in such intimate contact with production processes that dirt and grime prevented the concern with meticulous dress shown by staff members. The latter also used better English in speaking and in writing reports, and were more suave and poised in social intercourse. These factors, and the recreational preferences of staff officers for night clubs and "hot parties," assisted in raising a barrier between them and most line officers.

The social antipathies of the two groups and the status concern of staff officers were indicated by the behavior of each toward the established practice of dining together in the cafeterias reserved for management in the two larger plants. Theoretically, all managerial officers upward from the level of general foremen in the line, and general supervisors in the staff, were eligible to eat in these cafeterias. How-

[16] In one of the larger plants, where exact data were available, the total staff personnel had by 1945 exceeded that of the line At that time the staff included 400 members as against 317 line personnel composed of managerial officers and their clerical workers, but not production workers By 1948 the staff had increased to 517 as compared with 387 for the line (during this period *total* plant personnel declined over 400) The staff had grown from 20 8 per cent larger than the line in 1945 to 33.6 per cent larger in 1948, and had itself increased by 29 3 per cent during the three years as against a growth in the line of 22 1 per cent Assuming the conditions essential for use of probability theory, the increase in staff personnel could have resulted from chance about 1 5 times in a hundred Possibly post-war and other factors of social change were also at work but, if so, their force was not readily assessable

[17] This movement from staff to line can disorganize the formal managerial structure, especially when (1) the transferring staff personnel have had little or no supervisory experience in the staff but have an academic background which causes them to regard human beings as mechanisms that will respond as expected; (2) older, experienced line officers have hoped—for years in some cases—to occupy the newly vacated (or created) positions.

ever, in practice the mere taking of one of these offices did not automatically assure the incumbent the privilege of eating in the cafeteria. One had first to be invited to "join the association." Staff officers were very eager to "get in" and did considerable fantasying on the impressions, with respect to dress and behavior, that were believed essential for an invitation. One such staff officer, a cost supervisor, dropped the following remarks:

> There seems to be a committee that passes on you. I've had my application in for three years, but no soap. Harry [his superior] had his in for over three years before he made it. You have to have something, because if a man who's in moves up to another position the man who replaces him doesn't get it because of the position—and he might not get it at all. I think I'm about due.

Many line officers who were officially members of the association avoided the cafeteria, however, and had to be *ordered* by the assistant plant manager to attend. One of these officers made the following statement, which expressed more pointedly the many similar spontaneous utterances of resentment and dislike made by other line officers:

> There's a lot of good discussion in the cafeteria. I'd like to get in on more of it but I don't like to go there—sometimes I have to go. Most of the white collar people [staff officers] that eat there are stuck-up. I've been introduced three times to Svendsen [engineer], yet when I meet him he pretends to not even know me. When he meets me on the street he always manages to be looking someplace else. G— d— such people as that! They don't go in the cafeteria to eat and relax while they talk over their problems. They go in there to look around and see how somebody is dressed or to talk over the hot party they had last night. Well, that kind of damn stuff don't go with me. I haven't any time to put on airs and make out I'm something that I'm not.

COMPLICATIONS OF STAFF NEED TO PROVE ITS WORTH

To the thinking of many line officers, the staff functioned as an agent on trial rather than as a managerial division that might be of equal importance with the line organization in achieving production goals. Staff members were very conscious of this sentiment toward them and of their need to prove themselves. They strained to develop new techniques and to get them accepted by the line. But in doing this they frequently became impatient, and gave already suspicious line officers the impression of reaching for authority over production.

Since the line officer regards his authority over production as something sacred, and resents the implication that after many years in the line he needs the guidance of a newcomer who lacks such experience, an obstacle to staff-line cooperation develops the moment this sore spot is touched. On the other hand, the staff officer's ideology of his function leads him to precipitate a power struggle with the line organization. By and large he considers himself as an agent of top management. He feels bound to contribute something significant in the form of research or ideas helpful to management. By virtue of his greater education and intimacy with the latest theories of production, he regards himself as a managerial consultant and an expert, and feels that he must be, or appear to be, almost infallible once he has committed himself to top management on some point. With this orientation, he is usually disposed to approach middle and lower line with an attitude of condescension that often reveals itself in the heat of discussion. Consequently, many staff officers involve themselves in trouble and report their failures as due to "ignorance" and

"bull-headedness" among these line officers.

On this point, relations between staff and line in all three of the plants were further irritated by a rift inside the line organization. First-line foremen were inclined to feel that top management had brought in the production planning, industrial relations and industrial engineering staffs as clubs with which to control the lower line. Hence they frequently regarded the projects of staff personnel as manipulative devices, and reacted by cooperating with production workers and/or general foremen (whichever course was the more expedient) in order to defeat insistent and uncompromising members of the staff. Also, on occasion (see below), the lower line could cooperate evasively with lower staff personnel who were in trouble with staff superiors.

EFFECT OF LINE AUTHORITY OVER STAFF PROMOTION

The fact that entry to the higher staff offices in the three plants was dependent on approval of top line officers had a profound effect on the behavior of staff personnel. Every member of the staff knew that if he aspired to higher office he must make a record for himself, a good part of which would be a reputation among upper line officers of ability to "understand" their informal problems without being told. This knowledge worked in varying degrees to pervert the theory of staff-line relations. Ideally the two organizations cooperate to improve existing methods of output, to introduce new methods, to plan the work, and to solve problems of production and the scheduling of orders that might arise. But when the line offers resistance to the findings and recommendations of the staff, the latter is reduced to evasive practices of getting some degree of acceptance of its programs, and at the same time of convincing top management that "good relations" exist with officers down the line. This necessity becomes even more acute when the staff officer aspires (for some of the reasons given above) to move over to the line organization, for then he must convince powerful line officers that he is worthy. In building a convincing record, however, he may compromise with line demands and bring charges from his staff colleagues that he is "selling out," so that after moving into the line organization he will then have to live with enemies he made in the staff. In any case, the need among staff incumbents of pleasing line officers in order to perfect their careers called for accommodation in three major areas: [18] (1) the observance of staff rules, (2) the introduction of new techniques, and (3) the use of appropriations for staff research and experiment.

With respect to point one, staff personnel, particularly in the middle and lower levels, carried on expedient relations with the line that daily evaded formal rules. Even those officers most devoted to rules found that, in order not to arouse enmity in the line on a scale sufficient to be communicated *up* the line, compromising devices were frequently helpful and sometimes almost unavoidable both for organizational and career aims. The usual practice was to tolerate minor breaking of staff rules by line personnel, or even to cooperate with the line in evading rules, [19] and

[18] The relative importance of one or more of these areas would vary with the function of a given staff.

[19] In a processing department in one of the plants the chemical solution in a series of vats was supposed to have a specific strength and temperature, and a fixed rate of inflow and outflow. Chemists (members of the chemical staff) twice daily checked these properties of

in exchange lay a claim on the line for cooperation on critical issues. In some cases line aid was enlisted to conceal lower staff blunders from the upper staff and the upper line. [20]

Concerning point two, while the staff organizations gave much time to developing new techniques, they were simultaneously thinking about how their plans would be received by the line. They knew from experience that middle and lower line officers could always give a "black eye" to staff contributions by deliberate mal-practices. Repeatedly top management had approved, and incorporated, staff proposals that had been verbally accepted down the line. Often the latter officers had privately opposed the changes, but had feared that saying so would incur the resentment of powerful superiors who could informally hurt them. Later they would seek to discredit the change by deliberate mal-practice and hope to bring a return to the former arrangement. For this reason there was a tendency for staff members to withhold improved production schemes or other plans when they knew that an attempt to introduce them might fail or even bring personal disrepute.

Line officers fear staff innovations for a number of reasons. In view of their longer experience, presumably intimate knowledge of the work, and their greater remuneration they fear [21] being "shown up" before their line superiors for not having thought of the processual refinements themselves. They fear that changes in methods may bring personnel changes which will threaten the break-up of cliques and existing informal arrangements and quite possibly reduce their area of authority. Finally, changes in techniques may expose forbidden practices and departmental inefficiency. In some cases these fears have stimulated line officers to compromise staff men to the point where the latter will agree to postpone the initiation of new practices for specific periods.

the solution and submitted reports showing that all points met the laboratory ideal Actually, the solution was usually nearly triple the standard strength, the temperature was about 10 degrees Centigrade higher than standard, and the rate of flow was in excess of double the standard. There are, of course, varying discrepancies between laboratory theory and plant practice, but the condition described here resulted from production pressures that forced line foremen into behavior upsetting the conditions expected by chemical theory. The chemists were sympathetic with the hard-pressed foremen, who compensated by (1) notifying the chemists (rather than their superior, the chief chemist) if anything "went wrong" for which the laboratory was responsible and thus sparing them criticism; and by (2) cooperating with the chemists to reduce the number of analyses which the chemists would ordinarily have to make.

[20] Failure of middle and lower staff personnel to "cooperate" with line officers might cause the latter to "stand pat" in observance of line rules at a time when the pressures of a dynamic situation would make the former eager to welcome line cooperation in rule-breaking. For example, a staff officer was confronted with the combined effect of (1) a delay in production on the line that was due to an indefensible staff error; (2) pressure on the line superintendent—with whom he was working—to hurry a special order; and (3) the presence in his force of new inexperienced staff personnel who were (a) irritating to line officers, and (b) by their inexperience constituted an invitation to line aggression Without aid from the line superintendent (which could have been withheld by observance of formal rules) in covering up the staff error and in controlling line personnel, the staff officer might have put himself in permanent disfavor with all his superiors.

[21] Though there was little evidence that top management expected line officers to refine production techniques, the fear of such an expectation existed nevertheless. As noted earlier, however, some of the top executives *were* thinking that development of a "higher type" of first-line foreman might enable most of the staff groups to be eliminated.

In one such case an assistant staff head agreed with a line superintendent to delay the application of a bonus plan for nearly three months so that the superintendent could live up to the expedient agreement he had made earlier with his grievance committeeman to avoid a "wildcat" strike by a group of production workmen.[22] The lower engineers who had devised the plan were suspicious of the formal reasons given to them for withholding it, so the assistant staff head prevented them (by means of "busy work") from attending staff-line meetings lest they inadvertently reveal to top management that the plan was ready.

The third area of staff-line accommodations growing out of authority relations revolved around staff use of funds granted it by top management. Middle and lower line charged that staff research and experimentation was little more than "money wasted on blunders," and that various departments of the line could have "accomplished much more with less money." According to staff officers, those of their plans that failed usually did so because line personnel "sabotaged" them and refused to "cooperate." Specific costs of "crack-pot experimentation" in certain staff groups were pointed to by line officers. Whatever the truth of the charges and counter-charges, evidence indicated (confidants in both groups supported this) that pressures from the line organization (below the top level) forced some of the staff groups to "kick over" parts of the funds appropriated for staff use[23] by top management. These compromises were of course hidden from top management, but the relations described were carried on to such an extent that by means of them—and line pressures for manipulation of accounts in the presumably impersonal auditing departments—certain line officers were able to show impressively low operating costs and thus win favor[24] with top management that would relieve pressures and be useful in personal advancement. In their turn the staff officers involved would receive more "cooperation" from the line and/or recommendation for transfer to the line. The data indicated that in a few such cases men from accounting and auditing staffs were given general foremanships (without previous line experience) as a reward for their understanding behavior.

SUMMARY

Research in three industrial plants showed conflict between the managerial staff and line groups that hindered the attainment of organizational goals. Privately expressed attitudes among some of the higher line executives revealed their hope that greater control of staff groups could be achieved, or that the groups might be eliminated and their functions taken over in great part by carefully selected and highly remunerated lower-line officers. On their side, staff members wanted more recognition and a greater voice in control of the plants.

All of the various functioning groups of the plants were caught up in a general conflict system; but apart from

[22] This case indicates the over-lapping of conflict areas referred to earlier A later paper will deal with the area of informal union-management relations

[23] In two of the plants a somewhat similar relation, rising from different causes, existed *inside* the line organization with the *operating* branch of the line successfully applying pressures for a share in funds assigned to the *maintenance* division of the line.

[24] The reader must appreciate the fact that constant demands are made by top management to maintain low operating costs.

the effects of involvement in this complex, the struggles between line and staff organizations were attributable mainly to (1) functional differences between the two groups; (2) differentials in the ages, formal education, potential occupational ceilings, and status group affiliations of members of the two groups (the staff officers being younger, having more education but lower occupational potential, and forming a prestige-oriented group with distinctive dress and recreational tastes); (3) need of the staff groups to justify their existence; (4) fear in the line that staff bodies by their expansion, and well-financed research activities, would undermine line authority; and (5) the fact that aspirants to higher staff offices could gain promotion only through approval of influential line executives.

If further research should prove that staff-line behavior of the character presented here is widespread in industry, and *if* top management should realize how such behavior affects its cost and production goals—and be concerned to improve the condition—then remedial measures could be considered. For example, a corrective approach might move in the direction of (1) creating a separate body [25] whose sole function would be the coordination of staff and line efforts; (2) increasing the gradations of awards and promotions in staff organizations (without increase of staff personnel); (3) granting of more nearly equal pay to staff officers, but with increased responsibility (without authority over line processes or personnel) for the practical working of their projects; (4) requiring that staff personnel have a minimum supervisory experience and have shared repeatedly in successful collaborative staff-line projects before transferring to the line; (5) steps by top management to remove the fear of veiled personal reprisal felt by officers in most levels of both staff and line hierarchies (This fear—rising from a disbelief in the possibility of bureaucratic impersonality—is probably the greatest obstacle to communication inside the ranks of management); (6) more emphasis in colleges and universities on realistic instruction in the social sciences for students preparing for industrial careers.

[25] This body, or "Board of Coordination," would be empowered to enforce its decisions. Membership would consist of staff and line men who had had wide experience in the plant over a period of years. The Board would (a) serve as an arbiter between staff and line, (b) review, screen, and approve individual recommendations submitted, and (c) evaluate contributions after a trial period. Such a body would incidentally be another high status goal for seasoned, capable, and ambitious officers who too often are trapped by the converging walls of the pyramidal hierarchy.

NINE

Foremen

INTRODUCTION

Continuing our analysis of organizational office, we turn our attention next to foremen. The position or office of foreman is a central one in a business organization. This is true for two principal reasons. First, the workers experience management primarily through the foreman, who is their immediate boss. The foreman is the ever-present daily and hourly reminder of management. Second, management experiences its workers primarily through the foreman. The office of foreman is a central link in a chain of command. In this office, there is a "built-in" and institutionalized need to be Janus-faced —to be able to look in two directions at the same time.

We will consider in this chapter two alternative formulations of the peculiar office of foreman. De Man and Roethlisberger view the foreman as a "man in the middle." Wray sees the foreman as a marginal man, not "in between" management and the workers, but rather to one side or on the margin of the primary relationship between management and labor.

One of the earliest writers and analysts to recognize the often contradictory requirements of the office of foreman was de Man. In 1924 and 1926, he lectured on workers' psychology at the Labor College attached to the University of Frankfurt am Main. His students were workers, and from them he gathered autobiographical accounts of their work experiences. The report on these work experiences was published in German in 1927 and in English in 1929. The first selection of this chapter is a section from that report.

THE FOREMAN'S CONTRADICTORY TASKS

HENRI DE MAN *

From a humanitarian point of view, we have just as good reason to be sorry for the foreman as for the worker. Some of the reports tell us as much in plain terms. The foreman is in a false position, compelled as he is to serve two masters, to perform two tasks, the task of technical production and the

* From *Joy in Work* London, 1929, pages 204-206. Translated from the German by Eden and Cedar Paul. Copyright by George Allen & Unwin, Ltd. Used by permission.

task of maintaining social authority; and this has for him peculiarly unfortunate psychological consequences. These arise out of the principle of selection which underlies hierarchical promotion. If the choice were left to the workers, a man would secure appointment as a foreman primarily because he excelled as a technician and as a teacher of the craft; the worker wants a man who is "master" in the medieval sense of the term, an adviser, a teacher, a mediator, and a guide; one who stands for justice and fairness; and who is as keen to maintain the quality of the product and to ensure that the workers shall be contented, as he is to promote quantitative production. Such a foreman's authority is based on moral prestige.

The outlook of the employer or manager who delegates his authority to a foreman is, as a rule, a very different one. In large-scale industries, at any rate, especially in those characterised by extreme division of labour, he usually knows little about the craft competence of the worker he promotes to a foreman's job. What he wants is a "trusty" man, this meaning one whom he can regard as devoted to the profit-making aspect of the undertaking and fully convinced of the importance of maintaining the employer's authority. Another requisite—in Germany, at least—is apt to be the possession of an authoritarian manner, the quality which helps to secure a private his stripes. Now from the worker's point of view the foreman who fulfils these requisites is the most unsatisfactory one that can be found. We learn from many of the reports that work under a foreman with the ways of a drill sergeant is one of the conditions most fatal to joy in the occupation. The transference of many army officers, after the war, to commanding positions in industrial life, has created a peculiarly difficult problem in Germany. A miner refers sarcastically to "an unemployed army officer who has been turned loose in a mine"; and in like manner a shipwright speaks of having to work under a sometime naval officer who knows much more about issuing orders than he does about ships.

The unfavourable judgments concerning such persons in these reports are, to a considerable extent, judgments concerning a system. This system is an accompaniment of production under private capitalist production; but it contains elements which are not immanent in this method of production, and are no wise serviceable to its proper economic aims. It rests on the psychological assumption that bureaucratic and quasi-military discipline is the best sort of discipline for an industrial enterprise. The capitalist economic order being granted, this assumption may be habitual or not according to the peculiar sociological historical environment and tradition. A comparison of German industry with American industry furnishes many proofs of this. In Germany, a country where (to quote Rathenau) authoritarianism has outlived its time, this condition creates a psychological problem whose solution can be found on another plane than that of property relations and of the distribution of the products of industrial labour. I have already pointed out that the evils of bureaucratisation and militarisation are even worse in State enterprises and municipal enterprises than in privately owned capitalist enterprises. Recent Russian experience, on the other hand, has shown that these evils, when rooted in folk psychology, can survive a revolution in property relations. The guild socialists of Great Britain have given more attention to these considerations

than have the Marxian socialists of continental countries, where the psychological heritage of bureaucratic and militarist authoritarianism weighs most heavily on industry, and functions as one of the chief causes of distaste for work.

You will observe the great emphasis placed by de Man on the institutional or organizational influences that determine the office of foreman. The insight displayed by de Man in his reference to the persistence of the contradictions in the role of foreman under communist production is enlightening (remembering that he wrote in 1926-27, when the Russian revolution was less than 10 years old). By way of confirmation of this, read the article by Alexander Vucinich in Chapter 17, "Factory Control in the Soviet Union."

One other point: from de Man's point of view it is not the type of property relationship as such that determines the office of foreman. It is rather the impact of a bureaucratic form of organization. This anticipates our next chapter, which deals systematically with the concept of bureaucracy in organizations.

The following paper, by Roethlisberger, is an outstanding analysis of the office of foreman. It is one of those key articles of this volume that tie together, around one focus of attention, a series of subjects treated in separate chapters. In the chronological order in which they appear in this selection, there is a discussion of status and subordination (treated separately in Chapters 15 and 16); communication (discussed in Chapter 18); the role of the specialist (the center of interest in the preceding chapter); and finally, informal organization (already dealt with in Chapters 4 and 5). You will see that Roethlisberger deals with both positive and negative aspects of informal organization.

THE FOREMAN: "MAN IN THE MIDDLE"

FRITZ J. ROETHLISBERGER *

Let us explore further this feeling of the modern foreman. Not only does he have to know more than his old-time counterpart about the "logics" of management, but also he has to relate himself to a wider range of people. In any mass production industry the foreman each day is likely to be interacting (1) with his boss, the man to whom he formally reports in the line organization; (2) with certain staff specialists, varying from one to a dozen people depending on the size and kind of organization—production control men, inspectors, standards men, efficiency engineers, safety engineers, maintenance and repair men, methods men, personnel men, counselors; (3) with the heads of other departments to which his depart-

* From "The Foreman: Master and Victim of Double Talk," *Harvard Business Review*, 23:285-294 (Spring 1945). Used by permission.

ment relates; (4) with his subordinates —sub-foremen, straw bosses, leadmen, group leaders, section chiefs; (5) with the workers directly, numbering anywhere from 10 to 300 people; and (6) in a union-organized plant, with the shop steward. Exploring the interdependence of each of these relationships as they impinge in toto upon the foreman makes it easier to understand how the modern foreman may feel in his everyday life.

Foreman-Superior—In the modern business structure there is probably no relation more important than that of the subordinate to his immediate superior.[1] This statement applies straight up the line from worker to president. It is in the relation between a subordinate and his immediate superior that most breakdowns of coordination and communication between various parts of the industrial structure finally show up. It is here that distortions of personal attitude and emotional disturbances become more pronounced. Why this relation is so important could be indicated in any number of ways. But it is clear that any adequate analysis would go far beyond the confines of this article, since it would involve a critique of modern business organization and the individual's relation to authority and, in part, an examination of the ideologies held by the leaders and executives of business.[2] It is enough that the importance of this relation and its consequences in terms of behavior, particularly at the foreman level, are matters of common observation; and it will be at this level of behavior and its associated *feelings* that we shall remain.

Personal dependence upon the judgments and decisions of his superiors, so characteristic of the subordinate-superior relation in modern industry, makes the foreman's situation basically insecure. He feels a constant need to adjust himself to the demands of his superior and to seek the approval of his superior. Everything that he does he tries to evaluate in terms of his superior's reaction. Everything that his superior does he tries to evaluate in terms of what it means or implies about his superior's relation to him. Everything that his subordinates and workers do he immediately tries to evaluate in terms of the criticism it may call forth from his superior. In some cases this preoccupation with what the boss thinks becomes so acute that it accounts for virtually everything the foreman says or does and all his thinking about what goes on around him. He will refrain from doing anything, even to the point of dodging responsibility, for fear of bringing disapproval from the boss. Hours at work and at home are spent in figuring and anticipating what explanations or reasons he will need to give the boss. And the boss's most innocent and unintentional acts—failure to say "good morning," for instance—are taken perhaps to imply disapproval.

It is hard to realize how much those who are interested in improving the efficiency of industry have neglected this area. If the man-hours spent by subordinates both on and off the job in preoccupation about what the boss thinks were added up, the total hours would be staggering—not to mention the results this phenomenon has produced in nervous breakdowns and other forms of mental anguish. Stranger still, it almost appears as if modern industrial organi-

[1] See B. B. Gardner, *Human Relations in Industry* (Chicago: Richard D. Irwin, Inc., 1945).

[2] See Chester I. Barnard, *The Functions of the Executive* (Cambridge: Harvard University Press, 1938), pp. 161-184.

zation, which prides itself so much on its efficiency, has aggravated rather than reduced the amount of this preoccupation, with disastrous consequences for health and thus for efficiency. All this applies to the foreman in particular.

The crux of the foreman's problem is that he is constantly faced with the dilemma of (1) having to keep his superior informed of what is happening at the work level (in many cases so that his superior may prepare in turn for the unfavorable reaction of his superior and so on up the line) and (2) needing to communicate this information in such a way that it does not bring unfavorable criticism on himself for not doing his job correctly or adequately. Discrepancies between the way things are at the work level and the way they are represented to be by management cannot be overlooked, and yet the foreman feels obliged to overlook them when talking to his boss. This makes the foreman's job particularly "tough" and encourages him to talk out of both sides of his mouth at the same time—to become a master of double talk.

Each foreman, of course, resolves the conflict in terms of his own personal history, personality, and temperament. Some foremen become voluble in the face of this situation; others are reduced to stony silence, feeling that anything they say will be held against them. Some keep out of the boss's way, while others devise all sorts of ways for approaching him and trying to direct attention to certain things they have accomplished. And extraordinary are the skills which some more verbally articulate foremen develop in translating *what is* into a semblance of *the way it ought to be* in order to appease their superiors and keep them happy.

But, for the most part, the foreman, being loyal and above all wanting to be secure, resolves the conflict and maintains good relations with his superiors by acting strictly in accordance with his functional relations and the logics of management. In spite of what this may lead to in his relations to workers and other groups, his relations with his superiors at least are not jeopardized.

Thus the foreman, like each individual in the modern industrial structure, is in effect painfully tutored to focus his attention upward to his immediate superiors and the logics of evaluation they represent, rather than downward to his subordinates and the feelings they have. So rigid does the conditioning of supervisors and executives in the industrial structure become in this respect that it is almost impossible for them to pay attention to the concrete human situations below them, rich in sentiments and feelings. For them, this world of feeling does not exist; the territory is merely populated with the abstractions which they have been taught to see and the terms in which they communicate—"base rates," "man-hours," "budgets," "cost curves," "production schedules," etc.

Foreman-Specialist — Also of extreme importance are the foreman's relations to the technical specialists who *originate* the standards of performance which he must *uphold* and to which his subordinates and workers must *conform*. This experimentally minded group of engineers, accountants, and technologists can become one of the chief sources of change, and rapid change, at the work level; through them changes can be introduced at the work level at a more rapid rate than they can be assimilated by customary shop codes and practices. Through them, also, "controls" can be exercised far more precisely than heretofore. It is one thing for a foreman to know what his cost performance has

been; it is another matter to know what his actual costs should be in relation to a standard. What was heretofore a matter of projective experiential judgment after the fact becomes now a matter of projective evaluation and of constantly shooting at a target—a target whose outlines become increasingly more clear-cut and demanding, at least in one area of his job.

It is little wonder that this group can become (although it does not need to become, as we shall discuss later) a constant source of threat to the foreman's feelings of security. These men of course affect and often make more difficult his relations to workers. They also provide reports to management which can make his relations to his boss exceedingly uncomfortable. The result: more double talk.

It is well to note that these control groups can (as can the union) short-circuit foremen and levels of supervision lower in the line by providing information direct to higher levels of supervision.[3] Whatever the value of this information in evaluating the foreman's performance, it results in certain pressures upon him. Each superior can request explanations from, or give orders to, his foreman based on such information; yet the foreman cannot control it and indeed may be unaware of it until his superior initiates action. Information flowing through the line the foreman can censor before it reaches the boss; but this way the boss can get information at the same time he does, or even before, and the foreman is no longer able to foresee or to gauge the boss's reaction. The results of this in mental anguish, in preoccupations, in worries about what the boss may think or do, in preparation of explanations, "good reasons," and alibis, are tremendous. Because of the subjective nature of the data, the technologists of industry have not as yet decided to study this area or even to give it much attention. But the modern foreman, from the point of view of both his effectiveness and his satisfaction at work, finds the actual phenomena only too real.

Foreman-Foreman—By the very nature of the closely knit technological processes of a manufacturing organization, the foreman of one department often has to work very closely with a foreman of another department. These lateral relations are not formally defined, and their functioning depends largely upon the informal understandings which exist between foremen. Thus, the kind and amount of cooperation which one foreman is likely to obtain from another foreman is in good part determined by their interpersonal relations. Here again, the boss comes in, because the preoccupation with what the boss thinks may also affect the foreman's relation to his colleagues at the same level.

Although all foremen have equal formal status, they do not, as everyone in a shop knows, enjoy equal informal status. The individual foreman's relative status is determined by such factors as age, sex, service, earnings, and social symbols of one sort or another. But the chief determining factor is his direct relation to the boss, i.e., how close he is to the boss. Not only the foreman's need for security but also the closely allied strivings for status and recognition are therefore directed to his superior. He needs to feel "close" to him. Thus he may constantly be comparing his relation to the boss with that of his colleagues. If this comparison indicates his position to be weak, he may enter into competition with his colleagues for rec-

[3] Discussed more fully by B. B. Gardner, *op. cit.*

ognition from the boss. As can be imagined, such emotional disturbances in the work situation may impede rather than facilitate cooperation among foremen, and they constitute a peculiar kind of "headache" for the superior.

Foreman-Worker—It is in his relation to the workers, however, with the rise of "scientific" management and with the growth of industrial unions, that the modern foreman's position becomes especially difficult. Here "the straw that breaks the camel's back" is finally reached. Here the problem of getting smooth operation becomes acute because, as we have seen, the foreman according to the logic of industrial organization must (1) *uphold* at the work level the standards, policies, rules, and regulations which have been *originated* by other groups and see to it that the workers *conform* to them and, at the same time, (2) obtain if possible the workers' spontaneous *cooperation* to this way of doing business. As anyone who has been in such a position knows, this is not a very easy task. As a rule, people do not like to conform to matters when they have no say in them, when they do not participate or feel that their point of view is taken into account. This is not a popular way of evoking spontaneity of cooperation; it is not consistent with our basic social values. Yet over and over again both foremen and workers are told, merely told, to conform to conditions over which they have very little or no say—conditions, moreover, which shockingly fail at times to take into account what is of vital importance to them in their work situations.

This state of affairs affects the foreman's personal situation: his strivings to satisfy his needs for security, personal integrity, and recognition in the work situation. Further, it makes his job in relation to his workers very difficult. Again and again, he is put in a position either of getting the workers' cooperation and being "disloyal" to management or of being "loyal" to management and incurring the resentment and overt opposition of his subordinates.

For those who do not fully appreciate the conflicting position in which the foreman is placed, it may be desirable to show the nature of the two contrasting worlds in the middle of which the foreman stands and spends his workaday life. In business, as in any organized human activity, there are two sets of social processes going on:

(1) There are those social processes which are directly related to the achievement of purpose and which result in "formal organization." In business, for example, formal organization leads to such things as practices established by legal enactment or policy, specifications, standard methods, standard procedures, standards of time, output, quality, cost, and so on. They are concerned with those means most appropriate to achieve certain ends. And as such they can be changed rapidly.

It should be noted that these manifestations of formal organization are essentially logical in character. Through formal organization man expresses his logical capacities; in fact, it is one of the chief outlets for the expression of man's logical capacities. It should also be noted that in the past 25 years there has been a tremendous amount of attention given to this aspect of business organization. It is in part because of this that, as we tried to show, the modern foreman's environment is so radically different from the good old days. And yet the foreman, unlike some higher executives, cannot stay only in this logically sheltered atmosphere.

(2) There are those spontaneous

social processes going on in any organized human activity which have no specific, conscious common purpose and which result in "informal organization." Informal organization leads to such things as custom, mores, folkway, tradition, social norms, and ideals. In business, for example, it expresses itself at the work level in such things as what constitute fair wages, decent conditions of work, fair treatment, a fair day's work, and traditions of the craft. It takes the form of different status systems: e.g., oldtimers should get preferential treatment; supervisors should get more money than their subordinates; and office workers are superior to shop workers. These are attitudes and understandings based on feeling and sentiment. They are manifestations of "belonging," and they do not change rapidly.

It should be especially noted that these manifestations of informal organizations are not logical in character. They are concerned with values, ways of life, and ends in themselves—those aspects of social life which people strive to protect and preserve and for which at times they are willing to fight and even die. It should also be noted that a cursory examination of the periodicals, books, formal statements, and speeches of business executives and business experts shows that little systematic attention has been given to this aspect of business organization. This is indeed a curious state of affairs since, as every foreman intuitively knows, it is only through informal organization and its manifestations that he can secure spontaneity of cooperation at the work level.

Informal organization in any organized human activity serves a very healthy function. It binds people together in routine activity. It gives people a social place and feeling of belonging. It provides the framework for the fulfillment of human satisfaction. It gives people a feeling of self-respect, of independent choice, of not being just cogs in a machine. Far from being a hindrance to greater effectiveness, informal organization provides the setting which makes men willing to contribute their services.

Yet what is management's attitude toward these informal groups which form at the work level? Curiously enough, their appearance makes management uneasy. And sometimes management willfully tries to break them up. Such ill-conceived attempts inevitably produce open hostility to the aims of management. For informal organization cannot be prevented; it is a spontaneous phenomenon necessary wherever coordinated human activities exist.

More important still—for it is more often the case—these informal groups are ignored and not even recognized. Having no representation in the formal organization, which to many an executive is by definition the "reality," they just do not exist. As a result—not from malicious design but from sheer oversight born of over-logicized training—these informal groups at the work level become inadvertently the victims of change, disruption, and dislocation. Technical changes are introduced without any attention to what is happening to the members of these groups in terms of their group associations. New methods of work and new standards are initiated, newcomers are added, someone is transferred, upgraded, or promoted, and all as if this group life did not exist. What happens? There develops a feeling of being "pushed around"—a very uncomfortable feeling which most people dislike and which often provokes the reaction of trying

to push the pusher with equal intensity in the opposite direction.

Because their way of life is constantly in jeopardy from technological changes, new methods, raised standards, and constant manipulation of one kind or another by logically minded individuals, these groups in industry take on a highly defensive and protective character. Their major function becomes, unfortunately, the resistance to change and innovation, and their codes and practices develop at variance with the economic purpose of the enterprise. Much pegging of output at a certain level by employees is an expression of this need to protect their ways of life, as well as their livelihood, from too rapid change.

As might be expected, these defensive and protective characteristics of many informal groups at the work level—and they exist full blown in many factories even before any formal union appears—have serious consequences for foremen (not to mention new workers and other individuals). Any supervisor or foreman in charge of such groups has two, if not three, strikes against him to begin with. Anything he does in relation to them is likely to be "wrong." To ignore them completely would be to fail in fulfilling his responsibilities to management. Yet the foreman is the key man of management in administering technical changes. He often has the impossible task of taking plans made by the specialists without thought of the realities of human situations and relating them to just such situations.

Foreman-Union—Once these patterns of behavior become formalized in a union, the foreman's debacle becomes complete. Into this situation, now, is introduced a new set of logics, verbal definitions, rules, and regulations, by means of which he is supposed to set his conduct toward the worker. The last vestiges of initiative, of judgment, and, what is perhaps more important, of personal relations with his subordinates are taken away from him. Literally the foreman is left "holding the bag"—a bag containing (1) the maximum of exquisitely logical rules, definitions, procedures, policies, standards that the human mind can devise, by means of which he is now supposed to do his job, and (2) the minimum of those relationships and their associated feelings through which he can obtain the wholehearted cooperation of people. Standing in the middle of a now formally bifurcated situation, where one-half is trying to introduce changes and improvements into the factory situation and the other half by habit and conditioning is trying to prevent or resist them, the modern foreman is expected to "cooperate."

THE FOREMAN'S SITUATION SUMMARIZED

The salient features of the foreman's situation should now be clear. In very broad outline—tentatively and approximately formulated—the failure on the part of top management, in mass production industries in particular, to understand the social implications of its way of doing "business" has resulted in the development of certain rigidities which do not make for cooperation in the industrial structure.

(1) At the bottom of the organization there are people called *employees* who are in general merely supposed to *conform* to changes which they do not originate. Too often the attitude is that employees are merely supposed to do what they are told and get paid for it. Directing them there is—

(2) A group of *supervisors* who again are merely supposed to *uphold*—"administer" is the popular word—the

standards of performance and policies determined by other groups, one of which is—

(3) A group of *technical specialists* who are supposed to *originate* better ways and better standards through which the economic purpose of the organization can be better secured and more effectively controlled by—

(4) A group of *top management* men who in their *evaluation* of the workers' behavior assume that the major inducement they can offer to people to cooperate is financial (i.e., that they are merely providing a livelihood, rather than a way of life); that informal organization is either "bad" or not "present"; and that authority comes from the top, so that no attention has to be given to that authority which is a matter of individual decision and comes from the bottom. This group's whole explicit theory of human cooperation—but not necessarily the practice of it—dates back to the eighteenth century: [4] (a) society is composed of a rabble of unorganized individuals; (b) these individuals are only interested in the pursuit of profit and pleasure; and (c) in the pursuit of these ends the individual is essentially logical.

These rigidities in operation make people in one group feel that they are excluded from the activities of other groups and prevent the wholehearted participation of all groups in a full attainment of the organization's objectives.

These rigidities in the industrial structure also have serious consequences for the satisfactions of individuals. Man's desire to belong, to be a part of a group, is constantly being frustrated. Things that are important to him seem to be disregarded. Opportunities for personal and social satisfaction seem to be denied. Yet, contrary to the assumptions made by management, all the evidence of modern investigation shows: (a) society is composed of people related to each other in terms of group associations; (b) the desire to belong, to be a part, the desire for continuous and intimate association at work with other human beings, remains a strong, possibly the strongest, desire of man; and (c) in the pursuit of these ends man is essentially nonlogical and at times irrational, i.e., willing to die or, as management should know only too well, to "cut off his nose to spite his face."

As a result of being constantly deprived of real social (not logical) interrelationship and of those basic human satisfactions which come from it, the worker becomes restless and dissatisfied, if not openly resentful and hostile. And like any human being he expresses his dissatisfaction in a number of ways: by being absent, by quitting, by pegging output, and by joining a union where he hopes to satisfy the needs for self-expression that his job no longer provides.

In this environment the foreman stands—victim, not monarch, of all he surveys. And what does he survey? On the one hand, a monument of technical achievement such as no civilization has seen before, and, on the other hand, what Elton Mayo likes to refer to as "the seamy side of progress," a bleak and arid human scene scorched dry by the babel of words and logics which have long ceased to have any power to motivate or fill with renewed hope and vigor the hearts of men. Separated from management and separated from his men, dependent and insecure in his relation to his superiors and uncertain in

[4] These assumptions are taken from Elton Mayo, *The Social Problems of an Industrial Civilization* (Cambridge: Harvard Business School, 1945).

his relations to his men, asked to give cooperation but in turn receiving none, expected to be friendly but provided with tools which only allow him to be "fair"—in this situation of social deprivation our modern foreman is asked to deliver the goods.

In this predicament, how does this foreman feel and behave? In one of three ways: (1) he "stews in his own juice" and, like Sir Hudibras's rusty sword, "he eats into himself for lack of something else to hew and hack," i.e., becomes obsessive; or (2) as current newspapers and periodicals have kept us informed, he joins a union, i.e., becomes aggressive; or (3) he too—who knows? —may go to Washington to be delivered from his social isolation and logocentric predicament, i.e., may seek a political solution for his social void. So at the foreman level do the "mills of the gods" grind out the three major ills of our industrial civilization.

From the works of de Man and Roethlisberger we should have clearly in mind the fact that the position of foreman is a product of the organizational setting in which the office grew up.

Wray characterizes the position of foreman as marginal to both the management organization and worker groups. That the foreman is on the edge of the important management-labor relationship is indicated particularly in the minimal role he plays in managerial decision-making. It is from the standpoint of decision-making that Wray reaches his conclusion that the foreman is a marginal man. It would be well to supplement your reading of this selection by turning to Chapter 13, where decision-making is dealt with in detail.

THE FOREMAN: MARGINAL MAN

DONALD E. WRAY *

In the voluminous literature on first-line supervision in industry there are two major concepts which have been used repeatedly in sociological writing and in the technical literature of personnel and business administration. The first is that of the supervisor or foreman as the first point in a clear-cut "line of authority" extending from the worker to the highest executive, thus playing the part of the "key men of management," "the firing line in union-management relations," and "the most important link between management and the worker." This concept, variously expressed, rests on the assumption of a unitary system of control and two-way communication; it is at once an ideal and an assumed norm of industrial organization. It minimizes or ignores the impact of managerial specialization and worker unionization.

A second concept, arising from interest in deviations from the normative "line" concept, views the first-line supervisor as "the man in the middle." Emphasis is placed on the fact that first-level management is subject to two sets

* From "Marginal Men of Industry: The Foremen," *American Journal of Sociology*, 54: 298-301 (Jan. 1949). Used by permission of The University of Chicago Press.

of demands which are frequently in conflict; the foreman must satisfy both top management and his work force, which is usually organized. The "man in the middle" interpretation is historical in that it stresses the progressive limitations placed on foremen through the growth of managerial specialization and the increasing pressure of worker unions. Supervision is considered as still within the traditional line organization but operating under severe restrictions.

It is the purpose of this paper to reexamine these interpretations and to suggest an alternative formulation of the position of industrial foremen. Neither concept seems to describe the functions and informal interpretations of supervision which the writer has observed in a number of factories. A few circumstances appear to be of major importance in understanding the role of first-line supervisors; the locus of the decision-making or managerial function; the focal points of union-management and employer-employee relations; the significance of size and complexity in management organization. The last-named has often been used to explain the decline in importance of the foreman in large-scale manufacturing enterprise. Many levels of supervision and the presence of many specialized staff departments restrict the power and authority of the foreman; they also tend to make relationships impersonal and indirect. The converse of this theory would be that foremen in smaller, less formal structures retain their broad powers over shop affairs and therefore are of considerable importance in managerial activity and in worker-management relations.

Unionization of the rank and file is commonly regarded as further limiting the supervisor's freedom of action and as setting up a type of relation between worker and management which parallels. and often conflicts with, the relationship established through the "line." Top management generally takes the position that, in the presence of a union, the foreman is still the primary representative of management, especially with reference to management policy and grievance procedure.

The role of foremen in managerial activity has been the subject of much discussion in recent years. Top management holds that the foreman plays an important part in decision-making, while the Foremen's Association of America states that foremen are mere "representatives of management" and have no power to make decisions. Restated, the question is whether foremen are active participants in managerial decision-making activity or are simply transmitters of these decisions. Here again the size of a given organization has been considered important, on the assumption that, with increased numbers of persons and a lengthened "line" organization, the share of foremen in decisions will be made smaller. Here, too, the converse would seem to be that, the smaller the organization, the greater the degree of integration of supervisors with active management.

Two cases are presented which afford comparison between a formalized plant with staff specialization and a small factory with a minimum of departmentalization. They are representative of many other factories and are not unusual in the degree of management specialization, efficiency, or disorganization, nor are they instances of exaggerated union-management co-operation or conflict. Both cases were observed in their day-to-day operations over several months to ascertain the actual patterns of behavior of supervisors, union officials, and top management.

The first is a plant which is part of a network of factories operated by a single company. While it had only six hundred employees, it was highly formalized, and staff functions were well developed, so that it possessed the organizational characteristics of larger factories. There were five levels of supervision: general manager, department manager, department superintendent, foreman, and assistant foreman. Operations were highly mechanized, and the flow of materials between departments required good co-ordination. Consequently the work schedules and techniques demanded planning and engineering.

The rank-and-file union had a company-wide contract with local supplementary agreements. Daily contact between union and management occurred through the grievance process and through a union-management committee which met every two weeks. Grievances supposedly started with the foreman and passed to higher levels. In practice the foreman usually sent a grievance directly to his department superintendent, since "there is no point in bothering with something you can't do anything about." The foremen did handle requests for information, requisitions for equipment, and some personal matters.

Grievances which required technical or policy statements were passed on by department superintendents to department managers and then to the union-management committee. This body included department managers, the personnel director and occasionally another staff head, and the union stewards and officials. In the committee grievances were settled and plant policies and plans were developed and interpreted. All union representatives had firsthand knowledge of committee decisions and were active participants; no foreman had ever attended, and department superintendents came only rarely.

The foremen entered into hiring and firing only through the reports they made of worker performance; the power lay in the department superintendent and the personnel department. The supervisors kept records on production and worker assignment and had little other function.

The second example is a small factory of seventy-five employees, run by an owner-manager who personified the functions of management. Rudimentary staff activities were performed by a small clerical force which had no real specialized authority. Supervision below the manager was vested in a shop manager and first-line supervisors. Organization, policies, and communication were less formalized than in the first case, though the line concept was present. The concentration of management functions in one person not only eliminated staff departments but reduced the amount of authority delegated to the line.

The union-management relation was defined in an industry-wide contract written by the international union and a manufacturer's association, with local supplements. Grievances and policy discussions were taken up by stewards and officers of the union with the owner-manager and occasionally with the shop manager. The supervisors were not included in any negotiations and were considered unimportant by both parties. The workers and their representatives looked on supervisors as either well-meaning people who had no power or as troublemakers who could be "straightened out" by consultation with top management.

The supervisors were limited to training, checking on work flow, reporting operating procedures, and keeping the

necessary records. Hiring and firing and disciplinary problems were handled by the shop manager.

Comparing these two cases, it seems that in neither instance did the first-line supervisors enter into decision-making. In the larger factory managerial activity was vested in the higher levels of supervision in combination with the heads of various staff units. In the small factory the concentration of authority in one person led naturally to the exclusion of the supervisors. In both cases the foremen were reduced to the role of transmitter or interpreter to the rank and file. The significance of specialization as an element in reducing the power of supervisors has been fully recognized, but the concentrated authority of the owner-manager in small organizations has not been sufficiently emphasized. This tendency appears to counteract the relative absence of staff controls and is just as effective in relegating supervisors to a nonmanagerial position. The locus of decision-making lies either in the owner-manager (in the small enterprise) or in a group of higher-level supervisors in the large organizations.

In each case the contribution of the foreman to union-management relations appears to be a passive one. The real issues are settled between union representatives and higher management, and the foreman is expected simply to conform to the joint decisions of these representatives. In both cases, the foreman is subject to pressure from either union or management, but ultimately, when agreement is reached, he must follow the joint decision. Action by an individual foreman, which is rejected by workers is viewed, not as a threat to union-management relations, but as a problem to be settled by joint deliberation of union and management representatives—unless it is taken up to illustrate a general issue. The foreman must be viewed as the recipient of union-management agreement or conflict rather than as a positive contributor to union-management relations. This passivity differs sharply from the traditional assumption that the foreman is an active force in determining this relation.

In both these instances the workers were organized. It is likely that, in cases where the rank and file are not organized, the foreman can play a more important role in employer-employee affairs. In the absence of a union, the relation between worker and management resembles the personnel relation, and the foreman can implement personnel policies with considerable freedom. Under these circumstances first-line supervision can be of great importance in deciding employer-employee relations. Where unionization has occurred, however, the foreman cannot exert much influence on the bargaining relation, though he may implement some personnel policies. Here he is usually limited by the direct activity of the personnel department.

Since the general pattern of union-management relations, and in many cases the day-to-day differences, are settled by top management without the inclusion of first-line supervisors, it seems that it is entirely erroneous to view the foreman as the "key man" in this relation. He is rather a person who enters secondarily as the implementor of policies which have already been decided, and his success or failure depends on his ability to act on them, instead of on his own positive actions. Any deviation from union-management decisions will bring forth censure from one or both sides, but in no case can the supervisor himself enter into the formulation of the rules under which he works. This activity is vested in the union officials and higher management. The supervisor gets criticism from both management and union,

but he is pushed aside when decisions are to be made.

It is also important to note that in larger organizations the decision-making function tends to reside, not in any line supervisor but in a group of persons representing the various specialized functions of management. In many cases this entire group meets when union-management negotiations are to take place. The simple unitary line breaks down and is replaced by a committee type of organization. This same tendency has been noted at the foreman level and was deliberately arranged by Fayol in his famous experiment with "functional foremen." First-level supervision still in most cases requires the co-ordination of several functions; this is more effectively and efficiently accomplished by one person than by several. However, it is questionable whether the functions which are so correlated are any more important than those which might be delegated to any minor staff employee. In many instances it seems that the lowest line supervisor is of no greater importance than many staff members; in other words, the first level of supervision is no longer a position of special importance.

This discussion suggests that neither the conception of the foreman which insists that he is an integral part of the "line," nor the suggestive phrase, "the man in the middle," indicates accurately the nature of the difficulties of his position. The foreman, as is shown in these two instances, is less than a full member of the management line; he shares with those higher up the responsibility for carrying out policies but does not share in the making of them. Furthermore, his position differs from theirs in that those higher up give orders to people who are identified with management, while the essence of the foreman's job is that he must transmit them to people who are clearly not of management. In short, the position of foreman has some of the characteristics of management positions but lacks other crucial ones. Such marginal positions are common in society, and there is reason to believe that they are especially difficult to occupy effectively and with peace of mind. With respect to management, the foreman's position is peripheral rather than in the middle. The poor fellow is in the middle, of course, in the sense that a person may be the middle one of three in a bed; he gets it from both sides!

It is characteristic of such marginal positions that the people who occupy them consider that they are special victims of the disparity between social norms and social reality. Foreman express this in the phrase, "They say we are part of management, but they don't treat us that way." The implication is that they feel pressed to live up to the role of members of management, without being given the reward of full participation. This is a common feeling of people in "minority" or "marginal" positions. It presents them with a dilemma which results in a good deal of personal conflict. Sometimes they attempt to solve the conflict, individually or collectively, by defiantly adopting an alternative role; in the case of the foreman, that of the worker who may organize a union for bargaining with management. In at least one instance known to me the presentation to foremen of a training course was an important factor in precipitating the organization of a foremen's union. The course emphasized their importance to and identification with management, thereby sharpening the foremen's consciousness of the cleavage between the expected norm held before them and the realities of their experience.

TEN

Bureaucracy

INTRODUCTION

Our first reaction to the word *bureaucracy* is negative. In the common view of this term, a bureaucracy is an organized system for *not* getting things done efficiently. A bureaucrat, from this same every-day standpoint, is an expert in wasting time, money, and energy. In fact, the bureaucrat institutionalizes his inefficiency and raises it to the level of a fine art. This is the common man's view of bureaucracy and bureaucrats.

We have no quarrel with this viewpoint. There are people occupying positions and offices in organizations who behave in precisely this manner. It is highly desirable to have some nasty-sounding word or term to label such people and such ways of behaving. One way we can help to get rid of the cancer of wasteful administration is to call attention to it.

Now let us see if we can learn to use the term *bureaucracy* in an analytical and constructive sense. The only purpose in saving the term is that it has come to have a technical meaning (which we will use) in the literature of sociology and political science. There is no point in inventing another term just for the sake of invention.

Stop for a moment and think of some possible alternatives for organizing a large body of people. Suppose we start with 1,000 people. One way to organize them into a cooperating group is to have each one in direct relationship with a leader. But, you will say, that is manifestly impossible. What about span of control? Can one man be in constant interaction with a thousand and direct their activities effectively? Obviously, the answer is No. What you will propose immediately is some kind of structure of delegated authority and responsibility. We must have a group of subleaders standing in an intermediate position between the leader and the followers or members of the group. This in-between group of administrators we can label the bureaucracy of an organization.

Let us start on our problem of organizing our thousand people from the opposite extreme. Suppose we say that the group will be able to work out its cooperative activity without any direction or leadership. Pure democracy will reign. Yes, you will say on slight reflection, but in order to give continuity to the group's activities, some body of men, smaller in number than the total, must carry on certain delegated activities. Furthermore, you might contend,

if for no other reason than to stand as a symbol of the group as a whole, there will be one or several people designated in the office of leader. Starting from quite a different standpoint, we still come out with an in-between group, which is neither membership alone nor leadership alone, to which we can apply the label, bureaucracy.

Does this give us our point of departure for understanding the technical concept of bureaucracy? We need some way of talking about the group of organization functionaries who are more than members but less than over-all leaders. To this in-between group of an organization we apply the term bureaucracy. The individual we call the bureaucrat.

Every organization that is big enough will develop a bureaucracy. We find bureaucracies in government (the classic instance), in religious organizations, in fraternal groups, in educational institutions, in business firms, and even in organized sports. A bureaucracy is a form of social organization for administering the affairs of a formal organization. In a sense, we can look upon a bureaucracy as a social invention for administering a heterogeneous group of people in a corporate activity.

With what would we contrast a bureaucratic form of administration? In primitive groups, the central social unit is often the family. The social, religious, political, economic, educational, and recreational life of the members of some primitive groups is oriented around the family. One man heads the family unit. He is the leader of the entire family group and the one who deals directly with all family members. There is no delegation of authority to an administrative staff. The family head occupies his position by virtue of tradition and has a separate status that marks him off from the subordinate members of the family group. Here, certainly, is one kind of social group that does not have a bureaucratic form of administration.

If we go back to our discussion of informal organization, you will recall that there are modern kinds of groups that likewise do not have a bureaucratic structure. The boys' gang is one such group; so is the sewing circle, the clique, the bowling team, and countless other kinds of small, face-to-face groups. In other words, there are many kinds of social groupings that do not exhibit the bureaucratic administrative form.

Bureaucratic administration was invented when large formal organizations (corporate groups) were developed, bringing together mixed groups of people with dissimilar backgrounds to perform a complex, coordinated task.

The four previous chapters have been dealing with the concept of organization office and its elaboration at the three principal levels of management: top administration, administrative staff, and first-line supervision. In the first selection of this chapter, we have a theoretical presentation of the characteristics of organization offices as they are organized into a system—a bureaucracy.

Let us summarize now what we are going to do in this chapter. We want first to understand what the bureaucratic administrative form is and what its advantages are. This is accomplished in the first two selections. Second, we want to examine the pathologies of bureaucratic administration. This is done in the last two selections.

TECHNICAL CHARACTERISTICS OF A BUREAUCRACY

ROBERT DUBIN

The organization and structure, the direction and coordination of a formal organization [1] depend upon some kind of administrative form. Most modern, large-scale organizations have an administrative form that we call a *bureaucracy*. In this paper, we will examine the technical characteristics of a bureaucracy.

A formal organization has, in general, three levels of direct participants. First, there is the top level of leadership, which may be centered in one person, but is usually in the hands of some kind of governing board of the organization. There is, as a second important group, the rank and file of members, who carry on the actual work of the organization. The third major group is a body of functionaries who carry out the directions of leadership and who supervise and control the activities of the rank and file. The members of this third group we call the bureaucrats of the organization, and the group as a whole is the organization's bureaucracy. It is upon the bureaucracy that we want to focus our attention.

[1] We use the terms "formal organization" and "corporate group" interchangeably. Barnard favors the first term; the second was used by Max Weber. Weber was an outstanding German social scientist. He made important contributions in sociology, economics, political science, and history. He was one of the first to give emphasis to the analysis of the forms of administration in formal organizations and to use the term "bureaucracy" to designate a widespread form of administration Our discussion is based, in part, upon his analysis, which will be found in English translation in: *The Theory of Social and Economic Organization*. New York: Oxford University Press, Inc., 1947, pages 329-341; and *From Max Weber: Essays in Sociology*. New York: Oxford University Press, Inc., 1946, pages 196-244.

GENERAL CONDITIONS FOR BUREAUCRATIC ADMINISTRATION

The conditions that give rise to the bureaucratic form of administration can be examined briefly. Three basic factors appear most important in the development of this form: (1) the size of the organization; (2) the limited purpose of the organization; and (3) the heterogeneous background of those who are members or participants in the organization. Let us examine each of these factors in turn.

When the size of an organization increases, the problem of leadership contact with the members becomes crucial. The number of people who can have direct access to the leader is limited by the time the leader has to devote to his function and the knowledge the leader has of the various functions of the organization. In the literature on organization, this problem is discussed under the concept of *span of control*. For our purposes, it is only necessary to point out that the span of control is limited. When more people are subject to the direction of the leader than can fall within his personal span of control, a delegation to a sub-leader or intermediary is necessary. Thus, as an organization grows in size, it becomes an organizational imperative that some of the tasks of direction be delegated below the level of the top leader. This is the first condition for the rise of a bureaucracy, the body of functionaries who play the administrative role.

As a society becomes more complex,

the business of carrying out and sustaining its daily activities becomes the special task of individual organizations. That is one of the basic meanings we attach to the concept of division of labor in society. This division of labor among special organizations means that each individual participates in such an organization as a segmental activity of his daily round of life. These two points are important enough to deserve illustration.

We know that our society has special organizations to carry out the economic, governmental, political, religious, and other basic functions. But it goes further than that. There are thousands of businesses, each performing some economic function in the society. Government is not one organization; it is subdivided both territorially and functionally. We have local and Federal governments. We have Departments of Commerce, Labor, State, and so on. We have bureaus in the departments, divisions and sections in the bureaus. Each of these units is a separate organization. The smaller the organization gets, the more limited and specialized becomes its purpose and function as a general rule. Thus, we have as one of the conditions for the development of the bureaucratic form of administration, the fact that the organizations of society, the specific organizations in which people operate in earning a living and contributing services, have limited purposes that are sometimes very hard to relate to the general goals of the society. This fact gives us a basis for seeing how the bureaucrat can operate oblivious of the goals of the society, and sometimes even against them. It suggests, for example, one basis for understanding why the specialist can be indifferent to the consequences of his work, as Merton points out in Chapter 8.

Let us look at the division of labor from the standpoint of the individual. We work at a job eight hours a day, five days a week. We are members of a church one or two hours a week in terms of active participation. We may go to lodge meetings twice a month. The parent-teachers group meets only once a month. We may vote only once a year but still consider ourselves members of a political party. In short, the individual participates in the whole round of life in a variety of organizations, but only part-time, and with varying intensity in each. Thus, there is created another kind of imperative in an organization demanding a particular kind of administrative form. How can individuals who give only partial attention to their participation in an organization learn how to behave appropriately, to produce at the proper level of output with a minimum of friction? This requires an extensive development of training and control functions in the organization. Thus, the groundwork is laid for functional specialization, which means the extension of the administrative staff of the organization—the development of a bureaucracy.

The third general factor we want to consider is the heterogeneity in background of participants in organizations. In a primitive society, there is a uniformity in social experience, which means that the training of each individual makes him suited for carrying out the tasks of daily living in a way very close to that of all similar individuals in the society. In a modern urban-industrial society, there is wide variation in social experience and background. When a business organization recruits personnel, it finds uniformity relatively rare in those it hires. People differ in education and in class and ethnic background. They have different values of right and wrong,

good and bad. This creates problems in fitting people of widely different backgrounds into a cooperative structure we call an organization. These problems center around the selection of proper personnel and the provision of proper incentives for acceptable work in the organization. These, too, are problems that find a particular solution (which we will discuss below) in the bureaucratic form of administration.

To summarize, then, large organizations require an administrative staff between leaders and followers. This is the basic factor in the development of the bureaucratic form of administration. Secondly, the limited purposes of the thousands of individual organizations of modern society necessitate the development of functionally specialized staffs to train and control the members of the organization. This is a second kind of imperative that leads to the development of the bureaucratic form of administration. Third, the heterogeneous backgrounds of those who enter into the service of the formal organizations of society create administrative problems in the recruitment and motivation of organization members. This is another kind of imperative that leads to the bureaucratic form of administration.

ORGANIZATION OFFICE AND BUREAUCRACY

It will be recalled from Chapter 6 that an organization office was defined as "a standarized group of duties and privileges that are part of a job and its performance in an organization." It was pointed out that a job becomes an office when the physical and mental tasks are accompanied by additional duties and privileges that the job-holder fulfills and enjoys. In terms of this definition, any job in an organization has the potentiality of being transformed into an office in the organization. It is necessary, then, to examine the distinctive features of the offices of a bureaucracy. There are six important features of bureaucratic office.[2]

1. The office is considered to be the primary or the only occupation of the office-holder. This suggests that the bureaucratic office-holder is highly specialized in occupation and that a bureaucratic form of administration is both the product of and a contribution to the division of labor in society.

2. The official of a bureaucracy is subject to organizational authority only with respect to his impersonal official obligations. In other respects he is personally free. Thus, his after-work behavior is not subject to control by his organization superiors.

3. Closely allied to Point 2 is the fact that each office has a clearly defined area of competence within the organization. Each official has clearly defined for him both the area in which he operates and the areas in which he abstains from action. Typically in an organization, the defined area of competence will be set forth in job descriptions, procedures manuals, and work-flow diagrams. This specification of office is perhaps best highlighted in an organization when it is ill-defined. In Chapter 9, we saw some of the ramifications of this in the office of foreman, which is presently undergoing a major redefinition in our industrial establishments.

4. The office-holder is subject to clear-cut and systematic control and discipline in the conduct of his office. We have only to remember the statistical and administrative controls of modern organizations to understand this point. This

[2] After Max Weber, *The Theory of Social and Economic Organization*. New York: Oxford University Press, Inc., 1947, pages 333-336.

feature of organization is analyzed separately in Chapter 17. For our present purposes, we want to emphasize that it is the office that is controlled, irrespective of the personal idiosyncracies of the office-holder. The bureaucratic system controls the individual as office-holder, not as an individual personality.

5. The official operates without owning the means of administration and he has no means, ordinarily, for gaining personal possession of his office. In every respect, the bureaucratic official is a hired hand.

6. Membership in the administrative bureaucracy ordinarily constitutes a career. There is usually an organized system of promotion or salarly advancement based upon achievement, seniority, or both. Advancement or promotion is always based upon the judgment of organizational superiors.

These six features of office in the bureaucratic form of administration are all clearly recognizable to anyone who has had experience with modern organizations of whatever kind. As a matter of fact, a large part of scientific management, in the area of organization administration, involves the elaboration of techniques for clarifying and making objective these six conditions of bureaucratic office.

HIERARCHY AND BUREACRACY

The offices of a bureaucracy are arranged in a pyramid of authority and responsibility. This is fundamental to the whole concept of bureaucracy. It will be recalled that the bureaucracy is the administrative segment of the organization between leader and rank and file. The top level bureaucrats have larger amounts of authority and responsibility than do those at the bottom levels. The top levels are closest to the leader, the ultimate level of organizational authority.

Furthermore, the hierarchy is not unitary. There are sub-pyramids of offices within the larger structure corresponding to the functional subdivisions of the organization. At all levels there are offices with the same *amount* of authority but with different *kinds* and operating in different areas of competence. You will recall Dalton's study of staff-line relationships from Chapter 8, and the problems arising from the distinction between amount and kinds of authority.

FUNCTIONAL SPECIALIZATION AND BUREAUCRACY

We have already examined in this selection and in Chapter 8 some of the conditions of modern organizations that lead to internal division of labor and specialization. We have paid particular attention to the development of staff functions in Chapter 8. These staff functions are largely service functions within the organization. In the functioning of these staffs, there are either advisors to administrators or operating departments handling auxiliary service operations. Thus, the advisory staff operates at the level of authority of the administrator being advised, and is an integral part of the administrative bureaucracy. The operating staff, like a personnel department, possesses all the features of a functionally specialized portion of the administrative bureaucracy. We can see, then, that functional specialization in the organization, when it appears as a staff operation, makes the staff offices clearly a part of the administrative bureaucracy.

RECRUITMENT, MOTIVATION, AND BUREAUCRACY

There are two features of the recruitment of members of the bureaucracy that are important to recognize.

First, the offices are filled by a free contractual relationship. Whether in

government or in any other kind of organization, both the organization and the applicant for office are equally free to enter into the hiring agreement. There is no compulsion that particular individuals must be hired or that special classes of individuals will be favored. Furthermore, the office-holder, once hired, is always free to resign his job and terminate the employment agreement. Only in military and some secret organizations is this freedom limited. The authorities of the organization are also free to terminate the employment of an official in accordance with the rules of the organization.

Second, candidates for office are usually selected on the basis of technical qualifications. The government selects its bureaucrats by examination. Many private organizations do likewise. In other instances, graduation from a prescribed course of study or other certifications of technical competence are used for selection. The college interviewers from large corporations and government bureaus who annually visit colleges to recruit young officials give particular emphasis to the marks of technical qualification that the applicants for jobs have on their records.

The problem of motivation and incentive in relation to bureaucracy is complex. Viewed from the standpoint of the organization, it is a problem of (1) providing incentives to make the official consider his attachment to the organization as a career, and (2) to secure the necesary compliance with the requirements of office-holding.

The first problem is usually met by providing security in the form of advancement opportunities and pension privileges. Furthermore, the offices are remunerated with fixed salaries that are usually graded in accordance with rank in the hierarchy of offices. This security is further extended in a subtle fashion by careful initial selection and equally careful definition of the sphere of competence of each office. This tends to maximize the "fit" between individual and office and thereby reduce the fear of not adequately fulfilling the office. When there is some reasonable assurance that, for seniority reasons, if no other, certain progress can be made up the hierarchy of offices, the security for the office-holder is further enhanced. This emphasis on security will be found in both public and private organizations.

In relation to compliance with the requirements of being an official of the organization, there is the obvious problem of over-compliance and the consequent pathology of bureaucratic behavior. This problem is dealt with in the last two selections of this chapter. The primary technique for insuring compliance is a system of organization controls that operate to insure that deviant behavior is apprehended and penalized. This is, of course, largely a negative approach. The more positive approach is the regular, in-service training program, which orients the official to his present office and those to which he aspires. The emphasis on in-service training as an incentive for compliance with organizationally correct behavior will probably be greatly increased in the future when it is more generally recognized as a form of incentive as well as a means for technical training.

SUMMARY

The bureaucratic form of administration in formal organizations has the following central features:

1. It is the administrative officialdom of the organization that composes the bureaucracy.

2. These officials occupy objectively defined offices for which they are re-

cruited according to objective, technical standards.

3. These offices are arranged in a hierarchy and sub-hierarchies that correspond to the levels of administrative authority and the specialization of technical functions.

4. The officialdom comes to be professionalized by virtue of technical training and specialization and comes to occupy a position distinguished by the fact that it is a salaried professional group rather than owners or leaders of the organization.

THE EFFICIENCY OF BUREAUCRATIC ADMINISTRATION

ROBERT DUBIN

The case for the efficiency of the bureaucratic form of administration is the same as that for modern scientific management. Scientific management has been concerned with perfecting bureaucracy at the administrative level and developing techniques at the rank-and-file level that will make bureaucratic administration more efficient.

There are two basic features characterizing the efficiency of this form of administration: (1) it is highly rational; and (2) it allows the greatest possible prediction of future events in the organization. Let us examine each point separately.

Bureaucracy is rational by virtue of the fact that it involves control of the organization on the basis of knowledge. Bureaucrats operate in terms of the technical knowledge required in performing their specialized offices. Furthermore, their performance is judged by superiors not in terms of who they are, but in terms of what they do. The rationality of bureaucratic administration is ultimately exhibited in the objective standards employed in controlling the behavior of office-holders. This control of bureaucratic behavior is based upon a double use of knowledge. In the first place, the standards of judgment are made objective and based on rational considerations. In the second place, the official is judged against these standards (known both to himself and to his superiors) on the basis of knowledge about his actual job performance. Thus, knowledge as a basis for control means establishing factual standards of judgment and factual records of performance.

The second rational aspect of bureaucracy is its impersonality, which is revealed in the objective methods for selecting and promoting officials, the objective standards of discipline, and the objective systems of control. In the previous selection, we have already examined the impersonal methods of selection and promotion of officials. Much effort in the personnel field has recently been directed toward making more reliable these selection and promotion methods. Industrial psychology has become an important contributor to this effort.

Discipline, and particularly the systems of sanctions used in controlling the behavior of officials, has likewise been developed to a high level of im-

personality. It has reached the point where numerical values can be attached to the degrees of penalty. Thus, a bonus system for officials rewards and punishes in direct ratio to productivity with no room left for extenuating personal circumstances. Furthermore (and this is still another aspect of the impersonality of discipline), the penalties are universal. They apply to everyone equally. No one is exempted and no one is shown special favor.

The second great aspect of bureaucracy as an administrative system is the high degree of predictability it provides in anticipating the future of organizational behavior. This results from the reliability of the offices and the fixed and formal relations that exist between them. In a bureaucracy, every organization function is specifically assigned to an office. That office is responsible for carrying out the function. No other office is presumed to share the responsibility, or if it is shared, it is done so under specifically designated circumstances. This is essentially what we mean by the delegation of authority and responsibility. With complete and nonconflicting delegation, we have the basis for reliability in bureaucracy.

A necessary part of this reliability is fixed and formal relations among organization offices. We not only have to know how each official will behave with respect to his individual responsibility, but also, how the offices are interrelated with one another. In bureaucratic organization of administration, there is a great deal of attention paid to the interrelation of offices. In particular, emphasis is placed on making relations between offices impersonal in order to avoid the disturbances resulting from changes in officials. When the interaction between offices is defined in fixed and formal ways, the impact of the individuality of a given official is minimized.

It is particularly with reference to the modern industrial system that predictability in administration is crucial. A business organization has to maintain stability in the face of widely fluctuating conditions affecting business operations. Price and market demands change; supply of materials varies; personnel turns over; and in many industries there are periodic seasonal changes in styles and volume of output. These and similar kinds of changes have to be met by the organization with a minimum of disturbance to the business. Hence, any factors in the system of administration that maximize predictability help to sustain the business organization in the face of highly variable conditions of operation. Small wonder it is, therefore, that the rise of the bureaucratic form of administration and its universal application to all kinds of formal organizations parallels the rise of modern industrial and commercial enterprise. This has led Weber to conclude that "though by no means alone, the capitalistic system has undeniably played a major role in the development of bureaucracy. Indeed, without it capitalistic production could not continue. . . ." [1]

[1] Max Weber, *The Theory of Social and Economic Organization.* New York: Oxford University Press, Inc., 1947, page 338.

We are now ready to consider the pathologies of the bureaucratic form of administration.

Merton's famous paper on "Bureaucratic Structure and Personality" treats this problem. He points out that the

"trained incapacity" of the expert or specialist provides the bridge to a consideration of the negative aspects of bureaucracy. You will recall that we have already met the notion of trained incapacity in considering specialists in Chapter 8.

The pathological bureaucrat is, among other things, involved in making ends out of means. The purposes served by rules and procedures are lost—the rules and their literal enforcement become the end toward which the bureaucrat is striving. Merton examines, in detail, the "built-in" features of bureaucratic administration that contribute to this pathology.

Another general kind of pathology dealt with is the formalized relationship often developed between the bureaucrat and the clients he serves. Although this discussion is cast in terms of government organization, we should not lose sight of the fact that most businesses serve a public clientele and the same kind of pathology can develop within the business bureaucracy. If you have ever tried to pursue a complaint in a retail establishment, you will know what I mean. Again, Merton emphasizes the "built-in" characteristics of this form of administration as the causes of this particular kind of malfunctioning.

Finally, Merton shows how relations between bureaucrats tend to be impersonal. When carried to an extreme, this leads to shunting aside the informal interaction that we examined in Chapter 5. This conflict which exists between the official demand for formal relations and the human need for informal interaction is still another kind of pathology of bureaucratic administration.

THE NATURE AND SOURCES OF PATHOLOGICAL BUREAUCRATIC BEHAVIOR

ROBERT K. MERTON *

The transition to a study of the negative aspects of bureaucracy is afforded by the application of Veblen's concept of "trained incapacity," Dewey's notion of "occupational psychosis" or Warnotte's view of "professional deformation." Trained incapacity refers to that state of affairs in which one's abilities function as inadequacies or blind spots. Actions based upon training and skills which have been successfully applied in the past may result in inappropriate responses *under changed conditions*. An inadequate flexibility in the application of skills will, in a changing milieu, result in more or less serious maladjustments. Thus, to adopt a barnyard illustration used in this connection by Burke, chickens may be readily conditioned to interpret the sound of a bell as a signal for food. The same bell may now be used to summon the "trained chickens" to their doom as they are assembled to suffer decapitation. In general, one adopts measures in keeping with his past training and, under new conditions which are not recognized as *significantly* different, the very sound-

* From "Bureaucratic Structure and Personality," *Social Forces*, 18:560-568 (May, 1940). Used by permission. (The lengthy technical footnotes have been omitted.)

ness of this training may lead to the adoption of the wrong procedures. Again, in Burke's almost echolalic phrase, "people may be unfitted by being fit in an unfit fitness"; their training becomes an incapacity.

Dewey's concept of occupational psychosis rests upon much the same observations. As a result of their day to day routines, people develop special preferences, antipathies, discriminations, and emphases. (The term psychosis is used by Dewey to denote a "pronounced character of the mind.") These psychoses develop through demands put upon the individual by the particular organization of his occupational role.

The concepts of both Veblen and Dewey refer to a fundamental ambivalence. Any action can be considered in terms of what it attains or fails to attain. "A way of seeing is also a way of not seeing—a focus upon object A involves a neglect of object B." In his discussion, Weber is almost exclusively concerned with what the bureaucratic structure attains: precision, reliability, efficiency. This same structure may be examined from another perspective provided by the ambivalence. What are the limitations of the organizations designed to attain these goals?

For reasons which we have already noted, the bureaucratic structure exerts a constant pressure upon the official to be "methodical, prudent, disciplined." If the bureaucracy is to operate successfully, it must attain a high degree of reliability of behavior, an unusual degree of conformity with prescribed patterns of action. Hence, the fundamental importance of discipline which may be as highly developed in a religious or economic bureaucracy as in the army. Discipline can be effective only if the ideal patterns are buttressed by strong sentiments which entail devotion to one's duties, a keen sense of the limitations of one's authority and competence, and methodical performance of routine activities. The efficacy of social structure depends ultimately upon infusing group participants with appropriate attitudes and sentiments. As we shall see, there are definite arrangements in the bureaucracy for inculcating and reinforcing these sentiments.

At the moment, it is sufficient to observe that in order to ensure discipline (the necessary reliability of response), these sentiments are often more intense than is technically necessary. There is a margin of safety, so to speak, in the pressure exerted by these sentiments upon the bureaucrat to conform in his patterned obligations, in much the same sense that added allowances (precautionary overestimations) are made by the engineer in designing the supports for a bridge. But this very emphasis leads to a transference of the sentiments from the *aims* of the organization onto the particular details of behavior required by the rules. Adherence to the rules, originally conceived as a means, becomes transformed into an end-in-itself; there occurs the familiar process of *displacement of goals* whereby "an instrumental value becomes a terminal value." Discipline readily interpreted as conformance with regulations, whatever the situation, is seen not as a measure designed for specific purposes but becomes an immediate value in the life-organization of the bureaucrat. This emphasis, resulting from the displacement of the original goals, develops into rigidities and an inability to adjust readily. Formalism, even ritualism, ensues with an unchallenged insistence upon punctilious adherence to formalized procedures. This may be exaggerated to the point where primary concern with conformity to the rules interferes

with the accomplishment of the purposes of the organization, in which case we have the familiar phenomenon of the technicism or red tape of the official. An extreme product of this process of displacement of goals is the bureaucratic virtuoso, who never forgets a single rule binding his action and hence is unable to assist many of his clients. A case in point, where strict recognition of the limits of authority and literal adherence to rules produced this result, is the pathetic plight of Bernt Balchen, Admiral Byrd's pilot in the flight over the South Pole.

> According to a ruling of the department of labor Bernt Balchen . . . cannot receive his citizenship papers. Balchen, a native of Norway, declared his intention in 1927. It is held that he had failed to meet the condition of five years' continuous residence in the United States. The Byrd antarctic voyage took him out of the country, although he was on a ship carrying the American flag, was an invaluable member of the American expedition, and in a region to which there is an American claim because of the exploration and occupation of it by Americans, this region being Little America.
>
> The bureau of naturalization explains that it cannot proceed on the assumption that Little America is American soil. That would be *trespass on international questions* where it has no sanction. So far as the bureau is concerned, Balchen was out of the country and *technically* had not complied with the law of naturalization.

STRUCTURAL SOURCES OF OVERCONFORMITY

Such inadequacies in orientation which involve trained incapacity clearly derive from structural sources. The process may be briefly recapitulated. (1) An effective bureaucracy demands reliability of response and strict devotion to regulations. (2) Such devotion to the rules leads to their transformation into absolutes; they are no longer conceived as relative to a given set of purposes. (3) This interferes with ready adaptation under special conditions not clearly envisioned by those who drew up the general rules. (4) Thus, the very elements which conduce towards efficiency in general produce inefficiency in specific instances. Full realization of the inadequacy is seldom attained by members of the group who have not divorced themselves from the "meanings" which the rules have for them. These rules in time become symbolic in cast, rather than strictly utilitarian.

Thus far, we have treated the ingrained sentiments making for rigorous discipline simply as data, as given. However, definite features of the bureaucratic structure may be seen to conduce to these sentiments. The bureaucrat's official life is planned for him in terms of a graded career, through the organizational devices of promotion by seniority, pensions, incremental salaries, *etc.*, all of which are designed to provide incentives for disciplined action and conformity to the official regulations. The official is tacitly expected to and largely does adapt his thoughts, feelings and actions to the prospect of his career. But *these very devices* which increase the probability of conformance also lead to an over-concern with strict adherence to regulations which induces timidity, conservatism, and technicism. Displacement of sentiments from goals onto means is fostered by the tremendous symbolic significance of the means (rules).

Another feature of the bureaucratic structure tends to produce much the same result. Functionaries have the sense of a common destiny for all those who work together. They share the same interests, especially since there is relatively little competition insofar as promotion is in terms of seniority. In-

group aggression is thus minimized and this arrangement is therefore conceived to be positively functional for the bureaucracy. However, the esprit de corps and informal social organization which typically develops in such situations often leads the personnel to defend their entrenched interests rather than to assist their clientele and elected higher officials. As President Lowell reports, if the bureaucrats believe that their status is not adequately recognized by an incoming elected official, detailed information will be withheld from him, leading him to errors for which he is held responsible. Or, if he seeks to dominate fully, and thus violates the sentiment of self-integrity of the bureaucrats, he may have documents brought to him in such numbers that he cannot manage to sign them all, let alone read them. This illustrates the defensive informal organization which tends to arise whenever there is an apparent threat to the integrity of the group.

It would be much too facile and partly erroneous to attribute such resistance by bureaucrats simply to vested interests. Vested interests oppose any new order which either eliminates or at least makes uncertain their differential advantage deriving from the current arrangements. This is undoubtedly involved in part in bureaucratic resistance to change but another process is perhaps more significant. As we have seen, bureaucratic officials affectively identify themselves with their way of life. They have a pride of craft which leads them to resist change in established routines; at least, those changes which are felt to be imposed by co-workers. This nonlogical pride of craft is a familiar pattern found even, to judge from Sutherland's *Professional Thief,* among pickpockets, who, despite the risk, delight in mastering the prestige-bearing feat of "beating a left breech" (picking the left front trouser pocket).

PRIMARY VS SECONDARY RELATIONS

Another feature of the bureaucratic structure, the stress on depersonalization of relationships, also plays its part in the bureaucrat's trained incapacity. The personality pattern of the bureaucrat is nucleated about this norm of impersonality. Both this and the categorizing tendency, which develops from the dominant role of general, abstract rules, tend to produce conflict in the bureaucrat's contacts with the public or clientele. Since functionaries minimize personal relations and resort to categorization, the peculiarities of individual cases are often ignored. But the client, who, quite understandably, is convinced of the "special features" of *his* own problem often objects to such categorical treatment. Stereotyped behavior is not adapted to the exigencies of individual problems. The impersonal treatment of affairs which are at times of great personal significance to the client gives rise to the charge of "arrogance" and "haughtiness" of the bureaucrat. Thus, at the Greenwich Employment Exchange, the unemployed worker who is securing his insurance payment resents what he deems to be "the impersonality and, at times, the apparent abruptness and even harshness of his treatment by the clerks. . . . Some men complain of the superior attitude which the clerks have."

Still another source of conflict with the public derives from the bureaucratic structure. The bureaucrat, in part irrespective of his position with*in* the hierarchy, acts as a representative of the power and prestige of the entire structure. In his official role he is vested with definite authority. This often leads to an actually or apparently domineering

attitude, which may only be exaggerated by a discrepancy between his position within the hierarchy and his position with reference to the public. Protest and recourse to other officials on the part of the client are often ineffective or largely precluded by the previously mentioned esprit de corps which joins the officials into a more or less solidary in-group. This source of conflict *may* be minimized in private enterprise since the client can register an effective protest by transferring his trade to another organization within the competitive system. But with the monopolistic nature of the public organization, no such alternative is possible. Moreover, in this case, tension is increased because of a discrepancy between ideology and fact; the governmental personnel are held to be "servants of the people," but in fact they are usually superordinate, and release of tension can seldom be afforded by turning to other agencies for the necessary service. This tension is in part attributable to the confusion of the status of bureaucrat and client; the client may consider himself socially superior to the official who is at the moment dominant.

Thus, with respect to the relations between officials and clientele, one structural source of conflict is the pressure for formal and impersonal treatment when individual, personalized consideration is desired by the client. The conflict may be viewed then, as deriving from the introduction of inappropriate attitudes and relationships. Conflict with*in* the bureaucratic structure arises from the converse situation, namely, when personalized relationships are substituted for the structurally required impersonal relationships. This type of conflict may be characterized as follows.

The bureaucracy, as we have seen, is organized as a secondary, formal group. The normal responses involved in this organized network of social expectations are supported by affective attitudes of members of the group. Since the group is oriented toward secondary norms of impersonality, any failure to conform to these norms will arouse antagonism from those who have identified themselves with the legitimacy of these rules. Hence, the substitution of personal for impersonal treatment within the structure is met with widespread disapproval and is characterized by such epithets as graft, favoritism, nepotism, apple-polishing, etc. These epithets are clearly manifestations of injured sentiments. The function of such "automatic resentment" can be clearly seen in terms of the requirements of the bureaucratic structure.

Bureaucracy is a secondary group structure designed to carry on certain activities which cannot be satisfactorily performed on the basis of primary group criteria. Hence behavior which runs counter to these formalized norms becomes the object of emotionalized disapproval. This constitutes a functionally significant defense set up against tendencies which jeopardize the performance of socially necessary activities. To be sure, these reactions are not rationally determined practices explicitly designed for the fulfillment of this function. Rather, viewed in terms of the individual's interpretation of the situation, such resentment is simply an immediate response opposing the "dishonesty" of those who violate the rules of the game. However, this subjective frame of reference notwithstanding, these reactions serve the latent function of maintaining the essential structural elements of bureaucracy by reaffirming the necessity for formalized, secondary relations and by helping to prevent the disintegration of the bureaucratic structure which

would occur should these be supplanted by personalized relations. This type of conflict may be generically described as the intrusion of primary group attitudes when secondary group attitudes are institutionally demanded, just as the bureaucrat-client conflict often derives from interaction on impersonal terms when personal treatment is individually demanded.

In the next selection, Dimock and Hyde discuss some of the common pathologies of bureaucratic administration as they are found in business organizations. These problems are characteristic of bureaucracy in general. This selection aptly illustrates how the malfunctioning of bureaucracy exhibits itself typically in business organizations.

It should be recognized that when we examine the faults of an aspect of organization or administration, we are doing so in order to develop a sophistication about administration. Because the bureaucratic form of administration has its faults, we cannot condemn it in its entirety. Indeed, the approach that administrators take is to develop techniques and measures that will overcome the faults. There is no great administration invention in sight to replace the bureaucratic form of administration.

BUREAUCRATIC PROBLEMS IN BUSINESS ORGANIZATIONS

MARSHALL E. DIMOCK
AND HOWARD K. HYDE *

Whenever a large number of persons are brought together for the purpose of accomplishing an objective, it is essential that some direction be given to their efforts and that individual objectives be either subordinated to or harmonized with those of the group. For these purposes a hierarchy is established.

A system of hierarchy is as characteristic of business as it is of government, and in some respects the corresponding powers of the superior officers are more absolute in business. It is true that for crimes such as high treason, the state may deprive a person of his life. But for the great bulk of disciplinary action within a governmental hierarchy, the sanctions are no stricter than those of business and their application is surrounded by limitations. The private administrator, on the other hand, may deprive a subordinate of his means of livelihood almost at will and with few, if any, procedural requirements. In fact, the system of hierarchy and relatively unfettered authority is widely defended as an essential part of successful business administration.

Similarly the distribution of functions and activities among departments and

* From TNEC Monograph No. 11, *Bureaucracy and Trusteeship in Large Corporations.* Washington, D. C.: U.S. Government Printing Office, 1940, pages 31-35.

their subdivisions is an accepted administrative method in business as in government. In business the means whereby these activities are allocated vary somewhat. The scope of a particular department may be determined by superior authority or it may be left, within limits, to be decided by the department heads according to their individual capacities, interests, and aggressiveness. As an ideal, the first method, supported by staff study, is frequently held by corporation executives to be the more desirable. In actuality, however, the second method enjoys wide vogue, particularly at the top levels of the administrative hierarchy. In either case a means is provided whereby the scope of a department's jurisdiction is defined, even though its borders may be somewhat indistinct and transitory.

In the establishment of determinate qualifications for executive personnel, which Friedrich and Cole mention as a third characteristic of well-developed bureaucracies, there is a considerable diversity of practice. But among the large corporations there are distinct elements of such a tendency. Among the railroads, for example, executives are recruited almost entirely from within a given company or from other railroads. This practice is less strong but still present in the utilities, and is least prevalent among the industrials. Where ownership and management are separate —which is characteristic of the largest corporations—it is the boast of the executives that they are professional administrators. Nevertheless, there is a felt need for a better classification and record of executive requirements and capacities.[1] Though professionalization of management in private business varies, it is present and welcomed by those in control of the larger corporations.

To the extent, then, that these elements—distribution of functions, hierarchy, and professionalization—constitute the essential characteristics of bureaucracy, this term describes large-scale private business as accurately as it does public administration. There are, however, other characteristics of administration which are included in the concept of bureaucracy when used as an invidious term. These appear to stem from the more fundamental aspects which we have mentioned and are perversions, improper functionings, or undesirable accompaniments of them. The more important merit examination.

The most general criticism of bureaucracy is its unresponsiveness to the demands of the public and to hierarchical superiors. . . .

The take-it-or-leave-it attitude on the part of the trusts contributed largely to the movement to control them. Just as the monopolies were not destroyed, however, neither was the attitude, though in many cases it was softened or became more suave. It took highway and air competition to wake the railroads to the importance of the passenger. That paragon of service, the filling-station employee, is directly related to the ease with which the motorist may drive to another station. The threat of public ownership has been a prominent reason for the emphasis upon public relations in the telephone industry. In those monopolistic or semimonopolistic areas where no such threat of competition exists, on the other hand, it is only natural to find a lower degree of responsiveness to public desires.

To the extent that unresponsiveness within the hierarchy exists, the purpose

[1] See, for example, Edward R. Stettinius, Jr, "The Selection of Executives," *Management Review* XXV (November 1936), pp. 332-33.

of the organizational structure itself is not being wholly fulfilled. The executives of the large corporations almost universally admit in interviews that they find varying degrees of organizational resistance among their subordinates, and that drastic means are sometimes necessary in order to overcome this tendency.

Unresponsiveness, it should be noted, is a broad term which includes four other more specific aspects of bureaucracy. These are an excess of rules or legalism, maladjustment of the working parts of the organization, a low level of morale, and the tendency of persons and organizational units to enhance their own importance.

The extensive use of more or less rigid and precise rules and working procedures is well-nigh universal among the giant corporations. In no other way can such large administrative units be made to operate consistently. However, what may be necessary from an administrative viewpoint is often irksome to the public, which does not understand the administrative implications of a given order. "Sorry, it's a company rule," doesn't help to make an exasperated customer feel that his particular case is being treated with much consideration. Within a corporation, furthermore, subordinate officials often complain that they are not permitted sufficient discretion, that transactions of any size must be referred through too elaborate channels. When questioned on this, however, the superior officials are quick to point out that there are aspects of such transactions which subordinates cannot understand. For consistency and safety, therefore, the top executives claim that limitations are necessary. Indeed, a whole philosophy of management—that of scientific management—is largely predicated on the idea of elaborate rules established for the most simple and routine actions. An unwieldy body of regulations is thus inevitably built up, and it becomes easy to forget the objectives of the system in a blind obedience to rules.

Maladjustment of the working parts of an organization is also frequently cited, both in business and in government, as evidence of the evils of bureaucracy. Instances are adduced where one part of a hierarchy worked at cross purposes with, or wasted its efforts by duplicating the efforts of, another. Illustrative is a case brought out in an interview. The company concerned is subdivided on the basis of products, though there is great similarity among them. Nevertheless, the officials of one division frequently consult with outside competitors on research, production, and other problems rather than attempt to discover what colleagues in their own concern had done along those particular lines.

It is anomalous that this malco-ordination should be called a characteristic of bureaucracy. It exists because an essential purpose of bureaucracy, the co-ordination of effort, is not being fulfilled. Such, however, is the common conception. No official either of a large corporation or of government would claim that complete co-ordination exists in his organization. This lack, therefore, is attributable to the failure of bureaucracy rather than to its active effect.

A low level of morale is also considered part of the typical picture of bureaucracy. The bureaucrat is viewed as weighed down with rules, procedures, and red tape, mired in his own particular rut, uninterested in getting out of it and unable to do so if he would. Likewise he is loath to exert any great effort to advance the work of the enterprise.

The level of morale at a given time is difficult to measure because it is comparative and its elements are largely subjective.[2] Many executives, however, will admit that the morale of their employees is not especially high or that it was very low before a particular personnel policy was adopted. Among the corporate giants the company with a high level of morale is indeed rare. On the basis of interviews and observation, there appears to be a medium level around which most of the employees cluster. Extra time and effort in cases of emergency are grudgingly given. Some officials complain that potential executive material is destroyed by the dulling environment at the lower levels of the hierarchy, causing irreparable loss to the company and employees concerned. Others say their men are in a rut and do not have a broad view.

Finally, a generally criticized characteristic of bureaucracy is the tendency of persons and organizational units to increase their own importance. "The inherent tendency of bureaucracy to expand" is one of the most common complaints directed at government.[3] This, of course, is an almost universal human tendency. Individuals cherish an increase in status; chambers of commerce seek to make "the biggest little town in America" a little bigger; a corporate management is looked upon with suspicion of inefficiency if it is unable to report that this year the company is larger or did more business than last, particularly if there has not been a general decline in the level of trade.

This tendency is recognized by corporation officials as operative within their enterprises. They complain that executives are too anxious to appear to have an individually outstanding record even though it may be at the expense of the corporation as a whole. Illustrative are these comments:

"The executive personnel has the short view. Their own achievement is all that counts, not the long-time corporation record. For example, one executive set up a hundred new dealers in order to show an 8-percent increase in sales even though it was ruinous to the established agencies."

"A manager knows he will move on in 2 to 5 years. Therefore, he wants to squeeze everything out in profits instead of planning a long-term program."

It is apparent that the evils of bureaucracy, as evidenced by unresponsiveness, excessive internal legalism, maladjustment of working parts, low morale, and the tendency of persons and organizations to enhance their importance, are not confined to any particular class of human endeavor. Bureaucracy seems rather to inhere in large organizations. Business as well as government must use essentially the same human raw material to operate, and it is, therefore, subject to the same bureaucratic forces which take their administrative tolls. It is apparent, however, that some business concerns are more unfortunately bureaucratic than others, just as are some departments of government.

[2] A rather extensive literature has been erected upon the base of some limited experimentation along this line at Western Electric's Hawthorne plant. For a summary, see Luther Gulick and L. Urwick, editors, *Papers on the Science of Administration* (New York: Columbia University Press, 1937), ch. VII.

[3] Carl J. Friedrich and Taylor Cole, *Responsible Bureaucracy* (Cambridge, Mass.: Harvard University Press, 1932) point out that "under certain conditions, a bureaucracy shows no such tendency at all (post-war France, on the whole, for example)," p 18.

ELEVEN

Power

INTRODUCTION

The last chapter completed our discussion of the characteristic administrative form in modern organizations. In four chapters, we examined the elements that make up this bureaucratic administrative system, and in the fifth chapter, we synthesized the results. We now begin a new phase of our analysis of the human relations of administration.

In this and the next two chapters, we shall be laying the groundwork for understanding organization leadership. In Chapter 14, we shall deal directly with leadership. Then we shall follow the obvious course of examining in the two succeeding chapters followership, or subordination.

Let us start our consideration of leadership with a simple approach to the concept of power. We can well ask, why does anybody submit to the discipline of an organization? What is the basis upon which the control of an organization can be exercised over an individual?

We take so largely for granted our participation in a large number of organized groups that these two questions seem almost silly. Obviously, we submit to the discipline and control of an organization because we get something out of participation. We earn money by working for a business. We relate ourselves to the supernatural by joining a church. We become students at a university because we are presumed to be educated when we graduate from it. But wait a minute. Would we not all agree that we could earn money by independent action? We could have private ideas about God and worship Him alone; we can even garner an education outside a university! What then compels our conformance to an organized structure?

The fundamental characteristic of society is that it orders the relations among individuals, between individuals and groups, and among groups. Groups and individuals do not interact haphazardly; the interactions are structured and organized. The element that underlies these systems of organized interactions is power. In the words of Bierstedt: "Power supports the fundamental order of society and the social organization within it, wherever there is order. Power stands behind every association and sustains its structure. Without power there is no organization and without power there is no order." This

is the central thesis of the first selection in this chapter.

In Bierstedt's view, power is always latent, never expressed. He distinguishes force and authority as the action aspects of power. "Power is the ability to employ force, not its actual employment." Authority is the institutionalized *right* to employ power, not power itself.

The latent quality of power may be troublesome to grasp. Let us think in terms of an analogy, for a moment. Gravity is something latent in a body. When gravity is exercised, we talk about gravitational force or the pull of gravity. The expression of the quality of gravity is something we designate by the terms force or pull. In the same sense we can view power as latent. We can never touch, feel, smell, or contact power. But certain classes of human actions that we can observe and contact can be given meaning only by assuming that the actor possesses power.

In other words, what we are trying to do when we use the concept of power is to distinguish certain kinds of human action from other kinds. Two people in love are not ordinarily thought of as being in a power relationship. Several youngsters playing together are not in a power relationship. On the other hand, a foreman makes use of power in the exercise of authority over his workers.

We are trying to understand a frame of reference for analysing and comprehending leadership and subordination. Such a frame of reference is grounded in the concept of power.

The next several chapters are difficult. The ideas are complex and intricate. But we are, after all, dealing with the most complex and intricate of all phenomena—human relations.

POWER AND SOCIAL ORGANIZATION

ROBERT BIERSTEDT *

Few problems in sociology are more perplexing than the problem of social power. In the entire lexicon of sociological concepts none is more troublesome than the concept of power. We may say about it in general only what St. Augustine said about time, that we all know perfectly well what it is—until someone asks us. Indeed, Robert M. MacIver has recently been induced to remark that "There is no reasonably adequate study of the nature of social power." [1] The present paper cannot, of course, pretend to be a "reasonably adequate study." It aims at reasonableness rather than adequacy and attempts to

* From "An Analysis of Social Power," *American Sociological Review,* 15.730-736 (Dec. 1950). Copyright by the American Sociological Society. Used by permission.

[1] *The Web of Government,* New York: Macmillan, 1947, p. 458. MacIver goes on to say, "The majority of the works on the theme are devoted either to proclaiming the importance of the role of power, like those of Hobbes, Gumplowicz, Ratzenhofer, Steinmetz, Treitschke, and so forth, or to deploring that role, like Bertrand Russell in his *Power.*" *Ibid.* One might make the additional comment that most of the discussions of power place it specifically in a political rather than a sociological context and that in the latter sense the problem has attracted almost no attention.

articulate the problem as one of central sociological concern, to clarify the meaning of the concept, and to discover the locus and seek the sources of social power itself.

The power structure of society is not an insignificant problem. In any realistic sense it is both a sociological (*i.e.*, a scientific) and a social (*i.e.*, a moral) problem. It has traditionally been a problem in political philosophy. But, like so many other problems of a political character, it has roots which lie deeper than the *polis* and reach into the community itself. It has ramifications which can be discerned only in a more generalized kind of inquiry than is offered by political theory and which can ultimately be approached only by sociology. Its primitive basis and ultimate locus, as MacIver has emphasized in several of his distinguished books,[2] are to be sought in community and in society, not in government or in the state. It is apparent, furthermore, that not all power is political power and that political power—like economic, financial, industrial, and military power—is only one of several and various kinds of social power. Society itself is shot through with power relations—the power a father exercises over his minor child, a master over his slave, a teacher over his pupils, the victor over the vanquished, the blackmailer over his victim, the warden over his prisoners, the attorney over his own and opposing witnesses, an employer over his employee, a general over his lieutenants, a captain over his crew, a creditor over a debtor, and so on through most of the status relationships of society.[3] Power, in short, is a universal phenomenon in human societies and in all social relationships. It is never wholly absent from social interaction, except perhaps in the primary group where "personal identification" (Hiller) is complete and in those relations of "polite acquaintance" (Simmel) which are "social" in the narrowest sense. All other social relations contain components of power. What, then, is this phenomenon?

Social power has variously been identified with prestige, with influence, with eminence, with competence or ability, with knowledge (Bacon), with dominance, with rights, with force, and with authority. Since the intension of a term varies, if at all, inversely with its extension—*i.e.*, since the more things a term can be applied to the less precise its meaning—it would seem to be desirable to distinguish power from some at least of these other concepts. Let us first distinguish power from prestige.

The closest association between power and prestige has perhaps been made by E. A. Ross in his classic work on social control. "The immediate cause of the location of power," says Ross, "is prestige." And further, "The class that has the most prestige will have the most power."[4] Now prestige may certainly be construed as one of the sources of social power and as one of the most significant of all the factors which separate man from man and group from group. It is a factor which has as one of its consequences the complex stratification of modern societies, to say nothing of the partial stratification of non-literate

[2] See especially *The Modern State,* London. Oxford University Press, 1926, pp. 221-231, and *The Web of Government, op. cit*, pp 82-113, *et passim.*

[3] It will be noted that not all of these examples of power exhibit the support of the state. To some of them the state is indifferent, to one it is opposed.

[4] *Social Control,* New York: Macmillan, 1916, p. 78.

societies where the chief and the priest and the medicine-man occupy prestigious positions. But prestige should not be identified with power. They are independent variables. Prestige is frequently unaccompanied by power and when the two occur together power is usually the basis and ground of prestige rather than the reverse. Prestige would seem to be a consequence of power rather than a determinant of it or a necessary component of it. In any event, it is not difficult to illustrate the fact that power and prestige are independent variables, that power can occur without prestige, and prestige without power. Albert Einstein, for example, has prestige but no power in any significant sociological sense of the word. A policeman has power, but little prestige. Similarly, on the group level, the Phi Beta Kappa Society has considerable prestige—more outside academic circles than inside, to be sure—but no power. The Communist Party in the United States has a modicum of power, if not the amount so extravagantly attributed to it by certain Senators, but no prestige. The Society of Friends again has prestige but little power.

Similar observations may be made about the relations of knowledge, skill, competence, ability, and eminence to power. They are all components of, sources of, or synonyms of prestige, but they may be quite unaccompanied by power. When power does accompany them the association is incidental rather than necessary. For these reasons it seems desirable to maintain a distinction between prestige and power.

When we turn to the relationship between influence and power we find a still more intimate connection but, for reasons which possess considerable cogency, it seems desirable also to maintain a distinction between influence and power. The most important reason, perhaps, is that influence is persuasive while power is coercive. We submit voluntarily to influence while power requires submission. The mistress of a king may influence the destiny of a nation, but only because her paramour permits himself to be swayed by her designs. In any ultimate reckoning her influence may be more important than his power, but it is inefficacious unless it is transformed into power. The power a teacher exercises over his pupils stems not from his superior knowledge (this is competence rather than power) and not from his opinions (this is influence rather than power), but from his ability to apply the sanction of failure, *i.e.*, to withhold academic credit, to the student who does not fulfill his requirements and meet his standards. The competence may be unappreciated and the influence may be ineffective, but the power may not be gainsaid.

Furthermore, influence and power can occur in relative isolation from each other and so also are relatively independent variables. We should say, for example, that Karl Marx has exerted an incalculable influence upon the twentieth century, but this poverty-stricken exile who spent so many of his hours immured in the British Museum was hardly a man of power. Even the assertion that he was a man of influence is an ellipsis. It is the ideas which are influential, not the man. Stalin, on the other hand, is a man of influence only because he is first a man of power. Influence does not require power, and power may dispense with influence. Influence may convert a friend, but power coerces friend and foe alike. Influence attaches to an idea, a doctrine, or a creed, and has its locus in the ideological sphere. Power attaches to a person, a group, or an association, and has its

locus in the sociological sphere. Plato, Aristotle, St. Thomas, Shakespeare, Galileo, Newton, and Kant were men of influence, although all of them were quite devoid of power. Napoleon Bonaparte and Abraham Lincoln were men of both power and influence. Genghis Khan and Adolf Hitler were men of power. Archimedes was a man of influence, but the soldier who slew him at the storming of Syracuse had more power. It is this distinction which gives point to Spengler's otherwise absurd contention that this nameless soldier had a greater impact upon the course of history than the great classical physicist.

When we speak, therefore, of the power of an idea or when we are tempted to say that ideas are weapons or when we assert, with the above-mentioned Bonaparte, that the pen is mightier than the sword, we are using figurative language, speaking truly as it were, but metaphorically and with synecdoche. Ideas are influential, they may alter the process of history, but for the sake of logical and sociological clarity it is preferable to deny to them the attribute of power. Influence in this sense, of course, presents quite as serious and as complex a problem as power, but it is not the problem whose analysis we are here pursuing.

It is relatively easy to distinguish power from dominance. Power is a sociological, dominance a psychological concept. The locus of power is in groups and it expresses itself in inter-group relations; the locus of dominance is in the individual and it expresses itself in inter-personal relations. Power appears in the statuses which people occupy in formal organization; dominance in the roles they play in informal organization. Power is a function of the organization of associations, of the arrangement and juxtaposition of groups, and of the structure of society itself. Dominance, on the other hand, is a function of personality or of temperament; it is a personal trait. Dominant individuals play roles in powerless groups; submissive individuals in powerful ones. Some groups acquire an inordinate power, especially in the political sense, because there are so many submissive individuals who are easily persuaded to join them and who meekly conform to the norms which membership imposes. As an example, one need mention only the growth of the National Socialist Party in Germany. Dominance, therefore, is a problem in social psychology; power a problem in sociology.[5]

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[5] This distinction, among others, illustrates the impropriety of associating too closely the separate disciplines of psychology and sociology. Many psychologists and, unfortunately, some sociologists profess an inability to see that individual and group phenomena are fundamentally different in character and that, for example, "the tensions that cause wars" have little to do with the frustrations of individuals Just as the personal frustrations of soldiers interfere with the fighting efficiency of a military unit, so the personal frustrations of individuals reduce and sometimes destroy the efficiency of any organized action Heller has an interesting comment in this connection "The objective social function of political power may be at marked variance with the subjective intentions of the individual agents who give concrete expression to its organization and activities. The subjective motivations which induce the inhabitant to perform military service or to pay taxes are of minor importance. For political power, no less than every other type of social power, is a cause and effect complex, revolving about the objective social effect and not, at least not exclusively, about the subjective intent and attitude" See his article "Power, Political," *Encyclopedia of the Social Sciences,* Vol. VI, p 301 In other words, the subjective factors which motivate an individual to indulge in social action, the ends he seeks and the means he employs, have nothing to do, or at best very little to do, with the objective social consequences of the action. A man may join

It is a little more difficult to distinguish power from "rights" only because the latter term is itself so ambiguous. It appears indeed in two senses which are exactly contradictory—as those privileges and only those which are secured by the state and as those which the state may not invade even to secure. We do not need to pursue the distinctions between various kinds of rights, including "natural rights," which are elaborated in the history of jurisprudence and the sociology of law to recognize that a right always requires some support in the social structure, although not always in the laws, and that rights in general, like privileges, duties, obligations, responsibilities, perquisites, and prerogatives, are attached to statuses both in society itself and in the separate associations of society. One may have a right without the power to exercise it,[6] but in most cases power of some kind supports whatever rights are claimed. Rights are more closely associated with privileges and with authority than they are with power. A "right," like a privilege, is one of the perquisites of power and not power itself.[7]

We have now distinguished power from prestige, from influence, from dominance, and from rights, and have left the two concepts of force and authority. And here we may have a solution to our problem. Power is not force and power is not authority, but it is intimately related to both and may be defined in terms of them. We want therefore to propose three definitions and then to examine their implications: (1) power is latent force; (2) force is manifest power; and (3) authority is institutionalized power. The first two of these propositions may be considered together. They look, of course, like circular definitions and, as a matter of fact, they are. If an independent meaning can be found for one of these concepts, however, the other may be defined in terms of it and the circularity will disappear.[8] We may therefore suggest an independent definition of the concept of force. Force, in any significant sociological sense of the word, means the application of sanctions. Force, again in the sociological sense, means the reduction or limitation or closure or even

the army for any number of reasons—to achieve financial security and early retirement, to conform with the law, to escape a delicate domestic situation, to withdraw from an emotional commitment, to see the world, to escape the pressure of mortgage payments, to fight for a cause in which he believes, to wear a uniform, or to do as his friends are doing None of these factors will affect very much the army which he joins Similarly, people do not have children because they wish to increase the birth rate, to raise the classification of the municipal post office, or to contribute to the military strength of the state, although the births may objectively have all of these consequences

[6] An example will subsequently be supplied

[7] There is, of course, a further distinction between rights and privileges Military leave, for example, is a privilege and not a right; it may be requested but it may not be demanded. It may be granted but, on the other hand, it may not

[8] As a matter of purely technical interest, it may be observed that all definitions are ultimately circular Every system of inference must contain undefined or "primitive" terms in its initial propositions because, if it were necessary to define every term before using it, it would be impossible ever to begin talking or writing or reasoning. An undefined term in one system is not necessarily an indefinable term, however, particularly in another system, and furthermore this kind of circularity is no logical deficiency if the circle, so to speak, *nicht zu klein ist.* This engaging phrase comes from Herbert Feigl, a logician who has examined this problem in a paper on Moritz Schlick, *Erkenntnis* Band 7, 1937-1938, p. 406 Ralph Eaton also discusses this problem in his *General Logic,* p. 298, as do Whitehead and Russell in the Introduction to *Principia Mathematica.*

total elimination of alternatives to the social action of one person or group by another person or group. "Your money or your life" symbolizes a situation of naked force, the reduction of alternatives to two. The execution of a sentence to hang represents the total elimination of alternatives. One army progressively limits the social action of another until only two alternatives remain for the unsuccessful contender—to surrender or die. Dismissal or demotion of personnel in an association similarly, if much less drastically, represents a closure of alternatives. Now all these are situations of force, or manifest power. Power itself is the predisposition or prior capacity which makes the application of force possible. Only groups which have power can threaten to use force and the threat itself is power. Power is the ability to employ force, not its actual employment, the ability to apply sanctions, not their actual application.[9] Power is the ability to introduce force into a social situation; it is the presentation of force. Unlike force, incidentally, power is always successful; when it is not successful it is not, or ceases to be, power. Power symbolizes the force which *may* be applied in any social situation and supports the authority which *is* applied. Power is thus neither force nor authority but, in a sense, their synthesis.

The implications of these propositions will become clearer if we now discuss the locus of power in society. We may discover it in three areas, (1) in formal organization, (2) in informal organization, and (3) in the unorganized community. The first of these presents a fairly simple problem for analysis. It is in the formal organization of associations that social power is transformed into authority. When social action and interaction proceed wholly in conformity to the norms of the formal organization, power is dissolved without residue into authority. The right to use force is then attached to certain statuses within the association, and this right is what we ordinarily mean by authority.[10] It is thus authority in virtue of which persons in an association exercise command or control over other persons in the same association. It is authority which enables a bishop to transfer a priest from his parish, a priest with his "power of the keys" to absolve a sinner, a commanding officer to assign a post of duty to a subordinate officer, a vice-president to dictate a letter to his secretary, the manager of a baseball team to change his pitcher in the middle of an inning, a factory superintendent to demand that a certain job be completed at a specified time, a policeman to arrest a citizen who has violated a law, and so on through endless examples. Power in these cases is attached to statuses, not to persons, and is wholly institutionalized as authority.[11]

In rigidly organized groups this authority is clearly specified and formally articulated by the norms (rules, statutes, laws) of the association. In less rigidly organized groups penumbral areas ap-

[9] Sanctions, of course. may be positive or negative, require or prohibit the commission of a social act.

[10] Authority appears frequently in another sense as when, for example, we say that Charles Goren is an authority on bridge or Emily Post on etiquette. Here it carries the implication of superior knowledge or skill or competence and such persons are appealed to as sources of information or as arbiters. In this sense authority is related to influence but not to power

[11] This is what Max Weber called *legitime Herrschaft*, which Parsons translates as "authority." See *The Theory of Social and Economic Organization*, Parsons editor, New York: Oxford University Press, 1947, p. 152, n. 83.

pear in which authority is less clearly specified and articulated. Sometimes authority clearly vested in an associational status may not be exercised because it conflicts with a moral norm to which both members and non-members of the association adhere in the surrounding community. Sometimes an official may remove a subordinate from office without formal cause and without formal authority because such action, now involving power, finds support in public opinion. Sometimes, on the contrary, he may have the authority to discharge a subordinate, but not the power, because the position of the latter is supported informally and "extra-associationally" by the opinion of the community. An extreme case of this situation is exemplified by the inability of the general manager, Ed Barrow, or even the owner, Colonel Jacob Ruppert, to "fire" Babe Ruth from the New York Yankees or even, when the Babe was at the height of his fame, to trade him.

Sometimes these power relations become quite complicated. In a university organization, for example, it may not be clear whether a dean has the authority to apply the sanction of dismissal to a professor, or, more subtly, whether he has the authority to abstain from offering an increase in salary to a professor in order indirectly to encourage him to leave, or, still more subtly, whether, when he clearly has this authority of abstention, he will be accused of maladministration if he exercises it.[12] It is similarly unclear whether a Bishop of the Episcopal Church has the authority to remove a rector from his parish when the latter apparently has the support of his parishioners.[13] In other words, it sometimes comes to be a matter of unwise policy for an official to exercise the authority which is specifically vested in his position, and it is in these cases that we can clearly see power leaking into the joints of associational structure and invading the formal organization.[14]

It may be observed that the power implied in the exercise of authority does not necessarily convey a connotation of personal superiority. Leo Durocher is not a better pitcher than the player he removes nor, in turn, is he inferior to the umpire who banishes him from the game. A professor may be a "better" scholar and teacher than the dean who dismisses him, a lawyer more learned in the law than the judge who cites him for contempt, a worker a more competent electrician than the foreman who assigns his duties, and so on through thousands of examples. As MacIver has written, "The man who commands may be no wiser, no abler, may be in no sense better than the average of his fellows; sometimes, by any intrinsic standard he is inferior to them. Here is the magic of government."[15] Here indeed is the magic of all social organization.

Social action, as is well known, does not proceed in precise or in absolute conformity to the norms of formal organization. Power spills over the vessels of status which only imperfectly contain it as authority. We arrive, therefore, at a short consideration of informal organ-

[12] As in a case at the University of Illinois

[13] As in the Melish case in Brooklyn, which at this writing is a subject for litigation in the courts.

[14] That even the most highly and rigidly organized groups are not immune from these invasions of power has been illustrated, in a previous paper, with respect to the Roman Catholic Church, the United States Navy, and the Communist Party. See Robert Bierstedt, "The Sociology of Majorities," *American Sociological Review*, 13 (December, 1948), 700-710.

[15] *The Web of Government, op. cit.*, p. 13.

ization, in which the prestige of statuses gives way to the esteem for persons and in which the social interaction of the members proceeds not only in terms of the explicit norms of the association but also in terms of implicit extra-associational norms whose locus is in the community and which may or may not conflict, at strategic points, with the associational norms. Our previous examples have helped us to anticipate what we have to say about the incidence and practice of power in informal organization. No association is wholly formal, not even the most rigidly organized. Social organization makes possible the orderly social intercourse of people who do not know each other—the crew of a ship and their new captain, the faculty of a university department and a new chairman, the manager of a baseball team and his new recruit, the citizen and the tax collector, the housewife and the plumber, the customer and the clerk. But in any association the members do become acquainted with each other and begin to interact not only "extrinsically" and "categorically," in terms of the statuses they occupy, but also "intrinsically" and "personally," in terms of the roles they play and the personalities they exhibit.[16] Sub-groups arise and begin to exert subtle pressures upon the organization itself, upon the norms which may be breached in the observance thereof, and upon the authority which, however firmly institutionalized, is yet subject to change. These sub-groups may, as cliques and factions, remain within the association or, as sects and splinter groups, break away from it. In any event, no formal organization can remain wholly formal under the exigencies of time and circumstance. Power is seldom completely institutionalized as authority, and then no more than momentarily. If power sustains the structure, opposing power threatens it, and every association is always at the mercy of a majority of its own members. In all associations the power of people acting in concert is so great that the prohibition against "combinations" appears in the statutes of all military organizations and the right of collective petition is denied to all military personnel.

Power appears, then, in associations in two forms, institutionalized as authority in the formal organization and uninstitutionalized as power itself in the informal organization. But this does not exhaust the incidence of power with respect to the associations of society. It must be evident that power is required to inaugurate an association in the first place, to guarantee its continuance, and to enforce its norms. Power supports the fundamental order of society and the social organization within it, wherever there is order. Power stands behind every association and sustains its structure. Without power there is no organization and without power there is no order. The intrusion of the time dimension and the exigencies of circumstance require continual re-adjustments of the structure of every association, not excepting the most inelastically organized, and it is power which sustains it through these transitions.[17] If power provides the initial impetus behind the organiza-

[16] The terms in quotation marks are E. T. Hiller's. See his *Social Relations and Structures,* New York: Harper, 1947, Chapters 13, 14, 38.

[17] If the power of the members, informally exercised, supports an association through changes in structure, it is the structure itself which supports it through changes in personnel

tion of every association, it also supplies the stability which it maintains throughout its history. Authority itself cannot exist without the immediate support of power and the ultimate sanction of force.

In the next selection of this chapter, we have a broad-gauge analysis of the types of social action that are based upon power. Let us not get lost in a maze of terminology. The term power-holder is used. What the power-holder *does* is exercise force, domination, or manipulation. He does not use power directly in his relations with subordinates. This is a crucial point to keep in mind. It keeps us within the framework that Bierstedt has established for us.

Perhaps we ought to discuss the power-holder more fully. Power, although latent, also has a focal point, a location. Power does not just float around unattached to anything. We know where power resides only when we observe people in interaction. We know that certain people or groups have power when the consequences of their actions can be observed in the behavior of other people. We specifically limit the kinds of initiating acts that we call power acts to those that involve the exercise of force, domination, or manipulation.

It is within this framework that we can find the location of authority, which we deal with specifically in the next chapter. Bierstedt says that authority is institutionalized power. That means that in an organization, the right to exercise command is built into the organization. Authority is one element of a social structure, a social organization. Domination and manipulation, as defined by Goldhammer and Shils, are the *ways* in which authority is expressed in an organization: the authority of the legitimate power-holder rests upon his recognized right of domination.

In connection with the concept of domination, you will note that it is defined differently by Bierstedt and by the authors of the following selection. Do not let this difference bother you. Both definitions are explict. For our purposes in linking authority with domination, we shall use the Goldhammer-Shils definition.

One other point should be called to your attention. The analysis of acts based upon power inevitably brings up the question of what happens when disobedience occurs. Goldhammer and Shils discuss this. So does Simon, in the next chapter, with specific reference to disobedience to authority. In Chapter 17, we examine control of the organization and behavior in it as one of the important organization devices for minimizing disobedience.

Remember, we are still building our framework for analyzing leadership and subordination. The following selection focuses our attention on acts based upon power. We will make this more concrete in the next chapter when we deal with the principal expression of power within a formal organization—authority.

TYPES OF POWER

HERBERT GOLDHAMMER
AND EDWARD A. SHILS *

A person may be said to have *power* to the extent that he influences the behavior [1] of others in accordance with his own intentions. Three major forms of power may be distinguished in terms of the type of influence brought to bear upon the subordinated individual. The power-holder exercises *force* when he influences behavior by a physical manipulation of the subordinated individual (assault, confinement, etc.); *domination* when he influences behavior by making explicit to others what he wants them to do (command, request, etc.); [2] and *manipulation* when he influences the behavior of others without making explicit the behavior which he thereby wants them to perform.[3] Manipulation may be exercised by utilizing symbols or performing acts. Propaganda is a major form of manipulation by symbols. The undermining of confidence in an enterprise by sabotaging its activities may be taken as an example of manipulation by acts.

Most power-holders claim legitimacy for their acts, i.e., they claim the "right to rule" as they do. If the legitimacy of the exercise of power is acknowledged by the subordinated individuals we speak of *legitimate power;* if it is not recognized we call it *coercion* (provided, of course, that the intention of the power-holder is realized). There are three major forms of legitimate power. Legitimate power is regarded as *legal* when the recognition of legitimacy rests on a belief by the subordinated individuals in the legality of the laws, de-

* From "Types of Power and Status," *American Journal of Sociology,* 45.171-178 (Sept 1939) Used by permission of The University of Chicago Press

[1] Behavior is here to be understood as both covert and overt behavior Influence is to be understood as both an alteration of behavior and a maintenance of behavior as it was, but other than what it would have been without the intervention of the power-holder.

[2] "Shoulder arms!" and "Please close the door" are both cases of domination, provided, of course, that these utterances succeed in realizing the intention of the speaker. It may be that everyday associations render "Please close the door" as an example of domination somewhat surprising A polite request, however, is as much a way of getting people to do what one wants them to do as is the most brutally uttered command. Polite requests often enable a person to exercise power over another where a command containing no elements of deference may fail. The relation between the exercise of power over, and the granting of deference to, subordinated individuals is not treated here.

[3] Since the distinction between domination and manipulation rests on the degree to which the power-holder makes his intention explicit to the person whose behavior he wants to influence, the two frequently shade off into each other. It often happens, of course, that the context in which the power-holder's behavior takes place is such as to enable him to assume that his intention is quite clear to the person whom he is attempting to influence. It is desirable to include such cases under domination.

It is clear that manipulation excludes modifications of behavior following the communication of factual representations in discussion. In the case of discussion the intentions of the discussants are evident to each other. This, of course, does not preclude the possibility of manipulatory elements entering into a discussion As in the cases discussed in the first paragraph, the line between discussion and manipulation may (in certain concrete cases) be difficult to draw.

crees, and directives promulgated by the power-holder; *traditional* when the recognition of legitimacy rests on a belief in the sanctity of traditions by virtue of which the power-holder exercises his power and in the traditional sanctity of the orders which he issues; and *charismatic* when the recognition of legitimacy rests on a devotion to personal qualities of the power-holder. Usually, of course, these personal qualities are, or appear to the followers to be, extraordinary qualities such as sanctity and heroism.[4]

A person whose general position as a power-holder is recognized as legitimate may exercise force, domination, or manipulation. But, as far as the recognition of the legitimacy of individual acts of power is concerned, it is clear that manipulation cannot be legitimate power, since in the case of manipulation there is no recognition by the subordinated individual that an act of power has been effected. Persons who are subject to force (especially as an initial form of influencing behavior and not as a sanction) frequently do not recognize the legitimacy of such acts of power. Generally, therefore, the recognition of a power-holder as a legitimate exerciser of power rests on the recognition of the legitimacy of his acts of domination. However, this need not mean that he may not also exercise force or manipulation.

Attempted domination may meet with obedience or disobedience. The motivation for obedience and disobedience is *instrumental* to the extent that it is based on an anticipation of losses and gains, and *noninstrumental* to the extent that it is based on ethical or affective imperatives of conduct dictating obedience or disobedience to the command. In the case of obedience these imperatives may derive either (a) from a belief that the recognition of power as legitimate, i.e., as legal, traditional, or charismatic, imposes obedience as a norm of conduct or (b) from norms of conduct (e.g., the mores) which dictate, not obedience to the power-holder but the performance of the particular acts commanded. In the case of disobedience the imperatives will likewise derive either (a) from a belief that the recognition of power as nonlegitimate, i.e., coercive, imposes disobedience as a norm of conduct or (b) from norms of conduct which dictate not disobedience to the power-holder but the nonperformance of the particular acts commanded.[5] Although one may recognize the legitimacy of power, yet one may also obey or disobey out of instrumental considerations. This signifies in the case of disobedience that the instrumental considerations outweigh the motivation toward conformity arising from the recognition of legitimacy.

If the attempt of a person to exercise power fails, the power act may be followed either by a substitute power act or by a sanction. A *substitute power act* is intended primarily to attain the original aim of the first act. Substitution may take place both within or between types of power. Thus a command may

[4] The classification of types of legitimate power is that of Max Weber (cf *Wirtschaft und Gesellschaft* [Tübingen, 1925], I, 124).

[5] Motivation for conformity with, or rejection of, the expressed wish or demand of the power-holder is here considered only in terms of perceptions by the subordinated person of certain selected characteristics of the power-holder and the commanded act. Clearly a number of other factors would be relevant in a complete analysis of why one individual obeys or disobeys another, e g , the personality of the obeying person. Such factors are not considered here since the above classification is not being used as a basis for a complete causal explanation of obedience or disobedience.

be substituted for a polite request (both forms of attempted domination), or unsuccessful propaganda may be succeeded by an outright command (manipulation and domination). A *sanction* is a power act initiated primarily as a reprisal for nonconformity with a prior act of power; its intent is punitive and not primarily directed toward achieving the goal of the prior unsuccessful power act. Since persons who are subjected to attempted exercise of force or manipulation do not—unlike persons subjected to commands—either obey or disobey, sanctions may most properly be spoken of as a reprisal for disobedience to a command (domination) rather than as nonconformity to other types of power. However, it may be true that an unsuccessful propagandist or unsuccessful exerciser of force may (irrationally) take actions with punitive intent against persons who fail to succumb to his propaganda or to his attempt to exercise force.

A sanction may be either a deprivation of values already possessed or an obstruction to the attainment of values which would have been realized were it not for the punitive intervention of the power-holder. A sanction may be either a physical loss (beating, confinement, etc.) or a nonphysical loss (fining, confiscation, removal from office, ridicule, etc.).

Disobedience to the command of a power-holder may result not only in consciously intended sanctions but also in unintended penalizations (such as guilt feelings, loss of prestige, etc.), the anticipation of which may motivate the individual to conform. Market operations afford an important case of unintended penalizations. The demands of buyers and sellers upon each other produce a collective compromise expressed in the price level. Intransigent buyers and sellers are not necessarily subject to intended losses, but their intransigence is, in fact, likely to squeeze them out of the market. The conformity of the buyers or sellers to the imperatives of market conditions involves, in this case, conformity not only to the immediate demands of those with whom they have direct relations but through them, indirectly, with all other persons in the market. Unintended consequences may also be derivative penalizations, i.e., they may be unintended results from the infliction of an intended sanction. Thus imprisonment may (even after release) result in the loss of job, prestige, and associations.

Sanctions may be exercised either directly by the power-holder himself or indirectly through others in official or nonofficial positions. Most power-holders of any consequence possess a staff of officials to whom the exercise of sanctions is delegated. Although power-holders may instigate persons without official position (mobs, the public, "the consumer," etc.) to take reprisals against nonconformists, the exercise of sanctions by nonofficials is perhaps most important in the case of unintended and derivative penalizations and in the case of intended sanctions without instigation from official power-holders.

A power relation is *unilateral* if only one party to the relationship exercises power over the other and *bilateral* if both parties exercise power over each other. The power relationships between officers and privates in an army are typically unilateral. A major form of bilateral power relation is the case of bargaining power, to the extent that each party influences the behavior of the other in the intended direction. In bargaining each party attempts to influence the behavior of the other either by depriving him of values already pos-

sessed or by obstructing the attainment of values not yet possessed but desired. Bilateral power relations exist not only in the case of domination (as when each party is able to make demands on the other) but also in the case of manipulation. That is, each party may influence the behavior of the other party without making explicit what behavior is desired. Thus parties may mutually influence each other's behavior in a desired direction by propaganda or by acts. The outcome of attempted bilateral domination or manipulation may be complete fulfilment of the intentions of both parties (provided they are not incompatible) or a compromise, i.e., a partial success by both parties or the fulfilment (partially or fully) of the intention of only one party or, finally, modes of behavior completely different from the intention of either party.[6]

The exercise of power is *direct* when the power-holder alters the behavior of others without utilizing an intermediary and *indirect* when a chain of direct power acts is initiated by a power-holder who utilizes one or more subordinate power-holders. The control of an army by a general or of factory workers by a large-scale entrepreneur is largely by means of indirect power. The chain of direct power acts constituting the exercise of indirect power may be composed of different types of direct power acts. Thus the initial act may be a command (domination) to a subordinate power-holder who may alter the behavior of others by propaganda (manipulation) in order to instigate mob violence (force) against certain groups, thus attaining the intention of the initiating power-holder. The personnel utilized in the sequence of direct power acts composing indirect power may be both official and nonofficial.

The amount of power exercised by an individual may be measured either by the ratio of his successful power acts to all of his attempted power acts or by certain criteria specified below. These measures may be used as a basis of comparison between different power-holders. The two "amounts" represent not alternative techniques of measurement but differences in what is measured. Amount in these cases does not mean the same thing. Most investigations of power, in so far as they deal with the amount of power, utilize "amount" in the second sense.

Two principal criteria may be used to measure the amount of power exercised by a power-holder: the number of actions of any given person, in each of any number of selected types of behavior, over which control is realized (or potential[7]); and the number[8] of per-

[6] The last case is only an *attempted* bilateral power relation since neither party accomplished his intention. The case in which only one party accomplishes his intention is marginal to the definition of bilateral power and may be characterized as being a case of attempted bilateral power with culmination in unilateral power.

[7] It would be extremely difficult to determine how much control is possible in a given situation unless the power-holder actually attempts to exercise power. Although for some purposes it would be highly desirable to attempt estimate of the potential amount of power that could be wielded, the amount of power actually exercised would in most cases be the primary interest, and of course would involve the sounder empirical procedure. However, the predictions of the power-holder and those subordinated to him as to how much power the power-holder might wield if so inclined may be an important determinant of the behavior of the power-holder and those subordinated to him.

[8] "Number" here may be absolute number or the proportion of controlled persons in the total population. It may also be desirable to represent this as the ratio between those who are controlled to the total number over whom control is attempted.

sons so controlled. The definition of dictatorship as "a form of government where everything that is not forbidden is obligatory" indicates complete power in terms of the spheres of behavior over which control is exercised.

Concentration of power is not diminished if the power-holder acts through many subordinates, provided he is able to exercise control over them. In fact, however, the utilization of a large subordinate staff is very likely to diffuse power, since the chief power-holder is rarely able to control fully the actions of his subordinates who may therefore exercise a certain amount of independent or initiatory, rather than dependent, power. Further, the impossibility of maintaining complete control over the subordinate staff and the reliance which the power-holder must place on them tends to set up a bilateral power relation between the chief power-holder and his subordinates, giving the latter power over the chief power-holder in addition to any independent power they may exercise over the mass. Subordinate power-holders, to the extent that they exercise independent power in the sphere claimed by the chief power-holder, will limit the power of the latter, and to that extent lose their character of subordinates. On the other hand, a plurality of independent power-holders (whether partially or completely independent) may not only limit but also reinforce or not at all affect one another's exercise of power. This will be true only to the extent that the power-holders influence the behavior of others in a manner which does not obstruct the intentions of their co-power-holders. With the growing interdependence of all aspects of social life, however, and consequently the increased probabilities that any act will have more extensive repercussions throughout the society than formerly, it becomes more essential for a power-holder both to control many aspects of behavior that formerly might have seemed quite unnecessary for carrying out his intentions and to prevent others from exercising powers that formerly might not have interfered with his intention. Although one finds in contemporary society, both in public and in private spheres, an increasing concentration of power, the necessity, as enterprises increase in size, of exercising power through the utilization of many subordinate power-holders tends to limit the actual if not the formal concentration of power.

The amount and stability of power exercised will be limited by the means which the power-holder has available for influencing the behavior of others by making them want to do what he wants them to do or by the sanctions which they anticipate that he can bring to bear upon them. Large amounts of power cannot be exercised in a purely coercive fashion, for even though the mass of subordinated individuals do not recognize the power-holder as exercising legitimate power, the necessity of utilizing a large staff would introduce other than purely coercive power into the total power system; for the subordinate power-holders, who exercise dependent power and carry out sanctions for cases of nonconformity among the mass, cannot themselves be controlled by coercion alone. The greater the amount of coercive power exercised, the greater is the dependence of the chief power-holder on his staff. For this reason and because the possible supervision over, and sanctions against, the mass often fall short of the requirements for the exercise of coercive power, the latter frequently has to be augmented and supported by manipulation. This may serve the purpose not only of getting

people to act in a desired manner without exercising coercion but also of developing a belief in the legitimacy of the power exercised and thereby also limiting the need for coercive action.

It is sometimes assumed that a person who uses force or is in a position to impose very drastic sanctions in the event of nonconformity with his commands is somehow more powerful than one who exercises power without the use of these means. But, the amount of power exercised by a legitimate power-holder may be as great as, or greater than, the amount exercised by a coercive power-holder. If, however, we restrict comparison only to coercive power-holders, then it is true, all other things being equal, that power varies directly with the severity of the sanctions that the power-holder can impose.

TWELVE

Authority

INTRODUCTION

We have already seen that authority is institutionalized power. That means that it is to be found in formal organizations, in corporate groups. Thus, we may now look specifically for the manifestations of power *within* an organized group situation. *Authority* is the concept we use to summarize this.

Let us look back for a moment on the road we have so far traveled. We started with a concept of power as a foundation stone of society. We then examined the kinds of human acts that are based upon power. In that examination, we found that the actions most interesting to us and most meaningful from the standpoint of human behavior in organizations were those involving subordination. That brings us to this chapter, in which we shall analyze authority concretely in terms of subordination.

With this chapter we shall add one additional initial refinement. You will recall that Goldhammer and Shils talked about the power-holder influencing the behavior of others. We shall now make this more specific. Simon, in the first selection, defines authority as the power to make decisions that guide the actions of others. We are not talking about influence in its wide variety of forms (which Simon deals with also), but we focus our attention specifically on that kind of influence that involves decision-making. This lays the groundwork for the next chapter, which deals specifically with decision-making.

You will note that Simon builds his analysis within the framework that we have already developed. He treats authority in terms of behavior, as something to be comprehended and analyzed in the actions of people, not as an abstract entity.

You will also see that he deals with both sides of the coin of authority. Most formal treatments of this subject view authority from the standpoint of the superior. Simon gives us a very illuminating picture of the meaning of authority to the subordinate. It is worth underscoring that when authority is exercised, the subordinate holds "in abeyance his own critical faculties for choosing between alternatives and uses the formal criterion of the receipt of a command or signal as his basis for choice."

We have now moved the concept of

power into an organizational framework. In this analysis of authority we are rapidly building toward our comprehension of leadership and subordination, our goal in this section of the book.

AUTHORITY

HERBERT A. SIMON *

Even the very simple illustrations that have been presented of organized behavior exhibit, in embryo at least, the phenomenon of authority. "Authority" may be defined as the power to make decisions which guide the actions of another. It is a relationship between two individuals, one "superior," the other "subordinate." The superior frames and transmits decisions with the expectation that they will be accepted by the subordinate. The subordinate expects such decisions, and his conduct is determined by them.[1]

The relationship of authority can be defined, therefore, in purely objective and behavioristic terms. It involves behaviors on the part of both superior and subordinate. When, and only when, these behaviors occur does a relation of authority exist between the two persons involved. When the behaviors do not occur there is no authority, whatever may be the "paper" theory of organization.

The behavior pattern of the superior involves a command—an imperative statement concerning the choice of a behavior alternative by the other—and an expectation that the command will be accepted by the other as a criterion of choice.[2]

The behavior pattern of the subordinate is governed by a single indeterminate decision, or criterion for decision, to "follow that behavior alternative which is selected for me by the superior." That is, he holds in abeyance his own critical faculties for choosing between alternatives and uses the formal criterion of the receipt of a command or signal as his basis for choice.[3]

Now since the relation of authority involves a particular criterion of choice as the basis for the subordinate's behavior, it is clear that the two persons may stand in a relation of authority at one moment and not at the next. For the subordinate's behavior may be governed at the first moment by a command, and not at the next. Nor does it follow that when two persons recognize each other as "superior" and "subordinate" respectively, all the verbalizations of the first which affect the behaviors of the second are "commands." The willingness of the subordinate to accept a com-

* From Herbert A. Simon, *Administrative Behavior*. New York: The Macmillan Company, 1947, pages 125-134. Copyright 1945 and 1947 by Herbert A Simon and used with the permission of The Macmillan Company.

[1] For other descriptions of authority see L. D. White, *Introduction to the Study of Public Administration* (New York: The Macmillan Company, 1939), pp. 44-46, and C. I Barnard, *The Functions of the Executive*, p. 163.

[2] This idea was central to the utilitarian concept of the state See, for example, Jeremy Bentham, *A Fragment on Government* (Oxford: Clarendon Press).

[3] Cf. Ordway Tead, *Human Nature and Management* (New York: McGraw-Hill, 1929), p. 149, and Stene, E. O., "An Approach to a Science of Administration," *American Political Science Review*, 34:1131 (Dec., 1940).

mand, *if given,* does not imply that all, or even most, of his behavior choices are governed by commands.

It is necessary to distinguish, therefore, between specific behaviors which are momentary instances of the exercise of authority and the roles played by two persons over a period of time which involve an *expectation of obedience* by the one and a *willingness to obey* by the other.

DISTINCTION BETWEEN INFLUENCE AND AUTHORITY

The relation of authority by no means comprehends all situations where the verbalizations of one person influence the behavior of another. The verbs "persuade," "suggest," etc., describe several kinds of influence which do not necessarily involve any relationship of authority. The characteristic which distinguishes authority from other kinds of influence is one already mentioned above, namely, that a subordinate holds in abeyance his own critical faculties for choosing between alternatives and uses the formal criterion of the receipt of a command or signal as his basis for choice. On the other hand, a person who receives a suggestion accepts it as only one of the evidential bases for making his choice—but the choice he will make depends upon conviction. Persuasion, too, centers around the reasons for or against a course of action. Persuasion and suggestion result in a change in the evidential environment of choice which may, but need not, lead to conviction. Obedience, on the other hand, is an abdication of choice.

Confusion among these terms results from the fact that all three phenomena —persuasion, suggestion, and command —are frequently present in a single situation. Even when a behavior can be secured by the exercise of authority, a superior often and perhaps usually prefers to employ suggestion or persuasion. Some reasons for this will be discussed presently. But confusion will be avoided if it is remembered—as has been pointed out already—that the mere fact that two persons accept the roles of superior and subordinate does not imply that all, or even most, of their behaviors will be instances of the exercise of authority.

The line of demarcation between suggestion and command is perhaps not so clear as would be suggested by this discussion, however. Certain subtleties are concealed in the term "conviction," which was used as the distinguishing criterion.

A conviction, as used in this connection, is a belief in a factual or value premise which is relevant to a particular decision. Belief in a factual proposition may be induced in a number of ways, one of which is *proof.*

But we are convinced of a great number of things which never have been proved to us logically or empirically. Most persons in this country would agree that the atom bomb has been invented, though they would be hard put to demonstrate this either by pure logic or by the evidence of the senses. Likewise, few persons before taking prescribed medicines ask their physicians for a demonstration of the curative properties of the prescription.

In other words, conviction often results from the social transmission of factual statements, even in the absence of proof. So, a secretary who has been instructed by her employer to investigate a particular question of office procedure may report: "I have looked into the problem, and suggest that you act in this manner." This suggestion may be accepted without any review of its evidential basis by the employer, merely

on the strength of his confidence in the secretary. Here is evident the same relaxation of critical faculties that we have said was characteristic of the relation of authority.

Statements, then, may convince without proving by virtue of the status or position of the person making the statement. An individual who does not have a recognized status, or who is not recognized by his associates as expert with respect to a certain kind of knowledge will have a more difficult time convincing his listeners that a recommendation is sound than one who possesses the credentials of "expertness." (Recommendations are judged partly on their merits, but partly on the merits of the persons making the recommendations.) This is true both because the individuals acting upon the recommendations often do not have the expertise needed to judge them, and because pressure of time requires them to accept the recommendations of those whom they trust. This is an important reason for the resistance that is usually experienced in any organization to suggestions that are made outside the line of duty, or that are volunteered through other than the usual lines of communications.

It should not be implied that this resistance to "irregular" suggestions is entirely a weakness of organization. The specialization of decision-making functions, and the fixing of responsibility for particular kinds of expertness upon particular individuals is an important source of organizational efficiency that must be balanced against the potential loss of independent ideas which results.

At the expense of a possible abuse of the term, we shall use "authority" broadly, and comprehend under it all situations where suggestions are accepted without any critical review or consideration. If this definition is accepted, it follows that when A is superior to B at one moment, B may act as superior to A at the next moment. What is meant, then, when A is described as *the* superior of B?

AUTHORITY AND THE "LAST WORD"

In the situations that have been discussed, a subordinate accepts commands in the absence of a determinate choice of his own. But a subordinate may also accept commands in opposition to a determinate choice of his own. In such a case, the element of authority in the behavior pattern is unequivocal. When there is disagreement between two persons, and when the disagreement is not resolved by discussion, persuasion, or other means of conviction, then it must be decided by the authority of one or the other participant. It is this "right to the last word" which is usually meant in speaking of "lines of authority" in an administrative organization. Too often, however, the element of disagreement in obedience is overemphasized at the expense of the other elements of the situation. (The term "authority" would be too narrowly employed if it were restricted to such instances of disagreement.)

A final complication must be added to the notion of authority. If authority were evidenced entirely in the acceptance of explicit commands, or in the resolution of disagreements, its presence or absence in any relationship could be sought in the presence or absence of these tangible concomitants. But it is equally possible for obedience to anticipate commands. The subordinate may, and is expected to, ask himself "How would my superior wish me to behave under these circumstances?" Under such circumstances, authority is implemented by a subsequent review of completed actions, rather than a prior

command. Further, the more obedient the subordinate, the less tangible will be the evidences of authority. For authority will need to be exercised only to reverse an incorrect decision.

This phenomenon has been pointed out by Friedrich,[4] who calls it a "rule of anticipated reactions." It affords a striking example of the manner in which expectations and anticipations govern human behavior, and the difficulties which result from this for the analysis of human institutions. The difficulty in determining authority relations because of the operation of the rule of anticipated reactions is common to all "power" situations. Any study, for instance, of a governor's veto power must take into consideration what bills failed of passage in the legislature because of the anticipation of veto, and what bills were passed for the very same reason.[5]

Any study of power relations which confines itself to instances where the sanctions of power were invoked misses the essential fact of the situation. To avoid this fallacy, authority has been defined in this study not in terms of the sanctions of the superior but in terms of the behavior of the subordinate.

THE SANCTIONS OF AUTHORITY

Having decided, tentatively at least, what authority is, we must examine the circumstances surrounding its exercise. Why and to what extent will a subordinate accept the decision of another as governing his own conduct?

The superior-subordinate relationship is one of many possible examples of the role-taking which characterizes broad areas of human conduct. Perhaps the most important basis for such role-taking is custom. That is, a great deal of conduct requires no further explanation than that, under the circumstances, it is the socially "expected" conduct. For the reasons why particular conduct is dictated by custom it would be necessary to study the social history of the society in question.

The "institutions" of society may be regarded as rules specifying the roles that particular persons will assume in relation to one another under certain circumstances. The range of possible roles and possible behaviors is as broad as the ingenuity of man for dramatic invention.

One of the socially determined roles in many societies is that of "employee." The particular content of the role—the degree of obedience expected—will vary with the social situation. The American workingman today, for example, probably has a somewhat narrower zone of acceptance, so far as the employer's instructions are concerned, than his father had. In part this may be due to his stronger bargaining position, or conversely, the weaker sanctions of the employer; but there is probably also present here a more fundamental change in social attitudes as to what it is "proper" for an employer to ask an employee to do. This changed attitude is reflected also in social legislation limiting the terms of the employment contract.

There are wide differences, too, among different types of employees in their

[4] C. J. Friedrich, *Constitutional Government and Politics* (New York: Harper & Bros, 1937), p. 16. Cf. Bentham's very interesting definition: "A tacit *expression of will* is that which is conveyed by any other signs than words whatsoever; among which none are so efficacious as acts of punishment annexed in times past, to the non-performance of acts of the same sort with those that are the objects of the will that is in question." (*A Fragment on Government,* p. 138.)

[5] Leslie Lipson, *The American Governor: From Figurehead to Executive* (Chicago: University of Chicago Press, 1939), pp. 210-212.

expectations of the authority relations in their positions. Professional men and skilled workmen are apt to have relatively narrow zones of acceptance, particularly in the areas of their professional competences or skills.

No attempt will be made here to explain the genesis of these social attitudes that establish an expectation of obedience in certain situations, nor their dependence upon and relation to other attitude clusters in the society. There has been much speculation that the central attitudes of a society must be reflected in administrative organization, so that administration in a democracy will be in some sense "democratic" while administration in a totalitarian system will be "authoritarian." Thus far, the thesis has been expounded, but by no means demonstrated.

There are a number of other, more specific, factors which induce acceptance of authority in organization. In a broad sense they might be called "sanctions," although that word is usually confined to stimuli which act through punishment, while some of the factors listed below are more properly classified as rewards.

(1) The social sanctions are the first to be noted, and perhaps the most important. Not only does society set up in the individual expectations of obedience in certain social situations, but the individual who fails to accept his role will feel, in one way or another, the social disapprobation of his fellows. Insubordination can be as embarrassing, under these circumstances, as failure to wear a necktie to church.

On the other hand, in so far as fellow employees may receive vicarious satisfaction when an individual "tells off" the boss, social sanctions may operate to decrease the effectiveness of authority. The extent to which group attitudes of acceptance or resistance will condition the individual's reactions to authority has been much emphasized in the Hawthorne studies.[5]

(2) Psychological differences between individuals may play an important part in enforcing such relations. Though the study of leadership is in a very primitive stage, there are some indications that there may be certain personality types that lead, and others that follow.[6]

(3) Purpose has been stressed by students of administration as a sanction of prime importance.... In voluntary organizations efforts are contributed largely because the contributor is sympathetic to the purpose of the organization. He is willing to obey commands because he realizes that the coordination secured thereby is useful to the attainment of the joint purpose.[7]

Several conditions must be satisfied if purpose is to be an effective sanction of authority. The subordinate must have confidence that the command is issued in furtherance of a purpose with which he is in sympathy. Second, he must have confidence that the command will be effective in achieving this purpose. This confidence may be based less on his own knowledge of the correctness of the command (as a matter of fact, such acceptance would fall outside our definition of authority) than on his faith in the ability of those who issue the com-

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[5] See, for example, F. J Roethlisberger and W. J. Dickson, *Management and the Worker* (Cambridge: Harvard University Press, 1939).

[6] Charles E Merriam, *Political Power* (New York: McGraw-Hill Book Co., 1934), pp. 24-26, and Harold D Lasswell, *Psychopathology and Politics,* pp 38-64, 78-152.

[7] C I. Barnard, *op. cit.,* pp. 165-166, and Luther Gulick, "Notes on the Theory of Organization," in Luther Gulick and L. Urwick, eds., *Papers on the Science of Administration* (New York. Institute of Public Administration, 1937), pp. 37-38.

mand, his recognition that they have information he does not have, and his realization that his efforts and those of fellow workers will be ineffective in reaching the desired objective without some coordination from above. Within limits, he will even accept commands he knows to be incorrect because he does not wish to challenge or unsettle a system of authority that he believes to be beneficial to his aims in the long run.

(4) More formal sanctions in our society are based on the relation between the "job" and economic security and status. Thus, obedience may be the price of retaining the position, securing a higher salary or other advantages. The facts that most organizations will tolerate large quantities of insubordination—particularly if it is not verbalized—without dismissal, and that many organization members are not desirous of promotion, diminish the importance of these sanctions as a means for securing acceptance of authority in the day-to-day work of an organization.

(5) Particularly in the case of individuals not much affected by influences in the third and fourth categories, simple unwillingness or disinclination to accept responsibility may be a major reason for the acceptance of decisions made by others. If the assigned task is not unduly unpleasant, many individuals would prefer being told what to do to being forced to make the decisions themselves. As a matter of fact, this is probably characteristic of most individuals when the decision in question lies outside the area of their experience and competence. The psychological roots of this lie deeper than a mere fear of the consequences which may be forthcoming in case of an incorrect decision, and there is great variability among individuals in this characteristic.

THE LIMITS OF AUTHORITY

The most striking characteristic of the "subordinate" role is that it establishes an area of acceptance [8] in behavior within which the subordinate is willing to accept the decisions made for him by his superior. His choice is then determined, always within the area of acceptance, by his superior, and the relation of superior-subordinate holds only within this area. Acceptance may be due to any of the influences discussed in the previous section, and may take place when the subordinate does not care which alternative is selected, or when the sanctions are sufficiently strong to induce him to carry out an undesired alternative.

The magnitude of the area is influenced by a large number of circumstances. A voluntary organization with poorly defined objectives has perhaps the narrowest range of acceptance. An army, where the sanctions as well as the customs are of extreme severity, has the broadest area of acceptance.[9]

Restraint of the superior is as important as obedience of the subordinate in maintaining the relationship. Modern writers on administration have emphasized the need for restraint by recommending the use when possible of other means of influence, leading to conviction, rather than authority, leading often to nothing more than acquiescence.

The corresponding limitations of

[8] This concept is adopted from Barnard (*op. cit*, pp. 168-169), who, however, does not develop to any great extent the positive significance of what he calls the "zone of indifference."

[9] Military literature shows a clear recognition of the importance of the area of acceptance as a fundamental element in tactics. Cf. Col. J. F. C. Fuller's graphic description of the psychology of battle (*The Foundations of the Science of War* [London: Hutchinson & Co., 1925], pp. 140-141).

political authority have been discussed by Professor Charles E. Merriam.[10] Theoreticians of history have often questioned the extent to which "leaders" really lead. How broad is the area of indifference within which a group will continue to follow its leadership? In a very real sense, the leader, or the superior, is merely a bus driver whose passengers will leave him unless he takes them in the direction they wish to go. They leave him only minor discretion as to the road to be followed.

[10] See the chapter "The Poverty of Power" in his *Political Power* (pp. 156-183).

The following selection examines the specific relationships between authority and bureaucracy. In understanding the role of leadership in organizations, it is necessary to understand the nature of the ties that bind the leader's staff to him. In the previous selection, Simon has discussed the "area of acceptance" of authority on the part of a subordinate. He examined the acceptance of authority and subordination to it in general terms without distinguishing among different patterns of acceptance that are organizationally determined.

One way of distinguishing different patterns of organizational authority is to consider the bases upon which that authority is established. In the following selection, three distinct kinds of authority are examined. In this respect the discussion follows Max Weber's development of his analysis of legitimate authority.

There are three central reasons for examining the different kinds of organizational authority. The very nature of the administrative staff of an organization varies with different kinds of leadership authority. Similarly, the modes for exercising authority within the organization vary in accordance with the nature of leadership authority. Finally, the object of obedience on the part of the administrative staff is different for different kinds of leadership authority. These points are examined in some detail in the next selection.

AUTHORITY, BUREAUCRACY, AND LEADERSHIP

ROBERT DUBIN

One of the particular aspects of authority in formal organizations that deserves special attention is the authority relationship between the leader and his administrative staff, the bureaucracy. This aspect of authority is important because we have already seen how the staff specialist stands in a peculiar subordinate relationship to the leader. The leader does have the power to make decisions that guide the actions of his administrative staff. But at the same time, there enters into this very decision-making process the contribution of the staff specialist in his area of competence. Thus, the executive vice-presi-

dent of a company may issue the orders establishing the company's production schedule. These orders are binding upon the operating departments. However, before the schedule was validated by the vice-president and issued as a directive, the staff specialists in production, purchasing, and marketing, at a minimum, have had their say regarding the schedule. In this example there is an initial presumption that the leader is not wholly independent of his administrative staff. There is the further assumption that the administrative staff and the individuals particularly concerned with a given decision have not held "in abeyance [their] own critical faculties for choosing between alternatives and used the formal criterion of the receipt of a command or signal as [their] basis for choice," as Simon suggests in the preceding selection.

This special kind of relationship between the leader and the bureaucracy of an organization leads us directly into the analysis of different kinds of organizational authority. Following Weber, we will distinguish among three kinds of authority: (1) that which is based upon rational grounds, (2) that which is based upon traditional grounds, and (3) that which is based upon charismatic grounds (derived from charisma —the "gift of grace").

The authority based upon rational grounds rests on the belief by subordinates in the legality and propriety of the rules governing the organization and the right of those elevated to leadership to issue commands under such rules. Thus, in the military organization the Articles of War are the legal governing rules, so accepted by members of the Army. A commanding officer is considered to have the right to exercise and enforce these rules irrespective of his personal attributes or his past accomplishments. He has this right of authority by virtue of the office he fulfills. Where organizational authority is rational in its basis, the rules of the organization are enacted by conscious decision and are subjected to tests of adequacy in performance.

Authority based upon traditional grounds rests on the belief by subordinates in the sanctity of time-honored traditions and the legitimate right or status of those exercising authority under them. In Japan, the authority of the emperor was based upon a long tradition of belief in his direct descent from heaven, "son of heaven," and the person of the emperor was considered the sole source of ultimate authority in the country.

Charismatic authority rests on the devotion of subordinates to an individual who is believed to have exceptional personal characteristics that set him above and beyond mere mortals. These exceptional personal qualities may be unusual piety, exemplary character, or heroism. Such a leader reveals or ordains the rules or codes of behavior for his followers.

With this distinction among the three kinds of authority in mind, it is possible to indicate how the staff of a leader is related to him and to the organization. We will examine the typical organization of the administrative staff, the typical mode for exercising authority, and the object of staff obedience for each kind of authority. The following table summarizes the analysis.

Where authority is established on rational grounds, the typical administrative staff is a bureaucracy in which authority is rationally delegated both in terms of specialized function and in terms of level of command. The staff is obedient to the body of rules and regulations that we can call the *constitution* of

the organization. The leader under these circumstances is the one with the greatest amount of authority derived from his position in the organization. The particular leader may change, and usually does, but the office of leader retains the authority that goes with it. Thus, the president of a company may be replaced, but his successor will have the same amount of authority, unless—and this is important—the constitution of the organization is changed so as to modify the authority of the new president. The enacted rules of the organization determine the authority structure. Authority is derived from them. Staff obedience to the leader and to the organization is in terms of the impersonal body of rules that establish the governmental framework of the organization.

For purposes of better grasping the meaning of rational authority, it is worth while contrasting it with traditional and charismatic authority. Within an organizational context, these latter types of authority are found less frequently than rational authority.

In the case of traditional authority, the typical administrative staff of the leader is a group of retainers. To these retainers the leader makes limited and revocable delegations of authority at his convenience and whim. The leader can discharge a member from his staff of retainers at will. Under these circumstances, it is clear that the obedience of the staff is to the person of the leader and not to some impersonal order. The leader operates within a body of tradition that defines his office in broad terms and that, in particular, provides the traditional legitimate justification for the leader to exercise the authority he possesses. The classical monarchy is a good example of an organization grounded in traditional authority. A modern counterpart of this kind of authority is found in some business organizations that are considered one-man companies. The general pattern of our culture legitimizes the authority of the president as leader of such a firm. His relation to subordinates is precisely that of leader to retainer. Thus, Sewell

Type of Authority	*Typical Organization of Staff*	*Typical Mode of Exercising Authority*	*Staff Is Obedient To—*
Rational	Bureaucracy	Rational delegation	Legally established impersonal order
Traditional	Retainers	Ad hoc delegation	Person of leader
Charismatic	Personal staff—servants	Directly—no delegation	Idealized person of leader

Many modern formal organizations have an authority structure based upon rational grounds. This is generally true of business organizations, for example. This fact is of considerable significance to us because it conforms to a pattern we have already encountered. In the general discussion of bureaucracy, great emphasis was placed upon the rationality of this form of administration. We now see that leadership in many modern organizations is likewise grounded in authority that has rational roots.

Avery has operated in terms of traditional authority in Montgomery Ward and Company to the point where he dismissed the president and 10 top executives for differing with his policies.[1] This kind of one-man rule is fast losing ground in the management of modern organizations.

Authority based upon charismatic grounds is the opposite of rational authority. The leader is invested by his entire group of followers with supernatural powers that place him above ordinary mortals. There can be only one role for the administrative staff in relation to such a leader—that of personal staff or servants. There is little or no delegation of authority. All authority is exercised in the name of the leader as a direct extension of his personal authority. Obedience is owed only to the idealized person of the leader. This charismatic authority is well illustrated by modern examples. Hitler was a charismatic leader. So was Gandhi in India. Father Divine also exercises charismatic authority over his flock. It will be recalled that Hitler, for example, treated his generals as though they were his personal servants in spite of the fact that his own military knowledge was developed from the vantage point of a corporal's rank. The generals, who operated with rational authority within the army, were in turn subjected to charismatic authority at the hands of Hitler, the over-all leader. Gandhi played a less demanding leadership role in India, but regular visits were made to him by the party leaders and they approached him with reverence to secure his blessing and word of approval. Policies or actions that bore the stamp of his approval were automatically preferred. Father Divine speaks with the supernatural authority of God and exercises far-reaching control over his flock.

The three kinds of authority that we have examined represent the analytically distinct types of authority. In most organizational situations, there is likely to be more than one type of authority present at the same time. The different kinds of authority may be called into play under varying conditions in which the organization is operating. Franklin D. Roosevelt exercised all three kinds of authority in the office of President. Many New Dealers were completely devoted to him as a charismatic leader, as were a significant part of the electorate. In some situations he was wont to use authority grounded in tradition, especially, for example, in the direction of the armed forces, where great emphasis was placed upon our traditional superiority of civilian over military leadership. Finally, the proliferation of bureaus to carry out specialized tasks under his administration represented a widespread use of rational authority in carrying out the business of government.

[1] The executives actually resigned, but there is a strong probability that they had no other course and would have been dismissed if they had failed to do so. For an interesting and sympathetic account of Mr. Avery's leadership role, see "The Stewardship of Sewell Avery," *Fortune*, 33:111-113, 179-186 (May 1946).

THIRTEEN

Decision-Making

INTRODUCTION

We want to build one more section into the foundation of our knowledge before we deal directly with leadership. We have come to the point where we see authority as making decisions for the guidance of others in the organization. What do we know about decisions and the decision-making processes? Up to this point, very little. Yet, one of the central functions of leadership is making decisions. We had better be sure of our knowledge about decision-making before proceeding.

In this chapter we shall consider three important aspects of decision-making. First, we want to establish a firm grasp of the difference between private decisions and organization decisions. Second, we want to find out about some of the imperatives that are a product of the organization and that limit, change, modify, or restrict decisions. Finally, we want to examine the question of sharing decisions with subordinates.

Barnard, in the first selection of this chapter, provides the central framework for our analysis of decision-making. You should note particularly his discussion of the circumstances and reasons for deciding *not* to make a decision. Note also the careful manner in which he distinguishes between private and organization decisions. The difference is real, and is a crucial point in understanding the nature of organization behavior.

DECISION-MAKING IN ORGANIZATIONS

CHESTER I. BARNARD *

This distinction between the two types of decision is frequently recognized in ordinary affairs. We very often say or hear sentences similar to this: "If this were my business, I think I would decide the question this way—but it is not my personal affair"; or, "I think the *situation* requires such and such an answer—but I am not in a position to determine what ought to be

* Reprinted by permission of the publishers from Chester I. Barnard, *The Functions of the Executive*. Cambridge, Mass.: Harvard University Press, 1938, pages 188-199.

done"; or, "The decision should be made by someone else." This is in effect a restatement, with a different emphasis, of the suggestion . . . that a sort of dual personality is required of individuals contributing to organization action—the private personality, and the organization personality.

These two kinds of decisions—organization decisions and personal decisions—are chiefly to be distinguished as to process by this fact: that personal decisions cannot ordinarily be delegated to others, whereas organization decisions can often if not always be delegated. For example, what may be called a major decision by an individual may require numerous subsidiary decisions (or judgments) which he also must make. A similar important decision by an organization may in its final form be enunciated by one person and the corresponding subsidiary decisions by several different persons, all acting organizationally, not personally. Similarly, the execution of a decision by one person may require subsequent detailed decision by him as to various steps, whereas the execution of a similar decision in an organization almost always requires subsequent detailed decision by several different persons. Indeed, it may be said that often the responsibility for an organization decision is not a personal responsibility until assigned. Responsibility for organization decision must be assigned positively and definitely in many cases because the aptness of decision depends upon knowledge of facts and of organization purpose, and is therefore bound up with organization communication. Thus central or general organization decisions are best made at centers of the communication system of the organization, so that such decisions must be assigned to those located at these central positions. Persons located at such positions are known as executives; so that the necessities of communication as an essential element in organization imposes the assignment of responsibility for some kinds of organization decision to executives. In short, a characteristic of the services of executives is that they represent a specialization of the process of making organization decisions—and this is the essence of their functions.

The circumstances surrounding the making of concrete decisions are of course of indefinitely large variety, but we will give attention here only to certain general conditions, which may be presented under three headings: the occasions of decision, the evidences of decision, and the environment of decision.

I. THE OCCASIONS OF DECISION

The making of decisions, as everyone knows from personal experience, is a burdensome task. Offsetting the exhilaration that may result from correct and successful decision and the relief that follows the terminating of a struggle to determine issues is the depression that comes from failure or error of decision and the frustration which ensues from uncertainty. Accordingly, it will be observed that men generally try to avoid making decisions, beyond a limited degree when they are rather uncritical responses to conditions. The capacity of most men to make decisions is quite narrow, although it is a capacity that may be considerably developed by training and especially by experience.

The executive is under the obligation of making decisions usually within approximately defined limits related to the position he has accepted; and is under the necessity of keeping within the limits of his capacity if he is continuously to discharge this obligation. He must,

therefore, to be successful, distinguish between the occasions of decision in order to avoid the acceptance of more than he can undertake without neglecting the fields to which his position relates. For the natural reluctance of other men to decide, their persistent disposition to avoid responsibility, and their fear of criticism, will lead them to overwhelm the executive who does not protect himself from excessive burdens of decision if he is not already protected by a well regulated and habitual distribution of responsibilities.

It is for this reason necessary in the making of decisions to maintain a balance between the fields from which the occasions of them arise. I suppose this is rarely a matter of conscious selection, and is probably subject to no general rules. It involves in itself important decisions. For our purposes, however, it may be helpful to note that the occasions for decision originate in three distinct fields: (a) from authoritative communications from superiors; (b) from cases referred for decision by subordinates; (c) from cases originating in the initiative of the executive concerned.

(a) Occasions for decision are frequently furnished by instructions or by general requirements of superior authority. Such decisions relate to the interpretation, application, and distribution of instructions. These occasions cannot be avoided, though the burden may be reduced by delegation of responsibility to subordinates. They involve serious decisions when the instructions seem morally wrong, harmful to the organization, or impossible of execution.

(b) The cases referred for decision may be called appellate cases. They arise from incapacity of subordinates, uncertainty of instructions, novelty of conditions, conflict of jurisdiction or conflicts of orders, or failure of subjective authority. The control of the number of appellate cases lies in adequacy of executive organization, of personnel, of previous decision; and the development of the processes of informal organization. The test of executive action is to make these decisions when they are important, or when they cannot be delegated reasonably, and to decline the others.

(c) The occasions of decision on the initiative of the executive are the most important test of his capacity. Out of his understanding of the situation, which depends upon his ability and initiative, and on the character of the communication system of his organization, it is to be determined whether something needs to be done or corrected. To decide the question involves not merely the ordinary elements but the executive's specific justification for deciding. For when the occasions for decision arise from above or below the position of the executive, others have in advance granted him authority; but when made on his own initiative, this always may be (and generally is) questioned, at least tacitly (in the form of whether decision was necessary, or related to scope of obligations, etc.). Moreover, failure to decide is usually not specifically subject to attack, except under extreme conditions. Hence there is much incentive to avoid decision. Pressure of other work is the usual self-justification. Yet it is clear that the most important obligation is to raise and decide those issues which no one else is in a position to raise effectively.

From the point of view of the *relative* importance of specific decisions, those of executives properly call for first attention. From the point of view of *aggregate* importance, it is not decisions of executives but of non-executive partici-

pants in organization which should enlist major interest. Indeed it is precisely for this reason that many executive decisions are necessary—they relate to the facilitation of correct action involving appropriate decisions among others. In large measure this is a process of providing for the clear presentment of the issues of choices. At any event, it is easily evident merely from the inspection of the action of the non-executive participants in organization that coordination of action requires repeated organization decisions "on the spot" where the effective action of organization takes place. It is here that the final and most concrete objectives of purposes are found, with the maximum of definiteness. There is no further stage of organization action. The final selection of means takes place at this point.

It should be noted, however, that the types of decisions as well as the conditions change in character as we descend from the major executive to the non-executive positions in organization. At the upper limit decisions relating to ends to be pursued generally require the major attention, those relating to means being secondary, rather general, and especially concerned with personnel, that is, the development and protection of organization itself. At intermediate levels the breaking of broad purposes into more specific ends and the technical and technological problems, including economic problems, of action become prominent. At the low levels decisions characteristically relate to technologically correct conduct, so far as the action is organization action. But it is at these low levels, where ultimate authority resides, that the *personal* decisions determining willingness to contribute become of relatively greatest aggregate importance.

II. THE EVIDENCES OF DECISION

Not the least of the difficulties of appraising the executive functions or the relative merits of executives lies in the fact that there is little direct opportunity to observe the essential operations of decision. It is a perplexing fact that most executive decisions produce no direct evidence of themselves and that knowledge of them can only be derived from the cumulation of indirect evidence. They must largely be inferred from general results in which they are merely one factor, and from symptomatic indications of roundabout character.

Those decisions which are most directly known result in the emission of authoritative communications, that is, orders. Something is or is not to be done. Even in such cases the basic decision may not be evident; for the decision to attempt to achieve a certain result or condition may require several communications to different persons which appear to be complete in themselves but in which the controlling general decision may not be disclosed.

Again, a firm decision may be taken that does not result in any communication whatever for the time being. A decision properly timed must be made in advance of communicating it, either because the action involved must wait anticipated developments or because it cannot be authoritative without educational or persuasive preparation.

Finally, the decision may be not to decide. This is a most frequent decision, and from some points of view probably the most important. For every alert executive continually raises in his own mind questions for determination. As a result of his consideration he may determine that the question is not pertinent. He may determine that it is not now

pertinent. He may determine that it is pertinent now, but that there are lacking adequate data upon which to base a final decision. He may determine that it is pertinent for decision now, but that it should or must be decided by someone else on the latter's initiative. He may determine that the question is pertinent, can be decided, will not be decided except by himself, and yet it would be better that it be not decided because his competence is insufficient.

The fine art of executive decision consists in not deciding questions that are not now pertinent, in not deciding prematurely, in not making decisions that cannot be made effective, and in not making decisions that others should make. Not to decide questions that are not pertinent at the time is uncommon good sense, though to raise them may be uncommon perspicacity. Not to decide questions prematurely is to refuse commitment of attitude or the development of prejudice. Not to make decisions that cannot be made effective is to refrain from destroying authority. Not to make decisions that others should make is to preserve morale, to develop competence, to fix responsibility, and to preserve authority.

From this it may be seen that decisions fall into two major classes, positive decisions—to do something, to direct action, to cease action, to prevent action; and negative decisions, which are decisions not to decide. Both are inescapable; but the negative decisions are often largely unconscious, relatively non-logical, "instinctive," "good sense." It is because of the rejections that the selection is good. The best of moves may be offset by a false move. This is why time is usually necessary to appraise the executive. There is no current evidence of the all-important negative decisions. The absence of effective moves indicates failure of initiative in decision, but error of action probably often means absence of good negative decisions. The success of action through a period of time denotes excellence of selection and of rejection of possible actions.

III. THE NATURE OF THE ENVIRONMENT

Whatever the occasions or the evidences of decision, it is clear that decisions are constantly being made. What is the nature of the environment of decisions, the materials with which they deal, the field to which they relate? It consists of two parts: (a) purpose; and (b) the physical world, the social world, the external things and forces and circumstances of the moment. All of these, including purpose, constitute the objective field of decision; but the two parts are of radically different nature and origin. The function of decision is to regulate the relations between these two parts. This regulation is accomplished either by changing the purpose or by changing the remainder of the environment.

(a) We may consider purpose first. It may seem strange perhaps that purpose should be included in the objective environment, since purpose of all things seems personal, subjective, internal, the expression of desire. This is true; but *at the moment of a new decision,* an existing purpose, the result of a previous decision under previous conditions, is an objective fact, and it is so treated at that moment in so far as it is a factor in a new decision.

This is especially true because organization decisions do not relate to personal purposes, but to organization purposes. The purpose which concerns an organization decision may have been given as a fact and accepted as such by the person who is responsible for making a new

decision. But no matter how arrived at, when decision is in point, the purpose is fact already determined; its making is a matter of history; it may be as objective as another man's emotions may be to an observer.

We must note, however, that purpose is essential to give any meaning to the rest of the environment.[1] The environment must be looked at from *some* point of view to be intelligible. A mere mass of things, atoms, movements, forces, noises, lights, could produce some response from a sensitive creature or certainly would have some effect on it, or on other things, but the reduction of this mass of everything to something significant requires a basis for discrimination, for picking out this and that as pertinent, relevant, interesting. This basis is that in *this* situation something is or is not to be done. The situation aids, obstructs, or is neutral from *this* point of view. The basis for this discrimination is a purpose, an end, an object to be accomplished.

Purpose itself has no meaning, however, except in an environment. It can only be defined in terms of an environment.[2] Even to want to go somewhere, anywhere, supposes some kind of environment. A very general purpose supposes a very general undifferentiated environment; and if the purpose is stated or thought of it must be in terms of that general environment. But when formed, it immediately (if it is not in suspense or dormant, so to speak) serves for reducing that environment to more definite features; and the immediate result is to change purpose into a more specific purpose. Thus when I decide I want to go from A to B my idea of terrain is vague. But as soon as I have decided, the terrain becomes less vague; I immediately see paths, rocks, obstacles that are significant; and this finer discrimination results in detailed and smaller purposes. I not only want to go from A to B, but I want to go this way, that way, etc. This constant refinement of purpose is that effect of repeated decisions, in finer and finer detail, until eventually detailed purpose is contemporaneous accomplishment. But similarly with each new edition of purpose, a new discrimination of the environment is involved, until finally the last obstacle of progressive action represents a breaking up of a general purpose into many concrete purposes, each as it is made almost simultaneously associated with the action. The thing is done as soon as decided; it becomes a matter of history; it constitutes a single step in the process of experience.

Thus back and forth purpose and environment react in successive steps through successive decisions in greater and greater detail. A series of final decisions, each apparently trivial, is largely accomplished unconsciously and sums up into an effected general purpose and a route of experience.

(b) We may now consider the environment of decision exclusive of purpose. It consists of atoms and molecules, agglomerations of things in motion, alive; of men and emotions; of physical

[1] I am under the impression that in a general way both the form of expression and the concepts stated in the next several paragraphs were derived from or influenced by A. N Whitehead's *Process and Reality*.

[2] Care should be taken to keep in mind that environment throughout does not mean merely physical aspects of the environment, but explicitly includes social aspects, although physical rather than other aspects are used for illustration as simpler In many organizations, however, the physical aspects are constant and it is the social aspects which are pertinent. This is the case especially when the purpose is a concrete expression of social ideas or attitudes, as, for example, in ritualistic types of action whether religious or political.

laws and social laws; social ideas, norms of action, of forces and resistances. Their number is infinite and they are meaningless in their variety and changes except as discriminated in the light of purpose. They are viewed as static facts, if the change is not significant from the viewpoint of the purpose, or as both static and dynamic facts.

This discrimination divides the world into two parts; the facts that are immaterial, irrelevant, mere background; and the part that contains the facts that apparently aid or prevent the accomplishment of purpose. As soon as that discrimination takes place, decision is in bud. It is in the state of selecting among alternatives. These alternatives are either to utilize favorable factors, to eliminate or circumvent unfavorable ones, or to change the purpose. Note that if the decision is to deal with the environment, this automatically introduces new but more detailed purposes, the progeny, as it were, of the parent purpose; but if the decision is to change the purpose rather than deal with the environment, the parent is sterile. It is abandoned, and a new purpose is selected, thereby creating a *new* environment in the light of *that* purpose.

This looks like metaphysical speculation if one thinks of it as individual and personal—undemonstrable assumptions, speculative reasoning. But it can be observed in an organization, at least sufficiently to corroborate it roughly. Thus if the president of a telephone company for good reasons orders [3] two poles carrying a cable removed from the north side of First Street between A and B Streets to the opposite side of First Street, it can, I think, be approximately demonstrated that carrying out that order involves perhaps 10,000 decisions of 100 men located at 15 points, requiring successive analyses of several environments, including social, moral, legal, economic, and physical facts of the environment, and requiring 9000 redefinitions and refinements of purpose, and 1000 changes of purpose. If inquiry be made of those responsible, probably not more than a half-a-dozen decisions will be recalled or deemed worthy of mention—those that seemed at the moment difficult or momentous, or that were subject to question or proved erroneous. The others will be "taken for granted," all a part of the business of knowing one's business. However, a large part of the decisions, purposes, and descriptions and analyses of the various environments will be a matter of record—short-cut, abbreviated, to be sure, but marking the routes of decisions with fair definiteness. Only in the case of individual workmen shall we be almost completely reduced to speculation as to the number and character of the decisions required, because many of them certainly will relate to physiological action.

The purpose of this chapter has been to suggest the climate of concrete decisions as they occur in organizations and to emphasize the radical difference between the process of decision in organizations, when decision is in its important aspects a social process, and the process of decision in individuals when it is a psychological process socially conditioned. Perhaps the most important

[3] Partly to illustrate several statements in this essay I may say that it is necessary to imagine extreme conditions to suppose he would issue such an order Ordinarily what he would do would be to inquire whether it would be feasible to take the action suggested, or what would be involved in doing so, or he would state the problem and ask for its solution, etc. The executive art is nine-tenths inducing those who have authority to use it in taking pertinent action.

inference to be drawn from this description is that within organizations, especially of complex types, there is a technique of decision, an organizational process of thinking, which may not be analogous to that of the individual. It would appear that such techniques differ widely among the various types of organization—for example, religious, political, industrial, commercial, etc. This is perhaps conveyed by the remark often made about the "differences in approach" to similar questions. It may be suspected that more than differences in technological character or even of the ends or purposes are involved.

In the following selection, Tannenbaum makes more concrete the organization decision-making processes by casting them in the framework of authority and subordination. By now we should be thoroughly familiar with this framework.

He points out the manner in which the holder of authority limits and prescribes the actions of subordinates through various kinds of decisions. Thus, he spells out for us seven areas of decision in which authority is exercised, areas that serve to limit or specify the organization behavior of subordinates. In the last part of his selection, he introduces the second major topic of this chapter: some of the influences that are known to have a bearing upon the decision-maker.

LIMITATIONS ON DECISION-MAKING

ROBERT TANNENBAUM *

THE MANAGED AND DECISION-MAKING

It has previously been pointed out that managers make decisions to affect, both directly (through authority) and indirectly (through influence), the behavior of their subordinates. In this section consideration will be given to the implications of these managerial decisions to the behavior of the subordinates—the managed.

It has been seen that the relatively isolated individual is faced with insurmountable difficulties in his attempt to achieve rational behavior. But when individuals become members of organized groups, it is at least possible for their behavior to achieve a high degree of rationality when viewed in terms of group purposes. The decisions of managers, operating upon the managed through authority and influence, make this possible in ways which will be examined below.

In the discussion which follows, it will be important to remember that the term "managed" includes most managers and all nonmanagers. A manager is such only with respect to his subordinates; he is managed with respect to his superior. Of all the managers in an enterprise, only the head of the supreme complex is a manager who is not at the same time being managed. The concern in this section is with the managed as such, including

* From "Managerial Decision-making," *The Journal of Business*, 23: 33-37 (Jan. 1950). Used by permission of The University of Chicago Press.

individuals who are both managers and nonmanagers.

The decisions of managers (made to organize, direct, or control responsible subordinates) operate to increase the rationality of the behavior of subordinates—when viewed in terms of enterprise purposes—in the following ways.

1. Decisions are made by superiors which define enterprise purpose. This purpose is the end for the attainment of which the specialized services of the members of the group are being contributed. It is important that the decisions made by each member of the group be made with reference to the group end and not a differing personal end. Through training it is possible to indoctrinate individuals in the enterprise purpose; through incentives, to induce individuals to accept it; and through supervision, to insure that the enterprise purpose will guide individual decisions.

2. Superiors establish the criterion of rationality to guide subordinates in making the choices which they are called upon to make. It will be remembered that this criterion requires that a choice be made between alternatives which will maximize results (the degree of attainment of the relevant end) at a given cost. For a business firm seeking to maximize profits, this cost is a money cost. As in the preceding case, training, incentives, and supervision are the relevant managerial devices to be used in establishing the criterion of rationality as the basis for individual choice.

3. In establishing the degree and type of specialization to be effectuated within an enterprise, superiors thereby define the general kind of activity to be expected of individuals filling particular positions. Such definition significantly reduces the number of spheres of discretion which are relevant to the particular activity to which an individual is assigned. This limitation is an aspect of the managerial function of organization.

4. Another relevant aspect of the function of organization is the determination of lines of formal authority. This determination establishes for the subordinate the individual (or individuals) to whom he is to look for decisions made to affect his behavior.

5. With respect to those spheres of discretion relating to the general kind of activity expected of a subordinate, superiors frequently impose additional constraints, thereby limiting the number of available behavior alternatives from among which the subordinate is expected to choose.

6. Superiors can provide subordinates with relevant information. This information may relate to behavior alternatives about which the subordinate is not aware. Or it may relate to the consequences attendant upon specific behavior alternatives. This information may be supplied through training, through the use of reports and memoranda, through conversation, and the like.

7. Superiors may request that particular decisions be made at or by a specified time. Such requests are stimuli which direct the attention of subordinates to designated problems and therefore initiate the decision-making processes at particular moments of time.

8. With respect to given problem areas, superiors may expect specific behavior responses of their subordinates which permit no discretion to them. Here the subordinate is not expected to make a decision to guide his own behavior but simply to act in the manner specified by his superior. The superior may specify the action of the subordinate through an on-the-spot order; or he may use such devices as rules, regula-

tions, routines, standing orders, policies, standard methods and procedures, and the like to accomplish the same purpose. In this connection it should be noted that the same purpose can also be accomplished by selecting people with desired attributes or by training them. Through selection or training, particular individual modes of response can reasonably be insured so that the number of direct orders which must be given can be reduced. Thus, if a novice is hired to do clerical work, his superior must specifically tell him what to do, how to do it, etc. But if a trained person is hired or the novice is trained, then such specific orders are no longer necessary.

In the summary, the subordinate (the individual managed) is expected to focus his attention on a greatly restricted number of problems calling for decision. With respect to these problems, authoritative constraints are often imposed on the pertinent spheres of discretion which further limit his range of choice. Information is provided which calls the subordinate's attention to behavior alternatives relevant to particular decisions and which adds to his knowledge of the consequences attendant upon those behavior alternatives under consideration. The ends toward which his decisions must be directed are specified for him, as is the criterion of rationality to guide the choices which he must make. Lines of formal authority are specified for him which designate the individual (or individuals) to whom he is to look for decisions to affect his behavior. His superior often determines for him the particular problems calling for his decision to which he should direct his attention at specified moments of time. The superior often expects specific behavior responses of the subordinate which permit no discretion to him. And through incentives and supervision the superior reasonably insures that all the behavior responses of the subordinate are in conformance with those desired. As a result of these factors which originate with superiors, it is possible for the behavior of the subordinate to achieve a high degree of rationality when viewed in terms of enterprise purposes.

THE MANAGERS AND DECISION-MAKING

The decisions of managers are made to affect the behavior of responsible subordinates in the ways considered in the preceding section. But these decisions are themselves not made in a vacuum. They are subject to all the restrictions which have previously been discussed and to influence. In this section, particular attention will be given to the sources from which stem the authority and influence which can directly and indirectly affect the managerial decision-making process.

In making decisions, managers can be subject to the authority of many individuals and groups. The determination as to whether they will be subject to such authority, of course, always rests with the managers. They, like others, can either accept or reject any exercise of authority. If they accept the exercise of authority (because of positive inducements or coercion), they thereby assume a role of subordination with respect to the individuals or group possessing the authority. The superior can directly affect the behavior of the subordinate in the ways previously discussed—by imposing constraints on spheres of discretion, by completely eliminating spheres of discretion from the province of the subordinate, and by imposing a decision on the subordinate to the effect that the subordinate act in a particular manner.

There are many individuals and

groups who do, at varying times, exercise authority with respect to managers. While no attempt will be made in the discussion which follows to consider all those who might authoritatively impinge upon managers, the principal ones will be given attention.

First, nearly all managers, as managed, are subject to the authority of their managerial superiors. This relationship was probed in the preceding section. At this point it is simply necessary to point out that this exercise of authority directly affects, among other things, the decisions made by the subordinate manager to affect the behavior of his own subordinates.

Second, managers are subject to the authority of individuals who, from the formal point of view, are their own subordinates. At first glance, this may be difficult to visualize, but it is a fact the understanding of which is crucial to the effective performance of the functions of management.

It has previously been stated that the sphere of authority possessed by a superior is defined for him by the sphere of acceptance of his subordinates. It is likewise true that the sphere of nonacceptance of authority of formal subordinates defines the sphere of nonauthority of the formal superior. This limiting effect imposed upon the managerial decision-making process by formal subordinates is indeed real. Barnard has stated the case in these positive terms:

> There is no principle of executive conduct better established in good organizations than that orders will not be issued that cannot or will not be obeyed. Executives and most persons of experience who have thought about it know that to do so destroys authority, discipline, and morale.[1]

One of the arts of leadership is that of widening the sphere of acceptance of formal subordinates and, therefore, the sphere of authority of the leader.

Third, managers are subject to the authority of individuals and groups who are not members of the formal organization of the enterprise. Among these are the following:

1. *Governmental agencies: local, state, and federal.*—Government agencies impinge upon the decision-making processes of management through the adoption of constitutions or charters, the passage of legislation, the interpretation of legislation by the courts, and the action of administrative bodies. They establish the rules of the game (the institutional framework within which enterprises operate), impose restrictions, demand specific action, settle disputes, and approve certain managerial decisions before these can become effective.[2]

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[1] *The Functions of the Executive* (Cambridge, Mass.: Harvard University Press, 1938), p 167. Donald C. Stone has commented upon this same point as follows: "The executive is often seen as the man sitting at the top of the organization possessed of a dangerous amount of authority, hiring and firing at will, whose every suggestion or order is responded to promptly and completely. This view reflects one of the greater misconceptions about the nature of executive work. The government executive may have a large grant of legal authority, but he will find that in actual fact it must be used in an economical fashion. If he lacks discrimination in the use of his power, he will debase its value and perhaps find himself impotent at the moment of crucial importance" ("Notes on the Governmental Executive: His Role and His Methods," *New Horizons in Public Administration* [University, Ala.: University of Alabama Press, 1945], pp. 50 f.). See also Marshall E. Dimock, *The Executive in Action* (New York: Harper & Bros., 1945), pp. 236-40.

Charles E. Merriam has analyzed the authority relationship here under discussion primarily with reference to a government and the governed (see his *Political Power* [New York: Whittlesey House, 1934], chap. vi).

[2] See R. A. Gordon, *Business Leadership in the Large Corporation* (Washington, D. C.: Brookings Institution, 1945), chap. x.

2. *Parties to contracts with management.*—When management enters into a contract with another party (an act involving the acceptance of the authority of another), it thereby agrees to meet certain obligations or to accept certain restrictions upon its activities.[3]

3. *Monopolistic and monopsonistic economic groups.*—In those areas of economic activity where conditions of perfect competition do not exist, buyers of the enterprise's products and sellers to the enterprise of productive services are often able, through the use of monopsonistic and monopolistic power, respectively, directly to affect the behavior of managers. Among the monopsonists are consumer's organizations and large private buyers of the products of the enterprise. Among the monopolists are large suppliers of capital funds (banks, bondholders, etc.), raw materials, and labor services (unions).[4]

Because of the growing importance of unions in relation to managers, it is desirable to give additional attention to these monopolistic groups. The kinds of restrictions and the demands for particular actions which they impose upon managers are numerous.[5] And they often impose these restrictions and demands through the threat or use of coercive economic power.[6] It has previously been stated that managers are subject to the authority of individuals who, from the formal point of view, are their own subordinates. In this case the limitations to the exercise of managerial authority are imposed by isolated individuals and informal groups. These same individuals, by joining together in unions, can impose the limitations much more effectively because of the coercive power available to strong, formal groups. Finally, in this connection, it should be pointed out that, although coercion is an important device of the union in obtaining managerial acceptance of its exercise of authority, positive inducements are also used. For example, a union may offer something of value to

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[3] Roscoe Pound, the eminent legal scholar, implies this in the following statement: "A contract . . . is a legal transaction in which the declared will takes the form of a promise or set of promises; in which the intent to which the law gives effect is that one of the parties shall be bound to some performance—either by way of action or abstaining from action—which the other may exact, or that each of the parties shall be so bound toward the other" ("Contract," *Encyclopaedia of the Social Sciences,* Vol. IV [1930]).

[4] I recognize that these monopolists and monopsonists are often parties to contracts with management. However, managers also often become subject to their authority where contractual relationships are not involved.

[5] For examples see Neil W. Chamberlain, *The Union Challenge to Management Control* (New York: Harper & Bros., 1948), chap. iv and Appendixes A-D; and Robert M. C. Littler, "Managers Must Manage," *Harvard Business Review,* XXIV (Spring, 1946), 367-70.

[6] The Labor Committee of the Twentieth Century Fund (including W. H. Davis [chairman], W. L. Chenery, H. Coonley, C. S. Golden, S. H. Slichter, R. J. Watt, and E. E. Witte) has had this to say about the coercive elements underlying collective bargaining: "In genuine collective bargaining such an interruption [through strikes and lockouts] should be the last resort, and indeed it is, but the possibility of a strike or lockout is, nevertheless, an ever-present and controlling factor in the realistic processes of collective bargaining. Those processes lose all color of reality if the workers have not the right to reject management's offer and quit, or if management has not the right to refuse the workers' terms and close the plant. It is the overhanging pressure of this right to strike or to lockout that keeps the parties at the bargaining table and fixes the boundaries of stubbornness in the bargaining conferences" (*Strikes and Democratic Government* [New York: Twentieth Century Fund, 1947], pp. 13 f.); also see Raleigh W. Stone, "Trade Unionism in a Free Enterprise Economy," *University of Chicago Law Review,* XIV (April, 1947), 399 f.

managers in return for an accepted limitation of managerial authority.

4. *Arbitrators.*—When managers accept arbitration as a means for the settlement of a dispute (labor or otherwise) to which the enterprise is a party, they thereby assume a role of subordination with respect to the arbitrator.[7]

5. *Cartels, trade-associations, and other business associations.*—Enterprises often are members of one or more such business associations. Decisions are frequently made in these associations which are accepted as being authoritative by the managers of the member enterprises.

6. *The general social order.*—The decisions of managers are always subject to the general social order. Custom, tradition, convention, mores, and the like are the relevant authoritative principles; and sanctions (both positive and negative) are the factors which determine managerial acceptance or rejection of the authority.

Authority exercised by these individuals and groups, external to the enterprise, is always an extremely important factor in the direct determination of the behavior of the managers of the enterprise.[8]

[7] For a discussion of the degrees of authority possible to an impartial umpire in labor disputes see Sumner H. Slichter, *The Challenge of Industrial Relations* (Ithaca: Cornell University Press, 1947), pp. 60 f.

[8] For an excellent discussion of the problem of managerial adaptation to these individuals and groups see Philip Selznick, "Foundations of the Theory of Organization," *American Sociological Review,* XIII (February, 1948), 25-35.

The next two selections are even more specific in setting forth the organizational imperatives affecting decisions.

Gordon, in an incisive analysis of the organization context of profit and price decisions, makes vividly clear the extent to which bureaucratic administration in large scale business has affected business operations. The thing that must be emphasized over and over again is that these changes result from changes in the offices of business bureaucracy and the new incumbents who occupy those offices.

In the second selection are set forth some of the organization imperatives affecting industrial relations decisions. The general theme of the two selections is the same. There are certain requirements of the business organization, as organization, that definitely tend to mold the decision-making patterns of executives.

IMPERATIVES AFFECTING PROFIT AND PRICE DECISIONS

ROBERT A. GORDON *

Basically, the characteristics of large-scale professionalized business leadership . . . may affect entrepreneurial decision-making, and hence the functioning of the economy, in either of two ways. . . . There may not be the same emphasis on maximizing profits for the firm and the stockholders, as we should expect from a proprietor running his own business.[1] If this is the case, not only is the stockholder affected but, more important, the economic system does not behave entirely in accordance with the profit rules under which it is supposed to function. Secondly, even if we assume for the moment that professional managers do seek always to maximize profits, the leadership conditions under which they operate may still result in decisions significantly different from those which would have been reached under a different set of leadership conditions. For example, complexities of internal organization may prevent management from exploiting fully every profit opportunity; or the more scientific approach of professional managers may uncover investment opportunities that might have escaped the old-fashioned type of owner-entrepreneur using hit-and-miss methods.

We run into difficulties when we try to evaluate in greater detail the effects on decision-making of the leadership conditions in the large corporation. What can be said lies almost entirely in the field of conjecture; factual evidence is largely lacking; and the tendencies which seem to be at work do not all point in the same direction.

We have already stated our opinion that the goal of profit-making, while still paramount, has been weakened in the large corporation. In view of management's small ownership and the incentive system . . . it would be surprising if this were not the case. The delegation of much decision-making to specialists in the lower executive ranks, professional characteristics emphasizing security of tenure and interest in the job for its own sake, and possible pressures from non-management groups put further obstacles in the way of complete adherence to the goal of profits-maximization for the firm as a whole.

The profits criterion can never be disregarded by salaried executives. As a minimum, it is necessary to keep directors and stockholders passive.[2] Beyond this, however, the executive group may or may not seek, with every decision to be made, to enlarge profits still further. There is considerable opportunity to follow other goals. Today, executives are not likely to use extensively the criterion of maximum financial gain for

* From *Business Leadership in the Large Corporation,* Washington, D. C., 1945, pages 326-335. Copyright by the Brookings Institution. Used by permission.

[1] Actually, two issues are involved here. Management may not seek to maximize profits for the firm. Secondly, given total profits, it may divert some part of them away from stockholders. We are interested chiefly in the first of these problems.

[2] We saw . . . how impotent most stockholders are. But directors and large minority stockholders can and on occasion do intervene when profits results are particularly unsatisfactory.

themselves.[3] But they may very well adopt, at least in part, such criteria as personal position and power, the desire to see the firm larger, or even more socially desirable goals such as the welfare of workers, consumers, or other broad groups. Perhaps more important, they may seek to some extent to play safe and to avoid some of the change and uncertainty which result from assiduous pursuit of every possible opportunity to increase profits further.

To the extent that salaried executives do not take advantage of every change in profit opportunities, an additional element of inflexibility is introduced into the large corporation's responses to changing conditions—over and above the inertias normally inherent in large-scale organization. In short, such managements are likely not to be as sensitive as they might to short-period changes, which are continually occurring in market conditions and profit expectations—price behavior and other economic variables being affected accordingly.[4] In this connection, large-scale business leadership has shown a marked tendency to concentrate upon long-term strategic considerations, particularly on maintaining the competitive and financial position of the firm. Prices may be maintained or changed, for example, not so much with the specific aim of maximizing profits over some period as to protect a competitive position over the very long run, or investment decisions may be based on a variety of financial and strategic considerations, not all of them concerned with a precise balancing of expected returns against cost.[5]

Even long-period profit calculations may be subordinated to such considerations as protecting the firm's position in the industry, plans for further growth, maintenance of a liquid position, and so on.[6]

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[3] Today executives are prevented by law from trading in and out of their own stock on the basis of "inside" information. A minority, however, exploit their positions to secure the largest possible salary and bonus for themselves. Other opportunities for maximizing personal income also exist. In general, however, executives are much more restrained in this respect than they were before the thirties

[4] Insofar as directors are active, they are likely to add little if anything to making the large firm more sensitive to short-period changes in profit opportunities.

[5] Owner-managers also use such criteria where the size of their firms or other advantages give them the opportunity to do so However, they are more likely than professional executives to link their strategy directly to some concept of maximum profits for the firm, and they are also likely to pay more attention to short-period market changes

[6] Executives and many economists would argue that emphasis on these "strategic considerations" merely represents a far-sighted evaluation of profit opportunities over the long-term future. They would argue that maintaining or enlarging the firm's share of the market (say, through the formulation of certain price policies) was merely a way of maintaining or enlarging profits in the long run. This may be true in particular cases. But emphasis on these broad strategic considerations may also represent, consciously or subconsciously, a desire to manage a bigger firm and other motives related only indirectly to profits maximization over any period whatsoever. Further, certain non-profit criteria may come to be accepted as representing short-cut approximations to the criterion of maximum profits for the firm. Thus maintaining the firm's position in the industry may be the chief criterion used in determining price policy because this is considered the most effective way of maintaining or enlarging profits over the long run. However, these short-cut approximations tend to be accepted unthinkingly by executives and are frequently used without further consideration as to whether future profits are in fact always furthered thereby.

The need of negotiating with organized interest groups also requires the use of broad, strategic criteria which often cannot be readily translated into a quantitative effect on profits.

When we turn to particular types of business decisions—investment and price decisions, for example—it is not easy to assess the significance of the leadership conditions prevailing in the large corporation. If we are to have full employment, business leaders must maintain the volume of private investment, and, to make such investment possible, they must continue to pioneer —with new products, new production techniques, and so on. Is the professional business leader likely to do a better or worse job in this respect than the owner-entrepreneur? The evidence is contradictory.

Offhand, we should expect that the tendencies making toward a less dynamic type of leadership in the large corporation would have a depressing effect upon the volume of private investment. Professional executives, emphasizing care and caution and reacting only imperfectly to the lure of profits, may be slow to exploit new and unfamiliar lines of activity, and even investment in familiar channels may be temporarily postponed if the risks involved seem to be substantial.[7] The desire to play safe is likely to be particularly important during depressions, but it may evidence itself during other phases of the business cycle.[8]

The bureaucratic nature of large-scale organization also tends to be a restraining factor in this respect. A substantial distance separates the chief executive from the lower ranks of the executive hierarchy, whence must come much initiation of investment decisions, and internal financial controls and the checks and balances inherent in such an organization militate against prompt exploitation of investment opportunities.

On the other hand, some characteristics of a professionalized business leadership should tend to stimulate investment.[9] The professional executive's

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Management's decision, for example, to accept or reject a proposal for a "closed shop" or to grant a particular wage increase may be made with a view to the "best interests of the firm," but it would be difficult indeed to translate the qualitative considerations which entered into the final decision into any clear-cut forecast of the probable effects on future profits.

[7] It is possible, of course, that dealing with "other people's money" may lead an executive to place a lower valuation on investment risks than would an owner-entrepreneur hazarding his own capital. I have already indicated my opinion, however, that the reverse is more likely to be the case today in the large corporation. The factors making for caution and financial conservatism among salaried executives are likely to outweigh any propensity to take chances because they personally do not stand to incur the losses that may be involved.

Such lack of risk-taking leadership as may be evident in the large corporation is not confined to the executive group. Directors also show a tendency to play safe, to emphasize the state of the firm's treasury, and generally "to make decisions that will at least keep their own records clear." (*Fortune,* February 1940, p 108.) Even more than executives, directors have personally little to gain and much to lose from approving decisions involving a high degree of risk. Among the outside interest groups discussed in earlier chapters, the considerable influence of bankers may also be exerted to restrain risk-taking investment, although the desire of some bankers for new business may on occasion lead them to press management to undertake unwise expenditures.

[8] However, the large firm does not hesitate in depressions to introduce technical improvements which lower costs but which do not involve substantial expenditures or much risk. While not necessarily involving much if any net new investment, these operating economies may put the firm in a good position to exploit new investment opportunities in the late stages of depression and to some extent may offset the lack of risk-taking initiative mentioned in the text.

[9] Of course the mere size of big business, apart from the nature of its management, creates a situation favorable to investment. The size and financial resources of a large firm

emphasis upon industrial and commercial research has opened up investment opportunities that would have been missed by an earlier generation of business leaders. Modern management methods, emphasizing full knowledge of the facts and careful estimation of costs and prospective revenues, may uncover investment opportunities promising moderate returns that would have been overlooked by business leaders not employing such modern tools. On the other hand, more careful reckoning of probable costs and returns may lead the professional executive to reject investment possibilities that the old-fashioned entrepreneur might have accepted because of the possibilities of large gain if the venture succeeded at all. The profit-receiving entrepreneur is likely to overvalue small probabilities of large returns.

Long-range planning and the professional executive's ability to ignore to some extent short-run profits expectations may lead to the undertaking of some long-run projects that might not have been made if attention had been concentrated on short-run problems. Further . . . the urge for greater personal power and prestige and the tendency to identify himself with his enterprise may lead the professional executive to continue expansion even in the face of declining profits prospects.

This urge to expand may result in some maldistribution of investment in the economy as a whole. Frequently cited in this connection is the supposed tendency of large-scale corporate managements to retain an undue share of earnings in their enterprises. If retention of earnings goes so far as to bring the rate of profit on further increments of investment in a particular firm below what could be earned by stockholders through investment in other directions, capital is not being ideally allocated.[10] There is probably a tendency in this direction among the managements of American corporations.[11] But the tendency may be no stronger than among many owner-entrepreneurs, whose devotion to their firms may lead them to continue to plow back earnings (or even to invest new capital) when larger returns could be secured elsewhere.

What is the net effect of these conflicting tendencies upon the volume of new investment—in particular firms and in the economy as a whole? It is impossible to say in the absence of more indication as to the relative weight to

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mean that risks can be spread; no single undertaking needs involve a very large part of the concern's capital; and hence the "marginal value" of the funds tied up in a given investment is less than to a smaller concern. The large firm also will have more ready access to the capital markets, and at lower cost, than the smaller concern; its cash and credit resources permit it to undertake projects beyond the financial means of the smaller company; and it can utilize financial procedures and devices which the small firm cannot so readily employ.

[10] Obviously, retention of earnings in the business does not mean that real investment necessarily increases correspondingly. The "reinvested" earnings may go, in some part, into increases in cash or securities or into purchases of existing rather than new fixed assets and inventory.

[11] See N. S Buchanan, "Theory and Practice of Dividend Distribution," *Quarterly Journal of Economics,* Vol. 53 (1938), pp. 64 ff.; also by the same writer, *The Economics of Corporate Enterprise,* Chap. 9. Various other writers have questioned the advisability and profitability of reinvestment of earnings on the scale practiced by many American corporations, and they have also called attention to the non-financial incentives which may lead corporate managements to reinvest earnings. As Buchanan points out ("Theory and Practice of Dividend Distribution," pp. 71 ff.), it is practically impossible to test statistically the profit results which ensue from reinvestment of earnings.

be attached to the various factors mentioned. It is clear, however, that professionalized business leaders in the large corporation do not necessarily make the same investment decisions as would an owner-entrepreneur confronted with the same set of underlying conditions.[12] It is also clear that certain characteristics of large-scale professionalized leadership tend to restrain the free flow of investment and innovating decisions. Anything done to remove or offset them would tend to stimulate the volume of private investment.

Similar uncertainty surrounds the question as to whether these tendencies accentuate or mitigate the instability inherent in the economic system. The effects on economic stability of some of the factors mentioned in the preceding pages are not altogether clear; and where the effects are obvious, we do not know to what extent the conflicting tendencies offset each other.[13]

We may feel somewhat more confident about our knowledge of the probable effects on price-making of the leadership conditions characteristic of the large corporation. In making their price decisions, corporation executives (consciously or unconsciously) undoubtedly follow in part other goals in addition to that of profit maximization. And even to the extent that the profits goal is adhered to, executives will not necessarily make the same price decisions as would an owner-entrepreneur in the same circumstances.

We have noted the leeway that executives have in adhering to the profits criterion. In view of this and the tendency of large-scale leadership to emphasize strategic considerations such as the firm's position in the industry, prices are certain not to be altered with every change in market conditions and profits expectations. These tendencies making for price inflexibility are strengthened

[12] The owner-entrepreneur of a small concern, of course, would never be confronted with exactly the same set of underlying conditions as would the management of a large enterprise. The former would be much more restricted by his market environment, he would not have the same set of technical and financial resources, and so on. (See, for example, note 9, above.) From this point of view, the contrast in the text is unrealistic. Nonetheless, it is significant and needs to be made. . . . Nearly all economic reasoning about our private enterprise system proceeds by asking what action a profit-maximizing owner-entrepreneur would take if he were faced with a particular set of underlying conditions. The purpose of our analysis is to show that the answers thus obtained are not necessarily the correct ones if the decisions are in fact made by professional managers operating in a particular type of leadership organization and reacting to the array of incentives that we have described.

[13] For example, conservatism and careful planning should result in the professional business leader's avoiding some of the excesses of boom periods and should thus mitigate the effects of subsequent depressions. On the other hand, tendencies toward reinvestment of earnings and overexpansion and toward avoiding risk-taking in depression may have the opposite effect. Some inflexibility in the large firm's responses to changing conditions may accentuate maladjustments and tend to lengthen or deepen depressions. Further, the professional managers of our largest firms seem to be as susceptible as any owner-entrepreneur to waves of optimism and pessimism, although we should expect the professional manager's scientific approach, his increasing familiarity with economic processes, and his tendency to take a long-run view of things to exercise a mitigating influence on the cycle. Schumpeter has called attention to the fact that in the large corporation economic progress and the entrepreneur's innovating function tend to become depersonalized and automatized. (See Schumpeter, *Capitalism, Socialism, and Democracy,* pp. 132-33; also his *Business Cycles,* Vol. 1, pp. 96, 108-09). We have given some indication of the extent to which this is true. Following Schumpeter's analysis, the "routinizing" of the innovating function and growth of large-scale enterprise (his "Trustified Capital-

by the probable disinclination of professionalized business leaders to pioneer in the field of price changes, particularly in view of the low level within management at which much initiation of price decisions takes place and the inertias and inflexibilities which result from the complexities of internal organization in large firms. In general, the leadership conditions created by the large corporation make for inflexible rather than flexible prices and for some dissociation of price-making from changes in costs and demand.

Important price decisions are likely to be group decisions, in the making of which various individuals and departments participate. In the large firm, data regarding costs and demand "are not ordinarily transmuted into an entrepreneurial decision through a single mind guided by a total view of the situation; rather they are interpreted by various interests and emerge as a group decision influenced in important ways by the internal organization of the firm in question." Rules-of-thumb and formal procedures determine at what levels and by whom different sorts of price decisions are made; this in turn affects significantly the range of considerations likely to be taken into account in making these decisions.[14]

Of course the competitive conditions surrounding large-scale industry, entirely apart from the question of leadership organization and incentives, pro-

ism") should significantly modify the factors giving rise to business cycles. (*Business Cycles,* Vol. 1, pp. 96-97, 108-09, 144-45; also *The Theory of Economic Development,* pp 230, 253.) Presumably, in an economy of very large concerns under professional managements, innovations would be introduced more continuously than in an economy of small concerns; the process of adaptation would go on in part within individual firms and to that extent would not necessarily involve the serious competitive readjustments he envisages; very large firms can and do react to a new situation in ways different from small concerns which have less power to manipulate their environments; there would generally be less resistance to new ways of doing things, and hence the innovations would presumably be carried through more quickly and with less serious repercussions on the economy. Actually, so far as I can see, cyclical disturbances are not less severe today than they were when the very large firm was not particularly important, and waves of innovating and adapting investment show up in the very large as well as in the smaller concern. Professor Schumpeter does not think the giant firm yet covers a large enough sector of the economy to make his theoretical structure inapplicable, but in light of our findings ... we cannot agree with him in this. However, the fact that the large firm modifies his explanation of the way in which business cycles occur does not imply that wide cyclical fluctuations might not also occur in a world of large corporations, although in a different way. It is interesting to note that Schumpeter suggests that increasing familiarity of businessmen with the cycle, along with "trustification," is "the chief reason why the real crisis phenomena ... are becoming weaker." *The Theory of Economic Development,* p. 253.

[14] For discussion of some of the issues raised in this and the preceding paragraph, see *Cost Behavior and Price Policy,* prepared by the Committee on Price Determination for the Conference on Price Research (National Bureau of Economic Research, 1943), pp. 18-19, 43-47, 272-74. The quotation in the text is from p. 47 of this volume. Other factors not mentioned in the text and which cannot be fully examined here might also affect the price-making of professional executives. One of these is the professional business leader's increasing desire for knowledge concerning the nature of his costs and of the demand for his product

The need for a more dynamic type of price-making in large-scale enterprise is examined in E. G. Nourse and H. B. Drury, *Industrial Price Policies and Economic Progress,* and by E. G. Nourse in *Price-Making in a Democracy.* Both of these volumes consider some of the problems of internal organization and external relations of the large firm with which the present study is concerned.

foundly affect the executive's price decisions. In considering pricing in the large firm, however, we need to take into account the leadership factors mentioned as well as such matters as company size, degree of concentration in the industry, extent of product differentiation, and other factors not directly concerned with leadership organization and personnel which are ordinarily cited in this connection.

The reader may care to examine for himself the possible effects of these leadership conditions upon other fields of decision-making. In each case, account must be taken of considerations discussed in the preceding pages. How important these factors will be depends on a variety of circumstances. But given the latitude which the large corporation in any event enjoys in determining its course of action, its leadership setup—particularly its incentive system and its method of delegating and specializing decision-making—will in many cases significantly affect the kinds of decisions made and the consequent functioning of the affected parts of the economic system.

IMPERATIVES AFFECTING INDUSTRIAL RELATIONS DECISIONS

ROBERT DUBIN *

There are important imperatives arising out of the organization of business itself which affect decisions concerning industrial relations. These organizational imperatives deserve serious study. They profoundly influence the kind and timing of decisions made in collective bargaining by business managers.

Immediate expediencies and the compromises of collective power relations determine much of what happens in union-management relations. Yet, within the context of this rapidly shifting relationship, it is possible to detect repeating uniformities, some of which are directly attributable to the requirements of business organizations.

* From "Decision-making by Management in Industrial Relations," *American Journal of Sociology*, 54.292-296 (Jan. 1949). Used by permission of The University of Chicago Press.

GOVERNING BY RULES

In a large company with multiple plant operations the most obvious single consideration affecting labor relations decisions is the need for standardization and uniformity. Unquestionably, the administration of a work force of several hundred thousand, or fifty thousand, or even five thousand is a staggering job. It would be totally impracticable to attempt individualized treatment of so many workers. The almost nostalgic plea for the "clinical" approach,[1] that is, for the setting-forth of "all the facts" in every employee problem, is hardly possible in the large-scale enterprise.[2] This

[1] Cf. B. M. Selekman, *Labor Relations and Human Relations* (New York: McGraw-Hill Book Co., 1947), chap. v.

[2] See, e.g., P Pigors and C. A. Meyers, *Personnel Administration* (New York: McGraw-Hill Book Co., 1947), chap. v.

is not to say that it would not be desirable or humane to treat each worker as an individual. The emphasis is rather on the fact that administration in the big firm necessitates standardization through rules and uniform procedures as a basis for prediction of future events. Management must be in a position to predict what will be the outcome, granting a given personnel situation. Similarly, employees are provided with a basis for predicting the effect of their own action or that of management representatives in the light of the rules governing their relationship to each other.

The "reign of rules" is the administrative answer to the problems of governing in large-scale organizations. This rule-making habit is all-pervading. It takes its most obvious form in shop rules governing personal conduct and in the union agreement which sets forth the mutual rights and obligations of the contracting parties and their constituents. But job descriptions, production standards, standard procedures, wage-rate structures, and policy manuals are rule-making, too. Even a casual examination of the manuals of procedures, operating codes, standards, and specifications to be found in most any industrial or commercial firm should be convincing evidence that rule-making and enforcing for the class rather than decision-making in the individual case plays an increasing role in the functions of the executive.

There is an interesting paradox involved in the growth of governing by rule in large businesses. The goal of standardization and hence of predictability is certainly achieved. But making the rule for the class rather than the individual does two things to the individual worker. He becomes aware of his personal inability to make an individual "deal" for himself outside the company rules and procedures, except under the circumstances of a "lucky break." He tends also to view himself as part of a group of similarly situated fellow-employees who are defined by the rules as being like each other. In addition, uniform rule-making and administration of the rules makes unionism easier and, in a sense, inevitable. It should be reasonably clear that collective bargaining is joint rule-making. It is no great step to the joint determination by union and management of rules governing employment from the determination of them by management alone. Both proceed from the basic assumption that generally applicable rules are necessary to govern the relations between men in the plant. Once a worker accepts the need for general rules covering his own conduct, he is equally likely to consider the possibility of modifying the existing ones in his favor rather than to seek their total abolishment.

The paradox stands out clearly. Governing men by general rules in a business makes for administrative efficiency. At the same time it is likely to assist the growth of unionism, if not make it inevitable. The question is then raised as to how much efficiency in decision-making is lost through collective bargaining as over against decision-making solely through the management structure.

This paradox is not the sole result of governing by rules. In a company which bargains with a single union for many plants, as General Motors does with the U.A.W.-C.I.O., company-wide bargaining reinforces the existing tendencies toward standardization. From the union standpoint a gain or loss made in the contract is shared by all members of the bargaining unit in all plants of the company. From the company standpoint a master-contract is necessary lest bargaining in the individual plant should

result in local gains which would then be pressed by the union for application throughout the company. The company seeks to protect itself from such whipsaw tactics with a master-contract, standardized for all company bargaining units.

A second result of governing by rules is centralization in decision-making on industrial relations problems. It is clear that high-level decisions are required for broadly applicable rules. Personnel and collective bargaining policies tend to be applied generally throughout the organization. The decisions affecting them gravitate to a central point, less and less discretion being permitted to the local or department management. Thus, General Motors, with a highly developed theory of decentralized management, has perfected centralized control in the industrial relations field—even individual job rates negotiated locally must be reviewed and approved in Detroit before becoming effective.

What, then, are the organization imperatives affecting industrial relations decisions which can be related to size of firm? We can expect unco-ordinated decisions dealing, case by case, with individual workers to be replaced by rules which apply impartially to classes of employees. The real decision-making power and skill are involved in establishing the rules. Their administration tends to be reduced to mechanical formula or may even be permitted to go completely outside the company structure by the settlement of disputes by umpires or arbitrators. In addition, centralized decision-making is generally associated with standardized rules. Unionism is both an effective means for worker intervention in company rule-making as well as a force amplifying the tendency for centralized management decision-making.

What the union regards as the "buck-passing" sometimes displayed by lower-level supervisors and executives is, in reality, logical behavior in a system of centralized decision-making. In addition, the slowness with which systems of rules are permitted to change through collective bargaining or administrative decision is a product of the cohesion of the rule systems and the internal logic which binds the rules into systems. The personal relations between company and union officials will tend to have diminishing influence upon decisions affecting their relationship. The criterion of sound decisions is then conformity with a pre-existing set of rules; the character and integrity of the bargainer on the other side of the table hardly matter. There is no cordiality in the relations that exist between John L. Lewis and the coal-industry spokesmen with whom he bargains on an industry-wide basis. Yet the two parties are able to establish elaborate rules through collective bargaining as a basis for continuing relations.

THE RULE-MAKING PROCESSES

A business is characterized by a high degree of organization. This is exemplified in the formal organization chart and the minute functional divisions of work. A consequence of the complicated structure of a firm is its sensitivity to changes in operations; indeed, the very existence of an individual business may depend upon its ability to adjust to changing conditions affecting operations.

It is typical for a business to operate on a crisis basis. There are always problems, either internal or external, whose solution requires constant choices among several courses of action. Conscious and explicit decisions are repeatedly being made throughout the company which solve immediate problems. Such prob-

lems arise constantly in all phases of the business. Generally minimized in a business are the areas in which common understandings and traditional solutions to problems are prevalent. The "new" and "novel," the "better" way of doing it, "bigger" and "better" products, are commonly used adjectives reflecting the premium placed upon change. But change resulting from meeting crises in the business is not given unlimited range.

Decisions affecting the firm are made in the light of a body of policy and practice already in existence. This provides a practical limit on the extent to which innovations can be incorporated into the operating creed of the business. Moreover, decision-making areas have different degrees of susceptibility to change. In the fields of production processes and methods engineering, changes which produce greater efficiency or lower costs are constantly being sought. The highest premium on change is probably in those areas. The same is true of the sales field and advertising. In the area of industrial relations or personnel management changes may be accepted much more reluctantly. In fact, the objective of management policy may be stability rather than change.

Within particular areas of decision there is a tendency toward consistency in policy. This consistency may be seen in two ways: (1) decisions making changes from established policy or practice are tested and generally brought into alignment with (or necessitate a change in) the existing body of procedure and policy; and (2) in putting the change into practice organizational realignments may be necessary. In any event, the very segregation of areas of decision from each other creates an imperative only for consistency within rather than between areas. Sometimes one of the most difficult functions of the key management decision-makers is to resolve conflicts in policy or practice between areas of business operations. For example, the sales department may insist on a particular design of the product because of its consumer appeal. The production people argue against the design on grounds of difficulty or expense of manufacture. Both groups are right and consistent within their respective areas of operation. When the choice is finally made, it will represent a tactical defeat and not a defeat in principle to the losing group. The loser would urge the same course under similar circumstances in the future.

This point has an important bearing on decision-making in industrial relations. Observers have often been struck by what appears to be an abandonment of strict business thinking in certain decisions about labor relations. For example, very severe financial risks may be accepted in pursuit of a labor policy —witness the year-long strike at the J. I. Case Company after the war which practically halted production and sales during most of the period of the strike. A decision to risk such a lengthy interruption in sales, if based upon considerations of production or raw materials or design, would certainly be viewed with skepticism. But a decision leading to the same result in labor relations was judged on quite other grounds than its influence on profit and loss. What such an instance illustrates is that policy formation on labor issues can readily proceed from premises unlike those behind other business decisions. Management decisions in the field of industrial relations are not always characterized by the logic of the market.

The characteristic of specialized areas of decision following the functional division of labor is common to all or-

ganization. It represents a feature of bureaucracy in which the job-holder succeeds in making his job self-contained and as independent as possible of all other jobs. The "let George do it" attitude, when found in a firm, is an excellent index that George operates in a separate compartment of business action and decision, recognized as discrete by both himself and his fellow-workers. Contrariwise, emphasis on "co-ordination" or "integration" or "rationalization" in the business firm is another evidence of concern with over-specialization of action and decision.

The officials responsible for accounting or production or personnel come to think in terms of their professional specialization within a framework peculiar to their own line of work. As the ideas unique to a specialty become more specialized, associates in other departments of the firm are more inclined to stay out of the area of the specialist, partly because they are no longer familiar with his frame of reference or comfortable with his jargon. The specialist follows the logic of his specialty and tends to bring his actions and decisions into conformity with it. The segregation of industrial relations as a separate field of business activity has resulted in the designation of distinct functionaries and the rise of outside paid consultants. The specialization, however, does not insure a broad consensus regarding a frame of reference for industrial relations men. What, then, is the basis for the logical system within which the individual industrial relations executive operates?

An industrial relations specialist typically does not have firsthand knowledge of production processes and plant operations. His knowledge is about people and the operations of hiring, placement, training, promotion, layoff, discharge, retirement, etc. All these processing operations are standardized and of general application. They are most easily controlled through general rules. Again we come back to the question of rule-making, but this time in terms of specific policy problems rather than as previously considered in terms of the broad movement toward governing by rules. It is one of the important advisory functions of the industrial relations specialist to emphasize to line officials the need for hewing to the line of shop rules, company policy, and the union agreement.

Most of the issues dealt with by personnel and labor relations men can be handled with little reference to the details of production processes.[3] This has led to an almost universal plagiarism in the field. Industrial relations specialists have an insatiable hunger to know what is being done in other companies. Any policy, technique, or gadget which might be used in the home company is quickly copied. In fact, many of the paid consultants in the field have as their main stock-in-trade a set of gadgets or a "system" which is extolled for universal application.

The logic of the industrial relations specialists can then best be characterized as a preoccupation with the internal consistency of rules, procedures, and operations concerning the processing of groups of people within a company.

[3] The current emphasis in the labor relations literature on "bringing the foremen in on prebargaining sessions to help formulate company policy" is a reflection of the extent to which company labor relations specialists have lost contact with the production end of the business. The general approval with which it is urged to bring line officers into closer contact with labor relations policy formation indicates the self-conscious recognition by some labor specialists that they may have overspecialized their role.

Increasing separation from production and operations has tended to divorce many of the decisions of policy in industrial relations from production decisions, whether the labor decisions are made directly by the industrial relations specialist or by top executives on his advice.

We should now have clearly established the first two purposes of this chapter: we have examined the decision-making processes in the context of organization; we have dealt, with some considerable elaboration, with the environment of decisions. There remains the final task of examining the possibility of sharing decision-making with subordinates.

By a broad extension of the decision-making processes, Tannenbaum and Massarik find the possibility of limited participation by subordinates. But note that subordinates never make the actual decision. The authors say that making the decision is the manager's task. Subordinates can suggest alternatives and point out the consequences of each. To that extent they participate in preparing for the decision.

If our analysis has been reliable up to now, this conclusion makes sense based upon our knowledge of authority and of subordination as it relates to authority. A level of authority is a level of the organization at which relevant decisions are made. If subordinates are included in the decision-making, or if they make the decision, and it is a legitimate one, the authority attached to making that decision automatically moves down to their organizational level. This is what we mean by delegation of authority. But delegation of authority and sharing in decision-making at a higher level of authority are two entirely different things. Inadvertently, the sharing of decision-making might turn out to be a covert form of delegation of authority. There is no meaningful sense of sharing decision-making with subordinates except in the special way suggested in the next selection.

SHARING DECISION-MAKING WITH SUBORDINATES

ROBERT TANNENBAUM
AND FRED MASSARIK *

Decisions are made by managers in order to organize, direct, or control responsible subordinates to the end that all service contributions be coordinated in the attainment of an enterprise purpose.[1] Since managers are those who accomplish results through subordinates, the latter are always directly

* From "Participation by Subordinates in the Managerial Decision-making Process," *Canadian Journal of Economics and Political Science,* 16:410-413, 416-418 (Aug. 1950). Used by permission of the *Journal* and of its publishers, the University of Toronto Press.

[1] See Tannenbaum, "The Manager Concept: A Rational Synthesis" (*Journal of Business,* Oct, 1949).

and intimately affected by managerial decisions and therefore may have a considerable interest in them. Because of this possible interest, subordinates may have a strong desire, particularly in a nation with deeply-ingrained democratic traditions, to participate in the determination of matters affecting them. It is of importance, therefore, to consider the form which such participation might assume.

Decision-making involves a conscious choice or selection of one behaviour alternative from among a group of two or more behaviour alternatives.[2] Three steps are involved in the decision-making process. First, an individual must become aware of as many as possible of those behaviour alternatives which are relevant to the decision to be made. Secondly, he must define each of these alternatives, a definition which involves a determination of as many as possible of the consequences related to each alternative under consideration. Thirdly, the individual must exercise a choice between the alternatives, that is, make a decision.

In enterprises, managerial subordinates, as subordinates, can participate in the first two steps of the managerial decision-making process. They cannot participate in the third step. The actual choice between relevant alternatives must be made or accepted by the manager who is responsible to his superior for the decision.[3] However, subordinates can provide and discuss with their manager information with respect both to relevant alternatives and to the consequences attendant upon specific alternatives. In so doing they are participating in the managerial decision-making process.[4]

The participation with which we are

[2] This discussion of the decision-making process is based upon Robert Tannenbaum, "Managerial Decision-Making" (*Journal of Business,* Jan, 1950).

[3] In a democratic group, the choice can be made through a vote participated in by the rank and file. But, in such a case, the leader is organizationally responsible to the rank and file, and the members of the rank and file are not properly, in so far as the decision is concerned, subordinates of the leader. Members of a democratic group, making the final choice in matters directly affecting them, may be more highly motivated as a result thereof than managerial subordinates who are granted the right to participate only in the first two steps of the managerial decision-making process. For evidence of the motivational effects of group decision, see Kurt Lewin, "Group Decision and Social Change" (in T. M Newcomb and E. L. Hartley [eds.], *Readings in Social Psychology,* New York, 1947).

[4] It is this type of participation that most writers, who deal with human relations in enterprises, have in mind when they use the concept. The following examples illustrate this contention: "One of the most important conditions of the subordinate's growth and development centers around his opportunities to express his ideas and to contribute his suggestions before his superiors take action on matters which involve him. Through participation of this kind he becomes more and more aware of his superiors' problems, and he obtains genuine satisfaction in knowing that his opinions and ideas are given consideration in the search for solutions" (D McGregor, "Conditions for Effective Leadership in the Industrial Situation," p. 60); "I am not suggesting that we take over intact the apparatus of the democratic state. Business cannot be run by the ballot box ... We must develop other inventions, adapted to the special circumstances of business, which will give employees at all levels of our organizations a greater sense of personal participation and 'belonging'" (J. Worthy, "Changing Concepts of the Personnel Function," p. 175); "Action initiated by the responsible head to bring his subordinates into the picture on matters of mutual concern is not a sharing of prerogatives of authority. Rather, it is an extension of the opportunity of participation in the development of points of view and the assembly of facts upon which decisions are made" (H. Carey, "Consultative Supervision and Management," p. 288).

here concerned may take place in two different ways. First, it may involve interaction solely between a subordinate and his manager.[5] This would be the case where a worker originates a suggestion which he transmits to his boss. Secondly, it may involve interaction between a group of subordinates and their manager. This would be the case where a manager calls his subordinates together to discuss a common problem or to formulate a recommendation.[6]

POSSIBLE ADVANTAGES OF PARTICIPATION AS A MANAGERIAL DEVICE

It becomes useful to inquire why managers might find it advantageous to use this device. In other words, what are the possible benefits which might accrue to an enterprise whose managers made it possible for subordinates to participate in the decision-making process? In providing an answer to this question, it is first necessary to indicate the criterion which would guide the managerial choice relating to the use of participation.

A manager of an enterprise (profit or nonprofit) who behaves rationally will attempt to make a selection from among alternatives related to any problem which will maximize results (the degree of attainment of a given end) at a given cost or which will attain given results at the lowest cost.[7] This is the criterion of rationality. Guided by this criterion, rational managers will find it advantageous to use participation whenever such use will lead to increased results at a given cost or to the attainment of given results at a lower cost.

There are many advantages which *may* stem from the use of participation as a managerial device. The following are the principal ones:

(1) A higher rate of output and increased quality of product (including reduced spoilage and wastage) as a result of greater personal effort and attention on the part of subordinates.[8]

(2) A reduction in turnover, absenteeism, and tardiness.

(3) A reduction in the number of grievances and more peaceful manager-subordinate and manager-union relations.

(4) A greater readiness to accept

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[5] The concept of interaction as used here is not restricted to direct person-to-person, two-way communication (as in the process of superior-subordinate discussion), but encompasses more indirect forms (such as, for example, written communication) as well.

[6] It may be observed that participation in the latter way, where there is communication between participators and where the act of participation is carried out through the medium of the group (as in cases of "group decision"), may often yield the more useful results. The level of derivable benefits may be higher than if participation had proceeded through channels in which there had been no inter-participator communication. Some factors important in this context are the following: (*a*) the feeling of "group belongingness" obtained by means of "action together" and (*b*) the role of norms, set as a result of group discussion, toward which behaviour will tend to gravitate.

[7] The term *cost* is here used in its highly precise form to refer to whatever must be given or sacrificed to attain an end. See "Price," *Webster's Dictionary of Synonyms*. The term *end* is broadly conceived to embrace whatever factors (monetary or nonmonetary) the managers themselves define as the formal ends of the enterprise.

[8] For examples, see Lippitt, "A Program of Experimentation on Group Functioning and Productivity"; John R. P. French, Jr., Arthur Kornhauser, and Alfred Marrow, "Conflict and Cooperation in Industry" (*Journal of Social Issues*, Feb., 1946); *Productivity, Supervision and Morale* (Survey Research Center Study No. 6, Ann Arbor, 1948).

change.[9] When changes are arbitrarily introduced from above without explanation, subordinates tend to feel insecure and to take countermeasures aimed at a sabotage of the innovations. But when they have participated in the process leading to the decision, they have had an opportunity to be heard. They know what to expect and why, and they may desire the change. Blind resistance tends to become intelligent adaptation as insecurity is replaced by security.

(5) Greater ease in the management of subordinates.[10] Fewer managers may be necessary, the need for close supervision may be reduced, and less disciplinary action may be called for. Subordinates who have participated in the process leading toward a determination of matters directly affecting them may have a greater sense of responsibility with respect to the performance of their assigned tasks and may be more willing to accept the authority of their superiors. All managers possess a given amount of formal authority delegated to them by their superiors. But formal authority is not necessarily the equivalent of effective authority. The real source of the authority possessed by an individual lies in the acceptance of its exercise by those who are subject to it. It is the subordinates of an individual who determine the authority which he may wield. Formal authority is, in effect, nominal authority. It becomes real only when it is accepted. Thus, to be effective, formal authority must coincide with authority determined by its acceptance. The latter defines the useful limits of the former. The use of participation as a managerial device may result in a widening of these limits, reducing the amount of resistance to the exercise of formal authority and increasing the positive responses of subordinates to managerial directives.

(6) The improved quality of managerial decisions. It is seldom if ever possible for managers to have knowledge of *all* alternatives and *all* consequences related to the decisions which they must make. Because of the existence of barriers to the upward flow of information in most enterprises, much valuable information possessed by subordinates never reaches their managers. Participation tends to break down the barriers, making the information available to managers. To the extent that such information alters the decisions which managers make, the quality of their decisions may thereby be improved.

These, then, are the principal advantages which *may* stem from the use of participation as a managerial device. The conditions under which it *will* accomplish them—under which participation will lead to motivation—is the concern of the section which follows.

EXTRA-PARTICIPATIONAL CONDITIONS FOR EFFECTIVE PARTICIPATION

Beyond the factors governing the relationship between participation and possible resultant motivation, certain conditions "outside" the individual must be considered by the managers in deciding whether or not this particular device

[9] See, for example, Alex Bavelas, "Some Problems of Organizational Change" (*Journal of Social Issues,* Summer, 1948); Elliott Jacques, "Interpretive Group Discussion as a Method of Facilitating Social Change" (*Human Relations,* Aug, 1948); Lewin, "Group Decision and Social Change."

[10] See, for example, L. P. Bradford and R. Lippitt, "Building a Democratic Work Group" (*Personnel,* Nov., 1945); O. H. Mowrer, "Authoritarianism vs. 'Self-Government' in the Management of Children's Aggressive (Anti-Social) Reactions as a Preparation for Citizenship in a Democracy" (*Journal of Social Psychology,* Feb., 1939, pp. 121-6).

is applicable.[11] It would be possible to distinguish a great number of such outside conditions that may determine whether or not the use of participation is feasible in a given situation. Those here indicated are suggestive rather than fully definitive. All are viewed with this question in mind: "Granting that participation may have certain beneficial effects, is it useful in a given instance if the ends of the enterprise are to be achieved?"

To answer this question affirmatively, the following conditions must be met:

(1) *Time Availability.* The final decision must not be of a too urgent nature.[12] If it is necessary to arrive at some sort of emergency decision rapidly, it is obvious that even though participation in the decision-making process may have a beneficial effect in some areas, slowness of decision may result in thwarting other goals of the enterprise or even may threaten the existence of the enterprise. Military decisions frequently are of this type.

(2) *Rational Economics.* The cost of participation in the decision-making process must not be so high that it will outweigh any positive values directly brought about by it. If it should require outlays which could be used more fruitfully in alternative activities (for example, buying more productive though expensive equipment), then investment in it would be ill-advised.

(3) *Intra-Plant Strategy.*

(*a*) *Subordinate Security.* Giving the subordinates an opportunity to participate in the decision-making process must not bring with it any awareness on their part of unavoidable catastrophic events. For example, a subordinate who is made aware in the participation process that he will lose his job *regardless* of any decisions towards which he might contribute may experience a drop in motivation. Furthermore, to make it possible for the subordinate to be willing to participate, he must be given the feeling that no matter what he says or thinks his status or role in the plant setting will not be affected adversely. This point has been made effectively in the available literature.[13]

(*b*) *Manager-Subordinate Stability.* Giving subordinates an opportunity to participate in the decision-making process must not threaten seriously to undermine the formal authority of the managers of the enterprise. For example, in some cases managers may have good reasons to assume that participation may lead non-managers to doubt the competence of the formal leadership, or that serious crises would result were it to develop that the subordinates were right while the final managerial decision turned out to be in disagreement with them and incorrect.

(4) *Inter-Plant Strategy.* Providing opportunities for participation must not open channels of communication to competing enterprises. "Leaks" of information to a competitor from subordinates who have participated in a given decision-making process must be avoided if participation is to be applicable.

(5) *Provision for Communication Channels.* For participation to be effective, channels must be provided through which the employee may take part in

[11] For analytical purposes, this article differentiates between conditions regarding the dynamics of participation as a psychological process and all conditions outside this psychological participation-to-motivation link. The latter category of conditions is treated under the present heading.

[12] See Chester I. Barnard, *Organization and Management* (Cambridge, 1948), p. 48.

[13] See McGregor, "Conditions for Effective Leadership in the Industrial Situation," *passim.*

the decision-making process. These channels must be available continuously and their use must be convenient and practical.[14]

(6) *Education for Participation.* For participation to be effective, efforts must be made to educate subordinates regarding its function and purpose in the overall functioning of the enterprise.[15]

It must be stressed that the conditions stipulated in this section are dynamic in their own right and may be affected by the very process of participation as well as by other factors.

[14] For a rigorous mathematical treatment of channels of communication within groups see Alex Bavelas, "A Mathematical Model for Group Structures" (*Applied Anthropology,* Summer, 1948, pp. 16 ff.).

[15] See French, Kornhauser, and Marrow, "Conflict and Co-operation in Industry," p. 30.

FOURTEEN

Leadership

INTRODUCTION

Complexity and size of organization lead to the development of bureaucratic forms of administration. We have traced this development by considering organization office and the division of labor. In Chapter 10, we developed the theory of bureaucratic administration and pointed out its inherent strengths and weaknesses.

Throughout the section of the book covered by Chapters 6 through 10 and culminating in the theory of bureaucratic administration, we have assumed one important thing. We have considered the organization as having a directing head, a leadership involved in over-all coordination. Now we are in a position to examine the nature of this leadership and the processes that characterize leadership behavior.

Leadership in organizations involves the exercise of authority (see Chapter 12). It also involves making decisions for the organization. In Chapter 13, we focused our attention on the nature of such decisions, the organizational and environmental conditions that influence them, and the difference between delegating authority and sharing decision-making with subordinates.

The substance of the preceding chapters dealing with power, authority, and decision-making is this:

Order in society is grounded in power. The organizations of society institutionalize power and are the means for carrying out the ordered and regular daily activities of society. Within organizations, the activities of the members and functionaries must be directed in systems of cooperation and coordination. These coordinating functions are grounded in authority—the expectation that direction will be followed. Involved in coordination and the exercise of authority is organization decision-making by the authority-holder.

It follows from this that there are some basic dilemmas in democratic leadership that *flow from the organizational context in which leadership is exercised.* This is the central thesis of the first selection in this chapter. It is the nature of formal organizations that leaders possess authority and make decisions. How, then, can a formal organization be democratic in its administration?

This question has important practical implications for the management of all organizations of our society. In fact, it is one of the dilemmas of modern political democracy. It is not an insoluble dilemma.

If authority is based upon power, then the central area of contest in our society

is the possession of power. If authority is to be modified, then it is done through the shifting of power from one group of individuals or class members to another. We have examples of this in our own experience. The growing intervention of government in the multifarious aspects of our life, including business activity, is an important example of the shift of social power from private to public hands. Take another large area of our modern life. The extensive development of collective bargaining represents the transfer of power from one private group to another—from management to organized labor. These two examples are enough to make the point. The change in the authority structure of an organization comes about only with a change in the possession of power.

How does this tie in with our firm belief in democracy? The democratic state and democratic organizations are democratic because the leaders do not have unrestricted authority since they possess only limited power. Our whole constitutional system of checks and balances is one expression of this. Government regulation of business and the power of trade unions is another system of checks and balances that modifies private power.

It has been necessary to say what has just been said: there has grown up around the notion of "human relations" the idea that it is either some magical way to build democracy into organizations, or that it makes people willing subjects of manipulation. These are shallow and worthless ways to view the meaning of a "human relations outlook." The significant orientation to a human relations approach is to seek an understanding of how people behave *in* organizations. Members of an organization understand authority and leadership and their functions. The problem is not to destroy authority or get rid of leadership. That would inevitably destroy the organization itself. The real problem is to make leadership and the exercise of authority operate according to the accepted values and beliefs of our society.

We can put the argument another way. We are not saying that this is a rationalization of totalitarianism—fascist or communist variety. We are not saying that the nature of formal organizations or corporate groups makes dictatorship inevitable. We *are* saying that order in society and the institutionalization of order in formal organizations involve both exercise of authority and development of the offices of leadership.

There are four major aspects of leadership upon which we are focusing in this chapter. *First,* we examine the processes of leadership in an organizational setting. *Second,* we discuss one of the organizational features of structure characteristic of leadership—isolation in the organization. *Third,* we turn our attention to the recruitment of leaders. *Fourth,* parallel to our treatment of specialists in Chapter 8, we study some of the devices that leaders use in retaining their office.

DILEMMAS OF LEADERSHIP IN THE DEMOCRATIC PROCESS

CHESTER I. BARNARD *

Leaders as functioning elements of organization are not formally nominated, selected, elected, or appointed, nor are they born to leadership; they are accepted and followed; and are sometimes pressed or (rarely) coerced into leading. Indeed, I have never observed any leader who was able to state adequately or intelligibly why he was able to be a leader, nor any statement of followers that acceptably expressed why they followed. Also leaders historically and logically precede all systems of formal organization decision. They have been primary factors in the selection or adoption of every system of governance; but once established, such a system becomes a conditioning element of the functions of leaders and also a means by which their functions are carried out. This arises from the facts that positions of control are essential to the coordination of effort—a common element in all systems of governance; and that leaders must operate chiefly through such formal positions.[1] . . .

I. THE DILEMMA OF EFFECTIVE ACTION AND POLITICS

In an autocratic system of governance every leader or executive is constantly confronted with the dilemma involved in the fact that a specific aim most appropriate to the *purpose* of organization effort is in some degree out of accord with the means available for its accomplishment, that is, the human beings whose efforts are to be utilized. The choice to be made usually requires some modification of the ideal aim to one adapted to the capacities, emotions, and wills of the individuals whose efforts must accomplish it; and simultaneously some modification of the latter by training, precept, example, and inspiration. Thus there are involved initially nice questions of judgment of a technical character as to the range of acceptable aims on one side, and on the other, concerning the capacities and dispositions of the persons whose efforts are involved. Taking into account these preliminary judgments, leaders reach decisions in detail as to precise aims and as to the definite instructions, persuasion, and inducements necessary for effective cooperative effort. These decisions call for intimate knowledge and intuitive understanding based on experience, concentration, and skill on the part of the leader both as respects the technical situation and the human resources, that is, the individuals and groups whose efforts are to be utilized.

Either of the horns of such dilemmas usually will be modified where the democratic process is employed. The aim may be determined by this process, or the means—for example, the number of persons and rates of pay. The initial dilemma of the leader should be usually conceived as not relieved by democratic

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* Reprinted by permission of the publishers from Chester I. Barnard, *Organization and Management*. Cambridge, Mass.: Harvard University Press, 1948, pp. 39-47.

[1] See Chester I. Barnard, *The Functions of the Executive*. Cambridge, Mass.: Harvard University Press, 1938, chap. xv, pages 217-223. This book is referred to hereinafter as *The Functions*.

decision in either respect.[2] The task still remains of coordinating numerous efforts with precision to obtain a concrete effect. Indeed, it can readily be observed that the dilemma is frequently made more severe. Decision as to one part of the problem is often made without attention to the other part, because the requisite intimate knowledge and concentration and sense of the situation are not available to the individual participants in the democratic process. That process therefore in general adds a second dilemma to the initial one. It creates for the leader a trilemma. He must seek a concrete program of action which is at once adapted (a) to the technical (external) situation; (b) to the internal operative organization condition; and (c) to at least the majority abstract "democratic" opinion, and usually also to the minority opinions, both as to aim and means. The latter is the political factor. In principle it is ineradicable from the democratic process.[3]

The complication introduced by the political factor is so great that it has heretofore made impossible the direct use of the democratic method in determining most concrete activities. The exclusion of a wide field of activities from the application of the democratic process is so much a matter of course and so little consciously perceived that this statement of the nature of the political complications may seem theoretical and remote from observable events. However, it is well known that committees, boards, and legislatures frequently determine upon aims which cannot be accomplished under the conditions, or prescribe means which prevent their accomplishment, or establish conditions which destroy the power of effective leadership.

It is probable that unfavorable consequences of the political factor can rarely be avoided and that many situations theoretically available to the democratic process are for this sole reason not practicable of solution by it. The reasons are clear. The addition of the political to the more primitive factors of cooperative effort adds greatly to the complexities of leadership. These complexities may be regarded for illustration as increasing as the cube of the number of factors involved, so that they might be stated as of the order of three times as great under the democratic process as under an autocratic method. After much observation, due consideration, and some personal experience, I am of the opinion that the comparative difficulties of leadership under the democratic process are, in fact, of this order, having in mind the same standard of accomplishment of specific aims or of general aims where only short periods of time, say five years, are involved. Stated in reverse form, I believe the more general the purpose and the longer the period of time, the less important are the complications of leadership under the democratic process, *provided leaders in quantity and quality can be obtained to survive the short period burdens.*

This means that the democratic process in general will be less effective and less efficient, at least for short time periods, than autocratic processes *unless the quantity of leaders is greater and their quality better than would be otherwise sufficient.* It would be a great disservice to the ideal of democracy to underestimate this.

[2] Usually, in general, not always As later noted, sometimes the process of formal assent is an important and even necessary aid in securing willing subordination.

[3] It is in some degree usually present in any other process.

II. THE DILEMMA OF PERSONALITY AND POSITION

Effective leadership in organizations depends upon *leaders* of appropriate qualities on one hand and *a system of positions* to be filled by them on the other—upon communicators in communication positions.[4] Usually only a few alternative schemes of communication or of official organization may be regarded as practicable at a given time; and usually personnel available is limited. The most suitable combination of positions and personnel requires modification of the scheme of positions on one hand to meet the limitations of personnel, and on the other hand the selection of personnel with respect to the available schemes of communication. This is a fundamental problem of all cooperative effort under *any* method of governance. In the democratic process the dilemmas arise chiefly from three sources: (1) the scheme of positions must be relatively rigid; (2) the selection of leaders must be based in part upon political as distinguished from organizing abilities; (3) the subtleties in the precise combining of leader and official position are generally beyond the capacities of any democratic system.

1. Regarding the scheme of positions, it is clear that under any plan of operations it must usually be stable, not only from the standpoint of the convenience of administration but also from the standpoint of the habituation of organization and especially of the stability of constituent unit organizations.[5] But under the democratic process the changing of the scheme of positions introduces not merely confusion of ideas but also the political elements. Is it not apparent that this results in archaic administrative systems in democracies, and that reorganization is rarely effected without upheavals of serious proportion or difficult and disorganizing political conflicts?

2. Since leaders under the democratic process must function with respect to the political factor in addition to others, it is obvious that political abilities become important qualifications. But the appraisal of the latter by the democratic process is necessarily confused by lack of unity and the division into groups and parties which it probably requires. The difficulties are apparent. It is a generally valid criticism of the democratic process that it is relatively ineffective in selecting men on their merits for organization positions. (Perhaps political party organization positions should be excluded from this statement.)

3. This difficulty need not be ascribed solely to the party element in the democratic process. The extreme delicacy of the judgment of abilities required in complex situations and the destructive effect of open discussion of such matters on confidence itself—both of leaders and followers—are even more important, in my opinion, than the more obvious and tangible difficulties.

III. THE DILEMMA OF DIFFUSED RESPONSIBILITY

The democratic process involves not only a diffusion of responsibility within an electorate, but in addition it requires that leaders shall carry out policies of others. They are publicly blamed for faults not their own; and conversely, they are credited with false merits. Their influence with their followers is thereby weakened. Thus this process restricts the initiative, enthusiasm, and confidence of leaders and followers and greatly reduces the incentives to leaders and their personal responsibility. The

[4] *The Functions,* chap. xii, pp. 172-81.
[5] *Ibid.,* chap. viii, p. 104.

quality of leadership is reduced, and the quantity of leaders narrowed, under the very conditions which require that both should be increased.

There is a general disposition of the public and also of many politicians and public officials to assume insufficiency of leadership capacity upon the part of public officials appointed by the democratic process or of those directly dependent upon those so appointed. In my opinion the deficiency is at least greatly exaggerated. I do not rely upon such sentiments here. A small *proportion* of leadership positions is today filled by the democratic process—chiefly major public officials, officers of labor organizations, social organizations; also principal officers of corporations and universities—but as to these classes the process is often nominal. This makes it quite possible that adequate leadership is available in this limited degree despite the depressive effect of the democratic process on the ambitions of persons otherwise competent to lead. The important measure of the effect of the irresponsibility of the democratic process would only be indicated by what we might expect if a large proportion of important organization positions were to be filled by this process. I believe that a much wider extension of the democratic process to the formally organized efforts of our society—so far as appointments are concerned—would quickly break down through the inability to secure the much higher quality and the quantity of leaders then necessary. It should be noted that the proportion of positions filled democratically has probably been decreasing in major degree in recent years due to the extension of civil service systems, the development of large-scale corporations, the exceedingly "practical" methods of continuity of tenure in some other organizations, the increasing extent of perfunctory legislative approvals of "career" men, and the rapid spread of "administrative law," not only in government but—under other conceptions or names—in corporations.

It may not be clear why the *quantity* of leaders is so much affected. This arises partly from the greatly increased time required of leaders by the democratic process—their exposure to trivial or embarrassing interviews or interpellations, for example. It also arises from the necessities of purely political organization and the mechanical aspects of the democratic process—the voting process, meetings fixed in advance, etc.

* * * *

It would be shamefully stupid to underrate the dilemmas of the democratic process as they affect the selection and development of leaders or as they discourage followers, thereby diminishing cohesion and coordination. They are by no means decisive when contrasted with the corresponding dilemmas of other processes, and for many situations the democratic process seems clearly superior to others. But probably for many situations it is so inferior that it is in practice impossible, and this should be definitely recognized.

THE ADOPTION OF SYSTEMS OF GOVERNANCE

Notwithstanding that in practice the democratic process is persistently subject to major dilemmas such as I have described, yet this process is widely used with success and satisfaction. However, a similar statement may be made respecting other methods of government. What determines fundamentally the choices in great and small organizations? How is it that the democratic process is adopted when no democracy

is available to determine its adoption? How is it that it is abandoned despite the interests that become vested in it? In what way are determined the limits of fictions and of circumventions attendant upon the democratic process—and upon others as well—that seem to permit their nominal retention notwithstanding their *de facto* abandonment?

The answer to these questions refers to the informal processes of cooperation that underlie all formal processes. The answer is that the formal system is confirmed by the conformatory behavior of leaders and followers jointly. A silent "democracy of behavior" determines all systems of government, public or private. Not what the King says but how he acts, not what his subjects say but what they do, determines this question. If he in fact leads, and they in fact follow, he is King, they are subjects. And if they call him King and themselves subjects, but decide their course by a Parliament and execute it through its leaders, they are using the democratic method. What men will and can do decides the issue. They can and will use the democratic process under some conditions; they cannot or will refuse to do so under others. In conditions of complexity, or great danger, or rapidity of action, they have rarely been willing or able to follow a committee or to elect a leader, as for example in battle. John Locke [6] clearly recognized this when he said that there can be no judge on earth to determine for the specific condition whether prerogative, i.e., the autocratic process, is properly used as against the democratic process, although the people by informal processes "have reserved that ultimate determination to themselves which belongs to all mankind, where there lies no appeal on earth, by a law antecedent and paramount to all positive laws of men. . . ."

If a system once accepted destroys that mutual adaptation of behavior of leaders and followers—either because it reaches ineffective decisions, or destroys leadership or divides followers—then disorganization, schism, rebellion, or conformance to a new system ensues. This is a doctrine, however, that no formal government whether autocratic or democratic, public or private, can apparently admit in principle, without destruction of the sense of legality and legitimacy which cooperating men seem universally to require. This is the fundamental dilemma of all systems of governance.[7]

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[6] *Treatise on Civil Government,* "Of Prerogative," final paragraph.

[7] Cf., *The Functions,* chap. xii, "The Theory of Authority."

In the next selection we deal with a characteristic feature of top leadership in an organization. The leader tends to be deliberately isolated from contacts outside the organization. Moley, one of the original advisors to Franklin Roosevelt and now a publicist, calls our attention to this situation surrounding the Presidency of the United States. It has been said that this executive isolation "not only breeds a parochialism of the imagination comparable to the 'military mind' but places a considerable premium on it."[1] You will recall from Chapters 8 and 10 the devel-

[1] Peter F. Drucker, *Concept of the Corporation.* New York: John Day Company, 1946, page 88.

opment of the concept of "trained incapacity." In the isolation of the executive, we see one of the organizational processes leading to the top executive's trained incapacity to see the facts as others see them.

PRESIDENTIAL ISOLATION

RAYMOND MOLEY *

Mr. John Hersey is a very capable reporter. He proved that in his remarkable story of the effects of the bomb upon the people of Hiroshima. His literary capacity was demonstrated in his "A Bell for Adano."

He has now produced a detached account of the daily activities, the interests, the casual comments and personal philosophy of Harry S. Truman, current incumbent of the presidential office. This account is running serially in "The New Yorker" magazine.

Hersey is true to his faith as a reporter. There are none of his personal views. He conforms to Othello's directive, "Nothing extenuate nor set down aught in malice." He permits the President to reveal himself.

To this reader of Hersey's account, the most illuminating part describes a typical Truman day, from dawn to sleep. Since I had a similar opportunity to observe the detailed activities of President Truman's predecessor, I would conclude that the Hersey account represents fairly standard presidential routine. And this story reinforces a conclusion which I reached long ago, that a President, despite ample facilities, lives in an atmosphere of unreality—a never-never world.

The day began when the President, before breakfast, read a long report from his economic advisers—gentlemen, incidentally, who know exactly what they want the President to know. Then he had a conference with his secretaries and other members of his staff. They had messages and papers to give him, interspersed with wisecracks.

Then he met a congressman who wanted something for his state. Then there were two "hollow-eyed lame-duck congressmen" who wanted jobs. Then the ambassador to Cuba came to tell the President that the President of Cuba was strongly in favor of the Truman foreign policy.

Then a group from New York to give the President an award, and pictures were taken. Then came the chairman of the National Resources board, who told the President something about minerals. Then there was lunch, and then a nap.

Then there was paper-signing for a while. Then a meeting with the security council, which was secret. Then a senator who wanted some appointments, some regional defense offices for his state. Then came Democratic Chairman Boyle, with a batch of recommendations for jobs.

Then a glance at the budget message, and more documents to be signed. Then the President went back to Blair House and over "two old-fashioneds each" and supper, he talked over the budget with

* From the syndicated newspaper column published May 6, 1951 in the *Champaign-Urbana Courier*. Copyright by The Bell Syndicate, Inc. Used by permission.

Secretary Snyder. Finally to bed and to sleep over the budget.

Since this is a typical presidential day, it may be asked when in all these contacts the President gets straight information about what the sentiment of the country really is and what is really going on in the vast domain over which he presides. Everybody either wants something or is dependent upon amiability and acquiescence to keep his job. Nobody in this long succession is going to tell the whole, unvarnished truth.

Even the four newspapers that Hersey says the President scans are favorable to his policies.

Is it small wonder, after day after day, month after month, and year after year, that the President thinks he is doing well, because "everybody" says so? And that finally he believes that what is right is what he says, and what he says is what is right?

That is why it is a blessing to limit his term of office. And to bring to this office a fresh mind—a mind which will, in turn, be the victim of the same process of mental auto-inoculation.



There is an important segment of the field of personnel administration that deals with selection of executives and leaders. We are not here concerned with the admittedly great problems of finding round pegs to fit in round holes. In the following selection, by Selznick, we will examine a significant process of organization that leads to the selection of certain kinds of organization leaders.

Selznick calls our attention to the fact that an organization may be threatened when at least some of its members no longer consent to be governed by the existing leadership. Under such circumstances, the incumbent leadership may often act to bring into its ranks leaders of the dissident forces. By this technique the insurgent group may be brought back into allegiance to the organization. This process works itself out in a number of different ways in the organization, as Selznick suggests. An example that characterizes the process is the instance of a business merger where top executives of the newly acquired unit are taken into the leadership of the parent company. This may be dictated, at least in part, by the established leadership position of the executives in the newly acquired unit. With their transfer to the parent organization, the sentiments and loyalties of their employees are likely also to transfer more readily to the parent company.

We might look at the process analyzed by Selznick as the opposite of the old adage—"if you can't beat 'em, join 'em." To parallel that phrase, we might say, "if you can't beat 'em get 'em to join you." The first looks at it from the standpoint of the outsider; the second, from the standpoint of the insider.



STRENGTHENING LEADERSHIP—COOPTATION

PHILIP SELZNICK *

Cooptation is the process of absorbing new elements into the leadership or policy-determining structure of an organization as a means of averting threats to its stability or existence. This is a defensive mechanism, formulated as one of a number of possible predicates available for the interpretation of organizational behavior. Cooptation tells us something about the process by which an institutional environment impinges itself upon an organization and effects changes in its leadership and policy. Formal authority may resort to cooptation under the following general conditions:

(1) When there exists a hiatus between consent and control, so that the legitimacy of the formal authority is called into question. The "indivisibility" of consent and control refers, of course, to an optimum situation. Where control lacks an adequate measure of consent, it may revert to coercive measures or attempt somehow to win the consent of the governed. One means of winning consent is to coopt elements into the leadership or organization, usually elements which in some way reflect the sentiment, or possess the confidence of the relevant public or mass. As a result, it is expected that the new elements will lend respectability or legitimacy to the organs of control and thus reestablish the stability of formal authority. This process is widely used, and in many different contexts. It is met in colonial countries, where the organs of alien control reaffirm their legitimacy by coopting native leaders into the colonial administration. We find it in the phenomenon of "crisis-patriotism" wherein normally disfranchised groups are temporarily given representation in the councils of government in order to win their solidarity in a time of national stress. Cooptation is presently being considered by the United States Army in its study of proposals to give enlisted personnel representation in the court-martial machinery [1]—a clearly adaptive response to stresses made explicit during the war, the lack of confidence in the administration of army justice. The "unity" parties of totalitarian states are another form of cooptation; company unions or some employee representation plans in industry are still another. In each of these cases, the response of formal authority (private or public, in a large organization or a small one) is an attempt to correct a state of imbalance by *formal* measures. It will be noted, moreover, that what is shared is the *responsibility* for power rather than power itself. These conditions define what we shall refer to as *formal cooptation.*

(2) Cooptation may be a response to the pressure of specific centers of power. This is not necessarily a matter of legitimacy or of a general and diffuse lack of confidence. These may be well established; and yet organized forces which are able to threaten the formal authority may effectively shape its structure and policy. The organization in respect to its

* From "Foundations of the Theory of Organization," *American Sociological Review,* 13:34-35 (Feb. 1948). Copyright by the American Sociological Society. Used by permission.

[1] Since the writing of this article the change has been made by the Army. [Ed.]

institutional environment—or the leadership in respect to its ranks—must take these forces into account. As a consequence, the outside elements may be brought into the leadership or policy-determining structure, may be given a place as a recognition of and concession to the resources they can independently command. The representation of interests through administrative constituencies is a typical example of this process. Or, within an organization, individuals upon whom the group is dependent for funds or other resources may insist upon and receive a share in the determination of policy. This form of cooptation is typically expressed in informal terms, for the problem is not one of responding to a state of imbalance with respect to the "people as a whole" but rather one of meeting the pressure of specific individuals or interest-groups which are in a position to enforce demands. The latter are interested in the substance of power and not its forms. Moreover, an open acknowledgment of capitulation to specific interests may itself undermine the sense of legitimacy of the formal authority within the community. Consequently, there is a positive pressure to refrain from explicit recognition of the relationship established. This form of the cooptative mechanism, having to do with the sharing of power as a response to specific pressures, may be termed *informal cooptation.*

Cooptation reflects a state of tension between formal authority and social power. The former is embodied in a particular structure and leadership, but the latter has to do with subjective and objective factors which control the loyalties and potential manipulability of the community. Where the formal authority is an expression of social power, its stability is assured. On the other hand, when it becomes divorced from the sources of social power its continued existence is threatened. This threat may arise from the sheer alienation of sentiment or from the fact that other leaderships have control over the sources of social power. Where a formal authority has been accustomed to the assumption that its constituents respond to it as individuals, there may be a rude awakening when organization of those constituents on a non-governmental basis creates nuclei of power which are able effectively to demand a sharing of power.[2]

The significance of cooptation for organizational analysis is not simply that there is a change in or a broadening of leadership, and that this is an adaptive response, but also that *this change is consequential for the character and role of the organization.* Cooptation involves commitment, so that the groups to which adaptation has been made constrain the field of choice available to the

[2] It is perhaps useful to restrict the concept of cooptation to formal organizations, but in fact it probably reflects a process characteristic of all group leaderships. This has received some recognition in the analysis of class structure, wherein the ruling class is interpreted as protecting its own stability by absorbing new elements. Thus Michels made the point that "an aristocracy cannot maintain an enduring stability by sealing itself off hermetically." See Robert Michels, *Umschichtungen in den herrschenden Klassen nach dem Kriege* (Stuttgart: Kohlhammer, 1934), p. 39; also Gaetano Mosca, *The Ruling Class* (New York, McGraw-Hill, 1939), p. 413 ff. The alliance or amalgamation of classes in the face of a common threat may be reflected in formal and informal cooptative responses among formal organizations sensitive to class pressures. In *TVA and the Grass Roots: A Study in the Sociology of Formal Organization,* Berkeley and Los Angeles: University of California Press, 1949, the author has made extensive use of the concept of cooptation in analyzing some aspects of the organizational behavior of a government agency.

organization or leadership in question. The character of the coopted elements will necessarily shape (inhibit or broaden) the modes of action available to the leadership which has won adaptation and security at the price of commitment. The concept of cooptation thus implicitly sets forth the major points of the frame of reference outlined above: it is an adaptive response of a cooperative system to a stable need, generating transformations which reflect constraints enforced by the recalcitrant tools of action.

One of the characteristics of leaders in an organization is the ability to choose their own successors. There is an important social process involved in the selection and grooming of future organization leadership. We call the process *sponsorship.*

In the next two selections, sponsorship is examined in detail. Hughes examines sponsorship in developing industrial leadership. He shows what happens in newly industrialized countries to which industry has been brought by managers and capital from other countries. He finds parallel behavior in an examination of American industry today.

Collins shows us in detail the way in which sponsorship operates in a New England industrial plant. You will note that sponsorship played a role in filling jobs throughout the management organization of this plant.

In addition to the central consideration of sponsorship, Hughes raises some interesting questions about ambition and mobility in industry. Every organization needs its "Thank God for" people, as he indicates. To what extent does sponsorship of a selected class of individuals to fill the management positions act as an effective block to the ambitious but unacceptable people? To what extent does management say it wants everyone to be ambitious when it means that it wants only certain acceptable kinds of people to display an ambition to "get ahead?" You will want to refer back to our discussion of motivation in Chapter 3, and to relate the sponsorship process to its impact on motivation.

AMBITION, MOBILITY AND SPONSORSHIP

EVERETT C. HUGHES *

Considerations of structure and mobility . . . raise questions concerning the fundamental ideology of industry. For industry in the Western world promoted an ideology of mobility, that is, of ambition. In the colonial world, ambition is often regarded as unjustified and dangerous. Even in the Western world, managers speak with nostalgia of the unambitious first-generation of Poles, French-Canadians or peasant-workers of other ethnic groups;

* From "Queries Concerning Industry and Society Growing Out of Study of Ethnic Relations in Industry," *American Sociological Review*, 14·218-220 (April 1949). Copyright by the American Sociological Society. Used by permission.

people who were content with their jobs, willing to work hard without hope of advancement. Of course, such people often had objectives outside industry to keep them at work and content; notably, the desire to save money for buying property. In spirit, they were not completely industrialized. A second or later generation which insists on advancement within industry is compared unfavorably with their fathers. The hostile reaction of many managers to ambitious Negroes is too well-known to require documenting.

Here is apparently a contradiction: Industry encourages ambition, and complains a good deal about lack of it. On the other hand it praises some people for not having it, and complains of others who do. This raises another general question: just how much ambition does an industrial organization want, and in how many people and in what kinds of people does it want it? In the colonial world, there is generally a limit on the possibilities of promotion for persons of each ethnic category, although this may change through time. For certain kinds of work, it may actually be to the advantage of industry to hire only people whose ambitions are directed to goals completely outside the industrial system. For others, they may want ambitious people. There may, however, be some balance between the proportion of ambitious and unambitious people which works best even in the oldest of the industrial regions. A clue appears in a phrase current in a large concern in this country. They have a breed known as the "Thank God for" people; the unambitious people who can be counted on to stay where they are, and who keep things running while others are busy climbing the mobility ladder from one job to another. Analysis might show that in the mother-countries of industry some adjustment between symbol and reality has occurred, so that a large proportion of workers may give lip-service to the mobility ideal, but not too many take it seriously.

Just what proportion of ambitious workers industrial organizations of various kinds can tolerate is a question which merits comparative analysis, although it may be difficult to make the necessary observations in a society where people generally claim to believe in ambition and to be ashamed of lack of it. In colonial regions, the talk on the subject is often franker.

I have already noted that ethnic exclusiveness tends to develop at all levels of colonial industrial hierarchies. The dominant managerial and technical functions remain pretty much in the hands of the founding ethnic group. Sometimes a European group of skilled workers, as in South African mines, holds to its level of jobs and succeeds in excluding the natives. In the less skilled jobs, some groups of natives may manage to keep out others. Even in American industry, such a tendency shows clearly. A number of forces apparently play upon hiring and selection to reinforce or to break up this tendency. If I were to venture an hypothesis it would be something like this: the tendency to exclusiveness is present in all organizations, and in the segments thereof, but the power to maintain it varies. In industry, the necessity of keeping a full labor force operates against exclusiveness in those categories where large numbers are required; generally, the lower levels of skill. The people at these levels have little or no formal power of hiring. They have, in varying degree, informal power of selection and rejection.

The people in the higher levels of the hierarchy have the power to keep

their own ranks ethnically exclusive. In the colonial or semi-colonial industrial regions, management often quite frankly talks of the necessity of keeping management in loyal hands; that is, in the hands of people closely identified with one another by national sentiment as well as by general cultural background. In the mother-countries of industry, one does not hear such talk, but it is possible that the mechanism operates without people being aware of it. It may operate through the mechanism of sponsoring, by which promising young people are picked and encouraged in their mobility efforts by their superiors. In the course of their rise, they are not merely given a technical training, but also are initiated into the ways and sentiments of the managerial group and are judged by their internal acceptance of them. Ethnic, national and class loyalty are undoubtedly factors in the original choice of people to be sponsored and in their later rise. In the Western world individuals ethnically different from those at the top of management may be drawn into the sponsorship circle, but in the course of it effectively lose all symbols of identification with the ethnic group from which they have come and take on those of the receiving group. Where skin-color and other racial features are involved, this is not so easy to do. Thus, while modern industry is opposed to nepotism, as contrary to the choice of the best people in an open market, as an operating organization it tends to hold power in the hands of a group whose new members are picked from among people thought to be loyal not merely to the particular organization but to the management class and its culture. In the selection and sponsoring process ethnic background plays a large part.

The sponsoring power of lower ranks may be less, but is by no means lacking in many situations. Coal miners and railroad workers notoriously have great sponsoring power. And even in the colonial regions the members of an ethnic group or clan, or the inhabitants of a village, may have, in effect, the power to recruit new workers. In a sense, when industry brings in some new ethnic group it has to do it in opposition to the present workers. The actual ethnic composition and changes therein seem then to be a resultant of the operation of demand for new help against the exclusive tendencies of the various segments of the existing working organization. The search of modern industry for new help that can be used with profit has certainly been active and persistent. On the other hand, for a given kind or level of job, the field in which the search is made may be limited by management's own state of knowledge and sentiments. Certainly the evidence is clear that in the colonial regions, and to some extent in the mother-countries, there grows up a body of belief about the special working qualities of various ethnic groups. These stereotypes, which may or may not correspond to the facts, act to limit the vision of those who select help and who initiate sponsorship In a sense this is like any marketing situation, in that the bargaining of the marketer is limited by his own knowledge and sentiments. The role of sentiments is, however, made somewhat stronger in the hiring and utilization of human labor than in the buying and selling of inanimate commodities by the fact that the human labor is, so to speak, consumed by industry. Industry is not a labor broker, for it uses the labor to build a continuing organization for work; it must live with its laboring people. And in the course of working together the social and political processes

get under way as they do in any organization. Industry thus considers its people not merely as technical help, but as actual or potential participants in a struggle for power within industry and society, and as potential close colleagues (or as unfit to be such). When one takes these points into account, many of the contradictions and paradoxes in the behavior of industrial management and workers begin to move toward possible solution. A complete resolution of them might be approached by systematic comparison of the various situations in which industry has operated. I suspect that in such comparison racial and ethnic differences will act as a sort of litmus paper to bring out characteristics and processes which might otherwise be overlooked.

SPONSORSHIP AND REJECTION

ORVIS COLLINS *

There is fairly general agreement that within the factory the *job,* with its implicit reference to skill, income, and social "connections," is the most important criterion used by individuals for ranking themselves socially. "Job" is an all-inclusive term. It includes not only major differences in work (such as those between foreman and safety engineer) but also such subtle differences as the round of work performed by two men on identical machines but handling different types of materials. Among workers, assignment to a particularly easy job will usually call forth the envious comment: "That's not a job, that's a position"; or "Since when have they been pensioning guys your age around here." Among supervisors and members of management jobs are often measured—in the course of conversation—in terms of responsibility, the number of individuals placed under the job-holder in the formal plant hierarchy, or the amount of freedom to move about which the job allows the individual. The advantages and disadvantages of certain jobs are discussed again and again. Therefore, examination of the phenomena which are a part of job occupancy and of promotion is relevant to the study of factory social structures.

It is one of the shibboleths of modern management that advancement from job to job must be based on efficiency. By "efficiency" is meant the capacity to do work. Management argues that, if an institution is to continue to function, the majority of its members (in this case job-holders) must have at least a minimum capacity for performing their individual functions. Within the factory such attributes as physical strength, education, and age are all at one time or another implied by the term "capacity to do work." To a production engineer a division of labor is necessary, since, for one reason, a 200-pound male can perform certain work more efficiently than a 110-pound female; a man of thirty is able to perform certain physical tasks too great for the strength of the average man of sixty-five; and a

* From "Ethnic Behavior in Industry: Sponsorship and Rejection in a New England Factory," *American Journal of Sociology,* 51: 293-298 (Jan. 1946). Used by permission of The University of Chicago Press.

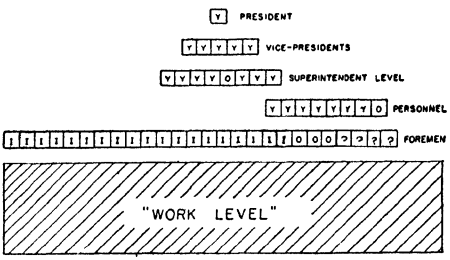
graduate of an engineering school can perform work involving mathematics quite beyond a person who left school in the eighth grade.

Once, however, several candidates are admitted to possess the technical efficiency required for performance of the work, other qualifications become important. And at Somerset, a New England factory, the most important of these is the ethnic identification of the individuals involved. In this factory individuals must be ethnically qualified to hold certain jobs, a circumstance which has resulted in the development of a pattern of ethnic job expectations, sponsorship, and rejection. This paper is an analysis of the system in operation, with a description of the maneuvers which accompanied attempted promotions on the part of one group and those which accompanied successful or unsuccessful attempts to reject these promotions.

I gathered the information which will be used to demonstrate the presence and functioning of this system during two years while employed as a workman at Somerset, a management-owned industry employing a labor force which varied between 1,800 and 2,000. Officially I was first a moveman and later a cutting-machine operator. While these were my formal duties, I was also editor of the union local's news-bulletin, secretary of the Labor-Management Committee, and a member of the contract-negotiating committee. Thus it was possible for me to observe the interrelationships of the plant system at crucial points at which labor interacted with management.

The give-and-take of negotiating, the intrigue attendant upon advancing both group policies and the personal ambitions of union leaders, the "horse-trading" among union cliques and between labor and management, and the pressures used by each group to keep its own members in line are all an integral part of the factory social system which cannot be better reached by more formal techniques of research. Herein lies the peculiar advantage of what has been called the "participant-observer" techniques of investigation.[1]

JOB-ETHNIC HIERARCHY



Y = Yankee; I = Irish; O = Other than Yankee or Irish; ? = Not identified The non-Yankee at the superintendent level is a testing engineer. The non-Yankee member of the personnel group is a young Italian who does safety cartoons and acts as general errand boy.

I soon became aware of an ethnic structure within the factory; among my fellow-workers expression of this fact was often made. A Negro friend remarked, "You got to be a Mason or a Catholic to get anywhere around here." When I asked about one of the Irish foremen, a fellow-worker said, "With a name like Collins you'll fit with him all right." Later it became apparent that there existed at Somerset a clearly definable system of ethnic sponsorship in matters of promotion. The proposition here will be that, whatever other considerations may have been involved in the promotion of employees, one of the

[1] It is to be confessed that my role was often more participant than observer My note-taking was sporadic, discontinued sometimes for several months, but supplemented by a diary written each day. Copies of the plant news organ, committee reports, grievance records, and similar materials were gathered for future use.

key issues was always the ethnic identification of the individual proposed for promotion. Nationality or race was almost never explicitly declared to be a consideration in these situations but was always present.

Chart I is a representation of the ethnic-job hierarchy at Somerset. The letters *Y*, *I*, and *O* have been used to indicate three categories: Yankees, Irish, and Others. In the category "Others" are those individuals included in a labor force recruited from a community similar in ethnic diversity to that of "Yankee City." [2]

It should be pointed out that in such an urban-ethnic area family names are important as one of the most obvious ethnic symbols, but they are not always reliable as such. A newcomer to any group is immediately placed by his name. Later other factors may qualify or even nullify this early judgment. For this reason anyone who has lived in a New England urban area learns a new respect for the adage, "What's in a name?" Shea, for instance, may be the "handle" of a "lace-curtain" (or, for that matter, a "shanty") Irishman, but it was borne also by an eminent officer of the American Revolutionary Army. During my stay at Somerset there were three members of lower top management whose names seemed to indicate that they had other than good English blood in their veins. No matter, however, what may have been the indiscretions of their ancestors, Holzer, O'Brian, and Orlando had adopted all the Yankee symbols, including a typical Yankee abhorrence for what many Yankees consider a typical Irish invention—the union shop with its forced extortion of dues from factory employees. For this reason they have been placed on the chart as Yankee, rather than as Old German, Old Irish, and Old Italian.

Furthermore, wherever an ethnic status system develops, there is likely to develop a pattern of name-changing. During my stay at Somerset I think I heard this story, or variations of it, at least half-a-dozen times:

> You know the ditty,
>
> "Here's to Boston, the land of the bean and the cod
> Where the Cabots speak only to Lowells
> And the Lowells speak only to God."

Well, Judge So-and-so after a hard day at the bench during which he had taken care of numerous pleas by various foreign gentlemen came home and said to his wife:

> "Here's to Boston, the land of the bean and the cod
> Where the Cabots have no one to speak to,
> The Lowells speak Polish, by God."

For "Polish" is substituted "Yiddish," "Guinea" (Italian), "Russian," "Slovak," or the language of whatever ethnic group the storyteller may be using as his target. Such a story illustrates the feeling entertained by individuals of English-speaking stock about the "borrowing" of one of their most prized symbols by individuals socially subordinate but upwardly mobile.

But the same Yankees who defend this name symbol through ridicule at one time forced English names on newcomers to New England. Industrial organizations, and Somerset was very much among them, went in heavily during one period for what was called "hiring off the dock." Through the merits of this system the newly arrived European found himself possessed of (or by, if you choose) an already prepared lodging, a job, and a new name pronounceable by English tongues. The employers in turn obtained a new work-

[2] W. L Warner *et al*, "Yankee City Series," I, 211-26; II, 72-106; and Vol. III.

man whose peasant soul had not been besmirched by the Irish heresies of wages, hours, and working conditions. Tony Taylor, Joe Brown, and Chris Cook were typical recipients of such New England generosity.

For these reasons I have placed a question mark after some of the foreman positions. There were twenty-six foremen, and I do not feel that I knew enough about some of them to judge their ethnic identification.

Chart I indicates not only that certain jobs were held by the ethnically acceptable but that large areas of the plant hierarchy are almost completely occupied by members of one ethnic group. Jobs of managerial type are held by individuals of native or Yankee stock, and jobs of supervisory nature are held almost exclusively by Irish. "He is a foreman, although not Irish," is a succinct and commonly made statement of a Somerset pattern of expectation: the exception calls forth comment. One can see also that a member of top management, a superintendent, for example, can be expected to be a Yankee and that the personnel department is Yankee-monopolized.

If, then, the Irish- and Yankee-held positions as shown by the chart are separated by encircling, two sharply defined areas are set up. These areas quite clearly coincide with the management and with the supervisory areas of the factory structure. In the remaining portion of the chart are the individuals at the working level. As they are represented, they appear to be an undifferentiated mass. If, however, it were our purpose here to examine them more closely, we should find that there also are certain structures of job occupancy among the worker group.

Because this ethnic pattern of job occupancy has existed so long at Somerset (the company was established about 1890), an ethnic pattern of expectation has developed. What happens to the social organization and to the individuals when these expectations are upset? It should, I suppose, be pointed out that, when I speak of "job expectation," I have in mind not what the individual expects for himself (which is the usual meaning conveyed by the word) but the fact that a significant number of the people participating share the expectation that a person of certain identification will be promoted to fill a vacancy or a newly created job. In other words, this is a social, as distinct from an individual, expectation.

Since most of the foremen at Somerset are Irish, both Irish and non-Irish have come to expect newly appointed members of supervision to be Irish. This does not mean that all individuals in this position must be Irish, but it does mean that, when management appoints a non-Irish person to a supervisory job, it should be very sure that it has an especially good reason for making the appointment.

Since members of both management and labor have learned to recognize this system of ethnic job expectations and know fairly well how to adapt themselves to it, promotions are made year after year without, in the majority of cases, conflicts developing. But, when the pattern is violated, there is usually trouble.

Management, of course, has the formal prerogative of selecting whichever individuals it feels are capable of filling openings, and this is explicitly recognized by the union. Any action, therefore, which develops in opposition to a promotion is highly informal, as the following illustrates.

In the spring of 1942 the subforeman in charge of one of the special-treating work groups decided to go into the armed services. Sullivan had been "Old

Country" Irish and was exceedingly popular with his men. When he left, the management announced that a Yankee by the name of Peters was to replace him. Peters had been in the department a considerable length of time and seems to have been well liked by the other men. But, when I came to work on the second shift, I heard that there had been a threat of a walkout in the special-treating department. I do not recall the exact conversation, but most of the discussion was centered around Donovan, another employee of the department, who the men seemed to think should have been given the job.

A walkout materialized and lasted for one shift. From examination of the grievance records and through talking, a year later, with some of the principals involved, I was able to piece together this story:

When the president of the local heard that a walkout was threatened in the special-treating department, he and the business agent made a tour of the plant and, according to the story they told, informed all employees that the walkout was "wildcat" and not supported by the local. According to the president of the company, however, the labor leaders did not actively discourage the walkout —but informed the workmen that the local was "neutral."

A formal grievance was lodged with management charging that Donovan had been discriminated against. Obviously the local did not have a legal leg to stand on, since the right of promotion is vested in management. I do not know that either side took the grievance statement seriously. The filing of the grievance merely served as an excuse for the men to return to work while the local handled matters through regular channels. But social pressure within a tightly integrated work group is terrific. Several days later Peters, the Yankee, failed to come to work, the report was circulated that he was ill, and management selected a man named Murphy to take over for him. Peters did not return to work, and Murphy was later made subforeman.

I was fortunate in having a chance later to talk over what happened with one of the members of the special-treating department. He explained it this way: "Management went over Conner's [the foreman's] head by making one of his subforemen for him. It wasn't right, and Holzer [the plant manager] knew it; but he did it anyway, and Conner couldn't make a peep. No [in answer to a question], we weren't backing Conner specially; we just did what was right."

The group rationalization seems to have been: It has always been the duty of the foreman to help choose his subforemen, but management appointed a subforeman, a Yankee, without consulting the foreman under whom he was to work. If Conner had not been cheated of this privilege, he would have insisted upon an Irish assistant. Donovan is Irish and the leader of the gang; therefore, it is up to us to see that Donovan gets the job by inducing the Yankee, Peters, to leave. But if Murphy gets the job that's all right because he is Irish, too. That is the sort of situation which arose when management failed to promote in accordance with the expectations of the individuals involved. In this instance the labor group clearly demonstrated its ability to reject a promotion which did not fit into the ethnic pattern.

Incidentally, Murphy and Donovan "fitted" and were friendly after this episode. They were seen together constantly at the bowling alleys. One inference might be that Murphy had aided rather than injured Donovan by accepting the job. Another Yankee chosen to replace Peters would probably have had a rather rough time of it.

It is significant, however, that no opposition is given to Yankees promoted to fill jobs within the area of the hierarchy dominated by Yankees. At Somerset staff jobs of a certain type are distinguished by the term "administrative." Personnel jobs are always spoken of as "administrative," and jobs of this sort are pretty well monopolized by Yankees. Accordingly, when wartime expansion made necessary a series of new administrative posts, the management without exception selected Yankees to fill them. Fawn, for instance, who had worked several years in the rubber-treating department as a clerk, was chosen safety engineer. Stillwell, who had been a clerk in the container department, was placed in charge of a foreman-training program. And, most significant, the man appointed director of the newly organized personnel department was an engineer by the name of Ball. Each of these men had two things in common. They were not from the labor group and they were Yankees. For these reasons promotion through the supervisory structure had been pretty definitely closed for them. What, however, was the non-Yankee attitude toward them as recipients of the new jobs? They accepted the three men because they were well liked by the foremen and by the union leaders, the two most important non-Yankee groups.

Sometimes, when a new job is created, the people involved are not sure whether it is a supervisory or an administrative position. This does not often happen, but I was able to observe one such incident.

During wartime expansion Somerset had overlooked the need for improved toilet and janitorial facilities. In one of the earlier labor-management meetings a discussion of these conditions was introduced, and after several weeks of debate, of "kicking the thing around," it was agreed that a new department should be organized under the auspices of the safety and health subcommittee of the Labor-Management Committee. This new department was to be known as the "Central Janitor Service," and the janitors from each department were to be reassigned to it. Management agreed that if the safety and health subcommittee (one of whose members was the vice-president in charge of production) was to assume responsibility for plant cleanliness, management would not interfere with its running of the janitor service without the prior approval of the central group of the Labor-Management Committee.

This was an explicit but verbal agreement between management and labor. At first blush it seems impossible that a misunderstanding could arise. But the project immediately hit a snag. The labor members insisted that the choice of a "janitor foreman" was in line with the other duties of the safety and health subcommittee. Management was indignant: its prerogatives were being encroached upon. But after several caucuses management agreed that if labor would have candidates submit their names, management might select the new janitor foreman from among them. The labor nominations were, with one exception, both workingmen and Irish. Management rejected all of them.

Several days later management posted notices that applications for "Sanitation Engineer" would be accepted and immediately chose Roundtree, who was Yankee and a plant guard.

The repercussions were violent, but the appointment "stuck." By changing the title of the new job from "foreman" to "engineer," management had removed the job from *supervision* to *administration*. It was clear that if the job could

be placed under administration, it was entirely different from what labor had conceived it to be. Through the mechanism of a change of title, management had upset the social logic by which labor had concluded that the job was supervisory and should be secured for an Irishman. Labor's argument had lost its force.

This analysis of three situations has illustrated the functioning of a system of ethnic sponsorship and rejection in one New England factory. The system is part of the social matrix in which it appears and not an isolated phenomenon. Examination of promotion situations in other factories in which clearly defined ethnic job stratification exists should yield information of value to students of the social structure of industrial organizations.

The final point we want to develop in considering leadership is the nature of the devices used by leadership to retain organization office. Selznick deals with this in penetrating fashion. The introductory portion of his selection has been retained because it serves as a convenient summary of some of the central ideas being discussed in this book.

Few leaders are self-effacing and shun the office they hold. Most of them not only cherish the office but also their incumbency in it. A leader does not have only to be effective to be retained in office. He sometimes has to work at it, too. Selznick shows us some of the leader's devices in retaining his office, once there. The discussion involves the kind of organization in which the leader is formally selected from the membership by democratic means, but many of the generalizations extend to organizational leadership wherever found.

THE LEADER AS AGENT OF THE LED

PHILIP SELZNICK *

Let us examine a concrete type of bureaucratic situation, that which opposes a bureaucratic leader to the rank and file for which he is formally an agent. This situation tends to arise whenever a group of people organize for the attainment of shared objectives, with the additional aim of conducting their organization along democratic lines. Common examples are political parties, trade unions, a national political democracy.

(1) The need for the delegation of functions to a leader arises from the pressure of the wide range of problems, with which every individual must deal in his social existence, against strictly limited time and ability as well as against the social pressures which limit the exercise of certain functions to only some personality types and to members of only some classes. Even in a small group, individual differences in terms of aptitude for the various functions of organized effort (speaker, writer, record-keeper, etc.) play an important role in creating a leader-ranks relationship.

(2) Another bifurcation of problems

* From "An Approach to a Theory of Bureaucracy," *American Sociological Review*, 8.51-54 (Feb. 1943). Copyright by the American Sociological Society. Used by permission.

arises from the fact that the problems and interests which impel men to organization are of a quite different kind from those which occur in running the organization. Whenever the ranks are needed to carry out the work of the organization, this gap becomes of real importance. Spurts in organizational effort on the part of the members occur when a direct connection can be seen between this organizational work and the reason for allegiance to the organization. Thus a political party can get "activity" when it carries on direct political propaganda —but the day-to-day task of keeping the party together, shaping its character, and strengthening its roots in various centers of power are tasks too far divorced from the original problems to stir most people from their ordinary way of living. In a political democracy, too, only heated contests over broad issues can really "bring out the vote," while the day-to-day changes which in the long run are decisive remain uninfluenced by the mass.

(3) There is a hierarchy of values attached to *kinds of work*. Thus even equality between a worker in a unionized plant and the union organizer, in terms of money, does not alter the situation. It is the kind of work involved which is valued above the work of the ordinary members. Not only is there the fact of being well-known (the prestige of bare celebrity), but the facts of having certain powers, however small, of being associated with the incumbent leadership and of being acquainted with the "mysteries" of organization are important. There are always men who *want* to be officials.

(4) Positive valuation of the office as such raises new problems for the bureaucrat. His interest in the ultimate purpose of the organization, or in the "common good," becomes subordinate to his preoccupation with the problems involved in the *maintenance* of his post. This is not the same thing as the attempt to hold on to an official sinecure; for in this case, the post is primarily a source of social prestige and power. In many cases, the leaders could obtain better positions financially in another field. The leader of a women's club who, *because she has a following,* is treated with respect by political or other socially important forces, has more than a merely well-paid position. A. J. Muste, in his discussion of factional fights in trade unions [1] deals with the problem of why a leadership seeks to maintain its status. He points to reasons such as those already mentioned: the positions are pleasant, the return to the shop is humiliating, the official tends to become less efficient in his old trade. In addition there are motives connected with what they honestly consider to be the good of the union. They feel that they are better (more competent, have a better policy) than the opposition and that they have given more to the union and deserve to be left in power. This is often quite sincere and even *objectively a correct appraisal.* For our purposes that changes nothing: whether honest or corrupt, the tendency is for leaders to use the same general procedures for the maintenance of their power. This ought not to be surprising: if the question of organizational dominance as such becomes directive in action, and the available means are limited, it is to be expected that the characters of their procedures would converge toward a common type, regardless of their ultimate reasons for desiring dominance.

(5) The delegation of functions introduces a relation of *dependence.* This

[1] "Factional Fights in Trade Unions," *American Labor Dynamics,* ed. by J. B. S. Hardman, New York, Harcourt, Brace, 1928.

is enforced by and perhaps directly dependent upon the *professionalization* of the work of the officialdom. To the extent that the necessary knowledge and skill are increased, the possibilities for replacement of the leadership are diminished. The existence of the organization itself becomes dependent on the continued functioning of the incumbent leadership. And so long as this is true, and the ranks still require the organization (or think they require it), their dependence upon the leaders becomes firmly established. This has nothing to do with the existence of formal (e.g. constitutional) procedures for replacing leaders; these may continue to exist, but they are relatively harmless to the intrenched leaders (because functionless) so long as the ranks fear the consequences of using them.

(6) In order to be secure in his position, the leader-bureaucrat must strive to make himself as independent as possible from the ranks. He must seek a power-base which is not controlled by them. He may attempt to derive his strength from an electorate more general than the party or union membership. Thus he will be able to follow independent policies by claiming that he has a responsibility to a broader base than the party ranks; and the ranks cannot do without his influence on outside groups. In a nation, an independent politician tends to cultivate those forces, such as a ruling economic group, which control the instruments which shape mass opinion as well as the electoral machinery, but which are not themselves controlled by the mass. It is a well-established political principle that a politician reacts most sensitively to those forces to which he owes the maintenance of his position; to the extent that forces can be developed apart from the electorate, he can—and often must, because he becomes dependent upon the new force—assert his independence from his formal constituency.

(7) The leader-bureaucrat must seek a personal base within the group itself: some mechanism directly dependent on, devoted to, or in alliance with him which can be used to maintain his organizational fences. A class base in a nation, a political faction in a trade union, paid gangsters, an elite guard, a secret police force, protégés and confidants—these are the weapons which he must use in order to be independent of the shifting sands of public favor.

(8) Because of this series of problems which the bureaucrat must face, his action in the name of the group, that is, that activity carried on to further its professed purposes, comes to have more and more a chiefly *internal relevance.* Actions are taken, policies adopted, with an eye more to the effect of the action or policy on the power-relations *inside* the organization than to the achievement of its professed goals. An organization drive in a trade union, party activity, legislative action, even the "activities program" of a club—all come to be oriented toward the problem of self-maintenance before possible onslaughts from the membership. Factors of "morale"—the condition wherein the ranks support the incumbent leadership—become dominant. *Bureaucratization is in a sense the process of transforming this set of procedures from a minor aspect of organization into a leading consideration in the behavior of the leadership.*

(9) Struggles within a group tend to become exclusively struggles *between leaders.* The masses (rank and file) play the role of manipulable weapons in the conflict between the controlling groups. The struggle for control between the initiators and the agent-officials is a very complex problem. The rank and file as a

group (and in an important sense the leader, too, because he has to build an apparatus which creates new problems for him) cannot exercise *direct* control. Even a struggle against an incumbent leadership must be carried on through intermediaries. When a faction is formed, it being an organization too, the relations which operated for the organization as a whole come to be effective within the faction. The faction leaders assert their dominance over their groups and come to grips with one another as leaders whose strength is measured by the forces they can deploy. There are, however, three ways in which the influence of the rank and file is felt in a democratic organization: (a) the threat of spontaneous rank and file action and of a consequent internal revolt makes the construction of bureaucratic power-relationships necessary as a preventive measure; (b) opposing faction leaders tend to champion the professed aim of the organization against the leaders who abandoned it, thus expressing, if temporarily, the desires of the rank and file; and (c) pressure groups, often spontaneous, which do not seek the seizure of the organizational reins, may influence the course of the leadership in directions desired by the mass. This last, however, has usually a limited measure of success precisely because no direct threat to the power of the leadership is offered. It is significant that tolerance of these groups is a function of the extent to which they are interested in "new leadership."

(10) The bureaucrats, like every other social type with a power-position to maintain, *construct an ideology* peculiar to their social position. The following general characteristics may be noted.

(a) By the identification of the particular administration with the group as a whole: playing upon the known desire of the ranks for the maintenance of the organization (national state, party, union, etc.), the leadership attempts to spread the idea that any opposition immediately places the very existence of the organization in jeopardy. In defending itself from attack, it tends to identify its opposition with enemies of the group as such. Thus opponents are "disrupters," "foreign agents," "agents of an alien class," and so forth.

(b) An incumbent leadership tends to adopt the ideology of *centralization*, while those out of office call for *autonomy*. The opposition wants to retain its dominance over the local groups or factions which it controls and in general desires to avoid increasing the power of the central authority; the concentration of the control of the organizational mechanism (jobs, equipment, finances) is especially to be avoided, although the minority may not object to that within its own domain. For the ruling group, on the other hand, it is convenient that its power, *especially* over the organizational mechanism, be increased; it is also desirable that the central powers have the right to step into the affairs of a local group dominated by the opposition, in order to be able to take the offensive against it within the center of its own power. Each side attempts to defend its view by appealing to the professed aims of the group as a whole. In an action organization, the leadership will stress the military aspect and the importance of centralization for disciplined action; the opposition will stress the importance of democracy. Although this rule is often broken, there is a tendency for *neither* side to discuss the matter on the basis of the power-motives involved, either in defense of their own view or in criticism of their opponents. This is not surprising, for that would create the

danger of exposing the irrelevance of the struggle to the overt aims of the group, which would inevitably result in alienating some of the ranks from both. They therefore sometimes form a pact of silence on these matters, carrying the discussion forward on the level of general principles, at the same time waging furious battle in the shadow-land of informal maneuver.

(c) The leadership creates the ideology of the "collective submission to the collective will." [2] The obvious necessity for the delegation of certain functions is generalized, and democracy is interpreted sufficiently broadly to include the notion that the group has the democratic right to abdicate its power. The leader, it is proclaimed, represents the "general will," and every action that he takes is justifiable on the ground that he is merely exercising the desires of the collective. Thus the symbol of democracy itself becomes an ideological bulwark of autocracy within the group.

(d) An existing leadership tends to don the mantle of *conservatism,* with its many variant expressions justifying the maintenance of existing conditions. Since, having the power they are responsible for the exercise of the basic functions of the group or state, they must abandon slogans which are characteristic of irresponsible minorities. The latter neeed not be considered merely a term of opprobrium; the fact is that a minority *can* be irresponsible because its function as an opposition is radically different from its function as an administrative leadership, manning and responsible for the conduct of the chief posts of a party or a state. In small groups too, the function of the critic may change, and with that his ideas as well, when he is faced with the *new* problem of carrying out a program.[3] It is also important to note that a party can be deeply conservative in some aspects and revolutionary in others: thus in the Marxist parties, factors in conservative ideology such as dependence on tradition, depreciation of youth, and rigidity in organizational procedure may go hand in hand with a thoroughly revolutionary program with respect to *outside* political events. Needless to say, the internal character of such an organization plays an important role if that organization achieves any great social influence.

The above discussion emphasizes certain characteristic tendencies in the organizational process. These tendencies are, however, analytical: they represent abstractions from concrete organizational patterns. To state these tendencies is merely to *set* a problem, for although they ascribe to organizations in general an *initial presumption of bureaucratic consequence,* it always remains to be determined to what degree the bureaucratic tendencies have become dominant. It may be said, indeed, that this is the way organizations will develop if they are permitted to follow the line of least resistance. That is what does happen, often enough. But in the real world of living organizations there is always the possibility of counter-pressure, of devising techniques for blocking the bureaucratic drift. The study of these techniques, which must be based on a clear understanding of the general nature of the problem involved, is one of the most pressing intellectual tasks of our time.

[2] See Robert Michels' excellent chapter on "Bonapartist Ideology" in his *Political Parties.*

[3] For material on the metamorphosis of leaders see Michels, *op. cit.,* and J. B. S. Hardman, "Problems of a Labor Union Somewhere in the U.S.," pp. 163-6 in his *American Labor Dynamics.*

FIFTEEN

Status

INTRODUCTION

We now have a picture of the organization as a social system in which there is specialization in terms of function, and differentiation in terms of authority. We know these distinctions exist because we can detect them in the different kinds of behavior that characterize various people in the organization. But we know that not all the behavior of each individual, while he is participating in the organization, is official behavior. Yet, in spite of this, we can usually tell where each person fits into the organization.

How can we do so? The answer is that we judge the position of an individual or a group in a system of positions by the marks of *status* that they possess. Status is the external markings and trappings that visibly distinguish and rank people in relation to one another.

To put it differently, status is an important kind of cement that binds an organization together. When authority becomes relatively stable, and when functional specialization is established, the development of status symbols for each position in the organization serves to institutionalize and regularize the structure. An established organization always has a status system.

There is another point about status to emphasize. Status is always evident in a system of rankings—there is no such thing as a solitary status. There always have to be two individuals or groups to compare. Furthermore, the comparison has to result in the conclusion that one is "better," "higher," "more important," than the other. Thus, we see that a status system is also a set of value judgments that ranks individuals and groups in relation to one another.

There is still another point about status in organizations: the status system covers all members of the organization. Every individual finds his rank in the system. Where there is no ascribed status for an individual or a group, there is a strain to assign status created in the organization.

We can now define status as follows:

it is a set of visible, external markings that systematically ranks individuals and groups in relation to each other, and that includes all the members of the organization some place in the scheme of rankings.

This definition does not exactly accord with the definitions of either Hughes or Barnard in their selections

of this chapter. Let us not quibble about definitions. What has been said in the previous paragraph summarizes, in the form of a definition, what Hughes and Barnard are talking about. We are concerned with *what* they are talking about, not with what they say they are talking about. The above definition seems to deal with the substance of what they are analyzing. If you think either one of their definitions, or even another, is better, by all means use it.

To summarize, then, the marks of status tell us *who* and *what* an individual is in an organization. If we know, in addition, the organizational office he occupies, we will also know *what he does* and the authority he possesses.

The following selection, from an article by Barnard, is a classic. You will be richly rewarded in reading it carefully.

Barnard distinguishes between functional status and scalar status. The first corresponds to specialization and division of labor along technical lines. The second corresponds to the structure of authority. This ties in closely with our framework of analysis.

There are three functions that Barnard notes for status systems in organizations. First, a status system facilitates communication. It does so in terms of establishing the legitimacy of the communication. You can readily see how this idea fits into our discussion of specialists in Chapter 8, and of authority in Chapter 12. The expert legitimizes his position to communicate as an expert by developing a specialized jargon and keeping nonexperts out of the field of specialty. In Dubin's treatment of authority in Chapter 12, he analyzes the bases upon which authority is made legitimate. Second, a status system provides an important form of incentive in an organization. This discussion can be related back to Chapter 3, where we deal with motivation. Third, a status system is a means for imposing and fixing responsibility among the members of an organization. In terms of our framework, status helps to define the office for the individual. We examined organization office in detail in Chapter Six.

This is another one of the key selections of this book. We have just indicated some of the interrelationships it has with other parts of the book.

FUNCTIONS OF STATUS SYSTEMS IN FORMAL ORGANIZATIONS

CHESTER I. BARNARD *

The following is a report of a preliminary inquiry into the nature and functions of systems of status in formal organizations. So far as I am aware this subject has not been given extensive consideration by students of organization. This neglect appears not to be due to failure to recognize the

* From W. F. Whyte (ed.), *Industry and Society*. New York, 1946, pages 46, 47-53, 55-67, 68-70. Copyright by The McGraw-Hill Book Company, Inc. Used by permission.

importance of problems of status in organizations but rather to failure to recognize that status is systematic, and that systems of status have a considerable degree of independence of other structural aspects of organization. Status systems are very closely related, for example, to systems of specialization, to systems of organization communication, and to systems of authority, so that differences of status have appeared to be incidental to these other structural aspects of organization and not to constitute a separate system. This view appears to be inadequate. . . .

I. THE NATURE AND TECHNICAL APPARATUS OF SYSTEMS OF STATUS IN FORMAL ORGANIZATIONS

By "status" of an individual in an organization we mean in the present text that condition of the individual that is defined by a statement of his rights, privileges, immunities, duties, and obligations in the organization and, obversely, by a statement of the restrictions, limitations, and prohibitions governing his behavior, both determining the expectations of others in reference thereto. Status becomes systematic in an organization when appropriate recognition of assigned status becomes the duty and the practice of all participating, and when the conditions of the status of all individuals are published by means of differentiating designations, titles, appellations, insignia, or overt patterns of behavior.

Two kinds of systems of status may be discriminated, both being simultaneously observed in nearly all organizations and being partly overlapping and interdependent. The first kind, which we shall call *functional* systems of status, is that in which status does not depend upon authority and jurisdiction but upon function. The ranks are vertically divided into lateral groups of different callings, trades, crafts, metiers, divisions of labor, specializations, and professions. One common characteristic of them all is the authority of command of one over another is lacking, or is irrelevant at least to the functional status. But this does not mean that functional statuses are equally valued. On the contrary, the variation is wide, from the "low" of common, unskilled, and casual labor, intermittently attached to organizations, to the "high," *e.g.*, of the expert accountant, lawyer, architect, physician, and clergyman. Though lateral differentiation of status is not confined to formal organizations, it is a characteristic of such organizations generally and especially of the larger organizations conspicuous for their elaborate divisions of labor.

Functional status is a general attribute. For example, merely performing carpentering at a given place, which would determine specific status varying for each individual from time to time and from place to place, is not what we mean by functional status. The "carpenter" is presumed by all to have certain capacities regardless of who he is or what he is doing and conversely is presumed to have limitations, *e.g.*, he is not authorized to give medical advice. It is the presumption of capacities and limitations without necessary regard to the immediate concrete activities of the individual that is the essential feature of systematic status. The emphasis is upon the potentialities of behavior, not necessarily upon the immediately observable behavior.

In the second kind of status system, which we shall call the *scalar*, status is determined by (1) the relationship of superiority or subordination in a chain of command or formal authority and (2) by jurisdiction. In this kind of

status system the primary relationships are customarily conceived as being along vertical lines, of above and below, of superior and subordinate. Status is distinguished by horizontal levels, and integration is by vertical groups, several such groups exemplifying a "pyramid of authority." It should be noted that status is a general attribute of an individual associated with the occupation of a usually rather narrowly restricted position. For example, a naval captain possesses certain prerogatives not enjoyed by those of inferior rank and is deemed qualified for positions for which those of inferior rank will not ordinarily be acceptable; but the position of command actually occupied at a given time will be confined to a particular ship or shore station or staff position, and the immediate authority and responsibility will be correspondingly restricted.

Although the status systems of general societies will not be treated in this paper, the close interrelation of general social status and status in organizations should be noted. Where in a general society a low status is assigned based, *e.g.*, on race, nationality, sex, age, education, ownership of property, or family, it is difficult in general to acquire high status in formal organizations in that society; and where there is high social status it tends to facilitate attainment of high organization status, though less so in democratic than in aristocratic societies. Conversely, those having low status in a formal organization are not likely to have high social status, though there are many exceptions; and those having high status, especially in important organizations, tend thereby to acquire higher general social status. The bearing of this is that if status systems are necessary in formal organizations, it is probable that they will extend into general social relationships, in greater or less degree depending upon the society.[1]

Nearly all members of formal organizations may be observed to be much preoccupied with matters of status; and the leaders or managers of such organizations are almost constantly concerned with problems of status for reasons that will be treated in some detail later. But to fix more clearly what we mean by status, it seems desirable to present briefly here the organization apparatus by which status is established and maintained. This apparatus may be described as of the following categories: (1) ceremonies of induction and appointment; (2) insignia and other public indicia of status; (3) titles and appellations of office and calling; (4) emoluments and perquisites of position and office; (5) limitations and restrictions of calling and office.

(1) The use of ceremonies of induction and appointment varies widely in different types of organizations. Ceremonial induction is common to all grades and ranks in military and religious organizations, is quite widely used in governmental and educational organizations, and is almost absent in business organizations (at least in the United States).

(2) Insignia and other indicia of status are nearly universal in military organization, especially in time of war, and in many religious organizations, especially to the clergy. They are also used in many education organizations on ceremonial occasions. They are little

[1] During the last several generations, when scalar organizations were developing rapidly in Germany, organization status was carried over widely into generalized status in German society, formally, *i.e.*, by title. See Parsons, Talcott, "Democracy and Social Structure in Pre-Nazi Germany," *Journal of Legal and Political Sociology*, November, 1942.

used in civil governmental organizations (except by the departments for police and fire protection) or in business organizations except for the wearing of union labor insignia in many trades and, in Europe, distinctive garb for those employed in some trades.

(3) Titles and appellations of address are universal in formal organizations both for scalar and for functional status. In the case of functional status, the title often begins as a mere designation of the function performed, as "clerk," "bookkeeper," "lineman," "typesetter," etc., and initially has no implication of systematic status; but very quickly, since classification by functions is attended by other distinguishing conditions such as differences in compensation, such titles become also the designations of status.

(4) Emoluments, perquisites, and privileges are highly important evidences of status and are often highly valued. Care should be taken, however, to distinguish between the valuation of them as material rewards and as evidences and elements of status. They are almost universally employed in organizations of all kinds. In business and in some other organizations they are even more important than titles in fixing status. The use or nonuse of restricted quarters, automobiles, chauffeurs, private offices, private secretaries, and other perquisites in various combinations, time clocks, etc., provide a complex code that describes the system of status in effect, thoroughly understood by the initiated and fairly easily sensed by the outside observer.

(5) Both higher and lower statuses are also established and published by restrictions and limitations of behavior that relate almost exclusively to maintenance and protection of status and the status system. For example, those of higher status often cannot go to places where those of lower status are free to go, or do things that those of lower status may do, or say things, or use language, etc. Though this is well understood, these limitations are not often made explicit and they are among the most subtle elements of status systems.

This, it is hoped, is sufficient to make clear the nature and in general the technical features of systems of status in scalar organizations so far as necessary for present purposes. If so, we may proceed to the main business of studying the functions and the consequences of such systems.

II. THE FUNCTIONS OF SYSTEMS OF STATUS WITH RESPECT TO INDIVIDUALS

Systems of status of different kinds and of various degrees of elaborateness and complexity are found in most if not all formal organizations. The establishing of a nucleus of such a system is one of the very first steps in creating an organization.[2] Are these facts merely reflections of habitual attitudes and needs transferred from general society and coming down from antiquity? The view to be developed here is that systems of status, though they may be affected in degrees and in details by habitual attitudes and needs projected from the customary beliefs of people,

[2] In the case of corporations, corporation law provides at least often for both boards of directors and for two or more general officers. Bylaws almost always provide for additional general officers. In the case of individually owned businesses and partnerships, the nucleus of the status system rests initially directly upon property ownership. Similarly with noncommercial organizations, the first steps in organizing are likely to be to create an initial governing board and a set of officers.

are fundamentally determined by the necessities associated with the needs and interests of individuals as biological and social units, and upon the requirements arising from the physical and social limitations inherent in systems of cooperation. In the present section we shall deal with the relation of status systems to the needs of individuals. I shall discuss these in five topical divisions, as follows:

I. The differences in the *abilities* of individuals.

II. The differences in the *difficulties* of doing various kinds of work.

III. The differences in the *importance* of various kinds of work.

IV. The desire for formal status as a social or organizational tool.

V. The need for protection of the integrity of the person.

I

Differences of ability with respect to any kind of effort in which there is social interest obviously lead to a recognition of difference of status of individuals in respect to that kind of effort. This does not necessarily imply superiority or inferiority in general, although, in fact, usually the lack of capacity of individuals for most kinds of effort, or even for any valued effort whatsoever, does inescapably establish for them a general position of at least technical or productive inferiority. . . .

II

Differences in the capacities of individuals undoubtedly lead to differences of informal status quite aside from the requirements of formal organization. For example, some groups tend to form on the basis of educational level, or physical strength, or endurance, etc. But the important significance of differences of ability stems from differences in the nature of various kinds of activities. Many kinds of work, unskilled labor, for example, usually require only sound health and normal physiological abilities. Other work, say that of a laboratory chemist, may require unusual delicacy of physiological reaction in the use of laboratory equipment, long arduous technical education, powers of imagination, thorough experience, and a willingness to work persistently without supervision or instruction. The work requires an exceptional combination of powers, some of which may need to be developed to an exceptional degree. Recognition of the status of being exceptional is forced upon such a man by his own experience. He is made aware of it by the difficulty of finding those competent to carry on his work or to assist him. He is also elevated to exceptional status by those who wish his work to be done and who find that there are few competent to do it. Those whose interests are narrowly concentrated in one field for this reason often regard exceptional ability in that field as indicating not only special but general superiority. The banker finding few who can function effectively in his field, whatever their condition of education and experience, may be led to believe that those who can do so are of status generally superior to all others. A broader view, of course, recognizes that great superiority in one field does not imply general superiority.

Thus the second base for status is, as contrasted with personal ability, the relative difficulty of things to be done. The difficulties will usually be appraised on judgment based on general experience and observation, or, more objectively, on the basis of the numbers or proportions of individuals who can or cannot do well the various tasks.

III

The exceptional ability to do things that are exceptionally difficult, while it is a sufficient basis for establishing differences of status in the general estimation, is not sufficient to establish a *system* of status involving authority or responsibility. Superiority in formal organizations depends upon exceptional ability for exceptionally difficult work of exceptional *importance*. "Importance" in this context includes more than economic importance. High status is not accorded to superior ability to do unusually difficult things of trivial character, except perhaps in very restricted circles. On the contrary, if an activity is regarded as exceptionally important, even though not very difficult, superior status is nevertheless likely to be accorded to superior ability with respect to it. This is probably most evident in the economic world, but it is readily seen in other spheres, *e.g.*, in military organization.

The importance of the work, then, establishes the importance of the position that "seeks" those of exceptional ability. Relative difficulty is a factor but is usually of minor importance except when importance is approximately equal. Status becomes systematic because activities regarded as important are systematized and organized.

IV

The next basis for status is pragmatic. Insignia and titles of status have the effect of credentials. They create a presumption with respect to the character, ability, and specific skills or functions of individuals. They are not conclusive, of course, but as preliminaries, as introductions, they save time and prevent awkwardness and embarrassment. The general's stars indicate at a glance the nature of his responsibilities and the probable relative reliability of his utterances in certain fields. The title "M.D." creates a presumption that the holder of that degree may usefully be approached without reticence about bodily ills. The degree of "Ph.D." may be granted to a fool, but very generally it is a sign of the possession of a considerable intellectual experience, scholarly or scientific skill, and mental discipline. "Vice-president" of a corporation indicates one who probably understands business language and organization. "Foreman" indicates the man through whom the most effective approach may probably be had respecting the group under him and the work they are doing. "Bishop" is the title of one whom the communicant may accept as having certain ecclesiastical responsibilities and authority and as being able to perform certain spiritual functions, though the communicant may never before have seen him or been told about him.

Generally, the possession of title and of other indicia of rank certifies that those in the best position to have responsible judgment acknowledge and publish the status indicated, which all whom it may concern may accept at least tentatively. The convenience and efficiency of the status system is such that men seek status as a necessary tool in their work; and for the same reasons it is imposed upon them by those responsible for their work. It is to be noted that this applies as much to functional status as it does to scalar status.

V

In so far as systems of status are imposed "from the top" they are expressions of the requirements of coordination rather than of the ambitions of the most able and powerful acting on the basis of personal motives. The

personal motivation of most profound effect, applying equally to those of superior and to those of inferior status, is the need for protecting the integrity of the person in a social environment. This leads some to seek superior formal status, but it also leads others to refuse superior status and even to seek inferior status, depending upon the individual and the circumstances. This may be demonstrated sufficiently by presenting four modes in which the need for status is expressed: (1) the need of integrating personal history by the conferring of status; (2) the need of imputing superior status to those from whom commands are to be received; (3) the need of imputing superior status as a means of symbolizing possession of personal value in participating in an organization; and (4) the need of status as a protection against excessive claims against the individual.

(1) The need of integrating one's personal history into one's personality by the attainment of improved status and by the conferring of status publicly is exceptionally important to those who by deliberate effort or sacrifice condition themselves to the possession of superior knowledge, skill, or experience. The need is for an endorsement of the individual's past history as a creditable element in his existing personality. The granting and attainment of improved or different status here is not reward but anointment. It serves a ceremonial function of announcement, or proclamation, that an approved course has been followed by this person. Without such endorsement the effort often appears to the individual to have been in vain. A sense of frustration, sometimes devastating, may follow. Even when the individual is one of extraordinary self-sufficiency, the attainment of recognized distinction of status may be desired to maintain standing with relatives and supporting and cooperating friends. No one who watches the contemporary parade of diplomas, degrees, public honors, and the award of innumerable insignia of achievement and distinction, and who observes the reaction of individuals, of families, of organizations, and of the public to them can doubt the importance of these recognitions in nearly every field of individual and social activity. If such distinctions, often of ephemeral value, are an important element in individual behavior, it is evident that permanent possession of status is even more so. It may be thought that the need of status here discussed is merely a reflection of the effect of attitudes, inculcated by mores and institutions that no doubt do reinforce the need, but the response of small children to status and the use made of status in instruction and discipline of the very young suggest that the need is more primitive and is individual.

(2) The need of imputing higher status to those from whom commands come is rather certain though it is not often obvious. It is apparent to nearly everyone on the basis of even simple and limited experience that the coordination of effort necessary for effective cooperation can be practically secured only by specializing the function of command. It is obvious that everybody cannot give orders to everybody else at the same time and for the same activity. But except at times of great danger, to receive orders from a nondescript "someother" is felt to be an injury to the self-respect, to the integrity, of the person. This can be avoided or alleviated only if it is felt that command is exercised by "right" either conferred by supernatural authority, or, more generally in our present society, conferred by superior ability, or by the burden of superior responsibility.

Men are eager to be "bossed" by superior ability, but they resent being bossed by men of no greater ability than they themselves have. So strong is this need of assigning superior status to those in positions of command that, unless the obvious facts preclude it, men will impute abilities they cannot recognize or judge. They want to believe that those of higher authority "know what they are doing" when they appoint someone over them. Since men in the ranks are not capable of judging or are not in a position in advance to judge the competence of men in posts of command remote from them by two or more grades or even of those in immediate command if special technical abilities are required (*e.g.*, the surgeon in the operating room or the navigator of a ship), this desire for the justification of subordination leads often to profuse rationalization about status and even to mythological and mystical explanations of it; but the ways in which a need is manifested ought not to be permitted to obscure its nature or the function of the means that satisfy it.

What has just been said as respects the need of imputing higher scalar status to those from whom commands are received applies somewhat less definitely and more subtly to differences in functional status where authoritative advice rather than formal authority is involved. Thus the advice or even the directions of one having the status of an expert in a particular field will be accepted against that of someone recognized as being equally expert but not having status. The subjective factor involved may be that of a diffuse feeling of public authorization to transfer responsibility to one having functional status. Though there is wide variation in the competence of those having the same status, and reliance upon mere formal status is subject to much error and abuse, nevertheless there can be little doubt that the system of functional status affords great relief to nearly everybody in practical everyday social behavior.

(3) The need felt by those of subordinate rank for imputing personal superiority to those in command, *i.e.*, the need of protecting the integrity of the person, is also expressed in sentiments of valuation of an organization as a whole. To be a member of a good organization is a personal asset. It is among the claims to distinction of most men. To be ejected from an organization is a serious, sometimes a catastrophic, injury to the integrity of the person. "Patriotism," "sense of communion," "loyalty," *"esprit de corps"* are common expressions of this attitude. Few, if any, with experience of command will doubt this, and those who observe behavior of men in military organizations in war know how powerful and indispensable this sentiment is, though perhaps not many would express the facts in terms of personal integrity.

One of the effects of this need is to sustain the system of status. For if it is not practicable for all to command, and command, *i.e.*, coordination, is essential to organization, then a system of status is indispensable. Office becomes symbolic of the organization. The commander in chief not only occupies the supreme position of command, but he speaks for the army and in his person symbolizes it.

(4) Individuals of superior ability and those of inferior ability can comfortably work together only on a basis of physical or social segregation. If no formal segregation is established, either friction and noncooperation occur or there is spontaneous informal segregation, "natural" leaders leading "natural"

groups, without being adequately integrated into the system of formal command. The necessity for differentiation from the standpoint of those of inferior ability is that without it they are constantly in a position of disadvantage, under pressure to exceed their capacities, perpetually losing in a race in which no handicaps are recognized, never able to attain expected goals so long as they are treated as the equals of those who are in fact superior; therefore they are always in a position of never securing respect for what they do contribute, of always incurring disrespect for what they cannot do. Men cannot stand this kind of inferiority and its frustrations. The inferiors will group themselves and command respect by various means if they are not protected by being assigned a formal status, which, though inferior, recognizes their position as being more or less indispensable and participating, even though individually less important. The practice of labor unions of restraining the production of the more able workers of an undifferentiated craft to a level approximating that of the poorer workers, though in practice doubtless of complex motivation, seems clearly in accordance with the human needs of the situation.

Concordantly, the abler individuals press for segregation corresponding to the observed differences in abilities and in contributions. To be lumped in with inferiors in ability seems an unjust withholding of recognition, an injury to the integrity of the person. Their escape from this position will probably be more individualistic than that of those of inferior abilities who must more often resort to group solidarity. One escape, or attempt to escape, for the superior individual is to try to organize the group, to adopt a function of leadership, or to dominate without authority. Another is to leave the group for various alternative activities—found a new sect, start a new business, establish a party, and so on.

Much experience demonstrates that those who are unequal cannot work well for long as equals. But experience also demonstrates that where differences of status are recognized formally, men of very unequal abilities and importance can and do work together well for long periods.

This discussion of the relationship of integrity of the person to systems of status is not exhaustive or comprehensive, but it is enough to suggest that personal need of status system is one of their foundations.

III. THE FUNCTIONS OF STATUS IN COOPERATIVE SYSTEMS

Up to this point the approach to systems of status has been in terms of the characteristics of human beings and their bearing on behavior and fundamental relationships in formal systems of cooperation. The differences in abilities arising from biological characteristics and from social conditioning and experience, the variation in the difficulties of work, the variations in importance of work, the systematic character of cooperation arising from valuation of effort, the common sense of the necessity of centralizing and specializing the function of command, the need of formalizing differences of status to protect the integrity of the socialized individual, and the symbolic functions of systems of status—all of this may be taken as the basis of the evolution of systems of status. The patterns may be as unplanned or undevised, as "spontaneous" or "instinctive" as languages. But having been evolved, they have been subjected to observation and analysis and deliberate modification, development,

and design in much the same way that old languages are to some degree modified by intention and new languages have been constructed. Executives have to have a practical understanding of systems of status and are persistently occupied with concrete operations of selection, appointment, changes of status, modification of hierarchical relationships, inculcation of doctrines of command or management, and ceremonial activities, all directed to maintaining and improving the system of status and assuring that it performs its function in coordinating behavior. Much of the theory stated above appears to be sensed by executives, though not necessarily comprehended intellectually and not made explicit. The observations of practical executives would not be in terms of social psychology but in the technical terms of specific organization practice and forces.

Proceeding, then, on this level of discourse it appears necessary to the executive to recognize by some formal means differences in the ability of individuals and differences in the importance of their work or of their contribution to cooperative effort. However, executives are probably much more conscious of the necessity of systems of status as (I) a function of the system of organization communication, the fundamental process in cooperation; (II) as an important part of the system of incentives; and (III) as an essential means of inculcating and developing a sense of responsibility and of imposing and fixing responsibility.

I

A system of organization communication, in order that it may operate with sufficient accuracy and rapidity, has to be so designed that it may easily and quickly be assured that particular communications are (1) authentic, (2) authoritative, and (3) intelligible.

(1) Under ordinary circumstances, and especially with respect to routine matters, explicit authentication of communications is not required. Personal acquaintance with or knowledge of the communicator together with the relevance of the communication to the general context and to previous communications are sufficient. The status system is not of great importance in this connection. But in times of emergency and great danger or in respect to important matters, explicit authentication of communications often becomes necessary. Witnessed written communications or letterheads indicating the name, position, and title of the communicator and personal introductions by mutually known third parties are among the means used. There is no doubt that here the status system greatly facilitates authentication—it is one of the practical uses of insignia of office.

(2) It is in respect to the authoritativeness of a communication, however, that we find the basic need for systems of status. The primary question of the recipient of a communication, assuming that it is authentic, *i.e.,* comes from whom it purports to come, is whether the contents of the communication may be relied upon as a basis for action. This is what we mean by authoritativeness. Authoritativeness in this context is of two kinds: functional authoritativeness; and scalar or command authoritativeness.

Whether a communication reflects the facts and needs of the situation depends upon whether the individual (or body) that emits it has the general qualifications for understanding what he (or it) communicates about and whether he is *in a position* to have the essential concrete knowledge.

A report from a carpenter about the condition of a generator in a power house is initially not credible; that of the electrician in charge is credible, though not conclusive; that of an electric power engineer is more credible and *may* be accepted as final. The authoritativeness of the report depends in part upon the qualifications of those reporting, and these are presumptively established by formal status. But a report by an electrician in Des Moines about a generator in New York is not credible. He has the qualifications in general, but he is not in a position to apply them to the situation in New York.

The purpose of the report may be to secure help in the correction of some fault. The help needed may be in the form of superior technical instruction; it may be in the form of the application of some maintenance skill or of a replacement part. The electrician is not in a position to know the status of those whose services are needed. His superior does—he knows less of the concrete situation, but he has more technical knowledge or more knowledge of the relevant status system.

The functional status system is so extraordinarily convenient in providing prima-facie evidence of the authoritativeness of communications that we depend upon it almost exclusively in the conduct of daily affairs generally as well as in all organizations. It does not imply any generalized superiority or inferiority of status in this aspect. It does not exclude discrimination as between individuals having the same status, nor does it assume errors may not occur in relying upon the prima-facie evidence granted by status. The plumber, or electrician, or lawyer, or doctor may be immature or poor or even bad, as determined by experience or surmised from observation, but even so may often be presumed to be superior to those of other statuses. A poor doctor, even though inadequate, will generally be a better advisor on medical matters than an expert plumber. Systematized functional status would seem to be absolutely indispensable for the effective operation of complex divisions of labor, and it may also be indispensable even for relatively simple divisions of labor, although in the latter condition there may be some acceptable "jacks of all trades."

(3) The special system of status associated with chains of command or hierarchy of authority depends upon each position being a "communication center," the inferior command being associated with restricted areas or fields, the higher command being more comprehensive. Outside the technical competence special to each field of organization, the general functions common to all hierarchies of command are: to evaluate the meaning of communications received in the form of advices and reports, largely affected by the status of the transmitter; to know to whom communications should be relayed (*i.e.,* to know the relevant status system or "the organization"); to select that which needs to be relayed; and to translate communications, before relaying, into language appropriate to the receiver.

The system of command communication cannot effectively work except on the basis of a status system. For very small organizations communication may effectively be addressed to persons, but for larger systems status becomes primary. Contrast saying to the new office boy, "Take this order to Bill Jones in building K" (in which there are two Bill Joneses) and "Take this order to the foreman of section 12 in the Y Department in building K." Contrast the following orders: "Capt. Jones of Station Y and Capt. Smith of Station X will

advise each other by telephone each morning as to their respective situations and will advise Major Allen of any unusual circumstances." "The Commandants of Stations X and Y will advise each other and this office each morning of their respective situations and of any unusual circumstances." In the first case any change of personalities calls for a new order—otherwise the desired collaboration will fail.

Although both functional and scalar systems of status are essential to establishing in a practicable degree the authoritativeness of communications, authoritativeness is not sufficient. Unless communications are intelligible, they cannot be acted upon correctly or effectively. Now, it is apparent that the intelligibility of a communication depends not merely upon the capacity of the communicator but also upon that of the receiver. Thus communications of the same content will differ very greatly, depending upon the status of those to whom they are addressed. Whether a communication is intelligible depends upon the use of language having the same meaning to the originator and to the receiver of the communication. This requires a selection of language, depending upon from whom and to whom the communication is made. Systems of status are an indispensable guide to the selection of appropriate language. . . .

The executive, then, is much preoccupied with systems of status because they are important in the authentication of communications, indispensable in establishing a working presumption of the authoritativeness of their content, and essential to their intelligibility.

II

Systems of status are also important because maintenance of status and improvement of status are among the essential incentives to cooperation. The scarcity of effective incentives calls for use of many kinds of incentives; and their wise use requires, especially in larger organizations, their systematic use.

Status as an incentive has two aspects suggested earlier. The first is that of prestige for its own sake, as a reinforcement of the ego, as security for the integrity of the person. This is an important need of many individuals. They will work hard to satisfy it and forego much to attain it. The second aspect is that of prestige as a valuable or indispensable means to other ends. Thus some men endure publicity or accept conspicuous positions of onerous character as a means of supporting organizations or of eliciting the support of others because they like philanthropic, or scientific, or cultural work, which is their fundamental incentive.

The importance of status as an incentive is shown by the immense amount of work and sacrifice made by innumerable volunteer heads of social, philanthropic, religious, political, and scientific organizations. For some the motive is directly personal. For others it is the "good of the cause" and the personal incentive is satisfaction in the promotion of that cause.

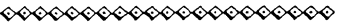
These are perhaps the most obvious instances of the importance of status as incentive. The executive is frequently concerned with the instances where material rewards are by themselves ineffective and status proves to be the controlling or a necessary supplementary incentive. He is also concerned with the still less conspicuous cases where prestige is a negative incentive, where preferred status is regarded as too burdensome, and where it is believed to be a limitation on personal liberties.

III

The system of status is a strong and probably an indispensable developer of the sense of responsibility and therefore of stability and reliability. Loss of status is more than loss of its emoluments; it is more than loss of prestige. It is a serious injury to the personality. Thus while improvement of status is important, especially to the more able, and desirable to many, loss of status is much more generally resisted. It is difficult to accept, or to be accepted in, a reduced status. Indeed, the fear of losing status is what leads some to refuse advancement of status. The desire for improvement of status and especially the desire to protect status appear to be the basis of the sense of general responsibility. Responsibility is established and enforced by specific penalties for specific failures and by limitation of status or by loss of a particular status for failure in general. Although both methods in conjunction are most effective, of the two it would appear that the second is much more effective than the first, especially as to those above low levels of status. In view of the extreme importance of dependable behavior, the function of status in creating and maintaining dependable behavior is probably indispensable. The extent of criminal behavior suggests that specific sanctions are not sufficient in general to establish adequate responsibility.

We have now completed an abbreviated presentation of the rationale of status systems universally found in scalar organization. What has been set forth may well be summarized. . . .

Status systems have their origins in differences in the biological and socially acquired characteristics of individuals, in differences in the difficulties of the various kinds of activities, and in differences in the valuation of these activities. Systems of status are a means of protecting the integrity of the person, especially of those of inferior ability. Superior status is often necessary to the effectiveness of the work of those of superior ability. All this is on the level of biology and social psychology. Additional observations on the level of sociology and the technique of organization show that systems of status are necessary to specialization of function; that they are essential to the system of organization communications for purposes of coordination; that they are important and sometimes indispensable as affording incentives; and that they are important in promoting the sense of responsibility and, therefore, the dependability and stability essential to cooperation. These inductions from experience and observation and from history are not scientific proof of the theory outlined; but they are believed to present a fair basis, of considerable probability of correctness, for the assertion that systems of status are not the product of irrational mores, mythologies, and rationalizations, but are specific modes of adaptation of behavior to fundamental characteristics of individuals and to the fundamental physical, biological, and social properties of systems of scalar organization.



In the following selection, Hughes places emphasis on the meaning of status in informal relations. You will no doubt recall that in Chapter 5, we drew a distinction between informal organization and informal relations. In

connection with the latter, Hughes suggests that in like-status groups auxiliary characteristics grow up around those that define status. To be a colleague in such a group means sharing in these additional characteristics as well as possessing the status marks of the group. In short, Hughes points out that there are intimate kinds of status symbols known only to the intimate group. The obvious status marks serve to differentiate the group from people of different status. Sharing the intimate status symbols, which are auxiliary to the obvious ones, comes with entry into the informal group and facilitates informal interaction.

STATUS AND INFORMAL RELATIONS

EVERETT C. HUGHES *

It is doubtful whether any society ever had so great a variety of statuses or recognized such a large number of status-determining characteristics as does ours. The combinations of the latter are, of course, times over more numerous than the characteristics themselves. In societies where statuses [1] are well defined and are entered chiefly by birth or a few well-established sequences of training or achievement, the particular personal attributes proper to each status are woven into the whole. They are not thought of as separate entities. Even in our society certain statuses have developed characteristic patterns of expected personal attributes and a way of life. To such, in the German language, is applied the term *Stand*.

Few of the positions in our society, however, have remained fixed long enough for such an elaboration to occur. We put emphasis on change in the system of positions which make up our social organization and upon mobility of the individual by achievement. In the struggle for achievement, individual traits of the person stand out as separate entities. And they occur in peculiar combinations which make for confusion, contradictions, and dilemmas of status.

I shall, in this paper, elaborate the notion of contradictions and dilemmas of status. Illustrations will be taken from professional and other occupational positions. The idea was put into suggestive phrase by Robert E. Park when he wrote of the "marginal man." He applied the term to a special kind of case—the racial hybrid—who, as a consequence of the fact that races have become defined as status groups, finds himself in a status dilemma.

Now, there may be for a given status or social position, one or more specifically determining characteristics of the person. Some of them are formal, or even legal. No one, for example, has the status of physician unless he is duly

* From "Dilemmas and Contradictions of Status," *American Journal of Sociology*, 50: 353-356 (March 1945). Used by permission of The University of Chicago Press.

[1] "Status" is here taken in its strict sense as a defined social position for whose incumbents there are defined rights, limitations of rights, and duties. See the *Oxford Dictionary* and any standard Latin lexicon. Since statuses tend to form a hierarchy, the term itself has—since Roman times—had the additional meaning of rank.

licensed. A foreman is not such until appointed by proper authority. The heavy soprano is not a prima donna in more than temperament until formally cast for the part by the director of the opera. For each of these particular positions there is also an expected technical competence. Neither the formal nor the technical qualifications are, in all cases, so clear. Many statuses, such as membership in a social class, are not determined in a formal way. Other statuses are ill-defined both as to the characteristics which determine identification with them and as to their duties and rights.

There tends to grow up about a status, in addition to its specifically determining traits, a complex of auxiliary characteristics which come to be expected of its incumbents.

If we think especially of occupational status, it is in the colleague-group or fellow-worker group that the expectations concerning appropriate auxiliary characteristics are worked most intimately into sentiment and conduct. They become, in fact, the basis of colleague-group's definition of its common interests, of its informal code, and of selection of those who become the inner fraternity—three aspects of occupational life so closely related that few people separate them in thought or talk.

The epithets "hen doctor," "boy wonder," "bright young man," and "brain trust" express the hostility of colleagues to persons who deviate from the expected type. The members of a colleague-group have a common interest in the whole configuration of things which control the number of potential candidates for their occupation. Colleagues, be it remembered, are also competitors. A rational demonstration that an individual's chances for continued success are not jeopardized by an extension of the recruiting field for the position he has or hopes to attain, or by some short-cutting of usual lines of promotion, does not, as a rule, liquidate the fear and hostility aroused by such a case. Oswald Hall found that physicians do not like one of their number to become a consultant too soon.[2] Consulting is something for the crowning, easing-off years of a career; something to intervene briefly between high power and high blood pressure. He who pushes for such practice too early shows an "aggressiveness" which is almost certain to be punished. It is a threat to an order of things which physicians—at least, those of the fraternity of successful men—count upon. Many of the specific rules of the game of an occupation become comprehensible only when viewed as the almost instinctive attempts of a group of people to cushion themselves against the hazards of their careers. The advent of colleague-competitors of some new and peculiar type, or of some new route, is likely to arouse anxieties. For one thing, one cannot be quite sure how "new people"—new in kind—will act in the various contingencies which arise to test the solidarity of the group.[3]

How the expectations of which we are thinking become embodied in codes may be illustrated by the dilemma of a young woman who became a member of that virile profession, engineering. The designer of an airplane is expected to

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[2] Oswald Hall, "The Informal Organization of Medical Practice" (Unpublished Ph.D. dissertation, University of Chicago, 1944).

[3] It may be that those whose positions are insecure and whose hopes for the higher goals are already fading express more violent hostility to "new people." Even if so, it must be remembered that those who are secure and successful have the power to exclude or check the careers of such people by merely failing to notice them.

go up on the maiden flight of the first plane built according to the design. He then gives a dinner to the engineers and workmen who worked on the new plane. The dinner is naturally a stag party. The young woman in question designed a plane. Her co-workers urged her not to take the risk—for which, presumably, men only are fit—of the maiden voyage. They were, in effect, asking her to be a lady rather than an engineer. She chose to be an engineer. She then gave the party and paid for it like a man. After food and the first round of toasts, she left like a lady.

Part of the working code of a position is discretion; it allows the colleagues to exchange confidences concerning their relations to other people. Among these confidences one finds expressions of cynicism concerning their mission, their competence, and the foibles of their superiors, themselves, their clients, their subordinates, and the public at large. Such expressions take the burden from one's shoulders and serve as a defense as well. The unspoken mutual confidence necessary to them rests on two assumptions concerning one's fellows. The first is that the colleague will not misunderstand; the second is that he will not repeat to uninitiated ears. To be sure that a new fellow will not misunderstand requires a sparring match of social gestures. The zealot who turns the sparring match into a real battle, who takes a friendly initiation too seriously, is not likely to be trusted with the lighter sort of comment on one's work or the doubts and misgivings; nor can he learn those parts of the working code which are communicated only by hint and gesture. He is not to be trusted, for, though he is not fit for stratagems, he is suspected of being prone to treason. In order that men may be able to communicate freely and confidentially, they must be able to take a good deal of each other's sentiments for granted. They must feel easy about their silences as well as about their utterances. These factors conspire to make colleagues, with a large body of unspoken understandings, uncomfortable in the presence of what they consider odd kinds of fellows. The person who is the first of his kind to attain a certain status is often not drawn into the informal brotherhood in which experiences are exchanged, competence built up, and the formal code elaborated and enforced. He thus remains forever a marginal man.

SIXTEEN

Subordination

INTRODUCTION

We could not have dealt with many of the aspects of organization already discussed without implicitly or explicitly considering subordination. The purpose of treating subordination separately is to orient meaningfully this aspect of organization to other characteristics of group life.

Certainly, the exercise of authority implies subordination. Leadership implies subordination—being led. Status ranking means that somebody or some group has to be low man on the totem pole, just as somebody has to be the crowning figure at the top.

This analysis of subordination, then, brings to a close our consideration of leadership and followership, of the formal structure of authority, and of systems of status. We began to deal with this broad area of organization behavior in Chapter 11.

Among a number of possible aspects of subordination that might be given special emphasis here, we have chosen three. First, how does being in a subordinate position affect relations with those above and below? You will recall Roethlisberger's discussion of the position of the foreman in this connection. Second, does subordination have positive social values to the individual? Put another way, does the person, in relating himself to an organized group, find this group association satisfying, even though he plays a subordinate role in it? Third, what are the preconditions for insubordination? When does subordination become irksome?

Implicit in all three of these questions are the ideas of coercion and control. However, we can put aside until the next chapter a formal consideration of control within organizations. In Chapter 17, we will undertake a systematic analysis of control.

In the first selection of this chapter, the ranks of an organization are pictured as looking upward to take cues for behavior. This is obviously an oversimplification, but perhaps it is justifiable in order to make a point. It is an oversimplification for several reasons. In the discussions of informal organization and informal relations, we concluded that individuals behave in organizations with reference to their peers—the people on the same level with them. This certainly is leveling attention horizontally to find cues for organization behavior. In the discussion of sponsorship, in the chapter on leadership, the point was made that even the ranks of workers have power to sponsor and reject groups

of individuals. This is evident in the often-heard statement by management officials that "we would do it but our workers will not stand for it." This certainly is looking downward into the organization for cues to action.

The reason for the emphasis of the first selection is obvious. Being "boss-oriented" is encountered in all ranks of an organization. It is also one of the first things that usually happens to a new member of an organization. Let us remember, however, that it is not the only orientation to which the usual organization member responds.

UPWARD ORIENTATION TOWARD SUPERIORS

ROBERT DUBIN

It is one of the paradoxes of organization that delegation of authority is supposed to permit an individual to concentrate on getting his subordinates to carry out a task while at the same time directing his own attention toward the source of delegated authority. Thus, we are expected to be oriented towards subordinates and at the same time towards the boss. In occupying such a position, there is likely to be a strain characteristic of any subordinate rank.

What are the factors that contribute to making everyone in an organization look upward along the lines of authority? There are three important factors: (1) the process of delegation itself; (2) the control and direction that delegation implies; and (3) the superior's evaluation of performance.

Delegation of authority and responsibility implies that the source of the delegation is both in a superior organization position and theoretically capable of performing the task or function delegated. Thus, there is implicit in every delegation of authority the idea that responsibility still rests at the level from which the delegation has been made. This works itself out in two primary ways.

In the first place, the superior retains some control and direction of a delegated function. The subordinate usually feels impelled to inform his superior about what he is doing and to secure approval for it. Carried too far, this dependence upon a superior destroys the very effectiveness of the delegation. The superior might as well do it himself if the subordinate fails to assume some initiative in implementing the authority delegated to him.

In the second place, the superior is constantly evaluating the performance of his subordinates. Out of such evaluation comes advancement, salary increases, or censure. Inevitably, the rewards and punishments of the organization are controlled by those of superior rank. This obviously bends the efforts of subordinates toward pleasing the boss and being wary of his ire. Carried to an extreme, this sensitivity to the boss leads to overconcern with the superior's every whim, gesture, and expression of approval or displeasure.

Within this framework of upward orientation toward superiors arises an important problem of relations with

one's own subordinates. The organizational success of a foreman is in part dependent upon the performance of his subordinates; that of the superintendent upon the performance of his foremen, and so on up the line. Accordingly, each supervisor is likely to feel that his success is at the mercy of those he supervises. In such a situation there is a tendency to shift blame for failure upon one's subordinates.

In a real sense, then, there is built into the very structure of authority in an organization the conditions making for critical and fault-finding relations with subordinates.

At the same time, there is built into an organization a subservience to superiors arising from the structure of authority.

These two conditions of organizations often give rise to considerable strain on personnel. The intermediate subordinate tends to be driving with respect to his own subordinates and fawning with respect to his superiors; the personnel in the middle levels of administration behave in mutually contradictory ways at the same time.

Around this contradictory role expectation often arises a rationale that takes the following general form: the driving supervisor is tolerated by his subordinates because it is recognized that he is acting under organizational imperatives over which he has no control. The corporal is demanding of the private, the sergeant of the corporal, the lieutenant of the sergeant, and so on up the line. Imperious command is tolerated in the organizational situation where it would be rejected in other kinds of social relations. The fact that both the superior and the subordinate are operating within the framework of an organization makes the difference.

Turning to the second aspect of subordination that we want to examine, we find in the following selection, from the writings of Georg Simmel, the great German sociologist, an elaboration of the positive functions of subordination for the individual.

Simmel starts by suggesting that whether or not it is historically accurate, it is useful to think of primitive subordination as bending to the personal superiority of another individual. With the growth in size of the organizations of society comes the development of authority in relation to office, or, in Simmel's phrase, positions. Subordination is no longer to individuals who possess outstanding qualities, but rather to offices arranged in a hierarchy of authority or superordination. This part of the analysis should already be one that is familiar to us.

Simmel then goes on to raise the question of what happens to the individual in this structure of impersonality. Is he satisfied to be under the coercion that inevitably accompanies subordination? Simmel concludes that the order and orderliness essential to participation in group life and activity are derived from subordination to authority. In other words, participation in organizations and subordination to group goals and values are essential to the individual.

SUBORDINATION

GEORG SIMMEL *

The fact of domination poses the following quite general sociological problem. Superordination and subordination constitute, on the one hand, a form of the objective organization of society. On the other hand, they are the expression of differences in personal qualities among men. How do these two characteristics compare with one another, and how is the form of sociation influenced by the differences in this relationship?

In the beginning of societal development, the superordination of one personality over others must have been the adequate expression and consequence of personal superiority. There is no reason why, at a social stage with no fixed organization that would *a priori* allocate his place to the individual, anybody should subordinate himself to another, unless force, piety, bodily or spiritual or volitional superiority, suggestion—in brief, the relation of his personal being to that of the other—determined him to do so. Since the beginning of societal formation is historically inaccessible to us, we must, on methodological principles, make the simplest assumption, namely, that of approximate equilibrium. We thus proceed as we do in the case of cosmological deductions. Since the beginning stage of the world process is unknown, it was necessary to try the deduction of the origin and progress of manifold and differentiated phenomena from what was as simple as possible—the homogeneity and equilibrium of the world elements. There is, of course, no doubt that, if these assumptions are made in an absolute sense, no world process could ever have begun, since there was no cause for movement and specialization. We must, therefore, posit at the initial stage some differential behavior of elements, however minimal, in order to make subsequent differentiations understandable on its basis. In a similar way, we are forced, in the development of social variation, to start with a fictitious simplest stage; and the minimum of variation, which is needed as the germ of all later differentiations, will probably have to be placed into the purely personal differences among individual dispositions. Among men, differences in reciprocal positions that are directed toward the outside will initially, therefore, have to be derived from such qualitative individualizations.

Thus, in primitive times, the prince is required or assumed to have perfections which are extraordinary in their extent or combination. The Greek king of the heroic period had to be, not only brave, wise, and eloquent, but also outstanding as an athlete and, if possible, an excellent carpenter, shipbuilder, and husbandman as well. It has been noted that the position of King David rested largely upon the fact that he was, at the same time, a singer and warrior, a layman and prophet, and that he had the capabilities needed for a fusion of secular state power with spiritual theocracy. This origin of superordination and subordination, of course, still operates constantly in society and continuously creates new situations. But out of it have

* From *The Sociology of Georg Simmel,* Glencoe, Ill., 1950, pages 291-294, 298-300. Translated by Kurt H. Wolff. Copyright by The Free Press. Used by permission.

developed, and are developing, fixed organizations of superordination and subordination. Individuals are either born into them or attain given positions in them on the basis of qualities quite different from those which originally founded the super-subordination in question.

This transition from the subjectivistic relationship of domination to an objective formation and fixation, is effected by the purely quantitative expansion of the sphere of domination. The connection between the increased quantity of elements and the objectivity of the norms which are valid for them, can be observed everywhere. Two actually contradictory motives are significant in it. The increase of elements entails an increase in the qualitative characteristics existing among them. This greatly increases the improbability that any one element with a strong subjective individuality has identical or even generally satisfactory relations to all others. To the extent that there is an increase in the differences within the group over which domination or norm extend, the ruler or the norm must shed all individual character and adopt, instead, a general character, above subjective fluctuations.

On the other hand, this same expansion of the group leads to the division of labor and differentiation among its leading elements. Unlike the Greek king, the ruler of a large group can no longer be the standard and leader of all their essential interests. What is required, rather, are manifold specialization and specialized division of the regime. But the division of labor is everywhere correlated with the objectification of actions and conditions. It moves the labor of the individual into a context which lies outside his proper sphere: the personality, as a whole and as something intimate, is placed beyond any one-sided activity. The results of activity, now circumscribed in purely objective terms, form a unit along with those of other personalities. It is probable that the totality of such causal chains has transformed the relation of domination, which originated from case to case and from person to person, into an objective form in which not the person, but the position, so to speak, is the superordinate element. The *a priori* elements of the relationship are no longer the individuals with their characteristics, out of which the social relation develops, but, rather, these relations themselves, as objective forms, as "positions," empty spaces and contours (as it were) which must merely be "filled" by individuals. The firmer and the more technically articulated the organization of the group, the more objectively and formally do the patterns of superordination and subordination present themselves. Individuals suited for the positions are sought only "afterwards," or else the positions are filled by the mere accidents of birth and other contingencies.

This by no means applies to hierarchies of governmental positions alone. Money economy creates a very similar societal formation in the spheres which are dominated by it. The possession or the lack of a particular sum of money entails a certain social position, an almost entire independence from the personal qualities of the individual occupant. Money has carried to its extreme the separation emphasized a moment ago, between man as a personality and man as the instrument of a special performance or significance. Everyone who can conquer or somehow acquire the possession of money, thereby attains a power and a position which appear and

disappear with the holding of this possession, but not with the personality and its characteristics. Men pass through positions associated with the possession of certain amounts of money in the way in which purely accidental "fillings" pass through rigid, solid forms.

It is obvious, however, that modern society does not everywhere exhibit this discrepancy between position and personality. In fact, the separation of the position with its objective content from the personality itself, frequently results in a certain elasticity in the allocation of persons, and thus in a new, often more rational, basis for adequate proportioning. This is in addition to the immensely increased possibilities that liberal orders provide, in general, for the procurement of positions to which available qualifications are adequate. Nor is this altered by the fact that the relevant qualifications are often so specialized that the personality, in terms of its *over-all* value, nevertheless does not deserve the superordination attained through them. The discrepancy involved here occasionally reaches its maximum in certain intermediate structures, like estates and guilds. It has correctly been emphasized that the system of big industry gives the exceptionally gifted man more opportunity to excel than did anything prior to this system. The numerical proportion of foreman and supervisor to workers, the argument runs, is nowadays smaller than the proportion of petty masters to journeymen two hundred years ago; but the special talent now has a much greater chance of rising to a higher position. Here, the important point is only the peculiar *chance* of the discrepancy between the personal quality and its position in terms of ruling or being ruled. This chance has been brought about by the objectification of positions and by their differentiation from purely personal, individual factors. . . .

There operates quite generally the conviction that coercion is necessary for social organization. The idea is that human nature simply needs coercion lest human actions become completely purposeless and formless. For the general character of this postulate, it is irrelevant whether subordination be under a person and his arbitrariness, or under a law. There are, admittedly, certain extreme cases where the formal value of subordination no longer makes up for the senselessness of its content; but, aside from these, it is of only secondary interest whether the content of the law be a little better or a little worse—exactly, it will be remembered, as was the case concerning the quality of the ruling personality. Here one could refer to the advantages of hereditary despotism—a despotism which, obviously, is to a certain extent independent of the qualities of the person—particularly where it dominates the over-all political and cultural life of large territories, and has certain advantages over a free federation.

These advantages are similar to the prerogative of marriage over free love. Nobody can deny that the coercion of law and custom holds innumerable marriages together which, from the moral standpoint, ought to break apart. In these instances, the persons concerned subordinate themselves to a law which simply does not fit their case. But in other instances, this same coercion—however hard, momentarily and subjectively, it may be felt to be—is an irreplaceable value, because it keeps together those who, from the moral standpoint, ought to stay together but, for some momentary ill-temper, irritation, or vacillation of feeling, would separate if they only could, and thus

would impoverish or destroy their lives irreparably. The content of marriage laws may be good or bad, may be or may not be applicable to a given case: the mere coercion of the law to stay together develops individual values of an eudaemonistic and ethical nature (not to mention values of social expediency) which, according to the pessimistic, perhaps one-sided standpoint presupposed here, could never be realized in the absence of all coercion. The mere consciousness of everyone that he is bound to the other by coercion may, in some cases, make the common life utterly unbearable. But in other cases, this consciousness will bring about a tolerance, self-discipline, and thorough psychological training which nobody would feel inclined to undergo if separation were possible at all times. These traits are produced, rather, only by the desire to make the unavoidable life in common at least as bearable as possible.

Occasionally, the consciousness of being under coercion, of being subject to a superordinate authority, is revolting or oppressive—whether the authority be an ideal or social law, an arbitrarily decreeing personality or an executor of higher norms. But, for the majority of men, coercion probably is an irreplaceable support and cohesion of the inner and outer life. In the inevitably symbolic language of all psychology: our soul seems to live in two layers, one of which is deeper, hard or impossible to move, carrying the real sense or substance of our life, while the other is composed of momentary impulses and isolated irritabilities. This second layer would be victorious over the first and even more often than it actually is; and, because of the onslaught and quick alternation of its elements, the second layer would give the first no opportunity to come to the surface if the feeling of a coercion interfering from somewhere did not dam its torrent, break its vacillations and caprices, and thus, again and again, give room and supremacy to the persistent undercurrent.

In comparison with this functional significance of coercion as such, its particular content is of only secondary importance. Senseless coercion may be replaced by sensible coercion, but even the latter has its significance, which is relevant here, only in that which it shares with the former. Moreover, not only the toleration of coercion, but also opposition to it—both to unjust and to justified coercion—has for the rhythm of our surface life this same function of inhibition and interruption: to make conscious and effective the deeper currents of the most intimate and substantial life, which cannot be inhibited by any external means. Insofar as coercion is associated with some form of domination, the association reveals that element in domination which is, as it were, indifferent to the quality of the ruler and to any individual right to dominate, and which thus shows the deeper sense of the claim to authority as such.

The following selection deals with the preconditions for insubordination. In this selection, de Man sets forth the conditions under which subordinates react adversely to the exercise of authority. In the terminology we have already become familiar with, we can say that the subordinates are reacting by questioning the legitimacy of the authority or the authority-holder. This is

an old but thoughtful analysis, more objectively viewed by us, perhaps, because it is based upon German, not American, data. The reports from which de Man draws his conclusions were autobiographical work histories that he collected.

REACTION TO SUBORDINATION

HENRI DE MAN *

Levenstein, in the previously quoted book, in which he reports on a mass study of working-class mentality, comes to the conclusion that: "Only to the extent of securing a minimal subsistence is the worker interested in the material things of life.... What he finds most intolerable is his dependent position." The reports I collected fifteen years later from the students of the Frankfort Labour College confirm this impression. To put the matter epigrammatically, we may say that the worker regards as his worst enemy, not the machine, but the boss. Among the causes of distaste for work, the social causes predominate over the technical; and among the social causes, the most important is disciplinary subordination of the worker.

In the seventy-eight reports, thirty of the writers expressly declare that the pressure exercised on them by the hierarchy of the enterprise has been the main cause of their distaste for their work. It is true that many of them confine themselves to specific complaints regarding the inefficiency of their superiors, either on technical or on psychological grounds; but it is obvious that the expressed condemnation of individuals on such a scale is tantamount to a condemnation of the system which these individuals represent.

Resentment against superiors in the enterprise is not identical with the worker's social resentment against the capitalist, or with his resentment against the employer as an "exploiter." Characteristically, it is primarily directed against the immediate chief, the foreman, himself a wage earner, once described as a man who "crawls on his belly before the boss while trampling on those who are placed under his direction." This is analogous to what we find in army life where the private usually hates the sergeant much more cordially than he hates the divisional commander. In many instances we are told in so many words in the reports that the higher members of the managerial staff and the actual employer are not such bad fellows after all; no doubt because they have shown themselves comparatively indifferent about trifling matters, and because they are usually better educated than the foreman and less rough and surly in their manners. We find, too, that the dislike of chiefs is especially strong in public enterprises in which, although they are not run for profit, bureaucratisation and militarisation give the hierarchical system an especially despotic character.

It is to be noted that not one of the writers ventures to declare that production could be properly carried on

* From *Joy in Work*, London, 1929, pages 200-204. Translated from the German by Eden and Cedar Paul. Copyright by George Allen & Unwin, Ltd. Used by permission.

without some kind of disciplinary subordination of the worker. The supposition that reasonably intelligent workers hold the opposite view is confuted by the touching enthusiasm with which the reports extol the advantages of having a "good" chief, by which is meant one who is efficient, just, and animated with good will. But, we are told, the master must be in very truth a master, that is to say a man who is really the workman's superior in respect of craft knowledge or skill, and is at the same time fully competent to lead and to train men. Close examination shows that what the writers are really objecting to is some specific and unfavourable manifestation of hierarchical control, such as: *a*. parasitic bureaucracy; *b*. disciplinary authority exercised by persons who have not a corresponding responsibility for the technical organisation of the work; *c*. speeding-up or spying by foremen under the piecework system; *d*. incompetence. We always find that the ultimate cause of resentment against the disciplinary hierarchy, and especially against its lower-grade instruments, arises because it embodies, apart from the control technically necessary for the guidance of labour, also motives of private gain, on the one hand, and motives of social dominance, on the other. The latter cause of dissatisfaction is the more important of the two, as we see from the example of public enterprises, where discontent for this reason is widespread. Even in private capitalist enterprises, the fact that the chiefs represent the profit-making interests of the employer confronts the workers in the form of a mortifying hierarchy of social power. This superior power is based upon the propertyless condition of the worker, and on his dependence on the employer's will for his chances of gaining a livelihood. Its customary method of expression is the assertion of a claim to enhanced prestige on the part of all who exercise this disciplinary authority, and such a claim is usually made with especial crudeness and roughness by those who themselves stand on the lowest rungs of the hierarchical ladder. The nearer one in authority over workers himself stands to the workers in respect of origin, education, occupational capacity, and level of earnings, the more violently self-assertive will be the manifestations of his will-to-power, the more insistent will he be in the display of his authority, and the more sharply, therefore, will he come into conflict with the worker's sense of self-esteem.

This feeling of self-esteem is based on a sense of justice which on principle challenges the presupposition of the employer's authority. For social reasons, which are familiar enough, the worker regards it as unjust and immoral that he should be so completely dependent on the employer's will. This feeling of injustice becomes intensified where the claim to authority most directly and most frequently conflict with the worker's own voluntary impulses, namely, where the worker comes into contact with the foreman. When a State is hated or despised by its subjects, the policeman rather than the cabinet minister has to bear the brunt of this unpopularity, for he stands in a twofold respect nearer to the common people. His local duties compel him to interfere frequently in the daily life of his neighbours; and his own humble origin deprives his authority of the prestige of distance. The minister of State, who issues the orders, inspires a far more genuine respect than does the poor devil in uniform who has to carry them out, himself usually underpaid, and subjected to a rigid discipline.

The worst feature of workshop discipline is that the disciplinary authority is exercised by a person or by a series of persons who also have to undertake technical and organisational guidance of the work. The mingling of productive discipline with social subordination is what poisons the present hierarchical system of enterprise.

SEVENTEEN

Control

INTRODUCTION

If all of the systems of interaction within organizations that we have considered up to now were perfectly operative, there would be no need for control. Every individual and group within an organization would find a place and develop an organizationally appropriate mode of behavior that would contribute to the cooperative and coordinated group endeavor. This is obviously not the case.

Control within an organization has two major dimensions: we can conceive of control as the process of developing systems of standards for the guidance of organization behavior; we can view control as a system for enforcing standards of organization behavior. We will consider both of these dimensions.

There are many systems for guiding behavior in organizations. They range from the specific (and public) procedures manuals and job descriptions to the private, but nonetheless real, informal group codes. We are all aware of the great variety of such systems. Perhaps we are not always conscious of the fact that systems of standards for behavior are instruments to an end, not the end itself. This, certainly, is one of the major points made by Roethlisberger in the first selection of the chapter. It is also one of the central points of Bendix's selection. The overelaboration of and concern with systems of behavior standards is certainly one of the roots of bureaucratic pathology. This, too, Bendix develops.

When we consider control from the standpoint of a policing operation enforcing the organization codes, we see another important function of authority-holders. The possible variations in such policing systems are illustrated in the contrasts between control in the General Motors Corporation and control in a Soviet factory. The last two selections of this chapter deal respectively with these two systems of control.

In summary, we are viewing control in organizations as (1) a means for telling members what is expected of them, and (2) a means for insuring that they do what is expected.

THE ADMINISTRATOR'S CONTROL FUNCTIONS

FRITZ J. ROETHLISBERGER *

Maybe we can begin to see it [distinction between purpose and method] more clearly if we compare medical education and business education as they exist today. In medicine not only the skills required but also the class of phenomena to which they relate, excluding for the moment those relating to mental illness, can be much more clearly formulated than they can in business. In medicine, as in business, a number of measuring devices exist which tell the physician something about the internal environment of his patient. However, no physician conceives that by measuring blood pressure or taking a basal metabolism he can cure his patient or influence his patient's behavior. Measurement assists him in making his diagnosis; it does not cure the patient. A number of laboratory technicians do not make up a medical practitioner.

A parallel can be drawn in business. These particular logics, of which we have spoken, help the administrator in diagnosing the situation. Only in this sense are they controls; they provide checks by means of which certain functions of the total enterprise can be evaluated in terms of economic objective. For example, the figures of the cost accountant provide the administrator with a useful tool for diagnosing what may be wrong. The figures in themselves cannot cure the business. Cost control, quality control, production control, measuring the performance of workers, salesmen, foremen—all these are also diagnostic aids to the administrator. They do not in and by themselves do the administrator's job; they merely aid him in doing a better job in the same sense that a stethoscope and a thermometer assist the physician in making more adequate diagnoses. In other words, all these specialist logics do not make up an administrator.

But then the analogy breaks down, partly because of the more complex events and situations the administrator is trying to control. On the one hand, he is trying to control the attainment of the economic objective of the enterprise; on the other hand, he is trying to control concrete human behavior in the cooperative situation, which is the only means through which ultimately the common objective can be attained. This makes the administrator's problem exceedingly difficult. To try to use the same mechanism to achieve both kinds of control may be disastrous because the factors determining the attainment of the economic objective may not be of the same order and involve the same class of phenomena as those determining the cooperative situation. The physician in ordinary practice is sometimes up against the same problem, particularly when he has to secure the cooperation of the patient in following a treatment which involves a drastic change in his ways of life. The class of phenomena with which the physician is dealing then ceases to be organic.

When measuring the performance of a worker, a salesman, or a foreman, what is being controlled? Does the measurement of a person's performance necessarily control or improve it? What is the connection between a standard in terms of which a person's performance

* Reprinted by permission of the publishers from Fritz J. Roethlisberger, *Management and Morale,* Cambridge, Mass: Harvard University Press, 1941, pages 151-155.

can be measured and that person's performance? Putting the question in these forms, it is clear that a standard is merely one more factor in a person's environment to which he responds; and it is well to remember that his response may take different forms. If the standard has social sanction, it may operate on particular individuals with particular personal situations as an incentive to do better work. In our so-called competitive culture it is assumed that we all want to do better than our fellow men. Give us a standard and we break our necks trying to do better than the next person. But some of us do not react that way. A standard may also act as a deterrent to good work, as any experienced teacher knows. How often, as teachers, have we tried to tell our conscientious and worried students to forget about grades, that they are really not important, and with what results! In the eyes of some students, our function is to grade them, not teach them. As a result, how many academics finally come to accept the grading system as a necessary evil! How do we correct this situation? By keeping the grading system relatively simple and by adding to it occasionally a grain of salt? Or by trying to create bigger and better grading systems? There are tendencies in both directions, but let us not linger on this painful subject so near to home, but talk more in general.

It is well to remember that the items are infinite in terms of which people can be differentiated. People can be classified by the length of the nose, by the color of the eyes, by the kind of clothes they wear. Some of these classifications are more useful than others, depending upon the purpose for which the classification is to be used. In any informal social group, formal organization, or community, people are likely to be differentiated in terms of items expressing the social values of these social systems. Any noticeable similarity or difference in terms of age, sex, occupation, can become the basis of social classification. This process also goes on in business and industry. Employees, supervisors, and executives are being evaluated in terms of the tasks and duties they perform, in terms of the amount and the quality of work they do. They are also being evaluated by their fellow associates as contributors to group effort.

In any large business organization, there are at least two major evaluational systems in terms of which each contributor is being judged. In the case of one, he is evaluated in terms of certain measurable abstractions and standards relating to performance and efficiency. In the case of the other, he is being evaluated in terms of certain socially accepted codes and norms of conduct. The first evaluation tells him where he theoretically stands in the eyes of management; the second tells him where he stands in the eyes of his fellow associates. These two evaluations of a person may not coincide. He may be judged a poor worker in terms of his output record, and he may be judged a "regular fellow" by his fellow workers. We do not mean to imply that these two evaluational systems always lead to opposing judgments, that is, that regular fellows are always "inefficient" and cannot be "efficient." The only implication is that the factors determining technical efficiency are not of the same order as those determining a regular fellow. In the second evaluation, cooperative phenomena cannot be conveniently ignored.

There is no question that business organizations want regular fellows who are efficient. But how do they go about doing this? And what relation have their standards of performance to the forma-

tion and maintenance of regular fellows and efficient workers? It can be seen that these standards help in the direction of efficiency when the cooperative situation can be assumed as being satisfactory; that is, when it can be taken for granted that the individual and the group of which he is a member are working together as a team, that the standard is operating as an incentive, and that the supervisor applies the standard with "discretion" and "good judgment" in order to secure the cooperation of his group in attaining the economic objective. But what if the person is a member of a small group whose informal organization is at variance with the economic objective of the company? And what if the supervisor does not apply the standard with "discretion," "common sense," and "good judgment"? It is clear that in cases where the cooperative situation cannot be taken for granted the standard ceases to control behavior in the desired direction. In such a case, "control" can be exercised only by understanding the cooperative phenomena involved; and for this other skills are required.

In the next selection, Bendix poses one of the great dilemmas of large-scale organization. How can control be maintained within a framework of individual initiative and self-reliance? Woe to the administrator who thinks that an organization can run only by rules. As Bendix states, organizations would "break down if every official would follow all regulations to the letter and consult his superior whenever these rules do not provide sufficient guidance." Indeed, more than 30 years ago, the anarchistic IWW developed the techniques of striking on the job. It was simple. Instructions were simply issued to follow all shop rules to the letter. Production collapsed!

You will recall from Chapter 5 that we suggested that informal interaction helps to facilitate the operation of an organization. It makes it possible to cut corners and get things done. Bendix develops that point in terms of where the balance lies between compliance and initiative when operating in an organized group. The group molds the behavior of the member, to be sure. But the member sustains the effectiveness of the group in the proper exercise of his initiative. This might well be called the interactive principle of organization.

COMPLIANCE AND INITIATIVE IN BUREAUCRATIC CONDUCT

REINHARD BENDIX *

The analysis of large-scale organization in the modern world will be deficient, as long as it makes *either* the formal organizational structure *or* the informal human relations within that structure the vantage point of its observations. The historical approach conceives modern organization in industry

* From "Bureaucracy: The Problem and Its Setting," *American Sociological Review*, 12: 502-507 (Oct. 1947). Copyright by the American Sociological Society. Used by permission.

or government in terms of a contrast to earlier forms. Consequently, it stresses the *greater* rationality of modern organization. The managerial approach, on the other hand, focusses its attention on the as yet unmanaged aspects of human relations, which have "asserted" themselves in all organizations. The tacit assumption is made that thorough study will show us how these "remaining human irrationalities" may become manageable. But this assumption is unwarranted in so far as the division of labor and the work relations requisite to the productive (or the administrative) process necessitate precisely those human irrationalities which management is now seeking to remove.

It is apparent that neither of these approaches has a sufficient theoretical basis. This shortcoming is not overcome by the observation that the studies of "rationalization" overlook the human factor, and vice versa. Instead, it is necessary to show in what manner all large-scale organizations require for their success a "proper" *irrational* foundation. In this respect the basic problem of all large-scale organizations is the same. Such organizations depend for their effectiveness on a clearly understood hierarchy of authority. Yet, they would break down if every official would follow all regulations to the letter and consult his superior whenever these rules do not provide sufficient guidance. Such "typically bureaucratic" behavior would interfere with the functioning of the organization at every point. All organizations depend, on the other hand, on the ability and the willingness of their employees to act on their own initiative, whenever that is called for. Yet it would be clearly incompatible with their effective operation, if every official conducted the business assigned to him in accordance with his independent judgment. It is consequently imperative that the employees of all ranks in industry and government strike a balance between compliance and initiative, that they temper their adherence to formal rules by a judicious exercise of independent judgment and that they fit their initiative into the framework of formal regulation. Both the effective exercise of power or the effective organization of production depend in some measure on this mixture of compliance with authority and the creative exercise of initiative. All large-scale organizations face the problem of finding formal and informal ways, by which such a balance may be facilitated.

This balance between compliance and initiative is likely to vary with cultural and institutional differences. The contrast between business and government is perhaps the most obvious case in point. Initiative is concerned with market chances in business, but with political chances in government. Compliance in business is a matter of managerial arrangement based on a wage contract. Compliance in government involves in addition the special legal liabilities and disabilities of the civil servant, which concern the spirit of his work, not only its performance. Business is relatively free from being bound by precedent, it is not encumbered by the anticipation of checks other than failure of the venture itself. These obvious differences have their basis in the conditions under which in each instance the formal hierarchy of authority allows —more or less unwittingly—for an exercise of independent judgment.

In stating the problem in this manner we may have a clue to the systematic analysis and differentiation of large-scale organizations, which goes beyond the obvious contrast of government and

business.[1] Attitudes toward risk-taking, toward authority, and toward the public, as well as the institutional conditions of the "working climate" differ from industry to industry and from government to government. These and other variables affect the relationship of the individual employee to the organizational hierarchy; they modify the manner in which he functions within the organization and in which he sees its over-all purpose. It may be useful to illustrate these points by contrasting the ideal types of democratic and authoritarian administration.[2]

Authoritarian administration is characterized by the fact that the official is both obedient and arbitrary. His strict compliance with the orders of his superior is not tempered (as it is under democratic conditions) by responsiveness to public demands. Reliance is placed on the feeling of loyalty, which the official demonstrates by his unquestioning support of the prevailing order of authority. Such loyalty implies a difference in status between officialdom and the public and in this manner "testifies" to the reliability of the authoritarian official. In bringing his orders nearer execution this loyalty of the subordinate finds its counterpart in the fact that he must now become a superior in his own right. In doing so he acts as a "leader" to whose guidance the people should submit without question. To be sure his authority is limited, but the official nevertheless confronts his public as the representative of higher authority rather than as a "public employee."

> "The official in the middle and the lower ranks of the service is in some respects similar to the officer.... Even without uniform there is a strong feeling of comradeship and a feeling of solidarity against civilians.... The subordination of lower to higher ranks in the officialdom is similar to relations in the army and it is tolerable only when it is compensated for by a feeling of special status of the officials as against the public.... Officials in the middle and lower ranks still represent the superior power and wisdom of the state towards a public to whom the larger meaning of public administration is indifferent or incomprehensible. Indeed, the official will tend to regard the importance of his administrative section the more highly the less he is able to comprehend the real over-all significance of his own work." [3]

In this as in all systems of administration much is left to the discretionary exercise of authority. It lies in the spirit of "authoritarian discretion" that a successful maintenance of authority is in the end more important than its possible abuse. In case of failure the official is punished, not so much for an abuse of his authority, but for his "demonstrably disloyal" (i.e., unsuccessful) exercise of it. Such methods of administration lead in the extreme case to continuous suspicion downwards and the attempt to evade responsibility on the part of subordinates. There is a telling description of this in Walter L. Dorn's analysis of Prussian bureaucracy under Frederick the Great:

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[1] In the study of business organizations it has always been assumed that they are essentially similar in countries of comparable economic structure. Certainly, the similarity of technical and administrative problems in large-scale industries makes this view plausible. Yet there is reason to believe that this assumption is misleading. Cf. the interesting essay by Hermann Levy, *Volkscharakter und Wirtschaft* (Leipzig: B. G. Tuebner, 1926).

[2] Although this contrast uses only illustrations from Government Administration it applies equally well in my opinion to other types of large-scale organizations.

[3] Ottoheinz von der Gablentz and Carl Mennicke, *Deutsche Berufskunde* (Leipzig: Bibliographisches Institut, 1930), 428-29 (My translation).

"Frederick the Great cherished the inveterate belief that his officials were bent on deceiving him.... This distrust became an integral part of the bureaucratic system. Unreserved confidence he reposed in none of his ministers. He kept them in a perpetual state of uncertainty as to what he thought of their honesty and capacity.... He frequently struck upon the expedient of committing the task of reporting on any particular piece of business to two or three different officials, none of whom was aware that others were engaged in the same mission. When he did not wholly trust an official he charged an underling with secret supervision. To control his ministers he regularly corresponded with the presidents of the provincial chambers, and to assure himself of the veracity of the latter he often dealt with the individual members of the provincial chambers. By this continuous correspondence with officials and their subordinates, by controlling ministers through their subalterns and subordinates through their equals, the king tapped extraordinary sources of information which, besides the ordinary channels of information..., acquainted him with everything he seriously desired to know." [4]

Obviously, this system of authoritarian supervision has since become impractical with the growing complexity of administration in a modern state. Modern dictatorships have instituted instead elaborate administrative organizations for the systematic supervision of the political loyalty of the people and all government employees. A modern police system can employ the most advanced techniques in its closely calculated control over large populations.[5] Although these techniques have freed authoritarian supervision from the limitations of centralizing power in one person, they cannot escape from the necessity of forever duplicating their supervisory checks, because in this system no one spy can be trusted.

In *democratic* administration officials are given commands of greater latitude than under authoritarian conditions, and their execution of these commands is subject to a rather diffuse supervision. The democratic official is ideally expected to be obedient to his superior, but he does not thereby express his loyalty to the people's mandate. On the other hand, he is to exercise his authority in the spirit of service, not of mastery. The democratic administrator stands, therefore, in an ambivalent relationship to his superior and his subordinate. His compliance, his orders and his initiative are tempered by a sense of direct, if imponderable accountability to the people. In this respect, superior and subordinate are equals before the public, although they are unequal within the administrative hierarchy. This peculiar characteristic of democratic administration is well illustrated by the problems encountered in law enforcement:

"The policeman may observe a multitude of violations, some relating to laws and ordinances which were never intended by the enactors to be enforced, others involving minor regulations of public order.... Their very number and variety are such that their requirements are largely unknown to the people to whom they apply. Hence violations are extremely common....

"The policeman's art, then, consists in applying and enforcing a multitude of laws and ordinances in such degree or proportion and in such manner that the greatest degree of social protection will be secured. The degree of enforcement and the method of application will vary with each neighbor-

[4] Walter L. Dorn, "The Prussian Bureacracy in the 18th Century," *Political Science Quarterly,* XLVI (September, 1931), 421-22. For a modern parallel see Alexander Barmine, *One Who Survived* (New York: G. P. Putnam, 1945), 196-233, 237-45. A comparable situation in business is discussed in "The Stewardship of Sewell Avery," *Fortune,* XXXIII (May, 1946), 111-13, 179-86.

[5] This point is especially emphasized by E. Kohn-Bramstedt, *Dictatorship and Political Police* (London: Kegan Paul, 1945), pp. 2-6, 95-117, 137-56.

hood and community. There are no set rules, nor even general guides to policy, in this regard. Each policeman must, in a sense, determine the standard which is to be set in the area for which he is responsible. . . . Thus he is a policy-forming police administrator in miniature, who operates beyond the scope of the usual devices of popular control. He makes and unmakes the fortunes of governmental executives and administrators, though rarely falling under the direct influence of the popular will. The only control to which he is subject is the discipline of his superiors." [6]

And yet, his superiors are dependent for their success on the wisdom with which this policeman in his law enforcement practices will respond to the *indirect influences* of the community.

In exercising such discretion in his direct contact with the public the democratic administrator is ideally as concerned with administering a policy as he is with the execution of a command. (Indeed, he is always contributing to a policy, whether he knows it or not.) Yet, this policy continues to be subject to a multiplicity of influences to which the administrator must remain sensitive. (Shifts in policy under authoritarian conditions always take the form of new orders from above.) This implies that the democratic official does his duty in the continuous anticipation of checks on his authority, both from his superior *and* from his "public" (which includes legislatures, pressure groups, affected individuals, etc.). He is trained in considering his office as a mandate of responsibilities, which are subject to more or less continuous modification. Yet, his mandate is nevertheless of a general character, it is meant to be an integral part of a scheme of policies in process of reformulation. He *must,* therefore, seek to redefine his function in this scheme on the presupposition that some rational policy emerges from the "conflict of interests" and in the belief that—whatever the policy—this "conflict" itself is a basic and worthwhile feature of the democratic process.

The authoritarian administrator is, on the other hand, more immune, his work is less directly subject to "pressures" from outside the official hierarchy. Under authoritarian conditions obedience and loyalty are synonymous, since each administrative superior is ideally the only source of command, the representative of the regime and the source of its policy formulation. For each subordinate policy emanates from the top and is unaffected by the administrator's direct contact with the public. The role of each official in the execution of overall policy is, consequently, a matter of intra-administrative discussion and adjustment. And because each subordinate administrator is in this sense remote from the public, responsibility for policy determination is more clearly confined to the top administrators and is by the same token less affected by public opinion. It follows from these considerations that an administration will be the more democratic, the more its officials are directly affected by the "antagonism of influences" [7] and the more they are, therefore, drawn into participating, more or less directly, in the processes of policy formation.

The preceding confrontation of two ideal types of bureaucracy may serve both to dispel some misconception and to focus attention on the major area of inquiry in this field. Both forms of administration may function efficiently. This is the case under authoritarian con-

[6] Bruce Smith, *Police Systems in the United States* (New York: Harpers, 1940), 20.

[7] John Stuart Mill, "Representative Government," in *Utilitarianism, Liberty and Representative Government* (London: E. P. Dutton, 1910), 201.

ditions when the esprit de corps of the administrative group is high, its loyalty to the regime intact and in harmony with public attitude, and its resultant feeling of security a good foundation for the exercise of individual initiative by the administrator within this framework. It is the case under democratic conditions, when the spirit of public service among administrators is well developed, their responsiveness to public demands kept within limits by the public's restraint in pressing for individual privileges and by the administration's success in achieving consistent policy formulations which represent genuine compromises of the various conflicting groups.

Both forms of bureaucracy may also develop the pathology of large-scale organizations. Authoritarian bureaucracy can become a clique ridden by suspicion. Its primary concern with self-preservation results in the alienation of the public, a growing inability to operate efficiently, and the duplication of functions, which a more or less developed internal spy-system necessitates. Democratic administration may deteriorate, on the other hand, because the frustrations of administrative work deter qualified men and because suspicion of any authority goes so far as to make effective policy formulation and execution impossible.

The temptation is strong to summarize the difference between democratic and authoritarian administration by reference to Mannheim's distinction between functional and substantial rationality. . . . Authoritarian officials would be thought of as efficient in the use of administrative techniques without proper comprehension of their role in the overall policy decided on by the Dictator (functional rationality). Democratic officials would combine, on the other hand, administrative inefficiency with an understanding of the basic policies which they are called upon to implement (substantial rationality).[8] This application of Mannheim's distinction does not aid us, however, in our analysis of large-scale organizations. Mannheim himself would point out that *all* subordinate administrators suffer from the special incapacity which exclusive attention to the techniques of implementation entails. Democratic and authoritarian officials share in the inability of comprehending the political program which "governs" their actions. Besides, Mannheim's distinction suffers from overstating its case.[9] It is impossible to run any large-scale organization without some provision for fitting the specialized technician into the larger framework of operation. It is, however, not possible to direct his every action; some reliance must, therefore, be placed on his own overall comprehension of his function and on the initiative which he develops in implementing this comprehension by co-operative action. Thus, both democratic and authoritarian officials must grapple with the problem of overcoming the "trained incapacity" (Veblen) of the administrative technician to see the larger policy framework. Both will tend to use the rationalizations of their respective political philosophies, for instance, as guidance in all cases in which

[8] This distinction has been used to characterize Nazi administration. See E. Kohn-Bramstedt, *op. cit*, 2-6 and John H. Herz, "German Administration under the Nazi Regime," *American Political Science Review*, XL (August, 1946), 684-86.

[9] Karl Mannheim, *Man and Society in an Age of Reconstruction* (New York: Harcourt, Brace, 1941), 51-60. This is not to deny, of course, that Mannheim has pointed to a constant source of friction. The distinction goes back to Karl Marx, *Capital* (New York: Modern Library, 1936), 361-65, 395-99.

they need but cannot obtain a knowledge of basic policies.[10]

Democratic and authoritarian administrations differ, therefore, in terms of their respective institutions and culture patterns, not because one is representative and inefficient, while the other is efficient but arbitrary. The distinction between these two types of administration is an outgrowth of "historical experience" and present circumstances. As such it affects the manner of the administrative technician, who combines obedience and efficiency with the initiative that is essential to the success of large-scale organization. It is not useful, therefore, to consider these organizations from the point of view *either* of their "rationalization" *or* of their "human irrationalities." The problem of bureaucracy lies rather in the manner in which technical and administrative rationality are combined with the exercise of individual initiative in the accomplishment of a common task. Men have combined their efforts in large-scale organizations throughout history. Their success today will depend on whether or not they can combine the efficiency of modern organization with a flexibility which allows the individual in that organization to use his imagination and to apply his convictions, rather than do his job in a routine way. It is not only a question of preserving freedom against the encroachments of bureaucracy. Rather, we cannot profit from the efficiency of large-scale organizations unless we succeed in making the initiative of the individual one of our principles of organization.

[10] The behavioristic importance of political philosophies in a study of administrative conduct has not so far been sufficiently considered. See in this respect John M. Gaus, Leonard D. White, and Marshall E. Dimock, *The Frontiers of Public Administration* (Chicago: University of Chicago Press, 1936).

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We now turn our attention to the second sense in which control in organizations is taken. Control can be considered as a system for enforcing or policing standards of behavior in an organization. We have two contrasting examples to examine. Several comments seem in order.

We have not drawn this contrast to "prove" that capitalist production is better than communist, or worse, or that they are about the same. The efficiency of these systems of control is not even a central issue in either of these studies. The purpose of drawing this contrast is to show that the nature of the economic system does not determine the *existence* of this kind of control in production organizations. It is the nature of organizations that gives rise to control systems. The economic and social environment certainly does determine the *kind* of control that will be exercised. The two studies abundantly establish that fact.

Both studies indicate the high development of impersonality in dealing with individuals in organizations. Drucker places particular emphasis on this in General Motors as a means for achieving greater rationality in administration. This represents a confirmation of the theory of bureaucratic administration that maximizes both impersonality and rationality. Surely the title "The Reign of Rules" is appropriate for this selection.

Vucinich has done a scholarly and dispassionate job of analyzing the nature of factory control in the Soviet Union.

As he states in the introduction to his study, he uses a broad notion of control that includes compliance with the laws and statutes of the country as well as with the production schedules and standards of business operation. Nevertheless, much of his study is directly comparable with Drucker's analysis of General Motors. A careful scrutiny of both of these reports will contribute importantly to insight into control as a policing action of the administrator.

THE REIGN OF RULES

PETER F. DRUCKER *

The impression that emerges from an analysis of the aims of General Motors' policy of organization is one of great individual liberty in which every man—at least among the three to five hundred first- and second-line executives—is to be allowed as much responsibility as he is willing to assume. There is little emphasis on title, rank, or formal procedure. Indeed, the one thing that is most stressed by all executives is the "informality" that exists in the relationships among the members of this group and in the division of their work. This raises the question how General Motors avoids the dangers which according to age-old experience threaten every federal and especially every committee form of government: the danger of a deadlock between co-ordinated organs, the danger of a break-up of the organization in factionalism, intrigues and fights for power. It has always been a basic axiom of political theory that freedom such as General Motors accords to the members of its top management group, is only possible within a clearly defined order with a strict division of authority and responsibility. General Motors, however, seems to lack largely what might be called a clear division of powers. Yet decisions must obviously be arrived at without too much delay or uncertainty as to who is entitled to make them, so as to enable the corporation to function in a highly competitive market. The question thus arises what it is that makes this "informality" possible. Can it be based solely on good will and good intentions? Or does it require a strict frame of objective policy as a condition of individual freedom? This, needless to say, is not a new but a very old question of politics—known in this country perhaps best as it appears in the conflict between Jeffersonian and Hamiltonian ideas of politics.

There is a tendency within General Motors to explain its functioning as owing to human individual good will rather than to institutional structure. There is a good deal to back up such an explanation. There can be no doubt that the informality, the reliance on information and persuasion, and the absence of "edict management" reflect accurately the personality of the man who developed General Motors to its present position—Alfred P. Sloan, Jr., for more than twenty years its active head. It is also certain that without Mr. Sloan's

* From *Concept of the Corporation,* New York, 1946, pages 63-71. Copyright by Peter F. Drucker. Used by permission of the author and the John Day Company, publisher.

personality the system could never have grown up and established itself. Yet the tendency which underlies this "personality" explanation, to seek the basis of a political order in the personality of the ruler or in the good will of the citizens, is actually a very dangerous one. That it is current within General Motors is a potential weakness as it implies a lack of understanding by the organization of the factors from which it derives its strength. If it were true that the General Motors system rested on individual good will, it could hardly survive the life span of one man. It would also have validity only for an organization headed by one particular type of personality and could not be regarded as a general model of industrial organization, which is precisely what General Motors aspires to be. Finally—and this is probably the most dangerous point for General Motors itself—such a belief might lead to false sentimentalism, which evaluates executives according to the lip-service they pay to humanitarian principles, rather than according to their achievements.

Actually, General Motors' decentralization does not rest on the good will of the men in top management positions. It could, if necessary, function without the personal qualities which Mr. Sloan has shown in his long administration. Indeed it has been functioning with senior executives whose personalities were the very opposite of his, and who had nothing of the informality and of the respect for their fellow workers which would seem to be required. There must thus be an objective, impersonal frame of reference to make possible if not mandatory the freedom of decentralized management. This objective frame is given in the use of modern methods of cost accounting and market analysis as an impersonal yardstick to measure achievement of both policy-makers and production men.

This objective yardstick is comprised of two sets of measurements which apply equally to divisional management and its subordinates and to central management and its policy decisions: (1) Base pricing which gives an objective measure of the efficiency of the Corporation and of its subdivisions as a producer; (2) Competitive market standing which shows automatically and immediately the efficiency of the Corporation as a seller. Together these two gauges are supposed to show over-all efficiency and supply an immediate and objective check on decisions and policies.

The function of the system of base pricing is to measure the productive efficiency of all units of the business and also to eliminate from the measurement of productive costs all extraneous and transient factors, particularly those introduced by the fluctuations of the business cycle. Its core is that careful analysis of all the cost factors that enter into production at various rates of capacity which is the basis of modern accounting. This makes it possible to determine at one glance whether a certain division—or a department within a division—is producing with greater or lesser efficiency than the norm, and why. It also shows whether a good result is attributable to an increase in efficiency or to an improvement in methods, or whether it is the result of purely accidental factors for which management cannot claim credit. Above all, it makes it impossible to be deceived by a high profit in boom years if such profit is actually purchased at the expense of productive efficiency, that is, at the risk of a permanent impairment of the company's strength. Conversely, it prevents a divisional manager from being blamed for the disappointing returns of a de-

pression year when actually the result was caused by factors over which he had no control. Thus, a divisional manager will be held accountable for a deterioration of productive efficiency even when it is concealed by an increase in total profits; and he will get the credit for any strengthening of managerial efficiency, even when as the result of bad business conditions his division operates at a loss. The cost analysis of base pricing thus gives an objective standard of manufacturing efficiency.

The instrument of base pricing also furnishes a yardstick for policy decisions—both before they are taken and afterwards. It shows the factors of productive efficiency that are likely to be affected by a policy decision, thus substituting facts for personal differences of opinion in policy arguments. It shows how costs will be affected by policy decisions deemed necessary or advisable not for reasons of productive efficiency but for such reasons as labor policy, merchandising, public relations, etc.

Base pricing also shows the use made of General Motors' capital. It measures the rate of return on capital invested and the factors: rate of capacity at which the plants operate, lifetime of the productive equipment, etc., on which this rate depends. The assumptions under which any given investment is made can thus be isolated and checked against actual economic developments all the time. It thus furnishes a basis for policy decisions on expansion and measures the advisability of proposed new capital investments.

It is indicative of the concept of management that is embodied in General Motors' organization that the cost analysis underlying base pricing is made by the divisions—just as it is customary in a good many divisions to have the department heads such as superintendents and foremen make the cost analysis of their jobs. The necessary check is supplied by a comparison of the cost analysis of each division with those of other divisions within the company making comparable products or using comparable methods—one reason for the company's insistence on uniform accounting practices throughout all divisions.

Efficient production is only one element in the success of a business in a free-enterprise economy, and has to be complemented by ability to sell one's products in the market. Hence, in General Motors an objective analysis of the market and of the competitive standing of the products is used as the second measurement. The customer's decisions and preferences are combined with the facts of the engineer to give an impersonal basis for decisions and for the evaluation of performance. Again the problem is how to eliminate purely extraneous fluctuations in measuring performance. This is done for the car-producing divisions by measuring their achievement and competitive standing not in terms of total sales but according to the ratio of their sales to total automobile sales in their price range. A car division which would show a loss in percentage of its potential market would be considered as losing ground even though—as a result of prosperous business conditions—it might roll up high absolute sales figures. On the other hand, it is generally understood that the management of Cadillac has been doing an outstanding job over the last fifteen years, even though the dollar volume of sales has gone down sharply. The share of the division in the total sales of high-priced cars has risen; the fall in absolute sales volume is thus not chargeable to Cadillac but to a shrinkage of the market for higher priced cars over which

the Cadillac management has had no control and for which it cannot be blamed.

Since the accessory divisions produce largely for use within General Motors their efficiency could not be measured in terms of their competitive standing on the consumer's market. Hence they are measured by a different—and perhaps even a more severe—standard, their ability to supply the car divisions at a lower cost than any outsider. As mentioned above, no car division is under compulsion to buy from the accessory divisions or under compulsion to pay the prices demanded by them. To obtain the custom of the car divisions, each accessory division must be able to meet the lowest prices of outside accessory manufacturers and to satisfy the quality and styling requirements of the car divisions. Most of them are therefore subjected to the test of competition as much as the car divisions. And while individual car buyers will often decide on the basis of habit or advertising appeal, that is, on economically non-rational grounds, the accessory producers have to satisfy a buyer who is interested only in tangible and provable economic factors.

The yardstick of market performance is based on the assumption that consumers' buying preferences and even their prejudices are as much objective facts for the producer as are the facts and figures of engineering and accounting which underlie base pricing. It is as necessary to analyze the consumer's preferences as it is to analyze cost factors. Without knowledge of the elements which make up the consumer's decision, it would be impossible to find causes of faulty selling performance or to plan rationally for improvements in the competitive position of a division, or of the business as a whole. Hence, General Motors has built up a comprehensive consumer research organization.

The combination of these two elements of objective analysis, base pricing and competitive market standing, has made possible a considerable degree of production planning. Annually each division submits estimated schedules for the next year in which it gives tentative figures of sales, costs and expected capital requirements on the assumption of a good, an average, and a bad year for the industry as a whole. It also indicates which of these three estimates it considers most likely on the basis of its knowledge of business conditions, trends in the used-car market, etc. By correlating the estimates of the various divisions, central management obtains a fairly representative picture of conditions in the industry as a whole. By closely checking this composite judgment of the producing and selling personnel against the analysis of the consumer research staff and the company's economists, a result is obtained which should not only be fairly reliable but which is also comprehensible to executives, thus setting an objective frame for the work of the members both of central and of divisional management.

Through measuring the efficiency and achievement of both policy decision and administration against the objective criteria of cost and efficiency, of return on the invested capital, and of competing standing in the market, General Motors aims at the elimination of personal and subjective elements in the relationship between boss and subordinate, central management and divisional management. The questions, how efficient is a man, how successful is he, and how important is he to the company, do not have to be decided on the basis of subjective preference. In fact, they should not have to be decided at all; they

should be answered clearly by the objective yardstick that records efficiency and achievement immediately and automatically. The President of the company does not have to tell a divisional manager that he is not satisfied with him; the divisional manager knows it anyhow by looking at the figures based on his own cost and market analysis. Similarly, the President does not have to justify a promotion to the colleagues of the promoted man; he has the man's record which is known within the company. Also the objective yardstick should limit the personal element in policy decisions. If a man's opinion or suggestion is overruled it should not be because of the higher rank of the boss, but because the facts are against him. That would make it possible for superiors freely to admit mistakes to their subordinates—perhaps the most important thing in human relations. In fine, this objective yardstick should not only make possible informal and friendly personal relations, a spirit of teamwork and a free and frank discussion. It should also—at least, that is what the people in General Motors claim—make the organization of management as a team on a federal basis natural and almost inevitable by erecting strong barriers of fact against action based on nothing but seniority and rank.

FACTORY CONTROL IN THE SOVIET UNION

ALEXANDER VUCINICH *

This paper is concerned with the system of control operating in the Soviet factory as a socio-economic and administrative unit. The discussion will begin with an enumeration and brief description of individual control agencies. This will be followed by an effort to define government, Party, public, and voluntary systems of control in terms of their distinctive features. In the end a survey of the basic aspects of the overall system of factory control will be essayed.

The concept of control, as it will be used here, refers to the entire gamut of agencies and channels devised and used by the Soviet government and the Communist Party for the purpose of forestalling any deviations from the legal and normative provisions sustaining the Soviet system. It differs from the very narrow meaning of the official Soviet concept of "control," which has been defined by Stalin as "checking up on the fulfillment of the decisions of the central bodies of the Soviet government" (government control), and "of the decisions of the Party and its Central Committee" (Party control).[1] Our concept is substantially broader. In addition to checking on the fulfillment of government and Party decisions it includes the checking on the adherence of individual institutions and enterprises to the statutes regulating their internal organization and to the relevant laws, decrees,

* From "The Structure of Factory Control in the Soviet Union," *American Sociological Review*, 15: 179-186 (April 1950). Copyright by the American Sociological Society. Used by permission.

[1] J. Stalin, *Problems of Leninism*, 11th edition, Moscow, 1947, p. 515.

and non-codified socialist norms.

In terms of a typical factory, control consists (a) of supervising the fulfillment of the annual quota of production and the utilization of credits in a manner stipulated by the annual "industrial and financial plan" (*promfinplan*); (b) of checking on the adherence of management, technical staff, and trade union bodies to the rules of the internal organization of the factory and the distribution of responsibilities; and (c) of guarding "the state security and social order." All of the many control agencies operating in the factory have one thing in common: they are engaged in systematic work dedicated to safeguarding the absolute authority of the Soviet regime and the all-embracing interests of the state. They are integral components of a comprehensive system of control, which is exercised by four distinct sets of agencies: government offices, the Communist Party, public organizations, and voluntary groups.

THE AGENCIES OF CONTROL

1. *Government Offices*

The Soviet factory is owned by the state and administered by the government. Accordingly, it is not only an economic organization but also a part of the government: it is the smallest unit in the hierarchical structure of state industrial administration. Government agencies which exercise control over various phases of factory work are individual bureaus embraced within the organizational pyramid of industrial management (i.e., the offices which simultaneously manage and control), and special organizations engaged exclusively in the work of control (i.e., the offices which control but do not manage). The following are the government agencies, in terms of their basic features, which hold definite places in the overall network of factory control.

Central Board of Industrial Management. The factory is directly (a "two-link" system) or indirectly (a "three-link" system), that is, through an intermediary trust, subordinated to the corresponding Central Board of Industrial Management (*Glavk*).[2] The latter office issues directives for the organization or reorganization of individual establishments, introduction of technological innovations, implementation of cost-accounting provisions and related functions. It also exercises rigid control over the fulfillment of its orders by individual managements. Its control extends only to factory management and is exercised by special "control-inspection groups." [3]

Trust. Many functions of the *Glavki vis-à-vis* the factories are carried out by intermediary trusts (or industrial combines in light industries). These bodies determine the annual "industrial and financial plan" of each subordinated factory and decide upon its change. They also issue directives for the procurement of raw materials and credits, fix prices of finished products, and decide upon the variety of management. Control exercised by trust is direct and daily.[4]

Management. Factory administration is organized on the principle of "one-man management" (*edinonachalie*). The Director of a factory, appointed by the Minister within whose jurisdiction his

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[2] I. D. Levin and A. V. Karass, eds., *Osnovi sovetskogo gosudarstva i prava,* Moscow-Leningrad, 1947, p. 264.

[3] S. S. Studenikin, *Sovetskoe administrativnoe pravo,* Moscow, 1940, p. 84.

[4] I. I. Evtikhiev and V. A. Vlasov, *Administrativnoe pravo SSSR,* Moscow, 1946, pp. 297-298.

factory falls, is an indisputable master of the enterprise: he has the first and final word in all decisions concerning the details of production. He delegates certain phases of his power to the chiefs of shops (*nachalniki tsekhov*) who directly manage within their departments all the activities pertaining to the organization of production and technological processes, and who employ, dismiss, and transfer workers. Directly subordinated to the chiefs of shops are foremen (*mastera*), as a rule engineers, who provide direct contact between management and workers. All orders are channelled to the workers through foremen, who are also empowered to impose punitive measures upon the violators of labor discipline. It is upon their recommendations that the chiefs of shops employ and dismiss workers. The Director, chiefs of shops, and foremen rule the factory, bear full responsibility for the fulfillment of the plan, and control all the phases of production.[5]

The Ministry of State Control. This ministry was organized on September 6, 1940 as a successor to the State Control Commission. It exercises minute control over cash expenditures, cost-accounting, and, in general, the carrying out of administrative orders. It operates through an elaborate system of Controllers-General (one for each branch of administration) and their staffs of senior controllers, controllers, and junior controllers. Cooperating with these agents are senior and junior inspectors. Junior controllers are established in all the important enterprises and act independently of factory management. Their control is twofold: preliminary and terminal. The first consists of checking on the legality of estimates, plans, and expenditure allotments before any payments have taken place. Its function is to forestall possible deficiencies. The second consists of auditing factory books for the purpose of unveiling unwarranted expenditures and hidden reserves.[6]

The State Planning Commission. This all-important body is empowered not only to draw plans for current and future economic activities but also to control individual enterprises. Its agents are referred to as "the guardians of planning discipline."

The Control-Inspection Board of the Finance Ministry. This highly centralized control agency, operating through its own controllers-inspectors, has the right to audit the books of any industrial enterprise and to report all deficiencies to District Attorney.

District Attorney (District Procurator). The organs of the Procurator, acting independently of any other government agency, exercise control over the observance of general laws, decisions, and orders by both management and trade union organization. Their control is centered on such cardinal assignments as the protection of "socialist property," the maintenance of working discipline, and "the safeguarding of labor." [7] They are known as "the guardians of legality."

State Arbitration. This office is neither an administrative nor a judicial organ of the government, though it possesses some features of both. It is assigned the task of ironing out disagreements emerging in contract negotiations between various enterprises. It is fully em-

[5] *Ibid.*, pp. 298-299. See also Gregory Bienstock, Solomon M. Schwarz, and Aaron Yugow, *Management in Russian Industry and Agriculture,* Oxford University Press, 1944, pp. 8-16.

[6] S S Studenikin, *op. cit.*, p. 84.

[7] B. I. Arsenev, "Iz istorii uchrezhdeniya sovetskoi prokuraturi," *Sovetskoe gosudarstvo i pravo,* no. 5, 1947, pp. 22-31.

powered to supervise the fulfillment of contracts and plans; accordingly, it performs one of the most important functions of industrial management. It reports all irregularities either to its higher offices or to the Procurator.[8]

The Organs of State Security. The special police, subordinated to the Ministry of State Security, is attached to each district (*raion*) Soviet, but is directly responsible to the special police administration within the regional (*oblast*) Soviet. Its function is to combat sabotage, political nonconformity, and "counter-revolutionary" forces in general.

The Workers' and Peasants' Militia. The district unit of this organization is assigned the task of preventing disorders and safeguarding socialist property. Special sections of the Workers' and Peasants' Militia, identified as "departmental militia" (*vedomstvennaya militsiya*), are organized in larger plants by specific agreements between individual factory managements and the Ministry of Internal Affairs. They guard the objects of "special state importance." [9]

2. *The Communist Party*

The 18th Party Congress (1939) passed a decision that the entire work of management is subject to control by the primary Party organization.[10] The latter is encouraged "to establish Party guidance in each enterprise." In its broadest aspects Party control is centered on the fulfillment of production quotas, proper expenditures of funds, protection of socialist property, and administration of social insurance. Specifically: "The purpose of control by the Party organization [in a plant] is to assist the commanders of production in their daily work. The Party organization states irregularities, and recommends the steps to be undertaken by management for the purpose of enabling the enterprise to perform standard work and to observe technological discipline and the plan. In its control of the work of the [plant] administration the Party organization must strengthen the principle of one-man management. It must enhance the authority of the manager by seeing that his orders and directives are strictly fulfilled." [11]

3. *Public Organizations*

These are semi-official mass associations assisting the government agencies in performing their routine work and helping the Party in its role of a mobilizing, recruiting, and controlling force. With the exception of trade union organizations, which administer the Labor Code, these bodies cannot execute government orders without guidance by proper government bureaus. Their decisions are mandatory only for their own members. Only two public organizations operate in the factory: the primary trade union organization and the Young Communist League (*Komsomol*).

The factory trade union committee is commissioned by the stipulations of the standardized collective agreement to watch over the conformity of the applied wage scale to legal provisions. It also controls expenditures from the Director's Fund, and internal factory

[8] V. N. Mozheiko, "O pravovoi prirode sovetskogo gosudarstvennogo arbitrazha," *Sovetskoe gosudarstvo i pravo,* no. 6, 1947, pp. 16-23.

[9] Evtikhiev and Vlasov, *op. cit.,* p. 202.

[10] *XVIII S'ezd VKP (b): Stenograficheskii otchet,* Moscow, 1939, p. 676.

[11] Evtikhiev and Vlasov, *op. cit.,* pp. 271-272. See also: B. Moore, Jr., "The Communist Party of the Soviet Union: 1928-1944," *American Sociological Review,* vol. 9, no. 3, 1944, pp. 270-276.

order.[12] With the abolition of the People's Commissariat of Labor in 1933 and the Workers' and Peasants' Inspection in 1934 the functions of the local offices of these bodies were transferred to trade union organizations. These functions consist primarily of checking on managerial observances of those provisions of the Labor Code which deal with the well-being of workers, sanitary conditions, and safety techniques. This control is performed by special "public inspectors" who are elected by trade union organizations.[13] The trade union members are entitled to hold "production conferences" at which they are informed about the current plans and are called upon to state mistakes and unwarranted acts perpetrated by management.[14]

The Komsomol, acting under the immediate supervision and under the direct guidance by the Party, looks after the correct application of government and Party decisions by both management and the primary trade union organization. The 17th Party Congress (1934) decided that special attention be given to the organization of *Komsomol* "light cavalry" units which focus their work on exposing managerial deficiencies.[15]

The press, although it is not considered a public organization, has been entrusted with an important assignment in the system of public control. It is an effective medium for unveiling deficiencies in the application of relevant laws and decisions. The press also publicizes the experiences in control carried out by various agencies and is, accordingly, considered a factor contributing to the improvement of forms and methods of general or special supervision.

4. *Voluntary Groups*

The factory, as many other Soviet organizations, is interspersed with various voluntary groups, which work as adjuncts of government and Party control agencies. As a rule, these specific voluntary groups are not components of any mass associations but operate on a purely local basis. The most popular voluntary agencies are special control boards, composed of representatives of both management and labor, which are appointed under the authority of the Ministry of State Control. Another important group consists of the *aktivs* organized on the initiative of the Communist Party for control over specific production processes. Finally, each factory has an auxiliary militia (*brigadmil*), which consists of volunteers recruited from among factory workers and operates under the direction of district branches of the Workers' and Peasants' Militia.[16]

THE DISTINCTIVE FEATURES OF THE FOUR SYSTEMS OF CONTROL

(1) Control exercised by government agencies, which outnumber all other agencies put together, is professional-bureaucratic and specialized. Its agents are specifically trained and technically equipped to handle the minutiae of very specialized control objects. Unlike the

[12] A. E. Pasherstnik, "Voprosi kollektivnogo dogovora v SSSR," *Sovetskoe gosudarstvo i pravo,* no. 4, 1948, p. 51.

[13] N. Ritikov, "Sovetskie profsoiuzi," *Bolshaya Sovetskaya Entsiklopediya: SSSR,* Moscow, 1947, p. 1756.

[14] E. Sokolov, "Sovetskie profsoiuzi—shkola kommunizma," *Bol'shevik,* no. 2, 1949, p. 46.

[15] XVII *S'ezd VKP (b): Stenograficheskii otchet,* Moscow, 1934, p. 673.

[16] The *brigadmil* should not be confused with the so-called departmental militia, mentioned on p. 298, which consists of regular militiamen.

functionaries of other supervisory bodies, the agents of the government system of control are legally responsible for the nonfulfillment of their assignments. They are vested with the right to undertake legal measures against the individuals deviating from the existing orders, norms, and plans. They constitute the most systematic and thorough branch of the over-all network of control agencies; they are the basis of the control system.

In their internal organization government agencies are subordinated exclusively to vertical intragroup control, i.e., to the control by their corresponding agencies operating at higher administrative-territorial levels. The District Procurator, for example, is controlled by, and is accountable to, the Regional (Territorial) Procurator, who, in turn, is subordinated to the Union-Republican Procurator, and this to the Procurator-General of the U.S.S.R. The same rule applies to the organs of state security, internal affairs (police), state arbitration, industrial management, state planning, and state control.

It is significant that local Soviets are not assigned any functions in the control of the factory unless the latter is extremely small and of purely local importance. Local Soviets, which according to the Soviet Constitution (Article 3) are in command of "all power in the U.S.S.R.," have been totally overshadowed by control agencies staffed with bureaucracy (i.e., non-elective personnel).

(2) Party control is first of all universal. This means that there is no phase of the political, ideological, or socio-economic "front" which is not wide open to Party control. It is an intra-factory control and therefore it is continuous. It is unilateral, a privilege granted to no other organization in the U.S.S.R.: it controls all other control agencies but is not subject to control by them. Since Party control is non-bureaucratic and non-professional it would seem that it is not ideally fitted for highly technical assignments (measuring of labor productivity, setting forth and administering rates of output and norms of production, auditing). In order to overcome this difficulty the Party resorts to the creation of *ad hoc aktivs* for the performance of such highly specialized functions. However, the *aktivs* are temporary bodies and are usually created after "violations" have taken place. This "difficulty" is more than counterbalanced by a special feature of Party control, which actually constitutes the core of its predominant position in the complex network of institutionalized control: the Party exercises its control not only through its directing bodies but also by means of a distribution of its members throughout all other control agencies. Management, trade union organization, police, and all other control forces are permeated by Communists, who are "the eyes and ears" of their respective Party organizations.

Since the Party units are not subject to control by any outside agency their internal control is tighter and more rigid than that of any other organization. The directing body (bureau) of the factory Party organization is subordinated to triple intragroup control. It is controlled by (a) the primary Party organization, that is, by the members who have elected it (horizontal control); (b) the territorial Party organization to which it is directly subordinated and accountable (vertical control); and (c) the special agents of the Party Control Commission, a central office subordinated directly to the Cen-

tral Committee of the Communist Party (diagonal control).[17]

(3) Control exercised by public organizations is for the most part nonspecialized and has been devised primarily to serve as an auxiliary of the Party and government systems of control. The agencies of public control are not vested with the right to undertake legal measures against the violators of the law, but only to report their "findings" to proper government and Party quarters. In their intragroup relations they are subject to horizontal and vertical control. The factory trade union committee, for example, is controlled by the general meeting of trade union members of the particular factory (horizontal control), but it is at the same time subordinated to and controlled by the district trade union committee (vertical control). It should be stressed, in this connection, that according to one of the principles of the so-called Soviet "democratic centralism," decisions passed by higher bodies are mandatory for lower bodies. This means that control exercised over the factory trade union committee by its membership (horizontal control) is actually auxiliary to the control exercised by the district committee. This implies that, in the final analysis, the factory trade union committee is controlled by the All-Union Central Council of Trade Unions through intermediary organizations at different administrative-territorial levels. A similar pattern of dual intragroup control is followed by the *Komsomol*.

(4) Voluntary control is specialized but non-bureaucratic, that is, it does not call for permanent staffs. It may require high skill from its members (*aktivs*), or it may consist of purely mechanical assignments (auxiliary militia). These groups have no independent status: they are adjuncts of Party and government agencies. They are internally controlled by their respective memberships (horizontal control) and by Party and government organizations whose adjuncts they are (vertical control).

THE OVER-ALL SYSTEM OF FACTORY CONTROL

The Soviet factory is subject to a comprehensive system of intertwined controls. Every aspect of human life, varying from political-ideological behavior to the application of technological principles, is under constant and thorough surveillance.

The strands of the control web are multitudinous and provide open avenues for "checking up" on everybody by everybody. Control functions are differentiated but the demarcation lines are not clear-cut and allow for an extensive overlapping. The more important a control object is the more agencies focus their attention on it.

Soviet authorities have formulated various types of discipline, which may be regarded as indices of principal aggregates of control objects. "Socialist discipline" denotes adherence not only to juridical norms but also to noncodified socialist maxims. Its chief guardian is the Communist Party, while most of the other control agencies are concerned with various facets of it. "State discipline" refers to full compliance with the existing laws and administrative decisions and orders. Its chief protector is the Procurator ("the guardian of legality") with the assist-

[17] For a succinct description of the development of this office see: Julian Towster, *Political Power in the U.S.S.R.*, New York: Oxford University Press, 1948, pp. 171-174.

ance of all other control agencies. "Planning discipline" implies consistent work toward full implementation of the annual "industrial and financial plan" in terms prescribed by higher government authorities. The agents of the State Planning Commission, the Ministry of State Control, the Finance Ministry, the corresponding industrial ministry and the State Arbitration are its chief guardians. "Production discipline" signifies adherence to the prescribed arrangement of compound activities bearing on production and is guarded by managerial as well as non-managerial government control agencies with the assistance of the trade union organization and most other groups. "Technological discipline" implies full observance of prescribed technological processes and is guarded by the managerial hierarchy with the assistance of the trade union organization. "Labor discipline" refers to full compliance with the internal distribution of work assignments and with the social and cultural provisions of the Labor Code. Its chief guardians are the trade union organization and management.

"Socialist discipline" is a generic concept including all other disciplines as its constituent elements. Accordingly, the safeguarding of "socialist discipline" is equivalent to the safeguarding of all other disciplines put together. The Communist Party as the supreme watchdog of "socialist discipline" is automatically the indisputable guardian of state and Party interests in the factory; in brief, it commands universal control and has been devised to serve as a unifying force in the over-all system of factory control.

The organizations and their members engaged in the field of control are constituents of an over-all hierarchical system. The Communist Party occupies the top layer of the hierarchy by virtue of its paramount assignments of safeguarding "socialist discipline" and controlling all other control agencies. Government agencies, run by bureaucracy, constitute the second layer. They provide specialized, professional, competent, and responsible control. They hold all the arterial strands of control in their hands. Public organizations occupy the third layer; they are Party and government auxiliaries. At the bottom are voluntary groups which operate either as satellites of individual government agencies or as temporary bodies sponsored by the Party. The hierarchy in the control structure does not follow the pattern of hierarchized statuses of factory personnel, for persons of equal status may be distributed among all four groups. In fact, the vertical differentiation of control systems cannot be defined in terms of a single classificatory principle. While the primary Party organization possesses supreme *authority* in the over-all system of control, the government bureaucracy commands the highest degree of *competence*. The basic difference between control performed by public organizations and voluntary groups lies not in their mastery of different scopes of authority and competence, but in the fact that the former holds relative permanence and a wider range of operations. This absence of a uniform classificatory principle is not of purely theoretical interest; in fact, it is indicative of an incomplete integration of the system of control and of an inadequate coordination of various control functions. While the wide overlapping in the guarding of the above-mentioned disciplines by various control agencies is calculated to reinforce the over-all system of control, its actual contribution to the integration of factory control is rather negative for it is based on extensive duplication of responsibility which

breeds intergroup conflict and general apathy.

The present-day system of control, crowning a rapid development during the last two decades, has engendered a series of acute problems. Control bureaucracy, which tends to operate within an orbit of stereotyped procedures, is frequently under attack for its inflexibility, tendency to impart independent interpretations to government decisions or to shelve them, and passive resistance to innovations. Furthermore, decentralized control has to a considerable degree curtailed the power of centralized management and it has brought about new confusion in the distribution of responsibilities and prerogatives. Conflicts between the primary Party organizations and managements are daily occurrences, and "one-man management" has not yet been fully consolidated.[18]

During recent years the Soviet authorities have made frequent references to the forthcoming transition of Soviet society from socialism to communism. In communist society, according to its champions, work will become a habit, a "need of each man," and therefore no compulsion for work will be needed. In contrast to this programmatic dictum, no traces have yet been manifested of a relaxation of organized control, which, in the final analysis, is a device for compelling each individual to do his assignment in a prescribed manner. In fact, all available facts point to a gradual development of a more stringent and ubiquitous control.

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[18] E. Sokolov, *op. cit.*, p. 47.

EIGHTEEN

Communication

INTRODUCTION

Barnard has called communication the foundation of cooperative group activity. There is no question that one of the foundation stones upon which organization rests is a system or systems of communication. Indirectly, we have already dealt with important aspects of communication. We could hardly have avoided it.

It is therefore desirable at this point to select certain aspects of communication for emphasis. Those selected supplement what has already been said and what will be said in Chapter 20, which deals with organization fictions.

Communication involves the use of symbols. A word or a gesture stands for something—it is symbolic. Symbols not only point to something, but often indicate the meaning that that something has, as well.

Roethlisberger, in the first two selections of this chapter, calls our attention to two central points about communication. The first is that the status or authority position of a person in an organization is correlated with the kinds of symbols he uses. The language of the executive and that of the floor-sweeper are different. Roethlisberger's second point is that the meanings of symbols can be determined only in the context in which they are used. The subtleties of meaning even of single words are familiar to all. Those with military experience can recall the yeoman service performed by certain Anglo-Saxon monosyllables in a vast array of different situations.

It is particularly necessary for the executive and administrator who is an initiator and recipient of vast quantities of communications to have a real appreciation of the status-associated feature in symbol selection, and of the varieties of meanings associated with different contexts. Indeed, nothing so obviously shows an individual to be out of place as a slip of language. The executive who tries to fraternize with the worker at the latter's level does so at the peril of vast embarrassment with the first slip in language that does not ring true.

We can draw the obvious distinction between formal and informal channels of communication. By the former we mean the lines of communication that follow the regular functional interrelations or the regular authority interrelations of the organization. In the third selection of this chapter, Simon deals with both informal communication and the "grapevine." The informal commu-

nication is the means for carrying on the informal interaction analyzed in Chapter 5. The grapevine is the basic medium for exchanging organizational gossip.

We can consider communication in organizations as having two basic functions: (1) to give and receive direction; (2) to give and receive information. In the fourth selection, Simon makes a very interesting statement about the relationship between shared knowledge and teamwork. He gets at the heart of the functions of communication in a very short selection. The last selection indicates some of the methods for sharing knowledge in collective bargaining.

COMMUNICATION AND SYMBOLS

FRITZ J. ROETHLISBERGER *

The problem of communication is very important in the effective integration of any group or of a group of groups, of which industry is composed. Successful communication between individuals depends upon something more than a common language, a common set of words. People and groups with different experiences and social places, although having in common many of the same words, may vary widely in mental attitudes. These differences in modes of thought and ways of viewing things may make communication in some instances almost impossible. The trained expert with his precise and logical vocabulary has difficulty in communicating with the layman. The customary ways of thinking of the skilled toolmaker, for example, are quite different from those of the non-machine minded unskilled worker. They differ also from those of the engineer, the accountant, the marketing expert, the executive, or the administrator. As it is commonly expressed, people with different ways of thinking do not "get" each other.

If there is to be successful communication between the top and bottom of an industrial organization, these differences in modes of thought must be clearly recognized. The same symbols do not necessarily have the same referent for different groups. Most symbols not only point out something, they also convey certain emotions. There is no better example than the case of the language of efficiency. The top of the organization is trying to communicate with the bottom in terms of the logical jargon and cold discriminations of the technical specialist, the engineer, the accountant, etc. The bottom of the organization, in turn, is trying to communicate with the top through its own peculiar language of social sentiments and feelings. Neither side understands the other very well. To the bottom the precise language of efficiency, instead of transmitting understanding, sometimes conveys feelings of dismay and insecurity. The bottom, in turn, instead of transmitting successfully its fears of social dislocation, conveys to the top emotional expressions of petty grievances and excessive demands.

* Reprinted by permission of the publishers from Fritz J. Roethlisberger, *Management and Morale,* Cambridge, Mass : Harvard University Press, 1941, pages 62-63.

THE EXECUTIVE'S ENVIRONMENT IS VERBAL

FRITZ J. ROETHLISBERGER *

That a good portion of the executive's environment is verbal seems hardly open to question. In discussions, meetings, and conferences the verbal atmosphere is thick. The executive is dealing largely with words, symbols, and abstractions. Of course, this applies to any of us. We are all responding to words and other stimuli involving meaning. It seems to me obvious, however, that the higher the executive goes in an organization the more important it becomes for him, if he is to handle effectively one aspect of his job, to deal competently with his verbal environment.

On the other hand, he has to become skillful in using words that will appeal to his listeners' sentiments. In trying to secure the cooperation of individuals in the common purposes of the enterprise the executive often has to practice the art of persuasion. He uses words that he hopes will produce the appropriate effects on his listeners. In statements to stockholders, employees, and customers, the executive has to resort to words, both oral and written. In handling complaints and grievances, the executive is using, as well as listening to, words.

On the other hand the executive has to be able to interpret skillfully what people say, for in so far as his work involves the interactions of human beings his data comes from what he hears as well as from what he sees and does.[1] Whether he likes it or not, he has to practice this difficult art; yet he has no explicit tools for doing it. He either picks up the skill intuitively or tries to organize his work so that the need for exercising it is at a minimum. This latter method is likely to be unsuccessful because it leads him to busy himself more and more with logical, statistical, and oversimplified abstractions or lofty principles about human motivation and conduct. In doing so he loses touch with the concrete situation before him.

In short, words play an important role in all the major functions of the executive. If this proposition is true, it seems sensible to ask what the executive needs to know about words and their functions and what skills he can explicitly develop in interpreting what people say.

Let us consider some of the different functions of language or words.[2] In the first place, words can be used to refer to events and happenings outside of our skin: this can be called the logico-experimental function of language. In this way words are used by scientists or by two or more people engaged in a discussion of matters with which they have firsthand, familiar, and intuitive acquaintance, as well as a common background of systematic knowledge. The words and symbols used by the speaker refer to events, and uniformities

* Reprinted by permission of the publishers from Fritz J. Roethlisberger, *Management and Morale,* Cambridge, Mass. Harvard University Press, 1941, pages 88-92.

[1] The statements are similar to those made about the social scientist by Professor L. J. Henderson in *Three Lectures in Concrete Sociology* (privately distributed), p. 13.

[2] For the purposes of this paper it would be inappropriate to discuss the many different theories of language. Only three well-recognized functions of language will be mentioned to illustrate some of the problems involved in interpreting what people say.

among events, which occur primarily outside of him or the listener, and to which they can go for observation and check in case of disagreement. Most of us spend only a very small portion of our day using words in this strict sense. We are much more likely to be engaged in less arduous and more pleasant verbal practices.

In a social conversation, for example, the situation is likely to be quite different. When two or more people are talking together, what is primarily happening is an interaction of sentiments rather than anything strictly logical. One person is using words to express certain sentiments, to which the other responds with similar or opposite sentiments; or one person tries to influence the other by using symbols that will have a favorable reaction on the latter's sentiments. This can be called the "emotive" [3] function of language, as opposed to the logico-experimental. The skillful politician is a good example of a person using words in this way.

There is a third function of language which has received considerable attention during the past two or three decades. Through words man not only communicates but satisfies his desires. I refer to the day-dreaming, revery, and air-castle building in which we all indulge and from which we obtain considerable satisfaction. A good portion of our day is spent in using words to satisfy our desires in this way.

That "Language serves a man not only to express something but also to express himself," [4] every executive should realize and explicitly take into account. The fact that language has different functions and that these functions, except under special circumstances, are rarely distinguished complicates our problem. Words refer not only to things happening outside our skins, but also to our attitudes, feelings, and sentiments toward these objects and events. This means that many statements are expressed which have little or no meaning apart from the personal situation of the person who makes them. This not only makes the interpretation of what people say difficult, it also makes it imperative to do a skillful job, because if we refer words to a wrong context we are likely to misunderstand what a person is telling us. The channels of communication in a business organization often become clogged because words are referred to wrong contexts.

The problem would be simple if when people spoke they labeled what it was they were telling us; if, for example, they would say: "Now I am talking about simple events and uniformities among them in our common experience." "Now I am expressing my sentiments and attitude toward something." "Now I am day-dreaming and satisfying my ego." "Now I am trying to disguise my sentiments as logic." "Now I am trying to influence your sentiments by using these particular words." "Now you may think I am talking about my supervisor but really I am talking about my unhappy experiences with my father." Unfortunately (or fortunately, depending upon our point of view), this is not often true. We very seldom express our sentiments *as sentiments*. One of the most time-consuming pastimes of the human mind is to rationalize sentiments and to disguise sentiments as logic.

All I have said so far shows clearly that the interpretation of what people

[3] Taken from C. K. Ogden and I. A. Richards, *The Meaning of Meaning* (New York: Harcourt, Brace and Company, 1925), p. 257.

[4] *Ibid.*, p. 261 (statement by O. von der Gablentz, quoted by Ogden and Richards).

say is a difficult business. There is nothing to be gained by pretending that the job is simple. It is something that some people learn from experience and at which some people—physicians, lawyers, and businessmen—become exceedingly skillful. (These skillful people, however, often cannot communicate their skill.) The technique cannot be learned without practice but, again, for some people practice is not enough. No matter how much experience they have in listening to or in using words, they never acquire any great ability in this field. They continue to deal with words as constants rather than as variables, as if they had universal meanings rather than different meanings for different people under different conditions and situations.

In Chapter 15, Hughes indicated that the sharing of auxiliary symbols of status of the informal group was part of the process of gaining membership in that group. In the following selection, Simon points out that the individual also participates in and uses a common universe of discourse in becoming a part of the informal group or in establishing informal interaction with other organization members.

INFORMAL COMMUNICATION AND THE "GRAPEVINE"

HERBERT A. SIMON *

No matter how elaborate a system of formal communications is set up in the organization, this system will always be supplemented by informal channels. Through these informal channels will flow information, advice, and even orders (the reader will recall that, in terms of our definitions, an authority relation can exist even though the superior is not vested with any sanctions). In time, the actual system of relationships may come to differ widely from those specified in the formal organization scheme.

The informal communications system is built around the social relationships of the members of the organization. Friendship between two individuals creates frequent occasions for contact and "shop talk." It may also create an authority relationship if one of the individuals comes to accept the leadership of the other. In this way "natural leaders" secure a role in the organization that is not always reflected in the organization chart.

The informal communication system takes on additional importance when it is remembered that the behavior of individuals in organizations is oriented not only towards the organization's goals but also to a certain extent toward their personal goals, and that these two sets of goals are not always mutually consistent. Hence, when organization

* From Herbert A. Simon, *Administrative Behavior*. New York: The Macmillan Company, 1947, pages 160-162. Copyright 1945 and 1947 by Herbert A. Simon and used with The Macmillan Company's permission.

members deal with one another, each must attempt to assess the extent to which the other's attitudes and actions are conditioned by personal rather than organizational motives. When a primary relationship has been established between them, it becomes easier for each to make this assessment, and easier for them to be frank in regard to their motives. Requests for cooperation will less often meet with the reaction: "You run your department, and I will run mine."

Primary relationships can be unfriendly, of course, just as easily as they can be friendly, although there is what might be called a "presumption of friendliness" in most social relationships in our society. It becomes a major task of the executives, then, to maintain attitudes of friendliness and cooperation in these direct personal relationships so that the informal communication system will contribute to the efficient operation of the organization rather than hinder it.

The informal communications system is sometimes used by organization members to advance their personal aims. From this arises the phenomenon of cliques—groups that build up an informal network of communications and use this as a means of securing power in the organization. Rivalry among cliques, in turn, may lead to general unfriendliness in social relationships and defeat the purpose of the informal communications system.

There has been little systematic analysis of the way in which the formal organization structure encourages or hinders the formation of cliques, or of the techniques that can be used by executives to deal with cliques and minimize their harmfulness. On the first score, it may be conjectured that the weakness of the formal system of communications and failure to secure an adequate measure of coordination through that system probably encourage the development of cliques. The coordinating function that cliques perform under such circumstances is closely analogous to the coordinating function performed by political machines in a highly decentralized governmental structure like the American system.

A great deal of the informal communication in any organization is far less deliberate than the activities of cliques or even the conversations of executives who lunch together. In addition to these there is the great mass of communication that goes under the head of "gossip." In most organizations the "grapevine" probably plays, on the whole, a constructive role. Its chief disadvantages are, first, that it discourages frankness, since confidential remarks may be spread about, second, that the information transmitted by the grapevine is often inaccurate. On the other hand, in addition to transmitting information that no one has thought to transmit formally, the grapevine is valuable as a barometer of "public opinion" in the organization. If the administrator listens to it, it apprises him of the topics that are subjects of interest to organization members, and their attitudes towards these topics. Even for this latter purpose, of course, the grapevine needs to be supplemented by other channels of information.

In the following selection, Simon points out the crucial role of communication in teamwork. For the members of the team to be effectively coordinated, in theory, each must have a knowledge of the behavior of all others as a basis for determining his own behavior. Thus, the more profound meaning of coordination is not a mechanical putting together of automatons called organization members. If individual initiative is to be retained in appropriate degree in the organization, then the individual must have enough knowledge to coordinate his actions with others effectively. This is the more significant sense of coordination and its basis in communication.

In some respects, the kind of control that establishes appropriate patterns for behavior in organizations is one of the necessary conditions for teamwork. We discussed this in the last chapter. However, organization controls serve to relate the individual to the organization in general. They do not orient him completely to the specific individuals with whom he will have to work in a team relationship. He needs more information. That information comes from intensive communication between the team members prior to embarking on a course of action. You will find in this the genesis of that ubiquitous characteristic of organization, the conference. The conference is one way of sharing information about what each is going to do as a member of a team before action is undertaken. Don't be bored when the other fellow is telling you what he will do. He is really establishing for you a basis for determining what you will do in coordinating your actions with his own.

SHARED KNOWLEDGE AND TEAMWORK

HERBERT A. SIMON *

At the opposite extreme from a purely competitive situation is one where two or more participants share a common goal, and where each has sufficient information as to what the others are going to do to enable him to make correct decisions. This is precisely what is meant by "teamwork." The purpose of signals in football, or bidding in bridge, is to enable each player in a team to form accurate expectations as to what his teammates are going to do, so that he can determine the proper means for cooperating with them to reach the common aim. A major purpose of the planning and organizing that precedes any administrative activity is not merely to put each participant in the job he can best fill, but to permit each to form accurate expectations as to what the others are going to do. Perhaps it would clarify discussion of administrative theory to use the term "cooperation" for activity in which the participants share a common goal, and "coordination" for the process of informing each as to the planned behavior

* From Herbert A. Simon, *Administrative Behavior*. New York: The Macmillan Company, 1947, pages 71-73. Copyright 1945 and 1947 by Herbert A. Simon and used with The Macmillan Company's permission.

of the others. Hence, cooperation will usually be ineffective—will not reach its goal, whatever the intentions of the participants—in the absence of coordination.

If the activity is competitive, then, it may exhibit a certain instability, for each individual will readjust his behavior if he "finds out" the intentions of his opponent, or even as a defensive tactic to prevent the opponent from finding out his own. But this same instability may result even if the activity is cooperative, provided the participants are insufficiently informed. In an organization, for example, where responsibilities have not been allocated with sufficient definiteness, two executives may write conflicting letters to the same person on the same matter, while in another case a letter may remain unwritten because each expects the other to do it.

To state the matter formally, in a cooperative pattern both participants prefer the same set of consequences; hence, if each anticipates the other correctly, they will both act so as to secure these consequences. In a competitive pattern, the optimum outcome for the first participant is not the optimum for the second. Hence the realization by the first participant of the consequences he prefers will frustrate the other participant—e.g., the rule of the market is to buy cheap and sell dear, but if the buyer buys cheap the seller will not have sold dear. Even a cooperative pattern may be unstable if each participant is unable to predict what the other is going to do. In these cases, coordination of the behaviors of the two participants is necessary in order that they may realize the possibility that they both prefer. Here conflict of aims is not in question, but imperfect knowledge.

Administrative organizations are systems of cooperative behavior. The members of the organization are expected to orient their behavior with respect to certain goals that are taken as "organization objectives." This leaves the problem of coordinating their behavior —of providing each one with knowledge of the behaviors of the others upon which he can base his own decisions. In cooperative systems, even though all participants are agreed on the objectives to be attained, they ordinarily cannot be left to themselves in selecting the strategies that will lead to these objectives; for the selection of a correct strategy involves a knowledge of each as to the strategies selected by the others.



In the next selection are set forth three types of consultation between company and union. These forms of consultation really represent methods for sharing knowledge, methods of communication. If we go back to Simon's thesis of the previous selection, we can say that the individual strategies of union and management are altered by virtue of knowledge gained from each by the other. The behavior of each party is modified in the process of receiving knowledge from the other. Thus, communication plays an important role in the adaptive adjustment of union and management in what is usually thought of as a conflict situation.



UNION-MANAGEMENT CONSULTATION

ROBERT DUBIN *

The basis of stable union-management relations lies in developing a system of joint consultation [1] between company and union. It is out of such joint consultation that compromises develop which reduce, but do not necessarily eliminate, areas of irreconcilable union-company differences. We must at once draw a distinction between consultation, as the concept is used here, and collective bargaining.[2] Bargaining involves the important element of power and its use by both sides in regularizing their relationship with each other. Collective bargaining can be viewed as a "balance of power" process in which the strategic powers of union and management are counterposed. The union contract in its stated clauses, and even in what has been omitted from it, reflects with a high degree of accuracy the balance of power between union and company.

There are three general types of joint union-management consultation. Each represents a different degree of union participation in decisions affecting the work force. Any combination of these three kinds of consultation may be found existing side by side in the same company.

The first kind of consultation involves only the transmission of information through the union to the work force. This can be called "information only" consultation. Here the management is willing to use the union as an additional channel of communication within the business. Most managements recognize the importance of having ready access to their workers in order to keep them informed about company activities and plans. House organs, letters, simplified annual reports, group meetings with the workers, and other means are used to keep employees informed about the company.

Where a union represents the workers, a problem is created. Should the company continue a practice of direct communication with its employees; should it channel most information through the union; or should it at least give advance notice to the union officers of information going out to the work force? The kind of information is not itself the important consideration here. The real question revolves around whether or not the company is seeking to maintain a sharp distinction between "our employees" and "your union members." If management is convinced that there is no need of fostering competition

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* From "Union-Management Cooperation and Productivity," *Industrial and Labor Relations Review*, 2. 198-209 (Jan 1949) Used by permission.

[1] We have to distinguish the kind of consultation discussed here from so-called "consultative management" In the latter, consultation is between management, with sole authority to make final decisions, and its unorganized employees The parties to such consultation are in a superior-subordinate relationship. (See H. H. Carey, "Consultative Supervision and Management," *Personnel*, XVIII [1942], 1-11, and J. Leitch, *Man to Man: the Story of Industrial Democracy* [New York· B. C. Forbes Co, 1919]) As we use the term, consultation is between relative equals—the company and union. This is much the sense in which the term has come to be used in British literature (see G. S. Walpole, *Management and Men* [London· Jonathan Cape, 1944]).

[2] This distinction is amplified in the discussion that follows.

for the loyalty of workers, then the union will be used as the channel for passing information to the workers.

Anyone in a position of authority likes to feel that he has information of interest to himself and his subordinates before it becomes general knowledge. This is one of the prerogatives of leadership. Union officers as leaders want to be "in the know" before their constituents; this is a prestige factor which builds up the importance of their job. Thus, the chain of communication in a plant can be one important indication to the union of whether or not management accepts unionism as a permanent part of the structure of the business. Union officials are likely to look upon their exclusion from the chain of information in the plant as a subtle form of "union busting," and react accordingly. We must recognize at the same time, of course, that a union does not exist solely for the purpose of adding another link to the communication chain within a plant.[3]

"Information only" consultation has another important role in the union-management relationship. There are many areas of business activities which concern the union only remotely, if at all. In some of these areas the company may want to communicate with its work force (e.g., addition of new lines of products or new models, or plant additions). Information received by union officers in advance of general publication on such matters serves to emphasize the tacit understandings between company and union of the areas of decision and action reserved exclusively to management. The union thus has an opportunity to steer clear of possible controversy with the company over issues both can define, in advance, as lying outside the scope of union-company relations.

The next two types of consultation involve much more than building a communication system in the plant. Each of these entails management solicitation of advice or assistance from the union.

The first of these more advanced forms, "status-protection" consultation, is based on the recognition by management that certain business decisions affect the union and the work force. Such decisions often lie outside the direct scope of collective bargaining. The company, recognizing a legitimate worker interest in the decision, will present its plans to the union prior to execution in order to give the union an opportunity to protect its interests before the new course is embarked upon. For example, the vice-president in charge of production in one of the largest men's clothing firms in the country pointed out that recently the company was faced with a bottleneck in coat linings. The management evolved a plan for setting up a shop to manufacture linings in a neighboring town with available labor. This looked like the most practical solution to the problem. Before going ahead with the plan, however, the union was called in and given the details of the project and a chance to suggest alternatives. The operation was carried out exactly as developed by the management.

It is important to note that the initiative for recognizing a problem and formulating its solution rests completely in management's hands in "status-protection" consultation. It is part of the function of company officials, as competent management, to do this. The

[3] An oversimplification sometimes made for purposes of analyzing the social structure of a plant. See Burleigh B. Gardner, *Human Relations in Industry* (Chicago: R. D. Irwin, 1945), pp. 98-103.

union is given an opportunity to review a proposed plan of action in order to protect whatever interests the organization may feel are involved. The union does not review the action as though it were acting in the position of management. It does not say, "If we were running the company, this is the way we would handle the problem."

This distinction is crucial. It means that the union does not try to put itself in management's position and solve the problem as though it were management. It means that management does not figuratively take the role of the union and ask itself how the decision ought to be made from the union's standpoint. Each side approaches the solution of the problem from the standpoint of its respective policies and goals. This kind of joint consultation does not presuppose that the goals of company and union are identical. It simply provides an organized framework in which the union can state its case in advance of the execution of the company proposal. The importance of this mode of procedure lies in the fact that it is much easier to change a plan before its execution than it is to correct action already initiated.

The most complete form of joint consultation, "expert consultation," is one in which management seeks union assistance in much the same fashion that it seeks the counsel of a business consulting service, or a firm of outside engineers. The company officials lay the problem on the table. They point out that the solution is based on technical and other considerations that management experts are unable to piece together into an effective plan of action. "What has the union to suggest? How would the union solve this problem if it were free to act *as though* clothed with all the authority of management to make the decision?" The union, in effect, is asked to take the role of technical consultant and view the problem essentially from the company standpoint.

Expert consultation is what is usually meant by union-management co-operation on production problems. We will point out later in detail why expert consultation is usually short-lived. At this point we want to emphasize that joint consultation on an expert basis brings the union squarely into the area of production and manufacturing decisions. Perhaps the most outstanding example in modern labor relations is found in the men's clothing industry.[4] The Amalgamated Clothing Workers have played, from time to time, a significant role in determining production policies in the industry. Yet there is strong evidence that the permanent joint consultation in the clothing industry has been stabilized at the status-protection level. By and large, in the bigger plants, control over production decisions has been restored to management. The union maintains its own engineering services to check on management production proposals about which some doubt exists and which may affect the status of workers or the union —a return to status-protection consultation.

A recent striking example of expert union-company consultation occurred at the Lever Brothers plant, Toronto, Canada,[5] where a joint labor-management

[4] S. H. Slichter, *Union Policies and Industrial Management* (Washington: The Brookings Institution, 1941). For individual examples of expert union-management consultation see C. S Golden and H. J Ruttenberg, *Dynamics of Industrial Democracy* (New York· Harper and Bros., 1942) and E. T. Cheyfitz, *Constructive Collective Bargaining* (New York: McGraw-Hill Book Co., 1947).

[5] W. R. Dymond, "Union-Management Co-operation at the Toronto Factory of Lever

production committee succeeded in improving manufacturing technique and reducing man power requirements so that labor costs per standard unit of output were reduced approximately 20 per cent. But even in this case, where the measured savings were substantial, the management declined to continue the expert-consulting relationship with the union. As in the case of the men's clothing industry, the consulting arrangement has returned to the status-protection level.

A recent study shows expert consultation in a different context. The company president was meeting with the union bargaining committee during a recognition strike. He recorded his statements and reactions to the union committee as follows: "I'm against unions because they limit production.... How can you increase production? I got answers fast. Each one had a sound suggestion for his department.... I took notes that I could see would save the company thousands of dollars annually. ... When the workers began talking I saw that they had my interests at heart —as well as their own." [6] In this case the expert consultation was born at the very start of collective bargaining and provided the basis for management acceptance of unionism.

The basic purpose of expert consultation is to make available to management, through the union, the technical know-how of the man on the machine. Any experience at all in a factory makes it clear that excellent production ideas are in the hands of the work force but are often kept from management.

COLLECTIVE BARGAINING AND UNION-MANAGEMENT CONSULTATION

Joint consultation between union and company, as we use the term, is characterized by two important additions to the collective bargaining power struggle: (1) A psychological atmosphere is created by both union and management in which there is a willingness to approach each other without fear that such an open approach will be interpreted as a sign of bargaining weakness. (2) The "problem-solving" method of collective bargaining tends to replace the "balance of power" method.

Let us consider each of these factors in turn as they relate to union-management co-operation in production—expert consultation.

How can a management approach a union with a bid to work out plant problems jointly without the union's considering the move a sign of weakness in the company's bargaining position? The evidence from a number of studies of union-management relations indicates that this can be done when the company is able to make a case for its actual or potential unstable competitive position. In an extreme instance of joint consultation on production problems, like the Naumkeag Steam Cotton case,[7] for example, the firm was faced with the immediate prospect of closing its mills because of an unfavorable cost position relative to competitors. The union saw clearly that straight collective bargaining on economic issues was not the solution to the problem. In a sense, the company had an extremely weak bargaining position; it was in no condition to sustain a strike. But the union's bargaining position was correspondingly

Brothers Limited," *Canadian Jr. of Econ. and Pol. Sci.,* XIII (1947), 1-42.

[6] A. H Whiteford, W. F. Whyte, and B. B. Gardner, "From Conflict to Cooperation," *Applied Anthropology,* V (Fall, 1946), 5.

[7] R. C. Nyman and E. D. Smith, *Union-Management Cooperation in the "Stretch-out"* (New Haven: Yale University Press, 1934).

weakened by the real danger of permanent plant closure and consequent loss of employment for its membership. The generating force which led to the temporary co-operation between union and company on raising production standards lay outside the collective bargaining relationship and was a product of the firm's weak competitive position.

In much the same way the origin of co-operation on the railroads, started on the Baltimore and Ohio system and embracing the shop crafts, was a direct outgrowth of the weak competitive position of several repair shops.[8] These shops were slated to be closed and their work transferred to other division repair shops or given to outside firms. The initial joint consultation through a highly developed suggestion system was an effort to reduce operating costs and preserve the existence of the shops threatened with permanent suspension.[9]

It is not always necessary, however, for the firm to be facing a severe curtailment of production or actual bankruptcy in order to establish a basis for joint consultation. A recent report on the Niles-Bement-Pond Company, machine tool manufacturers of Hartford, Connecticut, illustrates quite a different situation in which status-protection joint consultation developed. The report on this company stated:

> Last year their mutual toughness resulted in a bitter 20½ week strike which bled both sides white. The bitterness lingered. Since then both company and union have changed leadership. When Deeds [president] resigned in March, the directors replaced him with Frederick Underwood Conrad... The union, inspecting the company's annual report, saw that it had a $10,000,000 surplus. It jumped to the conclusion that this was money in the bank and demanded a 15¢-an-hour raise. Conrad, remembering C.I.O.'s war cry in 1945 of "Open the Books," asked the union if it would like to look at his books. Surprised, the union men agreed. After poring over the books, they found last week that the millions they had thought were available for raises were somewhere else. Said Union President William Lawlor: "The books proved that a major portion of this surplus was invested in inventory. They also showed that the company... had invested hundreds of thousands of dollars in designing and tooling new model machine tools. Both of these points, to us, spell job security." The union withdrew its 15¢-an-hour demand, settled for six paid holidays....[10]

In this case it is clear that the company supported its decision against the wage demand by permitting the union access to information that provided the basis for protecting the status of union officers. These officers were convinced, and were able to convince their membership, of the company's inability to meet the demanded wage increase.

Where expert consultation between union and company to solve problems of productivity is primarily a product of the competitive squeeze on the concern, it is likely to last only until the immediate, pressing issues are solved more or less successfully. The crisis forces the co-operation as a matter of business survival and the continued existence of threatened jobs. But there may be little or no carry-over in the subsequent period of normal operations.

[8] L. A. Wood, *Union-Management Cooperation on the Railroads* (New Haven: Yale University Press, 1931), pp. 87ff.

[9] It should be emphasized here that there must be a real basis in fact for the unstable competitive position of the company Very often such an argument is used in collective bargaining without any really serious hope by the management that the union will accept the argument at its face value. Such a company contention must usually be supported by convincing evidence and the equivalent of "a look at the books" in order for a union to be convinced of a real or potential threat to the company.

[10] *Time*, L (July 14, 1947), 79-80.

The expert consultation ceases with the end of the competitive uncertainty which gave rise to it because the second aspect of joint consultation—a problem-solving approach to industrial relations—is not carried over into the general relations between union and company.

THE "PROBLEM APPROACH"

The "problem approach" to union-management relations has been set forth in detail elsewhere.[11] We will summarize here some of its broad features. On the management side industrial relations are viewed as part of the total problem of production. Labor relations and personnel administration are considered to be general rather than specialized management functions. Difficulties involving the work force are approached in terms of the substantive issues involved. The result, when carried to its logical development, involves the direct handling of labor relations by line officials of the company, with the industrial relations specialists acting as their staff advisors. (We found this to be true at Studebaker, for example.) The line officials are not afraid to tread the relatively unfamiliar ground of industrial relations. On the union side, the problem approach to collective bargaining means that it is relatively free to avoid subterfuge in raising an issue with the company. Whatever the problem is, the union officials tend to state their position unequivocally. Even with a deliberate slowdown in the plant, as in the instances reported in our study of Studebaker,[12] for example, the union officials felt no constraint to call the slowdown anything but that.

Briefly, the "problem approach" focuses largely on dealing, from the standpoint of both sides, with the substantive aspects of an issue without constant recourse to overriding guiding principles. It is freely admitted that there may be many possible solutions to a particular problem. The objective is to select the one best suited to provide some satisfaction to both union and management.

The war period was characterized by the greatest organized effort ever made in this country to superimpose expert joint consultation upon the existing patterns of industrial relations. The "Nelson Committees" of the War Production Board had as their avowed purpose the joining of management know-how with worker skills to increase war production efficiency. By and large, the success of this effort was limited. It has certainly been true that in the postwar period joint consultation on plant production problems has become the rare exception again.

Many reasons can be cited for this development. A number of corporations and unions refused to set up production committees even during the war. In other instances only token efforts were made to participate in the program. On analysis it appears that the parties to many union-management relationships had not created a psychological atmosphere in which it was possible to approach each other without fear of losing status and bargaining power. To many company executives a joint war production committee was felt to be an implicit admission that management was not fully capable of managing. In other instances frank skepticism existed that workers could really contribute to the solution of war production problems. On

[11] See Frederick H. Harbison and Robert Dubin, *Patterns of Union-Management Relations: The UAW-CIO, General Motors and Studebaker* (Chicago: Science Research Associates, 1947), Part Three, "Studebaker and the UAW-CIO," summarized on page 159.

[12] *Ibid.*, ch. v.

the union side, the war production committee was often fostered as a means of establishing another channel for extending collective bargaining, even though the committees were not supposed to consider labor relations problems. If there was any management hesitancy about adopting the plan, local unions often made political use of this fact for bargaining purposes.

Without the psychological atmosphere in which joint consultation develops, it is, of course, not possible to engage in a problem approach to collective bargaining. It is notable, for example, that at the parent plant of the Studebaker Corporation the pattern of problem-solving collective bargaining and the necessary psychological atmosphere already existed. Neither union nor company felt any need for the apparatus of a joint war production committee, and none was established. The pattern of bargaining at Studebaker already contained the essential features of a joint consultative arrangement.

A psychological atmosphere facilitating the approach of union and company to each other is important to all three kinds of joint consultation. The problem-solving method of labor relations is particularly relevant to status-protection and expert consultation. In any form of joint union-company consultation there is a broad extension of collective bargaining into the day-to-day relations of union and company. This extension of collective bargaining includes a more informal exchange of ideas in attacking jointly the mutual problems of the plant.

NINETEEN

Technology and Human Relations

INTRODUCTION

There are a number of ways in which we can analyze the relationships between technology and human relations in a sociological framework. We can first examine the impact of technology upon the society as a whole. Secondly, we can consider the impacts of technological changes upon business organizations. Most of this chapter is devoted to the second approach. In the first article, by Merton, some cursory attention is given to the interconnections between technological change and society as a whole. This is by no means an exhaustive treatment, nor is it intended to be.

Turning now to the impact of technology on business organizations we can discern four areas of relationships. (1) The effects upon the individual worker of technological change. (2) The modifications of the authority structure of industry through the shifts in social power. (3) The conflicts in value systems that accompany technological change. (4) The changed nature of the basis for collaborative participation as a worker in industry.

Merton, in the first selection, suggests five ways in which technological innovation has had a direct impact upon the worker. Note particularly that he emphasizes three aspects of human relations in organizations that we have already treated in detail; he now traces them to their technological roots. He points out that changing technology modifies the network of social relations at work, with particular reference to informal organization. He calls attention to the fact that there is loss of public identity of job. This one visible mark of status disappears from the work place. He notes that there is increased discipline in the work situation: industrial management extends its control functions.

Merton also suggests that changing technology and the need for greater discipline at work is one of the roots of unionism. You will find a paralleling statement with a converging emphasis in the selection by Dubin in Chapter 13 on decision-making.

Merton also points out that technological change has been used consciously in the past as a weapon in the private struggle for social power between management and labor.

The first selection also emphasizes

the conflicts in value systems that derive from the sharper social stratification of industry consequent upon technological advance. Bendix, in the succeeding selection, devotes a major share of attention to this subject.

JOB AND INSTITUTIONAL CONSEQUENCES OF TECHNOLOGICAL CHANGE

ROBERT K. MERTON *

Research has detected some of the social repercussions of technological change, a few of which will be mentioned here. These range from the most direct effects upon the nature of work life—the social anatomy of the job—to those which bear upon the institutional and structural patterns of the larger society.

SOCIAL ANATOMY OF THE JOB

It has become plain that new productive processes and equipment inevitably affect *the network of social relations* among workers engaged in production. For men at work in the factory, the mine, and, for that matter, on the farm, changes in methods of production elicit changes in work routines which modify the immediate social environment of the worker. Modifications of the size and composition of the work team; the range, character, and frequency of contact with associates and supervision, the status of the worker in the organization; the degree of physical mobility available to him—any and all of these may be collateral effects of the technological change. Although these shifts in the local structure of social relations diversely affect the level of employee satisfaction with the job, they are often unanticipated and unregarded.

The conditions under which such a change is introduced have also been found to determine its impact upon workers. Responding to depressed economic conditions by the introduction of labor-saving technology, management may widen and deepen local pools of unemployment at the very time when workers have few alternatives for employment. Management may thus nourish *the job insecurities and anxieties of workers*. Circumstances such as these understandably lead organized labor to seek greater part in shaping plans for the introduction of new equipment and processes.

In this connection the tempo of technological change is of critical, though not exclusive, importance. Workers, like executives, seek some measure of control over their day-by-day lives. Changes imposed upon them without their prior knowledge and consent are regarded as a threat to their well-being in much the same fashion as they are by the businessmen subjected to the vicissitudes of the market or to what they consider "unpredictable decisions" by "those bureaucrats in Washington." Not uncommonly, the worker's stake in the decision has been conscientiously and unrealistically neglected by a management installing labor-saving technology

* From "The Machine, The Worker and the Engineer," *Science*, 105: 79-81 (January 24, 1947). Reprinted by permission.

in an effort to maintain or improve the competitive situation of the firm. It has been observed that an environment of uncertainty, fear, and hostility may be skillfully created by quickening the pace of unpresaged changes in technology.

Through the *enforced obsolescence of skills,* labor-saving technology produces acute psychological and social problems for the worker. The difficulty does not lie exclusively in the need for learning new routines of work. The need for discarding acquired skills and, often, the accompanying demotion of status destroy the positive self-image of the worker, stemming from the confident use of those skills. Although this human cost of new methods of production can on occasion be reduced for the individual workers through the planned reallocation of jobs, this does not preclude basic changes in the occupational structure of industry at large.

With technological advance, the growing subdivision of work tasks creates numberless new occupations for which, as Roethlisberger has observed, "there exist no occupational names that have any social significance outside of the particular industry, factory or even department in many cases." The splintering of work tasks involves *loss of public identity of the job.* Who but a chosen few, for example, can distinguish a fin sticker in an automobile plant from other radiator-core assemblers? Or, to take a more homely instance, what distinguishes the pride in work of a doughnut sugarer from that of a doughnut pumper, who successfully injects jelly into fried doughnuts with a jelly pump? To the outside world, these esoteric specializations are all of a piece and, consequently, for the outside world there must be other marks of status and significant work activity that count. The alienation of workers from their jobs and the importance of wages as the chief symbol of social status are both furthered by the absence of social meaning attributable to the task.

Increased specialization of production leads inescapably to a greater need for predictability of work behavior and, therefore, for *increased discipline in the work place.* The meshing of numerous limited tasks requires that the margin of variation of individual behavior be reduced to a minimum. This trend, first made conspicuous in the beginnings of the factory system by the rebellions of workers against the then unfamiliar discipline of factory life, has become steadily more marked. In practice, this comes to mean an increasing quantum of discipline which, under specified conditions, becomes coercive for the worker.

INSTITUTIONAL AND SOCIAL EFFECTS

The political and social, as well as the economic, by-products of an advancing technology variously affect the structure of society at large. This wider context suggests that workers' attitudes toward the new technology are determined not by it *per se,* but by the collateral uses to which it can be and, at times, has been put as an *instrument of social power.* Technology has been employed not only for the production of goods but also for the management of workmen. It has, in fact, been repeatedly defined as a weapon for subduing the worker by promising to displace him unless he accepts proffered terms of employment.

In the present day, this tactical use of technology in the "price war" between management and labor need not be phrased as a threat but merely as an observation on the self-contained workings of the market. In an address before this Conference, for example, it has been stated that "among the compelling pres-

sures that now stimulate management to increased mechanization and technological improvement in the processes of production are fantastic increases in money wages, the abandonment or reduced effectiveness of incentive wages, the intransigence of many labor groups, and an abundant supply of cheap money. Process engineers, tool designers, tool makers are now and will be in demand as never before. Invention and innovation will be at a premium without precedent."

A hundred years ago, these political implications of technology (and of the role assigned to engineers) were somewhat more plainly drawn by enterprisers and their representatives. Andrew Ure, for example, could then describe the self-acting mule as a "creation destined to restore order among the industrious classes. . . . The invention confirms the great doctrine already propounded that when capital enlists science in her service the refractory hand of labor will always be taught docility."

It would be instructive to learn if the avowed or tacit use of technology as a weapon in industrial conflict does in fact break the "intransigence" of workers or instruct them in the virtue of "docility." It is possible, of course, that the planned efficiency of a new machine or process is at times unrealized when its collateral function is that of keeping workmen in their place. Quite conceivably it may be found that the exercise of naked power no more produces a stable structure of social relations in industry than in other spheres of human behavior.

Advances in methods of production, as Elliot Dunlap Smith and Robert S. Lynd, among others, have observed, may enlarge the social cleavage between workmen and operating executives. It may produce a sharper *social stratification of industry*. As the complexities of the new technology make technical education a prerequisite for the operating executive, the prospect of workers rising through the ranks becomes progressively dimmed. To the extent that opportunities for higher education are socially stratified, moreover, managers come increasingly to be drawn from social strata remote from those of workers. Also, since technically trained personnel enter industry at a relatively high level, they have little occasion to share the job experience of workers at an early stage of their careers and tend, accordingly, to have an abstract *knowledge about* rather than a concrete *acquaintance with* the perspective of workers. Finally, with the increasing rationalization of managerial procedures, the relations between operating executives and workmen become increasingly formalized and depersonalized.

These several patterns—progressive closure of opportunities for promotion, the polarization of social origins of workers and executives, the insulation of managerial personnel from workers' outlooks through changes in their typical career patterns and depersonalization of contact—may in composite contribute to a secular trend toward growing tensions between the men who manage and the men whom they manage.

The impact of technology upon the social organization is not, of course, confined to these subsurface trends in class structure. The interdependence of the industrial structure, tightened by applications of science to industry, infects the decisions of large industrial firms with the public interest. In consequence, government comes increasingly to regulate and to supervise these decisions, at least at the margins where they plainly affect the larger community. This trend toward "big government" forces upon popular attention what

analytical observers have long recognized: the spheres of economic and political behavior, far from having only tangential relations, overlap considerably. Labor and management deal not only directly with each other through collective bargaining and administrative decision but also indirectly by exerting pressure upon government. Following the footsteps of entrepreneur and management, labor enters politics.

The growing requirements of work discipline, deriving from technological integration, go far toward explaining the strategic role of the "big union" in our society. "Big industry" has been finding it more expedient or efficient to deal with unions than with large masses of unorganized workers. For industry has come to learn that discipline is often more effectively achieved with the aid of unions of the workers' own choosing than through exclusive resort to the managerial and supervisory apparatus. Moreover, a condition of technological tenuousness in which the stoppage of any one sector of production threatens to paralyze the entire industry modifies the constellation of power relations. All this confers heightened power and responsibility on labor.

Bendix, in the following selection, provides us with a historical perspective from which to view the questions of worker-management collaboration in industry and the impact of technological and institutional changes upon it. His own phrase is "the technological and institutional compulsions of large-scale organizations." In a critical vein he suggests that the industrial sociology that stems from the inspiration of Elton Mayo fails to take these imperatives or compulsions of organization into account. Sociologists of Mayo's persuasion insist that management can consciously create the conditions within the organization for high employee morale and consequent collaboration.

Of this position, Bendix asks these questions: Can improved personnel policies restore to the worker that feeling of personal importance and integrity which the production process denies him? Is such a personnel policy even compatible with the organizational requirements of that process? He says that on grounds of technological considerations alone, there is real question whether the answers can be affirmative. On grounds of differences between management and workers in social value systems, he contends, the affirmative answers are even less likely.

In short, Bendix is saying that there are *built into* modern large-scale business organizations the conditions that prevent effective collaboration between workers and management *through the manipulation of management*. This does not say that other means of collaboration are not available and used. Collective bargaining and union-management cooperation are certainly collaborative undertakings *within* the structure of the differences in value systems and the technological imperatives that make management-directed collaborative schemes unlikely. Man develops social inventions when the old tools of social organization are outmoded.

HUMAN RELATIONS AND TECHNOLOGICAL AND INSTITUTIONAL IMPERATIVES

REINHARD BENDIX *

The studies of "rationalization" in industry have emphasized from the first, in contrast to the analyses of government administration, that it was important to consider the individual participant in the production process. For instance, historians concerned with the rise of the modern factory have stressed the many obstacles of individual working habits, the lack of accuracy and discipline, which stood in the way of this development. In the words of the Hammonds:

"Scarcely any evil associated with the factory system was entirely a new evil in kind. In many domestic industries the hours were long, the pay was poor, the children worked from a tender age, there was overcrowding.... But the home worker at the worst... was in many respects his own master. He worked long hours, but they were his own hours; his wife and children worked, but they worked beside him, and there was no alien power over their lives. ... The forces that ruled his fate were in a sense outside his daily life; they did not overshadow and envelop his home, his family, his movements and habits. ..

What the new order did in all these respects was to turn the discomforts of the life of the poor into a rigid system.... To all the evils from which the domestic worker had suffered, the Industrial Revolution added discipline, and the discipline of a power driven by a competition that seemed as inhuman as the machines that thundered in factory and shed." [1]

Clearly this process entailed untold suffering. But many of the historians from Marx to the Hammonds viewed this aspect of the Industrial Revolution primarily in a humanitarian manner. The fact tended to be overlooked that the suffering which occurred during the Industrial Revolution was the "instrument" by which the "human material" was gradually shaped into conformity with the requirements of machine production.[2]

This humanitarian concern with the "human factor" during the period of industrialization was a response to management's attitude towards the worker. Yet this attitude determined the organization of production. In writing of this problem as it appeared during the early 19th century, the Hammonds have shown by what reasoning the absolute supremacy of the entrepreneur was justified. It may suffice to quote only one of the arguments which were popular at the time:

"When there is too much labor in the market and wages are too low, do not combine to raise the wages; do not combine in the vain hope of compelling the employer to pay more for labor than there are funds for the maintenance of labor; but go out of the market. Leave the relations between wages and labor to equalize themselves. You can never be permanently kept down in wages by the profits of capital; for if the profits of capital are too high, the

* From "Bureaucracy: The Problem and Its Setting," *American Sociological Review*, 12: 498-502 (Oct. 1947). Copyright by the American Sociological Society. Used by permission.

[1] J L and Barbara Hammond, *The Town Laborer, 1760-1832* (London: Longmans, Green & Co., 1925), 18-19.

[2] Contemporary illustrations of the importance of this factor may be found in John Scott, *Behind the Urals* (Boston: Houghton, Mifflin, 1942) and Kuo-Heng Shih, *China Enters the Machine Age* (Cambridge: Harvard University Press, 1944).

competition of other capital immediately comes in to set the matter right." [3]

"It is easy to see," say the Hammonds by way of comment, "how this kind of reasoning produced the prevalent view of the capitalist as beneficent whatever the wages he paid or the conditions he imposed." [4] Yet, ironically these very practices of exploitation had the effect of decreasing rather than increasing industrial production. Indeed, "scientific management" began with the discovery that exploitation led to lower productive output.

"Many have long experienced in manufacturing operations the advantages of substantial, well-contrived, and well-executed machinery. Experience has also shown the difference of the results between mechanism which is neat, clean, well-arranged, and always in a high state of repair; and that which is allowed to be dirty, in disorder, . . . and much out of repair.

"If then, due care as to the state of inanimate machines can produce such beneficial results, what may not be expected if you devote equal attention to your vital machines, which are far more wonderfully constructed?"

And in answering the question which he had posed, Robert Owen indicated that it was *profitable* to consider the role of the "human factor" in the production process.

"I have expended much time and capital upon improvements of the living machinery; and it will soon appear that the time and money so expended in the manufactory of New Lanark, even while such improvements are in progress only, and but half of their beneficial effects attained, are now producing a return exceeding 50%, and will shortly create profits equal to cent for cent on the original capital expended in them." [5]

From Owen's day to the recent development of "industrial sociology" it has been a recurrent theme, that proper and controlled attention to the worker's subjective role in the production process would be both humanitarian and practical. While Owen was a reformer and stressed the financial advantage for propagandistic reasons, later writers retained this appeal primarily because empirical studies showed the positive effect of improved personnel policies on individual output. Thus, the principle which Owen had formulated early in the 19th century has remained the same ever since. Frederick Taylor's statement of the same idea may serve as an illustration.

"The majority of men believe that the fundamental interests of employees and employers are necessarily antagonistic. Scientific management, on the contrary, has for its very foundation the firm conviction that the true interests of the two are one and the same; that prosperity of the employer cannot exist through a long term of years unless it is accompanied by prosperity for the employee, and vice versa; and that it is possible to give the workman what he most wants—high wages—and the employer what he wants—a low labor cost—for his manufacture." [6]

[3] Quoted in Hammond, *op. cit.*, 209.

[4] *Ibid.*

[5] Robert Owen, *The Formation of Character* (1813) quoted in L. Urwick and E. F. L. Brech, *The Making of Scientific Management* (London: Management Publication Trust, 1946), II, 57 The authors of this work ask "if the principles of effective management were understood, why was it that hours of work were universally so long and conditions so poor? Why did Owen encounter such opposition in his fight for minimum standards laid down by law?" (*Ibid.*, 66). The answer does not simply lie in a reference to the forces of competition or the bigotry and ignorance of the employers, though both undoubtedly were of importance. As mentioned above, considerable importance should be attributed to the tradition of compulsion, which the enforcement of a new work-discipline had initiated, because it was indispensable in machine-production.

[6] Frederick W. Taylor, *The Principles of Scientific Management* (New York: Harpers, 1919), 10.

It should be remembered that Taylor confined himself to considerations of "human efficiency" and that he was concerned with substituting a rigorously planned working performance for the traditional, rule-of-thumb approach of each employee to his work. Taylor believed that his goals (as defined above) could be accomplished by detailed time and motion studies. But his writings show that he was aware of the many psychological problems which stood in the way of making his scheme of "task management" acceptable to the worker.

Taylor's successors have become increasingly concerned with these psychological problems inherent in the rationalization of the production process. They have continued the experimental testing of various factors which were either positively or negatively correlated with the output of the individual worker. Detailed experimentation in this field has indicated, however, that the factors constituting the external working conditions are neither singly nor in combination responsible for the volume of output of the individual worker, as long as they are considered apart from the social and psychological effects of his status in the work group.[7]

The famous Hawthorne experiments [8] confirm this point. The controlled observation of small work groups over a number of years indicated that increased production on the whole seemed more closely related to the "morale" of the group than to any of the variables (e.g. differently spaced rest pauses, mid-morning meals, higher pay, variations in illumination, temperature, etc.) which were tested.[9] And this "morale" was related to the improved manner of supervision, the prestige position which members of the test group occupied, the increased attention which their individual problems, opinions and suggestions received, etc. This result of the experiments was regarded as a discovery for two reasons. For one, the history of the labor movement and of labor legislation had focussed attention on the attainment of minimal working conditions (in terms of hours, wages, safety devices, etc.). This made it appear plausible that these "conditions of work" were the causes of satisfaction. Secondly, management's tendency to think of the worker as the subordinate antagonist whose every demand was a challenge of managerial authority, made any concern with the causes of dissatisfaction unthinkable. Yet these experiments have done little more than confirm an old insight. Apparently Robert Owen was aware of the fact that the worker's satisfaction and full co-operation in the production process depended upon his recognition as a responsible human being and could not be obtained as long as he was treated as a cog in the production process. It seems equally clear that Karl Marx discerned the "human problem" of industrial civilization when he pointed out that the co-operation of laborers was not the result of their own efforts,

[7] Elton Mayo, *The Human Problems of an Industrial Civilization* (Boston: Harvard University, Graduate School of Business Administration, 1946), 1-54.

[8] In addition to the writings of Elton Mayo cf. especially F. J. Roethlisberger and W. J. Dickson, *Management and the Worker* (Cambridge: Harvard University Press, 1943) and T. N. Whitehead, *Leadership in a Free Society* (Cambridge: Harvard University Press, 1936) and the same author's *The Industrial Worker* (Cambridge: Harvard University Press, 1938) 2 vols.

[9] This statement disregards the relatively few cases in which personal preoccupation interfered with the workers' output. Cf. Mayo, *op. cit.*, 101-112.

but instead the work of an "alien power" over them.

"Laborers (under capitalism) cannot co-operate without being brought together: their assemblage in one place is a necessary condition of their co-operation.... Being independent of each other, the laborers are *isolated persons,* who enter into relations with the capitalist, but not with one another. This co-operation begins only with the labor process, *but they have then ceased to belong to themselves.* On entering that process they become incorporated with capital." [10]

And somewhat further on in his analysis Marx speaks of the human consequences of this mediated co-operation of the workers.

"While simple co-operation leaves the mode of working by the individual unchanged, manufacture thoroughly revolutionizes it.... It converts the laborer into a crippled monstrosity, by forcing his detail dexterity at the expense of a world of productive capabilities and instincts.... The knowledge, the judgment and the will, which, though in ever so small a degree, are practised by the independent peasant and handicraftsman ...—these faculties are now required only for the workshop as a whole. Intelligence in production expands in one direction, because it vanishes in many others. What is lost by the detail laborers, is concentrated in the capital that employs them. It is a result of the division of labor in manufactures, that the laborer is brought face to face with the intellectual potencies of the material process of production as the property of another, and as a ruling power." [11]

It is consistent with this statement to say that real human satisfaction is not to be found in the various improvements of working conditions, important though they are. It does not seem to go beyond these insights of nearly a century ago if Mr. Mayo states that the "many conflicting forces and attitudes," which are found in industrial relations

"center about ... the work and the manner of its performance. Somehow or other, no effective relationship between the 'worker and his work' had been established; and since a community of interest at this point was lacking the group failed to establish an integrate activity and fell into a degree of discord which no one could understand or control.... If an individual cannot work with sufficient understanding of his work situation, then, unlike a machine, he can only work against opposition from himself." [12]

By what factors, then, is the development of "morale" and co-operation among workers hampered? As is well known, Marx did not believe that it was possible to incorporate the worker's initiative, his pride and wholehearted co-operation in a common task of production as long as he was subject to the necessities of an organization whose operation and purpose were planned and conducted without his participation. On the other hand, the various authors associated with the Industrial Research of the Harvard School of Business contend that *Management is in a position to create the conditions under which this "morale," this spirit of co-operation on the part of the workers can flourish.*

"Maintaining internal equilibrium within the social organization of the plant involves keeping the channels of communication free and clear so that orders are transmitted downward without distortion and so that relevant information regarding situations at the work level is transmitted upward without distortion to those levels at which it can be best made use of. This involves getting the bottom of the organization to understand the economic objectives of the top; it also means getting the top of the organization to understand the feelings and sentiments of the bottom." [13]

[10] Karl Marx, *Capital* (New York: The Modern Library, 1936), 361, 365. (My insert and italics.)

[11] *Ibid.,* 396-97.

[12] Mayo, *op. cit*, 118-19.

[13] F. J. Roethlisberger, *Management and Morale* (Cambridge: Harvard University Press, 1944), 192-93.

It is of interest to observe that the policy which is advocated here does not seem feasible in the light of the experimental evidence on which it is based.

The so-called Relay Assembly Test Group, to give but one example, (this group of five girls was carefully observed for a number of years) showed a great deal of co-operation with the experimenters and among themselves with the result that their level of output increased considerably. But this co-operation was due to the considered attention bestowed on the group (rather than to its external working conditions). Such attention would be incompatible with a large-scale production process.

> "To the investigators, it was essential that the workers give their full and wholehearted co-operation to the experiment.... In order to bring this about, the investigators did everything in their power to secure the complete co-operation of their subjects *with the result that almost all the practices common to the shop were altered.*" [14]

Mr. Roethlisberger himself concludes, therefore, that under the working conditions of large-scale production it is impossible to provide a setting which promotes the kind of co-operation such as the experimental group showed.[15] Nevertheless, the experimenters proceeded to develop an interview program which was designed to free the production process from the various emotional difficulties and personal antagonisms that were found to lower the output of some of the workers under observation. But such interviews could not reproduce under ordinary working conditions what the experiment had achieved: to give each person pride in his work and in the successful performance of the group. The interviews, when practiced at large, could only succeed in eliminating from the production process the various personal factors, which had so far persistently retarded its further rationalization. On balance it proved to be more efficient to have the individual worker unburden his personal troubles to an interviewer, even if that cut down his time on the job; he was not a good worker while he worried about personal affairs, and he was likely to slow up his fellow-workers. Thus, it is not the co-operation of the workers which is increased, but some human "obstacle" to the further rationalization of the production process, which is eliminated.

I have tried to indicate in what manner the "human factor" in industrial organization has been analyzed. The basic shortcoming of these studies in industrial sociology lies in their insufficient awareness of the technological and institutional compulsions of large-scale organizations. Mayo, Roethlisberger, and others, have assumed that the production goals set by management furnish the only valid criteria for the interpretation and evaluation of industrial relations.[16] As a result they have found that workers are insufficiently co-operative, although they attribute this to the ills of our civilization.[17] But what appears as insufficient co-operation from the managerial point of view, may be evidence of co-operation nevertheless. It is found, for example, that workers tend to set social standards for the output of their group through informal understandings. Does this mean that they

[14] *Ibid.*, 14 (My italics)

[15] See also Whitehead, *Industrial Worker*, I, 254.

[16] Cf. Burleigh B. Gardner, *Human Relations in Industry* (Chicago: Richard D. Irwin, 1945), who defines the factory as "a coordinated system of activities directed to the production of goods" (p. 4).

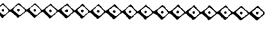
[17] Elton Mayo, *The Social Problems of an Industrial Civilization* (Cambridge: Harvard University Press, 1945), chapter I.

lack the spirit of co-operation, or that their spirit differs from that desired by the employer? Roethlisberger has stated that such behavior is evidence for the "lack of social function" in the job of the worker.[18] But can improved personnel policies restore to the worker that feeling of personal importance and integrity which the production process denies him? Is such a personnel policy even compatible with the organizational requirements of the production process? Mayo and others have stated that in our society "collaboration cannot be left to chance." [19] They believe that the suspicion, hostility and conflict which beset our industrial world, can be at least greatly alleviated if management sees its way towards improving employee relations. But they fail to ask how much the good "morale" of workers is worth in monetary terms, and they are indifferent to the question whether the process of production generates the very hostilities which interfere with its operation.[20]

[18] Roethlisberger, *Management and Morale,* 24-25.

[19] Elton Mayo's Foreword to Roethlisberger, *Ibid.,* p xix

[20] As a result industrial problems are almost exclusively treated as problems of defective communication Cf Gardner, *op. cit.,* passim



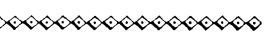
There follows a remarkable study that has important implications for us. It reports a situation in which a high level of competitive productivity was maintained in an industrial plant *in spite of* low morale.

This study brings our analysis of the impact of technology on human relations in the plant to a mature conclusion. It suggests that because of conditions of production, and because of the nature of an industry, enforced collaboration of workers is built into the work situation. Thus, collaboration, at least under the circumstances here set forth, is not dependent upon willing acceptance of authority. Morale was low in the plant. Turnover was exceedingly high.

Collaboration of workers is not even the product of an intensive control system that enforces it, as it is in the situation of slave labor or in a totalitarian organization. There was little in the way of formal controls in this plant. The really effective controls were informal in character.

To repeat again, here is a situation in which the technological structure of the work situation, the economic position of the industry, and the condition of the labor market interlaced to produce a built-in, but unwilling, collaboration of workers in the work processes.

The words of the authors, Goode and Fowler, are worth repeating: "There is no simple relationship between harmony, morale and production; between informal relations and worker harmony; or between formal structural patterns and worker reactions."



TECHNOLOGY, COLLABORATION AND MORALE

WILLIAM J. GOODE AND
IRVING FOWLER *

Within the larger structural pattern of economic action there is a social structure of lesser magnitude within the factory itself. The latter may not effectively dovetail with the former, although there are several possible social structures which can do so. Informal action may, in turn, fail to serve the explicit goals of this smaller structure, and indeed a number of observers have devoted some attention to the ways by which the informal behavior of workers may actually frustrate in part the formal structure of a given plant.[1]

Nevertheless, the possibility exists that the informal behavior of a group of workers may conform to these formal demands, and that this may be the case even where there is disharmony or low morale within the social group. It is suggested that this situation may occur if the following conditions are met: (a) the goals are simple and are clearly defined; (b) the skills for attaining those goals are well known and possessed by the individuals in the group; (c) the functional roles are made clear; and (d) the external pressures toward conformity are strong.

The position of the small feeder plant in modern industry is often such as to approximate these conditions. This type of plant has only an external resemblance to the beginnings of industry in the nineteenth century, and in terms of numerical importance is becoming an increasingly larger proportion of the small plants in our economy.[2]

The external similarities of the modern small plant to the ideal-typical small plant in the literature of economics are obvious. Both were presumably begun by an entrepreneur who has amassed capital, often risking his own. He has some technical ability, a considerable amount of capitalistic enterprise, and frequently has absorbed much of the capitalistic ethic described in textbooks. Further, the number of workers is small, and he knows each of them by first name. The workers see each other daily, and they joke among themselves and with the owner. At times, the latter may step in and work with the production group, as supervisor or laborer.

However, the economic context of

* From "Incentive Factors in a Low Morale Plant," *American Sociological Review,* 14: 619-624 (Oct. 1949). Copyright by the American Sociological Society. Used by permission.

[1] The best known examples are to be found in the earlier work of the Mayo school.

[2] The Committee for Economic Development cites the following figures: of 3,317,000 business units in the country in 1939, some 3,265,000 had fewer than fifty employees. This is about 95 per cent of the total number of firms. See *Meeting the Special Problems of Small Business* (New York: Committee for Economic Development, June, 1947), Ch. I, "The Place of Small Business in Our Economy," pp. 9-21. These figures differ little from those found in the numerous reports of the Smaller War Plants Corporation. See particularly, John M. Blair, Harrison F. Houghton, Matther Rose, *et al.,* "Economic Concentration and World War II," *Report of the Smaller War Plant Corporation to the Special Committee to Study Problems of American Small Business,* 79th Congress, 2nd Session, Document No. 206, July 14, 1946 (Washington. Government Printing Office, 1946), pp. 4-25. Many of the data cited above are taken from the monographs produced by the Temporary National Economic Committee.

such a plant is different from that of its nineteenth century predecessor. It has arisen as part of the modern physical decentralization of industry. This decentralization is not alone an attempt to avoid high wages. Physical centralization was a historic answer to the fact that technical knowledge, skills, and markets were themselves concentrated. The cliché that physically centralized production is necessarily more economical derives from a failure to see that varying dispersal patterns are more or less efficient, depending on which of the production variables is less subject to manipulation.

Correlative with this physical decentralization is a financial decentralization of a specific kind. The prime example is the automobile industry, although it is likely to be exhibited in other mass assembly industries, and of course many examples may be found in agriculture. This financial decentralization may be described briefly: A small plant, organized independently or with the aid of a parent company, is a contractor or feeder plant for the parent company. All its production goes to the parent company, and is tailored specifically to the needs of the latter. It has no choice over the products, and naturally has little opportunity to gear its production to a broader market. It is, thus, dependent on a larger organization which fosters competition and consequent price cutting and which does not concern itself with the labor relations of the small plant or its wage policies.[3]

It is seen that this feeder plant structure is different from the textbook picture of the small plant in the past. However, its spread to many regions, and its increase within existing industrial areas, indicate a need for analyzing the resultant social relationships in such a plant, in particular their orientation toward saving, speedup, and "stretch-out."

White Company is one of some 80 electroplating plants in the city of Detroit, nickel and chrome plating automobile parts. Its workers, non-union, number from 15 to 50, depending on fluctuations in the automobile industry. Begun since the war, it is now financially successful against strong competition.

This plant was studied in three observational shifts covering the entire working day, by as many researchers. One of the investigators had previously worked for a period of three months as a semi-skilled laborer in the plant, before the study began. During this period he made extensive diary observations at the end of each work day. Nine months later, the three observers entered the plant under management auspices, explaining to the workers what was being done. The observers made systematic notes of social processes within the plant. In addition, personal interviews were arranged, sociometric diagrams were drawn, and a modified morale test was given at two separate points in the period of observation. The managerial group was interviewed both formally and informally, and production and personal records were studied intensively. Interviews with the entrepreneurs laid the basis for a description of the plant's history.[4] The investigation continued over a period of four months.

In spite of technical and personnel changes since the original participant observer's diary observation, it was soon

[3] Similarities to sweatshops and to the earlier "putting out" phase of the Industrial Revolution are clear.

[4] These data will be published in a separate study. They are summarized in: Irving Fowler, *A Small Feeder Plant: Its Structure and Social Relations*, M.A. Thesis, Wayne University, 1949.

clear that essentially the same patterns of social relationships continued as before. This plant did not use semi-automatic electroplating equipment, although such machinery is found in electroplating plants with a larger capital investment. Nevertheless, the production level of such plants is only about 12% to 14% higher than for White Company.[5] Few personnel records were kept. There was a standard policy of firing anyone who showed any interest in unionism. Hiring and training practices were not formalized and the number of workers varied widely from day to day, depending upon immediate contracts. There was practically no job training. No more than a few minutes were spent in pointing out workers' duties and in introductions to co-workers. Workers exhibited considerable animosity towards the owners as well as the production manager. In addition, clearly evident clique formations divided the workers into small groups, usually with only a grudging acceptance of one another. In spite of some suspicion that the observers were hired by management, workers soon made explicit their grievances and their personal troubles.

An unformalized but clear system of cost cutting was evidenced in two main areas. One of these was constituted by five explicit managerial practices, all of them effective answers to the pressures inherent in the position of the plant in the economic structure. The other main area lay in the character of speedup and stretchout induced by the informal social structure of the workers themselves.

The character of these managerial practices sets the stage for the social relations within the plant, in which internal and external pressures toward work combined to push production upward in spite of low morale and social disharmonies. They would be called "poor" policies by many, but the savings from these measures are obvious.

1. *Repairs* were neglected, and workers were expected to make up for this mechanical ineffectiveness.

2. *Personal equipment* was not quickly replaced, forcing the workers to take special care of safety equipment.

3. Many *safety practices* were neglected, such as measures of protection against acids and high temperatures.

4. *Hiring and training* were fitted with a situation of high turnover, so that new workers were given little training, and fired if they did not quickly learn to turn out a standard amount of production. The new worker received a beginner's wage long after he had learned to produce at a standard rate.

5. *Over-all wages* were so low that the most highly paid workers received only average union wages for the industry. In addition, the workers did not receive the usual union fringe concessions: vacations with pay, paid holidays, rest periods, etc.[6]

[5] Although there is no standard work unit in the industry, and each small plant attempts to keep secret its production records, the managers of these small plants claim to know with some accuracy the output of each electroplating shop The above estimate was made by the technical director of a major plating supply company. An executive of the National Association of Metal Finishers made a similar estimate, concluding that nonunion shops had a higher output than union shops A semi-automatic plating machine could run approximately 100 racks through a tank in one hour, about 1,600 pieces in one work day. White Company can turn out about 1,400 pieces when there are sufficient orders, without such equipment. White Company's increasing solvency in a highly competitive industry is also of relevance here.

[6] As to the cost of the "fringe concessions," see Richard C. Smyth, "Economic Fringe Demands of Unions," *Personnel*, Vol. 24, No. 4 (1948), pp. 243-256.

As to the wage pattern:

The comparison of wage rates is based on the two following sources. First, the rates of average workers in a "typical" union plant in January, 1948: These rates were for 52 forty-hour weeks per year.[7] Second, the wage rates of White Company's most highly paid workers, its "key" personnel: The computed rates were those for June, 1948, and were for an indeterminate number of forty-hour weeks per year. These rates were pieced together from the company's crude payroll records. The earlier (and lower) wage rates in January, 1948, were never carefully examined. But they indicate that many of the workers gained increases of five to ten cents about that time through individual bargaining. If these earlier rates were compared with the "typical" union plant, the contrast would have been the more striking.

WAGE RATES IN A TYPICAL UNION PLANT AND IN WHITE COMPANY

Labor Class	Average rate per hour for workers in Union Plant, January, 1948	Rate for "key" workers, White Company, June, 1948
Polisher and Buffer (days)	$1 545	$1 50 (lower)
Polisher and Buffer (piece)	1 775	
Plating Leader	1.595	1 45 (lower)
Shift Leader	1.495	
Operator	1.345	1 40 (higher)
Racker (male)	1.145	1 25 (higher)
Racker (female)	1.145	1 10 (lower)
Inspector	1.245	1 20 (lower)
Packer	1.195	
Trucker	1.215	1.25 (higher)

These practices, important in themselves, also helped to structure social relations in the plant. The resultant was a set of informal social pressures which pushed toward high production at all times.[8] These social pressures represented an interaction between the type of worker hired and a social structure channeled in the direction of "stretch-out" and speedup.

The types of workers may be grouped into two main social categories, (1) *high turnover personnel,* and (2) *key* workers. (1) The high turnover personnel in turn may be divided into several groups. The first of these can be characterized as *part-time* workers, some of whom were students seeking temporary employment. Other part-time workers were friends or relatives who worked briefly in order to help key personnel or to tide themselves over a period of unemployment elsewhere. A second group of *high turnover* personnel were experienced workers from other companies who used the plant while they were on strike or layoff. In addition, there was a third group, just entering the labor market. It will be immediately noted that all of these high turnover workers would or could adjust to personnel policies which might incite considerable resentment in larger, unionized plants over a longer period. Even the experienced workers in this category, nearly all union members, did not overtly object, since their future employment and plans lay with other plants else-

[7] See Table entitled "Wage Increases" in an article "Electroplating Costs Have Increased Since 1940," *National Plating News,* May, 1948, Vol. 2, No. 5, pp. 1-3.

[8] See, for comparison, *Aspects sociaux de la nationalisation,* B I.T., Geneva, 1931, p. 347, n. 5; also, E. Sachsenberg, "Psychologie der Arbeit am Laufenden Band," *Maschinenbau,* 1925, p 538 Further, George Friedmann, "Esquisse d'une psycho-sociologie du travail a la chaine," *Journal de Psychologie Normale et Pathologique,* Jan -March, 1948, pp. 127-144 Also, the studies by Fox, Scott, Lombard, and Mayo should again be mentioned, as demonstrating how informal social groupings may guarantee the fulfillment of managerial demands.

where. It may also be noted that this was true whether one considers wages or working conditions.

However, it must be obvious that the selection of such workers could not constitute a working force in itself. Any social group selects, but it must also socialize.[9] By a process of *adult* socialization not sufficiently described in the literature, these people must be made a part of the work organization. This function was mainly performed by the group called *key personnel.* Key personnel in this plant seemed to be extremely heterogeneous. However, closer analysis revealed a number of common characteristics. First of all, most of them were in a poor competitive position. Several of the women needed jobs desperately in order to help dependent males. Other workers had various physical defects which would prevent or hinder their employment at a large plant with less flexible hiring practices. Second, many of them had been with the plant since its beginning. Third, all of them had been tested by repeated managerial demands for extra, over-time, or holiday work and had met this challenge. Fourth, almost all of them could perform nearly every task and could substitute for an absent worker without great difficulty. Fifth, it was they who made the decision as to the acceptability of any workers into the informal group activities.[10]

The position of the plant in the economic structure imposed strains toward high production, and management attempted to push the workers toward this end, substituting labor for capital equipment. The selective characteristics of these workers suggest the type of informal work process which developed. It should be noted that although informal social relations can be pleasant to the worker, if in a small plant they are *not* so, there is then no room for escape without quitting the job. Informal practices of speedup and stretchout were followed even without explicit suggestions by foremen. In each such case, one or more key workers would initiate a work pace which the high turnover group had to follow. Those who did not follow such a pace were exposed to reprimand by word, gesture or look from their co-workers. If they continued this lack of cooperation, informal pressures on the foremen by the key workers would eventually cause their discharge. If a worker was absent, it was understood without any necessity for explanation that each man would have to contribute more to the work process during that day. Because of the timing aspects of electro-plating, frequent bottlenecks occurred. However, these bottlenecks did not necessarily mean delays in production. They rather meant that at such times the key workers would attack the bottleneck with increased energy and, with the spontaneously induced help of the high turnover personnel, would erase the difficulty. If this in turn produced a piling up of units at a later phase of the plating process, then the key personnel utilized the same practices and again the bottleneck was relieved.

It must be understood that these key personnel accepted the definition of management in such *actional* terms, but not internally. One must speak here of alternatives. The alternative to compliance with high production demands

[9] "Socialize," not "train," since we refer to the acquisition of the group values, not merely the industrial skills. Such acquisition is only partly cognitive, and its basis is habitual emotional reaction.

[10] There were five such workers, thus making up from one-third to one-tenth of the total working group.

was discharge; and in the case of a number of workers, employment elsewhere would be difficult. The status and power of the key personnel were higher than those of the high turnover personnel, and of course they obtained some recognition from owners and foremen. Expressions of resentment against management were, then, fairly common; and from time to time a given worker would utilize one of several techniques for evading the speedup.[11] He might, for example, spend a considerable amount of time in the washroom, or delay his return to work from lunch, or indulge in horseplay. At times he might refuse to cooperate in relieving a bottleneck. All such practices, however, were temporary and unsystematic. Even when the workers felt that management had no interest in them as people, there was little choice as to alternatives. The constant appearance of foreman and production manager, frequently working side by side with the production personnel, offered little chance for escape.

Thus, a particular type of small plant, increasing in numbers, is found in an economic structure demanding high production. The reaction of the personnel in this particular plant is not the only possible one. However, the reaction fitted well the pressures of that position.

Further, it is clear that major structural components apparently necessary to effective action in the face of disharmony or low morale are to be observed here: (a) clearly defined, simple goals; (b) skills are well known and are possessed by the group; (c) functional roles are made clear; and (d) pressures toward conformity are strong from outside the group itself.[12]

As a consequence, a selection process put into key positions those individuals who fitted the structural demands. These key workers helped to indoctrinate or weed out the new workers. And the informal relationships which developed were such as to maintain pressures toward high production in the face of considerable animosity toward the owners and among the workers themselves.

It is thus seen that there is no simple relationship between harmony, morale, and production; between informal relationships and worker harmony; or between formal structural patterns and worker reactions. The shaping of research by certain value orientations has left a number of areas still undefined and in need of considerable empirical investigation. The feeder plant is one definable type of small plant, increasing in number, which lends itself to the study of these relationships.

[11] This may be called "antagonistic cooperation." Such cooperation may occur: (a) When individuals cooperate for a group goal, to be achieved only by working together, as for example, army draftees; or (b) When *each* individual knows his personal goal can be attained only in this way, the classical example being that of shipwrecked passengers.

[12] Military leaders also utilize these components in the common technique of making the *group* responsible for the cooperation of *individuals.*

TWENTY

Organization Fictions

INTRODUCTION

Barnard's *Education for Executives,* in Chapter 1, ends with the suggestion that everyone in an organization, but particularly the executive, has to have some methods for dealing with the unknown. That is one of the functions of this chapter. We want to examine some of the ways in which approaches to the unknown in the environment of organizations become institutionalized.

This is one of the several areas of administration that have been neglected by students of the subject. In this chapter, therefore, we are as much concerned with stimulating an interest in a neglected area as with setting forth a set of substantive conclusions and principles.

In the following selection, the late, great philosopher, Morris R. Cohen, first establishes the role of fictions as part of hypotheses in scientific research. The real is predicted in the hypothesis. Until the hypothesis is verified, it may contain elements of fiction. It should not be difficult to extend this notion one step further, to the situation of decision-making and planning in organization activities. Fictions may play a very important positive role in business in a fashion analogous to their positive role in science.

Cohen also shows the relationships between fictions and ceremony. He develops, in addition, the way in which the symbolic leader is viewed from a fictional standpoint. This recalls Hughes' discussion of organization office in Chapter 6.

This chapter rounds out our consideration of the human relations of administration. We have progressed to the point where we can deal realistically with certain kinds of nonlogical behavior. We can relate it to an organization structure. We can see how the use of fictions of certain types is a form of nonlogical behavior that nevertheless functions positively to sustain an organized group. In short, with our background of insight into organizations, we can view nonlogical behavior as an integral part of organization behavior, and not the perverse product of ignorant individuals.

FICTIONS

MORRIS R. COHEN *

The processes of abstraction and classification have been called neglective fictions because the class "man" does not exist and only individuals do. But it cannot be denied that such statements as "John is a man" can have significance only if the predicate denotes something really common to a number of individuals. Even an artificial classification of governments such as Aristotle's cannot be called fictional merely because particular governments do not conform to it. For existing governments may be mixed forms or combinations of the elements of monarchy, aristocracy and democracy and their perversions, and the classification helps us to recognize the significant elements of such mixed forms. Although certain elements always occur in conjunction with others and never in isolation, this is no argument against their reality. The fact that no one can be a brother or a creditor without being other things is no argument against the reality of the fraternal or the credit relation. Science must abstract some elements and neglect others because not all things that exist together are relevant to each other. Hence there is no fiction in talking about purely economic motives if we remember, as Adam Smith surely did, that in actual life these are associated with other motives.

If the reality of abstractions is recognized, then there is nothing fictional (in the sense of false) about perfectly straight or circular lines, perfectly free bodies, frictionless engines and other entities which seem imaginary and indeed are known to be impossible of separate existence. For the relation of distance between things exists in nature where the things are and is independent of the thickness of chord or chain by which it is measured; while there exist no free bodies (i.e., bodies not acted upon by any forces), all existing bodies do move in such a way that we can detect the part played by inertia and can tell what would happen if all other forces ceased to act. Similarly, while no actual engine is frictionless, we can compute from certain data the part that friction plays in the total work of any engine. It is not true that "artificial" lines of latitude or longitude are fictional merely because such lines are not actually marked on the earth. They do represent certain actual geometric relations. No map is ever a perfect picture of the country it represents. It must neglect all except a very few traits. But it may be perfectly accurate or truthful within the required limits. Another way of looking at neglective fictions such as perfectly rigid bodies, perfect distribution and the like is to view them as ideal limits. No one thing in nature corresponds to them, but classes of things do differ in degrees of rigidity or homogeneity and there is no falsity in using the limit as a real characteristic of a series.

If there is no inherent falsification in abstraction, there is none in proper scientific "construction" out of such elements. Examples of such constructions are the typical vertebrate animal, the

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* From "Fictions," *Encyclopaedia of the Social Sciences,* New York, 1931, Vol. III, pages 226-228. Copyright by The Macmillan Company. Used by permission.

typical river valley, the manor or factory as an economic unit and the ideal of a government by law. Much abuse has been heaped on the "social contract" as a fiction. If asserted as a historical fact it is clearly a myth. But thinkers like Hobbes have not advanced it as a historical fact. To them it is rather a logical device for analyzing actual complex social processes. If we apply the term "state of nature" to human conduct apart from the influence of laws, we can regard our actual social relations as those of a state of nature modified in certain ways analogous to the way our conduct is modified by contract. The analogy is helpful only to the limited extent to which it is true.

In its search for the truth science must formulate some anticipation of what it expects to find. Such anticipation is clearly not fictional even if it turns out to be false, provided it has been held as a hypothesis to be tested. In trying to visualize the unknown the imagination must clothe it with attributes analogous to the known. Thus electricity was first conceived as a fluid, then as lines or tubes of force, and is now viewed as a current of mutually repellent "electrons." Thus also the mind was viewed by British associationist psychologists as an associated group of "mental states" and by William James as a "stream of consciousness." Each of these, like the various mechanical models of the ether or of various unknown physical processes, suggests verifiable analogies and thus directs research. If these directions prove false, the analogy has acted like a false hypothesis. But the term fiction may properly be applied to certain imaginary and unverifiable entities that vivify our conceptions but are strictly irrelevant to the truth or falsity of our conclusions. Thus Helmholz' and Poincaré's one or two dimensional beings, Maxwell's "sorting demon" and similar entities in social science are really metaphors to express abstract relations. Where one of these figures is used any one of an infinity of others could be substituted, just as according to Poincaré's proof wherever a mechanical model is used an infinity of others is possible. If these metaphors are taken literally we have the myths of which popular science is full.

It must be recognized, however, that metaphors are not always invented to vivify discourse. They are often the way in which creative minds perceive things, so that the explicit recognition that metaphors are implicit analogies comes later as a result of reflection or analysis. Although undiscriminating, such primitive perception is likely to be most vivid and its apt expression may become current coin, so that it becomes difficult if not impossible to discriminate between metaphor and literal truth. As the essence of science is the search for truth, it seeks to eliminate irrelevant fictions through the use of technical terms or symbols that denote the abstract relations studied and nothing else. But as no human terms can adequately express (although they can point to or adumbrate) the unknown, science is engaged in an endless process of self-correction and revision of its language. Such a process is irksome to popular discourse and to the social sciences that employ such discourse. Language itself is a prolific source of mythology.

The foregoing analysis of metaphors will clarify the role of fictions in the primitive mind. It is a pseudo-rationalism to explain primitive animism as the result of an explicit analogy, of attributing souls to inanimate objects because they sometimes move like animated ones. Human perception is vague in its

beginnings and such discrimination as that between one's own "papa" and other "papas" comes later. Thus when a child kicks a chair against which he stumbles he does not personify the chair on the basis of an analogy. His reaction is at first directly organic, and only later does he learn to discriminate between the chair and those who are to be punished. Now if primitive perception is intellectually indiscriminating it is also organically and emotionally vivid. When such metaphoric expressions get established by usage they lose their vividness, but like other habitual practises they are difficult to change. Also words as all symbols absorb the emotional value of the things they symbolize, just as the flag or the scroll of the law becomes sacred apart from that which it denotes.

This points the way to an understanding of the fictional element in ceremonial expressions. Just as the ritual of social life demands certain forms of dress or certain steps or gestures regardless of convenience, so it demands certain accredited expressions regardless of their literal truth. Thus the rules of courtesy among the Chinese and others require the host to say always that his house is mean and that his guest is distinguished and confers an honor. Even those who do not take such expressions literally may be offended at any departure from the social mode. The role of ceremonial expressions in the outer forms of make believe is as important in social life generally as in the games of children and primitive man. The social life of a country like England may be viewed as a game that requires among other things that people should speak of His Majesty's army, navy and treasury (although the debt is "national") or that the actual leaders of the government should speak of "advising" the king when the latter has in fact no choice but to obey. Similarly it is the fashion to speak of the United States as a democracy where the law is the will of the people made by its representatives, even though few know what laws are being made or have much control over those who make them.

These considerations will illumine the nature of fictions as they appear in the field of their greatest development: the law. Here fictions appear clearly as assertions that contain an element admittedly false but convenient and even indispensable to bring about certain desired results. Although fictions border on myths which are genuinely believed and on pious frauds which are intended to deceive in aid of good causes, they can be distinguished from them. Thus when a court asserts that for the purposes of a given suit the high seas are situated in a given parish in London, no one believes the assertion to be literally true and no one is deceived. But the fiction makes it possible for the court to acquire jurisdiction and helps the parties to settle their case in a convenient court. The Roman jurists explained such fictions by means of the Greek philosophic distinction between convention and nature. In the nineteenth century Jhering called attention to the element of implicit analogy in them. An adopted child is like a natural child in his rights and the rights of a Roman citizen in captivity may be treated as if he were away on state business. So in our own law when a deed or mortgage is recorded a really innocent purchaser is said to have had notice and is not allowed to prove the contrary. For this really means that the act of recording makes the rights of all purchasers (innocent or not) alike, so that the fact of actual ignorance is irrelevant.

Why, however, does not the law use

accurate expressions instead of asserting as a fact that which need not be so? Why assert that a corporation *is* a person, instead of saying that a certain group of rights and duties are analogous to some extent to those of a natural person? Why say that the United States embassy in China and an American boat at sea are on American soil, when we mean to assert that certain legal relations are to be determined by the law of the United States? The answer is partly that the practical convenience of brevity outweighs the theoretic gain of greater accuracy. But more important is the fact that at all times, and not merely (as Maine would have it) in "primitive" society where legislatures are not functioning, the law must grow by assimilating new situations to the old, and in moments of innovation we cling all the more to old linguistic forms. The latter minister to the general feeling of security especially where the prevailing myth or make believe is that the judge merely declares the law and cannot change or extend it. That we can obey the law even when making it grow is more than the legal profession itself can often grasp.

From the point of view of social policy fictions are, like eloquence, important in giving emotional drive to propositions that we wish to see accepted. They can be used, as indicated above, to soften the shock of innovation or to keep up a pleasant veneration for truths which have been abandoned, as when new allegoric or psychologic meaning is given to old theologic dogmas that we no longer believe. But if fictions sometimes facilitate change they often hinder it by cultivating undue regard for the past. If the social interest in truth were to prevail, we should in our educational and social policies encourage greater regard for literal accuracy even when it hurts national pride and social sensibilities. But no one has seriously suggested penalizing rhetoric and poetic eloquence in the discussion of social issues. The interest in truth is in fact not as great as in the preservation of cherished beliefs, even though the latter involve feelings which while temporarily pleasant prove ultimately to be illusions.

In the following selection a systematic treatment of organization fictions is attempted. You will observe that this presentation builds upon Professor Cohen's analysis. It is first of all suggested that there are different types of fictions. The functions that fictions perform in organizations are then examined. It seems reasonably clear that all organizations have their fictions in at least some areas. Because fictions are contrasted with truth, we are at first inclined to view the existence of fictions as imperfections of organizations. The following selection should make clear that this is a very limited view of organization fictions. Such fictions do have positive values.

ORGANIZATION FICTIONS

ROBERT DUBIN

The study of formal organizations has taken the direction of emphasizing their rational mode of administration. Great stress has been placed upon the rational, impersonal, and technically efficient characteristics of the bureaucratic form of administration.

In this paper we shall deal with organization fictions. This is a neglected area of study of formal organizations from a sociological point of view. Yet the analysis of the types and functions of organization fictions provides us with one bridge between the logical and the nonlogical, the rational and the sentimental, the certain and the uncertain, the formal and the informal, which are categories of behavior universally found in formal organizations.

It should be evident that the emphasis on the rationality of the bureaucratic form of administration implies that modern bureaucracy leaves little room for the operation of sentimental or nonlogical forms of behavior. It is implied that there is always a strain within the organization to eliminate the uncertain and circumscribe the informal.

From this kind of analysis of formal organizations we get the strong impression that conscious and deliberate behavior is the basic mode of action on the part of members of organizations. Conscious and deliberate action requires a known and relatively stable framework within which decisions are made and behavior is carried out. This framework is composed of the policies, rules, regulations, procedures, and sanctions that make up and enforce the sum of the organizationally approved behavior. The status system of the organization provides another framework for orienting action within the organization. Finally, the systems of informal groups and informal interaction provide still another set of criteria affecting action of organization members.

In relation to each of these three general frameworks, standards of behavior are developed. However—and this is the crucial point—there are "missing links" in each of these frameworks. It is precisely in relation to this fact that organization fictions play a central role. Each system of organization behavior (formal, status, and informal) is never complete and wholly prescribed. It is never fully rounded out and completely systematized.

Furthermore, these systems are dynamic. They undergo change and modification by virtue of changes in the organization of which they are an integral part. In their very nature, these systems of behavior standards can never be fully stabilized, and hence, can never be wholly prescribed. Yet each individual member of the organization has to be able to operate *as if* his behavior were truly oriented to a body of fixed standards. Where voids exist in the standards, as they inevitably must in a dynamic formal organization, there is a strain toward creating guides for behavior that will fill the voids. These creations are the *organization fictions.*

A fiction is defined as "the act of feigning or imagining that which does not exist or is not true." Organization fictions are those fictions that are necessary in order that action within the formal organization may proceed. They

are relevant specifically to the formal organization of which they are a part. They may or may not be transferable to similar or identical organizations. The context of their meaning is the specific business, government bureau, fraternal organization, school, club, political party unit, or other kind of organization unit. In the same industry, for example, each separate business firm has its own special organization fictions.

It is worth while to draw one further distinction before analyzing the types and functions of organization fictions. Organization fictions are group-oriented. They are not the private fictions of a single individual. Thus, the paranoid executive may operate in a private world filled with his special brand of fictions. His executive behavior will undoubtedly be related to these private fictions. But these fictions become organization fictions only when his fellow executives share them and operate in the organization as if the fictions were true.

TYPES OF ORGANIZATION FICTIONS

We can delineate two basic types of organization fictions. These types are distinguished from each other by the fact that the first deals with the unknown while the second deals with the known. We can further subdivide the first general type into three subtypes, and the second general type into two subtypes.

1. *Fictions About the Unknown.* There is a general category of organization fictions that deals with the unknown or the unknowable.[1] These fictions provide an immediate substitute for facts that are necessary but unobtainable. The facts for which the fictions can substitute are necessary as a basis for immediate action in the organization or for planning future action. Hence, it is imperative that some kind of knowledge be available as a basis for rational action.

A. *Fictions about the unknown past.* Often present or future action is dependent upon knowledge of what happened in the past. When past events are not directly recorded, the facts about them tend to be lost. Yet these facts might be highly pertinent if they were only known. In place of the missing facts, assumptions are made that only have a *probability* of being true. These assumptions are the fictions about the unknown past. In general, they can never be verified because of inability to recapture the past.

There are many organizational examples of fictions about the unknown past. To cite but one, it is a common belief, shared by some business executives, that workers used to be more willing to work hard than they are now. This fiction (and it is that because we have no records or other data to prove the point) can be the basis for management evaluation of union demands in collective bargaining. Based upon such a fiction, most union demands would be viewed as striving to get more pay for less work. This fiction about the unknown past provides the basis for determining present action and for interpreting the present environment.

B. *Fictions about the unknown present.* Most organizational situations demanding action or decision are limited by practical considerations. Time may be important; money may be equally important, so that a delay in decision may be costly. Under such circumstances, all the facts pertinent to the decision or action cannot be made available within the limitations of the situ-

[1] See in this connection the first selection of this book, at the end of which emphasis is placed upon learning how to handle the unknown and unknowable.

ation. These facts may be potentially discoverable but must be passed by because of limited time or resources. To take the place of the unknown present, convenient fictions are used.

An example of a fiction about the unknown present is the situation in which a union demands a flat wage increase with the argument that all industry is enjoying high profits. Here, the union conclusion may be based upon lack of knowledge about the company's particular financial position. Using syllogistic reasoning—"Industry is profitable, this company is part of industry, therefore, it is profitable"—the union develops the fiction of this firm's ability to pay as a basis for collective bargaining demands.

C. *Fictions about the unknown future.* The future, of course, is unknowable. More or less accurate predictions can be made about it based upon past experience. In the very nature of anticipating the future, important kinds of information are not accessible. Yet something has to take the place of the missing information. The fictions about the unknown future do this.

An example of such a fiction is the sometimes used rationalization of paternalism in personnel relations. The executive adopts a paternalistic program in anticipation of reactions of personal loyalty and gratitude on the part of his personnel. The anticipated reaction is the fiction that confuses individual gratitude with group response to the subtle domination of paternalism. When the good deeds of the executive are met with resentment by the recipients, the executive feels hurt and disturbed. The fictional response he anticipated has failed to materialize.

2. *Fictions About the Known.* There is another general category of organization fictions that has to do with the known. These fictions provide a means for making acceptable or useful to the organization situations that might otherwise be harmful.

A. *Fictions that disguise the truth.* There are organization situations whose true character is known. The truth, however, is disturbing, so by a kind of silent agreement among members of the organization, this truth is clothed with a fiction. For example, an executive may be incapable of filling his job adequately. He also happens to be son of the owner of the company. There is likely to grow up around him a relationship with the other members of the firm in which people behave toward him to his face as though he were competent in his office. The organization is less likely to be harmed if all those who have official relations with the executive behave toward him as though he were capable, regardless of their private opinion of him. Thus, the truth is disguised in a convenient organization fiction.

B. *Fictions that emphasize the false.* There is only a rather subtle difference between this kind of fiction and the previous type. Fictions that emphasize the false are characterized by a more deep-seated reluctance to face up to the truth and are more aggressively oriented toward hiding the truth. An example is the instance of a food-processing company that makes a great show of cleanliness and hygienic conditions for the benefit of the food inspector's periodic visits, and, in its advertising, for the benefit of its consuming public. It would probably lead to censure to call the situation of only periodic cleanliness to the attention of the company officials, who may themselves be unaware of the extent of the fiction of cleanliness. In fact, they would prefer to believe that the plant is clean and up to standard and might even be genuinely shocked to find it otherwise.

It relieves them of the burden of having to face up to the problem if they can operate with the fiction of cleanliness, especially if it is validated by the inspector's report.

These types of organization fictions indicate the range of ways in which the unknown and the truth may be fictionalized to serve the purposes of the organization. We may now turn to a consideration of the function of fictions in organizations. If we admit their existence, we must be interested in the roles they play in organizations.

FUNCTION OF FICTIONS

There are six general functions performed by organization fictions. We will examine them individually.

1. *Fictions facilitate organization action.* In the previous selection, Cohen indicated how certain legal fictions permit the legal process to operate where it otherwise would have no jurisdiction. There are many situations in which the truth *prevents* action necessary to the daily functioning of an organization. But fictions that modify the truth may also facilitate action within the group. The example of the incompetent executive, cited above, illustrates the point. If members of his staff behaved toward him in the light of his true capabilities, the organization would soon founder in indecision or there would be a major shift in the authority structure of the organization to shunt the incompetent to one side.

2. *Fictions facilitate organization change.* It is often possible to make a change in an organization by fictionalizing the basis for the change. For example, a personnel department may be set up in a firm with the ostensible purpose of helping, in staff fashion, the line administrators. In fact, the real purpose for establishing the new department may be to take the personnel functions away from the line executives. The first, or fictional, purpose is set forth to secure acceptance of the change, and the second objective is hoped for when the change is accomplished. The point to emphasize is that organizations are dynamic and need the device of organization fictions to make growth and change possible with a minimum of resistance.

3. *Fictions can paralyze organization action.* The reverse of the point cited above is the situation where fictions prevent action within the organization. Thus, fictions operate as one form of social control within the organization. For example, the knowledge that authority to punish violators of organization rules exists in the organization may operate effectively to prevent such violations. The fiction of absolute authority to punish may be an effective social control. In a real situation of rule-violation, the fiction comes to be tested against the actual treatment of the violator. If there is wide divergence between what is expected and what actually happens, the authority may be modified thereby. In general, the anticipation of the future consequences of action may prevent the proposed course of action, an instance of fictions dealing with the future.

4. *Fictions organize the future.* The pressure in organizations to anticipate and plan for the future is great. In business firms this is built into the very technology of the operations in the form of inventory, production, and marketing anticipations. Hence, when there are indeterminate elements in the future, as there must necessarily be, fictions take the place of the uncertainties as a basis for making decisions.

5. *Fictions support organization offices.* Fictions play an important role in

supporting respect for the occupant of an organization office. Fictions surround the technical, status, decision-making, and authority aspects of every organization office, where they play the role of glossing over any discrepancies between the requirements of an office and the personal peculiarities of the officeholder. Thus, a college diploma in engineering may be taken as the measure of a man's technical competence to be a mechanical engineer in a company, when in fact, the individual is not adequately trained to fill his assigned job. The diploma is indeed a fictional validation of competence under such circumstances.

The importance of sustaining organization office can hardly be overemphasized. It gives the officeholder time to learn his official position and to adjust to it. It permits the organizational members who contact the officeholder to behave toward him in officially meaningful ways, even though there are obvious discrepancies between his actual and officially prescribed behavior. In this respect, the fictions of organization are part of the cement that holds the organization together.

6. *Fictions support the entire organization structure.* Fictions can serve to legitimize the authority structure of the organization in the eyes of its members. Charismatic authority is an excellent case in point. (See Chapter 12 for a discussion of this type of authority.) Fictions can also provide the ideological goals and purposes necessary to an organization. For example, the claim to making the best product in a field will not be judged against the accuracy of the assertion provided the members of the firm believe it is true and act under the inspiration of the belief. The fiction of superiority, or largest size, or exclusiveness, or what not, is important in motivating members toward greater effort on behalf of the organization.

SUMMARY

We have seen that organization fictions play important roles in permitting organizations to function effectively. Indeed, we can conclude that there is no organization so rationally organized and staffed, and so completely in possession of the facts necessary to operate, that it can function without fictions. Fictions are real and necessary.

This suggests at once that we can be misled if we believe that bureaucratic administration is wholly rational. There are areas in which the rational combines with the fictional to make the organization work. It would also be a mistake to assume that there is always pressure in a bureaucratic administration to narrow the area of organization fictions and broaden the area of factual bases for operations. If our analysis of the function of fictions in organizations is accurate, there are facts and truths that are unpleasant or organizationally disturbing and have to be clothed in fictions to keep the organization on an even keel.

TWENTY-ONE

Human Relations in the Navy

INTRODUCTION

We have come to the end of the theoretical section of this volume. It seems most fitting that we close our consideration of the human relations problems of administration with a detailed and theoretically oriented analysis of a specific type of organization.

We have chosen to deal with the Navy. The reasons for the choice are several.

First, the studies here presented are remarkable examples of sociological analysis. Each of the authors is a trained sociologist. Each served in the Navy as an officer. The authors know whereof they write, for they actually experienced the Navy in the way in which they describe it. We are particularly fortunate that the authors were mature sociologists before they went on active duty, for they were able to apply their already keenly developed analytical skills to that remarkable organization, the Navy. Thus, these studies give us in short compass a profound insight into the human relations aspects of important parts of our armed services.

Second, we need more substantive knowledge about military organizations. Whether we like it or not, we have come to an age where of all the traditional types of organizations, collectively, we probably know least about the military. We know something about political, religious, business, fraternal, educational, and recreational organizations. Such groups are part of our everyday experience. But up to World War II, military organizations were largely unknown and uninteresting to the vast majority of us. The probability is that the future will require us to improve our knowledge about military organizations and increase our interest in them. From this writer's own experience as an Army officer, he can attest to the generality, for all military organizations, of these analytical comments about the Navy. In short, these studies of the Navy serve to give us a substantive knowledge of the armed forces as a type of organized human activity.

Third, there is considerable value in analyzing and developing our concepts in terms of an organization type with which most of us are not associated for long periods of time. We are likely to be less emotionally attached to and identified with such an organization and its organizational fictions, so that we can more clearly conceptualize our picture of organizational behavior. If we talk about bureaucratic pathology in business, many are likely to resent it as

an emotionally-toned characterization. When we examine pathological bureaucracy in a military organization, we not only are not shocked, but perhaps we also *expect* to find it there, anyway. Thus, we can get on with the task of learning and analyzing what pathological bureaucratic behavior is like without having to overcome our antipathy to applying such a term and concept to a highly valued form of organization with which we personally identify.

Fourth, in some respects the military organization tends to exhibit in extremes some of the characteristic features of organizational behavior. The avoidance of responsibility, legalism, insulation from outside contact, and ceremonialism, which Davis analyzes in the first study, are characteristic features of the bureaucrat's behavior, wherever found. They are simply more prominent in the Navy. The informal behavior within this same bureaucracy, which Page illuminates, again stands out in sharp focus once the analyst, by virtue of being in the Navy himself, is able to see the actual organization. Thus, in a seemingly rigid organization we find informality and flexibility. We see them so clearly because they contrast so sharply. Turner presents this contrast between the formal and the informal aspects of the military structure in his analysis of the disbursing officer. Sometimes this kind of officer is hard-pressed to reconcile the unofficial with the official requirements of his office. Turner is well equipped to speak on the subject—he was a disbursing officer himself. We can say, then, that some major features of organizational behavior upon which we have been focusing in this book stand out most sharply when we observe them in a military organization.

Fifth, we are particularly fortunate that these three independent studies use essentially the same theoretical framework. There is a unity in approach and points emphasized that makes the studies additive. At the same time, the studies are complementary in that they cover different aspects of the Navy. Finally, not the least important reason for climaxing this section of the book with these studies of the Navy is the identity between the conceptual scheme of this book and that used by the authors of these studies.

We have set forth five good reasons for this analysis of the Navy. There remains one more—this chapter does, in fact, summarize a number of the central ideas of this book.

BUREAUCRACY IN THE NAVY

ARTHUR K. DAVIS *

This paper concerns the sociology of occupations. Within the general framework of the occupational system, reference is made first to Max Weber's concept of bureaucracy. The military variant of this ideal type is then outlined to set the stage for our central interest: some structural strains inherent in military bureaucracy.[1]

* From "Bureaucratic Patterns in the Navy Officer Corps," *Social Forces,* 27: 143-153 (Dec. 1948). Used by permission.

[1] Sociological inquiry into the structural strains in bureaucratic organization was begun by Robert K. Merton, "Bureaucratic Structure and Personality," *Social Forces,* XVIII (1940),

Our specific hypothesis is: *the effective performance of the manifest functions of a military bureaucracy requires a certain type of occupational discipline and formal organization; these in turn tend to create inherent pressures toward recession of goals, occupational ritualism, and professional insulation; which in turn may alter the actor's definition of the situation so as to impair systematically his effectiveness in carrying out the manifest functions of the bureaucracy.*

Concrete data for this paper, which in no way represents the official views of the Navy Department, are based on three years in the Naval Reserve as an Air Combat Intelligence Officer with two Fleet Air Wings. Observations are limited to four aspects of naval social organization: (1) the tendency to avoid responsibility; (2) legalism; (3) the Navy as an insulated occupation; (4) ceremonialism. These aspects are functionally related to each other and to the ideal (normative) pattern of military bureaucracy, whence they issue and upon which they profoundly react. This study relates the ideal pattern or "manifest structure" of a military bureaucracy to concrete social reality. It points to unintended "latent structures" which necessarily emerge from attempts to realize in practice an abstract ideal pattern.[2]

For scientific relevance participant-observer studies like this one depend on integration with a more highly generalized theoretical system. Empirical observation can thus gain support and validity from the body of older propositions, which in turn it may confirm or refine. In this way a series of such observations may form a significant element of cumulative, systematic and therefore compelling scientific knowledge, though each investigation by itself may provide merely plausible "post factum" sociological interpretations, "proving" nothing.[3] This study is accordingly oriented to the work of Weber and Parsons on institutional structure and to the significant contributions made by Merton and Barnard in the field of large-scale organization.[4]

Our growing concern with such dynamic processes as goal-recession and the development of latent structures points up what seems to be a serious

561-568. The present writer found this paper invaluable for understanding the Navy as a social system.

[2] The terms *manifest structure* and *latent structure*, credit for which belongs to Professor Marion Levy of Princeton University, resemble Merton's well known concepts of manifest and latent function. In this study latent structure is viewed as an emergent property of the manifest structure. Manifest structure is the abstract formal organization consciously taken as a model or normative ideal pattern to realize the manifest (intended) functions of a group. Latent structure is that structure, originally unintended but prone to become increasingly "manifest" over time, which results from the concrete activation of the manifest structure, by virtue of the influence of other elements in the situation not foreseen or not provided for in the manifest structure. Structure of course cannot be equated with function, since a given structure may serve several functions

[3] Cf Merton, "Sociological Theory," *American Journal of Sociology*, L (1945), 467-473.

[4] Cf Weber, *Theory of Social and Economic Organization*, (New York: Oxford University Press, 1947); and *Essays in Sociology* (New York Oxford University Press, 1946), ch. 8; Parsons, *Structure of Social Action* (New York: McGraw-Hill, 1937), and miscellaneous papers (bibliography in *Psychiatry*, X, May, 1947); Merton, "Bureaucratic Structure and Personality," *loc. cit.*, and "Role of the Intellectual in Public Bureaucracy," *Social Forces*, XXIII (1945), 504-515; Barnard, *Functions of the Executive* (Cambridge. Harvard University Press, 1938), and "Functions and Pathology of Status Systems in Formal Organizations," in W. F Whyte, ed., *Industry and Society* (New York: McGraw-Hill, 1946), 46-83.

weakness of Parsons' institutional approach—its preoccupation with ideal types which are identified essentially with institutional or normative patterns.[5] On the theoretical level this approach does provide explicitly for non-normative elements in action.[6] These are called situational or conditional elements, and are treated in effect as a residual category. Whether that conception is adequate is debatable: residual categories usually indicate unfinished areas in scientific systems. On its empirical level, however, the institutional approach may be criticized for dealing almost exclusively with the normative elements of social systems and with that deviance which arises from the conflict of such elements. A considerable degree of institutional integration is clearly a functional imperative of any social system, and conflict among institutions is sometimes a source of deviance. But institutional theory is not a comprehensive theory of social systems. On its most abstract level it is at least potentially comprehensive. But as currently used it slights many functional prerequisites[7] which every social system must meet—problems of recruitment, handling frustration, socialization, etc. Action is only partly a function of ideal patterns.

Moreover preoccupation with institutional patterns, by definition the most stable normative elements in a society, may lend itself to a static and unrealistic view of concrete social organization. It is but a short step thence to the pitfall of ideological affirmation of the traditional social order. This would be unfortunate, to say the least. The danger can be avoided by directing attention toward more explicit analytical formulation of non-normative action structures and situational elements. A theoretically integrated conception of social deviation and of social change will probably depend on the formulation of a mature theory of social systems.

[5] Cf. Parsons, "Sociological Theory," in Gurvitch and Moore, eds, *Twentieth Century Sociology* (New York: Philosophical Library, 1945), pp. 61-62.

[6] *Ibid,* pp. 60-62.

[7] This concept is discussed by Albert K. Cohen, "Themes and Kindred Concepts in Social Theory," *American Anthropologist,* L (1948), 436-443, a paper highly relevant to the problem of developing a more adequate theory of social systems.

I. THE NAVY AS A MILITARY VARIANT OF BUREAUCRACY

In terms of occupational functions the Navy corresponds to the general occupational pattern of modern industrial economies. On an ideal-typical level, this pattern may be conceived as large-scale organization, the upper and smaller division of which is a steep hierarchy of executive and technical-expert functions ("line" and "staff"), roughly equivalent to Weber's concept of bureaucracy. The lower division is a broad mass of easily learned "labor" roles (operatives, enlisted men), usually classified as skilled, semi-skilled, and unskilled. The "foreman" role (army noncom, navy Chief Petty Officer) is a subsidiary link between the two divisions. Executive, technical-expert and labor functions as used here are analytical abstractions. Any specific job usually includes elements of all three, with one predominating. The "foreman" role alone is a fairly balanced blend.

Our present concern is with the upper division, the Navy Officer Corps, the social structure of which is highly bureaucratized. A label and not an epithet, bureaucracy denotes an integrated hierarchy of specialized offices defined by systematic rules—an impersonal routinized structure wherein legitimized authority rests in the office and not in the

person of the incumbent. Founded on technical competence, the bureaucratic career begins with successful examination or appointment to office, and it proceeds by regular stages of promotion, often based largely on seniority, to honorable and pensioned retirement. Salary is better conceived as a means of maintaining requisite social status than as a wage for irksome labor. We do not "pay" military men to risk their lives in war. Rather, we give them high social status and tacitly invoke extraordinary service on the principle of *noblesse oblige*. Officers are gentlemen by common consent as well as by legal fiat, as is shown by their frequent admission to exclusive clubs regardless of their social origins.

Achieving any high occupational status usually involves a probationary ordeal which inculcates the requisite technical skills sometimes, and the necessary social attitudes and behavior patterns always. Examples are an Annapolis education or getting a Ph.D. Such apprenticeship devices are often ritual rather than rational.

The key to understanding the military variant of bureaucracy probably lies in (1) its ultimate purpose of winning battles; (2) the highly "seasonal" nature of combat operations; (3) the consequently acute problem of maintaining a battle organization during long stand-by periods. Sociologically, a Navy is a bureaucratic organization designed to operate under battle conditions which rarely occur. Civilian groups can usually operate in terms of probabilities calculated from their everyday experience. But in military groups the dire consequences of defeat preclude routines based to the same degree on the weight of experience, that is on non-combat conditions. A Navy can never exist entirely in the present. It must keep in view a future moment which rarely comes, but which must be assumed as constantly impending. Hence it builds its routines on the abnormal, its expectations on the unexpected. This procedure affords a rational technique for war and an equally necessary rationale for peacetime.

The extreme uncertainty of the battle situation directly affects the social organization of the Navy. Size alone would impose the bureaucratic pattern on Naval organization. Coördination of masses of men and material clearly requires those properties of precision, impersonality, and reliability which make bureaucracy the most efficient form of large-scale organization. The battle premise greatly intensifies the need for those same qualities. This pressure is met by an extraordinary emphasis on authority and tradition which also serves the need for peacetime self-maintenance.

The essence of any military organization is its structure of authority, the ultimate source of which is the enormous file of written regulations. Military groups carry the normal bureaucratic stress on authority to its extreme development. It is the function of a multitude of practices—drills, musters, inspections, deference to superiors—to minimize uncertainty by instilling habits of automatic response that will survive the distractions of combat and the *cnnui* of peace. Reducing the jobs of officers and men to the simplest possible operations permits rapid substitution of personnel on the principle of the interchangeability of standardized parts. Uniforms and insignia, by "telegraphing" the wearer's status in the hierarchy of authority and his job in the division of labor, facilitate communication, coördination and impersonality.

Against the hazards of sea and battle,

a mass of rules is designed for every possible occasion. Men must come to attention at the approach of an officer. This is partly because he may announce an emergency wherein split-second response is the only alternative to destruction. Such a consideration will be irrelevant 999 times, but navies are more prone than other groups to take the thousandth chance as their norm. The other 999 cases symbolically reaffirm and "exercise" the Navy's basic social structure—its system of authority. Both as rehearsal for battle and as a device for self-perpetuation of the organization, deference is an instrumental pattern. Yet its endless repetition tends to build up the pattern as an end in itself so that hierarchy comes to be an ultimate value far beyond its instrumental requirements.[8]

Carrying out his prime function of military command may require a line officer to order men to death. Impersonality is often a prerequisite to maximum efficiency both in issuing and obeying the order; hence the institutionalizing of the "caste line" between officers and enlisted men. Within the Officer Corps the danger from particularism is minimized partly by the secondary caste lines which exist between all commissioned ranks, especially between Ensign and Lieutenant (junior grade), between Lieutenant-Commander and Commander, and between Captain and Flag Officers. It is also restricted by the Navy's pervasive formality and ritual, both vocational and social. But even more important in reinforcing impersonality is the intensive indoctrination of the Officer Corps with the idea of duty—with such sentiments as "Don't give up the ship." The instrument of this indoctrination is the 4-year Annapolis course. On the enlisted level there is nothing corresponding to this indoctrination. Petty Officers have less need of it since they merely administer the hazardous orders which commissioned officers issue.

The military variant of bureaucracy may thus be viewed as a skewing of Weber's ideal type by the situational elements of uncertainty and standing by. Detailed description of the Navy's "blueprint" organization [9] would tell us how the Navy ought to work without always showing how it actually does work. We turn therefore to some concrete material. Clearly our analysis must be far from comprehensive. The limited empirical uniformities described below, since they are recurrent, may be conceived as structural pressures or tendencies—sometimes overt, sometimes latent—subject in any particular instance to modification by other basic tendencies, by local circumstances, and by the effect of individual personalities. Attention is focused on the Regular Officer Corps. Although by 1945 there were more than five times as many Reserve Officers as there were Regulars, the latter defined

[8] Cf. Merton, "Bureaucratic Structure and Personality," *loc. cit.*, 563, on the displacement of goals; also G. W. Allport, *Personality* (New York: Henry Holt, 1937), ch. 7, on "functional autonomy" as the motivational aspect of goal-displacement. The tendency of formal organization sometimes to defeat its own ends by overemphasizing the elements most essential to its success is a recurrent theme of this paper.

[9] Cf. *U. S. Navy Regulations* (Washington: Government Printing Office, 1932); A. A. Ageton, *Naval Officer's Guide* (New York. McGraw-Hill, 1943), and *Naval Leadership* (New York: McGraw-Hill, 1944); R. P Erdmann, *Reserve Officer's Manual* (Washington: Government Printing Office, 1932); L. P Lovette, *Naval Customs* (Annapolis: U S. Naval Institute, 1934); *The Watch Officer's Guide* (Annapolis: U. S. Naval Institute, 1935); *The Bluejacket's Manual* (Annapolis. U. S Naval Institute, 1940).

the situation to which the others were indoctrinated to conform.[10]

II. SOME CHARACTERISTICS OF NAVAL ORGANIZATION

A. *Avoiding responsibility: the philosophy of do-the-least.* So pervasive a tendency must be explained primarily in terms of social organization and only secondarily on the basis of particular personalities and local conditions. The "buck-passing" pattern includes (a) minimizing responsibility for making decisions, especially those for which no precedent exists; (b) getting out of doing work (carrying out decisions). Responsibility tends to be passed upward; work, downward.[11] Whenever it is practiced in primary groups, whether in the context of large-scale organization or not, it is generally sanctioned by the primary group as a whole. Sentiments of solidarity together with informal sanctions like ridicule usually keep the members in line. The basic explanation of avoiding responsibility must therefore lie outside the informal organization. It must be sought in the pressures generated by the formal organization or by the situation. Five propositions are submitted.

1. Shunting responsibility upward stems partly from the universal fact that a functionary's area of responsibility invariably exceeds that of his control. No official can direct or even recognize all the complex social, personal, and technical factors operating in his department. Yet he is generally accountable for whatever befalls there, and most strictly and necessarily so in military organizations. For adequate performance and a successful career the official must rely heavily upon favorable attitudes on the part of his superiors. Consequently he is strongly tempted to slide his problems into his superior's lap by asking advice, requesting instructions, securing approval in advance. And he will accept for decision some of his subordinates' problems to minimize uncertainty in his own sphere of accountability. Responsibility for making decisions tends to move upward. This does not apply to authority to carry out decisions. Interference by superiors in the routine execution of work is resented.

The discrepancy between control and responsibility makes for avoiding responsibility particularly in the lower and middle levels of a bureaucracy. For the man at the top there is no such escape from the strains of decision except by a do-nothing policy.[12] Another pressure on top executives is to find subordinates who will get things done.[13]

[10] R. L Warren, "The Naval Reserve Officer A Study in Assimilation," *American Sociological Review,* XI (1946), 202-211; R Lewis, "Officer-Enlisted Men's Relationships," *American Journal of Sociology,* LII (1947), 410-419.

[11] But sometimes an officer, ignorant of his job and unable to shift responsibility upward, had to shift it downward to his Petty Officers. This was probably easier to do in the Navy, which gave more attention than the Army did to technical competence in enlisted men's assignments. Unlike the Army, Navy enlisted ratings specify technical function (gunner, radioman) as well as rank.

[12] Apparently this was the course of the 1941 Hawaiian commanders with respect to proposals for improved reconnaissance around Oahu and warnings of Japanese aggression. Cf W. B. Huie, *The Case Against the Admirals* (New York. E. P. Dutton, 1946), pp. 92-99. Accession to august rank does not change overnight the habits of a lifetime.

[13] Mr. B Barber of Harvard University has suggested that the buck-passing tendency is related to the great popularity of Hubbard's story, "A Message to Garcia," among top executives. Rowan in the Garcia story was a man to get things done He was almost blindly obedient as well as strikingly competent. The point also illustrates the authoritarian character of bureaucracy.

2. A second incentive for buck-passing is the latent conflict between authority and specialization. When organizations involve elements as dynamic as science and technology, officials sometimes lack the specialized knowledge prerequisite to making adequate decisions. The temptation is strong to get rid of such problems as soon as possible. The rapidity of wartime technological and organizational changes made for an extraordinary circulation of these hot potatoes among military units.

The two tendencies just outlined are in some degree common to all bureaucratic hierarchies. Business corporations partly counteract these pressures by making status and rewards depend heavily on individual initiative. These incentives and sanctions are less available to the Navy, where seniority is primary and competition often operates negatively. Officer personnel are seldom dismissed, and then usually for offences against discipline rather than for incompetence. "Misfits" are often transferred to posts where they can do no harm. In military organizations the rewards for assuming responsibility and the penalties for failing to do so seem less extreme than in the business world.

Moreover cost reduction is a constant pressure in modern capitalism. No such compulsion operates on military organizations, whose competition for income is lobbying for a larger share of the federal budget. Lobbying is confined to a few top officers, whereas the cost-consciousness of many business firms permeates their entire hierarchy.

3. Bureaucracies often develop an *esprit de corps* which congeals individual initiative. They present two conflicting goal-orientations: (a) the tangible and intangible rewards for efficient performance in the formally defined role; (b) the informal social satisfactions from harmonious in-group relations, which are prerequisite to (*a*) yet incompatible with the invidious sentiments aroused by (*a*). For the "eager beaver" often appears to his fellows as a threat to their status and self-esteem. Epithets such as "sucking around" and "brown-nosing" operate as informal sanctions.[14] The resultant *esprit* protects in-group solidarity by restraining competition and resists change by intrenching vested interests.

The "sucker philosophy" of the Armed Forces grew partly from this conflict. The widespread sentiments against volunteering for special tasks were tacitly recognized and conciliated by "compulsory volunteering" ("Three volunteers—you and you and you!"). Enlisted men seeking commissions were observed to conceal the fact from their fellows, although they discussed it freely with their officers. Trainees at the Quonset Officers Indoctrination School were invariably eager beavers until they got out on a billet. The zeal of trainees at the Navy Air Combat Intelligence School contrasted sharply with the later indifference of the same officers back for a refresher course. Instructors without field experience loaded graduating student officers with intelligence publications. But instructors who had seen field duty advised the graduates to stow such paraphernalia in the nearest furnace and to carry whisky instead. It was the writer's observation that the latter advice was the more functional.

4. Structuralized discrepancies be-

[14] These epithets are primarily related to the violation of universalistic norms, but rationalization easily distorts others' success into unfair competition. The "sucker philosophy" is also closely linked to other aspects of naval organization such as legalism and wartime fatalism. It is not a simple function of the conflict between manifest and latent functions of formal and informal organizations.

tween individual effort and reward in military systems restrain initiative in both war and peace, though for different reasons. The wartime Services expanded so rapidly that they could attend only to categories and not to individuals. The imputed needs of the organization at the moment determined the disposition of resources. Most of the individual's vital interests—his work, friends, rewards, punishments—were largely outside his control. Uncertainty evokes many responses, including "griping," scapegoating, magic, and religious conversion. Here we will indicate only its relation to buck-passing.

Zeal could bring undesirable results as often as not. An "eager beaver" might be held overseas or in rank longer than less valuable personnel. Sudden transfer to another unit could deprive a man of the fruits of prestige hard-earned in his old outfit. Unearned rewards might fall into his lap. Everyone knew of such cases if he did not experience them himself. Many basic needs which are major incentives in civilian occupations are furnished automatically in the Service. All this contributed to fatalism and inertia. The individual naturally sought refuge in his primary-group relationships. If clique behavior did not modify one's formal situation, it did at least make it more endurable.

Competitive achievement officially counted for promotion in the Army Officer Corps but not in the Navy except for rare "spot" promotions and for ranks above Lieutenant Commander. But the Army system aroused more discontent. Its capriciousness was due to (1) the exigencies of the organization; (2) lack of standardized competitive criteria; (3) invidiousness aroused by competition. And non-competitive criteria (e.g. seniority) drew resentment because they contradicted official ideology. Navy promotions, based on seniority, evoked less resistance, although the fact that some incompetents went up with everyone else was disliked because of the implied downward levelling.

In time of peace unpredictability is minimized, but a ritualism stemming from minute observance of routine and regulation submerges initiative more than ever. Military organizations between wars, in terms of their wartime *raison d'etre,* are relatively lacking in manifest functions. To maintain their organization they must fall back on routine for its own sake. Security and every possible comfort are provided, unhampered by wartime hazards and improvisations. The philosophy of Do-the-least rules unchallenged.[15]

5. The unofficial conception of a Regular Navy career often minimizes assumption of responsibility. Promotions below and to Lieutenant Commander are *en bloc,* based on seniority, examination, and quotas authorized by Congress. Higher appointments are filled by individual selection. Elaborate "fitness reports" on each officer are periodically filed with the Navy Department by his superior. During the war these examination and quota rules were suspended, and mass promotions in the junior grades became in effect automatic on completion of the specified months in rank. The ranks above Lieutenant Commander continued to be filled by individual selection. Despite the large element of seniority the naval career is competitive in important respects, and it thus conforms roughly to the basic occupational pattern of the United States. In peacetime the "up or out" principle is applied to all ranks.

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[15] Cf. E. Larrabee, "The Peacetime Army: Warriors Need Not Apply," *Harper's* (March, 1947), pp. 240-247.

But this is often a negative competition to avoid departure from precedent. If an officer makes a decision unsupported by regulation or custom he is sticking out his neck, because he is officially responsible for his acts and nothing will save him if things go wrong. Deviation from routine may pull down his fitness report and cause him to be passed over years later by the Selection Board. It is difficult indeed to escape indoctrination with a psychology of affirm-and-conform. Minimizing responsibility is simply playing it safe. This is reinforced by the inherent exaltation of authority-obedience relationships in military organizations, by the relatively greater role of seniority in the early and formative stages of the career, and by strong tendencies toward ritualism and legalism.

An apparent exception to the buck-passing philosophy was the Construction (Seabee) Branch. Its slogan, "Can Do," seems to have been a realistic index of attitudes toward work and responsibility. Instances on Okinawa were observed where Seabee outfits consistently volunteered for additional *routine* tasks—a sharp contrast to the atmosphere in the writer's own attachment, a relatively elite combat command. A partial explanation may be the fact that the Seabees were drawn from the construction industry with a minimum of occupational reorientation. They could give maximum scope to the industry's best traditions of visible achievement and ingenious improvisation.

B. *Legalism: the psychology of affirm-and-conform.* This results from the characteristic bureaucratic tendency toward displacement or recession of goals whereby instrumental patterns become ends in themselves. A Navy's hierarchy of authority is necessarily overemphasized because of (a) the primacy of authority-obedience relationships in military groups; (b) the necessity for bureaucracies to proliferate and to refine rule-systems so as to minimize role-conflict; (c) the prevalence of the "play-it-safe" attitude toward the naval career. Regulation becomes a sacred cow.

Military systems do not countenance debate about orders. The severest sanctions enforce compliance because of the need for countering the proven fallibility of military commanders with the assumption and trappings of infallibility. Otherwise the precision and coordination essential in battle would be lost.

The minimizing of role-conflicts in a complex organization requires a clear definition of jurisdictions. Because of the need for standardization, new situations bring a ceaseless flow of new regulations.[16] *Navy Regulations* specifies detailed behavior for thousands of situations. If trouble results from failure to observe these directions, responsibility can be pinned on someone. Against the pressure of authority from above, the sole defense of the individual lies in strictly observing regulations—an outcome reinforced by the endless routine in naval life.[17]

Bureaucratic personnel suffer from chronic status-anxiety. Everyone focuses his attention on his superior, whose

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[16] Cf. the development of gunnery safety precautions, 1818-1924, as a result of the lessons from fatal accidents, by W H P Blandy in H. F. Cope, *Command at Sea* (New York Norton, 1943), pp. 159-174.

[17] In wartime the predominance of Reservists and the pressure of situational necessities resulted in systematic rule-breaking. This could be done safely where in-group solidarity and/or approval of superiors gave such practices a secondary or *ad hoc* institutionalization. Their contribution to winning the war was probably very great, although there were disfunctional aspects too.

slightest display of pleasure or displeasure is magnified and distorted downward. The mildest criticism from a superior is often viewed by the recipient as a crushing attack. Praise may bring an accusation of "brown-nosing" from one's colleagues. To counteract both these tensions is one function of the Navy's extraordinarily emphasized norm of "loyalty upward."

As examples of the disfunctional tendency of formal organizations to overemphasize their main instrumental devices, we cite two cases. For efficient coördination, official communications must travel by the chain of command. In one large air unit, even the most trivial correspondence was routed up to the Chief of Staff and often to the Admiral, then down to the appropriate department for action. Here the reply was drafted, typed, routed back to the top for approval and signature (often refused pending minor changes) and finally routed down to the dispatching office. Mail which a clerk should have handled in and out in 24 hours was thus sent to the top and back two or three times, drawing attention from eight to twelve persons over a ten-day period.

We cite next the behavior of certain heavy-bomber crews on anti-submarine patrols. Because of their short tour of duty, the infrequency of submarine sightings, and the complexity of anti-submarine tactics, these air crews usually made several errors in the course of an attack. For this they would be sharply criticized by their superiors. Hence arose a serious morale problem. At least three flight crews in one squadron began going out for "quiet patrols," by their own admission. Observing the letter of their instructions legalistically, they flew their patrols exactly as charted. If a suspicious object appeared a few miles abeam, their course lay straight ahead.

Combining legalism and avoidance of unnecessary responsibility, we arrive at the golden rule for the professional military career: Follow the book or pass the buck.

C. *The navy as an insulated occupation.* ("... this little world ... set in the silver sea"—W. S.) To some extent every bureaucracy and occupation draws its members into common interaction, though not intensively. But in the Regular Navy Officer Corps both workaday routine and out-of-hours social life are concentrated largely within the profession. Unusual insulation is a structural feature of the naval occupation.

(1) The separation between place of work and residence characteristic of urban occupations is minimized in the Navy. At sea officers are thrown together both on and off duty. On shore stations during peacetime, senior officers with their families occupy quarters on the compound. Families living off the station have many interests aboard—the commissary sells food to naval personnel at low cost, free medical care is available, and the well appointed but inexpensive Officers' Club is the social center for everyone. Whereas Navy families spend most of their time on guarded compounds, other occupations are widely dispersed about the community, subject to a rough class—rather than a strict occupational segregation. One function of the extraordinary formality of Navy routine and social life is to maintain the requisite professional impersonality in the face of this unusually close contact.

(2) The geographic mobility of Navy families needs no emphasis here. The systematic rotation of duty afloat and ashore in different parts of the world

reduces local ties, while the fund of common experience in the same places is a significant occupational bond.

(3) The non-political tradition of the American military further reduces participation in the civil community. Whatever an officer would say about professional matters is restricted to communication by the chain of command. Speaking out on nonprofessional public issues is prevented by the conception of the Forces as nonpartisan servants of the State—a device to avert praetorian tendencies.

(4) A more positive occupational tie is the heavy demand made on officers by social and ritual activities. Formal calls, the extensive use of visiting cards,[18] and similar indispensables of polite social life are legitimized obligations. At the Naval Academy the young midshipman wisely spends much time in acquiring these estimable proficiencies, the value of which is fully proven when later with his wife he enters the exacting social competition of a peacetime shore establishment. Unlike other professional or business occupations, the Navy wife must be a "lady" with an unusual mastery of the delicate arts of status-exhibition and status-deference. A working Navy wife would be distressing less for her lack of lady-like tone than for her lack of leisure to do justice to the subtle and intricate expressions of social punctilio.

Numerous other Service customs, some of which the women of Navy families participate in or observe, also act as in-group occupational ties—commissioning ceremonies, visits to ships in port, formal receptions, the impress of training and rituals at Annapolis.[19] Above all must be stressed the wearing of uniforms and the lore and lingo of Navy life. A unique occupational vocabulary serves both utilitarian and symbolic purposes. It provides essential nomenclature, thereby setting the group apart in its specialized knowledge; and it verbalizes in-group attitudes, thus strengthening them and performing the same latent function as ritual.[20] Few other occupations are knit by such ancient traditions or by so much symbolism.

The margin of personal choice in out-of-hours social life is much smaller in the Navy than in most other occupations. In the latter one is generally free to accept or decline a relatively larger proportion of whatever social participation is accessible. In the Regular Navy there is a definite pecking order according to the husbands' dates of rank. References to a wife usually specify the husband's rank: "Mrs. X, wife of Commander X."[21] Invitations from higher ranking officers or their wives have the force and often the form of positive orders.[22] Little time is left for social ties outside Navy circles, even if such were desired.

It is possible that the sexual behavior

[18] Even after three years of war the Quonset Indoctrination School included in its curriculum the advice to lay in a supply of these cards to take to the western Pacific beachheads.

[19] Summarized in A B Pye and N. Shea, *The Navy Wife* (N. Y.. Harper's, 1942).

[20] E g. "all Navy" and "4 o" are approving phrases. "Lubber" and "civilian" connote contempt Neutral words like "topside" and "scuttlebutt" are solidary influences because their knowledge and use are confined to *the* in-group. For glossaries of occupational terms, see Pye and Shea, *op cit*, pp 308-325; Lovette, *op cit*, pp 207-270; F. W. Cottrell, *The Railroader* (Stanford University Press, 1940), pp. 117-139.

[21] See the authors' acknowledgments to various Naval personnel, Pye and Shea, *op.cit.*, pp. xi, xii.

[22] Cf. L. H. Conarroe, "Buttering the Navy Brass," *Collier's* (June 21, 1947).

of Naval personnel, wives and juniors follows patterns distinctive to this occupational group. Systematic evidence on this important point is unfortunately not available.

(5) Another way to indicate the Navy's insulation is to refer to its strong *esprit de corps,* some ingredients of which have just been outlined. *Esprit* is based on common traditions, symbols, shared routines and goal-orientations—in brief, an integrated way of life. The forces segregating naval personnel contribute to their morale and their in-group cohesiveness with results both functional and disfunctional for the system. Strong *esprit* helps the organization to survive battle crises: it has written famous sagas in our naval history. But it also hampers adjustment to the external situation by developing parochialism. The few Regular Officers observed by the writer in two theatres knew little or nothing about the places they visited, despite their global travels. Their experience had been limited to the Officers' Clubs at Pearl, the big Shanghai hotels, the British Officers' Club on Repulse Bay.[23] The Regular Navy is probably the most travelled and least cosmopolitan of American occupational groups. This is a function of occupational ethnocentrism.

Here we may suggest that three tendencies discussed above illuminate the Pearl Harbor disaster. That bureaucracies are often vulnerable in their external relationships seems clear. Avoiding responsibility, legalism, and insulation of officers preoccupied with professional routine and Navy social life may converge to obstruct adaptation to changing external conditions. At Pearl Harbor the reality principle forcibly reclaimed this self-sufficient little world.

D. *Ceremonialism: the conspicuous consumption of military systems.* If regulation is the sacred cow of a military system, ritual is its golden calf. An essential aid in exercising bureaucratic authority, ritual is symbolic behavior more important for its latent functions than for its manifest objectives. In time of peace military groups more than other bureaucratic types exist on routine. Ritual helps to provide the goal-orientation and motivation needed to maintain organization.

Ritual may become an end in itself at the expense of the organization's capacity to perform efficiently its manifest functions. When the crews of certain seaplane tenders were set to polishing brass after V-J Day instead of repairing seaplanes, the next fortnightly typhoon wrecked many aircraft which should have been fit to fly out of the storm track.

Ceremonialism may be viewed as the conspicuous consumption of power hierarchies. The Navy's cocked hats and swords are archaic survivals which have become functionally autonomous, significant chiefly for in-group solidarity. The 1947 Navy Department budget proposed $97,000 (deleted by Congress) for officers' silver-plated finger bowls, properly engraved for each rank. As he gains in rank an officer acquires a larger ceremonial due, symbolizing his professional success. Though not highly paid he is a "gentleman," and must exhibit proper gentility. He learns that it is unseemly to carry bundles. Pye and Shea devote much attention to servants.[24] They strongly advise owning a

[23] Cf. Pye and Shea, *op.cit.,* ch. 15. In this description of life on foreign naval stations, Mrs. Pye (the wife of a Vice-Admiral) devotes most of her attention to a careful exploration of the native-servant situation.

[24] *Ibid.,* pp. 28-29, 33-34, 41, 58, 60, 276, 296, 299. Acknowledging that ensigns and lieutenants cannot always afford servants, they

car,[25] and name the monthly amount ($30) a young officer should put aside for one. An unusually large proportion of an officer's income must go for uniforms, whereas but a minor part of a civilian family's clothing budget is spent on the head of the household.

One function of differential rewards is to provide incentives for assuming responsibility. Higher ranks receive more deference, better quarters, more money. Another function is to give officers the public status and prestige necessary to exercise authority. So essential is this instrumental pattern that it is often subject to disfunctional overemphasis. Two cases are cited.

1. Awards and citations, theoretically given for extraordinary service beyond the call of duty, could legally be granted to many persons not morally entitled to them. Under the "strike-flight" system of aviation awards adopted late in 1944, 5 operational flights in areas where enemy action was "expected" automatically won an Air Medal, and 20 missions won a Distinguished Flying Cross. Formerly awarded very charily for heroism, these medals were now passed out profusely. Some strike-flight awards represented real hazards, but about three-quarters of the thousand-odd citations processed by the writer during a three-month period did not. Some strenuous ribbon-hunting developed. The ribbon rather than the achievement it symbolized became the conscious goal.

Among high-ranking USN officers there is a well defined pattern of awarding each other ribbons more by virtue of position than performance. Soon after D-Day Normandy, the Legion of Merit (a fairly high award) was given to a number of senior USN officers in the European theatre. Though many were in charge of rear echelons doing routine work but indirectly significant for the invasion, their citations all mentioned D-Day—the ostensible occasion of the awards. Since senior officers receive a disproportionate share of the medals, especially of the higher ones, awards may be viewed sociologically as a perquisite of high rank. A chestful of ribbons does not mean that the wearer is a super-hero.[26] It is an infallible sign of only one fact—that he is a high-ranking Regular Navy officer. Regular officers received a greater proportion of awards than Reservists did, and officers in general were favored over enlisted men.

2. The "caste system" is popularly used as an epithet to suggest excessive discrepancy between the privileges of officers and men. The epithet indicates a problem but poses it inexactly. Stratification and differential privileges are recognized even by the rank-and-file as prerequisites of any legitimized structure of authority. Hence mere stratification can hardly be the source of the intense antagonism felt by many GI's toward the military hierarchy.

If differential privileges are necessary to clothe high status with moral authority, the principle of *noblesse oblige* is equally essential, at least on the public level, to get the rank-and-file to acquiesce in differential privileges. *Noblesse oblige* legitimizes the expectation that the higher the status, the greater the obligations and the severer the

suggest that "it is not unusual" for young wives to cook dinner themselves, hiring a waiter to serve it to the guests, p. 176.

[25] "...the Navy family usually owns a fairly good one even if the home is a one-room apartment,"—*Ibid,* 148. For the Army version of ceremonialism, see *The Officer's Guide* (Harrisburg: Military Service Publishing Co., 1942), pp. 323-344.

[26] Of course it does not preclude that possibility either. It is not very likely, however, in the writer's estimation.

punishment for failing to live up to those obligations.[27] The rub comes in implementing this principle in practice. Violation of the norms of expected competence and self-restraint of officers arouses moral indignation.[28] Failure to punish officer violations intensifies the sense of outrage, further reinforced by the vague American tradition of egalitarianism. This abuse of rank rather than stratification itself probably explains GI hostility to military hierarchy.

Differential privilege and punishment (*noblesse oblige*) are legitimized, but differential implementation of the law is not. With minimum friction the law can favor the powerful, as we may assume it always does, but only while the powerful do not publicly abuse their privileges so as to make the protective ideology of *noblesse oblige* an unrealistic myth.

This may help us to understand the reluctance of military systems to punish their officers. A public trial is a threat to the charisma of the uniform and to the whole structure of authority, because it destroys the basic premise that the King will do no wrong. Article 96 of *Navy Regulations* shows the organization's concern for this functional prerequisite: "No officer shall use language which may tend to diminish the confidence in or respect due to a superior in command; and it is the duty of every officer who hears such language to endeavor to check it. . . ." Apart from possible guilt-feelings, the hierarchy is caught between the demand for justice and the need of the system for (public) inviolability. The latter pressure is usually the stronger because of the primacy of authority in military structures. Hence military organizations resist admitting that an officer can commit a crime, and they thereby compound the offense in the eyes of the rank-and-file.

III. CONCLUSION

We may conclude that there is considerable evidence from the Navy Officer Corps affirming the hypothesis stated at the head of this paper. Avoiding responsibility, legalism, insulation, and ceremonialism can be found in all bureaucratic organizations; they are especially prominent in military bureaucracies. Other pressures may and often do counteract them.[29] This study is not a comprehensive analysis of the Navy or of any other bureaucracy.

Beginning with Weber's ideal bureaucratic type, we have discussed the military variant of bureaucracy chiefly in terms of its special emphasis on authority and tradition. These elements require such emphasis because of the

[27] Cf. the 95th Article of War. "Any officer or cadet who is convicted of conduct unbecoming an officer and a gentleman shall be dismissed from the Service"—*United States Code* (Washington: Government Printing Office, 1941), I, 625. Also the first Article of the Navy: "... commanders are required to show in themselves a good example of virtue, honor, patriotism, and subordination; .. any commander who offends against this article shall be punished as a court-martial may direct"—*Navy Regulations, loc. cit.* No such extraordinary demands are made on enlisted men. I am indebted here to A. K. Cohen, "Differential Implementation of the Criminal Law," unpub. Master's thesis, Indiana University, 1942.

[28] Since its authoritarian hierarchy lacks checks and balances, the Navy very strongly emphasizes norms of individual self-control, duty and honor to restrain exploitation of privilege. Cf. Ageton, *Naval Leadership, loc. cit.*, pp. 1-19; Erdman, *op.cit.*, pp. 263-271.

[29] O. L. Nelson, *National Security and the General Staff* (Washington: Infantry Journal, 1946), pp. 578-580, mentions the tendency of peacetime Army departments to aggrandize their authority, often under the impetus of "pride of place" and unclear lines of responsibility. Such patterns need further research.

situational pressures of uncertainty and organizational self-maintenance. Devices for meeting those pressures were shown to be disfunctional at times as well as functional for the organization. Significant latent structures, such as those making for legalism and avoidance of responsibility, were outlined. Points of articulation between this paper and other studies of large-scale organization, particularly those by Merton and Barnard, were indicated as part of the generalized theoretical system upon which the present observations depend for much of their scientific relevance.

This study suggests the great plasticity of individual behavior in response to occupational discipline. What was it that almost overnight made us all buck-passers? that steeped us in a psychology of affirm-and-conform? The answer—in this case bureaucracy—may be sought in the structure of the action situation. In industrial society the occupational pattern is a primary aspect of that situation.

Further light would be shed on the problems of this paper by investigation of the following hypothesis: the effectiveness of military leaders tends .to vary inversely with their exposure to a conventionally routinized military career. Some outstanding military leaders were men who (1) had had experience in non-military occupations; or (2) rose with phenomenal rapidity through the ranks; or (3) belonged to military organizations newly created or renovated—e.g. the German and Soviet armies and the several air forces. Conventional career soldiers on the other hand have frequently resisted essential innovations like automatic firearms in the nineteenth century, tanks in World War I, the modern conception of air power, the unified command.

INFORMAL BEHAVIOR IN THE NAVAL BUREAUCRACY

CHARLES HUNT PAGE *

THE APPROACH

The following remarks are being set down after having just completed almost four years of duty in the organization under discussion. At no time during that tour was there any attempt by the writer to analyze systematically the bureaucratic structure of which he was a part: from a research viewpoint he was at best a participant observer—with the emphasis upon participant. However, a sociologist let loose in an organization such as the United States Navy can not avoid the temptation to "sociologize" his own experiences to some extent, illustrated in this instance by random notes and letters which form the basis of this paper and evidenced more generally by various articles recently published in the sociological journals.

For students of social structure, the sociology of professions and the study of bureaucracy, participation in a military organization is professionally instructive. To be sure, active membership carries with it participation much too intense for purposes of research. But the intensity of participation rarely pre-

* From "Bureaucracy's Other Face," *Social Forces*, 25: 88-94 (Oct. 1946). Used by permission.

cludes the mental application of conceptual schema, a rough kind of observational testing of some hypotheses and, on occasion, when the participant "enjoys" an order-issuing position in the social structure, an opportunity to manipulate segments of it and thereby to submit certain hypotheses to a crude pragmatic checking. These form whatever "research" there has been made in support of the generalizations which follow.

The United States Navy as a segment of social organization is an example of rationally organized social structure wherein the officially designated roles are functionally geared to the fulfillment of its prescribed missions. In such structures, Merton has written,

> . . . there is integrated a series of offices, of hierarchized statuses, in which inhere a number of obligations and privileges closely defined by limited and specific rules. Each of these offices contains an area of imputed competence and responsibility. Authority, the power of control which derives from an acknowledged status, inheres in the office and not in the particular person who performs the official rôle. Official action ordinarily occurs within the framework of preexisting rules of the organization. The system of prescribed relations between the various offices involves a considerable degree of formality and clearly defined social distance between the occupants of these positions. Formality is manifested by means of a more or less complicated social ritual which symbolizes and supports the "pecking order" of the various offices. Such formality, which is integrated with the distribution of authority within the system, serves to minimize friction by largely restricting (official) contact to modes which are previously defined by the rules of the organization. Ready calculability of others' behavior and a stable set of mutual expectations is thus built up. Moreover, formality facilitates the interaction of the occupants of offices despite their (possibly hostile) private attitudes toward one another. In this way, the subordinate is protected from the arbitrary action of his superior, since the actions of both are constrained by a mutually recognized set of rules. Specific procedural devices foster objectivity and restrain the "quick passage of impulse into action." [1]

This long quotation ably describes many of the principal structural features of *bureaucracy,* and it is to this sociological category that the Navy (and other military organizations) must be assigned. Each sentence of Merton's statement depicts an aspect of bureaucratic structure of significance to the student of social organization and/or to the participant. Each of his sentences, too, could be used to point up an important feature of the Navy itself: the illustrations suggest themselves.

The approach, then, is one which stems from the functional analysis of social structures. There could be no attempt here, of course, to set down the Navy's total structural profile which such analysis requires. A gigantic contribution could be made to the social sciences, to the Navy and to the nation were this task undertaken. It would involve a thorough and objective study of the roles and established relationships within the Navy, of its goals and the institutionalized instrumentalities for their achievement, of the social pressures of all kinds operating within the structure, of the "occupational psychology" peculiar to it, and, most important, of the functional interrelations among all these. Those particular aspects of the Navy discussed below would form an integral part of the larger analysis. They are also characteristics that struck this student's sociological fancy and, it is maintained, are too frequently overlooked or "taken for

[1] R. K. Merton, "Bureaucratic Structure and Personality," *Social Forces,* 18 (May 1940), pp. 561-68.

granted" by many of the key members of the organization itself.

THE INFORMAL STRUCTURE

The Navy is a bureaucratic structure; more generally it is a large example of a secondary group. As a complex association it therefore is an instrumental organization designed to fulfill specified goals. The latter are established in the law of the land and receive extensive written expression in codes which govern the Navy's operations, down to the most detailed activities. Study of these codes and of the other documents which blueprint the formal institutional structure provides the Navy's neophyte with a knowledge of the rules, the groupings, and the officially sanctioned systems of procedure. He learns, for example, about missions, bureaus, divisions, sections, fleets, task forces, ranks, rates, courts martial, training programs, personnel selection. It is a complex picture and, especially in recent years, a rapidly changing one, but much of it can be gleaned from "the book."

All of this constitutes the *formal* structure of the Navy. A more systematic account of it than currently exists would be, I believe, of real value to both the professional Navy man, the "old-timer," and to its new or temporary members. And a thorough documentation of the formal structure by a student of social organization would constitute an example of the kind of study of bureaucracy advocated by Max Weber.

However, such a study would fail to include a very significant part of the organization which is vital in any functional analysis. This aspect shall be termed the *informal structure*. Like the formal, it consists of rules, groupings, and sanctioned systems of procedure. They are informal because they are never recorded in the codes or official blueprints and because they are generated and maintained with a degree of spontaneity always lacking in the activities which make up the formal structure. These rules, groupings, and procedures do, nevertheless, form a structure, for, though not *officially* recognized, they are clearly and semi-permanently established, they are just as "real" and just as compelling on the membership as the elements of the official structure, and they maintain their existence and social significance throughout many changes of personnel.

The informal structure may be viewed as a part of the "culture" created within the organization. Military organization, like many other social structures of the secondary associational type, develops internal procedures, values, and sanctions peculiar to "institutions for the care of segregated persons," to use Willard Waller's expression. These are shaped, to some extent, as a method of circumventing the formal structure; they form the core of the "inmate culture." The Navy, no less than other organizations of semi-isolation such as colleges, penitentiaries, and political parties, has its own *internal* traditions, its own caucuses, cliques, and pressure-groups, its own status-systems and compelling values, its own routines and "grape-vine" procedures, which are the inmate's very own and which are hidden to the outsider and the fresh newcomer.

The latter, whether an enlisted "boot" or the newly commissioned officer about to experience his sixty-day indoctrination, from the viewpoint of this analysis, has two large segments of Navy organization to learn. The high-pressure instruction of the indoctrination school or boot camp, the Navy teacher and his own study of the documents can reveal the intricacies of the Navy's formal

structure. This teaching and learning task can be and usually is accomplished quickly and efficiently. But knowledge of the informal structure, which is at least as necessary for successful participation, must be gained through experience in the group itself. The Navy has its own definition of maturity: its measure is the extent to which the individual becomes hep to the inner culture. The speed with which the individual "learns the ropes" is determined by many factors, including his preconceptions of Navy life, the particular niche which he occupies in the service, the sensitivity he displays to the existence and operational significance of the informal structure and, of special importance, his role in the organization as defined by the attitudes and reactions of the other inmates.

The existence and importance of the informal structure of the Navy would hardly be denied by any experienced participant. To be sure, the newly graduated officer of an indoctrination school, having just completed two months training in the most rarefied, formal Navy atmosphere, sometimes comes smack against the informal structure with a shock of disillusionment. (I have seen this experienced, indeed, by a sociologist-turned-Naval officer, by one whose relative sophistication concerning the nature of social organization would presumably have led him to suspect what he was to encounter.) Nevertheless, the informal structure is shrouded in a group-imposed cloak of semi-mystery: one of its chief features is the sanctity which protects it from exposure to the uninitiated eye. Anyone who ventured to explore and to spell out the intricacies of and the operations within the informal structure of the Navy would very likely be tagged with the kind of "muckraking" label which was attached to Lincoln Steffens' early studies of urban political parties or, on a different level, Freud's explorations of the workings of the human psyche. It is characteristic of the informal structure of bureaucracies, including the Navy's, to resist exposure.

This characteristic is not entirely attributable, by any means, to the fear of the members that unsavory elements will be brought to light. While this fear always plays some role in keeping off the record the "inside picture" of any bureaucracy, it is to one of the features of the informal structure itself that more importance must be assigned. For the informal structure serves the very significant role of providing a *channel of circumvention* of the formally prescribed rules and methods of procedure. No organization feels that it can afford to publicize those methods (by which certain problems are solved, it is important to note) which are antithetical to the officially sanctioned and, in this case, strongly sanctified methods dear to the traditions of the group.

Many pressing problems develop within the Navy *efficient* solutions for which are not possible within the framework of the official institutional structure. Some of these are solved through openly recognized "extra-legal" methods; in so far as such methods prove useful and are not in extreme opposition to the traditional procedures they tend to become codified and thus to become part of the formal structure. A large illustration of this process would be the array of new personnel practices developed during World War II. However, many other problems continue to be solved through the operation of the informal structure. The persistence of these methods (which are "illegal" rather than "extra-legal") derives from the fact that the problems solved there-

by demand circumventional treatment and are, in truth, partly caused by the formality and the officially defined requisites of the bureaucratic structure.

Such a problem is the constant and, to the initiated, conspicuous one of official communication between officers. Official communications in most cases must, according to the regulations, be routed through the "chain of command" for whatever endorsements the officers in the chain judge appropriate. This regulation is clearly an essential requirement from the viewpoint of the efficiency demands of military organization. Its absence would render meaningless the role of commanding officer, and it is thus certain that no attempt would be made to eliminate it. Yet very frequently the circumvention of this regulation appears as precisely the solution of a pressing problem. When such a development occurs the individuals involved, if they are sophisticated in the ways of their organization, will operate on the level of the informal structure wherein a solution is usually possible, and will thereby avoid that bureaucratic frustration so frequently felt by those who are strict followers of "the book." Of course, many problems which are solved by circumventing the chain of command on the informal level are of a self-interest nature and the solutions benefit only the initiating individuals, but there are many others the solutions for which utilize the "grapevine" machinery which are of significance to the entire unit or units involved.

Whichever the case, resort to the informal methods is usually denied and almost always condemned, sometimes most hotly by those most adept and experienced in their use. This is not to suggest hypocrisy in any conscious sense, but rather to stress that quality of the bureaucratic structure which requires *public* sanctification of the formal procedures and *private* sanctification of the informal. For no experienced member of the organization, in the realization of his dependence upon both, would seriously advocate the elimination of either.

The informal structure of the Navy extends from bottom to top of the official hierarchy and, horizontally, across all branches of the service. Throughout it is marked by and encourages *spontaneity*. Almost the opposite is the case with the formal. Thus the informal structure circumvents, once more, in that it provides an area of behavior for the membership where the rigid demands of protocol and regulation go by the boards.

This characteristic is broadly illustrated by the status and role configurations which develop in all units on the informal level. Whereas the official status hierarchy is overtly symbolized by rank and rate, the informal pattern is revealed only by examination of the distinctly unofficial and frequently semi-concealed inter-personal attitudes of the membership. Application of the techniques of sociography to a Naval unit would turn up the attraction and repulsion patterns, the "natural leaders" and the "rejected types" which typify the informal structure. Rarely, if ever would this configuration parallel the formal. The latter, to be sure, influences the shaping of the informal status pattern, evidenced, for example, in the fact that the demarcation between enlisted personnel and officers usually (though not always: witness its breakdown in flight crews) is present on both the formal and informal levels; or in the fact that the officially established social isolation of the commanding officer is frequently matched informally. This is only to say, however, that the informal and formal structures affect each other, as do all

elements within the organization. An essential function of the informal structure is the provision of a spontaneity area wherein abuse of officialdom is a chief mark.

The need for such a spontaneity area is more keenly felt and its development more extensive and apparent in those locations more separated from the "outer world" than in Naval activities in the United States. This is evidenced in the various land-based units in the Pacific known to the writer. One extreme example, an island air-base whose position and absence of native population guaranteed almost no contact with extra-Navy persons, had experienced a major structural change from the time that it had been based in the United States. In this case the informal structure had almost altogether lost its private sanctification and stood, in large measure, as the officially recognized pattern of this group of temporary island residents. One visiting officer described this as a "breakdown" of the organization. This was clearly not the case, as shown by the high morale and the effective accomplishment of missions. What had "broken down" was a large part of the formal structure, or rather it had been submerged as the informal structure rose into overt recognition and use. Fortunately the "skipper" as well as several other officers and petty officers were "natural leaders": their status and role definitions were somewhat parallel in the two structures. However, unmistakable indications of the superordination of the informal included the replacement of the social isolation of the commanding officer by his very keen participation in all activities of the unit, the submergence of the rejected types whatever their rank or rate to the informally defined roles, the emergence of the natural leaders to what amounted to official recognition, the abandonment of most of the officially governing protocol (except in the treatment of visitors), and accomplishment of the day-to-day and long-run tasks with efficiency, zeal, and spontaneous initiative not characteristic of official bureaucratic machinery.

This extreme case of the emergence of the "hidden" informal structure illustrates a process which is always present to some degree when a Naval unit moves from an area which provides a surrounding community, say a west-coast city, to one where it must act as its own community, say a small Pacific atoll. An important implication for the member of such an organization who assumes command responsibility or assists in its administration is that he should learn as much as possible about the informal structure of which he is a part as early in the game as possible. Good skippers do.

For the good skipper realizes, whatever the language he might use to describe it, that important changes are due whenever the segment of bureaucratic structure which he directs shifts scene so as to be forced to turn in upon itself in seeking a *community* of living. The Naval unit, ordinarily and essentially an association promoting officially defined secondary interests, to use R. M. MacIver's distinction, becomes as well a temporary primary interest group. The commanding officer adds to his directorship of the means organization the role of participant, and perhaps leader, in an ends group.

This distinction permits a further characterization of the informal structure: it contains the elements which typify the primary group. Within it can be observed the development of friendships and cliques, the interplay of love and hate, award and punishment at

intimate face-to-face level and spontaneity of expression. The intense impersonality of the official bureaucracy is frequently matched in degree by the highly personal quality found unofficially within it. The primary nature of the informal structure, which is partially compensatory and is manifested in varying extents when the Naval unit is "stateside," becomes very markedly compensatory and shows itself much more clearly when the organization is semi- or wholly isolated. As the unit becomes (by necessity) its own community, then, the otherwise hidden face of the informal structure appears. Sometimes its emergence is quite upsetting to the green officer, just recently carefully trained in the details of the official structure but untutored in the off-the-record ways of the Navy folk. Incidentally, this educational neglect could be remedied.

The green officer, however, usually learns his organizational ropes rapidly on his island base. And he may learn them, in a sense, too well. For when the unit moves on to a thickly populated area of friendly people, say Manila or Shanghai, or back to the "States," it moves through a reverse organizational process. As it again gains an adjacent outer world its own community tends to disappear, the informal structure regains its inner sanctity, and formal protocol and regulation take on their original roles. This readjustment and realignment of the elements of the total structure leave some individuals lagging—both officers and enlisted. They are often the executive or personnel officer's toughest problems.

There are a number of other personnel peculiarities of the Navy which are intimately related to the structural features of the organization. The following section points to some of them.

BUREAUCRATIC STRUCTURE AND PERSONALITY

Merton, in the article quoted earlier, describes the confusion of ends and means which so frequently occurs in bureaucratic structures. The governing rules of such organizations which prescribe the methods of procedure and officially define the relationships among the parts of the structure, designed as means, often become for the membership, or part of it, ends in themselves. Certainly all established bureaucracies are marked, with varying degrees of emphasis, by the phenomenon of "instrumental values becoming terminal values."

This is outstandingly the case in military organizations, including the Navy. Military organizations must, if they are to fulfill their basic purposes, so carefully define the rules and so engender devotion to them that "reliability of response" is guaranteed. It is clear that the demands of battle, to use the extreme and necessarily the governing example, require nothing less. Much of the official experience of Naval personnel is "drill" which teaches a devotion to procedures without which a Naval commander would be, for practical purposes, without command. The need for such routinization of response stands behind the traditional use, in both Navy and Army, of close order drill which forms such an imposing and wearying part of the early training of both enlisted and officer personnel. The willing acceptance of close order drill by the newcomers is frequently negated by the drillmaster's identification of this *method* of disciplining response with end values.

Close order drill is the most conspicuous example of the routinization of procedure which typifies military life.

The detail and precision of definition of, say, the manual of arms are extended to every segment of the Navy's formal structure. Thus there are the officially correct ways of writing letters, greeting fellow personnel, executing air maneuvers, loading weapons, burying the dead, reporting infractions of the rules, fixing the seating for dinners, hailing a ship from a boat, packing one's clothing for travel, *ad infinitum*. The absorption of these various techniques and methods represents the formal side of learning the Navy procedure. It represents also a process which all too frequently sanctifies for the learners the methods themselves, induces a non-logical "pride of craft," and enhances the role and sometimes the prestige of the "bureaucratic virtuosos." The latter are found throughout the official hierarchy. The master of red tape is as likely to be the long-experienced petty officer whose knowledge of the niceties of "the book" frequently awes the recruit as the veteran admiral who discourages his new flag secretary by constant correctness re rule and protocol. Part of the measure of the effectiveness of a member of the organization is, indeed, precisely his mastery of the details of the elaborate mechanisms of correct procedure.

Such mastery, however, when combined with allegiance to the methods reaching the point of sanctification lessens effectiveness. Colonel Blimps are by no means confined to the British Army, and as in the case of that fictitious but realistic arch-type, they are most subject to "exposure" and to "shelving" during times of rapid change in the organizational structure. For sanctification of the methods always induces a defense of those which have been long established, and creates on the level of personality not only resistance to necessary change but an inflexibility which handicaps the organization. In such instances response has become, as it were, too reliable. This situation encourages the sudden elevation to positions of importance of many individuals whose records during the comparative static days of peace were marked by careless observance of traditional methods and by an unseemingly desire to institute change. Witness, for example, the rapid rise of the "flying admirals" and the somewhat reluctant recognition of the achievements of Colonel Carlson and his Marine "Raiders." In similar manner, the wartime requirement of increasing flexibility gives scope to the abilities and initiative of many reserve officers whose personalities are not weighted with a near life-time of tribute to traditional procedures. However great the contribution of the reserve officers to the war effort has been in this respect, it must also be noted that many of them responded so intensely to their indoctrination in the formal ways of the Navy that their keen allegiance to the latter seriously lessened whatever flexibility and initiative traits they otherwise possessed.

This confusion of ends and means, common to all bureaucratic structures, assumes an especially interesting and significant form in the Navy's concept of *tradition*. Usually tradition is taken to mean the set of morale-evoking values associated with the deeds of heroes, the accomplishment of large victories in the past, and the esteemed virtues which should be sought by Naval personnel. These may be termed the *spiritual tradition* of the Navy and form, of course, a segment of that more extensive complex, the spiritual tradition of the nation. Both nation and Navy make effective and necessary use of these traditional values in the stimulation of loyalty, morale, and pride. The Navy as a pro-

fessional organization could not operate successfully in the absence of this tradition which provides the ultimate judgment of current achievements and therefore performs an essential function. Frequently, however, the values of the spiritual tradition become attached to considerations which are essentially matters of technological or organizational efficiency. The latter problems, such as the question of building more aircraft carriers and fewer battleships or the elimination of the bureau structure in the Navy Department or the methods of selecting officer personnel, demand "cold-blooded" analysis and solution. It is no doubt a sensible as well as a necessary procedure to evoke the glories of the past to enhance loyalty and pride in present membership. But it is confusing and sometimes harmful to argue the merits of proposed organizational or technological changes on the basis of appeal to traditional practice. Sacred indeed are the grand exploits of John Paul Jones, but there should be no sacred significance attached to the fact that his ships were wooden.

The identification of traditional values with matters of sheer efficacy is an inevitable process in a bureaucratic structure of long standing. This is not to say that all members are unable to see this distinction and to reason quite clearly about even such tradition-loaded problems as the present proposal to combine the two services [since accomplished in the Department of Defense—Ed.]; but it is to say that bureaucratic structure is constantly exerting a pressure on its membership to mentally attach the symbols of sacred tradition to the secular concerns of current moment. This pressure is felt throughout the membership: by temporary as well as permanent personnel, by sailor and officer both. The degree to which it shapes the thinking, and therefore affects decision-making, however, varies greatly from group to group within the structure.

Least susceptible to non-logical identification of traditional values with instrumental concerns are probably the "one-hitch" sailors of peace-time and the "duration" enlisted personnel of war. The latter are in several senses the "people's Navy": their values reflect to a much greater extent than others their civilian training and experiences. This is somewhat less true of reserve officers who are also "civilians in uniform," but who have usually experienced an especially intense indoctrination which always includes an emphasis upon Navy tradition. The majority of reserve officers "mature" fairly rapidly after indoctrination, but a few, at least, retain almost a reverential awe of all to which the symbols of the traditions of their temporary profession have been attached. This attachment is felt even more keenly by the professional sailor, i.e. the enlisted man who repeatedly "ships over" and makes his career the Navy. It is most apparent among the Annapolis trained U.S.N. officers, the true professionals of naval science and practice. Generalizations concerning personality tendencies of any of these groups are dangerous because of the wide range of temperament and intellectual attainment which exists in each of them.

It may be hypothesized, however, that in the last group, the "regular" officers of the Navy, exist certain attitude and behavior patterns peculiar to the occupation and perpetuated by the character of the bureaucratic structure. Of these, strong in-group loyalty is the most often remarked and most easily discerned. While it is true that the graduates of the United States Naval

Academy develop internal cliques and antagonisms, these are generally overshadowed by a strong feeling of common ties with each other and an attitude of dissociation toward all out-groups. This feeling and this attitude are the result, of course, of the common Annapolis training at the start and the subsequent experiences largely confined within an occupational structure of bureaucratic design and marked by compelling values of professional tradition. It is not surprising, however annoying it may be on occasion, that Naval officers feel more "at home" with, say, their British equivalents (in whom may be perceived very similar occupational traits) than with American representatives of other professions such as law or medicine. Nor is it surprising that reserve officers, sometimes finding themselves, so to say, "on the outside," tend to develop counter-attitudes which enhance their own self-view at the expense of the "trade school boys," to use a symptomatic epithet. From the viewpoint of the Annapolis man, the reserve officer is an outsider lacking proper initiation into and maturation within the "culture" of his own world. The demands of war often cause the closest kind of collaboration and of sympathy and understanding between regular and reserve, but as these demands lessen and the Navy approaches the more static stage of the war-peace cycle, the in-group-out-group manifestations reappear.

Identification with the in-group and disassociative attitudes toward the outsider are interestingly illustrated by the professional Navy man's reaction to the Navy's "client-public." The officeholders of many bureaucratic structures, as they become expert in the skills of their organizations and as they take on the "bureaucratic viewpoint," tend to develop antipathy toward the clients the organizations serve. This is no less, and perhaps more, the case with the Navy than with civilian administrative bureaus of the Federal Government. The client-public of the Navy is the nation itself; it is understandable that this relationship receives strong emphasis in the training of officers and major rank in their professional ethic. All officers would insist that they are indeed the servants of the people. However, there is within the governmental agencies perhaps no professional body which, on the level of attitude, so dissociates itself from its citizen clients and their political representatives. To be sure, this is in part the result of the Naval officer's officially correct insistence to stay "free of politics," but it is also a manifestation of the bureaucratic expert's inevitable antagonism toward the inexpert persons he serves. Occasionally this antagonism reaches the point of revulsion, and almost always it leads to in-group criticism of the member who sometimes strays from the Navy fold into the area of political citizenship. In the best of the tradition going back to Jones himself I am the people's servant, so the Navy mind runs, but keep me free of the plain clothes citizen and the politician who can not tell a tactic from a strategy, a binnacle from a pelican hook. Repeatedly the civilian in or out of uniform resents such an attitude which may appear to him as an unjustifiable ambivalence. The "justification," it has been argued, is to be found in the character of the structure of which the Naval officer is a part.

NAVY DISBURSING OFFICER AS A BUREAUCRAT

RALPH H. TURNER *

Every administrative structure exists in order to achieve certain goals, which goals normally originate outside the structure and are imposed on it from the top. A bureaucratic administrative system is supposed to function as a nearly impersonal machine, individual discretion entering only when alternate procedures are compatible with the system. The ordinary official is expected to apply procedures with blind precision, irrespective of the degree to which they achieve or subvert the general goals.

Needless to say, actual administration often fails to adhere closely to the goals of the organization. Reasons for the divergence may be inadequacies of the procedural pattern and conflicting procedures, conflicting goals within the organization, inadequacies of the bureaucrats themselves, and, most important, the position of each functionary as not only a square on the organization chart but also as a focus of pressures applied by a number of informal structures not envisaged in the formal pattern.

The purpose of this paper is to describe a few of the sociologically relevant influences which bear on a certain type of bureaucratic official, namely, the Navy disbursing officer. Bureaucracy is conceived as defined by Max Weber.[1] Though certain types of influence are more clearly displayed in the position of the disbursing officer, most of what is said will also apply to any Supply Corps officer and, to a lesser degree to all naval officers. The findings are the result of participant observation by the writer, both as a disbursing officer during the war and as an observer of other officers in a similar position.

From the standpoint of the present analysis there are three characteristics which distinguish the disbursing officer in degree from the remainder of the naval organization. First, disbursing officers handle matters of immediate personal importance to their clients. Navigation, gunnery, etc., may be more vital to the lives of the men, but their problems are vague to those not directly concerned. An error in a pay account or a delay in pay day is more quickly recognized and more loudly protested by the rank and file than deficiencies in most other departments aboard ship. Consequently the disbursing officer and his staff are under constant bombardment for favors and incessant criticism for their mistakes—real or imagined—or failures to grant favors.

Second, the disbursing officer is a bureaucrat serving a larger bureaucracy of which he is an integral part. Robert Merton has noted the important fact that a government servant is usually superordinate to his clients,[2] not in any formal sense, but because the client has no direct authority over him and no effective access to anyone of superior authority. Superordination and subordination are clearly defined in the Navy by the label which each man carries on

* From "The Navy Disbursing Officer as a Bureaucrat," *American Sociological Review,* 12: 342-348 (June 1947). Copyright by the American Sociological Society. Used by permission.

[1] *Cf.* H H. Gerth and C. Wright Mills, translators and editors, *From Max Weber: Essays in Sociology* (New York: Oxford University Press, 1946), pp. 196-244.

[2] "Bureaucratic Structure and Personality," *Social Forces,* 18:567, May 1940.

his uniform. Though most of the disbursing officer's clients are enlisted men and hence subordinate, a good many will be officers of senior rank who are thereby empowered to reward or punish him in various ways. Thus in adhering to the formal patterns relating to disbursing the officer must often act counter to the larger formal pattern by defying a senior officer.

Finally, the disbursing officer, unlike most other bureaucrats, is personally accountable and financially liable for any deviation from regulations in the expenditure of government funds in spite of any contrary order from a superior officer.

Three characteristics of the social structure in which the disbursing officer finds himself which make it difficult for him to behave as the ideal bureaucrat will be discussed. First is the frequent conflict between regulations (as interpreted by the disbursing officer) and orders from superiors, both of which are supposed to be obeyed. Second is the subordination of the disbursing officer through rank to many of his clients. Third is the network of informal structures, which exert particular pressure on the disbursing officer because of the crucial services which he dispenses. The facilitating conditions for the operation of these influences include the following: the disbursing officer's incomplete command of voluminous and rapidly changing regulations; the ambiguousness or incompleteness of regulations with respect to many situations; acceptance of properly signed vouchers as proof of fact by the General Accounting Office in auditing disbursing accounts, so that certain documents can be falsified with impunity; those personality traits of the officer which resist strictly impersonal behavior.

Within the formal structure the distinctive problem of the disbursing officer is that of reconciling orders from superiors with regulations when they seem to conflict. Orders may be issued by senior officers in the supply department (of which disbursing is a part) or by the commanding and executive officers of the activity. Conflicts with superior officers in the supply department are usually reconciled fairly smoothly because the supply officer understands the problem of disbursing accountability, often from earlier experience as a disbursing officer, and because of fairly close relationships between them. Conflicts stemming from orders by the commanding and executive officers, who have little knowledge of and little patience with disbursing regulations, and who are generally not accustomed to being asked by a subordinate to discuss the advisability of an order they have issued, present a ticklish problem. If the order seems to be at all important to the officer in question, the senior supply officer can usually be expected to add his pressure, through threats and suggested devices for "getting around" the law. The subsequent careers of disbursing and supply officers can be materially affected by notations which the commanding officer may enter in "fitness reports" submitted periodically to the Bureau of Naval Personnel.

The conflict between regulations (as interpreted) and orders from superiors is not limited to the disbursing function or even to military organizations. The conflict is incipient in every bureaucratic structure because the rational type of authority, as Weber has indicated, involves recognition both of rules and the right of officials to issue orders.[3] Though the hierarchy of officials exists

[3] Max Weber, *Wirtschaft und Gesellschaft* (Tübingen: J. C. B. Mohr, 1925), p. 124.

only to administer the rules, which in turn express the purposes of the organization, it is patent that official behavior and commands may often counter the rules. In the small informal organization of a business hiring only a handful of employees, rules may be largely unformulated and procedures passed verbally down the hierarchy as required, thereby eliminating the conflict by making orders supreme. Or the opposite extreme in which authority is expressed solely through a code of rules, each functionary being left to apply the rules without supervision, might be imagined but hardly realized in an actual situation. Because of the inadequacy of either rules or hierarchical authority alone to serve the purposes of bureaucratic administration, both must be present. Thus the ideal type, bureaucracy, is itself a compromise between two ideal extremes, utilizing and compromising two channels of authority which may be in conflict.

Bureaucracies differ, however, in the degree to which they emphasize chain of command or rules. Business organizations tend to vest greater authority in the chain of command, minimizing numbers of rules and winking at violations if the official achieves results. "Cutting through red tape," is the popular phrase for de-emphasizing rules. Government bureaucracies stress rules more strongly because of their different aims and because of fear of abuse of authority by officials, and through civil service regulations functionaries are given more authority to defy superiors in the application and interpretation of rules. Many a former business executive serving as a naval officer in charge of civilian employees in navy yards has been startled to find his orders called into question by subordinates, and to find himself powerless to enforce his orders. As businesses get larger the emphasis on rules to insure uniform practice reduces the contrast with government bureaucracy. Custodians of funds in business or government are more tightly bound by rules and less subject to arbitrary orders from superiors.

In the Navy, and probably in other bureaucratic structures, the intensity of the conflict varies with different levels in the hierarchy. For the lower ranks of enlisted men the conflict hardly exists because they are explicity denied the right to make decisions on their own.[4] At the higher levels the official is confronted with fewer and broader orders so that in the top ranks the conflict arises less frequently. Thus the conflict between orders and regulations is most acute at the intermediate levels, from ensign to lieutenant in particular.

In business and in most naval positions, this conflict is resolved in favor of the order, the functionary not being held responsible for violating a rule in compliance with an order from a superior official. As indicated previously, the personal accountability of the disbursing officer denies this way out. Consequently, the Navy, recognizing the possibility of conflict, has provided two procedures for its resolution. The disbursing officer is to point out the apparent discrepancy to the superior and, if no understanding is reached, an inquiry may be sent to the Bureau of Supplies and Accounts. Or, the matter may be referred to the commanding officer who may order the disbursing officer to make the expenditure "under protest," the commanding officer thereby assuming full financial liability. The former procedure was used often during the war

[4] *Cf* United States Navy, *The Bluejackets' Manual* (Annapolis: U.S. Naval Institute, 1940), p. 32.

for minor issues, but senior officers are often unwilling to wait several months for answers and a disbursing officer who frequently resorts to this tactic is soon in poor standing. A disbursing officer considering the second method invariably pictures himself being transferred to "amphibs" and suffering various awful fates at the hands of a wrathful commanding officer, so the method is seldom employed. However, the occasional disbursing officer who has courage enough to threaten its use usually finds the commanding officer unwilling to assume the personal risk involved in defying him.

The very training given the disbursing officer in the supply corps school teaches him that the above methods are not approved ways of handling such difficulties. The young officer is taught that he must be a "Can do paymaster," in contradistinction to the type of officer who is always ready to cite the paragraph in the *Manual* which prevents any particular action being taken. The "Can do" officer can almost always find a way to do anything he is ordered to do. This emphasis, of course, partly reflects a general de-emphasis of rules fostered by the war. But it further reinforces the tendency for the disbursing officer to find "informal" ways of dealing with matters and to deviate from the ideal pattern of a bureaucrat.

The second obstacle to impersonal functioning by the disbursing officer is the system of rank. As indicated by Weber, military officers are marked off by class distinction.[5] And Talcott Parson has observed that, "there is no legitimate order without a charismatic element."[6] It is the union of class distinctions with a strong element of "charisma of office" which gives the rank structure its peculiar and powerful nature. Senior officers are expected to be treated with deference irrespective of their actions. Because of "class" levels, senior officers are usually able to punish or reward a lesser officer indirectly. However, through their charisma officers are generally held in far greater awe than their actual powers or inclinations warrant, and a lesser officer is often afraid even to suggest to a superior that his request is not in keeping with regulations. One of the problems of military organization lies in the rather widespread fear of superiors which creates extra labor and ill-feeling on the part of men who feel that they must find some way to conform to an erroneous or careless order. Rank has been too widely discussed to need further elaboration here except to note that the disbursing officer, who is at once both a functionary with specified duties and a position in a system of levels, sometimes finds that he cannot act without violating one of these roles.

A third obstacle to bureaucratic impartiality is the system of informal social groupings. Philip Selznick's three characteristics of the informal structure as found in business and labor union bureaucracies, namely, spontaneity, network of personal relations, and orientation toward control,[7] apply equally to naval situations.

These informal structures are of three sorts. Relatively enduring *friendship patterns* weigh heavily where the disbursing officer belongs to the same

[5] Max Weber, *op. cit.*, p. 128.

[6] *The Structure of Social Action* (New York: McGraw-Hill, 1937), p. 665.

[7] "An Approach to a Theory of Bureaucracy," *American Sociological Review*, 8: 47-54, 1943. Selznick uses a different definition of bureaucracy, referring to deviations from the Weber construct which become informally organized and routinized.

primary associations as do many of his clients. Particularly aboard ship where a relatively small number of officers live, eat and play poker together in a small space is this true. "Say, 'Pay,' I sure could use about twenty dollars before payday," or, "Isn't there some way I can get flight pay this month?" is the sort of appeal which comes constantly from friends. As a human being the disbursing officer wants to help his friends, and the penalty for brusque disposal of such requests is social ostracism.

A second type of *simulated friendship* or, in Navy jargon, "earbanging," relationships includes less enduring and more uncertain influences. Nevertheless, these are in many cases sufficiently persistent and organized relations among persons to justify the term "structure." They take a multitude of well-known forms: an officer treats one of lesser rank as an equal, he compliments the disbursing officer on the good reputation of his office, he jokes and attempts to appear as an old friend. The aim is always, first, to be defined as a person rather than an applicant in the disbursing officer's eyes, and second, to be defined favorably.

The third and most extensive sort of informal structure is that which may be called an *exchange system*. The officer who assigns staterooms aboard ship finds it easy to get extra food from the galley. The ship's photographer who makes some personal pictures of the supply officer gets his first choice when the next shipment of fountain pens reaches "ship's store." Such exchanges are not usually verbalized as such among officers, but the officer who does another a favor has no doubt that there will be a return. However, there also exist extensive and well-verbalized systems for distribution of favors and certain types of supplies, especially at shore stations. The exchange structures extend so far that it is often difficult for a man to secure those services and equipment which are essential to his job unless he can promise some return. Aboard a large ship one attempt was made in the ship's store to sell the limited stock of watches and cigarette lighters on the basis of impartial drawings. Complaints were so many and vigorous from persons who claimed they had been promised a watch or were owed one that thereafter the "spoils" system was used, with much less complaint. Even some enlisted men in key positions, such as the mail clerk and carpenter's mates, are able to exercise influence over officers because of the services at their disposal. Needless to remark, any resort to strictly formal procedure impairs the disbursing officer's potentially exceptionally good position in the system of mutual benefits. Denunciations of these exchange structures are periodically issued by some commands, but such pronouncements are read by only a few and are seldom implemented by more than one or two courts-martial for petty thievery. Furthermore, commanding officers are frequently among the beneficiaries of such systems.

To the participants these exchange systems are widely different from bribery. Bribery is impersonal and is recognized as contrary to law and morals. Favor exchange systems are eminently personal. As long as the system functions smoothly it is just one man doing a favor for a "buddy," and only when a return favor is not forthcoming will the idea of exchange be stressed. And secondly, the exchange system incorporates its own code of behavior. The individual who puts legal technicality ahead of reciprocity is reprehensible, is spoken of with almost moral indigna-

tion. The system is not "wrong" or "crooked"; it is a moral system of its own and anyone who puts legality first is a hypocrite. However, there is an ambivalence of attitude toward the system. The official who follows it deliberately and impersonally in order to acquire too great a quantity of goods is disliked, though with a mixture of envy. The system is supposed to operate in leisurely fashion, maintaining the appearance that the goods acquired are secondary to the friendships involved.

The three sorts of systems described operate not only to grant favors to some but to withhold fair consideration from others. Since disbursing officers generally are stereotyped as acting slowly, being tied up in red tape and giving unsatisfactory assistance, prompt careful attention to the business of a client is often defined as a favor. Persons not favorably placed in the informal structures may be deprived of pay because of inadequate attention to their accounts or may suffer undue delay in the handling of their business.

The influence of these systems is felt not only directly by the disbursing officer but also through the enlisted men in his office. Because of their lack of official status, enlisted men develop especially elaborate and powerful informal structures. A new disbursing officer, in the interest of fairness, stopped the dispensing of favors by his enlisted men. A serious morale problem ensued because the disbursing office personnel, no longer able to contribute services, were simply dropped from the status-producing structures, or, as they complained, they had lost their "drag."

Under the combined impact of the informal structures and his formal office, what solutions does the disbursing officer reach? Four types of disbursing officer will be suggested on the basis of their divergent resolutions of the conflicting forces at work. These will be ideal constructs, but have sufficient empirical validity that any disbursing officer should be able to recognize them as applying to other officers he has known and also to tendencies within himself.

The *Regulation* type approximates the true bureaucrat in that he remains impervious to rank, informal structures, and orders of his superiors, but goes further in employing the narrowest possible interpretation of every regulation. For fear of the General Accounting Office his rule is, "When in doubt, don't." He is the stereotyped disbursing officer and the stereotyped bureaucrat.[8] This type is not in a majority during wartime, and consists chiefly of "green" officers who have not yet felt the full pressure of the contrary influences or have not yet learned how easily regulations may be manipulated, and of "mustangs," former enlisted men who have secured commissions.

Opposite is the type who doubts the potency of the General Accounting Office and feels that, "They can't hold me," if money is expended loosely. He will do anything for a friend or superior without debate. This type is limited to a very few reserve officers who seldom last very long, though many officers have sought escape from the anxieties of their position in the assurance that after the war Congress will pass a "relieving act."

On a different axis, and also fairly infrequent, is the *Sincere* type. He fails to recognize conflicts between regulations and orders from superiors and is unaware of the importance of the informal systems. Apparent conflicts he

[8] *Cf.* Ludwig Von Mises, *Bureaucracy* (New Haven: Yale University Press, 1944), p. 41.

attributes to his own incomplete understanding of regulations, and rules are seen less as controls than as tools for the execution of orders. He is 100 per cent "sold" on the Navy, is well liked by his superiors and will be assigned positions of favor and responsibility so long as he is a junior officer. His naivete places him in less favor when he reaches higher levels.

The commonest type is the *Realist*. Regulations are seen as illogical concatenations of procedures, restrictions and interpretations, frequently ambiguous, sometimes contradictory, and often, when strictly applied, defeating the purpose for which they were constructed. Rules specify chiefly the papers which must be filed in support of expenditures, and these may be correct without the payment being correct. The most successful career men of the supply corps include many of this type. They assume the regulation facade when the client is not fortunately placed in the informal or rank structure, but know how any payment may be made "legally" if the request comes from an important enough source.

Many conscientious officials join this type when they come to recognize that strict interpretation of rules often works injustice in terms of the rules' obvious intent and that efforts at strict enforcement are frequently nullified because other people know how to prepare papers "in correct form." Such an official begins by helping a client whose claim is payable within the intent of the law but is invalidated by a technicality to give the "right" information to insure payment. Differential treatment of clients on this basis is hard to maintain, so the officer soon finds himself giving such aid without reference to justification, or more frequently, under varying pressures and moods, wavering between a regulation attitude and an opportunistic attitude.

Two general tendencies emerge among disbursing officers as the consequence of orders conflicting with regulations and the pressures of rank and informal structure. One is differential treatment of clientele. Because of the time consumed in extra-routine treatment of persons on the "in," others get summary treatment. The second tendency is for loopholes in regulations to become tools in the hand of the disbursing officer to elevate his own status. Thus he may become more concerned with his own bargaining power than with correct application of rules.

In sum, what has been shown is that during this last war powerful influences were at work on the navy disbursing officer, diverting him from functioning as an ideal-typical bureaucrat. These influences move him, not in the direction of ultra-formalism so frequently observed for bureaucrats in other contexts,[9] but toward personal functioning within systems of power and status in which rules become of secondary importance.

[9] *Cf.* Robert Merton, *op. cit.*, pp. 560-568.

Part II

Cases on Human Relations in Administration

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Introduction to the Cases

All the cases contained in this section of the book are real. They describe actual situations in real companies and organizations. Let us, however, be frank about this business of reality. These cases are not the complete verbal and descriptive record of the events and activities reported. Only a continuous sound motion picture could preserve such a record for us. The cases are real—but only slices of reality, certainly not the total reality.

Is this bad? Are we going to complain about the parts of real-life situations presented in these cases? "We want more facts," you will say, "We want a longer period of time covered."

But consider the practical side of recording case materials. There is no method, short of continuous visual and auditory recording of events, that gives us a picture of the total *external* aspects of a situation. But even here something is lacking. What about motives? What about attitudes? What about the unspoken and unacted parts of human behavior? No simple recording device is available to search out, without distortion, these significant parts of action. Yet they are surely as much facts of human relations as are the external and directly observable aspects of action.

Consider the value of cases to learning. It is a fact that George Gridley, of the second case, was 5 feet 8 inches tall, weighed 173 pounds, and had black hair. Read the case of George Gridley. Do these additional facts give you any insight into the basis for Gridley's actions? Do they help in any way in interpreting the reaction of McGuire or Mason to Gridley? The answer, obviously, is No.

Thus, any record of events, which we call a case, must inevitably contain only *selected* facts, because some cannot be got at directly, and others are irrelevant to the situation. In reporting these cases, I have made use of considerable experience in sociological investigation as a basis for recording events. In every instance, more facts were actually available than were set down in the case. The discarded facts were considered to be immaterial to the principal events of the case situation. Obviously, there were other aspects of the situations that were either unknown to me, or were unobtainable except by the newer methods of clinical psychology, and perhaps not even that way. On the other hand, I have a file of many more cases, not presented here, in which

essential facts appear to me to be missing, making the case situation unintelligible to anyone who would try to make a meaningful analysis of it.

All names of people and organizations have been changed for obvious reasons. This should trouble no one.

There is still another point to keep in mind in reading and analyzing these cases. Some of them are written from the point of view of only one of the principal participants. Again, George Gridley is an example. The situation is seen through Gridley's account of it, not McGuire's or Mason's, or that of the workers of Mason's department. This surely must be a biased record, which is precisely what we want. It is one of the characteristics of human action that we often get only one account of a situation and make decisions on the basis of that account. The executive's and administrator's problem, in this event, is to be able to discount and see through the personal bias of his informant to the essential aspects of the situation being recounted. Even Gridley leaves us with enough clues to get an accurate picture of McGuire's and Mason's reactions to him. Can you ferret that out of the case?

These cases always bring us back sharply to the realization that *people* give the dynamic quality to organizations. Organizations have buildings, capital, equipment, inventories, and rules and regulations. But people make the organization go. These people usually act and interact with all the warm, human qualities of you, your brother, sweetheart, friend, or the fellow sitting next to you. But they also act and interact as members of the organizations in which we are observing their behavior in these cases. That makes a difference. In this dynamic interaction of people with the organizations of which they are members, we find the human relations aspects of administration.

What can you expect to gain by analyzing these cases alone and in discussion with others? There are at least two things: (1) an inductive basis for arriving at generalizations about administration; (2) an understanding of the behavior that we call administration.

What do we mean by "an inductive basis for arriving at generalizations about administration"? The first section of this book is devoted to statements of principles of administration and the dimensions of the field. You can learn this theory and yet feel a sense of emptiness about it because it is at a level of abstraction removed from the *acts* of administration about which it is generalizing. The cases that follow, on the other hand, record actual examples of administration and report action without generalization. They provide a basis for generalizing from the particular event to the class of events. They provide a way of looking at the theory from the vantage point of individual, real events. Thus, theory is confronted with reality and reality with theory. When the two make a satisfactory junction in your mind, you will have a body of theory that is of practical usefulness to you in dealing with administrative problems.

You will note that these cases deal with different kinds of organizations. The book was purposely so designed. If there is a theory of administration, it should hold good for a wide variety of kinds of organization. Therefore, we should work with cases taken from different kinds of organizations to have a broader empirical base for testing and comprehending theory.

INTRODUCTION TO THE CASES

What do we mean by "an understanding of the behavior that we call administration"? Understanding is essentially being able to put yourself in the place of someone else. You may or may not agree with the motives underlying the actions of this someone else. You cannot, however, claim to understand him unless you can figuratively change places with him. Furthermore, your understanding of the behavior of an individual is enhanced when you can perceive the forces affecting his actions. In particular, the behavior of administrators and those subject to administrative control can best be understood when you can see the situation from their standpoint. The cases of this book provide you with constant opportunity to develop understanding of administrative behavior.

Understanding is a prelude to action—to doing something about a situation. What you do about the situation, if you are an administrator, for example, is in turn based upon your knowledge of the theory and practice of administration. Thus, understanding and knowledge come together to provide the effective basis for action. Both knowledge of theory and understanding of behavior are necessary for intelligent administrative action.

There is a third value derived from group discussions of cases. Do you really respect and believe in your own ideas and ability to think? Do you respect the ideas and thinking ability of others? There is no better way to answer these questions than to engage in serious analytical discussion.

Joint analyses of cases gives you a great deal more insight into your own thinking. Something that sounds good rolling around in your head is weak when you tell it to others. Let me illustrate. It is not uncommon in class discussions of these cases to have one of the participants start out confidently, only to end with, "That doesn't make sense." He has seen the weakness of his statement while making it.

Working together with others in thinking through phases of a case develops your respect for other people. Again let me illustrate. I have known members of a class to open the discussion with the statement, "I don't see anything in this case," or "This case seems so obvious—there is only one angle to it." After a 50-minute discussion of that same case, the original skeptic is very likely to concede, "Well . . . there is more to that case than I first saw in it." He has learned from his associates. He has come to realize the value of group thinking. It seems hardly necessary to point out the prime importance of this. Much decision-making in business and other organizations is the result of committee work and thinking, or, at least, of informal group discussion. Your case discussions will be invaluable experience for bettering your chances at successful participation in such group thinking and decision-making.

The first case in this section is that of the Baker Advertising Agency. It is followed by the verbatim transcription of two class discussions of the case. There is no better way of orienting you to case discussion than to let you observe how others have handled it. Read the case. Read *both* discussions. You will find that there are three important points to note about the content of these case discussions:

1. There is no "answer" to the case. The two groups come to different conclusions. They deal with different aspects of the case and use different

principles in reasoning about the facts of the case. You may very well take still another approach to this case and come up with a third set of conclusions.

2. You will note that the emphasis is on finding out *how* things have reached their present state of affairs. *How* and *why* are the questions being asked and answered. We are not immediately concerned with what to do about it. You will recall that I have not used the word *problem* in connection with the cases throughout this introduction. These cases are not problems like a set of arithmetic exercises. You cannot mechanically apply a formal procedure and get the "right" answer. When you ask *how* a situation came into being, your answer must be couched in terms of *understanding*, as we have just talked about this concept. When you ask *why* a situation is as it is, your answer is in terms of generalizations or *principles* that interrelate variables. In short, we are trying to find out the *causes* of events. Our purpose in doing this is to make sure that when we come to apply administrative cures, we are treating causes, not symptoms.

3. You will see that the analytical method used has two general parts. The first general step in a case analysis is to sort out and discuss the separate and distinct elements of the situation. The second step is to order and integrate these elements into a coherent whole. In the second step, some factors are considered more important than others. The interrelationships between the elements of the case are examined and weighed. In general the first step in analysis gives rise to little controversy. The ordering and integrating step is where argument and disagreement occur.

We now know what these cases are. We have examined what you can expect to get out of analyzing them, and we have discussed how you can go about it. You are now ready to start. The cases have been tested and revised as a result of group discussions of them. They have made sense to other people. I hope they make sense to you, and that they are a significant contribution to your education in the human relations of administration.[1]

[1] You will observe that there are special margins for making notes on the cases as you read and discuss them. It will prove most helpful to make notes while ideas come to you in reading a case. Since the case will also be before you during the discussion, you will find it profitable to make notes of the discussion as well. Experience with the cases has shown that it is most valuable to have case notes directly correlated with the text.

Cases

BAKER ADVERTISING AGENCY

The following account was written by Ronald Harker, who began his career in the advertising field, but later shifted to an entirely different profession. He wrote this account approximately 10 years after the experience had occurred. This lapse of time probably served to blur some of the details of the experience. On the other hand, over such a period of time, irrelevant considerations tend to move into the background; there remain the principal events, more sharply outlined in memory. Mr. Harker is now in the midst of a very successful career in his new profession.

During the year 1937, I worked as a copywriter for an advertising agency in Chicago, the Baker Advertising Agency. The head of the firm was a former English professor who sought a larger income than he could earn teaching, and turned to advertising. He was the sole owner of the company. There were several vice-presidents whose functions were administrative, and who were also concerned with securing new accounts.

Case Notes

The agency was a durable goods and capital services firm that placed most of its accounts in trade papers, *Fortune* magazine, newspapers, and magazines like the *Western Construction News,* devoted largely to specialized readers. It was and still is one of the largest advertising agencies of its kind in the country.

The firm had numerous accounts and even during the depression did a large volume of business. The accounts were serviced by account executives, and occasionally by one of the vice-presidents. As I recall, there were about 15 account executives. These executives wrote most of the material for their accounts, or had it written by one of the copywriters, and did a great deal of client contact in keeping the account "warm."

Case Notes

There is a divided loyalty evidenced in many agencies for the reason that accounts are secured by individuals. The individual account executive may go to a firm making toys and may be able, by presentation of several good ideas, layouts, or written advertisements, to secure the advertising account of the Toy Company. Or he may join the golf club of the Toy Company president, or take up that man's hobby, or have his wife cultivate the wife of the Toy Company president. In any case, he secures the account largely through his own abilities, backed up by the creative efforts of one or two copywriters, artists, or layout men in the agency. Consequently, should he secure or bind to himself several such accounts as the Toy Company, and should he become tired of the agency with which he is associated, he may take these accounts with him to another agency. He may even take these accounts, and if he is able, set up his own agency. This taking of accounts is a fairly common thing in the advertising business. For this reason, the account executive is a favored man in advertising.

The chief problem any agency faces is securing and maintaining accounts. Some accounts are very difficult to service because of the peculiarities of the personalities of the people who place them. I know that on one occasion, our agency let go one of its major accounts because the wear and tear on the nerves of the staff were considered by Mr. Baker to be too great and not worth the considerable income from the account. Mr. Baker rose in the estimation of the people who worked with him because he let the account go. They felt that he was willing to sacrifice income for the sake of their feelings and comfort. I really doubt that the account was released for philanthropic reasons, however. It rather seemed to me that the servicing of this particular account created such dissatisfaction as to destroy the efficiency of a number of people connected with it.

Of very considerable status in the Baker Agency was one of the younger executives, a vice-president who was then in his early thirties. He was exceptionally capable at securing new accounts. This executive was held up as an example to me when I talked with Mr. Baker in a lengthy conference that he held with me one day for the purpose of getting acquainted, shortly after I joined the firm. Mr. Baker told me that there was always room at the top. He said that he had difficulty in finding men of outstanding ability and that there were several $20,000 jobs going begging for want of someone to fill them.

BAKER ADVERTISING AGENCY

Case Notes

My particular job was as assistant to the chief copywriter. He was a very capable and talented man. My task was to write advertising for two accounts. One account manufactured mining equipment, the other, engineers' supplies. I was located in an office with four other assistant copywriters. The oldest of my associates was about 50; the youngest my own age, 21.

This was 1937: the United States was in an economic recession, and money, while it was still flowing in Chicago, was not flowing very freely. Each of the four men with whom I shared an office had his special account or accounts. Sam Jones devoted most of his time to layout work; he was a minor artist of sorts. He was a man of around 50, and not very talented. The second chap was a young Irishman of very ready wit, Paul Kelley, a very capable fellow who turned out numerous advertisements of the clever sort. He was a very natty dresser and sharp with his tongue. The third chap in the office, Jim Roberts, was, I would say, about 40 years old. He was a somewhat confused person who nonetheless had some talents as a copywriter and who knew the product about which he was writing. The fourth man was Phil Lewis, a young fellow about my age, and in my opinion, the most capable of us all. He was an extraordinarily dynamic fellow who turned out reams of work and had an air of confidence that seemed to impress everyone he met.

We had a very pleasant working group in that office. There was a great deal of camaraderie, and I think we all liked each other and got along remarkably well. Paul Kelley, of whose wit I have spoken, made everyone laugh quite regularly, and in my opinion, was a great asset to the firm. Just as an example of his ready wit: One day a messenger came in with a message for the art director, whose name was John Smart, and the messenger said to me, "Are you Smart?" I replied quite naturally, "No, you'll find him at the end of the hall, first door to the right." After the messenger left, Paul leaned over to me and said, "You should have said, "I'm smart, but not that Smart."

I was very much surprised one day to hear from Paul that he suspected there were going to be some changes around the office that would not rest too well with anyone. Sure enough, it wasn't more than a day or two later that Sam Jones was fired.

Now Sam Jones, not too capable, as I have said, but unusually willing and very helpful, had the misfortune to have a wife in an asylum with some mental illness. His

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11-year-old son had to board out with Sam's sister. All in all, he had many troubles just feeding himself, let alone paying his wife's sanatorium bills and his son's board at the sister's home.

It made me angry to see Sam treated like that. I went to my boss, the chief copywriter, and told him that I thought it was a raw deal they gave Jones. I told him that I didn't believe that any business as prosperous as I knew this firm to be should be so interested in saving money, and so much concerned with profits, that it would let a man like Jones go. All during the week after he was fired, Sam had been unable to find another job. My chief just said to me: "Ronny, suppose you and I tend to the writing and leave the personnel decisions up to Mr. Baker." Naturally, this did not satisfy me, and I went back to work considerably miffed.

Two days later, Paul Kelley was fired. He went back East to his home and I never heard from him again. About a month after that, Jim Roberts got the axe. Our happy little company of five was abruptly reduced to two, Phil Lewis and myself. Naturally, from that point on, almost all my thoughts revolved around which of us would be fired.

Inasmuch as I thought Phil was an extraordinarily promising young man, and others thought likewise, I felt certain that the axe would fall on my neck. However, as the months went by, this never happened. I finally began to conclude that I must be showing some kind of promise or else my pay was so low they could afford to keep me on no matter what I did.

I have written of this incident because it involved a process through which everyone goes, I suppose, when he enters business, and that is a loss of illusions. It seems to me that the loss of illusions is as important to the individual (or, shall we say, the period in which he loses them is as important) as any experience in the process of maturing. I think I had deceived myself that a business organization would be a group of human beings working together for mutual benefit. But I had to forget this. A business is a group of people working for such benefit as they may derive, but primarily for the good of the person employing them. That is, they are employed for the ultimate good and profit of a very few persons with their own betterment being secondary, definitely secondary.

As I was to learn by observation, the advertising business is quite possibly the most competitive on our contemporary scene. Securing accounts is a nerve-racking job.

Keeping them warm—that is, keeping them loyal to the agency or the individual account executive—is a very difficult task involving much entertainment and an invidious use of the appearance of friendship. This naturally, or shall I say, often, leads to a relatively unstable way of life for the people in the advertising business. That is, if the firm chances to lose three or four good accounts during the hectic period of autumn account-and-contract-writing, the copywriters, secretaries, and others who have been working on that particular account may find themselves looking for another job. However, this fact is cushioned by the nature of the business, which is something like a guild. It is difficult to enter, but once entered, it tends to protect individuals known to be regulars. If an individual leaves employment with one agency and is known to be a good man, his friends will do their best to see that he lands with another agency. Often this is not too difficult, because there are hundreds of agencies in cities like New York, Chicago, and Los Angeles, and some score of them are vast enterprises.

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Following are verbatim recordings of class discussions of the case you have just read, Baker Advertising Agency. Two separate class groups are presented. Both groups discussed the case on the same day. Each had the standard 50-minute class period.

The first group is a class of 21 men taking the author's course, "Problems of Administration and Organization." This discussion and the one that follows were tape-recorded. The author was the professor. All of the members of the classes have graciously permitted use of their names.

Be sure you have read the Baker Advertising Agency Case with enough care to carry in mind its major points. If necessary, refer back to it as you read these group discussions, as you will be doing in your own discussion sessions.

By the way, you will note the tortured grammar at some points. Many people do not *talk* proper English, yet are able to make themselves perfectly understood. If you encounter difficulty, say the sentence or phrase out loud. It will sound much better then.

Professor. Well, gentlemen, I think the case today is Baker Advertising Agency. Who wants to take off from there? Mr. Nixon.

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Mr. Nixon. Well, I noticed that Mr. Baker told Mr. Harker when he first came to work that there were several $20,000-a-year jobs just laying around for somebody to pick up. And therefore I assume that a copywrite man can get in on those positions if he is a good man. I think maybe that there was also mentioned the loyalty angle all the way through—that a

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person had to be loyal or he would take his accounts elsewhere. Therefore, I think that might have been the reason why these three men were fired. He thought they might not be loyal.

Professor. Mr. Bondy.

Mr. Bondy. I thought that Mr. Baker thought that the copywriters were a bunch of peons. He didn't have any personnel department for such a large organization. He was mostly concerned with the account executive—trying to get the accounts and cultivate each of these executive men because he thought they were the—well, it says—that they were the favorite men of the firm—that the others—well, he just didn't give a darn about them.

Professor. Mr. Sakelbein.

Mr. Sakelbein. It seems to me that the three men who were fired might not have fit into his picture. The two of them were pretty old, and neither one of them had any special talents that would get them to advance in the business, and the other fellow was the type of guy that might cause a lot of trouble. So I think that the two guys that he kept were young and they were doing a decent job and he kept them and the others he just got rid of.

Professor. Which one is the one you suggested might have created trouble?

Mr. Sakelbein. That was this Paul Kelley, I think. He was quite a wit around the office it said, and that might not be the best thing to keep the boys all working and not do too much of it.

Professor. Mr. Covey.

Mr. Covey. The thing that struck me about this case was the fact that it was Paul Kelley who knew that something was up—no indication is given as to just how he got his information And yet he was one of those—he was the second one wasn't he—who was let go and it came as a complete shock to Mr. Harker. Was there any indication here?

Professor. Were there any indications of where he got his information?

Mr. Covey. Yes—where he got his information.

Professor. The only indication we ever had was that it came through the grapevine.

Mr. Covey Outside of that I don't think that is too unusual in the advertising business. One of my friends is a commercial artist in advertising now. It's one of the, if not the most, competitive fields that you can get into and what this Mr. Baker says about the advertising field is very true. People come and go all over the place—you lose an account and three, four, five people just go out the door with it. I don't think he should be as indignant as he seems to indicate that he is.

Professor. You are suggesting Mr. Harker rather than Mr. Baker?

Mr. Covey. Mr. Harker, yes—I'm sorry.

Professor. Mr. Wood.

Mr. Wood. This idea of competitiveness seems to be not only between companies but between individuals that we have here. That is—the account executives are competing with one another. This same idea of individuality extends to Baker, who is running the organization and who is running it for his

sole interest. Here he casts out three of the oldest copywriters and keeps the two younger ones. It may be simply an expansion of this individual idea.

Professor. Mr. Clark.

Mr. Clark. I think for another thing that we, after all, were in an economic recession in 1937. Since advertising is almost entirely a business dependent on other businesses which were going into recession themselves, a large advertising concern would also have to reduce the size of its personnel, particularly those who had direct dealings with the customers Customers were reducing their business practically to nothing and since they were doing that—the accounts (what were they called?)—account executives—they were having to be reduced because they were the ones that had the direct dealings and doing the work for the companies that were more than likely dropping their business. Mr. Baker, who is running the advertising business—he didn't have very much of a choice in the number—not necessarily the number—but the particular men that he did relieve from duty. He released the older men. Now, of course, it might be questioned why get rid of the older men. After all, they have been with the company more and perhaps they know a little bit more than those younger fellows. Yet—it's a good idea—especially in a recession if you can keep the younger men through a recession and then you have got someone to build up on later on He is not going to leave the company as readily as an older man. So he gets rid of the older fellows and keeps the two younger ones and in a way I think that he had no alternative if we are to base the assumption of his reducing the staff on the fact that we were in a recession.

Professor. Mr. Leavitt.

Mr. Leavitt. I disagree somewhat. This agency—their accounts were manufacturers of durable goods. They advertised in such magazines as *Fortune* and although there might have been an economic recession, I don't believe that their business as such was too affected by the depression And as for the men getting laid off, I wonder if Mr. Baker actually weighed all the facts. I wonder if there is some system that executives use for firing people. I don't believe age is a sole criterion for letting a man go. You'd think that age would work in the opposite direction. He has more seniority and therefore I think that in this case when the axe, so to speak, fell, it fell more or less indiscriminately—just chopping heads. One reason why Mr. Harker might have been kept could be the fact that he went to his boss and more or less complained—said outright he thought it was unfair to let that first older man go. I am not advocating every time something goes wrong you should go to the boss and express your views. But that might have been one reason why Mr. Harker was kept. Perhaps his boss or the person who was in charge of swinging the axe sort of felt, well—"If I chopped his head, he might think that he is being punished for opening his mouth." In other words, I don't think there is always a just or fair scheme, or even a system, for letting men go.

Professor. In other words, you are suggesting the possibility that it is sometimes desirable to keep your boss in a position where he is afraid to let you go because he is afraid you might feel you are being directly discriminated against for having

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complained or done something? Something you did prior to being let go? Mr. Graham.

Mr. Graham. I would like to disagree with Mr. Leavitt in relation to this advertising and the terrible business. During the period of the recession usually the advertising business, and you might say the luxury type of service, is the first one and the hardest type of service that is hit. I imagine that figures will show that there is a disproportionate decrease in the amount of advertising during a depression than there is in a lot of other things in regular industry. Especially in the durable goods industry because a lot of times they depend on their regular customers. And when you have regular customers, it's not a consumer item and they don't have to go out and keep plugging at the public. And that's what the majority of advertising is. In the durable goods, it is a lot of institutional advertising rather than point-by-point figures, as I see it.

Professor. Mr Leavitt.

Mr. Leavitt. Perhaps I haven't made myself clear. What I meant was that these companies and large corporations that would advertise in, let's say *Fortune* magazine, they can afford it. And I don't think that they would even in a depression want to stop their advertising To me it would seem to be a sign to the public that they are—well, shall we say—they are beating bad times, and I believe that if you go through *Fortune* magazine or some of your more expensive magazines you won't find many companies advertising for one month and then dropping out. It is more or less a stable class of elite, if you want to, who advertise rather consistently in the top magazines without jumping in and out each month.

Professor. Mr Langdon.

Mr. Langdon. Getting back to one other point. Mr. Clark was mentioning about the age of the people who were released. I think it should be remembered that the job-tenure in this advertising business is very tentative—especially during seasonal slow-downs, so to speak. No—we have no indication that—well—some of these men were pretty old and had been in the business a long time. I don't recall the case telling us whether or not they had been with Baker that length of time. In fact, it is very possible that they may have been the last people on the list—the youngest people with Baker.

Professor. In other words, you are suggesting that we need not draw a conclusion from their age as to their seniority in the company?

Mr. Langdon. That's right—maybe we can draw conclusions about their seniority in the advertising business but not necessarily with Baker.

Professor. Mr. Nixon.

Mr. Nixon. It seems to me that in 1937 we were on the upsweep then—it was slow—but we were starting up and I believe durable goods are about the first to start producing because they saved what money they could and know when things started to move up again so they get in on the ground floor. Therefore I think they would continue to advertise.

Professor. Mr. Zaldoukas.

Mr. Zaldoukas. Well—to get back to this matter of seniority. I don't believe that Mr. Baker had in mind just how long or how low the person was. He seemed to have some other

criterion for judgment whether this person should be retained or not. I think Mr. Kelley, Paul Kelley, it said he was the young Irishman, and I believe he wouldn't be any older than Mr. Harker. He [Baker] seems to have the iron rule there because he—well, is in charge of the agency and even so he had these individuals keenly competing against each other even though they may not show it outwardly. Mr. Kelley with his wisecracks, and that, seemed to be easy to get along with, and like that, but still I believe individually they feel that any day the axe is likely to fall and I don't believe it really matters on a person's age. Well, like in the case of Mr. Jones—even though he was an older man, there was no feelings about hardship and anything else that he may suffer outside of what Mr. Harker said. The others may have felt the same way, but they didn't publicize the fact. It seems that they were just as likely to have to worry about having a job as anybody.

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Professor. In other words, you are suggesting that probably the individual situation of each one of the men who was let go had nothing to do with the considerations of the company as far as letting them go is concerned.

Mr. Zaldoukas. I think that is about it. I sort of compare it with a baseball team. Some one of these young rookies who have spent a few years in the league is let go while some older man is retained. Even though he may not be at his peak, still he is producing at a higher rate than the rookie or one with minor experience. I think, after all, the one who really produces is the one who remains with the firm.

Professor. Mr. Covey.

Mr. Covey. I think Mr. Harker is taking the attitude of a spanked child—the child who has been spanked for the first time—when he talks about this illusion about the right thing to do, and dealing in good faith with your employer—employee relationships. He seems to think that—he says here, "I have written of this incident because it involves a process through which everyone goes, I suppose, when he enters business, that is, a certain loss of illusions." He seems to think that something very extraordinary has taken place here. I'd like to say—just to give my opinion here, that I don't think there is anything extraordinary about this. That he could perhaps be—I'll go further and say he is making a mountain out of a mole-hill.

Professor. In other words, you are suggesting that this is something that everyone should expect rather than be surprised when they find it.

Mr. Covey. Yes, especially in the advertising field as competitive as it is. I mean, after all, when you get into competition you know—when you get into something highly competitive—baseball, for example—you have to expect to lose once in a while, and you have to expect not to be able to win all the time. You do steal a base or hit a home run—the pitcher isn't going to throw you a meatball all the time, and the second baseman isn't always going to get out of your way. I think you have to expect that and he is making something big out of an everyday occurrence, I believe.

Professor. Mr. Riggs.

Mr. Riggs. It looks as if the boys have to keep their jobs warm as the executives have to keep the accounts warm

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because the chief copywriter evidently wasn't consulted when the layoffs were put into effect because he states to Ronnie that "Let's leave the personnel decisions up to Mr. Baker." Therefore Mr. Baker doesn't even base his decisions on the competency of the individual, but rather on his own personal opinion of their personality.

Professor. Mr. Graham.

Mr. Graham. Well, I agree pretty much wholeheartedly with Mr. Covey, except he tried to generalize a little too much in parts. As far as the exodus—I think Harker attached too much importance to turnover here or the firing of the men because, as Mr. Covey pointed out, you will run into that a great deal. I think the case itself is a very good example of what you run into in one-man firms or especially in the advertising or service fields where you service various companies. Usually there is a definite lack of stated personnel practices or policies, and decisions often appear illogical or very prejudiced and it leads to a very insecure feeling as far as the employees are concerned and in relation to that the whole morale of a lot of people in the company is affected They can't see why these men were fired. That is one of the many faults of one-man firms, I think.

Professor Mr. Rau.

Mr. Rau. I think Mr. Harker was in a position here where he thought a business organization was a group of human beings working together for mutual benefit and he got into a one-man firm and Mr. Baker was the sole proprietor. He could discharge the people as he liked. Mr. Harker didn't seem to like this. He was 21 years old so it wasn't too easy to enter into this industry. He has gotten illusions about this thing, but I think most of us find lots of things which are done to which we have to get accustomed to. And that is what you have to get accustomed to in the first place. But later on every man in a business organization learns that he has to come to the place of realizing that industry is run for the sake of a few individuals. The majority of them have to be content with their place or whatever comes to their lot.

Professor. Mr. Bondy.

Mr. Bondy. Mr. Baker seems to be greatly concerned with income. I mean he did quit his English professor job and its meager income. Mr. Harker might have done the same thing later on. Mr Baker seems to be concerned with the account executives because they are on the firing line getting the money while these other fellows are just creating and really not getting the money—going out and getting the customers Mr. Baker might have come to the point where he did have to let somebody go or maybe he thought of these fellows—these copywriters—as a lot of fellows—these three fellows who were not going to go anywhere. He kept these two younger guys because he thought that they could be on the firing line in later years and become vice-presidents, whereas, these other three were good—yes—but they weren't producing income for him directly.

Professor. Mr. Leavitt.

Mr. Leavitt. First, I don't think the fact that one-man proprietorship really makes much difference. Even if it was a large corporation with one department with one man in charge—the

same situation would arise. And then, I think, we are coming to the conclusion that this loss of illusion is a one-time process—that once you have coped with such a situation you are now hard and ready. Well, I don't agree. I think that this problem of job security is very important and very real to the workers. Not only men in offices—white-collar men—but men in the factories, men in the ranks. I think that the period of the depression and job insecurity was one of the big boosts to labor unions. This problem of insecurity is something real—and men will always be conscious of it. And another thing about Mr. Baker's saying to them that there are a lot of openings for $20,000-a-year men. I think that is more of that Horatio Alger stuff—that any boss will say that. You work hard and some day you will be president of the corporation. I don't put much faith in that. This problem of insecurity, I believe, is real and you just can't pass it off and then forget about it.

Professor. In other words, you are suggesting that the impact of the situation like this upon the individual who feels that it is his first experience with insecurity is not necessarily going to harden him to the prospects of future insecurity.

Mr. Leavitt. It may not harden him—just how some people will react is hard to say. I mean if you see a dog going to bite you the first time, the next time you come to that dog you will have certain plans. You might carry a stick and be ready to hit him over the head, or you might bring him a bone and try to appease him. Just what actions you will use will depend on the individual. I think that the insecurity is something that is always killing us. Not just once and then forget about it.

Professor. Mr. Nordby.

Mr. Nordby. I agree with Mr. Leavitt that this problem of insecurity will always come up, but I disagree with him when he says that this business can be classified like a corporation. In a corporation and under your personnel policy, these people would probably be laid off according to seniority, and other things. Here it seems to be just Mr Baker's own whims as to who is going to be laid off and who is going to be retained.

Professor You are getting back, then, to the point that was previously made, that personnel policy is often designed to provide, in advance, a pattern for handling the situation of insecurity such as occurs when you're laying people off.

Mr. Nordby. I believe so.

Professor. Mr. Langan.

Mr. Langan. I think that would be pretty hard to do in the case of an advertising company, for this reason. You are dealing with individuals working under you in advertising and you can't classify them as to jobs and duties. I mean, your job classification and specifications are more apt to be pretty difficult to draw up for any one man in an advertising company because these executives and their subordinates work on individual accounts and would have individual and oftentimes unique needs. You can't pick a man that might have the qualities to fill that need off a job specification and classification sheet. That is pretty hard to do.

Professor. Mr. Lang.

Mr. Lang. I have a feeling that this Mr. Harker was earmarked to move up. Judging from the second paragraph of the

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second page, it says Mr Baker went into a lengthy conference with him just for the purpose of getting acquainted. During the depression, it wasn't necessary for the president to do that to anyone he was hiring. People were just only too glad to take a job whether it had a future or not. So I would assume that he had planned to have this man move up and in that line of thought, slowly fired each of the other copywriters

Professor. In other words, faced with the choice of retaining someone for whom you see a future and someone for whom you see no future, you are likely to take the first rather than the second. You want to keep the man for whom you see a future in your company.

Mr. Lang. Yes, I think he was hired with that in mind. I think he was hired first and then Mr. Baker decided to keep him and push everybody else out.

Professor. So you are suggesting, in contrast to Mr. Langan's suggestion, that perhaps you do have some basis for judging who you want in the company in such an industry as this? In a sense you do have some primitive personnel policies, if you will.

Mr. Lang. Of course, he was looking out for his own company. It was one of the best advertising agencies in the country, and still is. That means he expected it to be—he didn't expect to have his business collapse or anything. So he probably was dissatisfied with those other copywriters.

Professor. Mr. Langdon.

Mr. Langdon. Oh, I think I could agree with him on that point because we have been trying to figure out why these three men were discharged. Well, there was a lot of hiring and firing done during the depression, and probably an especial lot in the advertising business. Let's just try to determine one reason why these three men might have been fired. Say that the one young fellow might have been discharged because he was too witty and maybe distracted the fellows a little too much. The other two men, on the other hand, were pretty old in age—I mean they were quite older than Harker for one person, and they hadn't demonstrated any outstanding ability in the field, I don't believe. And it seems to me that the thing—the question with Baker was—or his main needs, rather, were outstanding men of ability. He had $20,000-a-year jobs to go. It was very unlikely that these two older men could ever fill that job. As far as age goes, I think the personnel requirements were pretty well cut and dried in this situation because these older fellows hadn't demonstrated their ability. Harker, on the other hand, hadn't had a chance to demonstrate his and it is very likely that he might have turned out to be one of these fellows that Baker was looking for. And he certainly couldn't find out by discharging him.

Mr. Deutsch. Well, I think there would be another thought in this. In this company we have been trying to cut down the personnel and still maintain a group of men that will be more flexible in the future so they can expand again. In that they would be more likely to take the younger men of the organization. Here he has some older men who are pretty well set in their ways. There is a recession going on at the time. He wants to cut down his personnel—and yet he wants to keep that company flexible enough to expand when the time comes.

I think there is more in that than in any of these other points as to his reasons for picking the men he did to fire. As far as these $20,000-a-year jobs, I agree with Mr. Leavitt. That might be so much talk—the old pep talk when you come into the company—you want to get the boys real enthused to go out and do their best for you. But then again—in a company such as this he has to keep it flexible, ready to expand, and also he must have those fellows who might be in closer touch with —shall we say the entertainment around town for business purposes—and things like that.

Professor. In other words, a somewhat extraneous consideration might be important—namely, their knowledge of night clubs and what-not for entertaining customers.

Mr. Deutsch. I think it might, in business of this sort.

Professor. Mr. Wood.

Mr. Wood. I would be interested in knowing just what Baker was paying these copywriters when he was offering a $20,000 plus to encourage them to continue with the company.

Professor. What indication is there in the case which might give you some lead on that?

Mr. Wood. I would say it would be rather low because of what it says—this one individual, Sam Jones, who has a hard time making a go of it, with his wife in an asylum and his child being boarded with his sister, which indicates that there are very high paying jobs and very low paying jobs within the industry; so that the only offer for inducement to those in the low-paying areas is to strike out for these $20,000 jobs which may be very much out of their reach.

Professor. Well, is there any other indication in the case? Didn't Mr. Harker suggest that perhaps one of the reasons he might have been retained was that it cost so little to keep him on the job that it made no difference? (*Laughter.*) Mr. Leavitt.

Mr. Leavitt. If one or two men were being fired then I can go along with some of these past statements, that perhaps Mr. Baker weighed the evidence or used some personnel policy. But that doesn't strike me as such. It rather seems that there is a general housecleaning and lowering of the axe—and let the heads start rolling. It doesn't affect the higher levels of this industrial set-up, but rather the lower levels. The account executives are not being fired—it's the copywriters and the clerks. And again, I maintain I don't believe there was much basis of selecting who was to be fired and who won't be fired. It might be, "Well, I've seen his face around here so long I am tired of it." And perhaps Mr. Baker is the type of executive who believes that a head-rolling program is good once in a while. It will put the fear of God into the men he keeps. And in this sort of industry it might be the policy which he is adopting—we'll chop so many heads off. I can't still believe that there was some sane, or just, or even much consideration given, as to who will go.

Professor. Mr. Covey.

Mr. Covey. I think we are going out of our way here to make excuses for—to satisfy Mr. Harker here. I think the answer to any problem of this case lies in the personality of Mr. Harker himself. I think from the general conversation we more or less agree that this is the way it is. There isn't any

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other way—there never will be In times of prosperity, the axe, as Mr. Leavitt puts it, is going to be swinging rather freely whenever these accounts change. I'd like to ask a question here—just what was this other field that Mr. Harker went into? Something solid and substantial like AT&T, where he would never have to worry about a job as long as he first got his position?

Professor. No, his immediate next step was into the Armed Forces. (*Laughter.*) It was an impermanent job, as you probably recognize.

Mr. Covey. Well, he sort of reminds me of an individual a professor of mine was talking about—a hypothetical case some time ago. He said we all talk to college students who get out of college all fired up with this rugged individualism and they are going to go out and make a million dollars. But instead of going downtown in Champaign here and getting into some furniture store and building it up into something like Fred S ___'s got, or getting into the automobile—getting an automobile dealership, the college students all seem to wind up at US Rubber, Aluminum Corporation of America, General Electric, General Motors, and fields like that, rather than taking a chance. I'll frankly admit that that is what I'm going to do in spite of talk of rugged individualism. It seems to me that the personality of Mr. Harker would be more suited to that environment where it is big and the very size of the corporation in itself would give security. And that's what I think Mr. Harker is worried about more than anything else. He isn't able—I don't want to say he doesn't have the strength of character to face competition—but something like that—I don't have the exact word. His personality make-up does not suit him to a highly competitive field. He needs something like General Motors or General Electric or something big that he can surround himself with and feel secure. That's all.

Professor. Mr. Langan.

Mr. Langan I don't think we should condemn Mr. Baker too much for offering $20,000-a-year jobs. I know I, myself, if I were applying for a job, and say I went to two different companies. The one man said, "Well, it is going to be tough going—I can't pay you much—you might make out and you might not—it's pretty much up to you," I'd be a little nonplused about that. On the other hand, if I went to the second company and the employer was very enthusiastic and said, "We have a lot of big jobs—you might make $20,000 a year if you are really good"—well, even if he is giving me a lot of baloney, I'd still be more inclined to favor his reception because I think a lot of people try to discourage you rather than encourage you. And I think it is a healthy situation when an employer can encourage you in that manner and you are certainly glad to find out for yourself eventually whether he is giving you a story. I think we can hold that too much against Mr. Baker when we don't know definitely that he didn't have $20,000-a-year jobs.

Professor. Isn't one of the points, however, that Mr. Leavitt would make, this. Sure you are going to find out eventually, but the process of finding out that such opportunity doesn't exist is a pretty devastating one and it creates a great deal of insecurity. In other words, to what extent do you want to live

with a lot of illusions in the hopes that they might ultimately come true, or to what extent do you want to be a sheer realist and say, "Okay, I'm going to end up with a $100-a-week pay envelope."

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Mr. Langan. I wouldn't say that that always applies. Mr. Harker was a young man and I wonder how many young men going out and starting to work for themselves—I wonder how many young men take their first job or their second job, and 20 years later they are still working at that same job. We have Mr. Harker himself. He is not with the advertising company any more. That is just as much a part of getting your job and finding yourself as anything else. I think very few people find themselves in their first job.

Professor. In other words, you are really suggesting that this is kind of a typical experience quite aside from the character of the industry and so on. It is quite a typical experience for a man on his first job.

Mr. Langan. I would say you would find your greater percentage of people do shop around before they find themselves.

Professor Mr. Zatlouka.

Mr. Zatlouka. Well, I can agree with Mr. Covey. I see it the same way he does that Harker should be in a position where he doesn't have to worry about losing his job I'd suggest that he go in a partnership and not have any employees. Then he'd really have an organization that is just for the mutual benefit of those concerned. (*Laughter.*) But I don't think anyone here has the illusion that business organizations should be a group of human beings working together for mutual benefit. After all, we know that if someone hires us to work for him—that they want us to do something for them so they'll make money out of the deal. They're not hiring us to give us a lot of money to go out and buy cars and homes and all that baloney.

Professor. Mr. Zaldoukas.

Mr. Zaldoukas. I'd like to bring out two points. The first one being this matter of stealing accounts, more or less. I think that might be a possible solution to why Mr. Baker let go these three men, with the possible exception of Paul Kelley. He may have realized that Jones and Roberts were just about "shot"—in other words they couldn't go out on their own and they didn't have any accounts that they could really call their own, which would furnish them with a fair income if they should leave the firm. Now Kelley, admitted as the possible exception—he may have gotten along with some accounts secured through his night life or things like that which would —well—furnish him with a fair income if he should leave the firm. And the second point is Baker's matter of dropping this one large account supposedly because of the wear and tear on the nerves of his—his nerves or whoever worked with those—with that account. Now, I agree with Mr. Harker. I don't think he did that for purely philanthropic reasons. He seemed to influence the other people by making them think he wasn't concerned with income, but I think that was his primary concern. I think he had these two points in mind, first, if he was going to let anybody go—it would be the weakest link in the chain, and second, this matter of making money but yet trying to impress people as being a philanthropist or more or less something like that.

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Professor. In other words, he was a good salesman—at least to his own personnel.

Mr. Zaldoukas. That's right.

Professor. Well, gentlemen, the time is running out on us and I'd like to summarize a few of the points that we've made here. I think we looked at the industry itself and have asked whether there is anything in the nature of the industry that would give rise to a great deal of insecurity. In those terms it has been pointed out that they, by and large, have two classes of people—the top level of account executives who get the business, and then, as somebody suggested, the peons who do the work and turn out the final product. In terms of who gets let out, it seems perfectly obvious that a man with any account is going to be retained because that's business for the firm. It is only when an account executive is out of accounts that it is likely that he will be let go, so that the axe, if it has to swing, has to swing at the lower levels. It has also been suggested that the competitive character of the industry, not only between advertising agencies, but between the people working in the industry, has been an important consideration; namely, that there was competition between individuals as to their prospects, and the one who appeared to have the greater prospect of becoming an account executive might have been given the greater consideration than somebody who had not shown that type of prospect. That may account for some of the older men being let go. However, you still have the situation of Mr. Kelley. He is not an older man but seemed to have, in terms of our stereotyped idea of an account executive, a lot of the qualities to fit that picture. We still haven't explained Mr. Kelley's release with Jones and Roberts. It's also been suggested that this process through which Mr. Harker was going, since this was his first job, was important and probably a common process in fulfilling a first job. You come into it, or are likely to come in, with expectations that don't get met—expectations of rapid advancement, expectations of a certain amount of social consciousness, if you will, on the part of business executives, and so on. Where you get those expectations I don't know, but apparently they are fairly common. And to find himself against the reality of the insecurity, which Mr. Leavitt underlined, led him to lose a number of his illusions with respect to purposes of business, the relationship of an individual employee to the over-all purposes of a business firm.

It's also been suggested that another way to look at this case is in terms of the personality of Mr. Harker himself. And I suppose the question could be put in these terms—why does he have these illusions in the first place, and what is the relationship of his personality to expectations of a mutual benefit society in a business? What is the relationship between those expectations and his personality? As Mr. Covey suggested, perhaps Mr. Harker was the sort of individual who would find greater satisfaction in a situation where he had the maximum amount of security. Perhaps he is basically not the sort of individual who can compete in a highly individualistic competitive situation. And so Mr. Covey's remarks come down to this: that perhaps a lot of our large corporations, although in their public relations emphasize the importance of a rugged

individualistic society—in fact, in their own employment provide the basis for a reasonable amount of security and tend to work in the opposite direction with respect to their own employees, namely to maximize security. I judge that was one of the things Mr. Covey was driving at. Well, I think you can see that there are a number of different ways of approaching this case—all of which seem to give us some insight into some of the things that were happening here.

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The second group is a class of 23 men taking the same course—"Problems of Administration and Organization." Again, the class discussion was tape-recorded and is presented here verbatim. Names of the members of the class are used with their permission. You will note considerable differences, as well as similarities, in the problems discussed and the approaches to the case.

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Professor. OK, gentlemen, I think the case today is Baker Advertising Agency. Who is going to break the ice for us on that one? Come, Mr. Murphy, you look pregnant with ideas. (*Laughter.*)

Mr. Murphy. I hope it is only with ideas. (*Laughter.*) As I said one time earlier, I didn't particularly care to go over this case, but after I read it twice (unusual as that is) I found that there was a little more to it than I expected. I was greatly interested or impressed, I suppose, by the first paragraph where it said that the former head—or rather head of the company—had been a former English professor. I wondered, if, perhaps, that his method of handling employees was somehow predicated on his being a professor before. It seemed to me that perhaps he was a little bit abrupt and not as tolerant as he could be.

Professor. Are you suggesting, Mr. Murphy, that professors tend to be characterized in that fashion?

Mr. Murphy. Well, not necessarily. What I was suggesting, though, is that being in a position before where his ability to dominate—that is—no one questioned severely his absolute authority and his ability to set down just what is right and what's wrong, would tend, perhaps, in later business to serve so that he could still believe that he could not be questioned or have anyone question his knowledge or his wisdom.

Professor. Mr. Allard.

Mr. Allard. I believe this English professor has been very courageous to leave a good job like he had as an English professor and go into a business of his own that is so highly competitive as an advertising agency or any field of advertising. He has made a very good go of it. Especially when you have to take into consideration that he made a go of it during the depression because he was and still is, as Mr. Harker says, a very good agency and one of the biggest in the country, so I think that the professor—what is his name?

Professor. Baker.

Mr. Allard. Baker—I think he is a very capable man. He runs his business intelligently, I believe.

Professor. Mr. Zinn.

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Mr. Zinn. The thing that I think this case mainly points out is the fact that when you get out in the field all is not milk and honey. When you go to do various things for your boss or see various things, you get used to the hard knocks that any job, for instance, will give to you. I think that's the main illustration pointed out by this case.

Professor. Mr. Anderson.

Mr. Anderson. I was just going to say that I thought Harker stuck his neck out pretty much when he went to his boss and asked him about Sam Jones getting fired. I don't think that was really any of his business to go to the boss and say that he thought that Baker had been heartless and cruel to fire Sam Jones because he needed a job so bad—his wife was in a sanitarium and stuff like that. I mean, after all, it's not the province of one employee just to do that. A common coolie—that is practically what Harker was there, so he didn't have any business complaining about a thing like that.

Professor. Mr. Hurddle.

Mr. Hurddle. What I was going to say sort of ties in with Rog's (Zinn). It seems to point out the process of learning in business and anywhere is sort of a process of disillusionment. You come in with a lot of ideas and may be pretty eager, but eventually you find things are a little different than you figured, and if you can make an emotional adjustment to that, it's OK, but apparently this guy had a rather rough time—at least when, what was his name?

Professor. Harker.

Mr. Hurddle. He had had a kind of a tough time at first figuring out just what was happening. I mean he was rather bitter about these three men getting laid off, but when he found the racket was pretty tight and he probably wouldn't encounter too much difficulty in getting into another agency, it rather clarifies that.

Professor. Mr. Hayworth.

Mr. Hayworth. Well, one thing that I'd like to bring out here is that I wonder if the reason for the dismissal of these employees would have changed the impression that Harker had. Apparently, the way he sees it, there has been no reason at all for the dismissal of the employees. Say that Harker should not have questioned the decision of management dismissing them. But he did. I think that management could have created a better situation by publicizing the reason for the dismissal of the employees. In publicizing these reasons, perhaps Harker and anybody else that questioned the decision (and I'm not saying they should have questioned them, but I think that it is human nature to wonder why somebody is getting the axe, because if you know why somebody is getting the axe, you feel a little more secure in your own position in that you can put a little more effort toward any direction)—I just believe it would create for a better morale situation in the entire department if they knew why the people had been fired.

Professor. What was the answer that Mr. Harker got when he was trying to find out why?

Mr. Hayworth. Well, they told him it was none of his business. Leave the personnel problems to the boss.

Professor. Mr. Gulizia.

Mr. Gulizia. What I want to go on to say is Mr. Harker, like most of us who, when we first came out of high school, and possibly if we didn't go through the war—most of us did—would have come out of college with the illusion that just because you are in a business organization working toward one goal which is profit for everybody—everyone is going to work together. I imagine we will all admit that it is a sad awakening, but not everyone works toward the same goal in the same way I feel that this Harker fellow was quite justified in his opinion about Mr. Baker and the way he fired not only Sam Jones but possibly Kelley and the other fellows, because he was young, yet he didn't realize that he had no right to question the personnel policies of his boss. Not only that—I don't think it is a policy of any firm that I have known to come out and publicize just why a man is fired. They usually say, "We just can't use you any more," and let him go. They seldom give them a big sob story about it.

Professor. Mr. Winter.

Mr. Winter. I wonder if anyone was hired to replace the three men that were discharged.

Professor. No, at that time no one was hired to replace them.

Mr. Winter. Why didn't the boss just call it reduction in force and let it go at that?

Professor. Would that meet your requirements, Mr. Hayworth?

Mr. Hayworth. I think that would be a big point there. However, we still have the question of the basis for reduction of force. In other words, it looks like seniority and ability would be considered in reducing the force here, and we don't have too much of an indication here of the relative ability of all the people involved. I mean, there is indication of seniority, but perhaps some of these people are more capable, although that's questionable Here's a man who is a new man that has only been hired a short time and he is retained over people that have been in the business for quite a while. I don't remember exactly how many years, but Jones had been with them for quite a while, I think.

Professor. Mr. Anderson.

Mr. Anderson. I was just going to say that the case points out the fact that (I don't know anything about advertising businesses myself, but what I read in this case) that when accounts that persons have worked on are lost they usually cut the persons loose from the industry or from the business. Probably what happened the way this thing looks—it looks like these three people that were fired were working on certain accounts apparently that were lost to the agency. So there is no point in the agency keeping those persons on, paying them good money, if they don't get good returns from it. Another thing I would like to say is that I don't think management has to justify themselves to the employees about why they fired someone—I don't think that is required in a good administration.

Professor. Mr. Murphy.

Mr. Murphy. Perhaps now to swing a little bit to the other side. What I said before regarding the former professor—I would like to point out a statement here that seems to be one of the—well the way it is indicated in the case, perhaps

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a fallacy of labor if nothing else—that states that "I had to forget this was a business of a group of people working for such benefits as they may derive, but primarily for the good of the persons employing them." Well, this would indicate that in the tone that it is put here, they shouldn't be. They should work for their own benefit primarily, as I believe most people do, and I can't see any reason why the boss should have to explain his actions. I said before that he was undoubtedly rather dogmatic and made his own decisions without feeling that he had to explain to anyone. Well, that isn't entirely wrong as long as he is assuming the greatest financial risk and is in effect providing jobs for all of these people. If he believes that it is to his personal benefit to dismiss several of them, I can't see why he shouldn't. I don't think for a minute that this man Harker, as he later did, would hesitate to leave the company if he thought it was going to be to his own profit. I don't think he worried or gave any dainty explanations to the boss when he left to fatten his own pocket in later years. He took off and that was that. The boss, fattening his pockets, let some of the other guys out—I think it is very admirable.

Professor. Mr. McLain.

Mr. McLain. Well, I just wanted to go along with Mr. Anderson on the point which he made concerning the accounts being dropped. I would like to ask, if you know whether they did drop these men because of the accounts that were lost.

Professor. Well, let's look at it in terms of the information Mr. Harker has and the information that was given to him and its ultimate effect upon him. I don't think in terms of the actual facts that your question is particularly pertinent. In other words, we are looking at this case, among other things, from the standpoint of the importance of the events as they affected Harker, and so I think that we will just confine our attention presently to what he knew about it and the effect of his knowledge on his own reaction. We will be sticking closer to the case. However, that point Anderson raised was a good one with respect to the nature of the industry itself, quite aside from this particular case. I don't think we ought to lose sight of it. Mr. Hoffman.

Mr. Hoffman. The point I want to bring out was that I don't think this particular situation is unique in this particular company. I think it is prevalent throughout the advertising industry, from what I have heard and read about it, and so I think it is something that prevails throughout and that it is something that Harker should have found out before he entered into the advertising agency, I think, and been prepared. I think he kind of went in with his eyes closed and didn't realize what the situation was in the industry itself.

Professor. Mr. Bowman.

Mr. Bowman. Mr. Anderson also made the statement that a good administrative procedure—at least not a bad procedure, was to keep the reasons for administrative decisions to management, and not extend it to the workers at all. I don't think that that necessarily is valid. The entire problem of communication with the workers and keeping them satisfied is involved in that issue. If you set a production schedule or cut a rate or piece rate—usually you explain. They always tell you if you are going to establish a new policy, give the reasons for it, for

you are likely to have a reduction in efficiency among workers if you don't.

Professor. Mr. Gulizia.

Mr. Gulizia. I'd like to elaborate on what Mr. Murphy just said about business here, or rather the illusion that Harker had. He said a business is a group of people working for such benefit as they may derive, but primarily for the good of the person employing them. While, now you know the case was written up ten years later than the actual incident occurred—in other words, it is now 1947. I believe that such a thing is no longer true. Anyway, it isn't true in Truman's mind That is his whole program. He is trying to get management to take the attitude that no business is being conducted for the purpose of only a few. It is for the benefit of all. And that is where you get all this welfare program being instituted into our economy. And perhaps I think if he would rewrite this case with that in mind, he wouldn't feel so strongly about Mr. Baker. More and more do I think Baker will accept the fact—management is too—that they are going to conduct their business with the viewpoint that all are going to benefit and not just a few, either through pension plans or bonuses or something like that.

Professor. Mr. Murphy.

Mr. Murphy. Well, I want to get your question first. Do you—are you advocating that business be conducted for the few or for the majority?

Mr. Gulizia. By the majority I take it you mean the workers.

Mr. Murphy. For the worker—for the greatest number or for the—

Mr. Gulizia. I'd say the business should be conducted for the benefit of all. I mean that those who own an enterprise should get their share according to their responsibilities and risks and all that. But I also believe, when I say benefit of all, that the workers, too, shall receive what we term in our society security—these in the form of pensions, bonuses, or something else like that

Mr. Murphy. I'm afraid I misunderstood you.

Mr. Gulizia. I can see where you might.

Mr. Murphy. I had the impression that it should be for the worker and to hell with the boss. (*Laughter.*)

Mr. Gulizia. I don't believe in Joe Stalin. (*Laughter.*)

Mr. Murphy. I couldn't quite go along with that, but Mr. Bowman brought out the point that we should always let the worker in on the boss' policies—that is not a bad practice—well, I disagree. A good example of that would be the Army. I can just picture in that situation the commander or direct commander explaining to the underlings his next move and why he was going to make it and the reasons for it. And I don't think it would work any better in business. You start out to tell your employees just what you are going to do and why you were going to do it. You're pretending to give them the impression that you are asking for their approval, by telling them in such a way as this, "Is it all right, fellows," I mean, "What do you think about this, fellows"—and right away that is going to cause some sort of a breakdown. It is going to lower the management and bring the worker up. Well, I don't think that the worker should be brought up to man-

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agement's level at the expense of management. Another point, while I am talking. It seems that this Mr. Harker was mostly miffed because of his pleasant group, as he said, was broken up. And that is a shame that he couldn't have his bridge club game any longer—I mean—when the boss is losing dough. I can't see any reason why he should be sore because they break up his—it must be poker—five of them. (Laughter.) I can't see any reason for getting sore about that. And that's what it seems to me it is.

Professor. Mr. Hoffman.

Mr. Hoffman. I think one of the primary reasons for this Harker writing up this case in 1947 is because of the present conditions. This security stuff is going to such an extent now that everybody is aware of it. And I believe in '37 that it was just coming into the picture. I don't think people thought too much of it—they were—the boss was God Almighty and they worked for him and if they didn't do a good job, they expected to be laid off, or if they did something wrong. But nowadays a fellow—he can do something wrong and then after he has done something wrong, he can say, "Well, heck, I got a part in this industry and I have as much right to be here as the boss." That is the attitude they are taking. And I think it is because of this over-consciousness of security is the reason why he wrote this up. It is something that I don't think is right. I think that—I still believe in competition for jobs and so forth. This idea of security is fine to a certain extent, but it is being carried too far right now.

Professor. Mr. Anderson.

Mr. Anderson Well, I just wanted to say that Harker took the attitude when these three fellows were fired—he takes the attitude that most of your labor unions take today when a member of theirs is laid off because of lack of work or some other reason. In other words, they expect management to justify completely the reason why a number of persons were laid off or even one—that is, just one person But yet, the unions themselves will bar membership to certain workers for various numbers of reasons. That doesn't make much difference, but they don't expect to have to justify that themselves. In other words, they are pretty one-sided at things like that.

Professor. Mr. Zinn.

Mr. Zinn. Well, getting back first to Mr. Murphy's and Mr. Bowman's argument back and forth—as far as having to tell the workers everything—that is entirely out. You don't tell them why you fired specific people. You might tell them certain things—at least, you want to keep them relatively happy, but I think you ought to take a middle road between what Mr. Murphy and Mr. Bowman said. And I think we ought to look further into the type of company an advertising company is. I think Mr. Baker is a sort of a middleman between his account men and the copywriters. The copywriters are sort of flunkies and they don't have too much bargaining power with Mr. Baker, whereas the account men are high in bargaining power and they sort of dictate their terms to him. If you look at it that way—I mean, this is not a manufacturing company where you manufacture stable products for periods of years and you might have one person with the organization in the production end for 40 years. This is sort of a quick turnover

and especially since they are advertising for capital goods and durable goods. You must take into account the secular and seasonal variations in the business and they have to adjust their help accordingly. So, I think you have to consider first of all the organization when you analyze this case.

Professor. Mr. Murphy.

Mr. Murphy. Well, further on this matter of his being peeved at having his group broken up, I don't think that he is analyzing this as a higher-paid or member of the executive board. I think he is heading very much toward the attitude of the worker—not trying to stereotype labor by any means—but that would seem to be the indication. I know that mentioned many times before were some of the situations of ____ ____ and I have seen or heard a lot of big men there just recently, as we've all heard of the terrific turnover, and those aren't the copywriters—those are the men who are drawing down 15 or 30 thousand dollars a year and they are never given an explanation. Of course, granted that Mr. ____ [company president] is a little radical at times (*sarcastically*)—but even so, when one is let out—I know for a fact that he isn't given two weeks' notice or three weeks' notice. He is told that morning and that afternoon he cleans his desk and is gone He is never told exactly why. And that isn't always based on bad work. In fact, just recently the head of the New York department purchasing clothes was doing a wonderful job with his policy, in his method of producing, but it didn't happen to coincide with what Mr. ____ thought and liked, and one morning he got a wire in New York that he was dismissed. And that evening he was out. Right or wrong—that is the way it operates in a lot of big companies.

Professor. You are generalizing from Mr. ____ experience to a lot of big companies. I just wanted to—

Mr. Murphy Well, Chicago ____ is fairly large and the same thing has happened there.

Professor. You are suggesting really, are you not, that the top executives or the people in the management organization are likely to have a good deal more insecurity than are workers.

Mr. Murphy. Yes, I am, definitely.

Professor. Well, maybe we ought to consider the idea of not shooting for management jobs (*laughter*), but rather other kinds. That would seem to follow.

Mr. Murphy. Well, an executive has to carry his own load, and I wonder at times if all labor has to carry their own load. An executive makes one big mistake or one mistake, and he is quite often through, but a laborer, if he doesn't put out his quota for four days or jams a machine, the rest of the factory and workers will cover it up. It will make up for him so it won't be a matter of great consequence. He probably won't get fired, so I am suggesting definitely that there is greater insecurity in management.

Mr. Bowman. I think it is fairly evident the reason for the dismissal of the top executives in the ____ ____ situation. They know that there is this constant struggle between Mr. —— and his vice-presidents and the old man is always right, and if the vice-presidents don't agree, they are out. I don't think that is good administration procedure. And I think it probably shows up in ____ ____'s profits statement. (*Laugh-*

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ter.) Their profits—they have been doing increasingly worse. And they have had the additional expense and have had for a long time with their labor controversies—there is always a case involving .. ____ ____ in the district courts or the circuit courts, and this unnecessary expense results from their poor labor policies, and I believe it shows up in their profits.

Professor. Mr. McLain.

Mr. McLain. That might be true—I don't know enough about it—about ____ ___ .. but another rather small company did exactly the same thing about two years ago and they did the same thing about a month and a half ago Discharging some of the higher-ups and two years ago there was a complete overhaul. The men were there one day and they were out the next. And their profits previous to their overhaul—they were paying pretty good dividends—was to pay better dividends in this last year—they did very well.

Professor. Your point being what then?

Mr. McLain. It is not necessarily in the large companies—I don't know enough about the larger companies to say it is a general thing that they discharge men in the higher brackets without due notice I know one medium-size company and another one fairly well—a small one in the town of . ____, so that it can happen all the way through, as we have one large company, a medium-size and a small one. Now, whether these are just isolated cases or the general thing I don't know.

Professor. Mr. Hayworth.

Mr. Hayworth. I would like to suggest that in most cases of justifiable releases or dismissals, employees at the same level of authority as the person released have the knowledge of the reasons for the dismissal-release of the employees. I don't think that was the case here and so I tend to question the reason for the release. I think that if they had lost accounts, apparently these other people—Harker and whoever was left here—would have had knowledge of that loss and in that case, since they know that it is the practice in the industry to release people when they lose the accounts, I don't believe the whole question here would have been raised by Harker. So I just wonder whether there was a real justification for this release. And then too, Mr. Murphy was comparing private industry with the Army. The Army I agree is a big industry, but I don't think that it could be compared with private industry. There is an entirely different reason for everything that goes on.

Professor. Mr. Anderson.

Mr. Anderson. I've just got three quick points. First of all, I think that Baker Advertising Agency must have lost some accounts. Otherwise, they had two people doing the work of five people because they cut three people loose and didn't replace them, so they must either have lost accounts, had a decreasing amount of work, or the two people were doing the work that five used to do, and if two people can do the work that five used to do, there is no sense of paying five people. And the second point I have forgotten now. (*Laughter.*) Couldn't have been a very important one.

Professor. Mr. Hurddle.

Mr. Hurddle. There is a couple of indications here that they did know that a shake-up was coming. There was going to be

a shake-up and something was going to happen, and further, there is an indication that these people are working on individual accounts—there isn't too much overhead—and the obvious thing is that no definite word had come to Harker that accounts had been dropped, but evidently they had and the people working on them were no longer necessary. So they were laid off. There is further indication that they can get jobs within the same industry relatively easy—on the basis of their past experience and the guild system.

Professor. Mr. Willard.

Mr. Willard. Well, in an earlier discussion we discussed humanism and rationalism. And it was pointed out at that time that Mr. O'Connor worked in a humanistic manner, but here we seem to have a case of rationalism. They just fired him because that seemed the proper thing to do, regardless as to the questions involved. In the other case, Mr. O'Connor seemed to have the feeling of the worker at heart—there seems to be quite a contrast in his opinion there.

Professor. Mr. Gulizia.

Mr Gulizia I'd like to get back to a point that Jim Anderson made fairly early in the period—and that was the one about unions, if I am not taking Jim wrong—he said that unions today feel that they do not have to justify whatever they do. I am not at all in accord with that. I think, Jim, if we look back over union history and why they started up in force was because—oh, I guess back in the early '30's management did fire without justification or poor reasons and things like that. The workers became insecure, mobilized their bargaining power together, and hence, when they wrote up, or do write up contracts today, they see that management firing any worker should justify it, just to make sure that there is a justification. Now, on the other hand, Jim is saying that the unions don't feel that they have to justify whatever they do. I think you are wrong, Jim. Most unions today realize that they will justify whatever they do. However, not that their justifications are valid—I will not argue that point. I feel most of their justifications are not valid at all. Such as that Jim mentioned that they hold down the union membership—while most of them say that they do that to—well—keep up the craft's skill, keep a long apprentice service—the worker will get enough skill and abilities in order that one may become a craftsman That way also they protect their jobs by not allowing too many in the trade. Now, that is more or less their justification of it—it is not a very good one I don't feel.

Professor. Mr. O'Brien.

Mr. O'Brien. Well, one thing about this whole business, after a time I imagine the group is put in a pretty poor position. In the first place, almost any advertising company is almost always in a pretty shaky position. Because of competition they have to watch their costs very carefully or they just find themselves out of business. When they are making money they are making a lot of it. When they are not, they just go out of business. As a friend of mine says, "One day you go down to work in a Cadillac and the next day you take a bus." The men should have realized this. This was a poor period with turnover in this industry, anyway, so when they got fired they shouldn't have been too surprised. It doesn't say in the

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case whether they were or not. However, it would have been better if they would have said something to Harker and his co-worker that was left that they were going to stay. It would have helped them considerably. However, the economic situation very well justifies the firing of the other three people. *Professor.* Mr. Zinn.

Mr. Zinn. Getting back to the point where some people think they should have told them why they were fired and some think they shouldn't, well, I think there is a definite point in not telling them—these people on the staff—why others were fired. Mainly, there has to be some mystery about the organization—if the workers knew all that management was doing—I think management would sort of be at a disadvantage, and also, if you don't know why these other people were fired, you are sort of stimulated to further effort yourself. If you know and Mr. Baker comes up and pats you on the back and assures you to keep doing just as you are, well, I don't believe you are going to produce any more than before, as long as you know and are certain you are secure in your job. But if you are uncertain, you are going to put out more work and sort of be—and be sort of wary of your job. The point about the executives—you've got two different levels here You've got the management level—the upper-management level—and the worker level. This is only trying to disillusion us as far as the workers go—this particular case—and I think if the case went any further it would disillusion us about management jobs, too. We would probably be awfully sad about industry in general.

Professor. Well, would you consider a copywriter at the level of a worker? After all, there were typists and stenographers and people of that sort. I imagine anyone getting out of our advertising curriculum at the University and entering a job as copywriter would hardly consider himself in the worker level.

Mr. Zinn. That may be possible, but nevertheless, I think in the advertising type of business until you get to a higher position on the executive level you don't start making the layouts yourself—and although you have other people under you, you are still considered as a worker.

Professor. Mr. Bowman.

Mr. Bowman. Mr. Zinn has brought up two incentives—the incentive to work harder because you are afraid of getting fired and the incentive to work harder because you have been praised, or compensated in some other manner. As far as which is the better incentive or which produces more, I suppose it is indeterminable, but the better view holds that it is better to encourage the workers rather than operate on the fear principle.

Professor. In other words, you are suggesting, Mr. Bowman, that the insecurity concept as an incentive is not a desirable one—measured by results you get quite aside from its moral implications. You don't get better results by making people working under you insecure and therefore get them to work harder to hold on to whatever job opportunity they have. You get better results by encouraging them. That is your main point, isn't it?

Mr. Anderson. I would like to say something on the side of

the insecurity principle—it is probably the cheapest incentive you can find. You don't have to do anything except keep the workers scared.

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Professor. Is it cheap in terms of what you have learned in your personnel courses about the costs of turnover, for example?

Mr. Anderson. No.

Professor. In what respects, then, Mr. Anderson, would it be cheap?

Mr. Anderson. You don't have to make as much effort as you would in patting workers on the back or doing anything to keep them especially happy. The only thing you have to do is to keep them scared, which doesn't require any skill or anything like that on the part of management.

Professor. In other words, you are measuring cheapness now in terms of managerial effort and not in the profit and loss sense?

Mr. Anderson. Yes.

Mr. Bowman. You might also add that in an industrial situation the expense of plant guards and fences and barbed wire, and so on is increased too. (*Laughter.*)

Professor. Mr. Murphy.

Mr. Murphy. That is the big point I have been trying to think about for a while here. I wouldn't want to commit myself, because I don't see how it could be determined, and we can't determine here whether fear or a pat on the back is better for management as an incentive. I think it is a very definite problem. I think it's one of the big things that must be considered before you enter any company. But it nonetheless is used quite often as a method of incentive for the worker. Another point—earlier in the semester we discussed another case—I don't know the name of it. They released a secret set of papers for reorganization and went to a great deal of trouble to keep it secret from their people. They revamped the whole company. It was a big company. They sent out all these papers and had guys in other cities setting up a new factory. Nobody was going to know who was going to get canned and who was going to get promoted. They went to extremes to keep it all quiet. Well, there we seemed to think that was very wise and kind of admirable policy. But now here we're wondering, questioning, if perhaps management shouldn't often keep labor informed of their decisions and their future movements.

Professor. The case you're referring to was the move that Lever Brothers made in moving their central offices. They kept the whole process secret so as not to disturb their workers, presumably. However, the problem was not that of laying off or insecurity with respect to the work situation itself—it was more nearly the question of insecurity with respect to living arrangements since they were moving to New York City out of a community in which their people were already well established. I think the circumstances were somewhat different in the two—

Mr. Murphy. Didn't someone bring up the point that they should have told Mr. Harker that he could stay, because the others got canned, he didn't have to worry. He was going to be with them. And then take away that insecurity from him.

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I think that was one of the worst possible solutions in the situation—to encourage a fellow with "You are doing great—you can stay—you don't have to worry about your job." I feel in a little while it would backfire miserably.

Professor. In what sense could it backfire, Mr. Murphy?

Mr. Murphy. Well, assuming, as we have been all along, that all these workers and management are the type that will strain to greater efforts if the boss tells them they are doing a good job. Well, that assumes you have the type of man who will move forward and go forward on compliments and praise. It's quite possible that the caliber of man, regardless of the level he is on, is such that he won't put forth greater effort unless he is prodded—prodded perhaps by fear. There is that possibility and how it could backfire would be that Harker, losing his pleasant group, would get hep, as he did, and perhaps decide, "Well, the boss told me I am doing OK, what's the use of straining—he said I was doing fine as I am," and slack off a little and at the same time think, "Look, the other poor devils, they got laid off. I'm doing fine—I'll go along doing as I am—I can't go wrong," and then if he does slack off the boss is forced to lay him off. Well, right away—the whole group of people surrounding him or working with him are going to be conscious of the fact that one time the boss said you were doing fine and the next time he turns around and cans him. That would certainly cause an awful lot of dissension in the ranks.

Professor. Well, we've considered several points here, and I'd like to give you just a quick overview of the points that have been raised. Initially, the point was made that the case represents a process that's typical for new people in industry and that is the loss of certain kinds of illusions as to how management operates and the relationships of the new person in the industry to management. We then moved over into a discussion of security, or, to put it another way, the question of the social responsibility of business with respect to individuals Mr. Gulizia made the point that we have quite a different conception 10 years after the events of this case about the whole area of the social responsibility of business. We discussed that in a number of ways.

It was suggested, among other things, that the nature of this business, itself, in relation to movements in the business cycle, may be important in understanding this question of the social responsibility in the relationship of Mr. Baker to his employees. Mr. O'Brien suggested, for example, and Mr. Zinn did too, this particular advertising agency is one that was tied to the capital goods industry—it was an advertising agent for that industry. The capital goods industry, as you know, is usually the first to be hit in the depression period, although it is also likely to be one of the first to show an increase in production as you come out of the low point in the business cycle. But, nevertheless, both, I think, stressed the fact that we must consider the business requirements of this firm in relation to its personnel policies.

Then, I think, we got into a discussion of this whole question of informing employees about management decisions and particularly the question of what kind of incentives are desirable, or what kind of incentives are productive incentives

from the standpoint of people in the organization. And two points of view were expressed there. One is that by and large (and this came in in two ways, one, to inform employees of your decisions because it was a more desirable way of improving morale, and two, the best kind of incentives are the incentives of praise), the incentive of indicating your respect for the worth of your people is best. In those two senses, the people expressing that point of view were suggesting that an insecurity principle was an undesirable one to base your incentives on. However, Mr. Anderson pointed out that the insecurity principle is the least costly—not from a dollar-and-cents standpoint, necessarily, but from the standpoint of management effort. The effort of managers in running an organization is somewhat minimized by the fact that all they have to do is operate on an insecurity principle and they don't have to do much to accomplish that goal. However, Mr. Bowman was suggesting that apparently current practices in the field of personnel, and in the field of industrial morale, and in the field of labor relations would seem to indicate that at least a number of industrialists, as well as students in the field, would feel that the other kind of incentive—not that of the insecurity—but that of security—of making a person feel that they are acceptable and accepted and have a position in an organization may be, perhaps, more desirable as an incentive than the insecurity principle.

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Those were some of the things that we considered in the case, gentlemen, and I think they were all very worthwhile points and I think all the points contributed to our insights about what happened to Mr Harker in one of his first jobs out of college in a highly competitive industry such as the advertising industry.

GEORGE GRIDLEY

George Gridley secured his college training at a large state university. For his first two years, he followed a mechanical engineering curriculum; he then switched to commerce. His major course work centered on motion and time study.

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Upon graduation he was hired by Wellington Corporation, a large Chicago firm employing 2,500 workers, to work in its standards department. In Gridley's words:

I was really in a good spot when I graduated. You see, I'm both an engineering and commerce major. You can't beat that combination. I'm just a natural for a standards department because I have the business know-how together with my engineering. Wellington had the best spot for me so I took the job because I could get ahead fastest there. Their interviewer

told me when he came over to school to interview us that I had a rare combination his company was glad to find. I went up to Chicago for some additional interviews. I liked them and they liked me, so I took the job.

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Gridley reported for work two weeks after graduation, having arrived in Chicago three days before starting work in order to find a place to live. After the usual processing in the personnel department, he was taken up to the standards department to the office of its chief, Mr. McGuire, who had interviewed George before he was hired. McGuire kept George waiting for 10 minutes and then turned to him. George described this meeting.

I just sat there in McGuire's office watching him work on some papers, not knowing quite what to expect. Finally, he turned to me and said, "Well, Mr. Gridley, are you all set to go to work?" He never did call any of us younger fellows in the department anything but "mister." He told me that there would be a department staff meeting that morning when he would introduce me to everyone. Meantime he gave me the company standards manual and told me I ought to spend several days getting familiar with it. He called his secretary and told her to take me to my desk and get me all the supplies I needed; that ended the interview. He certainly was a cold fish and all the time I worked for him I never could warm up to him. I didn't get any assignment at all the first week but just sat at my desk and worked over the manual. I got to know several of the fellows around me and we went to lunch together.

Gridley was finally assigned to work up the time study on a simple assembly of refrigerator door handles being assembled in a department in which Mason was foreman. When McGuire gave him the assignment, George was so glad to be working he failed to respond with any questions when given the opening by McGuire's query, "Any questions?"

I felt so glad at getting a real job at last that I just said, "I think I can handle this easily, Sir," and left his office. I went and got the drawings for the assembly and studied them for a few hours. Then I went down to Mason's department and told him Mr. McGuire had given me the assignment of working up the refrigerator door handle job He said that was all right with him. Mason was a crusty old guy who didn't seem to have much education at all. Nobody could remember when he started with the company and he'd been a foreman a long time. I got out the drawings and wanted to talk to him about the job but he sort of brushed them aside and started asking personal questions about me. I figured maybe he couldn't read drawings too easily, so I didn't try that approach again. After I told him about myself and my education he said, "Well, this ought to be easy for you. Let's go over and look at the job."

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There were 10 workers assembling the door handles, working for the second day on this job. The first thing that struck George about the job was the casual attitude that seemed to be evident, and the pronounced talking and minor horseplay that continued after Mason and Gridley came over to observe. Mason left almost immediately, saying to the group, "This is Gridley from standards on this new job. He's new with the company."

In talking about it later, Gridley recalled the subsequent developments of that day with some discomfort. He knew that under the union contract, work on a new job was paid for at a guaranteed rate, until the standards and price were set. Then the work went on an incentive basis. But he was scarcely prepared for the complete irreverence with which he was greeted.

> Almost the first remark I heard from the group was, "Well, here is the genius who is going to show us how to bust this job wide open without any work at all." You can imagine how the others laughed and what a spot that put me in. I made some comment about "just doing a job" and began observing the assembly work. It seemed to me there was pretty poor discipline in a company where the workers made remarks like that. It got me so that I just automatically reached for a cigarette and started to light it. That same worker saw me and said, "Say, haven't they told you that only fireproof cigarettes are permitted here?" Then I remembered the no-smoking rule. I was so mad by then I just went off to the washroom and smoked. Those damned ignorant workers sure take a lot of pleasure in making life miserable for their betters.

That afternoon George went back to the department and began observing the operation, and made arrangements with Mason and the union steward to time the job on the following morning. Gridley made no suggestions for any assembly procedures changes, figuring he would time the job "as is" rather than force himself to discuss with Mason and the workers some changes he thought might be useful. The principal saving he could see was in proper flow of materials to each work station and he planned to take this into account in working out some standard procedures and estimated prices based upon them. The time study was made the next day as planned.

Gridley immediately took the data back to his desk and spent that day and the following preparing his report. After waiting still another day getting it typed up, he submitted it to McGuire. The figures showed a price of 60 cents a dozen for assembly. McGuire sat down immediately with the report and read it over. It took him only about 10 minutes to go over it, saying not a word to

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Gridley, who had been asked to wait. Then as Gridley reported:

> He finally looked up at me and said, "Mr. Gridley, this is a good job. From your report I feel your operating scheme is good and your time data shows consistent results. I have Mason's estimate on the job some place Let me get it " He got out a file and found a memo sheet that had some handwriting on it. "Yes," he said, "here is his estimate You know in this company we often have foremen estimate prices on simple jobs, just in case we can't handle them up here because of a work load. Then we let the foreman's estimate ride Mason says 62 cents on that job You never know how these foremen figure those things out Mason has done a lot of these refrigerator handle assemblies in his department in the past Since our study is so close to his figure, I think I'll let his stand. There is only a little better than three per cent difference. This is no reflection on you, understand that, Mr Gridley. I just feel in this instance it would be valuable to the company and to our operations in the standards department to let Mason think his estimate and our study agree."
>
> Can you imagine anything like that? Here I really put out to give them a job and then McGuire goes ahead and uses some off-the-cuff estimate of a foreman who can't even read prints. That doesn't seem to me to be very good management. Does management really want brains around here or are they just going to run the company by-guess-and-by-gosh all the time?

RAYMOND OPTICAL COMPANY

The Raymond Optical Company was the wholesale distributor of optical supplies and equipment in the central states area covering six states. The company was a wholly owned subsidiary of the manufacturing optical concern The major part of the wholesale business was in eyeglasses, eyeglass lenses, and eye-examining equipment. The clientele included optometrists, oculists, and opticians. Most of the business was direct selling to the professions involved. As part of the service supplied by Raymond Optical Company, it maintained five shops where prescription lenses were ground on order

The company employed 25 salesmen who covered the six-state territory, maintaining regular contacts with the professional persons in the eyeglass field In the home office there was an executive and administrative staff of 23, with a clerical staff of almost 75 girls. Richard Strauss was advertising director. He did all the firm's advertising work himself, with the assistance of one secretary, up to the time he hired Mr. Dixon.

RAYMOND OPTICAL COMPANY

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Under the supervision of Richard Strauss, the Raymond Optical Company carried on an institutional advertising program in trade and professional journals. In addition, the advertising department wrote advertising copy for the use of optometrists, who were not barred from advertising their services by any ethical code of their profession. Strauss was seeking a young assistant to take over some of the work load by doing a variety of miscellaneous jobs in the department, including advertising copywriting. He contacted the student employment office of a large university and interviewed several students sent out to him. He was particularly impressed by William Dixon, a recent liberal arts graduate. What attracted Strauss to Dixon was a letter Dixon prepared at Strauss' request, telling why he should be hired. Dixon had purposely stressed in the letter his ignorance of the advertising field, but had insisted that he had talents that would make him a good advertising man. He was hired.

Dixon, recently married, was anxious to make good on the job as a promising start on a career. He felt that he had no particular skills as a result of his liberal arts education, and advertising looked like a good career. He started by doing odd jobs in the office. These included sending out advertising display cards and leaflets imprinted for use by optometrists. He also took over the task of routing a series of window displays that were furnished free of charge by the company for temporary use in the store windows of optical stores. In the meantime, Strauss gave him the general assignment of "getting the feel" of the company and its business as a prelude to writing advertising copy. Dixon read all the ads used by the company for the past dozen years and even did some library work after hours to gain some knowledge of optics and the history of the optical field.

Dixon undertook all the jobs assigned to him with enthusiasm. He worked hard and diligently at every assigned task. He worried about the work and seemed always concerned that he do a good job. It was noticed around the office, however, that while he had pleasant relations with everyone, he lacked intimate friends among the office staff.

Gradually, Strauss gave Dixon assignments in copywriting. He began to write pieces for the monthly magazine sent out to all the company's customers. He also did several of the institutional ads for trade journals. He

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was given a series of two-minute radio broadcasts to do for a metropolitan optometrist. In all these tasks, he had a feeling that he was doing a pretty good job, and although he was not lavishly praised by Strauss, he did not feel that Strauss was displeased, either.

That Christmas, the annual convention of the company salesmen was planned as a particularly gala affair. Strauss was in charge of the convention and, with his staff, worked many evenings and week ends to get the arrangements made. A series of elaborate displays was set up to give the salesmen a good fill-in on the latest angles for selling the company products. Dixon worked particularly on the displays. In the two days before the convention opened, he worked past midnight setting up the displays at the hotel. In his usual manner, he worked hard and conscientiously to do a good job. Mr. Strauss complimented him on the job just before the convention opened.

The convention lasted for three days. Dixon was down at the hotel early each day and stayed through the day at the exhibits, meeting the salesmen and explaining the exhibits. He was included in the general invitation to take part in the dinner meetings and the fun that followed them. However, he preferred to go home when the exhibits closed in the late afternoon, and did not take in any of the evening doings.

Two weeks after the convention, Strauss called Dixon into his office and fired him that day, giving him two weeks' pay in lieu of notice. It was painful for Strauss to tell Dixon that he was through. He pointed out that he had been satisfied with Dixon's work and behavior in the office. He felt, however, that Dixon did not have the proper attitude to make a good advertising man. He told Dixon that he did not seem to mix well with people and that it was a distinct disappointment that Dixon had seemed to avoid really participating in the convention. He pointed out that the company was small and depended on close personal relationships to grease the way for effective cooperation in the company. He said that he was sorry that Dixon did not fit into the picture and wished him luck in finding a new job.

BROWN AND COMPANY

Brown and Company is one of the oldest concerns in a small Eastern community of 15,000 population, and has been the largest employer in the city for many years. The company manufactures and processes a limited line of perishable consumer's goods, meat products, on which there has been relatively little technical or style change over a period of years. There is some seasonality in production, but this is traditional, and accepted by management and workers alike as characteristic of the production pattern in the industry. There are about 500 production workers employed in the plant.

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During a period of economic prosperity, a general strike for wage increases was called by the principal unions in this industry. The strike halted production in all of the major companies of the industry. The local union at Brown and Company joined the strike and closed the plant. Over the entire industry, the strike was generally peaceful. However, at Brown and Company considerable bitterness and antagonism were expressed toward the company. There was even some violence on the picket lines, which necessitated police intervention. Top management became deeply concerned with the strength and violence of the union and worker reaction to the company. Principal officers of the firm had expected the opposite reaction. They had assumed that the local union would join the strike as a matter of union policy, but they were completely unprepared in their thinking for the bitterness of opinion against the company. They felt that the antagonism of their workers was much stronger than the general feeling of workers against the other companies involved in the strike. Company officials had looked upon the small size of the community, the leading position of Brown and Company as an employer, and the closeness of management to the organization as positive factors encouraging good relations and employee loyalty. The behavior of company employees during the strike seemed to make this point of view untenable. Accordingly, management felt that a new point of view had to be developed in examining the problems of their organization. There was disagreement in the ranks of top management concerning the interpretation of employee reaction to the company.

A plan was immediately formulated to get at the roots

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of the dissatisfaction. It was decided to make a survey of employee opinion as a first step. For this purpose, a management consulting firm was engaged. It was believed that a survey of worker opinion at this time would be too highly charged with the emotional conditions surrounding the strike situation. Furthermore, there was some question of gaining access to the workers on strike. Hence, it was decided to survey supervisory opinion, as a substitute way of getting at the climate of opinion in the company.

Each supervisor was asked two questions in an informal, personal interview with a staff member of the consulting firm. These questions were: (1) Why do you think our employees are so disturbed in this strike? (2) Do you have any comments on your work in this company? Each supervisor was guaranteed that his responses were confidential and would not be identified to company officials. The responses were extremely frank and indicated a general willingness "to get things off my chest." Following is a brief summary of some of the findings in response to the second question.

Almost all of the supervisors interviewed expressed the feeling that much of the background for the present situation could be traced directly to what had happened under a former plant superintendent, Mr. Grover. Grover had been with the firm for 12 years prior to his retirement. He was acknowledged to be a good production man, but considered poor as an administrator. Specifically, he was believed to practice favoritism, particularly toward members of his own church. The supervisors also claimed that he made no attempt to develop subordinates. He was said to pit man against man and to dominate them in such a way as to discourge teamwork and encourage throat-cutting competition among supervisors. There were three additional plant superintendents between Grover and the present superintendent, Mr. McConnell. These three superintendents served a total of four and one-half years. The supervisors expressed high regard for McConnell and had hopes that he would be able to improve the situation, providing, as one department head put it, "Mr. McConnell does not kill himself in the process." McConnell had come from another firm in the industry and had been with Brown and Company almost a year.

There was considerable expression among the supervisors of concern with management coordination of sales and production. Representatives of the plant organization claimed the sales group had the upper hand in production

scheduling. Repeated examples were cited by production supervisors of wasteful production change-overs ordered by the sales department to meet delivery schedules. They also claimed that less than carload lots were often sent out at the beginning of the week and then overtime had to be worked on the loading dock to get orders out at the end of the same week. Representatives of the sales organization countered by charging the plant people with failure to understand how important prompt deliveries were in maintaining sales in a competitive market. Only a few of the plant supervisors interviewed reported that they were able to get along on a working basis with the supervisors they had to work with in the sales department.

Comments on problems of running the organization took a number of other forms. One man said, "The company is not a team; rather it is a congress of individuals with no one at the top to pull them together." Others claimed that there were "too many departments," and "too much red tape." Many of the supervisors felt that they had altogether too much paper work that involved unnecessary detail.

The majority of the supervisors interviewed claimed that top management was involved in the present situation. One comment was that there had been "too much inbreeding" in top management, resulting in very few ideas ever penetrating the thinking of the top policy group. The supervisors felt that there was "too much family in this outfit." (Company control is in the hands of a small family group, not unusual in this industry.) One supervisor said, "It is too much a one-man show. The company is run by a small, family group." Several of the supervisors asserted that, "Mr. McConnell should be given the job of running this plant with no limitations. If he fails he should be replaced, but while he is trying to do the job he should be let alone."

Some members of the sales organization commented critically on the way in which members of the sales staff had been denied responsibility. They claimed to be isolated from participation in policy development.

Plant supervisors frequently talked of being given orders and then not being able to carry them out, particularly in discipline matters. Cited as an example was the last-minute change in management policy on clean-up time allowance. Supervisors had initially been instructed to hold the men to 12-minute clean-up time and to enforce the rule with warnings and suspensions, if necessary. Just as disciplinary suspensions were about to be made, top

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management discarded strict enforcement of the time allowance. According to one foreman, the union took credit for forcing this change of decision, although in his opinion, the union had nothing to do with the change. He claimed such action undermined the confidence of supervisors in themselves and in top management.

Considerable comment centered around the sup feeling that they "had to work in the dark." Poli said to be announced without advance notice and without warning. In the words of one departme "I don't honestly know what the policies are arou I have to always feel my way around in doing t Another man spoke about the "iron curtain" bet plant and the front office.

A number of the supervisors felt that there were far too few foremen in the plant. They asserted that foremen were overworked. Cited several times was the case of a foreman who supervised workers on four different floors of the plant.

Comments were also secured from the supervisors on other matters of interest to them, including the following: "I've been working for the company for over 10 years and no one has ever told me how I was doing on the job." "The company had us office supervisors working in the plant during the strike. No one from the front office ever came out into the plant to tell us they appreciated our loyalty. After all, it was no easy thing to walk across that picket line, especially when you knew a lot of the men out there."

ARCHER COMPANY

Upon the death of their father, the two sons of Frederick Archer each took part of their father's original business and set up separate establishments. James Archer set up the Archer Company, an advertising specialty manufacturing firm, making metal, wood, and paper advertising items.

The Archer Company organization was set up by James Archer when he was 40 years old. He operated the business as its sole owner and principal executive for 15 years. The company employed about 150 people in the plant, on the average, and had a staff of nine salesmen. Most of the business of the firm was special order work. The Archer Company was highly regarded for the quality of its work.

ARCHER COMPANY

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James Archer, at the age of 55, began formulating plans for the future of his organization in the light of his planned retirement from active management a few years hence. His primary objective was to leave a strong, going concern. The plan, as matured by Archer, provided for the establishment of three key positions in the organization. These three positions were general manager, sales manager, and factory manager. It was Archer's purpose to have the men holding these three positions act as the executive committee of the company in determining policy and making important decisions. Initially, Archer would maintain active connection with the company, but he would gradually give over operating authority to the general manager, who would make use of the executive committee in formulating policy.

Up to the time this plan was developed, the Archer Company was a one-man organization operated by Archer himself. After a careful survey of his existing staff, Archer felt it necessary to go outside the firm to fill the newly created positions.

As general manager of the concern, Archer selected his son-in-law, Samuel Barton. At the time of his employment, Barton was not well acquainted with the business. He was rated by associates as a man of superior mental ability. He demonstrated an excellent capacity at long-range planning and organizing and was considered an average administrator. Some of his associates said he was moody at times and attributed what were called "personality difficulties" to the fact that he was hard of hearing and used a hearing aid. Barton had an obvious personal interest in the position by virtue of family connections and undertook his new job with enthusiasm.

For the position of sales manager, Archer selected James McCarthy. McCarthy was an outstanding salesman with a record of great success in this industry. He had a tremendous amount of drive and had achieved his reputation through his personal sales efforts. He had limited experience as a sales executive. At the time he was hired, his administrative skill in directing a sales force was an unknown quality. Archer was motivated in selecting McCarthy by the belief that his knowledge of salesmanship in this industry and his obvious success would serve as an example and inspiration to the sales force.

William Stevens was hired by Archer for the position of factory manager. Stevens had no direct production

Case Notes

experience in this industry. However, for some years he had sold equipment throughout this industry and had a thorough knowledge of the machinery, its use, and its capabilities.

Shortly after these three principal executives were installed in office, they made plans for achieving an annual volume of business of one million dollars. The business was to be expanded over a five-year period to reach this goal. This represented a substantial increase from the present volume of about $600,000 a year. Archer participated in this planning as the source of final authority in approving the work of the new executive committee.

Anticipating the expanding business, a decision was made to hire two additional specialists. Will Harrison was selected to fill the job of plant superintendent under Mr. Stevens. Harrison had worked in the industry for many years and had a fine reputation for his technical knowledge. Arnold Jefferson was hired as chief designer. He came to the Archer Company with an excellent background in product design, having done such work with several companies and with a design consulting firm in New York.

Also in line with the expansion program, an order was placed for a considerable amount of new production equipment. At this time a major contract was secured covering a 10-year period and calling for an estimated annual sales of $250,000 to this single account, the largest in the company's history.

In the face of sales expansion and plant modernization, Archer personally hired Sidney Fremont, an industrial engineer, to work on plant layout and production processes. Fremont was hired only on a project basis, but did such a creditable job that he was retained permanently in the organization to work out industrial engineering problems.

The final stage of staff expansion was reached when a decision was made to secure a new man to take over the job of Jefferson, the chief designer. Jefferson was considered a competent designer capable of developing other people's ideas. He was considered weak, however, on originality in design. The decision was made to move him into the sales department, where his talents would be particularly useful in servicing established accounts. To replace him, Wayne Klinger was employed as chief designer. In previous positions, Klinger had demonstrated exceptional promotional talents; he gave every promise of being the idea man desired for the position.

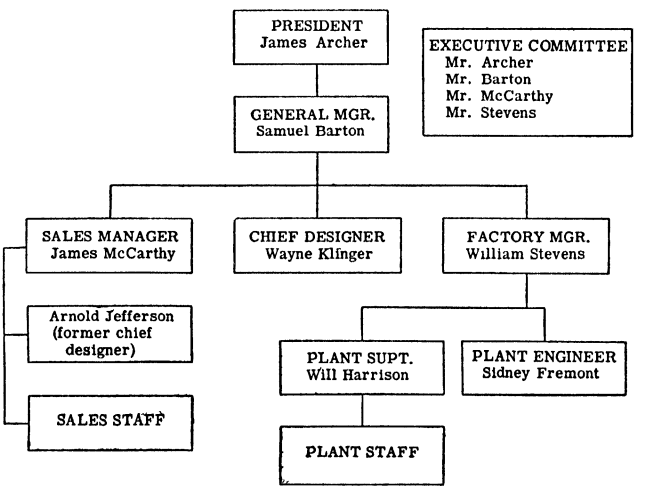
About a year after the organization began to expand, its structure was as shown in the chart (Phase I).

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In the course of the development of Phase I in the growth of the Archer Company, a number of problems arose. First of all, it became reasonably clear that the executive committee idea was not serving in the manner intended by Archer. He had retained very direct participation in the organization and his staff continued to look to him as the active chief executive. This was particularly true of McCarthy, the sales manager. Although nominally reporting to Barton, McCarthy often by-passed Barton and took problems directly to Archer. Archer's reaction to this was to continue to permit Barton to be by-passed. Archer viewed such action by McCarthy as a natural continuation of the sort of consultation he was used to as active head of the business.

At the same time that McCarthy seemed to be making an effort to work around Barton, he was frequently a minority of one in the executive committee in opposing the creation of new jobs and the persons hired to fill them. This was particularly true of Klinger, to whom McCarthy took an instant dislike. Part of McCarthy's dislike for Klinger may have been related to the fact that Klinger soon developed direct contacts with customers

ARCHER COMPANY ORGANIZATION
PHASE I



and was responsible for securing some important accounts on his own. In the nature of his work as new-idea man in the organization, Klinger had a lot of opportunity to

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contact customers and, if possible, secure their accounts through such contacts.

McCarthy was the object of considerable discontent among the salesmen. They felt that he was seldom at the office to help them, and in fact, was never really available for consultation or help with sales problems. McCarthy was on the road a great deal. Some of his sales staff undoubtedly viewed him as a potential threat in their own territories, since, by virtue of being sales manager, he could work in any territory he chose.

Barton soon found himself on the most friendly and cordial terms with Klinger. This friendship extended even to after-hours recreation, in which the two men spent considerable time together. This friendship was ultimately viewed by many of their associates as the cause of Barton's wife divorcing him. These observers said that Barton and Klinger had developed quite a reputation for "painting the town red," to the point where Mrs. Barton could no longer ignore her husband's activities.

McCarthy had by this time become so enraged with Klinger that he successfully delved into Klinger's past and sent a report to Archer outlining some of the more undesirable features of Klinger's career. Archer was not disposed to fire Klinger, since, on business grounds, his work was entirely satisfactory. However, the report from McCarthy, together with Klinger's connection with the events leading to the Barton divorce, put him in a frame of mind to accept Klinger's resignation when it was offered at the time of the divorce. (Klinger also had gained knowledge of the fact that Archer had the McCarthy report on Klinger's unsavory past. The combination of Klinger's close connection with Barton's divorce and Archer's knowledge of his past probably led him to submit his resignation.) The removal of Klinger from the organization tended to relieve McCarthy's feelings only temporarily.

Barton also offered his resignation to Archer at the time of the divorce. In spite of Archer's obvious hurt at seeing his daughter seek a divorce, he told Barton that he was doing a good job and did not have to resign. Archer pointed out that "A man's personal life has nothing to do with his business life. He would be judged on the job only as he was successful in the latter."

At about this juncture in the affairs of the company, Archer became increasingly aware that the strong organization he had envisioned had not yet materialized. He had this view confirmed when a personnel consultant

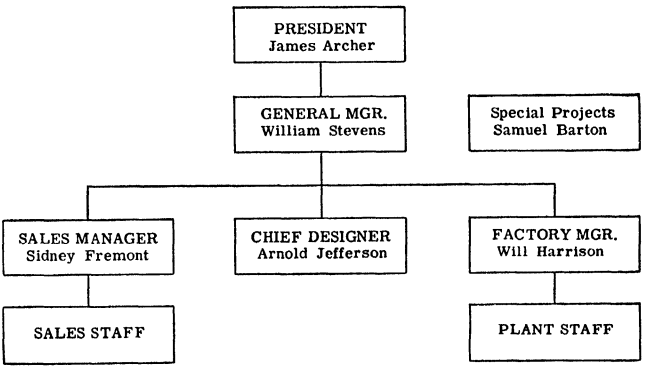
hired by Barton discussed the organization with him. Archer came to the conclusion that he would have to shake up the organization drastically.

Case Notes

McCarthy was let go. In his place, Sidney Fremont, the industrial engineer, was appointed. Arnold Jefferson, the former chief designer, was given his old position back to take the job left vacant by Klinger's resignation. William Stevens was moved up from factory manager to general manager in place of Barton, who was retained in the company but given no specific assignment other than to be available for work on special projects. Finally, Will Harrison, plant superintendent, was moved up to factory manager and his old position was abolished. The executive committee was discontinued.

In the second phase of the growth of the Archer Company, the organization was as shown in Phase II.

ARCHER COMPANY ORGANIZATION
PHASE II



The replacement of McCarthy by Fremont has been viewed by the sales staff as a distinct improvement. Fremont spends considerable time working individually with the salesmen and confines most of his work to the office, leaving direct sales to the salesmen. Jefferson is said to have improved and seems to display more creative ability than he first showed upon joining the organization. Stevens occasionally encounters difficulties in making decisions, according to some of his associates, but he has easy access to Archer's advice and counsel on such occasions. Harrison is doing a capable job of running the factory. Barton is called in on special projects to lend his assistance whenever and wherever needed.

PLEASANT VALLEY COOPERATIVE VILLAGE

Pleasant Valley Village, population 3,000, was established by the Federal government in the middle 1930's as one of three experimental villages designed to provide low-cost housing and living for limited-income families and work opportunities in their construction for unemployed workers. Each village was planned in its entirety, including lot and street layout and shopping and commercial center. The villages were developed to take advantage of mass-construction methods and planned community development, and were expected to provide an example for similar future developments by public and private builders throughout the country.

The government controlled the commercial buildings and planned to rent them out to the necessary commercial services to guarantee adequate shopping and recreational facilities for each village. At the time Pleasant Valley Village was being erected, the chairman of Co-op Services, Incorporated, became interested in the possibility of establishing all commercial and recreational businesses on a cooperative basis in this town. He approached the government officials responsible for the village and secured their agreement to put all business on a cooperative basis.

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Co-op Services, Inc., was a nonprofit organization perhaps unique in the annals of American business. The organization originated as one of many philanthropic projects of a retail merchant who devoted his fortune and personal energies in his later years to such projects. He became interested in the consumer cooperative movement as a possible major factor in marketing of the future. An examination of the existing field of consumer cooperatives led him to the conclusion that they were exceptionally weak in merchandising methods and techniques. As a result, he endowed Co-op Services, Inc., as a nonprofit organization which provided merchandising consulting services to cooperative organizations. The spirit of these services can perhaps best be seen in a phrase often used by members of Co-op Services: "There is nothing in the Rochdale plan of consumer cooperation that requires co-op stores to be dirty and ill-kempt." A number of successful merchandisers were employed to constitute the staff of Co-op Services. The senior staff was composed of former business associates of the founder who were sympathetic to the cooperative idea, and the junior staff consisted of young college graduates who were added to the staff as needed. All of the members of the staff of

Co-op Services came from substantial business and professional middle-class backgrounds.

The agreement reached between the government and Co-op Services provided for the latter to organize all the commercial services of Pleasant Valley Village on a cooperative basis. When the local cooperative was fully organized, Co-op Services would have only a consulting capacity similar to its relationship to other consumer cooperative organizations. In setting up the Pleasant Valley cooperative, Co-op Services planned each store and service individually. Thus, the grocery store was completely planned in terms of the personnel required, store layout, stock and stock control system, and general operating policies. After the store had been operating for sufficient time to enroll a substantial portion of its patrons as members of the consumer cooperative, the active direction of the store was taken over by the cooperative organization. Working in this manner, Co-op Services was able to establish immediately the necessary commercial services in Pleasant Valley Village without waiting for the cooperative to be organized, and could still make a subsequent rapid transition to cooperative control.

One of the projects in Pleasant Valley Village was a motion picture theater. The theater began operating under the guidance of Co-op Services. From the staff of that organization, John Bickford was selected to be acting manager. An advisory board of five members was selected from the community to provide the nucleus around which the cooperative management group could be built. It was Bickford's task to get the theater into operation to provide much needed recreation in the community. He also was supposed to educate the advisory group members to the problems of running a motion picture theater so that they would have the necessary experience when they assumed cooperative control of the enterprise. In this educative process, he consulted the board regarding operating policies, personnel, and motion picture programs and preferences.

Bickford had graduated from a large Eastern college with a major in business administration. Upon graduation, he had an opportunity to become an assistant to a top executive in Co-op Services and eagerly accepted the position in order to gain experience in the retail merchandising field. His father, a businessman, encouraged him to take the position as a means of getting a broad and varied experience. Bickford was assigned to the Pleasant

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Valley Village project about one year after he joined the staff of Co-op Services.

The five members of Bickford's advisory board were heads of working-class families. One was a carpenter, three were clerks, and the fifth was an auto mechanic. These men were from among the early families to move into Pleasant Valley Village. They had average education; two had finished high school and the other three had not gone beyond grade school.

The motion picture theater had been operating for six months. It was apparent that the income was insufficient to cover the total expenses of the project, the average weekly loss approximating 10 dollars. In a series of meetings with the advisory board, Bickford reviewed the financial picture and sought the help of the board members in working out a solution. Bickford was inclined to place a great deal of emphasis on promotional work to increase attendance. The movie had used only simple announcements and window displays to advertise its programs up to that time. He suggested amateur nights, door prizes, more extensive advertising to bring in patrons from surrounding towns, and the possibility of double features. When his proposals were presented to the advisory board, he accompanied them with the following figures:

Average adult weekly attendance	400	
Price per admission	$.30	
Income from adults		$120.00
Average children weekly attendance	125	
Price per admission	$.10	
Income from children		12.50
Gross income per week		$132.50

Arguing from these figures, Bickford stated that if the attendance could be increased by about 70 adults per week, the 21-dollar increase in income would cover the deficit and the estimated weekly cost of the increased promotional activities.

It came as a distinct surprise to Bickford when the advisory board seemed cool to his suggestions. They all insisted in various ways that Bickford had completely underestimated the value of a nickel. Swanson, the carpenter, took an entirely different approach. He argued for a price reduction to 25 cents. He said that a quarter was one thing, but when you had to add another coin to it, that made a lot of difference. In various ways and with various arguments, the other members of the board supported Mr. Swanson's proposal.

Swanson insisted at great length and with deep conviction that there was a vast difference between a quarter and 30 cents to a working man. He kept asserting over and over again that by lowering the price to a quarter the attendance would skyrocket.

Bickford was not prepared to argue the significance of a nickel but he was very much taken aback by the translation of the price decrease into attendance figures. For the second meeting with the advisory board he wrote out these three statements and handed them to the board members:

1. To maintain the present income from adult admissions at the 25¢ figure would mean increasing average weekly attendance by 80 people. (480 × $.25 = $120.)
2. To increase total income by $10 to meet expenses requires an additional weekly adult attendance of 40 people. (40 × $.25 = $10.)
3. Thus, attendance would have to be increased by 120, or 30 per cent, at the lower admission price to return the gross income required.

The arithmetic of the lower admission price seemed to be the conclusive argument against it in Bickford's mind. Furthermore, he had very carefully checked the price decrease proposal with a number of older executives of Co-op Services, who all agreed that it was an improbable solution to the problem. In spite of his own conviction that the required attendance would not materialize, the members of the advisory committee refused to agree with Bickford's conclusion. They continued to insist that the lower admission charge was the only practical way to solve the problem.

Although not actually required to accept the recommendations of the advisory board, Bickford felt that the unified opposition to his plan and general agreement on the price-lowering proposal left him little choice. He felt particularly compelled to go along with the board as an expression of his faith in the whole cooperative ideal. He viewed this situation as a crucial test which could serve to confirm the significance of consumer cooperatives for the citizens of Pleasant Valley Village, or sour them on the whole idea. Thus, his decision had to take into account this larger factor.

With misgivings, Bickford put the price reduction plan into effect. Four weeks later the predictions of the board members were confirmed—income balanced expenses. Attendance remained at the higher figure over a substantial period of time.

THE STANTON CORPORATION

In the immediate postwar period, the Stanton Corporation returned to the manufacture of automotive products more rapidly than most of its competitors. The two government-owned war plants operated by the corporation in other cities were closed. A third such plant in the city where the corporation's principal plant was located was also closed.

The company was planning a two-shift civilian operation and had a number of foremen in training preparatory to their taking over jobs on the night shift. This created a much more extensive supervisory organization than had existed before the war for approximately the same number of employees. The start of the second shift was quite indefinite, so that the doubling up of foremen on the first shift and the dilution of individual foreman responsibility was one of the consequences of the foreman training program. Supervision in a number of departments was divided between the established foremen and the foremen-in-training.

Case Notes

The following is a verbatim transcript of one of the regular weekly meetings between company and union bargainers. This meeting was notable for the fact that both president and chairman of the board were present. The company was very much involved in stabilizing high-level production in the postwar period. The meeting starts off with the president, Mr. Hanley, calling attention to slow-downs in the plant, and wanting to get them settled immediately.

MINUTES OF BARGAINING MEETING

Present

Management	*Union*
Mr. Hanley, President	Mr. Bellis, President
Mr. Worthy, Chairman of Board	Mr. Hanks, Vice-President
	Mr. George, Committeeman
Mr. Wentworth, Vice-President, Production	Mr. Harrell, "
	Mr. Mertz, "
Mr. Gorman, Director, Industrial Relations	Mr. Hart, "
	Mr. Hertler, "
Mr. Flemming, General Superintendent	Mr. Pollard, "

Mr. Hanley. I spent a couple of hours last night talking to two of my Directors, and tried to explain to them why we were negotiating about a slow-down and about wage rates, when we had informed them, months ago, that our deal was made and that we were all set. What's wrong about it, Ray?

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Mr. Bellis. In the first place, Mr. Hanley, I don't think we would have encountered this if, at the time we started up and corrections were to be made in certain jobs throughout the plant, and supervision was contacted and asked to make those corrections—supervision didn't even, in those instances, meet with the Stewards, or endeavor to go into it and straighten out the conditions that existed. There's where the attitude sprung up among the people that if supervision didn't care if they ever got this job started, then they weren't interested in it, either. From there on it grew. I know that it was some four weeks before we could even get one of the lower supervision to sit down and figure out on paper for himself that they were wrong. They wouldn't even bother to figure the thing.

When you tried to tell him that plain, everyday arithmetic would tell him that he'd made a mistake in the thing, and he wouldn't even take a piece of paper and a pencil and figure it out. Then the men said: "Well, if they're not interested in getting started, then we aren't, either—," and they just wouldn't move.

Some of these conditions still are existing today, and haven't been corrected. We were told that: "—When you finally get all set here, and you fellows get up to the top, then we'll start correcting these things—." The men said that it didn't look that way because they'd asked to have somebody come out there and do some simple everyday arithmetic so they could show them where the Company was wrong on their figures, and they won't even sit down and figure it.

Mr. Hart. Mr. Wentworth, you were in on the deal that we made a year ago last September. We made a deal, and we wrote a contract—Supplemental Agreements to the Contract—that we were going to do such-and-such a thing, and the Company never has done it. That was the most outright act of bad faith that I ever saw done by any executive of this Company—that was the Supplemental deal whereby people who were working in the Aviation, and in these war-time departments, and being called back to the departments where they formerly worked—now under our contract they didn't have to do it—their jobs were eliminated, and they had full bumping rights.*

Without, for instance, the people in the Foundry and the Metal Room, we would never have gotten started. So these people, upon the pleas of these men sitting around the table here with you, agreed to go back there, if the Company would agree to retain for them their bumping rights, and as soon as they could be replaced on these jobs, to release them to go out on these other jobs.

These people went through with their part of the agreement,

* Mr. Hart is referring to a situation where certain workers were asked to go back to their old jobs temporarily to get critical departments, like the Foundry, into quick operation. Those workers with sufficient seniority who wished to "bump" into jobs in other departments were asked to go back to their old departments to get them into operation, with the promise that they could later exercise "bumping" rights out of the department. Through a clerical mishap this plan was mixed up and not carried out.

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but the rest of it wasn't lived up to, so consequently these people are now frozen on their jobs where they're going to stay whether they wanted to go back there or not. So when you say that there are acts of bad faith, and that when we make a deal that it should *be* a deal, I believe you're right. That's just an example.

You say that we made a deal in bad faith—

Mr. Hanley. No. I didn't say that, Red. I just said that I was trying to understand this thing.

I *did* say *this:* That as far as the Management and this Company is concerned, it *intends* to deal in good faith—it *intends* to. This is the first time that I've ever heard of this particular instance.

Mr. Hart. This is the first opportunity I've had to tell you.

Mr. Hanley. I can speak for this entire Management and tell you that we don't want, *ever,* to back down on a deal.

When we make a deal, we'll stand by it in letter and spirit, and we mean that. I don't know of this particular instance. . . .

Mr. Bellis. Here's what the people out here feel, Mr. Hanley—that ever since we've tried to start up this civilian production again, that there's been a different attitude all the way along the line.

Now we tried all during the war out here in the Stamping Division to get certain jobs retimed because there was a change made. When Bert (Flemming) came back,* I took it up with him, and it was mentioned here at the table, the fact that a Scrap Belt Conveyor was taken out and that it was now necessary to spot trucks in.

So it was agreed here that those particular jobs had to be changed. I mentioned in that discussion that a man had to call for a crane and wait for the crane to come over and pick up his truck full of scrap, and then spot an empty one.

In retiming it, all they wanted to do was to call the crane over there, and then when the crane gets all set to hook onto an empty truck and spot it in back of the press and take one out, then they'd start timing it. That was all the time they wanted to allow on that. But you go down in that Press Room, and how often can Pressmen just holler for a Crane Man to pick up the truck? Sometimes he waits ten or fifteen minutes for a crane. They wouldn't give him any consideration on that, at all. They call the crane over and get the crane all set, and then they say "—Now we're ready to time it—." That isn't fair, and the men say it isn't fair, and they refuse to accept that kind of timing. That isn't a square deal at all, because any one of the Press Operators, or anyone who knows anything about the Press Room knows that you can't get a crane just the minute you want it. It just isn't possible in the Press Room.

Yet no additional time would be allowed for it. They say: "—No, sir, we're going to time this thing, and we're going to have the crane right here, and as soon as the Crane Man gets here, then we're going to start timing it. Then the Crane Man will grab the full truck out and spot you an empty one, and that's the additional time you'll get on the job, 'period.'"

* Mr. Flemming had been in charge of one of the war plants of the company in another city during the war.

That isn't fair, and the whole idea of timing anything like that seems to be done with just that attitude, and the people say: "Well, Management's taking a different attitude all the way through the shop—a tightening-down process—," and they're just not standing still.

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Mr. Hanley. I don't believe there's any trouble with Mr. Wentworth in getting these inequities in individual cases corrected.

Mr. Bellis. Mr. Wentworth and Mr. Flemming agreed to retime that job because they took the conveyor out and had to be handled with a crane, but then they won't go along and allow a decent amount of time for waiting on a crane, as every Pressman knows he must do, and everybody who has anything to do with the Press Shop knows that a man must wait on the crane—sometimes five minutes, sometimes ten minutes, sometimes fifteen minutes, nobody knows But they don't have a crane there every time they need it, it's impossible.

Mr. Wentworth. How much effort have you got in the Press Shop.

Mr. Bellis. You won't get any more effort, Mr. Wentworth, with that kind of a setup.

Mr. Wentworth. How much have you got now?

Mr. Harrell. What's the cause for that effort?

Mr. Wentworth. You've got about 55% down there.

I'll say again that if you can give us an effort so that we can intelligently time these jobs, that you aren't going to have any complaint about retiming, and I point out to you that we *cannot* retime on a 50% effort—it's just impossible.

If you'll go along with us, and call off the Dogs of War and say. "—Boys, come on, let's go to work here—," then we'll get somewhere, because even in that situation you're talking about, they can do a lot more work. That will give us an opportunity then to find out what these conditions are. That's what we have to have from the men in the shop. We haven't had it since September anyplace. I shouldn't say "anyplace." There have been spotty cases in the Machine Shop where men have gone up to a reasonable earning rate, but they are cut off now.

Jobs that ran here for some time making over the base rate are now all sagged down. The last report I saw there was only one that was up, and that one was cut off last week. . .

Mr. Bellis. I particularly pointed *that* case out, Mr. Wentworth, because it has nothing to do with the running of the operation itself. That was strictly a case of how much additional time you need to remove the scrap under the present setup as compared to when you had the Belt Conveyor. It's just a matter of allowing sufficient time to get a crane over there to take out a full truck of scrap and place an empty one in there, where you didn't have that to do before. That was strictly off the operation. That's why I picked out that particular one.

Mr. Wentworth. It has this much to do with it—if the man is working only 50%, then he's got a lot of loafing time, and why give him more? That's the thing that stops us cold.

Mr. Hanley. I think, Ray (Bellis), that it all comes down to this—we want to live up to our contract in both the spirit and the letter, but there has been no indication that the Union

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wants to live up to its part of it. In other words, *you haven't tried.* If you *try,* and there are thin spots to iron out here, then God knows that we want to iron them out, but, as Mr. Wentworth says, it's awfully hard to determine the spots that need straightening out when there isn't the effort being put forth. Under our contract, I think we've got a right to expect that the Union will make an effort. Having made the effort, then I think we can clear this situation up in a hurry.

I'll admit that I feel a little bit helpless about the whole thing, because we've tried to meet with you and to give you every break, and not even discuss this matter of "deals" or "contracts," but to try to find the problems you were facing so that we could help you meet those problems so that you could, in turn, get the men back to work, and to get them off this slow-down. I think that's fundamental.

If we make a deal, or a contract, and that means nothing, then let's say so, but I'd just hate to admit that that could happen here. I believe that if you'll take hold of the situation and if you make as conscientious an *effort* to live up to your side of the contract as we will, that this thing will wash out.

Mr. George. Ray tried to cite out to you what brought this about—that is, that the lower supervision didn't make any effort in negotiating with our Stewards and our Chief Stewards to straighten out some of these tight operations. To my mind, they should have, and to the people's minds they should have. That's one thing that I believe has created the conditions that we have today. In some of those places even to date they haven't made the proper effort in trying to take care of these grievances. There's so many channels to go through—you go to the assistant foreman and he'll send you to a foreman, and the foreman will send you to Larsen, and Nelson, and from there, on up to Bert (Flemming).

These grievances just keep accumulating and building up, and probably, after all, we find that we've got to bring them to you, or Mr. Wentworth. Those are some of the things that in the past few weeks have brought about this condition, and that's what Ray was trying to point out to you—that you couldn't understand why there was only a certain amount of effort put into production.

The people figure that if the Management—I'm speaking especially of the Lower Management—isn't going to make an effort to settle some of these grievances and straighten out some of the conditions and the tight spots, and if they need a man here and there, and it's a proven fact—where they should be able to prove it and put the man on without any argument—No. They practically insisted that they must start up where they left off in '41, regardless whether it was tight or whether you have to work 100% of the time and go in there and just do everything you can, but they won't do anything about it. That's what brought about some of these conditions. It's because of the ways and means and the difficulties we've had of trying to settle some of these grievances and get no place with them. . . .

Mr. Bellis. I'd like to say this—since the war ended and we started trying to get back on civilian production there's been an entirely different attitude in the shop. We have no super-

vision out there who can say "yes" or "no." We've got too much supervision for the amount of work that's being done. I want to take an illustration of the Stamping Division. Larsen was sitting in Bert's chair at that particular time—that's during the war—and you had a foreman over one side and a foreman over the other. There was a foreman over the large presses and a foreman over the small presses—that's all the supervision we had, and if the foreman said "no," then we knew exactly where to go. We'd just take it to Larsen and he either agreed with the foreman or disagreed with him, and that was settled, but today you've got a foreman over both sides, and you've got Larsen and Art Eubank, then Nelson, and then finally get to Bert. And you try to get any one of those men up the line to give you an answer "yes" or "no"—we have no one to deal with and we've got too damned much supervision around this place.

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That's our position on the thing. No one can give us an answer. Everybody gives us the run-around. They tell us to go and see so-and-so, we see them and are turned down. Our Stewards have been to Werthheim. He'd turn them down. They'd give the case to me and I'd take it back to George (Werthheim), and George would say—"I've never heard of it before." I go back and tell the Stewards that. Naturally, if a Steward has been to George with a case for a day and a half or two days arguing about it, and then George says he never heard of it before, it puts a nice feeling into the boys out there in the shop. They think that they're getting the merry run-around and you can't sell a man in the shop the idea that he isn't getting the run-around today on all of his grievances, grievances that he believes are just. We can't get anybody to sit down and listen to it. We were a good four or five weeks before we ever got George Werthheim to sit down and figure out on paper some of the arguments that we tried to put to him—straight arithmetic—to figure out how he could possibly make a particular job pay. He wouldn't pick up a pencil and figure the job.

As long as those conditions exist, and as long as we get that kind of co-operation, you're going to get the kind of production you're getting today. Until we get some kind of co-operation out there in the factory—right at the factory level—. A foreman used to be able to say "yes" or "no." He can't say a thing today. They tell us to go see so-and-so, and we go see so-and-so, and that's changed. Things have been changed without our knowledge at all.

In time-studying a job, we used to have a setup and had it all through the war and it worked out. Then the foreman decided right at the time the job was being timed how much lost time, approximately, went into a job. Then with the amount of lost time in the job, the time-study man could tell the foreman and the steward right there just exactly how much money had to be put on that job. Now he times the job and he comes back to the office, and somebody sits in the office here and decides how much lost time there is on the job without even seeing the operation running, and sends out the word that you get 10% or 15% or 20% lost time on it. The men are not going to accept those kind of prices because they're set by somebody who hasn't even seen the job in operation. They're

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refusing to accept it and they will not accept it until that attitude is changed. . . .

Mr. Wentworth. I could take an account of all these conditions. I can take account of breakdowns, etc., but when you're deliberately told that "this is what we're going to do," and when your Stewards out there stop the conveyors and say "that's a day's work." Those are things that we don't like, and it's an indication that you're going to level this thing off on some kind of a basis that the Company can't exist on. . . .

Mr. Bellis. There has been no *organized* slow-down of the thing, but there has been an organized effort on somebody's part not to deal somewhere on down the line. I mentioned two or three times that if we could take one particular division and find out just what the ills are in that particular division and see what we could do towards settling them, then that division would go ahead.

We've got a list in the Press Room—there's four or five things wrong with that Press Room. Just the other day I brought it to Bert's attention and even Bert thought they were kind of minor, but nevertheless they mean something to the men working in that division, and he said he'd get in on it, but why in the devil does all the stuff have to come clear up to the top before we can get anybody to act on it. With all of the supervision they've got loaded in this plant, it's about time somebody takes some authority and starts working on the thing. But they just refer you to this guy and the other guy and the other guy, and nobody has the authority to say "yes" or "no." If they'd say "no," then we'd know where to go. They say "go and see so-and-so."

In one case there in the Press Room on timing it finally got down to where it was referred right back to the department, and the department referred it *out* of the department. It was referred all the way around in a circle and referred right back to the foreman. That kind of stuff, nobody can deal with You can't get anything corrected. You can't even tell anybody what's wrong or what the problems are, because you've got no one to talk to, yet you've got more supervision in here than you ever had.

Mr. Wentworth. The Foreman never had the authority to change piecework prices. They've always had the authority to *recommend,* but they've never had the authority to *change* the price.

Mr. Bellis. Mr. Wentworth, right out here in the Press Room, I worked with Jimmy for almost two years during the war to get a condition corrected out there—where you took out that scrap conveyor in back of the presses. I asked at that time that additional time be allowed on the presses because by taking out the conveyor for scrap, it necessitated having the operator stop, call a crane, have them take a truck out from behind a press, and spot an empty one.

For two years I tried to get it, and I was told that something like that wasn't big enough for the War Labor Board to take a hold of and we wouldn't get a change through. The condition still exists today. The other day when I talked to Bert about it was the first time he ever knew the conveyor was out of the thing, because none of the supervision below Bert had brought it up to him. That is definitely a change over '41,

and therefore that should have been rechecked and if it caused additional loss of time, then it should have been put in on that job.

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Mr. Wentworth. But that still doesn't wash out the lack of effort.

Mr. Bellis. You wash out the suspicion and it will wash out that lack of effort, as you call it.

Everyone in this shop is just as suspicious as he can possibly get today, because no one will sit down and listen to them and discuss their problems with them and tell them whether they're wrong or whether they're right, and if they're right, take care of them.

Mr Wentworth. We'll take you up on this.

Mr Bellis Well, I wish somebody would, because we're getting the run-around on this thing.

Mr. Wentworth. We'll start right in on the Machine Shop this afternoon. . . .

Mr. Flemming. I say this in defense of the foremen—the foremen can't dicker with you on price or on what the manpower's going to be because he's not in a position to do that. Some existing conditions such as the floor, or that the Press Shop has always been cold, and working conditions and such as that, the foreman can go quite a ways towards straightening some of those things out, but he can't do anything about adjusting rates, giving more manpower in the setup, which involves money. In those cases the foreman is in no position to bargain with the Stewards. Also, you've got seven Stewards and you've got seven different sets of ideas. You've got them pulling here and pulling there.

At one time we did have a weekly meeting between the Stewards and the foremen. I don't know when that was stopped. That was still in effect when I left here. I do know at that time that those little evils that come out in the shop were straightened out without going all the way to me. I was trying to take care of them all and I wasn't big enough to do it and I'm not big enough to do it yet, but I think that you and your Stewards and me and my foremen had better get back onto these meetings. . . .

MID-AMERICA ORDNANCE PLANT

Mid-America Ordnance Plant was one of a number of small arms plants owned by the government and operated by a private industrial concern. The management of this plant was in the hands of a major industrial firm. This firm had complete control of the operation of the plant, receiving a fixed fee for management services. The Ordnance Department of the Army let production contracts to management and maintained a small liaison staff at the plant. This military staff had the following functions: Supervision of final inspection, proof firing and acceptance of the ammunition by the government; auditing the expense ledgers of the plant and authorizing payment of the operating expenses; supervising plant protection and a staff of civilian

plant protection guards; and liaison with plant management on any general matters requiring action by the Army or other government officials. At the time of the incident reported in this case there were almost 5,000 production employees at Mid-America Ordnance Plant.

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Shortly after the Battle of the Bulge in Europe, considerable revision was made in the ammunition schedules of the Army. In accordance with the revised schedules it became necessary to increase by a very substantial amount the production at small arms ammunition plants. The major factor believed the limiting consideration in increasing production at Mid-America Ordnance Plant was labor supply. Accordingly, the Ordnance Department, under whose administration this plant was operated, dispatched an officer, Lieutenant Stevens, to the plant to assist in any way possible in speeding up employee recruiting. Skill level of the new employees needed was unimportant. It was possible to put them into production operations immediately with little or no training. In addition there were very few limiting physical requirements. Women, young boys, and girls, as well as older workers, were equally eligible for the open jobs.

Upon arriving at the plant, Lieutenant Stevens immediately went into conference with Dr. White, the plant manager. Dr. White had come from the research department of the parent company and had been appointed general manager of this plant because of the technical problems involved in its operation. It was thought that his technical and scientific background would make him a particularly successful plant manager. Dr. White made it clear to Lieutenant Stevens that the production facilities were ready to operate and only required adequate staffing in order to meet the greatly expanded production schedules set for the plant. This general view was later confirmed by the local commanding officer of the Ordnance Department who was the on-the-scene ordnance representative. At the time that Lieutenant Stevens arrived at the plant, the commanding officer, Colonel Ramsey, was up at a prisoner of war camp in South Dakota to investigate the possibility of using prisoners of war in some of the nonproductive operations. The commanding officer thought the labor shortage was so critical that this rather drastic attempt to handle the labor supply situation was examined. (The Hague Conven-

tion prevents the use of prisoners of war in the production of munitions. Colonel Ramsey was examining the legal possibility of their use in nonproductive occupations which were not directly involved in the manufacture of small arms ammunition.)

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The next step taken by Lieutenant Stevens was to discuss the entire situation with the personnel director, Joe Gormley, who was directly in charge of the labor recruiting. Mr. Gormley had a very successful record as personnel director with the parent company in one of their civilian plants prior to being assigned this position in the ordnance plant. He was a man in his late forties who had had approximately 15 years of experience in the personnel field. Gormley confirmed the general impression created by Dr. White and the ordnance officers at the plant that the real bottleneck was labor supply, and further, that labor was very difficult to recruit in the area. Lieutenant Stevens was later to find out that this story, which was unanimously confirmed all the way around the circle, had originated, in fact, with Mr. Gormley. He had been the sole source of such information and ideas for the plant manager, Dr. White, on the one hand, and for the ordnance officers, who depended upon him for such information, on the other hand. In the words of Dr. White,

> In the past several months we have not been able to maintain our personnel total at a fixed level. Our daily personnel count has shown a net loss of anywhere from 10 to 100 people each week. Mr. Gormley has made every effort to recruit additional people As far as we can tell, the labor market in this vicinity is completely exhausted and we're in no position to add the necessary personnel to our staff.

Lieutenant Stevens decided on a dual approach to the problem. He secured the agreement of Mr. Gormley that an attempt would be made to survey the activities of the personnel office to determine whether or not full use was being made of every possible job applicant and that rejections were being held to a minimum. As the other part of the program, Lieutenant Stevens secured agreement to attempt to put particularly strong pressure on the local office of the United States Employment Service to give highest priority to this plant. All hiring in war plants was supposed to be coordinated with the activities of the USES. On the first visit to the USES office, Lieutenant Stevens talked with the manager, Mr. Wilson. It was evident at once that there was considerable coolness on the part of Mr. Wilson toward the ordnance plant and

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particularly toward Joe Gormley. It was quite evident that Mr. Gormley had succeeded in alienating the local employment service by some of his practices. Wilson pointed out:

> We have a great deal of difficulty in handling the ordnance plant. Every time we have a problem with regard to their recruiting it's practically impossible to see Gormley. On several occasions I've even gone to Dr. White and although he's a very nice fellow, he depends entirely on Gormley in personnel matters. So even trying to go through White, I end up with Gormley. Let me give you some idea about the kinds of things we're up against. We know very well that they need more people out there but how are we going to recruit people when they won't even consider anybody with any sort of a partial physical disability. We know they don't require great skill in their jobs and we have a number of people we would like to refer to them but can't because they won't accept them with any kind of slight physical disability. And then there is another thing that we think is holding up their recruiting. Gormley absolutely insists that every young person have a birth certificate showing that they are over 18 years of age before he will hire them. Now we have a system of affidavits that we have young people fill out declaring their age. But Gormley won't accept these affidavits; he insists upon a copy of their birth certificate before hiring them. I want to tell you, Lieutenant Stevens, we're simply not going to work with Gormley unless he's willing to reconsider his whole hiring policy. I know very well that this plant must be an important one but we are in no position to be helpful until Gormley rethinks his whole problem.

Stevens took this problem back to Gormley and received the following answers:

> Lieutenant Stevens, I don't know how long you've been in the personnel field but I think you will realize that a company as large as the one I work for has had a good deal of experience in hiring workers. You mention this question about the possibility of getting a lot of young people just out of school. I'm fully aware that those people are here and many of them no doubt would qualify for our work. But are you also familiar with the penalties that are involved in employing under-age people? It's a firm policy of our company, written up in our policy manual, that we will do everything possible to prevent the employment of minors in violation of the law. I don't want to have a law suit on my hands. I'm going to continue to insist upon a birth certificate so that I have absolute evidence that all the people we hire are of the legal age to go to work in this plant. Now as far as hiring crippled people is concerned, I think I don't even have to point out to you the problem involved there. This company is not going to get itself involved in a lot of compensation claims. You certainly ought to be aware of the fact that disabled workers are much more prone to accidents than other workers. This is a shell-loading and shell-making operation.

If one of these crippled workers had an accident it might be a real beauty. Think of the liability damages that this company might be faced with.

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Upon receiving those categoric answers, Lieutenant Stevens took the problem directly to Dr. White, plant manager. After hearing the USES side of the story for the first time, Dr. White called Gormley into his office. The situation was reviewed with Dr. White. This was the first time that Dr. White had any opportunity to review the actual hiring practices of Mr. Gormley. His conversations in the conference indicated very clearly that he had simply accepted Gormley's previous conclusions with respect to lack of available labor without raising any questions as to the hiring practices involved. He was quite surprised and considerably disturbed to discover that there were possible sources of labor available to the company which were not being utilized. In a quiet way he directed that Mr. Gormley accompany Lieutenant Stevens to the local USES office and attempt to work out a rapprochement with the officials there.

This meeting was accepted and arranged eagerly by the USES people. At the meeting Gormley made the positive assertions that he was quite willing to change his practices in both the birth certificate problem and with respect to handicapped workers. He made this statement first to Mr. Wilson, the manager of the USES. Mr. Wilson thought it so important that he immediately called all his job interviewers into a conference, introduced Gormley to them, and had Gormley personally make his statement with respect to these major changes in practices. Gormley's statements were enthusiastically received by the employment interviewers who all asserted that they would have greatly increased opportunity to refer people to the ordnance plant as a result of these changes.

On the way back to the plant Gormley, who had not indicated to Lieutenant Stevens prior to the meeting in the USES office that he was contemplating a change in his stand, expressed some misgivings at the possible results of his new practices. Nevertheless, he expressed himself as willing to take the additional responsibilities in view of the drastic need for personnel.

Lieutenant Stevens then undertook to observe and evaluate the hiring procedures at the plant office. The receptionist in the hiring office maintained a time record starting with the moment that an applicant applied for work and recording the times at which he was interviewed, sent for physical examination and identification card and

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processed through the general records office, up to the end point that the formal hiring was completed. A quick examination of these records by Lieutenant Stevens revealed that anywhere from one to three hours were being spent between the time an applicant reported at the desk and the time he was first interviewed to determine a possible job for him. This record was very consistent and an obvious bottleneck. In fact, in observing the waiting room, it was clear that a number of the people did not wait out the time necessary to be interviewed. There was no doubt also that the length of time was being reported about town and probably discouraged a number of other people who might have come out to the plant to apply for work. Lieutenant Stevens took this problem to Mr. Gormley. Gormley called for the interview schedule records of the receptionist and had confirmed to him the general statements made by Lieutenant Stevens with respect to the amount of time it took to interview a job applicant. By this time Gormley was sufficiently aware of the fact that Lieutenant Stevens could go over his head directly to Dr. White if necessary. Accordingly, he adopted a much more conciliatory attitude with respect to the hiring procedure and agreed immediately to attempt steps to correct the situation. However, after several days of additional observation, Lieutenant Stevens was convinced that nothing was being done to improve materially the situation.

He again saw Gormley and made it clear to him that unless some change was made it might be necessary to take this problem to Dr. White also. Gormley agreed then to put on additional interviewers and for the remainder of the period that Lieutenant Stevens was at the plant, the situation was considerably improved with respect to the amount of time a job applicant had to wait to be interviewed.

The result of these changes was a net gain in personnel at the plant of 276 in the first two weeks Stevens spent at the plant.

SPECIALISTS CONSULTANTS, INC.

Mr. Samuel Wilson was Vice-President of Specialists Consultants, Inc., a firm of management consultants with four offices in principal manufacturing centers of the country. The home office of the consulting firm was in the Middle West. Mr. Wilson was in charge of the Eastern office,

located in the Pittsburgh area. He had a staff of five specialists—four engineers and one personnel expert. The firm undertook consulting jobs involving plant layout, production processes, production control, inventory control, and personnel problems. Mr. Wilson devoted most of his time to establishing accounts and maintaining contact with top management of the firms throughout the period of active consultation. His staff did the technical work which provided the basis for the consulting recommendations of his office. From the vantage point of his position, Mr. Wilson had come to appreciate the rôle which consulting firms like his own played in industry. One of his own accounts, Active Foundry, illustrates a typical problem handled by his firm.

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Mr. Wilson spoke of this account as follows:

Active Foundry was an instance where we accomplished a tremendous amount for the company, but without really originating a solution to any technical production problems. That may sound strange since we typically deal with technical problems, so let me give you the details of this situation.

About six months ago a Mr. Hartley called me and introduced himself over the phone as President of Active Foundry. He said that they were considering a general survey of their operations and wanted to talk with me about the possibility of our firm doing the job. We had lunch together the following day and he was accompanied by Frederick Stokes, a chap of about thirty-five who was introduced as a member of Mr. Hartley's firm. After the usual small talk we got down to business and Mr. Hartley began to talk about his company and some of the problems that were concerning him.

The foundry was an old established one with a good but never spectacular earning record. They produced a wide variety of grey iron castings for a fairly diversified group of customers. As he talked, Mr Hartley gave me the feeling that he felt it somewhat painful even to mention that there could be any problems in the company—sort of like a father refusing to talk about the misdeeds of an errant son. Every time he seemed about ready to come right out and tell me what he thought we could do to help him, he would veer away and speak about some past accomplishment of the company. I also noted that Mr. Stokes said nothing at all but seemed very anxious to get his boss to the point about what was troubling him.

Finally, I talked a little about how we operated. I pointed out that we did things constructively—that it was our purpose to go into a situation and be of help because we could take a disinterested view of things. I told him that we were not critical just for the sake of being critical and that it was our purpose to suggest better ways of doing things, not show up our clients for their faults. At that Mr. Hartley decided to open up.

"I am not sure quite where our trouble lies," he said, "but I can tell you one of its results. For a period of months we have had some complaints from several of our customers

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about deliveries. To the best of my knowledge, and I have checked this from our records, we are shipping the same volume of castings as we usually do. Yet these customers tell me that our deliveries aren't up to the usual standard of promptness in delivery. Mr. Stokes here has been with us for almost a year and has been in charge of production scheduling. He tells me that that is where our problem is—in scheduling—and that with better coordination of our production, we can meet the complaints of our customers. My superintendent, Mr. Horvath, on the other hand, keeps showing me the shipping records and asks how better scheduling of work in the shop could turn out more work. I have to agree with Horvath because we are shipping about the same amount of castings as we usually do. You must remember that we employ only about one hundred and fifty production workers and we can't really increase our production very much by employing more workers unless we also make some substantial additions to our equipment. Now Mr. Wilson, I came to you because Mr. Stokes urged that we engage a consultant to see if we could get some help in the matter."

I agreed to take the job with the understanding that Mr. Hartley would call his top staff together initially and tell them that we were engaged to make a general survey of operations with the possibility of working out with the staff any beneficial changes that seemed to be desirable. I privately noted to myself to have our engineer spend a lot of time with Stokes and find out what he had on his mind.

I assigned George Still, my best engineer, to the job because he had had experience in working with foundries, but principally because he was a shrewd observer. I felt that we might have some problems in the relationship between executives in the company which should be looked into and that George would be sensitive to such possibilities and be quick to see such problems. A week later George turned in his first report. This is what he found in the first four days of work at Active Foundry:

The production equipment was in good shape and reasonably modern. Plant layout was generally good, although there were some minor changes which George thought could be made to advantage. He had talked these layout changes over with Plant Superintendent Horvath, and the latter was enthusiastic about them. Just these few simple suggestions had served to win over Horvath, who appeared somewhat hostile initially. The real meat, however, of George's report dealt with some lengthy interviews with Frederick Stokes.

It seems Stokes had joined Active Foundry about a year ago. Fred Stokes had an engineering degree and worked as a mechanical engineer for a very large firm before coming to Active. He was given the production scheduling job as a way of learning the production end of the business. The job had previously been handled by a schedule clerk working directly in Horvath's office. Fred took the job seriously and began to make a genuine attempt to schedule work to maximize production, at the same time keeping an eye on promised delivery dates to customers. The market had become one where accurate delivery promises were important. Previously the

company had been operating at full capacity meeting defense and wartime demands.

At first Horvath took an indulgent view of these activities. But occasionally the scheduled work was not the work Horvath wanted to do at that particular time, and these occasions became more frequent. Finally, Stokes had to resort to hiding all the orders and just putting out those which he scheduled for the day. If he didn't do that Horvath was inclined to leaf through the orders and select the ones he wanted for a given day. Don't misunderstand. Horvath was an excellent production man and knew full well the value of scheduling work to get long runs on identical castings, and things like that. That wasn't the problem. Apparently, Mr. Hartley had come to operate with a single indicator of business success—pounds of castings shipped per week. Horvath well knew the value of that figure to Mr. Hartley, so that a running total of shipments was kept in the superintendent's office. If, towards the end of the week, the figure indicated that pounds of castings shipped would fall below "average" for the week, Mr. Horvath would pick out some orders that would give him quick poundage, and put them into production. That way he usually had a good paper record of pounds of casting shipped. I think you can see how that might play hob with delivery dates.

Stokes was well aware of Mr. Horvath's practice and the reasons for it. However, he was in an interesting spot. If he exposed Mr. Horvath to Mr. Hartley, he would in effect be criticizing Hartley himself for it was the president who made a fetish out of the weekly shipment figure. Stokes therefore had to get at the matter indirectly. He kept urging on Mr. Hartley the idea that more attention be given to scheduling from the standpoint of promised delivery dates. In principle Mr. Hartley agreed, but in practice he was never able to shake his dependence upon the weekly figure. It was at that stage that we were called in after Stokes had worked on Hartley for several months to bring a consultant in.

It looked as though we had the problem licked at that point. The first step was to go to Mr. Horvath and lay the cards on the table to him. We told him that we knew he was in the middle on the thing and that we wanted his cooperation to get Mr. Hartley to change his view. It was at that point that Mr. Horvath admitted his own knowledge of the whole situation and even volunteered the information that he had been forced to sabotage Stokes by running in at the end of some weeks future orders which would give him enough quick poundage to make the weekly bogey set by Hartley. I personally think that Mr. Horvath was very much relieved to find out that something was going to be done about the whole rather ludicrous situation. George and I were pretty well convinced by this time that customers' deliveries were being delayed by the practice of running future orders to get the weekly poundage figure desired by Mr. Hartley.

We wrote our report to Mr. Hartley emphasizing the desirability of scheduling production from the standpoint of order delivery dates. We pointed out in the report that Mr. Horvath was an excellent production man and could handle the problem of getting efficiency by co-ordinating concurrent orders on the moulding floor. We particularly placed great emphasis

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on the need for taking a longer period than a week for measuring pounds of casting produced, suggesting a month or a quarter. We pointed out that irregularities in a week's production due to scheduling would iron themselves out over a month or a quarter. In short, we emphasized the need for shifting attention from physical production to the relationship of customer's orders to production.

Mr. Wilson finished the account of this consulting experience by pointing out that the solution to the Active Foundry problem was actually in the hands of some of the people involved.

MARY WINKLER, ACCOUNTS RECEIVABLE BOOKKEEPER

Mary Winkler was the accounts receivable bookkeeper for the River Manufacturing Company. Miss Winkler had joined the company ten years ago and had been in charge of the accounts receivable records for the past four and one-half years. Her work had been exceptionally good. Mr. Wilson, her supervisor, often had occasion to compliment her on the accuracy, neatness, and currency of her records. Miss Winkler took deep pride in her work and received considerable satisfaction from the merited praise which was accorded to her.

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At the time of the annual audit of the company records by the certified public accounting firm of Smith and Company, John Watson was a member of the field auditing staff checking the River Company books. Mr. Watson himself was a C.P.A. He was a meticulous man and conducted his portion of the audit in a careful and independent spirit. On the third day of the audit, Mr. Watson came to the accounts receivable records and prepared to use them. He wanted to take the accounts receivable ledger cards and run an adding machine tape on them for purposes of checking the total against the control ledger.

Mr. Watson engaged Miss Winkler in an introductory conversation and after about five minutes of pleasantries, asked Miss Winkler if he might use her ledger cards.

"What do you want them for?" asked Miss Winkler, with just a note of sharpness in her voice. "I would like to run a tape on them," replied Mr. Watson. "It will be

necessary for me to have that information." Miss Winkler immediately reached into her desk and took out a tape, which she handed to Mr. Watson with these words, "I have already run the figures on this tape and you can use it. It will save you a lot of time and bother." The way she acted indicated to Mr. Watson that Miss Winkler felt her foresight in having the information he would need was an added service, above and beyond the call of duty, which the auditors would appreciate.

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Not wanting to offend the bookkeeper, Mr. Watson thanked her for her thoughtfulness in running the tape. He then went on to say that it was his custom to do the work himself and that he would still like to run a tape of his own. "It will be nice to be able to use your figures to check my own accuracy," he added by way of smoothing over Miss Winkler's obviously ruffled feelings. "May I start with the ledger cards?" he concluded. Miss Winkler's answer was an explosive "No!"

She immediately turned on her heel and went storming into the office of her supervisor, Mr. Wilson. Through the open door Watson overheard the gist of the conversation which ensued. "That man doesn't think I do my work accurately. He refuses to use my figures. I did all that work to help him and then he just turns up his nose at it. You've told me many times, Mr. Wilson, how accurate my work is. . . ." and so on. Mr. Wilson listened patiently to the outburst and then began to smooth over her irritation by telling her that "everyone knows how snoopy these auditors are. And, after all, if they do not want to accept such generous favors which you have so thoughtfully provided for them, it is their business. Not everybody appreciates human kindness and consideration and maybe auditors are in this unfortunate class."

Shortly afterwards Miss Winkler returned to her desk and with icy politeness gave Mr. Watson permission to use the ledger cards. In the several days that Mr. Watson worked in the neighborhood of Miss Winkler, she never once spoke to him except when the work required it.

THE PRESSROOM FOREMAN

The only newspaper in a West Coast community of 70,000 has a total staff of around 200. The paper has been owned by the Welty family for a number of years. James Welty, the publisher, is of the second generation of active family management. There has always been a close relationship between Mr. Welty and his employees. Although there have been a number of attempts by the unions in the printing fields to organize the printers and pressmen, the last one being six years ago, none succeeded and Mr. Welty took this as evidence of the strong feeling of loyalty and respect for his management. "You would probably call my kind of management paternalism," he once said, "but that does not quite describe the picture. We live in a pretty small community and I literally live with my employees. I know them all and they know me. I do not have to 'buy' their friendship and loyalty—it's there on a man-to-man basis. We just have a natural respect for each other and that makes for good, honest relationships."

In commenting on the situation involving Harry Fitzpatrick, long-time foreman of the newspaper's pressroom, Mr. Welty said, "I suppose it can be considered a cowardly decision. Yet, in retrospect, I can't see that I could have done anything else."

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Mr. Welty had become very much interested in employee relations, and although he knew of no particular problems in his organization, he nevertheless engaged a personnel consultant to make a survey of the organization as a matter of general check-up and evaluation. For most of the departments of the newspaper the consultant found a high level of employee morale and strong positive feelings about Mr. Welty.

The situation was entirely different in the pressroom. The pressroom was part of the mechanical department, which also included the composing room. The two sections had a total of 38 employees. In the pressroom the employees were bitter in their feelings about Harry Fitzpatrick, pressroom foreman. They charged him with being arbitrary, vindictive, and thoroughly indifferent to their welfare. They pointed to the very poor condition of their locker room as one example of this. In addition, six apprentices were particularly sour on Fitzpatrick. They were all ex-soldiers * and said that Fitzpatrick was con-

* They were under the on-the-job Training Program of the G I. Bill. In the printing industry the pressmen serve a four-year apprenticeship before becoming journeymen. Foremen are almost without exception chosen from the ranks of journeymen.

stantly riding them about wanting to be babied just because they had been in service. He taunted them with trying to ride a gravy train at the expense of taxpayers like himself and generally made their life miserable. All this information was secured from the employees in confidential interviews, and the results were summarized for Mr. Welty.

Case Notes

Mr. Welty was shocked to learn about the pressroom. Without even consulting with Fitzpatrick, Welty immediately ordered the locker room repaired and made acceptable. He acted equally quickly with Mr. Fitzpatrick. The foreman was called into the office and confronted with his own behavior and its reaction upon his men. Fitzpatrick did not deny any part of the story. Then Mr. Welty had a long talk with him about how employees should be treated and expressed very strong and positive opinions about how they were expected to be treated in the future. It was pointed out to Mr. Fitzpatrick that he was a man of 23 years' service in the organization, 13 of them as a foreman, and should know better. Finally, Mr. Welty said that he would not fire Fitzpatrick but certainly expected him to change his ways.

Several months later a recheck of the pressroom showed no substantial change for the better. The men were still not satisfied with Fitzpatrick and they felt that there had been no visible signs of improvement in his relationship to them. The situation obviously called for something more drastic than a verbal reprimand for Mr. Fitzpatrick.

During this period the newspaper was erecting a new building to house some modern presses. Mr. Welty still was reluctant to dismiss Fitzpatrick and hit upon the idea of putting him in charge of press installation. It would take approximately one year to install the presses, during which time Mr. Fitzpatrick would act as the newspaper representative in dealing with the press manufacturer and building contractor. To take Mr. Fitzpatrick's place in the pressroom, the assistant foreman was made acting foreman.

"As I said," Mr. Welty stated, "this is probably a cowardly decision because I still have to face doing something with Fitzpatrick one year from now when the new presses are in and running. But then a lot can happen in a year's time and I will cross that bridge when I come to it."

BRIDGE AND BUILDING DEPARTMENT SHOP FOREMAN

The Bridge and Building Department of the Central Railroad did construction and machine repair work on the right of way in the Illinois Division of the railroad.

Mike Burke, a fiery, red-faced Irishman, in his forties, was B. & B. Superintendent, in charge of the Illinois Division. He had come up from the bottom due to his ability, determination to get what he wanted, and the railroad seniority policy. Stories are told that "he's been punched in that fat red face more than once in gettin' his way."

Case Notes

The main B. & B. Illinois Division shop was located in the same town as Mike's office. The shop foreman, and my immediate boss, was Leonard Swensen, son of Swedish immigrants. He seemed to be older than Mike, but his elderly appearance might have been due to his family worries. His wife was dying of cancer, and his son was either wounded or killed during the war. He never talked about these outside troubles around the shop. Leonard was liked by all of us boys, but there was a lack of respect for him among the workers. He was a quiet man, who seemed a little unsure of any decision he was forced to make. He often forgot to give us a job to do, or seemed confused as to where to find work for all of us.

We were hired—about ten young men—for the usual summer jobs on the Railroad. We talked to Mike first, and he told Leonard to put us to work. We later found this work often consisted of "weeding"—a B. & B. term, which meant pulling the weeds and grass up from around the shop's back fence, or in the scrap pile near the roundhouse.

When we did get out on a job with a carpenter, we soon learned the weight of Leonard's authority. As soon as he had gone over the entire job with his blueprints and measuring rule, along with the detailed instructions, he would leave. Then the carpenters would do the job their way, without "that dumb Swede trying to tell us how to do this job."

The big moment of each day arrived when Mike came out to the shops. The word would get around of his arrival, and all of us would appear to be as busy as pos-

sible. Then with a roar, his red face under a straw hat and sun glasses, Mike would hurry through the shop, with the little foreman right on his heels, like a scared dog trotting behind his master, barking a meek "Yes, Mike, yes, Mike, yes, Mike."

Case Notes

This happened at least once a day. We were fearful of Mike, but the old carpenters and mechanics ignored him with, "That red-faced – – – – –."

Now we had no complaints about the amount of "work" we had to do, or with "Lenny," as Mike called him (when he didn't call him "you – – – damn Swede"). In fact, we had fun with him by hiding in empty boxcars —sleeping, playing cards, or just hiding from Leonard. When he would find us his only remarks would be: "Now, boys, you know I was looking for you." He would think of a job for one or two of us—maybe weeding—and the rest of us would continue on the "gravy train."

It was rather difficult to figure out what Leonard's job really was. The orders he gave the men were only those thrown at him by Mike. The repair work, which constituted the largest percentage of all the jobs, was handled by assignment. Once Leonard assigned the mechanics and carpenters to a job they took over and did it the way they knew best. Leonard never supervised a job while it was in progress. He never hired the men, even the temporary help like myself; Mike did the hiring for him. Leonard did start off each morning by calling all the men together and reading them the "morning safety rule." But this, no doubt, was required practice for all foremen.

Most of the regular men in the shop were skilled in their trade and knew how to do their jobs well. None of them seemed to have much respect for Leonard. Mike certainly gave constant public evidence of his contempt for Leonard. The temporary men, like myself, didn't have much respect for Leonard either.

RESEARCH DIVISION, IMPERIAL, LTD.

Imperial, Ltd., a large and diversified firm in the consumer durable goods industry, established a research group to do fundamental research in the physical sciences. In working out the role of the research group, an attempt was made to distinguish clearly between the work of this group and the "practical" research carried on in the engineering department of the manufacturing division. It was assumed that applications of the research group's

findings would be the work of the engineering department. On the other hand, the research group was to have wide latitude in determining its research program on the general theory that fundamental research would "pay off" ultimately if given freedom to develop without reference to the immediate problems of the company in its product development and manufacturing processes.

Case Notes

The recently established research organization of Imperial, Ltd. had divisional status in the parent organization, which gave to the research group a wide degree of independence in operation. Heading the research division was a director who reported to the executive vice-president and had ready access to the president. The director was a member of the executive committee of the company.

Internally, the research division was divided up into three sections, each presided over by a section head. The three section heads, together with the director of the research division, constituted the administrative group responsible for major policy decisions affecting the internal operation of the research division. The majority of staff of the research division were men with advanced degrees in their specialties.

One of the section heads was J. Ronald Smithwick. Dr. Smithwick had been engaged in governmental research until the end of World War II. At that time he actively sought another position and was delighted to receive an offer from Imperial, Ltd., to head up a section of the research division. Although Dr. Smithwick had no particular reputation as a researcher, he had considerable administrative experience in the research field. He was first choice for section head on the list of prospects which Dr. Buckmaster, chief of the division, reviewed. With the appointment of Dr. Smithwick, the top positions of the research division were filled.

About six months after the appointment of Dr. Smithwick, another appointment was made in his section in the person of Dr. William Ransom. Ransom was a very outspoken person and made no effort to be particularly diplomatic in his relations with other staff members. He had come to the research division from a professional position in one of the major universities of the country, attracted by the research opportunities offered at Imperial, Ltd. He was generally acknowledged to have made some im-

portant contributions to the work of the section, although there may have been some of his associates in the division who resented his sometimes brusque approach to them. In technical staff meetings he sometimes treated roughly the research work of his associates. Although it was usually acknowledged that his points were well taken, his manner of approach was sometimes resented. Associates professionally respected but personally disliked him.

Dr. Ransom had been hired on a one-year basis with the understanding that the contract would be renewed on a permanent basis after the first-year trial period if it proved mutually satisfactory to the company and Dr. Ransom to do so. The one-year trial period permitted the company to be certain that it wanted to keep a particular research man on a permanent basis. The permanent contract gave security to the research man and a certainty that an extended research program spanning several years could be carried forward.

Two months before the end of Dr. Ransom's initial contract period, there was a crisis in the research division. Dr. Buckmaster had been building up the staff of the division very rapidly in attempting to establish a program of "fundamental" research for the company. This was his third year as director of the research division and some of the top company executives were beginning to question the rapid expansion of the research division in the light of what was considered meager results. During the same time the research division was experiencing difficulty in working out satisfactory relations with the engineering department of the manufacturing division.

Dr. Buckmaster viewed the crisis situation that developed in the research division as primarily related to the difficulty with the engineering department. Dr. Buckmaster felt that his division could not operate satisfactorily without having the conflict with engineering settled. In this the senior members of the research staff concurred. Accordingly, Dr. Buckmaster carried the fight to the highest levels of the company, and when it became clear to him that his point of view would not prevail, he resigned.

To replace Dr. Buckmaster with a permanent appointee would have taken a considerable period of time. The top officials of the company decided that in view of some skepticism towards the research division, it might be well to appoint an acting head from within the organization and see how things developed. As a result, Dr. Smithwick was promoted to acting director of the research division.

Case Notes

His appointment was generally accepted within the research division.

One week after Smithwick took over his new job, Dr. Ransom received his first renewal contract. Dr. Ransom's new contract contained a salary increase which had already been agreed to, but did not follow the usual form of a permanent appointment after the first year of satisfactory service. This had also been agreed to in negotiations with Dr. Buckmaster before he left. Dr. Ransom immediately obtained an interview with Dr. Smithwick and the following conversation ensued.

Ransom. I received my contract today and I am very much disturbed by what I found in it. It is a one-year contract and not a permanent appointment as I understood it would be. What the hell has happened here? Is someone trying to give me the run-around?

Smithwick. Oh? I guess you're right. I guess I did know about this before. Your contract does not have the permanent clause. As a matter of fact I noted that in the budget about a week ago when I was looking it over. I don't remember any reason why it should be like that. I asked the administrative assistant to check the matter and he had some reasons but none of them made any sense to me.

Ransom. You mean to say that you knew about this before the contract came out and then did nothing about it? I am damned surprised at that. It looks to me as though I am getting some kind of a double-cross here. Everyone distinctly understood the kind of contract I was going to get.

Smithwick. You know that I am not trying to double-cross you.

Ransom. No, I don't think you are that good an actor.

Smithwick. Frankly, I did not do anything about this when I saw it because I don't want to get the front office stirred up about the research division. I would have had to go to the front office and tell them that we had made a mistake on the budget. I want to stay as far as possible from the front office until I can show them that we are really getting results here. Why don't you sign this contract and in a short time we can make the adjustment. It would help me if I didn't have to take this up right away.

Ransom. This contract is no good to me.

Smithwick. Well . . . let me check around a little bit and see what I can do about it.

Ransom. Then how long am I going to operate here without a contract?

Smithwick (*surprised*). What do you mean?

Ransom. You don't think I am going to sign this contract, do you? That would destroy all my bargaining power in the situation.

Smithwick. Well, let me see what I can do and check with me not later than tomorrow morning about this. As far as I can see, Bill, the only grievance you have against me is that I didn't do anything about this error when I first spotted it.

Ransom left Smithwick's office without even acknowledging the last comment. The contract matter was cleared up on the following day and a new contract was forwarded to Dr. Ransom. The incident had resulted from a clerical error in the research division administrative office.

Case Notes

After reconstructing the above conversation and its contents, Dr. Ransom made the following observations: "Smithwick certainly was honest in admitting his knowledge of the mistake and then doing nothing about it before I learned about it. The thing that disturbs me is that he lacked the moral courage to correct the error even if it meant exposing a mistake to the front office. A man like that can't be trusted. He may try to cover up really important things to save his own neck. As far as I'm concerned he is never going to have an opportunity to make me the butt of one of his cover-ups again."

METAL WORKERS UNION

Joe Smallwood was the district director of the Metal Workers Union. He was generally conceded by his union associates to be a capable organizer and administrator. Yet, during World War II he faced one of the most difficult administrative problems he had ever met in his long career as union member and official. In his own words, "I've seen a lot in my time, but none like this one." As district director of the union, Mr. Smallwood was the national union representative and liaison with the local unions of his district. In his particular district he was well liked by the local union people.

Case Notes

Mr. Smallwood told the story of his problem in running his organization in the following words:

During the War we had a no-strike policy like most of the unions. We made a really serious effort to carry out this policy. It was particularly important for us to do that because our union is in the iron and steel industry and we were crucial to the war effort.

One of the plants in my district is a steel plant. I had organized it back before the war and had a good local union in there. There was some strong leadership and the members had a lot of interest and respect for the union. We did a lot for them in the plant.

In the tin mill there is a group of about seventy-five

Case Notes

women who handle the tin plate, called tin turners. A lot of these women had men folk in the war, and they really took the matter very seriously. This was one of the few departments in the whole plant that employed women. Most of these women were middle-aged and had long service with the company.

In that department there were two women from one of these religious sects. Their religion prevented them from observing any of the patriotic things we do and from contributing to war bonds and things like that. Those women had been in the plant a long time and had a lot of seniority. They were also strong union members. As far as I knew before the war they got along all right with the other women. In this industry we have a lot of different nationalities and religions so these two women weren't unusual in that respect. They were Witnesses.

After we really got into the war things got bad. First off, the other women gave these two women the silent treatment. That didn't do any good. Sadie Schmidt, who was the elected grievance committeeman from that department, told me the two women just didn't pay any attention to the fact that the other women wouldn't talk to them. I figured at that time it was none of my business and stayed out of the situation.

On the first Armistice Day after we entered the war these two women refused to stand at attention and face east during the observance. That really made the other women mad. They started to say things like: "If they won't be patriotic then they shouldn't work in a war plant and make their living off the war." Sadie got ahold of me that afternoon and said the tin turners had decided not to work any more until the two women were gotten rid of. Sadie said she argued with the girls but they just wouldn't listen—they weren't going to work if the two of them worked.

I couldn't do anything about it because those two women were in good standing in the union and had high seniority. Besides they had been damn good union members and were among the first to join. I had no grounds for asking management to fire them or transfer them some place else. Besides it's a policy of our union not to discriminate. This is right in our constitution and we take it seriously because we have so many different religions, nationalities and races in our union, and this whole business was something about religion.

Well, I didn't do anything that day and sure enough, the next morning the gals had a picket line at the gate

and signs saying that they wouldn't work as long as the two "slackers" were in their department. They didn't stop any of the men from going to work but they wouldn't go in themselves. I went out and talked to them and so did Sadie, but it didn't work.

Case Notes

We could have handled the situation if management had cooperated. But instead of working with us they made use of the situation to embarrass us. We never could get that management to accept real collective bargaining and they sure tried to ride us on this one. They kept insisting that the two women would have to stay where they were —seniority and all that. Then they threw up to us our no-strike pledge and gave me hell for letting the girls walk off the job. Then they went crying to the Army about how we were sabotaging war production.

Two Army men came out to see me that afternoon and they must have spent three or four hours with me and Sadie trying to impress Sadie with how important it was to keep working. Sadie kept using the same old argument about how the girls would not work with slackers. You got to remember that was at the first part of the war when we were taking some pretty hard knocks. Well, these two Army men finally made some impression on Sadie and she promised to at least tell the women what the Army wanted them to do. After they left I gave Sadie the picture from the union standpoint and pointed out that we just couldn't discriminate against the girls. Furthermore, the situation was now being used by management against the union and we would have to watch out for that.

Sadie got the girls to go to work the next day all right, but that case remained a sore spot for a long time afterwards. The women weren't satisfied because nothing was done to get rid of the two religious-sect girls. In fact, that case got kicked around in the War Manpower Commission and the F.E.P.C. All that did was to give the women some notion that something might be done, but none of the government agencies ever did anything about it.

GREGORY PELLHAM

Mr. William Stover was the president of Stover Industries, an amalgamation of several small companies in the electrical parts industry. He had inherited one of the group of companies from his father and had purchased three other companies to make the present Stover Industries. Mr. Stover was only thirty-one years old. He was a dynamic individual full of ideas and drive. In one year's time he had welded Stover Industries into a profitable organization known for its aggressiveness.

Case Notes

Mr. Stover integrated the four companies into a unified organization by welding the individual managements into one unit. Some individuals were let go in each organization as it was purchased and became a part of Stover Industries. In several other instances, executives of the newly purchased companies resigned because of difficulties in working for such a young and driving boss. The four plants were continued as individual manufacturing units of the company, and together employed approximately 475 production workers. Some problems were involved in integrating the individual sales staffs since the original companies had been competing with each other and the salesmen consequently had duplicating territories. This was gradually being worked out but the salesmen were permitted to keep their own old customers so that it was next to impossible to assign exclusive territories to each salesman. The sales staff included seventeen men and the sales director. The sales director had been with the original Stover Company as sales manager. He knew William Stover well and was able to work as his complacent subordinate. Most of the sales director's time and energy was devoted to routine direction and coordination of the sales force. Although a trusted lieutenant of Mr. Stover's, the sales director was not much more than titular head of the sales force; Mr. Stover provided the active leadership.

Mr. Stover had personally hired Gregory Pellham, a college classmate, as a salesman for the organization. Mr. Pellham shared some of Mr. Stover's drive and enthusiasm and in a short time had justified his selection with a sensational sales record. In terms of sales performance Mr. Pellham's record left little to be desired.

Yet, Mr. Pellham represented a thorny problem to Mr.

Stover. The problem as outlined by Mr. Stover appeared to him to shape up in the following fashion:

Case Notes

I hired Greg because I knew something about him from our college days He was always a leader on campus and we had worked well together in campus affairs. Greg was just the kind of man I want in this organization—a lot of drive and originality. Furthermore, I know I can trust him and depend upon his loyalty. The way I operate I need a loyal organization of people who will pitch right in on the projects we develop.

Greg has already more than justified himself with his sales record. He is one of our top salesmen and will probably be the best in a year or two. Could you ask for anything better than that?

Here is where the rub comes in. Greg is the sort of fellow who has absolutely no respect for organization. He will get a "hot" order, for example, and go straight to the plant with it and raise hell until that order is delivered. It doesn't make any difference to him that he has kicked our production schedule to pieces. He got his order out and had a satisfied customer. Of course, that sort of thing gets him repeat business and shows well on his sales record. But it has made running our plants a constant headache. It is not only the production people who have felt the impact of Pellham on their operations He gets mixed up with our engineering department on new designs and has even made himself unpopular with the purchasing department by needling them to hurry up things he needs for his orders.

You can just imagine how the rest of the organization feels about Greg. He is the most unpopular man we have. The other salesmen hate his guts for getting their orders pushed aside—and probably have a little bit of jealousy about his success as a salesman, too. The production people, the engineers, the purchasing agent and most of the rest have constantly complained to me about how Greg gets into their hair. Now, Greg is personally a swell guy and everyone says they like him personally, but just can't work with him in the organization.

I have talked with Greg many times about this. I've given him hell, pleaded with him, tried patiently to point out the results of the way he operates, and all of that. For maybe a week after one of those sessions he will reform and we all start thinking that maybe things will work out—then "bang" he is off again and has someone mad at him again.

I suppose that in many respects Greg is just like me. I can appreciate what he is doing and why he does it. I would probably do about the same things myself. You see, I have a lot of sympathy for his point of view.

I think you can see now what my problem is. Should I fire Greg and lose a star salesman? That does not make too much sense. In fact, Greg is probably the man who should be our sales director, if not immediately, at least in a few years. But he just can't get along with the organization. He doesn't know the meaning of "channels" and "procedures" and has the whole organization down on him. Here is a man who has real talents and abilities—who is valuable. Yet he is a liabil-

Case Notes

ity, too. Should I take a chance on things eventually working out and Greg getting educated to the organization? Should I put pressure on him and order him to work with the organization—or else? What would that do to his enthusiasm as a salesman and his sales record? If I just let things go, then, there is real danger to my organization. My executives will think I have given Greg the green light and they will transfer their antagonism from him to me; I can't afford that.

GRAND CITY SCHOOL SYSTEM

Under the direction of the superintendent of schools, and with the encouragement of the Grand City school board, the professional staff of the school system undertook to develop a policy manual for the public schools. As the result of many months of work a manual was developed which set forth the basic structure and principles of operation for the school system. Of particular interest was the use made of the idea of functional organization in setting forth the main features of the public school system.

Case Notes

One of the major problems faced in thinking about the school system was to describe and structure the administrative organization and to make such changes as were necessary to relate all existing and newly created functions to each other. Put another way, the professional staff asked itself this question: "Do you develop your organization structure on a personnel or functional basis?" A great deal of discussion was necessary to arrive at the conclusion that functional organization was best.

In the words of one of the assistant superintendents:

> We mean by functional organization that the functions performed in the organization are described and not the people that happen to perform these functions. The result is that in our organization chart, if you attempt to write in the names of persons who perform the functions outlined, you might have the name of the same person in several blocks of the organization chart. This actually represents our situation organizationally and is a rather difficult concept for people to grasp initially.

The principal purpose behind wanting to define the organization in functional terms was to be certain that there was a large measure of joint decision-making among the teachers and administrators and sufficient flexibility so that the school system could be responsive to changing conditions.

Case Notes

The basic policies of the school system were formulated by the Board of School Trustees. The Superintendent of Schools was responsible for calling situations demanding decisions to the attention of the Board and recommending appropriate action. In addition he was responsible for the efficient administration of the school system. The general organization structure is shown in Chart I.

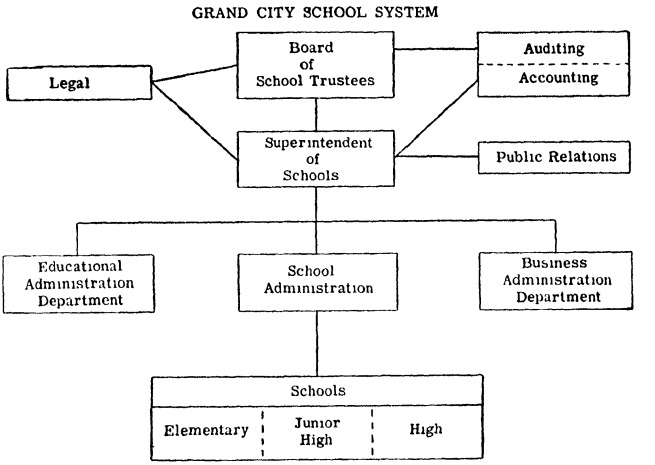


CHART I

Chart I shows that the "line" organization flowed directly from the Superintendent to the staffs of the schools. In a staff capacity to the Superintendent were the educational administration department and the business administration department. Each department, in addition, carried out directly certain service functions in connection with the operation of the schools.

We will concentrate on the educational administration department and examine it in some detail. Chart II shows the functional organization of this department. It is possible to get a fair description of the functions performed in the five major service divisions by looking at the responsibilities of the assistant superintendent in charge of this department.

The duties of the assistant superintendent in charge of educational administration included assisting in the development of policies and procedures for and the administration of the following areas:

a. The supervision of instruction in all schools at all levels, and development of all curricula with the

FUNCTIONAL ORGANIZATION
EDUCATIONAL ADMINISTRATION DEPARTMENTS

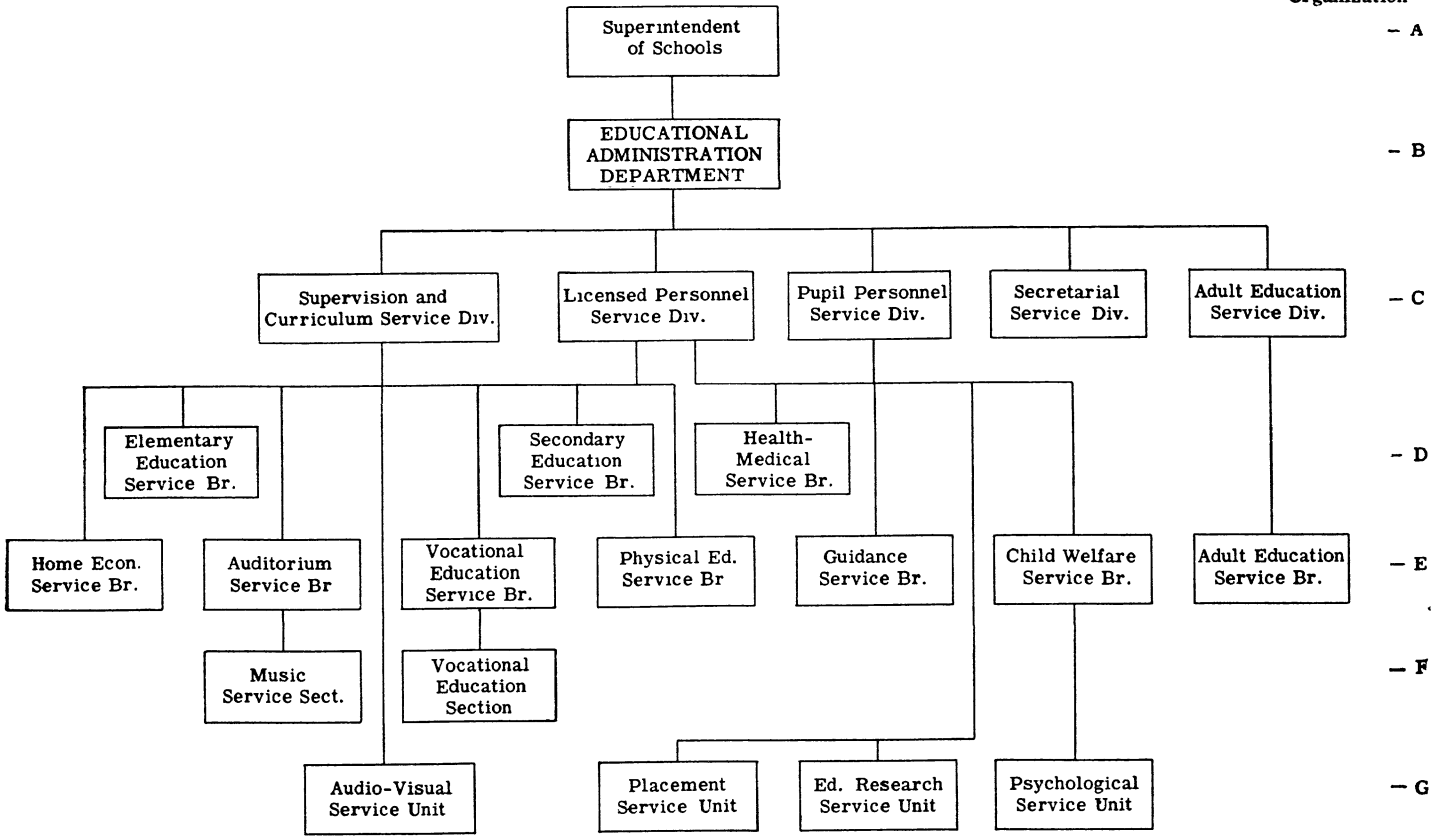


CHART II

aid of supervisors, principals, teachers, and other appropriate staff members.

Case Notes

b. The licensed personnel service (teachers and others required to have a license to practice their profession), which shall include the responsibility for seeing that selection, nomination, position classification, appointment, assignment, transfer, promotion, training in service, leaves of absence, tenure, retirement, resignation, dismissal, contracts, and salary programs are carried out in an orderly fashion and in accord with established regular procedures.

c. The pupil personnel service, which shall include the guidance, health and medical, child welfare, educational research, and psychological service programs.

d. The adult education program, which shall include all academic, vocational, and recreational activities organized by the public schools for adults.

e. The secretarial service, which shall include the development of procedures, rules, and regulations for such staff.

It must be remembered that as a staff organization, the educational administration department had to have effective and cordial relations with the school principals and teachers. It was the latter who carried out the primary purpose of the school system. It will be noted that the educational administration department supervised instruction and developed curricula with the aid of supervisors, principals, and teachers. In the performance of the supervision and curriculum functions, the school principals and teachers took an active part in formulating the policies and programs. When these functions are shown on the organization chart together with their subordinate branches, sections, and units, attention is drawn to the fact that such functions have to be performed within the school system as a whole.

An illustration will help make clear the actual operation of the school administration staff. The science teacher in the West Side Elementary School had a problem in working out some course units for teaching botany. She was faced with the general problem of working out the content of the teaching units in relation to the teaching methods. Because she was dealing with the elementary level students, she also had the problem of determining the level at which she would carry out the instruction.

PROFESSIONAL STAFF
EDUCATIONAL ADMINISTRATION DEPARTMENT

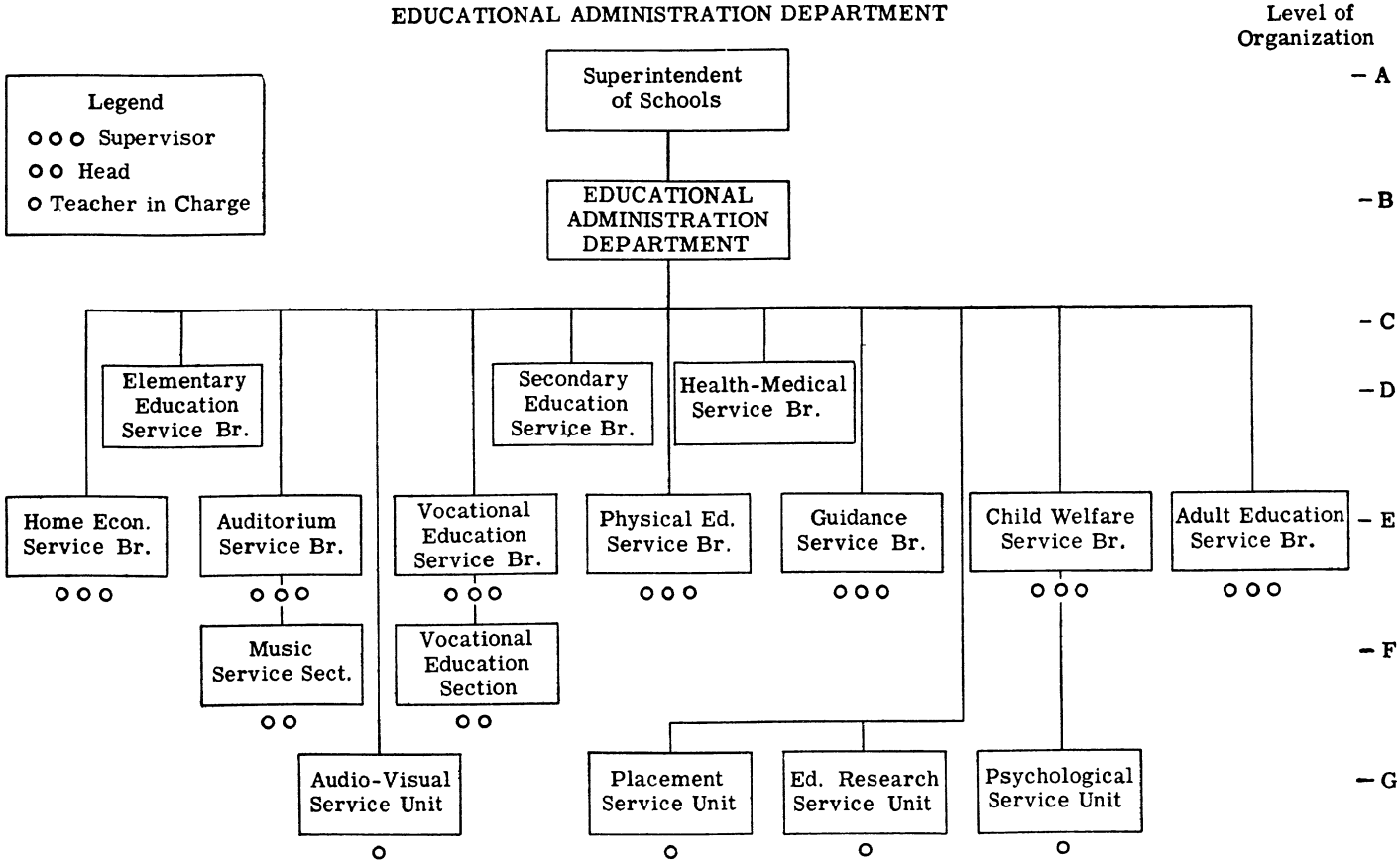


CHART III

The teacher discussed this problem with the principal of her school who immediately suggested that she consult with the Elementary Education Service branch of the Educational Administration Department. After an initial telephone conference, a member of that Branch came out to the school to work with the teacher. When he found out in detail the problems confronting the teacher, he concluded that these problems were similar to those which a science teacher at the Wilson Elementary School was facing. Accordingly, the two teachers were brought together in a conference with the staff of the Elementary Education Service Branch. At the very start of this conference it was found that there were some problems of information concerning the relation between science teaching at the elementary and the high school levels. This led to calling in a member of the Secondary Education Branch. These people ultimately worked out a satisfactory teaching program for the teachers at both schools. The Educational Administration Department had contributed the services of staff experts to the solution of an operating problem in teaching.

On the other hand, emphasis should also be placed on the administrative functions which the educational administration department had. For example, in the licensed personnel service, the Educational Administration Department was responsible for seeing that the personnel policies were "... carried out in an orderly fashion and in accord with established regular procedures." Once decisions had been made with respect to the operation of the school system, the Educational Administration Department had the responsibility for administering these decisions if they fell within its five areas of functions.

It is with respect to the administrative aspects of running the Educational Administration Department that it is necessary to put people in charge of the functions set forth on the functional organization chart. This is done in Chart III, which shows the personnel of the Educational Administration Department.

In changing over to a functional conception of the organization there were a number of problems. One involved naming the divisions of functions and the titles of persons performing the functions. The solution arrived at regarding titles of persons is shown in Chart III, where the titles can be seen in relation to the levels of organization. After these titles were established some of the personnel were disturbed. In the words of one of the assistant superintendents:

Case Notes

The pattern finally developed is relatively clear, but the problem that had to be worked through was the matter of status of personnel. There had been no pattern of titles in the past, and every supervisor had made his own title. Every supervisor had the feeling that the word "department" carried the most status, and that the title "director" accompanied it It was with considerable difficulty that we arrived at names and titles which would satisfy most of our people. This is not a major problem except as it affects the feelings of people in the organization who are doing the various jobs, and from their point of view, it does constitute a problem. For instance, in one or two cases we instructed supervisors who had been carrying the title of director to continue to carry such titles until their stationery ran out or until another school year began. These face-saving devices seemed to be of some effect in gaining acceptance for the general reorganization.

This same superintendent summarized the change in structure as representing a genuine improvement over the former organization. He emphasized that it gave flexibility in the way decisions were made by being able to assemble the interested people in groups to make decisions on problems relating to particular functions.

THE SPECIAL REPORT

Mr. Donald Rigney had been chief of the labor relations section of an Army procurement agency during the war. He worked in one of the 12 district offices of this procurement arm of the Army. He was responsible for carrying out general Army policy in his district as it related to the labor relations problems of the hundreds of contractors who held Army supply contracts in the district.

The particular supply branch of the Army of which this district was a part had its headquarters at the Pentagon in Washington, D. C. From this headquarters were issued the general directives under which the district offices operated. In turn, the headquarters were coordinated with the other supply arms of the Army through the Army Service Forces. Thus, Army Service Forces could issue directives to the individual supply services.

Case Notes

In the field of labor relations there were special problems involved in determining the activities of Army representatives, especially in labor disputes at the plants of private contractors fulfilling Army contracts. The general dispute settlement machinery of the Federal government was centered in the War Labor Board and the

Case Notes

U. S. Conciliation Service, with the National Labor Relations Board continuing to handle its usual cases and the War Production Board having some minor responsibilities in labor disputes. Thus, the bulk of the dispute-handling machinery was in the hands of these civilian branches of the government. One of the problems was to achieve some degree of coordination among these civilian branches of the government, as well as with the Army, Air Force, and Navy supply services which were concerned about labor disputes as they affected military supplies. Up to this point there had been no clear-cut declaration of policy for the guidance of labor relations officers like Mr. Rigney. Hence, Mr. Rigney and his counterparts in the other district offices had developed their own operating procedures in dealing with labor disputes at the plants of Army contractors.

In the light of this situation and the obvious need for some kind of coordinating policy, Army Service Forces issued a directive to the supply arms spelling out the Army responsibility in instances of labor disputes in contractor plants which affected production of military supplies. The core of this directive consisted of three basic points: (1) Certain specified information about the dispute would be forwarded immediately to Washington so that prompt action could be taken through the civilian dispute-settlement agencies. (2) The local labor relations officers were to inform the union and company involved in a dispute of the vital need for the product or products and urge that they make their decisions in the light of national interest. (3) Under no circumstances were the Army labor relations officers to act as conciliators, mediators, or arbitrators in labor disputes, or to intervene in any other way than to inform the parties of the national interest involved in the dispute. Thus, the directive confirmed the fact that labor dispute handling and settlement was to be in the hands of the civilian agencies of the Federal government.

When Mr. Rigney received the directive, he made immediate protest to his chief, Colonel Settler. Mr. Rigney pointed out to Col. Settler that through the activities of the labor relations staff many disputes had been settled quickly or even avoided which might otherwise have been very costly to the war effort. He further pointed out that his staff could no longer do the things it did in labor disputes because the directive specifically forbade direct intervention in such disputes except to call attention of the parties to the needs of war production. The matter

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was discussed at some length by Col. Settler and Mr. Rigney, the latter constantly playing up the past effectiveness of his staff, and the fact that this effectiveness would be severely limited in the future as a result of the directive.

Col. Settler was an industrialist who was called to active duty as a reserve officer. He believed in the desirability of local autonomy in procurement work and was very sympathetic to the arguments of Mr. Rigney. He had seen Rigney and his staff in operation and was convinced that they were doing a good job. Furthermore, he felt that Mr. Rigney was aware of the needs for coordinated governmental efforts in handling labor disputes affecting the war effort, and that he could be relied upon to use good judgment in working with all the other government agencies involved. Accordingly, Col. Settler asked Mr. Rigney to prepare a report to show how the labor relations staff had operated in the past. He promised to use the report to request from Washington a modification of the policy laid down in the directive in order that his labor staff could continue to operate as it had in the past.

Following is the report prepared by Mr. Rigney.

MEMORANDUM

January, 19____

SUBJECT: Labor Relations Cases
TO: Colonel Settler
FROM: Donald Rigney

1. These seven cases are presented as illustrations of the necessity for intimate and continuous local contact with current labor situations. Knowledge of the following essential factors necessarily enters into an intelligent handling of labor matters.

a. Personalities of union officials.
b. The internal politics of the local unions.
c. The continuously changing official and unofficial policies of the local unions.
d. Relationships between local and national union officials.
e. The detailed past history of relations between the company and union.
f. The confidential version of the situation separately secured from management and union.
g. The labor relations policies of the company.
h. The personal confidence of the union officials.

2. It is only through personal contact with the situation that the above factors can be taken into account in the expeditious handling of labor disputes.

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/s/ Donald Rigney

DONALD RIGNEY
Chief, Labor Relations &
Training Section

INCLOSURE

ACE STEEL CO.

History

At the request of the Works Manager, investigated slowdown in a department of 32 operators on four slitting machines. The union was then negotiating a first contract with the company. Production records indicated a decrease in output. The union regional director, the local union president, secretary, and steward of the department in question were called into conference and requested to take immediate steps to bring production up to normal. The regional director was requested to speak to the men on each of the three shifts that same day.

Result

During the course of the slowdown the men had been producing at a rate equivalent to the guaranteed day rate of pay. After receiving orders, however, production jumped to the point where the men were averaging a 25 per cent bonus over the guaranteed day rate. As a result of action taken by this Section, a slowdown was halted.

WALTERS COMPANY

History

New facilities were being constructed for production expansion. The building was being erected to house only machinery purchased for the Government account. Section urged and secured agreement of the local Building and Construction Trades Council for the general application of the policy of time-and-a-half pay for all overtime rather than double-time. This applied to all construction and machinery erection work.

Result

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With construction and machinery installation being rushed to completion and considerable overtime involved, it is estimated that the Government was saved 12½ per cent in wages.

CLYBURNE MANUFACTURING COMPANY

History

Two unions were seeking representation rights in this plant. Neither had won an election as bargaining agent. A temporary layoff, due to material shortages, was interpreted by some of the employees as a company move to combat union organization. The organizer for one union called this office an hour and a half before the three o'clock shift went on and reported that those employees had decided among themselves to strike if anybody was laid off that afternoon. This information was immediately passed on to the works manager, who had been totally unaware of the threatened work stoppage.

Result

There was no layoff, and no strike occurred. Information was secured through a source now barred to us on order from Washington which prevented the development of a strike.

OTTO IRON WORKS

History

Strike started at 11:00 P.M. at the beginning of second shift on the date of the expiration of the third union contract. The union contended that the company stalled on negotiating a new contract, union demands having been presented well in advance of contract expiration. Up to the time this Section had been notified of the situation on the day after the strike started, there had been no move by either party to establish a basis for putting the men back to work. The following action was taken (all by long-distance telephone):

5:15 P.M. Telephoned company vice-president for basic information.

5:35 P.M. Called international representative of the union, who indicated that by setting a definite

time for a conference between management and union at any hour the next day, the men would go back to work at once.

6:00 P.M. Called company vice-president recommending that meeting be held.

6:30 P.M. Received call from company attorney who was in wholehearted accord with such a conference. He called company vice-president urgently recommending such a meeting.

6:45 P.M. Company vice-president called to accept a meeting to be held at the plant with union at 7:30 the following morning.

7:00 P.M. Called international union representative informing him of company arrangements, and he promised that the 11:00 P.M. shift would return to work. At 8:30 A.M. the following morning company official confirmed that men had returned to work at 11:00 the previous night.

Result

There was every indication that no progress in the case would have been made that week, which would have meant a strike lasting from three to five days. On action taken by this Section, only one day's production was lost.

SOUTHWAYS ENGINEERING CO.

History

A general strike of the building trades in the town in which Southways Engineering Co. was located resulted in a work stoppage of building trades unions renovating subject plant preparatory to operations on three important contracts. Case reviewed with local officials of unions and building contractor, and an agreement was worked out whereby the contractor would make retroactive to the day of the strike any subsequent understanding reached on wages between Building Contractor's Assn. and the unions.

Result

A double crew of men returned to work at the plant on the following day. This was the only construction job that was touched at any time during the strike. It was made possible only by impressing the union with the importance of getting the building ready for operation.

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A letter was received from the company president reading in part:

> The writer wishes to take this opportunity of commending you for the action taken with regard to the strike of painters, electricians and carpenters on our building facility job. All the men were back to work by noon yesterday and matters are now progressing smoothly. Thanks a lot for your help.

ARTHUR P. CLANCY CO.

History

Company was negotiating a first contract. At 3:00 P.M. August 28, Mr. O'Kelley, president of the company, requested that a representative come out immediately to assist in establishing a date to which any subsequently negotiated wage increase would be retroactive. At 5:00 P.M. a member of the Section entered the conference with Mr. O'Kelley, the plant superintendent, the company attorney, and the union officers. The plant superintendent concurred in a statement made by union officials that unless a date could be set by 9:00 P.M. that night, the men on the next shift would strike. The Section representative secured from each side a list of the crucial dates in the negotiations and then suggested a date which could be used. This was accepted by both sides. The company posted a notice to that effect at 8:00 P.M.

Result

There is no existing government agency equipped to step into such a situation on short notice and prevent a work stoppage. Both management and union officials agreed that through the work of this Section a strike was averted. Following is an excerpt from a letter to Donald Rigney from Mr. O'Kelley:

> Almost immediately following the conclusion of the union conference in which you participated, I left the city, and this, therefore, is the first opportunity I have had to express to you our appreciation for the promptness with which you responded to our joint appeal and for the intelligence with which you handled it.

CONGRESS METALS COMPANY

History

Wildcat strike occurred August 6, after breakdown in union contract negotiations. Next day this Section representatives met with company and union officials. Union

had planned to hold a membership meeting Sunday, August 9, hoping to have men back to work Monday the 10th. However, the union officers were convinced to advance the meeting to the 8th by sending telegrams to all members as follows:

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By order of the War Department a special meeting of Local 1364 is called for 10.00 o'clock A.M Saturday morning, August 8, at Union Hall. You must attend Signed Basil Grant, President and Shop Committee.

There was a 95 per cent turnout of the membership. A representative of this Section addressed the meeting, pointing out the importance of their work to the war effort. All but three clauses of the contract were accepted with the understanding that these three would be submitted to the War Labor Board. Men then voted to return to work starting the next shift—2:00 P.M., August 8.

Result

Men resumed work at least two days earlier than they might have (plant operates a full force on Sunday) on personal request of this office to do so.

INTERNATIONAL CORPORATION GRIEVANCE

The following statement is the brief filed with the Umpire who handled the final step in the grievance procedure under the collective bargaining contract between the International Corporation and the Federated Metals Union. This grievance arose at the Sexton Division of the Corporation.

Only the union brief is presented here although the Umpire made his decision on the basis of a hearing and briefs filed by both the company and the union.

UNION'S BRIEF

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GRIEVANCE: #5184

I have been unjustly discharged.
Request reinstatement with full
seniority and pay for all time lost.
(Signed) John Wales

Statement of Facts:

John Wales had seniority at International Corporation dating from October 24, 1939. Prior to June, 1948, when he became a District Committeeman, he had never held

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Union office. At no time prior to his discharge was he the recipient of any disciplinary action. On March 13 John Wales became Chairman of the Shop Committee of the Local Union.

For some time prior to March there had been growing dissatisfaction among the employees at this plant, and friction between management and union had been on the increase. There were at least three "wildcat" outbreaks in the plant, each of which resulted in the firing of individuals found to be in active leadership of them.

Over a period of time prior to June, the problem of scheduled hours of work had been an issue at the plant. The employees had been working a six-day 58-hour week, on a two-shift basis. Management proposed to go on a 50-hour work week on June 4. Due to transportation difficulties, expense of travel, and so on, the employees were anxious to have the 50 hours worked on a five-day, 10-hour basis, while management insisted the 50 hours be spread over the six-day week.

At the membership meeting of May 27, a motion was made that if management did not agree to a 10-hour, five-day week, the membership refuse to work on Saturday, starting June 9 (first Saturday after change of hours). This motion was made by Stearns, the former President of the local. The motion passed overwhelmingly.

Following this, on June 5, at the regular management-shop committee meeting, management referred to Stearns as a "rabble rouser," thus indicating its awareness of the leadership role he played in the situation.

This matter of hours continued to be a very hot issue at the plant, and on June 6-7th the local called two shift meetings—conducted outside of working hours—to discuss the problem. These meetings were well attended; in fact, the widespread feeling on the matter is attested by the fact that they had the biggest attendance in the history of the local.

At these meetings it was again decided to stage a one-day demonstration, on Saturday, June 9th, in protest against the attitude of plant management. This proposal was greeted with widespread, enthusiastic support. It was later referred to in laudatory fashion by the present President, in his July 6 column.

The local union paper reported (June 8) that the vote for a one-day demonstration was unanimous. The fact is that it was, save for the "no" vote of Shop Committee Chairman John Wales. The local leadership urged the members to support an aggressive program which would

involve the demonstration to management that the local leadership was receiving mass support among the employees. This program contemplated mass meetings, leaflets and other publicity. The President of the Union, in his column in the June 8 edition of the union paper, emphasized the need for support of this program.

Given the enthusiasm of the rank-and-file, it was an easy thing for a former leader of the Union to carry them one step beyond what the local leadership had planned for them, and to obtain support for a demonstration of strength in the form of absence from work on Saturday, June 9.

On that Saturday only 158 employees reported for work on the day shift, and 153 on the night shift, so that the support for such a demonstration was clearly very widespread. In the Appeal Minutes management reported a loss of 6600 man-days of production on that day.

Management took no action against anyone as a result of this episode. John Wales was not charged with responsibility for the incident at the time, or in any way reprimanded for it. It was not until Wales was fired, as a result of another and entirely separate charge, that management decided to charge him also with responsibility for an incident which had occurred six weeks before.

Another source of friction between plant management and the local union which led to difficulties later on involved the problem of time clocks.

This Division of the plant has about 1000 employees on each of the two shifts. Prior to June 4 these employees punched in and out on time clocks which were placed at separate locations in the Division. On June 4 the hours were changed, and coincidentally, the clocks were lined up together, in front of the Personnel Department, at one end of the Division—which was ¼ of a mile long. This meant great inconvenience and delay for many of the employees, who had to walk a considerable distance to the clocks and then back to the locker room and exit. It caused the employees to crowd together at the one location, thus delaying their exit from the plant. After the July 16 incident, additional clocks were obtained, and placed at several well-spaced locations about the department.

During the week following June 4 several employees failed to punch out, and an employee named Thomas was given a two-week disciplinary layoff (now pending in the grievance machinery) for urging them not to punch out.

The Company admitted the bad conditions resultant

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from a lack of more clocks, but pleaded inability to secure them at the time.

Thereafter the Company began passing out reprimands to employees for congregating at the clocks, and during the next few days 224 employees received such reprimands * for bunching up at the clocks at quitting time.

On July 8, at a regular membership meeting, the Shop Committee—with Shop Committeeman Jones acting as its spokesman—recommended to the membership taking of a strike vote. The membership voted overwhelmingly in favor of this action.

On July 11 a letter was sent to the 30 District Committeemen employed in the plant, calling for a meeting July 13 of all Committeemen, Alternates, and Stewards, for the purpose of discussing shop problems.

The letter went on to read:

> Beginning Monday, July 16, no Day Shift employe is to punch his Time Card until after the 7:00 A.M. whistle has blown. Time Cards are not to be punched when employes leave the plant at 4.42 P.M. *Employes are to stay at their proper work stations until the whistle blows at quitting time* No one is to punch their cards except as provided herein, until further notice by Union leaders. Night shift employes are receiving the same comparable instructions. (Italics added.)

It was signed by the President of the Local, and the members of the Shop Committee, including the Chairman. The President's name headed the list, while the Chairman's name was added in ink at the bottom of the list of typewritten signatures.

On July 16 over 400 employees punched in late, while 351 employees failed to punch out (Management statement, page 1 of Appeal). This was the only day on which such action took place.

Management's description of the incident, in the Appeal Hearing, is as follows:

> Management replied that there was a plan being carried out on July 16, and Wales's actions in punching in at 7.01 followed the pattern of the day. Management pointed out that twenty-two committeemen punched in after the starting whistle; fourteen punched in on the exact minute; nineteen failed to punch out; four punched in at 7:00 A.M. and failed to punch out; and the Union president punched in late and failed to punch out
>
> Management stated that a considerable number of employes told their foremen they were instructed by committeemen not to punch out and to punch in late and that certain em-

* Notices of infraction of shop rules given to the employee and made a permanent part of his personnel record.

ployes had talked to incoming employes at the time clocks on July 16.

Management pointed out that Wales had participated in the incident as well and that the president of the Union who normally leaves the plant at 3.30 P.M. had stated that he was going to stay around that day and break the arms of those who punched out.

The Union contended that Wales intended to punch in on time but was caught in the crowd.

Management stated that "they had determined to discharge Wales after the July 16 incident and were taking preparatory action when the pamphlet was issued concerning the picketing (July 22) which was an additional incident of the same nature." So that the picketing incident is not relied on as cause for discharge. Let us examine it, however.

The July 6 paper carries an article which states that plans were made for picketing the downtown International Corporation offices. Chairman Wales is reported as describing this effort to draw public attention to the Union's difficulties with plant management at the June 29 shift meetings. Another article urges members to see their committeeman or steward about assisting in the picketing. It states that press releases will be distributed by committees from the Local, and that "a committee is hard at work preparing the pamphlet that will tell the public. . . ." The Local President's column speaks of the fact that "our side of the story will be listened to," and refers to "the general public" hearing it. It is obvious from reading the paper that this is a local Union-sponsored demonstration designed to bring the attention of the general public to its problems.

True, a leaflet entitled "Action" states that "July 22 has been set by the Shop Chairman as the Day" for such demonstration. But such leaflet also states "The following Shop Committeemen will be in charge." It then names various Committeemen. It also says ". . . come to the Union Hall . . . for your assignment."

What the leaflet and the paper make clear is that this was a Union-sponsored affair. The fact is that this episode was authorized by the Local Union Executive Board and endorsed at Shift meetings of the membership. It occurred on July 22, two days after Wales was discharged.

Argument:

It is the contention of the Union that the discharge of John Wales was without good cause, constituting an im-

proper exercise of the disciplinary function of management under the Agreement. We insist that his discharge was motivated by management's desire to check the growing militancy and effectiveness of the local Union, which had exhibited an alarming growth and strength since March, 1943, when its new officers took over.

In a previous case, the Umpire stated:

> When an employe alleges that he was discharged or penalized without good cause, he places at issue not only his own conduct, but that of the employer, as well. Present in every such case is the question of whether or not the employer was properly exercising his disciplinary functions under the Agreement. The Umpire must ask not only, 'What did Employe X do?' but also, such questions as '*What did Management do to warn and correct him? Did Management treat other employes, similarly situated, in the same way? In the last analysis and under all the circumstances, was Management fair?*' These inquiries have constantly been pursued by the Umpire in discipline cases. Only when they were answered has the Umpire been able to decide whether Management's exercise of its right to discipline for cause was proper and should be upheld

The Umpire stressed the importance of this principle again when he quoted from this statement in a succeeding case.

The discharge of Wales has little or no relation to the usual type of disciplinary action, in which discharge is resorted to because an individual is found guilty of an Agreement violation so serious that it cannot be dealt with by the use of corrective discipline; or where the use of corrective discipline has already been resorted to without success. Here the indictment is not levied against Wales as an individual for conduct as an employee. There is no pretense made that he was at any time guilty of improper conduct as an employee.

The charge made against John Wales is a charge against the Union and against its local leadership, although the penalty is assessed against John Wales alone.

To the extent that Management alleges, in lower step hearings, that Wales was giving leadership to plans for publicity and demonstrations and a request for a strike vote, Management merely raises the question of whether this discharge involved a violation of Section 6 of the Agreement. As the Umpire has said, "Where many are violating and only one is disciplined, the suspicion inevitably arises that the employee was punished, not because of the gravity of his offense, but for ulterior reasons." We do not concede any violation here, as an immediate occa-

sion for Wales's discharge. However, we do say that the point made by the Umpire applies to the instant case.

The June 9 incident was a result of rank and file approval of a direct action proposal by a former local leader. True, it was not effectively opposed by Wales or any other local leadership. But Wales at least demonstrated before the membership his opposition to it; while the local's present President only exhibited commendation for the scheme.

In any event, the June 9 incident took place six weeks before Wales was discharged. Neither he nor anyone else ever received a reprimand for alleged leadership of it. It could not serve as immediate cause of Wales's discharge. Yet in the plants of International Corporation "the recognized purpose of all discipline short of discharge is the correction and improvement of an employee's conduct." So that if Management felt that the new Shop Committee Chairman was engaged in improper conduct it very well could have administered corrective discipline at that time.

The affair of June 9 resulted in a loss of one day's production by 6600 employees.

The July 16 incident, which was cited by Management in the third step hearing as the immediate occasion for Wales's discharge, did not result in the loss of even one man-hour of production. This "work interference," as Management describes it, in no way resulted in any actual interference with production. In the third step hearing the Union pressed Management to specify the extent of any actual interference with production, and Management was unable to meet this challenge. It was forced to take refuge in the statement that "*if* 7600 employees didn't punch out it would cause interference" (italics added). As the Umpire recently stated, "... an unfulfilled intent is not good cause for discipline."

This statement applies on the assumption that the intent was promotion of a "work interference," which is the charge made against Wales. As a matter of fact, however, a reading of the letter of July 11 quickly disposes of that theory. For the letter specifically states that "Employes are to stay at their proper work stations until the whistle blows at quitting time."

The intent is clear to demonstrate the strength of the Union by having the employees make a change in their plant routine which is explicable only as an act committed in obedience to Union instructions. Yet it is equally clear that it is the desire of the Union to have this demon-

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stration occur without in any way interfering with production, and thus avoid any danger of infraction of Paragraph 130 of the Agreement. (It should be added that, under the shop rules, only "*habitual* failure to ring own clock card" is a subject for penalty. So that no violation of rules was here involved.)

Coming down to the question of the discharge of employee John Wales, we note that this letter was issued by the officials of the Union as a group and in their capacity as Union leaders. It was not issued by the individual Wales, either as an employee or as Chairman of the Shop Committee.

Although Management cites the three incidents of June 9, July 16, and July 22 as causes for Wales's discharge, it is clear that their main reliance is placed on the July 16 demonstration. However, attention must be given to all three charges, and so we turn to an analysis of the last one. It is alleged that Wales was guilty of "inciting picketing of the Corporation's premises." He was discharged on July 20 and the picketing in question took place on July 22.

We have pointed out in the statement of facts that the picketing in question was a Union-sponsored affair, and that there is no basis for attributing its leadership to Wales. Aside from this point, we wish to raise two other questions to the Umpire.

We are not aware of anything in the Agreement which refers to the "inciting of picketing" by an employee as an Agreement violation. Paragraph 130 says that a Union member is not to "take part in" picketing. It in no way refers to a bar against the proposal that such picketing take place at some future date. The proper charge against Wales would be the charge that he picketed on July 22. But this charge cannot be brought because on July 22 he was no longer an employee.

Further, we do not believe that Paragraph 130 prohibits the Union from picketing the downtown building which houses the local offices of the International Corporation.

Surely it cannot be argued that this paragraph serves to prohibit the Union from picketing an unorganized plant of the Corporation in connection with a drive to obtain bargaining rights, for example. Nor can the Corporation contend that this office space, utilized by individuals who are not "employees" covered by the Agreement, is included within the meaning of "premises" as used in Paragraph 130.

Conclusion:

The immediate cause of John Wales's discharge was his alleged leadership in precipitating the July 16 incident. He was discharged for "promoting a work interference" which took the form of failure to punch out, and lateness in punching in, on the part of a few hundred employees.

It is admitted that no stoppage of work occurred on this day. In fact, it is clear from the July 11 letter that employees were expressly directed by their union leaders to stay at work. It is not alleged by Management that any loss of man-hours of work occurred, or that any was intended. An examination of Shop Rules reveals that the behavior called for by the July 11 letter did not even involve a violation of shop rules, since these rules only refer to "*habitual* failure to ring own clock card." Yet this is the action for which Wales is discharged.

Our discussion has already established that Wales was not properly chargeable with the responsibility for the incident of July 16.

With reference to all three of the incidents under discussion in this brief, we note in each case that the action charged against John Wales is an action authorized and executed by the local Union and its entire official leadership. In no case is it action by Wales as an individual.

Let us assume for the sake of argument, however, that John Wales was responsible for the affair of July 16. Is this incident sufficient basis for discharge? Certainly it is not; particularly when viewed in the light of the incident of June 9.

A Management that did not even issue a single reprimand for a work stoppage resulting in the loss of 6600 man-days of production cannot properly resort to discharge when six weeks later a demonstration takes place which in no way interrupts production. The discharge of the Chairman of a Shop Committee is a very serious matter, which is apt to have widespread repercussions on the relationship between local Union and plant Management. His discharge for an incident in which the Union demonstrated some respect for the necessity of avoiding work interruptions, after a previous failure to act when a 99 per cent effective work stoppage took place, does not serve as an effective deterrent upon future demonstrations of strength by the local Union.

On the contrary, it leaves the distinct impression with the local Union that in the case of an effective work stop-

page Management will not move against it, and that Wales was fired only because of the failure of the local to stage its July demonstration with the same effectiveness which it exhibited in June.

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After the discharge of Wales the Union paper reported that the local was calling for a five-day work holiday in protest against his discharge. Only the vigorous and prompt action of Wales prevented this from taking place.

If the Umpire upholds the discharge of John Wales, rightly or wrongly he leaves the local Union with the impression that Wales's discharge was the price, not of contract violation, but of failure of the Union to execute its plans effectively.

If John Wales is returned to work, the Umpire allows a Shop Committee Chairman to remain in office who will have learned by this episode that the grievance machinery —culminating in the Umpire—is an effective instrument, and that such actions as that of July 16 are very definitely a mistake. It will be an action calculated to create a confidence in the Umpire machinery on the part of a local Union in which, at the moment, such confidence is sadly lacking.

FEDERATED METALS UNION

PERFECT OIL COMPANY

The Perfect Oil Company operates in a national market. It has large oil field holdings, oil refining installations, bulk distribution centers, and a wide-spread dealer organization for the direct sale of oil products. The company has been highly successful in all its operations and showed substantial earnings in line with the general developments among the major companies in the oil industry.

Case Notes

Mr. Donald Ranger, director of training from the executive offices of the company, was discussing the problem of executive development and training as viewed from the vantage point of the policy level of the organization:

We have had a rather interesting growth in the past fifteen years or so in recruiting and developing our supervisory and executive staffs. Increasingly, we have placed emphasis upon technological training in the selection of our supervisors and

future executives. This is especially true in our refining operations. As you probably know, oil refining is a highly technical process requiring extensive knowledge of chemistry and chemical engineering.

Case Notes

Over fifteen years ago we began our training program for supervisors and executives with a question as to what kinds of backgrounds would prove most successful in our refining operations. Remember now, I am talking primarily about our refining operations. On the balance of evidence we concluded that college training in chemistry and chemical engineering were almost necessary prerequisites. Accordingly, we began a systematic effort to recruit new men among college graduates over the country We would bring these men into a training program and then place most of them (except those going into research activities) in foremen positions in the refining plants. From then on they were on their own to work up into higher positions in the company. Many of them, in fact, did exactly that, so that now we have a majority of college-trained specialists in our supervisory and executive ranks.

The war, however, called us up short on this program. We were forced in some instances to promote men from the ranks because of the shortage of college-trained men and our expanded needs, especially in synthetic rubber. It was then that the full impact of our policy became apparent to us.

We suddenly realized that unwittingly we had placed an almost impassable barrier in the way of men rising from the ranks to supervisory jobs. It was the rare worker who made the grade We then asked ourselves the question as to whether or not this was desirable. That is where we came to a rethinking of our policy.

Now mind you, we are still convinced that our supervisors and executives need the chemical background we have come to expect in the past fifteen years. But we also need to have channels open for men to come up through the ranks. We are by no means convinced that management should be an elite separated from workers by a barrier of education. We have a selfish interest in wanting workers to have such an opportunity because we think that it will strengthen our management organization. At the same time our workers keenly feel the impact of our past policy. We are certain that there is deep resentment at the lack of opportunity for real advancement. We even feel that there may be some deliberate holding back of cooperation in critical situations Some of our workers will take the attitude, "If they are so damned smart, let them handle the hot jobs, we aren't educated enough to do it." You can't just fire workers in situations like that, and yet isn't there some real point to their complaints?

Many of us in top management are critically aware of this problem. We believe that a new policy should encourage a balance between college men and workers from the ranks. Now the question is: How are we going to be able to do this successfully?

FRED JONES' FOOT

It was during World War II. In a factory employing about 2,000 workers it was sometimes necessary to ask men working on the first shift to stay on and work on the succeeding shift also. This practice was dubbed "doubling over" and resulted in overtime pay for the workers who did it. Doubling over was entirely a voluntary matter for the workers. Some workers did it fairly regularly, others occasionally, and most never did it. Labor supply was so short during this period and demands for the company's products so great that the added cost of paying overtime rates was a minor consideration to the company. There was an hour between the two shifts being worked in the plant. It was the custom for the men who were doubling over to the second shift to use the hour between shifts as they saw fit. They were not paid for this hour and many of them spent the time in the restaurants or taverns located close to the plant.

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Fred Jones went to work for the company upon his graduation from high school. He had a hearing difficulty and was not subject to military service. Fred turned out to be a good worker and was liked by his fellow workers. The boy was the sole support of his mother. He often doubled over onto the second shift in order to make the extra money which was very welcome at home.

One day in the early fall Fred decided to double over. After the first shift he went into the employee locker room and stretched out on one of the long benches. He was soon sound asleep and probably would have slept through the one hour between-shift period.

Two fellow workers came into the locker room and saw Fred. What an opportunity for some fun. They gave Fred a "hot foot," and left the locker room as soon as Fred woke up howling. Fred was wearing safety shoes at the time. The steel toe insulated his foot from the three wooden matches placed between the sole and the upper by the pranksters. When the steel toe finally did heat up it became very hot. The result was that Fred's foot was burned very badly.

Fred left the plant before his second shift started without telling the foreman why. He went home, and had his own doctor come to examine his foot. The doctor concluded that it was a serious burn and told Fred that he would not be able to work for two weeks.

The next day Fred called up the personnel office and

told the personnel manager that he couldn't work for two weeks because of an injury he had received in the plant. The personnel manager, Mr. Walters, naturally wanted to know the details about the accident.

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"Oh," replied Fred, "I just burned my foot and the doctor says I can't work for two weeks. I'm supporting my mother and I need some money."

"Well, why didn't you stop in at the plant medical office?" asked Mr. Walters. "We can't authorize payment of workmen's compensation unless we are sure that the accident happened at the plant. You should have stopped and had the nurse check you over before leaving the plant. That way she could have helped you right then and we could be sure that accident happened at work. Tell me more about the accident."

Fred knew who the men were who had given him the "hot foot." On the other hand, he didn't want to be a "squealer" and, perhaps, was also somewhat uncertain about his injury being related to work. In any event, he refused to give Mr. Walters any information about the incident and closed the telephone conversation with a renewed plea that something be done to help him tide his mother over the next two weeks.

Mr. Walters made some discreet inquiries around the plant and soon found out that Fred was the butt of a joke going around about the "hot foot." He also finally located the two pranksters and ordered them into his office together with their foreman. The foreman disclaimed any knowledge of the accident and pointed out that Fred was looking fine when he left the shift the day before. The foreman also pointed out that maybe Fred was hurt in the one hour between shifts while he was waiting to double over.

When the two pranksters were told that Fred was seriously burned they appeared genuinely sorry.

"The rules on the bulletin board in the locker room say 'No Sleeping' and we just wanted to wake the kid up," they said. "He was sleeping on one of the benches. We didn't want to hurt him."

These two men were given a disciplinary layoff of two days. Their foreman was given a real talking to about horseplay and its consequences among employees. It was made clear to him that he was to tighten down on such kind of behavior in the future.

Compensation was granted to Fred. When he came back to work the personnel director called him in and reprimanded him for sleeping in the locker room.

Case Notes

Fred had a simple reply. "The foreman also told us that the rules say we can use our free hour any way we want to when we double over. It seems to me that I had every right to be sleeping in the locker room while I was waiting for the next shift. It was my hour to spend as I wanted to."

The sign in the locker room was changed from "No sleeping in the locker room" to "No sleeping during working hours."

NATIONAL IMPLEMENT COMPANY

The following episode occurred in the welding department of the road machinery division at National Implement Company. The narrator's job was that of tack welder,* the bottom grade of the welder job classification. His experience was insufficient to warrant a job as production welder, which paid 10 cents more on the hour. J. C. McAdams was his immediate supervisor, a man of very short stature, who seemingly had adopted an air of aggressiveness to compensate for his deficiency in height.

Case Notes

Contact with the other welders in the department most frequently came at our lunch period during which I was subjected to the usual ribbing and kidding handed out to the new worker. As this was expected, I did little more than just ask questions in order to learn more about welding and the job possibilities. One welder made a remark about the foreman that didn't carry much significance for me at the time but that I was to recall later.

He said, "Mac is a darn good welder and knows his stuff, but watch that he don't cross you up."

After working on various small jobs for about six weeks, Mac nailed me one morning coming from the time clock after checking in. He handed me a blueprint and said he had a good job for me today. I followed him to a large welding booth at the end of the welding line and found there I was to set up and tack snow plows for the road patrol graders. Mac told me where to find all the

*A tack welder positions and "tacks" together the parts with temporary, intermittent weld joints. This permits the finish weld to be made without concern to positioning and holding the pieces to be joined.

parts and material and sent Slim Snowden, a welder helper, over to work with me for Slim had worked on this particular job at various times in the past.

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Slim and I collected all the parts necessary and brought them into the welding booth with an overhead air hoist and proceeded to set up the plow in preparation for tacking. The mold boards had to be tacked to the divider (a vertical plate, the edge of which formed the point of the V-shaped plow and making the cutting edge for the plow) with the interior brace frame being set in and tacked later. We could not get the mold boards to fit up to the divider without leaving an opening of ½ to ¾ of an inch which was too great for the production welders to fill with a straight lineal weld. After Slim and I struggled with this for quite some time with chain blocks, clamps, etc., in attempting to close the gap, I went after Mac and told him our trouble. He chewed the bit because we hadn't completed a plow yet, then had me get a four-pound short sledge at the tool crib. While putting tension on the mold boards Mac showed us how to beat the edges over to the divider plate so that we could make the tack welds. Mac left and we soon finished that plow and three others, using the same method on each of them.

The next morning when I checked in Mac nailed me and had me follow him to the finished inspection floor where the four finished plows were setting. The night shift welders had made all the welds, completing them for painting, but the inspectors had rejected the plows because of dents spoiling the smooth contour of the mold boards. The welders on the midnight shift had to fill in all those dents and grind the fill-weld smooth, thus putting considerable extra cost on the four plows.

Mac then proceeded to chew me out royally for about 10 minutes, during the course of which he expressed his doubt that I would ever make a good welder, etc. I was dumbfounded, for this came about as a result of Mac's instructions on how to get the job done.

Needless to say, I didn't work on snow plows that day and one of the line welders was assigned to the job. He couldn't make the mold boards fit and called the floor inspector, who discovered that the rolled radius on the mold boards was too short and rejected the entire lot to be sent back to the rollers for rework. Mac was informed of this and I expected him to make some sort of acknowledgment later that the fault on the snow plows had not been all mine, but no mention of it was ever made by Mac. I learned shortly after that that the building super-

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intendent had raked Mac over the coals for allowing reject work to slip past him and Mac had just passed the buck to me.

In the following months I had no trouble on any of my jobs and Mac was very pleasant. But I had lost faith in my boss and that is a difficult thing to regain. How could I be sure that he wouldn't at some future time pass the buck again for an error in his own judgment?

JOSEPH SCOVILLE

Mr. Joseph Scoville joined the staff of the Savage Corporation shortly before World War II as an assistant to the chairman of the board. He occupied this position for over a year and then went on active duty as an officer with the Air Corps. He returned to the company after the war with a distinguished record of war service, holding the rank of colonel.

Upon his return to the company he was assigned to the position of assistant to the vice-president in charge of production, Mr. Peter Vallee. The vice-president had become heavily involved in both reconverting the plant to peace-time production and direct dealings with the union on labor relations matters. Mr. Vallee was 64 years old and no longer physically capable of carrying the heavy burden of work involved in production and labor relations problems. Mr. Scoville was given the task of taking over the labor relations functions of the vice-president in order that the latter could devote his full time to production matters.

Case Notes

The Savage Corporation had a long history of very satisfactory relations with the union representing its 9,000 production employees. The company was one of the first in the industry to engage in collective bargaining and had succeeded in maintaining a mutually satisfactory relationship with the union throughout the years. One of the main reasons for the good record of labor relations in the Corporation was the fact that Mr. Vallee devoted all the time necessary to dealing with the union. He was a man who had long years of production experience in the industry and had risen from the ranks of worker to his present position. Mr. Vallee was the kind of production executive who usually wore his hat in the office and usually worked in his shirt sleeves. He was the sort of man who knew every machine and production operation in the plant intimately, and probably far better than any other

person in the organization. In rate discussions with the union representatives, for example, he was completely the master of the situation because of his thorough knowledge of the jobs on which the rates were in dispute. Mr. Vallee was never a man to discuss a matter with the union in the abstract. When a dispute arose he was the first to say, "Let's go out and look at the job." Likely as not, the matter would be settled right then and there on the production floor. The union officials had a deep respect for Mr. Vallee for his personal integrity, honesty, straight-forwardness, and technical knowledge. They were satisfied to deal with Mr. Vallee and liked it. Top management was equally satisfied with Mr. Vallee, for, although he was eminently fair in dealing with the union officials, he was never soft.

Mr. Scoville had no direct experience with the intimate details of production at the Savage Corporation. His production experience had been gained on his previous job with the largest competitor of the Savage Company. In the larger company Mr. Scoville had experienced a very different pattern of labor relations. Although both companies dealt with locals of the same international union, the relationships were quite different. On his previous job Mr. Scoville had become accustomed to seeing prolonged wrangles with the union, and tough battles even over the most trivial issues. He was used to seeing a company dealing with a union in a very formal manner and with a good deal of hostility on both sides. Mr. Scoville had not been directly involved in collective bargaining in the previous company, but he had strong impressions about how matters had been handled.

The first labor relations problem Mr. Scoville handled by himself involved a dispute on the loading dock. The company contended that the loading crew was working at only about 70 per cent of prewar effort and results. The union countered by insisting there were differences in the loading work, due principally to differences in design of the postwar models being loaded into freight cars. At the first meeting with the union on the dispute Mr. Scoville presented the arguments of the company, principally by comparing pre- and postwar production records on the loading dock. The union presented its arguments against such a comparison and no settlement was reached at this meeting.

Mr. Scoville then decided to make a comparison with comparable operations at the plants of competitors. Accordingly, he made some trips and corresponded with

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the other organizations and assembled a set of comparisons. The data showed without exception that operations on the Savage Corporation loading dock were below the level of those at the other companies.

At the next meeting with the union representatives Mr. Scoville presented his figures as conclusive evidence that the situation was bad at Savage and needed immediate correction. Immediately, the union officers asked how the figures were obtained and from what companies. (The local union was in the habit of getting facts for comparison on other companies through the international union office and the officers apparently wanted to get the names of the companies surveyed by Mr. Scoville in order to make an independent check.) Mr. Scoville declined to reveal the source of his data, claiming their confidential character. This set the union officers off on a tirade against Mr. Scoville for trying to destroy the basis of good labor relations at the company. The union officers charged Scoville with introducing formalism in collective bargaining and trying to "pull things out of a hat" and force them on the union. The union officials would have none of it and the meeting broke up without a settlement. Relations were strained between Mr. Scoville and the union officers.

The president of the union expressed his reaction to Mr. Scoville after the meeting in the following fashion:

> I think he is just a stooge for the board of directors trying to see how this company operates. After all, he worked for the chairman of the board before he began working for Mr. Vallee. He just doesn't fit into this picture. We could have settled that dispute with Mr. Vallee in no time. But it seems to me that Scoville is out to put the screws on us. If the company wants to play this tough approach with secret figures and tell us to "take it, that's it," we can play the game that way, too. I don't think that's what Mr. Vallee wants but maybe that's what the board of directors want. It will destroy ten years of collective bargaining at this plant if they try to continue that sort of stuff.

Mr. Scoville's reaction to the situation was as follows:

> I had no intention of getting the union boys mad, or anything like that. It seemed to me only logical to get some facts behind our argument and use them to get the dispute settled. The union boys certainly got the wrong slant on what I was trying to do. They accused me of being a stooge for the board of directors and of trying to get tough in collective bargaining. I knew that I had to get along with them since that is my job. After the meeting I called in the union president and vice-president and had a long talk with them. I told them they were all wrong about my being put into my job by the board of

directors. I told them I worked only for Mr. Vallee and that it was my job to get along with them and see that we settled the labor relations problems around here. I don't know whether or not I convinced them about the thing. I wanted to get off on the right foot and that is why I called them in to see if we couldn't get squared away with each other before everybody had a lot of hard feeling about me, and made it impossible for me to do a job.

Case Notes

VETERANS HOSPITAL SOCIAL SERVICE DEPARTMENT

One of the service departments of a large veterans hospit the social service department. This department had been in existence sin hospital was established after World War I. At the time the hospital was established, the social service department was viewed as a personal service department serving the personal needs of the patients by getting in touch with relatives and friends and helping to secure desired items of personal need such as books, tobacco. In the years since the establishment of this department the social service field had undergone considerable professional development, with the result that the whole nature of the social service operation had changed. It was in the department that the personal case history of each patient was secured and prepared for possible use of the medical staff. In addition, psychiatric case workers were often used in securing and preparing the detailed case histories needed in the treatment of mentally disturbed patients. The psychiatric case worker was also used in some kinds of psychotherapy. Thus, since the founding of the hospital the functions of the social service department had undergone marked change.

Mrs. Strong had been in this department for some 20 years. She entered the department before specially trained, professional workers were recognized. Over the years she had developed the department. Being the only employee in the department, she was the only institutional social worker with which the other staff members of the institution had any experience. Consequently, Mrs. Strong's philosophy and methods were generally accepted over the years by her associates and even today dominated their thinking in evaluating social workers.

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At the end of World War II a directive was issued from Veterans Administration headquarters stating that more highly specialized work would have to be carried on in the department and that new employees would be re-

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quired to have a college degree and experience in the social work field. In compliance with the order, Miss Stiles, who was a college graduate with some years of experience in this field, was hired. Miss Stiles was hired as supervisor of the department in accordance with the personnel standards of the directive. Although qualified to do this type of work, there were many operations unique to this agency new to Miss Stiles. Consequently, Mrs. Strong had to teach Miss Stiles these operations. The new supervisor caught on fast and apparently was able to get along with Mrs. Strong. However, Miss Stiles became domineering and aggressive as time passed, which did not appeal to Mrs. Strong nor to the institution's staff. Mrs. Strong felt that Miss Stiles' domineering behavior was designed to put Mrs. Strong in her place as an untrained social worker. To the hospital staff Miss Stiles' aggressive actions in pushing her social work activities were viewed with disfavor in contrast with the way Mrs Strong had filled the job.

At this point the department's staff was enlarged, and a Mrs. Abel, a university graduate with experience, was hired. Mrs. Abel was known to have relatively temporary status since it was expected that she would leave to follow her veteran husband when he completed his advanced college work. As this worker was younger and had relatively little experience, she did not constitute a threat to Mrs. Strong and she was accepted as a friend by Mrs. Strong. Shortly afterwards, Miss Stiles transferred to another hospital, leaving Mrs. Strong and Mrs. Abel alone in the department. Mrs. Strong became acting chief by virtue of her length of service.

Over the years Mrs. Strong had developed a number of intimate friendships with the institution's directive staff and was well fortified in her position. When it came time to hire a new chief she was asked to give her opinion on a Mr. Header, who had applied for the supervisor's job. Having had some contact with Mr. Header, who was in a related agency, and being acquainted with his personality characteristics, Mrs. Strong gave a favorable opinion.

Shortly after Mr. Header was hired, but before he assumed his position, another worker was brought into the department. She was Miss Warren, who had had considerable experience with large agencies in another city where efficiency was at a top level. Mrs. Strong immediately felt that Miss Warren constituted a threat to her position, both as acting chief and as the professional worker with greatest seniority. Although this was

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unfounded, Mrs. Strong displayed coolness towards Miss Warren. Mrs. Strong by this time had also begun to display a passive attitude toward helping any new employee learn the job. She also became very passively resistant to any innovations or new ways of carrying on the work. This lowered the morale of the two trained workers who were eager to develop the professional aspects of their job, but who had no power to make any changes in department policies and operations.

When Mr. Header assumed his duties as supervisor, Mrs. Strong immediately let him know, in no uncertain terms, that she had been instrumental in his being hired. Mr. Header in his gratitude bent over backwards to be careful in his dealings with Mrs. Strong. He had been told when he was hired that the department was running smoothly and that he should not try to supervise strongly or make revolutionary changes as the hospital administrative staff was satisfied with the department's operation.

The work of the professional social work staff is related to the amount of work the clerical staff is able to do in typing the case records. The operations of the department and the efficiency of the department depend on a close and smooth-working relationship between the professional workers and the clerical workers. Miss Carey was the receptionist and head of the clerical staff. She had been with the department for a number of years and had kept the clerical staff running smoothly. She also had the job of training new workers in the clerical department.

Mrs. Strong began to take advantage of the relationship she had established with Mr. Header by being late to work, being absent from conferences, and even staying away from work. Miss Carey objected because she had to cover for Mrs. Strong by inventing excuses. Miss Carey protested to Mr. Header so vigorously and other staff members of the hospital commented on the situation so openly that Mr. Header felt forced to call Mrs. Strong on the carpet. In talking to Mrs. Strong, Mr. Header gave her the idea that Miss Carey and the other professional workers in the department, and not he, resented her conduct. This turned Mrs. Strong against Miss Carey and the other professional workers.

As a consequence of this incident, turmoil resulted in the department. Mr. Header would not back the members of his staff in decisions that had to be made for fear of losing Mrs. Strong's approval. He criticized his staff's work at every opportunity. Mrs. Strong passively refused to cooperate with Mrs. Abel and Miss Warren in their

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efforts to raise the standards of their work. Mrs. Strong refused to accept suggestions from the other members of the department. The other professional workers in the department resented this attitude on the part of Mrs. Strong.

Mr. Header's reluctance to accept responsibility for making changes hindered the establishment of other functions now expected of the department by the home office. There was an independence of action on the part of individual staff members rather than a concerted effort on a departmental basis. The clerical staff was upset and not able to work in close harmony with the professional workers.

Mr. Header was no longer liked by any of the hospital's administrative staff or by any of the departmental workers. Mrs. Strong was disliked by both clerical workers and her fellow professional workers. Mrs. Abel and Miss Warren were not stimulated nor able, under such conditions, to work to their fullest capacity. They felt that their positions did not hold, for them, any prospects for future professional development.

CHICAGO TERMINAL TRAINMASTER

During a winter of particularly heavy demand on railway freight transportation, one of the main-line railways terminating in Chicago experienced considerable difficulty in keeping one of its Chicago Terminal marshaling yards * operating smoothly. The particular freight yard in question was located on the near west side of the city. At one time this had been the largest of the railroad's freight yards in the terminal area. With greatly increased traffic over the years, a new yard had been built on the western outskirts of the city and the Downtown Yard had come to occupy a position of secondary importance in the freight operations of the railroad.

Case Notes

In charge of the operation of the Downtown Yards was Mr. Larson, the trainmaster. Mr. Larson had been trainmaster in the Downtown Yard for about two years. He had transferred to this position from a similar

* The freight marshaling yard is the place where incoming trains are broken up so that the individual cars can be taken to their destinations. Outgoing cars are assembled into trains at the same time. Such a yard involves very complex switching operations.

one in another division * of the railroad. Among the men working in the freight yard it was a matter of considerable comment and discussion that Mr. Larson had never worked as a switchman, brakeman, engineer, or train crewman. Apparently this lack of experience in actual outside crew work was viewed by the members of the train crews as an inadequacy in Mr. Larson's background. At least that seems to be one interpretation of the frequency with which the subject was discussed by the crewmen.

Case Notes

At the height of the winter rush period, the Downtown Yard seemed to have more cars than tracks. Plants and industries served by the railroad sometimes had to wait as long as two weeks to have their cars cleared through the yard. Incoming trains often had to wait for three or four hours before entering the yard because there just was not a clear track for them.

Mr. Larson, as trainmaster, had full charge of the yard and its operations. Under Mr. Larson was the yardmaster, who was in immediate charge of the switching crews. It was the yardmaster's responsibility to supervise the crews.

In Mr. Larson's opinion there were several points in the yard which were particular bottlenecks. He spent a good deal of time being personally present at these points. Mr. Larson even took over direction of switching crews at these critical points, undertaking the supervising task which was normally in the hands of the yardmaster. Whenever this happened, the crews expressed considerable annoyance and felt that Mr. Larson had no business taking over the yardmaster's job. On one occasion when Mr. Larson had thus taken over, he ordered an incoming train down a track that was already occupied by an engine. A collision was narrowly averted by the quick action of the train crew.

Mr. Larson found it very difficult to keep the experienced train crews in the Downtown Yard. Crewmen with any amount of seniority exercised their "bumping rights," whenever the opportunity presented itself, to get transferred out of this yard to another location. The result was that Mr. Larson's problem was made more difficult by having less experienced switching crews under his jurisdiction.

About two months after the winter rush period had reached its peak and the Downtown Yard had come to

* A division of a railroad is a geographic unit, not a functionally distinct unit of the organization.

Case Notes

be generally recognized as a bottleneck, an assistant trainmaster was appointed with the specific assignment of eliminating some of the troubles of this yard. Appointed to this post was Mr. Hardy, who was promoted from yardmaster at another yard to the position of assistant trainmaster under Mr. Larson Mr. Hardy had twenty years of experience on the railroad, most of them spent as a brakeman and switchman. With this new organizational setup Mr. Larson was still in charge of the Downtown Yard, but specific coordination of switching operations was placed in Mr. Hardy's hands.

Shortly after Mr Hardy took over the job of assistant trainmaster, experienced crewmen started transferring back into the Yard. Without any surface changes in the operations or methods the traffic began to flow more smoothly through the Yard. The common feeling among the crewmen seemed to be that Mr. Hardy was a real railroader; he dealt with everyone honestly, would listen to suggestions, and had a good knowledge of railroading

THE CORNBELT HYBRID SEED COMPANY

The Cornbelt Hybrid Seed Company was a licensee of one of the largest producers of hybrid corn in the Midwest. The Cornbelt Company consisted of a combination of the hybrid seed corn business and fertilizer business. It started out exclusively in the seed business and later expanded into fertilizers. Two brothers were at the head of the company, Richard Stendler, who was in sole charge of the fertilizer business, which had greatly exceeded all expectations in its annual volume of sales, and Paul Stendler, who was responsible for the hybrid seed corn end of the company's operation. There was considerable rivalry between the brothers in running their respective parts of the business.

Case Notes

The Cornbelt Company was licensed to use the "single cross" seed, which is hybrid corn terminology for the original or pure strain from which an entire line of seed corn is developed. Only so long as the Stendler brothers were able to attain a certain yield, develop disease-resistant qualities, develop a strong and sturdy stock, etc., with this "single cross" were they allowed to keep possession of it.

There are several essential features of the operations and organizational set-up of the company which are

important to have in mind. It was necessary for the company to contract with farmers for thousands of acres of land to be farmed as the company directed. It was an advantage to locate these areas in tracts of 1000 or 2000 acres in one location, and consequently, the company had four or five such areas spread out within a radius of perhaps 30 miles of the company headquarters In charge of each area were usually two, or sometimes three, supervisors who worked closely together carrying out their specific responsibilities. Their main responsibilities were focused around the detasseling season, although there were such preseason tasks as, for example: seeing to the proper planting and laying out of fields, keeping complete records of the varieties planted, overseeing the removal of volunteer corn which might appear, and supervising the hand pollination of the ears of corn on the stalk.

The biggest and most crucial operation, however, came when the detasseling season arrived. The company hired perhaps two dozen crews of eight members, plus a driver for the detasseling machine, and a foreman for each crew, to do this work. The foremen kept time records, and saw that the work assigned got done. Detasseling is a combination of good judgment, foresight, and most important, good timing on the part of the supervisors. A field of corn may come into tassel within a few hours. If these tassels are not removed within the next few hours, the pollen can spread into neighboring fields and ruin what the company considers priceless quantities of seed. Because of this, crews sometimes worked nights, in storms, or on Sunday mornings to keep ahead of ripening pollen.

The hiring of the detasseling crews was handled by the central office, even though most of the labor was local, and the central office was as far as 30 miles away. The workers were often teen-agers. The supervisors were usually hired for the summer and the company found that high school superintendents proved to be very good for such positions during summer months. It was up to these supervisors to see that a field was detasseled on time and to assign the crews to specific fields.

During the detasseling season Mr. Paul Stendler was usually available to the supervisors for advice, as he spent a good deal of his time on the road driving between fields. The first day of detasseling he would always assemble all the crews together and personally orient them as to how the tassels were to be pulled and the importance of doing a good job. He was very strict about this last factor, and on several occasions during his tours through fields

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that had been detasseled, he would become outwardly irate when he came upon what he called slipshod work. He never expressed his dissatisfaction to the supervisors. but instead he took it out on the crews who were working nearest at hand, making no attempt to find out who was specifically at fault. He acted in this fashion just enough times to make himself very unpopular with the crews.

Some of the foremen told the supervisors that the crews didn't like the way "old man" Stendler was riding them. The supervisors usually came back with the reply that, with but one or two exceptions, the work done so far had been passed on by the state inspector and that Stendler was unusually sensitive about such things, and that they shouldn't let it bother them, encouraging them to keep up the good work.

Mr. Stendler, however, wasn't satisfied with the way things were being done on his seed corn tract at the Hofer, Schmidt, and Cline farms. One day, without even consulting the supervisors, he brought over from the home seed processing plant a hand-picked crew of men to work right alongside the regular crews in some fields that were demanding special attention. Word soon got around that this crew was getting five cents an hour more than the rest. That started trouble. Most of the crews started killing time. Even though they were riding machines,* the operation got so that by evening they had slowed the machines down to but a bare fraction of their normal rate of speed. The foremen halfway sympathized with the crews. The supervisors didn't know exactly how they were going to handle the situation the next day when work was stopped that night. These supervisors were local public school officials working during the summer with crews composed largely of local high school pupils.

The next morning it rained early and it was impossible to take the machines through the fields. The rain had brought the tassels out particularly heavy in certain fields and they required immediate attention if no damage was to result. However, being unable to use the machines, the crews refused to work because they would have to walk. This was not an uncommon occurrence, but, coupled with the previous day's events, it gave the disgruntled crews just the ammunition they had been looking for.

* The machines were rigs on which the detasselers rode while hand-pulling the tassels. The rig is so built that it clears the corn plants.

They said, "Let Stendler's crew get dirty, they're getting paid for it."

Case Notes

Unfortunately for the supervisors, Stendler did not appear that morning, as he visited his other locations first. The supervisors put in several long-distance calls to the office but were unable to contact either Stendler or his brother.

The crews finally agreed they would go to work if they were assured of being paid the same rate as the new crew. This agreement was reached after prolonged discussions between supervisors and their crews. The supervisors, however, did not feel they could approve on their own authority the increase in pay. The workers refused to work. Practically all the fields in that locality, amounting to about 600 acres, had to be condemned because cross-pollination had taken place. The corn could not be used for seed purposes. This naturally didn't set very well with the farmers who owned the land and who had expended all the effort necessary for the premium price they would have obtained for their seed corn if it had been satisfactory.

ALBERTS AND ROSE CONSTRUCTION COMPANY

The following account was given by a common laborer who worked for Alberts and Rose Construction Company during three construction seasons at the peak of a building boom. The company was a partnership of Ken Alberts and Al Rose when this man applied for work with them the first time. At that time they were General Contractors. That is, they did cement work, brickwork, and carpentry. They were located in a town of 15,000 population and contracted for jobs within a radius of 15 miles.

Case Notes

My first summer, I worked as a laborer for the bricklayers. On reporting to work I was informed that Jake, my fellow laborer, would tell me what to do. Jake was a married man about 35 years old, who had worked on construction for a long time. He was an agreeable man to work with, and I more or less assumed that he was my boss, since I was new at the game.

He informed me, however, that the foreman of the bricklayers also had to be complied with and that he was a pretty grouchy character. It didn't take me long to

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find that out, as his sharp demands for more materials or special services rang out frequently during that day. He had very little to say to me, but I noticed that there were a few spurts of temper between Jake and him.

During my third day on the job, Ken Alberts came snooping around. I say "snooping" because in the short time that I had known him, he impressed me as an incompetent individual—a person who gloried in his title but who had very little know-how to back it up. It seemed to me as if he just came on the job to sun himself. He was talking to the foreman of the bricklayers, who evidently told him that Jake wasn't making enough mortar in each batch to keep the bricklayers busy. A vociferous battle ensued in which Alberts jumped all over Jake. Jake tried to defend himself with reasons which I thought were sound. Alberts told him to do it or quit, and Jake walked off the job.

A younger person might have taken the bawling out, but what could Jake do—a 35-year-old man, treated like a child in the presence of the bricklayers and myself. It so happened, however, that Jake was back on the job two days later—though he worked permanently with the cement gang and never with the bricklayers from then on. The consensus of opinion was that Jake got his job back because Rose is his brother-in-law.

When I applied for work the next season, I learned that the partnership had been dissolved. Rose bought out Alberts' interest. The second summer was a very enjoyable one. I worked as a laborer for the bricklayers. There were only three bricklayers, all of whom were congenial persons. The foreman of the previous year had been fired, and there was no newly-designated foreman. The men just worked as a team. We functioned smoothly, more or less independently of the rest of the organization.

Next year when I went back to work for my third season with Rose I witnessed a very unusual situation. I learned that there had been further changes made in the company organization and the scope of its activities. The carpenters and the bricklayers had been dropped and the total number of employees reduced to 10. The sole function of the company was cement work.

The 10 men of the organization were the following: Mr. Sullivan, the cement finisher, the most skilled man in the outfit. He did all the finishing and final surfacing. An assistant cement finisher who worked under Sullivan's direction with float and trowel. Two form builders who did the wood work in building the forms for a job where

special forms had to be built, and who helped with the general work of the forming crew at other times. A truck driver who did all the hauling for the company. We mixed cement on the job so he had a full-time job hauling cement, sand and gravel, as well as tools, forms, lumber and things of that sort. Four laborers who worked wherever they were required. Henry, who was the only man designated as foreman.

When we were on a job we were organized into two crews. The forming crew dug the ground, leveled it, built the forms and got everything ready for pouring the cement. Except for the final surface finishing, this was the most important part of the job. The forming crew included the two form builders and two of the laborers who usually worked with them.

The cement-finishing crew consisted of the assistant cement finisher, the other two laborers who usually worked with him, and of course Sullivan, who came over and did the final finish work on drives and walks and large flat surfaces like that.

We were usually working several locations or at several places on the same location at the same time so that the two crews worked more or less independently. When we had to pour a big job then sometimes everybody would come over and we would all work at shoveling and leveling. The two crews, of course, needed supervision, and that is where things got bawled up.

Al Rose had definitely appointed Henry as foreman of the laborers. He was about 40 years old and had been with the company for approximately five years. Though he was foreman over all the laborers, he worked specifically with the cement crew. I was glad I got a job with the cement crew because I had become acquainted with Henry during the previous summers and held a very high opinion of him.

The forming crew worked independently and were supervised by Sullivan, the cement finisher. He was about 55 years old and had been with the company considerably longer than Henry, but for no definite reason that I know of turned down the opportunity to become foreman. But for all practical purposes, however, he was the real boss over the forming crew, and whoever else happened to be working with him.

That in itself wasn't too bad, but this is what got me. Sullivan seemed to have more power over the laborers than Henry. Furthermore, he thought nothing of giving an order in direct violation of Henry's. It was nothing to

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be sent over to a job on which the finisher was working, with instructions to do one thing and end up doing something different—something which the finisher told you to do.

Prior to that season there was no designated foreman. Henry was a truck driver and was therefore not in contact with the laborers very much. At this time the cement finisher had been with the company for some time and was actively exercising the role of foreman. He was the type of man whose every word was law. Most of the laborers had tangled with him at some time or other, and the labor turnover seemed to be pretty high.

I can only speculate as to why Mr. Sullivan didn't accept the foreman's position when it was offered to him. He had power and he knew it. He was a good tradesman, and that, in conjunction with the difficulty in getting finishers, gave him much power, even over Rose—who in fact was paying him above union scale. I have heard him denounce Rose for the way he ran his business, yet he seemed satisfied with his job. He was receiving a good wage and really had it soft in this small organization, and realized it. He perhaps knew that he could wield as much authority even without the foreman's title.

When Henry was appointed foreman, the fireworks started. The men were used to obeying the finisher and continued to do so. Henry's orders carried weight but were not accepted as definite. Allowance was always made in the minds of the men for the finisher's alterations. Sullivan's previous authority carried right over into the path of Henry, who was helplessly trying to perform his job efficiently. He was helpless! If the workers had had the support of Henry, they could have followed his instructions literally. However, Henry in turn had no backing from Rose. Rose seemed to accept such a relationship, or perhaps just didn't know how to remedy it. Under such conditions the men assumed a kind of joint accountability to the foreman and to the finisher. There was always trouble breaking out as a result of men shifting back and forth between the two bosses.

You might think you could stand up for your rights and say, "Henry told me to do this, and this is what I'm going to do." The fact was you had very little backing from Henry—he seemed more or less to accept the supremacy of Mr. Sullivan. True, there was anger expressed on both sides. I've heard both men literally denounce the other's ability, but that's as far as it went.

Another interesting thing was the way the various

laborers would act, depending on who they happened to be working for. Around Henry, it would be unanimous that most of the difficulties resulted from the finisher's actions, and vice versa. As stated earlier, there were definitely two labor crews; however, there were many occasions when parts of the crews would be shifted back and forth, depending on the need. It was at these times and from conversations with the laborers that I made the preceding observations and conclusions.

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Was Rose blind to this relationship? I don't think so. But what could he do—Sullivan didn't want the foreman's job and was too good a man to fire. I think he was even influential in a good part of the planning done in Rose's office every morning.

Additional problems arose in the planning activities of the company. Whereas Henry was supposed to do the planning in conjunction with Rose, Sullivan was also involved. Each morning the three of them would gather in Rose's office and plan the day's activities. Sometimes they would still be in consultation at 9:00 o'clock, while 10 men earning anywhere from $1.70 to around $5.00 an hour were not producing. It is my opinion that Sullivan's suggestions were heavily weighted in the planning activities also.

GEORGE SYMINGTON

George Symington was district sales manager of the Atlantic Manufacturing Corporation. The district sales office was at one of the branch plants of the corporation and it was physically located in the plant office building. However, there was no organizational or operational tie between the sales office and the local plant management. The sales office and the plant each reported through separate channels to the executive offices of the corporation. The arrangement of having a consolidated plant and district sales office dated from the depression, when the separate sales office was closed as a matter of economy.

Most of the present district sales staff, including George Symington, had joined the organization since the space consolidation so they tended to accept the situation as a matter of course.

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One part of the consolidated plan disturbed Mr. Symington, however. It had at one time been judged desirable

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to bring together also all the clerical services at the combined plant and sales office. When Mr. Symington came into the organization as district sales manager, he found one secretary for himself and a clerical pool out of which the rest of his clerical staff was drawn, as needed. He further found that his district sales office was shown on the budget with a fixed clerical overhead of three full-time girls. This was the estimated amount of clerical services used by district sales, over a year's time, including the one full-time girl. This overhead was so budgeted in order that individual charges would not have to be made by the typing pool against the sales office. Mr. Symington operated under this set-up for two years and then decided to change it.

In recalling the situation, Mr. Symington stated:

> I kept looking at that budget item and saying to myself, "What the hell." Here we were being charged with the overhead of three girls and having only one we could call our own. Furthermore, and this is really the most important part of the story, we were getting simply lousy service from the clerical pool Our district sales office was small compared to the plant office so that the entire clerical force was oriented towards the needs of the plant organization and not ours. That didn't worry us much in the first year I was here because being new, the people in the plant set-up went along with me pretty well. If I needed clerks and stenos over here I got them.
>
> Shortly after the first year, however, we had an exceptional amount of work in our office and faced increasing difficulty in getting the necessary clerical assistance. I began to raise some cain about it but not much happened The office manager knew I wasn't his boss, and the girls working for him pretty soon got the idea that they weren't working for me either, even when they were doing our work. I complained to my boss, the sales manager, at the home office but all he said was that this was undoubtedly a temporary thing and that it was more economical for the company as a whole to have us work under the present pooled clerical staff arrangement. That was an outmoded argument because it assumed that our district sales office did not have enough work to keep the three full-time girls budgeted to us busy all the time.
>
> That's when I decided to provoke a crisis deliberately. I purposely insisted that all our correspondence be done with two more carbon copies than was standard in the organization. Immediately the girls protested that "that wasn't the way they did it when they worked in other departments." I just made it a flat order and told them that was the way they did it for me and my men in the sales office
>
> The very next day the plant office manager came into my office with a look of righteous indignation on his face. He thought he had me this time. Before he could even open his mouth about the girls' complaints I let go at him. "You're just the man I want to see. I'm completely fed up with the lousy work your girls are doing for us. Furthermore, this insubordi-

nation is going to stop right now." I let him have that kind of a line for about five minutes, knowing all the time that he had come in in the first place to blow his top at me.

When I finally stopped he said in effect: "Now look here. We have had more trouble with your office than any other part of this organization. We know how to run an office and a clerical staff. That's my business. You can't treat our girls the way you do. They know how to do certain things and I'm the one to change procedures if it is necessary."

Then I had him. I got real mad and rose from my desk to pace my office. "So you say you will assume full authority and responsibility for what your girls do when they are working for me," I said to him. "O K. Let's put this down in writing. Let's do it proper. We'll set down exactly what you intend to do in providing my office with clerical services." I then called in my secretary and began dictating a memorandum spelling out in minute detail all the things that would be done for us. I wouldn't let the office manager get a word in edgewise. As I went along I got madder and madder. My secretary said later on that she was really frightened.

When I was about half way through the dictating, the office manager couldn't take it any more and he finally just said, "This is impossible," and got up and walked out.

So far nothing constructive seemed to have happened. I had hoped my "mad scene" would either scare the office manager into getting the girls to do our work the way we wanted it, or else provoke enough of a crisis to have him take the situation to his own boss and eventually to the home office. To my surprise, neither thing happened.

About three days later I got a copy of a memorandum sent by the office manager to his boss and forwarded to the home office. This memo proposed that we have our three full-time girls permanently assigned to us and that the pooled arrangement for clerical help be discontinued. The action was taken the following week.

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THE CAR REPAIR DEPARTMENT

The Mid-Western Railroad is a small railroad company, with only about 230 miles of track. The railroad operates between Central City, Illinois, and Metropole, Indiana. The Mid-Western Railroad is a Class II Railroad with an operating revenue less than one million dollars a year. It hauls freight primarily. Since 1930, the Mid-Western Railroad has been operated by the Great Eastern Railroad. The main office of the Mid-Western Railroad is in Metropole, Indiana, the eastern end of the Mid-Western Railroad. The main office of the Great Eastern Railroad is in New York City.

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The railroad industry exhibits decentralization to a greater degree than most other industries. The head of a department usually has charge of operations scattered over many miles, and he has more authority than the comparable position in a factory. For example, the Superintendent of the Mid-Western Car Repair Department at Central City was responsible for repairs and maintenance functions at all the other train stations in Illinois, as well as the Central City Car Repair Shop.

The function of the Car Repair Department was to perform light and heavy repairs on freight cars, tank cars and other special purpose cars used to haul various types of commodities. The Car Repair Department had 35 employees, of which 27 were either Car Repair Mechanics or Car Repair Mechanic's Helpers.

There was no centralized personnel department at the Central City Repair Shops. Employees in the Car Department were hired directly by the Superintendent, Mr. Slater. New employees were usually hired as either Laborers or Car Repair Mechanic's Helpers, according to what position was open and the previous experience of the employee. At times, the only available position was that of a less skilled job classification than the applicant had at his previous job. In such cases, the Superintendent usually told the applicant that although he was being hired at a less skilled job, he would be "up-graded" to the next higher job classification when a position was open. There was a good deal of feeling among the employees that such promises were not usually kept.

According to the Union-Railroad Agreements (more than one International Union had jurisdiction over the employees in the Car Repair Department, but the Agreements were basically the same in this respect), promotions should be on the basis of seniority, if the employee desired the promotion. The Agreements read:

> (a) When new positions are created or vacancies occur . . . a bulletin will be posted for a period of five days and will show location, descriptive title, hours of service and rate of pay.
>
> . . . .
>
> (c) Employees desiring such position will file written application for same in duplicate within the five-day period and the senior qualified applicant will be assigned to the position. The foreman will furnish the Local Committee with duplicate copy of the bid upon request.

However, Mr. Slater generally violated this provision of the agreement. In the great majority of cases, Mr. Slater did not put notices of vacancies on the bulletin

board. He promoted employees from either Laborer to Car Mechanic's Helper, or from Car Mechanic's Helper to Car Mechanic upon the basis of his own judgments. For example, Johnny, a hard-working, able, and ambitious Car Repair Mechanic's Helper with about three years of service, had not been up-graded to the position of Car Mechanic. However, about four or five employees who had less seniority than Johnny were up-graded to the position of Mechanic. The possible argument that perhaps Johnny did not really have ability may be discounted by the explanation that when emergency repair work had to be performed on cars stalled "on the road," Johnny usually went out alone with the emergency repair truck to perform the necessary repairs, while the other Mechanics remained at the Repair Shop.

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In September two positions for Car Inspectors were opened. A Car Inspector received the same pay scale as a Car Mechanic and was usually a Car Mechanic for several years before being promoted to the position of Inspector. Although the Superintendent did post the notices of the job openings, two Helpers who had less seniority than other employees who applied were selected for the new positions.

The employees did not like the Superintendent's practice of violating the contract agreement, but they didn't do anything about the situation. They grumbled, and many threatened to quit, as soon as "things got better." However, jobs were hard to obtain during this period and few did quit. During the previous years of World War II, when jobs were easy to find, the turnover rate was high.

In addition to their objection to his promotion policies, some employees disliked the Superintendent because of other reasons. First of all, Mr. Slater received his present position when he was employed by the Mid-Western Railroad during the 1922 Shopmen's Strike, in which the Shop Unions suffered a disastrous defeat. The older, unionized employees still called him "strikebreaker." In addition, Mr. Slater did not try to be friendly with the employees. The employees felt that Mr. Slater could not be trusted.

Workers often remarked, "Why don't the local unions do something about Mr. Slater's violation of the union contracts? They don't seem to dispute his practices. They have the authority under the Agreements to challenge his selections."

Four different unions represented the employees in the Car Repair Department: The Brotherhood of Railway

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Carmen; the Brotherhood of Firemen and Oilers (which represented the Laborers); the International Association of Machinists; and the International Brotherhood of Blacksmiths. However, of these the Carmen's Union was the most important, since it represented the majority of workers in the Department—the 27 Carmen and Helpers. Of the 27 employees who were eligible to belong to this union, only about half were members. Both members and nonmembers were apathetic about union affairs. When union meetings were called, only about four or five members attended the meetings.

When a nonmember had a problem regarding promotion, as for example, Johnny, the attitude of the union members was, "Why should we stick out our necks for him? He doesn't belong to the union or pay dues." When a union member had a problem, there was little support by the union, since there was indifference to union affairs even on the part of the union members.

In addition, although the Firemen and Oilers' Union represented the Laborers in the Car Repair Department, there was nothing in the contract which specifically required the Superintendent to promote a Laborer to the position of a Car Mechanic. The Firemen and Oilers did not have jurisdiction over Carmen's Helpers—the Carmen's Union did.

TRAINING STAFF MEETING

The Central Corporation had four plants, each employing at least 1,000 people, and a central office with a staff of approximately 250. At the central office James R. Simpson headed the training division with general staff responsibility in the area of company-wide training, and specific responsibility for running the training programs of the central office. Each of the four plants had a plant training staff operating under a director of training responsible for carrying out the plant training programs. The plant training directors reported directly to their respective plant managers. Mr. Simpson had no direct line authority over the plant training directors. His position, however, in the central office, and particularly his direct contact with the principal officers of the corporation permitted him to exercise a great deal of influence over the plant training directors.

TRAINING STAFF MEETING

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The board of directors had determined to undertake an executive training program and gave a general directive to Mr. Simpson to develop such a program to be worked out in detail with the plant training directors. The four plant managers were informed of the directors' decision to carry on the executive training program, and were urged to get their plant training staffs working on the program in the near future. As a result, Mr. Simpson had called a conference of the plant training directors and they were meeting with him at the central office. The discussions at the meeting were recorded as the simplest means for providing each participant with a record of discussions and decisions. Following is a segment of the recorded staff meeting on the first day. As Mr. Simpson indicates in his opening comment, the group has been talking about the program prior to the incident recorded here.

Mr. Simpson We seem to be in general agreement as to what the executive training program ought to accomplish—what we're shooting at. Perhaps it would be a good idea to take a look at methods—how are we going to do it There are lots of different methods—conferences, group discussions, lectures, work shops, and the like—and we ought to have some agreement among us on which we propose to use at our plants. I, of course, can't tell any of you what methods should be used here, but I do want to throw out the idea that we consider using role-playing in our training. I have had. . .

Carl Halvorsen (Plant 1 training director). I've read a little bit about that role-playing stuff, Jim, but I can't say it has impressed me particularly.

Mr. Simpson I've used it some here and I think I can say without any qualification that it is successful We have had amazing results with it after we once broke the ice. I know it is kind of a new thing and some of you may hesitate to undertake it because you are not familiar with it. If we decide to go ahead with it we could very easily run some practice sessions here before we break up and that would give us all a chance to see it in operation.

Harold Hicks (Eastern plant training director). Jim, before we talk about this role-playing maybe we ought to find out what plans the fellows already have, if any Some of us have been thinking about this program ever since we knew it was coming and I'll bet some of us have even been doing some executive training already. What I mean is, let's not decide on a method until we find out what some of the ideas on that are.

Mr. Simpson. That's a good point, Hal. I guess I just assumed that would come out in the discussion, but let's do it that way to start. What are some of the plans you fellows have? How about your plant, Randy?

F. R. Randall (Plant 2 training director). Well, as you know, our plant manager hires personally all the executives at our

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plant and he is pretty proud of his executive staff. I think I will be able to sell him on this training program. I frankly haven't given much thought to methods—of course, we all know the usual methods—but I'll go along with anything we decide here.

Charles Pinkerton (Western plant training director). I know this role-playing business is supposed to be hot stuff; but we have used it for some time. I think all of us used it some way during the war with JMT and JRT.* I've found it works all right with workers and supervisors. But executives are likely to think it is kid stuff and just laugh it off. I have some reservations about using it in this executive training program

Mr. Simpson I'm glad you brought that point up, Charley. We were kind of worried about the same thing. Once we tried it here, however, we found that the executives ate it up. I know it takes some real technique in introducing it but if you do a careful job it will work. I remember one of our top executives here who just acted bored when the others were role-playing. I could see he didn't like it. Then he played the role of a department head catching hell from his division chief. He really did a superb job and had the boys in the aisles with his acting. After that he was really enthusiastic about the method. After all, executives are human, too, and they get a kick out of really participating in the training. That's what role-playing does—it gives everyone a chance to participate without having to make speeches and shoot the bull.

Mr. Pinkerton. Well, maybe the executives here at the home office have time to play games like that. But seriously, Jim, I wonder if we are going to have the time at our plants to make use of this role-playing. If we are going to do a well-rounded training program we'll have to cover an awful lot of ground. I think you'll admit that role-playing is slow going, particularly, as you say, when you have to spend so much time to put it over in the first place.

Mr. Simpson. You are right, Charley, and I wouldn't argue with you for a minute about the time it takes to do role-playing. My own feeling about the matter—and this is, of course, just my personal opinion—is that the lessons learned in role-playing are really learned and stick with people. Sure, you can cover more ground quicker by the conference method or by lectures, but how much of that stuff sticks with a fellow?

Mr. Halvorsen. That's just one of the things I've worried about in role-playing. Now, I'm not an expert on it like you, Jim—I can only speak about what I've read about it—but I wonder how you evaluate its effectiveness. That's one of our biggest headaches in training—evaluation—and I don't think we know enough about evaluating role-playing to be sure we have a good thing in it.

Mr. Simpson. Carl, we all know that evaluation is a headache, and I'd be the first to admit that we are a long way from having that one licked. My own observations are that role-playing sticks with the participants and does a teaching job. What do you think, Charley?

Mr. Pinkerton. Oh, sure, I go along with you in saying it sticks

* Job Management Training and Job Relations Training, standardized training programs used during the war.

with the participants, but so does at least some of most training. I still feel that we would have a real problem of getting executives to take it in the first place, and I don't think we will have the time back home at the plant to use it anyway.

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Mr. Simpson. You haven't said much, Randy. What's your reaction to this?

Mr. Randall. As I said, I'll go along with anything you decide here. If you want us to try role-playing, I'll try it. It doesn't make much difference to me because training is training, after all.

Mr. Simpson. I'm sorry you put it that way, Randy. I'm not trying to force anything on you. You all know you are perfectly free to run your training programs as you please. I don't want any of you to have the impression that we at the home office are trying to insist on anything. Our purpose in getting together is to exchange ideas and develop a unified program so we will all be accomplishing the same things when we get our executive training under way. I just threw out this suggestion on role-playing because I thought it was valuable, but of course that is just one of many things out on the table. We have a lot to get over in the next couple of days so maybe we ought to move on to something else and come back to methods later.

SOME REFLECTIONS OF A COMPANY PRESIDENT

Mr. C. C. Shaft had been president of his company for fifteen years. It is a medium-size brass products firm employing about 600 workers. He had a record of very successful management and was considered to be a thoughtful executive who maintained an active curiosity about the problems of running organizations. He did a good deal of reading in the field and maintained contact with academic people working in the fields of organization and administration. Following is the substance of some of his reflections on the fine art of managing an organization as expressed recently over the dinner table to a college professor.

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I sometimes wonder how realistic the training is that you give students we hire for our future executives. It has always worried me a little bit that the textbooks dealing with administration always place such great emphasis on the executive as a sort of decision-making dynamo. One gets the impression from the books that an executive sits alertly at his desk eagerly awaiting the day's flood of problems demanding decisions.

My own experience hardly conforms to such a picture. Of course I make decisions, and sometimes many impor-

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tant ones in a single day. But on reflecting over my experience and habits of work I find one thing in particular that has not, in my opinion, been put in proper focus. There are times and situations when I desperately wish a problem had not been brought to my attention because it then forces me to make a decision. That sounds like a curious paradox, an executive who does not want to make decisions, but let me explain it a little bit.

A decision is almost invariably a prelude to action. Sometimes a situation in your firm is best left as is temporarily and not brought to the level of immediate decision and subsequent action. Suppose, for example, I have two department heads clashing over some point. One of them in great indignation finally comes to me and demands that the issue over which they are fighting be settled by my decision. I am then put on the spot of having to recognize officially the dispute and make some public gesture to settle it. You may be sure under such circumstances that I am likely to be not a little bit irritated by being forced to make the public decision Now this does not mean that I don't want to be aware of a dispute in my organization like the one I used as an illustration. There are, however, a number of ways I can handle such a situation without taking the more formal course of making a decision which "settles things once and for all." In the end, more informal methods of executive control and influence can be brought to bear which can produce a less damaging result to all parties concerned and usually a more permanent and satisfactory solution.

Or to take another general illustration, one often comes across the junior executive who always wants to have things "spelled out" and "clear cut." He is usually a capable chap but he is likely to come running to me for a stream of decisions on matters of pressing importance to him, but in the over-all operations of the company, relatively technical and specialized from my standpoint. Likely as not these kinds of things about which he wants me to make decisions often exceed my technical knowledge and tax my interest. To dismiss such an individual abruptly with the admonition that "I expect my executives to assume responsibility to make decisions" often leaves him terribly distraught and with a deep sense of apprehension every time he makes a decision he would prefer I handle.

Do you get the point I'm driving at? It seems to me that the emphasis given in "how to be a successful execu-

tive" kinds of books, ignores the fact that part of the fine art of being an executive or administrator is to know when *not* to ask for or force a decision on a matter of concern to you. I don't know whether or not you teach that to your students. I hope you do.

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MARGARET SHARP, LIBRARIAN

When Roger Mather had served a year as librarian of a university departmental library, he concluded with a good deal of amazement that he would probably never completely lose traces of his immediate predecessor, Miss Margaret Sharp. Miss Sharp had succeeded in leaving a strong imprint upon the organization which she headed for several years.

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This particular university departmental library had been established in connection with a permanent social science research committee. It was the purpose of the library to gather together special research materials for use of the committee's research staff. Miss Sharp had been selected to head the library because of her education and experience. Her master's degree in economics was considered important since the committee was heavily engaged in economic research. Furthermore, while she had no formal training as a librarian, she had had experience as librarian at the central executive offices of a very large corporation, in charge of a large technical and legal library used by the executive staff. Altogether, Miss Sharp had a knowledge of subject matter and enough experience as a librarian to make her the natural choice as departmental librarian.

Margaret Sharp left her position with the university departmental library to take a library research job with a nationally famous research library. Mr Mather, a trained librarian, succeeded her immediately and took over a library which had been under her guidance for almost two years. Miss Sharp left before Mr. Mather took over so there had never been any personal contact between the two.

One of the first discoveries Mr. Mather made on taking over his job was a series of formal, written documents setting forth the substance of agreements made by Miss Sharp with various members of the general university

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library staff. According to Mr. Mather, she had apparently felt it necessary to get down in writing all the various arrangements she had made to fit the departmental library into the structure of the university library. She had a written document covering book ordering, for example, which, according to Mr. Mather, did nothing more than set forth the standard practice of the university library in purchasing books for a departmental collection. He was at a loss to know why such a document had been drawn up and spoke about it to the chief of the book purchasing division of the library. That individual had said that he too was at a loss to understand why Miss Sharp had prepared the document, since all the information was contained in written regulations of the library, easily available to her. He had gone along with her thinking that she wrote things out carefully in order to teach herself what she should do.

There were similar long written agreements covering relations with the reserve book room, the periodical and newspaper division on matters of direct purchase of such items for the departmental library, the cataloging department, and even with other departmental libraries. Mr. Mather initially kept a file of these agreements in the event they might contain some special feature not a part of the normal practice of the university library. After several months he threw them all away.

Among other unusual practices discovered by Mr. Mather was a system of cataloging in use when he took over. Miss Sharp had instructed the clerk to make a 3 x 5 slip of paper with author, title, publisher, and place and date of publication for each new pamphlet received. This was apparently the rough draft of a cataloging card to be made later and placed in the card catalog. The assignment had apparently been impressed upon the clerk because she typed a slip for every printed item which came into the library—publisher's advertisements, book catalogs, announcements, samples of magazines, etc. The cataloging idea was dropped by Miss Sharp, or at least deferred. Nevertheless, the clerk continued to make slips day after day for every piece of literature received. The item received was filed with the 3 x 5 slip attached. These items were put in alphabetical order by whatever name could be located on the item. Mr. Mather found 20 file drawers full of this material representing between five and eight thousand items, all with the 3 x 5 cards still attached.

Mr. Mather noted one day that the clerk was making

duplicate catalog cards for some new periodicals. These cards included the full bibliographical data on the periodical. Each set of the periodical catalog cards was filed separately in two expensive filing cabinets, a practice which had been going on for two years, although only one set was ever needed or used.

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On several occasions during his first few months on the job Mr. Mather noted that after an absence from the office of several days all the first class mail would be piled neatly on his desk, unopened. He observed further and saw that all first class mail received by the library was always put on his desk unopened. Checking with the library secretary (the staff included one secretary and one clerk), he discovered that Miss Sharp had not permitted anyone but herself to open the first class mail. The library secretary then told Mr. Mather how she would often spend time knitting while Miss Sharp was attending numerous conferences, because none of the business of the office could be carried on in the absence of Miss Sharp.

The very first day he sat at his desk, Mr. Mather was particularly interested in finding that the file drawer of the desk was filled with official correspondence. Upon checking with the secretary he was informed that Miss Sharp had kept all official correspondence in her desk file drawer, rather than in a file cabinet drawer, either because she was afraid it might be lost or because she did not want her staff or anyone else to see the mail.

From the standpoint of organization the librarian reported to and was responsible to the chairman of the research committee. The departmental library had been set up on this basis because it was felt that the work of the library was so specialized and so closely connected with the research of the committee that the library collection would be most effective and responsive to research needs and requirements only if it were tied in directly with the research committee. Ordinarily, in this university a departmental library would be placed under the administration of the director of the university library. An exception was made in this instance to facilitate the research of the committee.

When Miss Sharp left to take her new position the chairman of the committee expressed real regret at her leaving.

COMMONWEAL ELECTRIC COMPANY

The Commonweal Electric Company is a large public utility servicing a major metropolitan center. In line with the population growth, and, particularly, with shift of population within the metropolitan region served by Commonweal, the company was expanding its facilities. The expansion program involved construction of a number of substations in areas of recent population growth. Because of the specialized character of the construction work, the Commonweal Company maintained its own construction department, which supervised all construction of company properties.

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Mr. James Baldwin was the field superintendent in charge of construction for suburban areas. Mr. Baldwin had approximately one-third of the construction department staff under his supervision. Mr. Baldwin and his staff had general responsibility for checking daily the progress and quality of the work being performed on the new construction projects. Normally this supervision is maintained by the architect in the interest of his client. The Commonweal Company preferred to assume this responsibility directly.

Jim Baldwin was a man of 53 years of age who had been with the company for 10 years. He was a structural engineer by profession, and considered extremely competent as a field superintendent for construction. One member of his staff was George Bowen, a young engineer who had been with the company for a year and a half. The very nature of the work in supervising construction and inspecting it for conformity with specifications required a great deal of on-the-spot exercise of judgment. This Mr. Baldwin clearly recognized. Accordingly, he permitted the engineers on his staff a great deal of independence in their operations. This meant that for the younger staff members, like George Bowen, there was always the possibility of errors in judgment on the job. Mr. Baldwin recognized this and considered it one of the risks he took in giving his field engineers a relatively free hand.

A contract was let to the Luckman Construction Company for the construction of the Valley Substation. This was the first time that the Luckman Company had been able to bid successfully for a Commonweal contract. The Luckman Company anticipated the possibility of future

contracts, and, therefore, was particularly concerned about doing an outstanding job in constructing the Valley Substation. The contract was on a cost and materials basis. This placed a premium on the quality of work expected by Commonweal. Because of the concern about the job, Richard Luckman, son of the company president, was placed in charge of the job for the construction company.

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For the Commonweal Company George Bowen was assigned as field supervisor. George was quite conscientious in the performance of his duties, spending all his time on the job checking the construction work against the blueprint specifications. It was part of his particular responsibility to see that the portions of the construction which were hidden from view when the structure was completed were in line with the specifications required. This sort of checking required George to work all over the construction project and to be in constant communication with the workmen and the supervisors. George had the power to order a halt on work in progress if there was disagreement between himself and the construction company. He had no occasion to exercise this power since his relations with Richard Luckman were excellent. The two men worked together very well, with Mr. Luckman trying very hard to meet all the demands of Mr. Bowen regarding details of construction.

Part of the concrete work was ornamental, and, therefore, conspicuous and prominent in the building design. A good, smooth finish was required for this reason. Such a finish was easily obtained by having the concrete forms correctly fitted, and by having one of the laborers tap the outside of the form while another operated a vibrator as the concrete was poured in. The concrete was poured in sections. Only small portions were completed at any one time, to assure good work.

Mr. Luckman had been very careful about his work and was quite pleased with the concrete job. The concrete pours were progressing well and the finish was satisfactory.

On the day of one of the last pours, Mr. Luckman became ill, and was unable to supervise the operation. He knew George Bowen was thoroughly familiar with the pouring procedure and asked him if he would take over and supervise the concrete pouring for that day. George accepted the offer without hesitation.

On the day the concrete forms were removed from the section poured under Bowen's supervision, it was found

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that air pockets had formed in the finished surface. Such a finish would be difficult and costly to repair, and looked poor alongside the other work. Dick Luckman was quite upset about the outcome and called in Mr. Baldwin. It was found that Bowen had neglected to use a tapper on the forms. Mr. Baldwin regretted the work, but only insisted that such a thing should not happen again. As far as he was concerned, the incident was closed.

The following morning at 4:30 a.m. Mr. Baldwin was awakened by the ringing of his home telephone. It was Mr. Luckman. Luckman offered no explanation for the call, but just requested the discharge of George Bowen, or at least his removal from this particular job. Mr. Baldwin pacified Mr. Luckman by insisting that things would be checked into the following day. Mr. Baldwin later found out that Mr. Luckman had left the job in a pretty bad mood that day. He went to bed that night but was unable to sleep. At 2:00 a.m. he returned to the job, obtained a bottle of whiskey, and by the time he called Baldwin, was fairly tight.

The morning after the telephone call a cement finisher was put to work on the concrete and eventually he repaired it to the satisfaction of all concerned. George Bowen remained as field supervisor until the building was completed.

COLUMBUS CORPORATION

Following is a section of the verbatim minutes of a bargaining meeting between the top company and union officials at the Columbus Corporation. This is one complete episode in the three-hour meeting between the company and union officials. Present at the meeting and participating in the discussion were:

For the Company	*For the Union*
Mr. Harris, President	Mr. Bush, President
Mr. Williams, Executive Vice-President	Mr. Geopolis, Vice-President
Mr. Gill, Director of Industrial Relations	Mr. Dale, Committeeman
Mr. Folsom, General Superintendent	Mr. Hays, Committeeman
	Mr. Hinchcliff, Committeeman

Mr. Bush. But, Mr. Harris, along with all this, in order to work on your theory of inequities and adjustments that you have made from time to time, unless somebody listens to my raving and ranting about the fact that we have a system here that causes inequities, then maybe we'll get some of these washed out one of these days. But the program that we have in the plant today will always cause inequities. Because we have a system now that a job title can be set up at any time and added to the rate book.

Now we have a job title that somebody intended to give one of the boys out here in the shop a little increase, so they called him "Assistant Supervisor of all Returned Goods." Now that's an awful title to put in an hourly-rate structure just in order to give somebody a raise As long as that condition can prevail, then you're always going to have a guy that works right next to him doing the same identical job, with different job title and a different rate, and there's where you create your inequities.

One of the worst ones we have on the sheet right today is a job called "Ticket Writers" In 156 and 160 they're paid an A-1 classification and attached to a group. Then we have a department set up here called 701—Line Setting Department, to which we attach "Ticket Writer" at $1.19 day rate, and we send those men out to work constantly with a "going department" at $1.19 an hour, and these other men working constantly in a "going department" for an A-1 rate.

As long as we're able to set a rate in the book and call it what we darn please at any time, then you're going to have those inequities show up. Until we get a standard rate—and then when a new job comes up then apply it to the standard rate—so that regardless of what department the man is put in, or regardless of what department the job is in, then that rate is paid standard—then we're going to get away from a lot of these. But we're just going right on. No matter how many adjustments we make we're never closing the door on them and they just continue to go right on.

We ran across a classification here some time ago, and the man had a number of jobs to do—maybe 20 different jobs, and when they finally received the back pay on that, then he also immediately wrote up a new classification called "General Maintenance." Listed among the jobs that General Maintenance was to cover was a combination of skills that I don't believe you've got any two men in the shop that could possibly ever qualify to do all the jobs that are listed for General Maintenance under that classification. That was to cover a particular individual and as long as we're going to cover particular individuals with various job titles at various rates—and we're going to have this time and time again.

Bill (Folsom) said that when he came down here that he did a lot of adjusting through the shop and took care of a lot of inequities, but you didn't go far enough. You didn't close the door to that thing. They still allowed the office here to set up job titles and rates for jobs, and accommodate individuals, if I may put it that way. Consequently, you have a man working right next to him doing the identical job, and you've got a holler coming. You'll always have those inequities unless you get down to a standard rate sheet and take the job and

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apply the class to the standard rate sheet and then pay it accordingly.

These are always going to crop up. We've got maybe two thousand job titles in this shop, and a *thousand* could be washed out with one classification. *Assembly Work.* A thousand titles could probably be washed off the rate book. Our rate book here looks like a Bible. If the foreman has a job come up, he calls up the office and if they don't have anything that's just exactly identical—if there's just a little change in it—then there's a new title and a new rate. Consequently, you've got an inequity.

Mr. Williams. How many classifications have we now?

Mr. Gill. We have seven productive rates, and about 2,000, or better, job titles, and in the daywork departments we have about 73 different daywork rates. It varies from one to five cents for the same identical work, only it carries another title.

Hinchcliff had one called to his attention this morning. They set a rate in 197 over here just the other day. . . .

Mr. Hinchcliff That's been in there, Ray (Mr. Bush).

Mr. Bush They started back to work on it, rather—the job is Stock and Crib Man at $1.13 an hour. Crib Tenders are $1 16 an hour, and Stockhandlers are $1.16 an hour, but a Stock and Crib Man is $1 13 an hour. By creating a title there, we create another rate, and as long as you're able to do that—

Then here in Plant 8 you call a man an Assistant Trimmer and Order Filler. You tie two jobs together An Order Filler is one rate and an Assistant Trimmer up here is another rate Then they've got a man called Crater, Packer and Order Filler, yet they've got a rate and a title for an Order Filler, but they slipped in another job to take care of an individual and as long as any office here is allowed to take care of individuals by putting in these job titles, you are *always* going to have inequities.

I've preached and hollered for this thing for four years, and I can't get *heard.* Somebody's got to do it if you're going to close the gap after you've made adjustments. I don't care when these adjustments are ever made, but when they are made you've got to close the door or you're going to have it right back at you again

Mr. Gill On this Plant 8 situation that he talks about, we had quite a time with Plant 8 before the war. I think it was in 1939, or early in 1940, we appointed a special committee Tom Holten was one of the committee from Management who went out there, and they studied those jobs and made recommendations and you accepted those recommendations and created the rate structure that we have today.

Mr. Williams. Let's forget Plant 8, because that's rather small by comparison to the Plant here. Let's take this job of Stockhandler and Crib Man.

Mr. Gill. All right, we had a so-called Crib Tender. A Crib Tender, normally, is one who takes care of production tools, but they had a job in 191 and 193 where they made up tool kits and where they kept certain stock—radio equipment, special accessories, etc., and issued them out of this crib. They made up these kits and issued these kits out of the crib. It's an entirely different job than a Tool Crib Tender has, but it was inside of an enclosure so we called them Crib Tenders and

the rate was three cents lower. Those three jobs are still existing today, and there's still the three cents difference.

The Crib Tender's job was the issuing of tools—production tools, and the other was the job in 193—the Stock and Crib Man. That's been there ever since I can remember and it's gone through various studies here and it's always been all right I don't know why it's so wrong now, except that possibly during the war the job content might have changed some. I don't know whether it did or not, to make it more comparable with the $1.16 job. I don't have all the information on that yet, but that's the reason why we do have those various rates on the various jobs.

Mr Bush. Well, where you get to on that is just like you have here in the Machine Shop on your Screw Machine. Screw Machines are A-1 with the exception that a 2-A Warner-Swasey and a 2-B Foster is an A-6 Screw Machine. Now the name of the machine shouldn't be the reason for changing the rate of the machine, it should be the type of work the machine does.

Mr. Gill All right, on those Screw Machines, yes, we do have two classifications, but there is no discrepancy in the job titles and the job content is the same. Now you do have a difference in Screw Machines, there is one type of Screw Machine that we do pay a higher rate on and always did. Correct me, Bill (Folsom), if I'm wrong, but I think it's because of the multiple tool set-up on the job

Mr. Dale. On a 2-A Warner-Swasey or a 3-A Warner-Swasey, there's a big difference in the amount of tools set up in the head on those jobs as there is on a regular 2 Warner-Swasey. Two, three, four, five, and without the *A* on it, just an A-1 rate, it's supposed to carry the same amount of tools in the head, that includes all the way from 3 to 7 tools So you've still got the multiple head tool in the No. 2 Warner-Swasey, the same as in the No. 2-A Warner-Swasey.

If a guy was running a Wicks Lathe with a multiple head tool on it with four or five tools in it, he gets an A-1 classification. If he's running a LeBlond or Libby Lathe with the same amount of tools, he gets an A-6 classification

Mr. Gill Isn't that because of the job they're on?

Mr Dale. You just got through saying that it hinges on the number of tools that there is in the head—

Mr Gill You didn't let me finish saying what I was saying—there are certain reasons for this Some of the reasons why we can put some job titles into a group is because of the particular group or particular job that they're on, and it was agreed by the Union and the Company back in 1938—we spent seven weeks one time and eight weeks another time—and we agreed jointly, and those jobs haven't been changed since that time.

I'll grant that from time to time there may have been a new job come in, and some of them might have been classified wrong, but those new jobs are rare exceptions and don't cover the general situation, because there haven't been many new jobs created

Mr. Dale. Up until we started back in Department 160—when the Machine Shop went back to work—and we started preparing to get back to civilian production, all lathes in 160 were

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an A-1 job, and you could walk right across the aisle into the other job on the same kind of a lathe, with the same name and the same amount of tools in it and it carried an A-6 rate.

Mr. Gill. On what kind of a part? Isn't there a little difference in the part that they run?

Mr. Dale. There's a little difference in the part that they run, maybe.

Mr. Gill. I think there's some differences, for instance, between a crankshaft and a cam shaft, or between a bearing cap and a cylinder block.

Mr. Dale. That's the way you wrote up your job titles.

Mr. Gill. Don't point at me, because your committee was right in with us, at two different times. I didn't even sit in on those meetings.

Mr. Harris. It was the joint work of Management and the Union Committee when those classifications were made here a few years ago.

Mr. Geopolis. Well, here's one, Mr. Harris, how can you account then for an Arc Welder classification change coming through the office as A-1 when everybody knows it's supposed to be A-11. How can you account for that? Still that exists. All the classification changes have to come through this office before it's recognized—before it can be paid, but yet they come through the office that way and are allowed to be handled that way.

Mr. Gill. I think, Bill, that that comes about because you wanted everybody in the group to be paid the same classification. That has happened in a great many cases.

Mr. Geopolis. No, Cal (Gill), that absolutely isn't the case. You can't tell me that over there in Red Hunter's department, where he's got his Arc Welders in A-11, that he wants one man over there to get A-1 or A-6. You know better than that.

Mr. Gill. I mean that in talking about this job over here in 406—it's an entirely different kind of a welding job than you have in 288

Mr. Bush What about the Arc Welder in 150?

Mr. Gill I think that you'll find that the reason for this trouble is that they wanted everybody in one classification—one rate for everybody in the group, and that's probably how he got in A-1 instead of A-6 or A-11, and I think you'll find that in 150 it was probably the same situation—you wanted one classification for everybody.

Mr. Hays Well, Cal (Gill), isn't it true that all the other Welders in various divisions—in fact, all welders—get alike?

Mr. Gill. No, they're not.

Mr. Dale. Well, Cal, can you answer this one—take Department 330, where you've got the big presses, you've got a row of posts down through the line. If you move a press over on this side of that row of posts, the man gets an A-1 rating, if you move it from this side to the other side, he gets an A-6 rating—the same press.

Mr. Gill. I don't know.

Mr. Folsom. It isn't the same press, is it?

Mr. Bush. The same press.

Mr. Dale. I can take you out there and show you where we moved number 57 from this side of the post over to 406 and

brought it back and set it on this side of the post. It's an A-1 rating now and it was on A-6.

Mr. Bush. On this list, Cal (Gill), we had two Crib Tenders. One in 191 and one in 193. The only two Crib Tenders we know of that get $1.13 and all other Crib Tenders in the shop get $1.16.

Mr. Gill. I explained the reason for that, Ray (Bush). That was established because this crib that was started out in 191 as a Tool Kit Crib where we had those old timers—that was their regular job—making up these Tool Kits.

Mr. Bush What about 193? That's the same as any other department.

Mr. Gill. The 193 job was supposed to be the same as the 191 job, and was so established. If they've been delegated other work and changed the job content, then there may be an inequity. I don't know about that.

Mr. Bush. Where the man carries a title of a Crib Tender, then you expect him to do crib work—

Mr. Harris. Ray, (Bush), it seems to me that enough has been said here to indicate the desirability of taking an over-all look at these classifications As you say, you can talk about that for quite a while, and I presume it's a long-time job. I think the time to start it is now, so that the work will be behind us when the wages in our industry are settled and we know what the top level is.

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PICTURES OF PHILLIP POTTER

Conrad Woolman accepted a position on the personnel staff of Utilities, Incorporated, as chief of the job evaluation section. He came to the position with 10 years' experience at job evaluation in various companies. Mr. Woolman was selected for the position by Phillip Potter, vice-president in charge of personnel. During the period he was being considered for the job, Mr. Woolman had had three meetings with Mr. Potter and they had explored in some detail the job to be done and Mr. Woolman's qualifications for it. At the time Mr. Woolman was being considered by Mr. Potter, he was employed, so that he was under no pressure to accept the new position.

The job with Utilities, Inc. represented a real opportunity, since the company was initiating a job evaluation program and Mr. Woolman would have complete charge of its development. Furthermore, he would have full responsibility for the selection of his own staff. Finally, the salary offered represented a substantial increase over Mr. Woolman's present earnings. These three considerations made the position very attractive to Woolman.

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A fourth factor loomed large in the decision concerning the job. Mr. Woolman was very much interested in knowing what kind of person his future boss, Mr. Potter, was. It had been Mr. Woolman's experience that much of the success in instituting and maintaining a job evaluation program depended upon adequate top management support. Accordingly, he spent a good deal of his time in the three meetings with Mr. Potter trying to estimate the character of the man and the possibility of doing a successful job for him. The results of deliberating on this point at considerable length led Mr. Woolman to conclude that his future chief had the qualities which would make working for him a satisfying experience. After proper notice to his current employer, Mr. Woolman went to work on his new job.

The general estimate of Mr. Potter which Mr. Woolman had developed in their three conferences was as follows:

> Mr. Potter is a very intelligent, though sometimes cynical person. He showed an unusually clear grasp of the entire personnel field, and while not having any technical and detailed knowledge of job evaluation, understood completely the role of job evaluation in the total personnel and production picture. He seemed very well aware of the problems we would face in winning support for the program, especially from lower supervision. I liked particularly the fact that he was willing to face the problems he saw in the picture and reassured me at several points that I would have all the backing I needed from him to carry out the program. He also made it clear to me that he expected me to assume full responsibility for doing a good job and that he would be the first to let me know if things were not going well
>
> The cynicism I detected in several remarks he made about a few individuals in the organization These remarks were made casually and appeared on the surface to be off-hand estimates of the people being described. He tended to condemn them with faint praise Underneath this surface appearance it seemed to me that he was expressing some pretty deeply ingrained convictions of dislike or lack of respect for the individuals he was talking about. He mentioned these people in connection with orienting me to the organization and personalities I would have to work with At the time I appreciated his frankness in making clear to me his own estimates of the people who might be difficult to deal with in the company. Yet, he never at any time came right out and said, "So-and-so is going to be a real problem to you." He was much more indirect and subtle in coming to about the same conclusion. I suppose another way of putting it is that he gave me the impression of being a very sophisticated and intelligent man who was not so wrapped up in his job that he was completely humorless.

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In the course of two months on the new job Mr. Woolman established wide contacts in the company and had a number of occasions to find out what other members of the organization felt about Mr. Potter. Mr. Woolman continued his initial interest in finding out as much as possible about his new chief. He had ample opportunity, for Mr. Potter was not an individual you could take or leave alone. Most people had strong opinions about him —and usually expressed them freely. He therefore was able to recall with considerable accuracy at a later date the impressions of Mr. Potter expressed by other people. Some of these were related by Mr. Woolman as follows:

Mr. Potter's secretary, Jane Allison, was one of those completely devoted people She viewed Potter as a sort of a god. He could do no wrong, in her estimation She commended him for his unfailing courtesy, and the detailed consideration he showed for her welfare For example, he never asked her to work after hours on a rush job without first consulting her about her plans for the evening and making sure that she would not have to give something up in order to work overtime. She once said· "I would do anything for Mr Potter because he is such a wonderful and considerate man. And yet, do you know I feel that he is very much of a stranger to me, too He never calls me anything but Miss Allison and he never talks about his personal affairs to me." Miss Allison once told me quietly that she couldn't understand why anybody would dislike Mr Potter, he was so considerate. This remark may have indicated her awareness that some people did not like Mr. Potter, and her inability to comprehend why they would feel like that about him.

Don Shipley was in charge of training in the personnel department and he and Mr. Woolman became fast friends, usually taking lunch together. Mr. Shipley's view of Mr. Potter was summed up in the following way by Mr. Woolman:

Phil is a guy about whom people comment that "his bark is worse than his bite " Anyone who says that may think they know him but they really don't. He never blows up and explodes but when he is really mad each word he utters is tinged with acid It's that exterior of politeness that is likely to misguide people. I get the impression that he is like a compressed spring—exerting a lot of force and influence, but never permitted to uncoil. On the other hand, he can be warm and genuine with people he likes and respects. When you get into that kind of relationship with him he is a really inspiring man. Not that you ever feel that he is a warm personal friend of yours, understand, but rather that there is a sense of trust between you. He inspires faith—and he lives up to it in all his actions towards you. He is really tops as a boss—I wouldn't hope to work for a finer man.

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From the chief time study steward of the union with whom Mr. Woolman had to deal in some phases of his work he received the following impression about Mr. Potter:

Old Potter is really a character. We don't see much of him except when we are negotiating a contract or when we have a grievance that gets up to his level. We have a pretty hard time in figuring the man out. He'll sit in a meeting with us and not say very much—just listen at first. Then he starts asking questions. He certainly knows how to get down to the heart of things—I give him credit for that. He don't argue with us either. Those questions he throws at us get the facts out on the table. All the time we really don't know what he is thinking. Then all of a sudden he comes out and says, "This is my decision," or "This is the company position." He never stalls around and runs to someone else to get a decision He calls the shots for the company and we like that. We can deal with him. He's tough, but we all think he is fair. He doesn't give us anything on a silver platter, but he never gives us the run-around either. You understand I'm telling you all this, Woolman, because we think we have a pretty good collective bargaining relationship here and we can work things out with Potter. I hope you see that and fit into the picture We'll be fair with you but we've learned from Potter that the company has to convince us—about this job evaluation, for example.

Eric Heintz was foreman in one of the largest departments of the company. Mr. Woolman was having a preliminary discussion with him about the job evaluation program in the course of which Mr. Heintz made the following observations:

This job evaluation stuff isn't new. We have always done something like that around here. I know, you personnel people have the thing all dolled up with gadgets and formulas, but it is really very simple That's the way with a lot of this personnel stuff that Potter introduces in this company I don't know whether or not he has done us any good around here—I'll let my boss figure that one out. Personally I have my own ideas on that. But Potter is certainly a power around here. We've learned that you don't buck him. He's too powerful. I remember in our last foreman training program he was talking to us about how the personnel department could help foremen and make their jobs easier None of the other fellows were saying much in the discussion and then I sounded off. "Mr. Potter," I said, "I think I follow you when you tell us how personnel work is highly specialized and requires experts. We foremen are glad to have experts help us on that. But I don't think you realize how much work your personnel department makes us foremen do—forms to fill out, reports, this, that and the other thing to do. You'd almost think you want us to be part of your personnel department. Then you turn around and tell us we can't do a lot of things—they are the responsibility of the personnel department. It seems to me that we have a lot of responsibility without authority." "That

is a very good point, Mr. Heintz," he says to me in that kind of superior way of his, "let me see if I can answer you." Then he went on for almost fifteen minutes telling us how management was so much more complicated and specialized than it used to be and how this company was in the process of getting up to date in management. He almost came right out and said that we were old square heads and stood in the way of scientific management if we felt like I had said. You can imagine how much discussion there was after that. Some of the foremen still kid me about how I tried to tell Potter off. I wasn't trying to do that at all. I hope you can see some of the problems we foremen have in doing all the things personnel wants us to Now you come along with job evaluation and there goes more of our time and energy. We foremen are depending on you other fellows in personnel to see some of our side of things and take it a little easy. We're only human, after all.

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MILLER COMPANY

The Miller Company is an old, established firm in its line, having been from its inception a privately owned company, continuously under the direct control of a single family. Mr. J. J. O'Connor had only recently been promoted to the position of plant superintendent in charge of plants number 1 and 2, located in a middle-west industrial community of about 100,000. Mr. O'Connor had 15 years of service with the company and had risen from an engineering department head to the position of general superintendent. In the course of a very lengthy discussion he presented the following experience to develop a point.

We had a fellow down in the foundry who had his foot smashed. Of course he was sent home and was laid up unable to walk for over a month. During that time he drew his regular disability compensation. After the doctor let him get up out of bed, he was able to hobble around. About a week after he got out of bed, he came in to see me. I've known Jack for at least 10 years. He came in and cried on my shoulder about not being able to sit around and fidget at home and wanting to do any kind of work in the plant until he could go back to his old job. Of course we couldn't use him in the foundry until his foot was well. The Company Doctor told me to make sure that he didn't work around a hot place where he might sweat and the sweat would run down inside the bandages on his foot. Jack told me that he couldn't live on what he was getting on compensation and wanted this chance to earn a few extra dollars. Because he was such an old employee of the company I figured that it was only

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right if we tried to do something for him. So I finally found a job for him over in the shipping department and agreed that he could start the following Monday.

We gave him his regular rate of pay as a molder while he was working in the shipping room and you've never seen anybody more grateful than Jack when I told him he had this job and what we were going to pay him.*

Well, Jack wasn't on the job four days before I started to get kicks about him. It wasn't from the shipping department where he was working, mind you, that I got the complaints. But some of his "buddies" over in the foundry were really raising a rumpus about him. The foundry foreman came in to see me and told me that I'd better go out and talk to some of the molders in the foundry if I didn't want to have some trouble. So I went out and talked to a couple of the boys. You could have just about knocked me over with a feather when I found what they were sore about.

They told me I had no right giving Jack another job until he was ready to go back into the foundry. They claimed that I was showing favoritism in treating Jack and wanted to know why he should be such a privileged character. They pointed out that Hank had been injured several months before then and nobody had done anything about giving him a soft job until he was able to go back to work in the foundry. I pointed out to those guys that Hank had never come in to ask about such a job and undoubtedly we would have accommodated him if we could have found a spot for him. That didn't cut any ice with the men, they just insisted that I had no right giving Jack a job at his old rate of pay when he was working at a lower job classification. They said that that kind of favoritism just smelled to high heaven. They said that was the thing that the union was there to protect them against. They pointed out in no uncertain terms that they were damned glad to get rid of what they called favoritism when the union came into the plant and they just weren't going to sit still and let us try and do that all over again.

Well, I must confess that that whole situation really set me thinking. I had tried to do a very decent and honorable thing in helping Jack out while he was recovering from his injury. And you can see the kind of gratitude that gets expressed to management when it attempts to be human.

* Jack's workmen's compensation payments, were, of course, suspended when he went back to work.

WARREN ENTERPRISE COMPANY

The Warren Enterprise Company is one of the principal manufacturing subsidiaries of a large, nationally known public service corporation. The Warren Company mass-produces some of the principal equipment of the parent corporation in a plant employing 17,000 workers. In this company there was a very large tool-making department and two tool maintenance departments. Thus, there was always a demand for a large number of toolmakers. This resulted in a continuous training program in which workers, through a long period of apprenticeship, reached the stage of qualified toolmakers. The training department, under whose jurisdiction the toolmaker apprenticeship program was carried out, was a unit of the industrial relations division.

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A new apprentice was placed in the Training Department and given the theoretical and fundamental training on the operation of a machine. After this training period, the apprentice was sent out to a machine section of one of the tool departments where he received practical training until he could reasonably compete qualitatively with the "old timers." The apprentice was then returned to the Training Department and the next phase of training was begun. The above procedure was repeated for all of the stages of the training program. The entire toolmaker training program took approximately four years to complete. When the apprentices were outside the Training Department they were actually loaned to and paid by the Tool Department in which they were receiving their practical training.

One of the apprentices, Mr. Kenney, was injured while receiving his practical training in the final stage of his apprenticeship. He reported to the company hospital and it was found that he had a hernia and would require an operation. Before Mr. Kenney had left the examination room, a representative of the Employees' Service Department came in and talked to him, indicating that it would be difficult to prove that the injury actually happened on company time. He also explained the company's policy regarding lost-time accidents.

An employee who is injured away from the plant will receive the regular disability benefits while he is unable to return to work. On the other hand, an employee injured on company time receives the regular disability benefits plus the doctor's fees and the hospital fees.

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Mr. Kenney definitely knew when the injury happened and there were two other workers who saw him slip on an oil slick at that time. The Service Department representative suggested that Mr. Kenney talk to Mr. Slight, who was the head of the Tool Maintenance Department, in which the accident occurred. The representative felt that it was up to Mr. Slight to decide when or where the accident happened.

Mr. Slight listened patiently to the whole story and then suggested that since Mr. Kenney was an apprentice, he actually was an employee of the Training Department, and that it was up to that department to take care of the situation.

The head of the Training Department also listened to Mr. Kenney's story patiently and felt that the Tool Maintenance Department, in which the accident had occurred, should be the department charged with the injury if the injury occurred on company time. Mr. Kenney was referred back to Mr. Slight. After further buck-passing, Mr. Kenney became disgusted and submitted to surgery at his own expense.

About a year later Mr. Kenney was working as a toolmaker in the main tool-making department of the company and another toolmaker was discussing his hernia case with Mr. Kenney. It so happened that this other toolmaker had received a hernia quite some time ago at some place away from work, but because he had a persuasive manner he was able to convince the department head that it occurred in the shop. The company paid the hospital and doctor bills besides the regular disability benefits. Mr. Kenney's toolmaker friend displayed obvious satisfaction at his triumph. Mr. Kenney recalled to himself with some bitterness his own experience under similar circumstances.

STANLEY ROGERS

Stanley Rogers had been with the Wilmington Corporation for 20 years. He was first employed by the company after graduating from a technical high school. He became an apprentice in the tool room and after successfully serving his apprenticeship, became a tool and die maker. Through the succeeding years he served in the tool room as a general toolmaker. When the foreman of the tool room retired, Stanley Rogers was selected as his successor.

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Through the 20 years during which he worked for the Wilmington Corporation in the tool room, Stanley had never been a member of the union; in fact, he had given very little thought to the possibility of joining a union. As a worker, his feelings regarding unionism had been rather neutral. He neither felt very strongly in favor of them nor very strongly against them. Six months after assuming the foremanship of the tool and die department, Rogers was faced with the unionization of the tool room men by the machinists union. Rogers describes the situation as it then existed, in the following words:

> I knew it was those young fellows the minute I heard about this union business. Why, I've worked in this tool room for 20 years and none of us ever gave a thought to unions We were perfectly satisfied with the company, and felt we got a good break from them. I don't know what a union would have done for us if we had one when I was working in the tool room

In part because he was relatively new on the job, Rogers felt that it was necessary for him to show some display of administrative talent. Accordingly, he did not consult with any superiors in the company to determine what, if anything, he ought to do about the impending unionization of the workers in his department. He proceeded to call together all the workers in the tool and die department and then tell them in no uncertain terms what he thought of unionism. Out of a relatively neutral attitude, he had developed one of very strong antagonism. He made quite a point of his 20 years' service as a worker in the department, and appealed to the men by raising the question as to what they could get any more than the company has already given them. He declared there was no reason for the men to feel it necessary to go to an outsider since he had been one of them himself and was willing to talk to any man about his problems and do everything he could to help the man.

Whether it was due to the appeal for loyalty made by Rogers to his men, or other factors, the attempted unionization failed. It came to the attention of some of the top officials of the company as to what action had been taken and Stanley was complimented on his display of leadership.

After the Wagner Act had been upheld as constitutional by the United States Supreme Court in 1937, all the foremen of the Wilmington Corporation were called together in a foremen's meeting and the attorney for the company

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reviewed with them the limitations imposed upon them with respect to unionization of workers. However, the presentation made by the company attorney was in fairly technical and legal language. The general superintendent was not particularly helpful in making a positive declaration of policy, since his general statement was that "we will do whatever our attorney says." In early 1938, a new attempt was made to organize the workers of the Wilmington Corporation. This time, the union attempting organization was an industrial union which included all the production workers.

In the face of the situation, Stanley Rogers felt he knew exactly what he ought to do. As he stated subsequently:

> I was pretty sure what I would do with the men in my department. Just as soon as the company got word that the union was attempting to organize us, we had a series of foremen's meetings. They told us all about how we weren't supposed to interfere with the union. But after all that talk by the general superintendent and the lawyer, the company president, Mr. Livingston, got up at one of the last meetings and told us all about how the company used to be when it was smaller and when most of us were new employees. We all saw the thing pretty much the way he did and felt that the company had been pretty good to us. We didn't see why it was necessary for these new workers to go out and get a union It seemed to me that Mr. Livingston made an awful lot of sense So I went back to my department and I got all my men together and I told them all about this new Wagner Labor law and said it was none of my business what they did. Then I went on to point out to them that I thought they were being awful chumps in joining the union There's no reason why they couldn't get everything they wanted from the company, within reason. None of the fellows said anything at first, and then one of our new toolmakers who had not apprenticed in our company spoke up. He said he thought everybody in the tool room liked me a whole lot. They weren't objecting to me as their foreman, and thought I treated them fairly. That part of it made me feel all right But then he went on to say, by God, they were sick and tired of being pushed around by the company. They were going to go out and get some decent wages and good working conditions. Then he spoke about things like vacations, paid holidays, double-time for Saturday and Sunday work and higher pay for working on the night shift, and things like that. I told him he was absolutely crazy if he thought he could get anything like that And then I got mad and really told those boys what I thought of them. I told them how ungrateful they were and that I was damned if I was going to have a bunch of namby-pambys in my department. I told them if they didn't like the way they were treated in this company, they better go out and look for other jobs. I just wasn't going to have any kind of people like that in my department. I also told them they better not talk about union

business on company time; that from now on I was really going to bear down on them. Then I told them to go back to work; I didn't want to talk to them any more about such nonsense.

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The union organizer was immediately told about this event and pounced upon it and made effective use of it in the organizing campaign. He claimed that the foremen had been instructed by the company to fight the union at every turn and misquoted the incident in the tool room in which Stanley Rogers had been the principal actor. As a result of this unwanted publicity, the plant superintendent and company attorney had a conference with Rogers and pointed out to him that his actions could be construed to be in violation of the Wagner Act, and that in the future he would have to be absolutely neutral with respect to unionism. When asked as to what his reaction had been to the conference, Rogers replied:

> That conference sure got me feeling low. Just a few years before, the company had been patting me on the back because I kept the union out of the tool room. Now, because I was doing exactly the same thing, they were telling me it was no go. I know damn well they really expected me to act the way I did. I just can't understand all this flipflopping around that the top management does around here. First, they tell you one thing and then they praise you when you don't do what they tell you. Then you act in the same way again, and they give you hell for it. I sometimes think I'm a sucker to be a foreman; I might just as well go back and work in the tool room and get some union boss to fight my battles for me.

When interviewed about this incident, the union organizer stated:

> Rogers is really an awful nice guy. We like that sort of supervisor in this plant. He's just awful bull-necked and stubborn about things, but he's really a very fair man with the boys in his department. We were a little sorry it was necessary to treat him so rough when we were organizing this plant, but guys like that are just so darn loyal that sometimes you have to beat them on the head before they see the light. I know it was real hard for him to adjust to this new situation, but I can tell you this, that in a year of collective bargaining our steward gets along as well with Stan Rogers as with any of the other foremen in this plant. I'll deal with his kind any time. He's an honest man.

WINTER-STONE & CO.—A

Winter-Stone & Co. was one of the top-ranking, exclusive department stores of the Southwest. In the past decade the volume of sales had increased about 600 per cent. The store had grown in rough proportion to the increase in business. However, the rapid growth of the firm had not fully changed some of the executives from an older outlook concerning the business. It was said of Winter-Stone that "they had a department store volume with a specialty shop operation."

As part of the growing interest in problems of management, an executive training program was instituted. Jack Walton was one of several young men brought into the company as executive trainees. At a later point in his career he recounted the following description of his early experiences in the training program.

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After the usual personnel induction procedures, the personnel director, Mrs. Jones, summoned me to her office. In this interview she outlined my job rotation program as an executive trainee. The first job I was to be assigned to was that of a floor manager. Mrs. Jones briefly outlined this position to me by saying that the floor manager was responsible for the general personnel practices on the floor, such as days off, grievances, lunch periods, safety, security of goods, customer relations, and closing sales. The biggest problem, however, Mrs. Jones said, was to keep the salespeople from fighting with one another.

The relationship of this job organization-wise was rather vague. I would not be directly responsible to the buyer or to the assistant buyer on the floor. I would be responsible to Personnel; however, I would work directly with the buyer and merchandise group.

Armed with the verbal information received from this 15-minute meeting, I was taken to the fourth floor and introduced to the buyer, Miss Dumont, and to her assistant. After being shown around the departments, Miss Dumont said the job was mine.

[Following is a general estimate of Miss Dumont, made independently, by an observer. "Miss Dumont was an excellent buyer. She had the sensitive taste required for selection of the merchandise of her department. In a sense she was an artist. She enjoyed a wonderful reputation in the field with both the vendors and her customers. Her career with Winter-Stone began 15 years ago, and she had been a top-rated buyer for more than 10 years. Because of her longevity as a member

of the firm and high reputation, she had a very possessive attitude toward her department. It was hers to operate as she saw fit. She was the policy. As her opinions changed, so did departmental policy."]

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This floor appeared to be an interesting place to work. It was the show spot of the store, consisting of two major sections—a gift shop and a decorative gallery. The stock in the gift shop was made up of fine china, silver, linens, glassware, gifts, and collectors' items. In the decorative gallery were the decorators' offices, a basic representation of selected furniture, and a series of model rooms. The decorators and their assistants sold on the floor, as did the saleswomen from the gift shop.

One of the first things I noticed about the 40 salespeople was that most of them were middle-aged to elderly. They were well-dressed and assumed a professional attitude. This was partially because of their compensation plan, which netted these salespeople from $4,000 to $15,000 annually.

The first day on the job passed hurriedly with no incidents of any consequence. However, in this short time, I did get a first impression of the departments. The salespeople considered themselves artists—skilled practitioners who were connoisseurs of culture in regard to their artistic merchandise. This opinion was found exemplified at lunch in the comments of floor managers from other floors. They said my floor was "a bunch of old women who considered taste and culture the criterion of success." The managers also added that this spot was the hottest in the store since there had been three managers for it in the last year.

On the next day I had my first problem. One of the salesladies, Miss Taylor, waited on a call customer in the morning, and the customer said she would come back later to consummate the sale. The customer came back when Miss Taylor was at lunch. Another saleswoman, Mrs. Ballet, wrote the sales check and took the sale. When Miss Taylor returned from lunch and heard what had happened, she came to me to recover the sale.

I checked to see if there was an existing policy governing the situation. There was none, except by precedent, which seemed rather vague and inconsistent, so I checked the salespeople to see what similar experiences had occurred and what action had been taken. I also explained the case to the buyer, and I asked if I would be correct in awarding the sale to Miss Taylor. Miss Dumont said that was the correct decision.

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With this data, I asked Mrs. Ballet, who wrote the ticket, to give the sale to Miss Taylor. She refused, and immediately ran to Miss Dumont. The buyer then ruled in favor of Mrs. Ballet.

The disturbing part of Miss Dumont's action was that she did not bother to get additional information on the case or to consult with me. She had made her decision publicly in front of other salespeople so that I was publicly countermanded.

When Miss Dumont returned to her office, I asked what I should do in similar cases, and if it was my responsibility to make decisions. She said it was definitely my job to handle these matters, but in this particular case she had ruled against my decision since Mrs. Ballet, who had written the sales ticket, was the best salesperson on the floor. Miss Dumont did not want to make Mrs. Ballet angry.

WINTER-STONE & CO.—B

After getting Miss Dumont's story [see Winter-Stone & Co.—A] I went to Personnel. The personnel director, Mrs. Jones, received me and listened to my story. She accepted the occurrence as a routine matter without any consequence. When I began asking about authority to back up my responsibilities, she continually hedged in generalities. Her reply went something like this:

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I know there is a definite problem there; however, the buyer has been with the store many years She is one of our most successful merchandisers Perhaps she does not think as clearly as she did some years ago, but she still shows a good profit. As far as authority to back up the responsibilities that you have, I'd suggest you work very closely with the buyer and gain her confidence. We can help you here directly in routine personnel matters, but in similar cases such as you have described, you should consult with the buyer first. In case there are any serious difficulties, let me know, and we will handle them here in our department. You understand our relationship is a staff organization.

Since I was extremely new in this field of work and had very little time with the organization, I excused myself and went back to the floor.

[Following is a general estimate of Mrs. Jones, made independently, by an observer. "Mrs. Jones was another long-time employee of the firm. She tended to think of jobs in terms

of the particular people who filled them and not in terms of the content which went to make up the job. She seemed fairly confident that the relationship between the floor manager's job and the buyer was clear-cut and well defined. Mrs. Jones also happened to be a close personal friend of Miss Dumont. This may have had some effect on the way Mrs. Jones handled the situation brought to her by Mr. Walton."]

My plan of attack was still vague, so I approached the problem as if I were doing direct selling. I began to make every effort to sell myself to the sales force by helping them keep stock, make sales, locate customers, and to stick up for them in every way possible. This approach was fairly easy since the salespeople were middle-aged, and I was fairly young. The motherly complex was there. With this sales point, it was easy to take advantage of their intellect to gain information about merchandise from the point of view that the more I learned, the more I could help them to sell. This method worked successfully, and after about two weeks the salespeople were on my side. At the same time, I had worked diligently to gain the confidence of the buyer. The approach with the buyer was effective, but not as rapid as with the salespeople.

Three weeks after the incident, the buyer left on a buying trip to Europe. She was to be gone for two months. Before she left, we had a lengthy discussion concerning the sales force. She gave me directions on what she expected to be accomplished. At the same time, I asked for permission to hold department meetings to iron out several misunderstandings on departmental policies. She agreed after I outlined the objectives of the meetings, as well as the policies to be discussed.

Later on we had our department meetings with some success. The salespeople's participation increased as the meetings progressed. Constructive suggestions were made, and several of these ideas were incorporated in departmental policy.

Everything progressed effectively; there were fewer rows, absenteeism decreased, and the morale was much higher. This situation continued for about two months after the buyer returned. Shortly after her return, I was transferred to another job on my trainee program. I honestly felt I had done a good job, and two top-level executives said that was the first time the floor had ever worked smoothly. My successor as floor manager was another executive trainee.

Yet, two months after the buyer returned, everything was in a turmoil as it had been in the past.

THE UNIVERSITY SPECIAL INSTITUTE

In one of the large, private universities in the United States an interdepartmental academic organization was established to offer instruction and carry on research in a special field having industrial application. The Institute was dependent for its operating funds upon contributions made by industrial firms which became members of the Institute, were entitled to its publications, and also participation in the many conferences and workshops conducted for its member companies. Accordingly, it was the custom of the directing officers of the Institute to make an annual report to its industrial membership concerning the activities for the past year, together with an outline of the following year's program. One of the purposes of the annual reports was to keep the member companies informed of Institute activities and to "sell" the Institute to its present and prospective industrial financial contributors.

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The following statement was featured in the second annual report in the section dealing with the training of graduate students.

> At the present time, there are 110 graduate students working in the interdepartmental field at _____ _____ _____ University. This is the largest group of graduate students to be found in any university in the United States who are working in this field at the graduate level. The Institute is responsible for training an important number of men from whose ranks will come future business executives.

The figure of 110 students and the conclusion which flowed from it, namely, that this represented the largest single group of graduate students working in the field any place in the United States, was accepted without question by the staff members of the Institute, as well as by the students taking work in connection with the Institute. As a matter of fact, both the figure concerning number of students and the conclusion were quoted in speeches, as well as in letters and other written statements which went forth from the Institute. It was an accepted fact to everyone working in or directly concerned about the Institute that the Institute was the largest graduate training unit of its kind.

A curious faculty member in another department of the university took hold of this statement and began to raise questions concerning it. In this university 100 to 150 graduate students constituted a large body in any regular academic field. Nowhere could this faculty member see

how 110 students could possibly be working in the inter-departmental field, with that field as their major. The Director of the Institute finally had to admit to the curious faculty member that, as a matter of fact, he had no way of knowing how many graduate students were taking their major work in the Institute. They had simply taken the enrollment in the various courses offered in conjunction with the Institute, totalled the student enrollment, made a feeble attempt to weed out duplicates, and then determined upon 110 as representing the number of different students doing graduate work in the field. The Director of the Institute stated his position in these words:

> It really doesn't make a whole lot of difference how many graduate students we actually have. I think there's no question but what we are the largest graduate training center in this field, and it seems to me there is no reason why we shouldn't say so. We ought to be able to take credit where credit is due. You know this University has always been famous for its graduate school, and we are simply carrying on that tradition here in the Institute.

In the succeeding year, the annual report of this Institute contained the following statement, in the section on graduate student training:

> It is the purpose of this Institute, over a period of five years, to concentrate on the training of only a very few individuals who can subsequently make a really significant contribution to the field We would feel that our objectives would be perfectly satisfied if, in the five-year period, three to five top-notch Ph.D.'s were trained at the Institute.

COUNTY BRANCH PLANT

During the course of a large-scale study of industry in a middle-western community, one of the researchers was having lunch in a local tavern frequented by many workers from County Branch Plant. The plant is one of 23 plants of the Lake Corporation. Employed at the local plant were 450 shop workers. The researcher overheard the following comments from a group of County workers who were eating in the booth behind his own. The research worker was in no way connected with the inspection which was the topic of the overheard conversation.

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1st Worker. This big shot visit gives me a real bang. You wonder what the hell those guys in the head office think they're getting when they come out here to inspect the plant. They must be pretty stupid jerks.

2nd Worker. Yeah, old Connors has been on our tail to clean up the department. Why, he even has a couple of us guys painting all the corners at the floors white so you can see them and then people won't throw crap in them. That old b _ _ _ _ never cleans his own desk up except once a year when they have these inspections.

1st Worker What do you think these head office boys make these visits for? Anybody knows that we just take a couple days off to get ready for them. It reminds me of the Army when the I. G. came around. At least when the I. G. came around to a camp they told us that we could go to see him if we had a gripe. Boy, just think how old Sharkey (Sharkhelder, the plant manager) would blow his top if one of us guys went sidling up to the president and told him we had a gripe—I bet you wouldn't stay around here five minutes after that!

3rd Worker. If I really wanted to find out things about this plant I wouldn't send them an engraved notice that I was coming I'd drop in here sometime when they weren't looking for me

1st Worker How much dough do you think it costs to do all the stuff we are doing? They get after us about scrap, and working hard and then they turn around and waste more money on this inspection than we all waste taking our smokes.

2nd Worker. You know, I asked old Connors why they had these inspections. He said they've been going on as far back as he can remember He thinks the big shots just get tired of sitting on their cans in the office and come out here just to make sure the plant is still here. You wonder why Sharkey and those guys get so excited about these visits.

4th Worker (apparently an office worker). Heh, did you hear what they are doing up in the office? Sharkey checked with the plant downstate and found out that the president went around pulling out file drawers and looking at them. Now he has Mae (his secretary) pushing the girls around getting the files straightened out We won't be able to find a _ _ _ _ thing now for six months

1st Worker Boy, I'll sure be glad when this thing is over and we can go back to work again.

ECLIPSE ENTERPRISES

After a period of work at the main plant of Eclipse Enterprises, Sam Wilkins, a college student, wrote the following report.

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I was hired out in the plant at the personnel office and sent up to the rough turning department to foreman Bill Mansfield. Apparently the rough turning department was a place where they sometimes put relatively unskilled people to start teaching them machine operations. However, since I had had no machine experience at all, Mansfield assigned me to the job of cleaning the scrap away from the machines. This was a rough turning department so the metal chips and turnings accumulated very rapidly. There were 10 lathes in the department and it was a fairly regular job to do almost nothing but continually remove the scrap. The castings came up from the foundry on a conveyor system, and were put through the rough turning department in order to take a rough cut on the castings prior to being sent to the finishing departments. We had long runs on the same castings, sometimes several weeks on the same one. Apparently it was considered more economical to have the rough machining work done in a separate department from the finishing machining. That way, I guess, it took less skilled people and you weren't wasting the time of skilled workers. I guess it saved on machine set-up too.

The other part of my job was to remove the castings from the conveyor when they came up to the department and stack them until they were used. The castings came up in batches and not in a continuous run from the foundry. We didn't keep a bank of castings in our department. We just stacked them and took them over to the machines as they came up off the conveyor line from the foundry. We didn't really have any room to keep banks of castings in our department. When we finished with the castings they were put on pallets or in tote boxes, depending on their size, and moved out to the finish machining departments. Since I had to move around the entire department, I soon got to know the men pretty well. One of the first things that struck me in the department was the high opinion everyone had of Bill Mansfield, the foreman. There were the 10 lathe operators in the department

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along with me. We all worked on an hourly rate, mine being, of course, lower than that of the lathe operators. One of the reasons for their being on an hourly rate was the fact that the flow of castings was not always exactly regular, so occasionally we had to wait for work to come up to us.

Offhand, the first impression anyone had of Bill was not very favorable. He appeared to be a very stern and distant sort of person. In the three months I was in the department I never saw him kidding around with any men. Yet all the men really liked Bill. If you talked to them about it they usually said that Bill was a good egg, or that he always had their interests at heart, or you could depend on Bill to protect you in a tight squeeze. Bill himself had been a worker and had come up through the ranks.

When I got to know the men in the department well enough they became pretty easy in their talk with me. I soon learned that there was a very fixed rate of production for this department and that just so many of any given kind of casting was turned out each day regardless of which one of the 10 operators was working on the job. And I also learned, much to my surprise, that Bill Mansfield encouraged this. I say much to my surprise because I had always assumed that a foreman tried to get as much production as possible out of each worker under him.

Tony Torrio is a good illustration of the point. About six weeks after I was assigned to the department, Tony came in as a new lathe operator. He was just out of service and full of pep and raring to go on the job. For the first two or three days he went way over the amount of production that the people in the department would have turned out themselves. None of the other fellows in the department said anything about it to Tony, although they were very much aware that he was out-producing every one of them. Tony was a very personable fellow and was always full of stories about his war experiences. He kept telling us stories all day long as he worked out and everybody enjoyed listening to him.

I noticed on the fourth day in particular, as we were eating lunch, Tony started to brag a little bit about how good he was on a lathe and how much he was turning out. None of the other fellows said anything to him about it but I noticed several of them looked at each other and winked pretty broadly. I didn't get the significance of this exchange of glances until the next day when Bill Mansfield came up and started talking to Tony. I was moving

some scrap at the time right from Tony's lathe so I was able to overhear the conversation.

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Bill asked Tony about how he was getting along and Tony cried, "Fine." He started telling Bill with great pride that he thought he was doing as well or even maybe a little better than anybody else in the department. Mansfield nodded in confirmation and then took out his job tickets.

He said, "Look here, Tony. I don't know whether you realize it or not, but in a big plant like this we've got to maintain the proper flow of work from one department to another. That's one of the most important jobs that a foreman has to do around here. I've been pretty successful at making sure that all the operations after our rough turning never get held up because we're slow. On the other hand, it's not my policy to bank any of our stuff. Hereafter on each job I'm going to tell you what I expect and that's what I want you to turn out. You're doing a good job and I want you to do exactly as I tell you because we all like you around here and we want you to stay."

Before Tony had an opportunity to reply to this rather startling order from the foreman, Mansfield turned and left.

That day at lunch Tony started asking all of us what's wrong with this guy Mansfield. Of course everyone acted kind of surprised and asked him what he meant. Then Tony explained that Mansfield had told him not to work so hard and told him that he should turn out only as much as Bill ordered and no more.

Finally one of the fellows said to Tony, "Look, Tony, Bill Mansfield is the best damn foreman in this plant. He knows how to run this department and none of us ask any questions. I can tell you that if you ever got a problem, Bill will really go to bat for you. I think you'd be awful smart to play along with him because he's got darn good reasons for what he does. I've been working for Bill for two years now in this department and I can tell you that he knows how to get along in this company. You just stick with him and do like he says and we'll all get along just fine."

From this conversation I was able to gather that Bill Mansfield had been a foreman in this department for at least several years, and probably longer. When I talked to some of the older fellows about how they thought Bill stood with top management, they all said that he was considered a good foreman by top management.

CAL YOUNG

The Morton By-Product Company was located in a medium-size industrial city of Ohio. The company employed a labor force of 250 workers in the production of some simple chemicals for which there was considerable industrial demand. The permanent labor force was divided into five gangs, each under the direction of a foreman. Supervising the entire labor force was a general superintendent. Assigned directly out of the general superintendent's office was an "extra gang" which was assigned daily by the superintendent's assistant to the departments needing temporary replacement or extra workers. Sometimes the entire extra gang would be assigned to one department, sometimes it would be broken up with individual members assigned to various departments.

The extra gang was composed of the newest common laborers in the company. This pool of common labor permitted considerable flexibility in shifting workers to the departments having temporary increased work loads. The pool arrangement also permitted greater flexibility in the size of the total labor force since, if layoffs were necessary, the members of the extra gang were laid off first.

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Cal Young, 24 years of age, was a newly-hired member of the extra gang. He related the following experience which took place during his sixth week on the job.

> One day I was assigned with another laborer to work in the by-products division under Joe, one of the five foremen. The job was loading salt, which was piled in a warehouse. The usual method of loading resulted in a boxcar of salt being turned out in a day. The weekly quota called for loading two cars which took two days. Well, I saw how inefficient this method was so I rigged up an affair that helped us turn out two loaded cars that day. When the foreman came around and saw what I had done, I could see that he was pleased.
>
> However, not once during that day did he come up and say, "O.K., boys, take a break since you're way ahead of schedule."
>
> As far as I'm concerned, little things like that mean a lot, and I know that the rest of the boys would have appreciated it too. In fact, as far as I remember, Joe or any other foreman never did pat us on the back for doing a good job.
>
> A week later I was detailed to work in the shops. In this group there was a friendly guy named Noah—we always had something to say to each other after the first time I worked at the shops in the same gang with him. He was an older guy who had been with the company for quite a while.
>
> On this particular day Noah walked up to me and said,

"I hear you're one of Joe's boys." (Joe was the by-products division foreman.)

I passed a few remarks about how it was working under Joe Then he says, "Yeah, I know how you loaded that ———— salt out there."

In a friendly manner he continued, "What the hell's the idea of loading two cars instead of one? What do you think would happen if one of our older men was expected to do that in the future?"

I was mildly embarrassed because I knew there was no need to load salt that fast because it wasn't coming in that fast. I realized that maybe Noah was right. Noah also added during this conversation that the company didn't appreciate this hard work anyway

Well, after this happened, I recalled other comments about my working too hard. In fact, on my first day of work I was put with another new employee to shovel dirt We worked a little while and then my buddy said, "Hell, Cal, slow down. We want to have a job to do, don't we?"

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MODERN MANUFACTURING COMPANY—A

Modern Manufacturing Company is a major company in the brass goods industry. The company is presently wholly owned by the third generation of a local family. Throughout the entire history of the company from the time of its original founder to the present day of the third generation owners, the active management, as well as the financial ownership, has remained in the hands of family members. This case is concerned primarily with Frederick Schmidt, the youngest son of the original founder of the company, who was president of the firm for a period of 37 years. Frederick Schmidt was very clearly the dominant leader of the company during the period of his presidency. His philosophy of life and actions set the policy and determine the atmosphere for all the subordinate officials of the company.

Following are extracts from speeches and statements issued by Frederick Schmidt over a period of some 20 years.

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From the House Organ (1912):

In business, the law holds that a man who signs a contract must abide by the terms expressed therein. . . Some of our salesmen seem to think that the clause referring to salesmen leaving their territory was inserted for looks. It was not. . . . It is absolutely necessary that we should, at all times, know where salesmen are, either on Sundays, holidays, or working days. If you want to leave your territory at any time, ask us by letter and secure our permission in writing. Naturally, we

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would make exceptions in cases of serious illness of one's relatives, but in such a case it is imperative that you wire us.

A 1916 speech before the City Club:

There have been many times in the past ten years when Modern Manufacturing Company could have closed its plant down for from four to six weeks, and made big money by doing so. We could have escaped big payrolls and the expense of operating a big plant. Business ethics would have justified the closing, but that is not our way of doing business. There were families depending on our factory for the necessities of life. These human considerations outweighed any financial gain.

Newspaper account of a speech by Frederick Schmidt to the Business Girls Vesper Service at the YWCA (1917):

Although saying that every woman should do some constructive work of some sort—a building up, not tearing down—Mr Schmidt insisted that there was a possibility of her getting too far away from her domestic tendencies.

A 1918 speech before the City Club:

Referring to union organization, Mr. Schmidt said: "There must be more internal organization than external. In trying to organize internally, the effort should be made to create a harmonious feeling, and there would be less strife and fewer strikes Both sides would lay their cards on the table and be frank about it, show the other fellow that it wants to be fair. and in my mind that is the fair way of settling any difference. When outsiders come in here and try to organize, they do not know a thing about the place they are organizing. They know nothing of the men and their families, nothing of the conditions of the factory. By having an internal organization among the employees, there would be a better feeling of cooperation which would be of greater benefit to them and to the industry they are working for."

From the House Organ (1920):

Every week, every Modern Manufacturing Company employee receives a little card which gives you a good beneficial thought. Do you read it, or are you of that class to whom Matthew referred when he said. "Cast ye not ye pearls before swine, lest they trample them under their feet and turn again rend you " Every one of these little cards has printed on it a message that will help you if you'll read, digest, and follow it. . . Don't trample on pearls cast before you Grab them and be benefitted

In 1923, after a return from a trip to Europe, Mr. Schmidt was quoted in the local newspaper as saying:

Mussolini, the prime minister of Italy, who has turned from being a socialist before the war, to a believer in the present form of capitalism, is, believes Mr. Schmidt, one of the strong

men of Europe, if not the greatest man of his time. Italy under this man's leadership, based on common sense, and on the insistence that the nation's expenditures be less than its receipts, under his strong hand which discharged government railroad employees—useless job holders—by the thousands . . . is coming back to normal rapidly.

In 1923, in a speech before the Rotary Club, Mr. Schmidt stated:

In my opinion, our immigration laws should not only be limited, but selective The biggest thing, as I see it, is that this land of ours grants to those who come to our shores opportunities impossible in their own country. Those who come here to grasp these opportunities should be qualified to make good citizens. We should never again let down the bars to a lot of immigrants as we have done in the past. Immigrants who come here should, within a reasonable time, be compelled to take out citizenship papers. During and since the war we so thoroughly believed in this policy that we will not employ anyone in our company who is not a citizen or who has not taken out his first papers.

In 1923, at the annual company picnic, Mr. Schmidt was quoted by the local paper:

In his address, he spoke of the cordial relations which exist between the firm and the employees, and then made a strong appeal for the upholding of the Constitution and the laws of the country and for a stand against tendencies toward radicalism, tendencies which, if followed, would, he said, lead this country to the sad conditions in which Europe now finds itself. Mr. Schmidt said, in part. "There is no reason for this country going off balance We have just passed through a trying event in the death of a great and good man, President Harding The country, however, goes on undisturbed Luckily, we have a strong hand in the person of Calvin Coolidge to grasp the helm. He is competent and capable. This country is safe under his guidance."

At the annual picnic in 1924, Mr. Schmidt made the keynote speech, in which he said:

Our older workers know our history. The younger ones do not. We have workers here who own better homes than our father, Hans Schmidt, ever owned. Will you be surprised to know that while he lived, we were renters, did not own a home? All our money was required and it went into this industry. When I realize this, sometimes I lose patience with young people who have good paying positions, whose parents own homes with all needed comforts, but who claim that they can't live on their wages and can't save anything. I refer to our family because I want all our employees to understand that if we have been fortunate or measurably successful, it has been for the reason we worked hard for it—we gave up many pleasures that we wanted; no one has helped us and any one of you, at least in some degree, can do the same thing. And

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that's the kind of people this company likes. We want you to be thrifty without being stingy. We want to see you own your own homes and have the comforts of life and to enjoy them

In a 1925 speech before the Rotary Club, Mr. Schmidt, according to a newspaper account:

> . . . attacked the women's eight-hour bill, saying that factory conditions were now more hygienic and satisfactory than those prevailing in the homes of most of the workers The child labor amendment he opposed. He favored a state constabulary for the protection of property against banditry which has come with hard roads.

The following newspaper account relates to Mr. Schmidt. It was published in 1927.

> Our town has one leading manufacturer who believes in putting Ben Franklin's adage into effect. This manufacturing executive, although he has one of the city's largest enterprises, and could have banker's hours if he desires, rises at 5 o'clock in the morning and is usually on the job before his foremen arrive for work. Frederick Schmidt, president of the Modern Manufacturing Company, is the early riser. Besides being the chief executive of the company, he is also works manager, to which position he was elected in accordance with his own wish, to keep in close touch with the many departments of the company and the departmental personnel. As works manager, Mr. Schmidt, according to his office associates at the plant, deems it his duty to inspect regularly the numerous departments and to mix with the men personally, rather than direct their activities across the desk

In 1930, the Kiwanis Club made an inspection tour of the factory. In a speech to the members of the Club, Mr. Schmidt said:

> It is a pleasure and a privilege to welcome the Kiwanians to our factory, because you members of this world-wide organization have a code of ethics which requires a high type of business standards and at the same time you are governed by rules which bring you together on grounds of good fellowship and close intimacy In this we feel that the Modern Manufacturing Company is not unlike your organization because from the inception of this business, we have endeavored to accept and recognize the best business ethics, and we have also endeavored, and we feel that we have succeeded, in upholding good fellowship in a close intimacy with our employees.

In 1931 in an address before a forum at Temple Israel, Mr. Schmidt stated:

> Lavishness and extravagant living during times of prosperity have resulted in much of the suffering during the present period of depression. Periods of prosperity have been followed by sieges of depression all through the ages. While the same causes have not always been responsible for the low business

ebbs, the results have always been identical—starvation, unemployment, and suffering. The Modern Manufacturing Company did not declare a single dividend until 50 years after the company was organized. All the revenue was returned to strengthen the company, making it able to pass through years when business was bad.

In another speech before the Presbyterian Mission in 1931, Mr. Schmidt stated: "Every employer is his brother's keeper, and factories such as ours realize this fact."

Under a headline which stated that 4,000 attended the big annual picnic of Modern Manufacturing Company employees, the following news story appeared in the local paper in 1932.

One of the biggest picnics ever staged by the Modern Manufacturing for their families was held all day Saturday in Five Oaks Park, with an attendance of nearly 4,000. There was not a dull moment during the whole day, so well arranged was the program which included many athletic contests for children and adults, an address by President Frederick Schmidt, moving pictures and dancing in both the afternoon and evening Twenty men this year were awarded $500 each in recognition of their 20 years of service with the company. The address given by President Frederick Schmidt was the first number for the afternoon program The address is given in part as follows: "It is a fact, and one which this company appreciates, that we are able to say we dwell together harmoniously. There may, occasionally, be little rough edges, but a considerable regard for each other's rights and appreciation for the democratic status prevailing in this organization enables employees and employer to come together, but not in the accepted sense of an employer and employee No, it is not that way, and we don't want it that way.... 'Good businessmen today conduct their business in accordance with the avowed belief that right is superior to might,' said Judge Gary of the United States Steel Corporation in a recent address, and he added that 'employees are regarded as associates and not servants, and should be treated accordingly.' This brilliant jurist and keen business leader denies the right of outside reformers to claim credit for this condition, which has been worked out within industrial circles, uninfluenced by outside aid or suggestion."

In 1935 a speech was made by Mr. Schmidt at the annual company picnic. The following is a quotation from the whole speech.

There's opportunity for all in an organization such as this. New positions of responsibility are constantly presenting themselves and old positions made vacant by change. Any young man who fits himself is in line for these places. It is only those who say, "I've got no chance" and believe it, that have no chance. It's the one who says, "I've got a chance and I'm getting after that" who gets the job. It's the same old quitter and go-getter over again. We've seen much and heard much in the past few weeks of seniority claims. We believe

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in this under certain conditions. Surely a man who has worked long and faithfully is entitled to consideration. If anyone has earned a so-called personal or property right in his position, this class of men has. I would not have any young man sacrifice all pleasure, which is the heritage of the golden hours of youth, but indulge in moderation. Seek pleasure after you have saved a fair proportion of your wage, for the pleasures which await you in the future years of life. Make saving the first duty to yourself. . . We are now employing 750 people. Of the married men who are a part of this organization, 44%, or nearly one-half, own their own homes. One hundred and thirty own automobiles, and four, motorcycles About 10% of the force saw service in the army and navy during the war That this number is no larger is no fault of ours At the close of the war, we offered employment to servicemen. We have 225, but the restlessness resulting from service was a barrier to employment in the beginning Every one of our servicemen got his job back. Since the last picnic there have been 35 weddings among our employees, showing that the industrial plant is not without romance Five of these cases, both parties were employed here If there be any in this organization who does not appreciate employment, we wish that he might spend a few hours in the employment office, especially Monday morning, and visualize this picture It may be imaginary, that makes no difference, it is more likely to be true There stands a man about 40 years of age out of work He looks clean, honest and willing. He seems strong and healthy There's just one thing that in him is different It is in his eye, the reflection of his brain There you see longing and despair, discouragement, almost desperation This man had left home, as he had done for five days before in search of what you've got—a job. Behind he left a wife and his little children. He left after a scant breakfast, he will return to a none too hardy dinner, and he will go to bed after a light supper. Unlike you, he will not enjoy a satisfying evening meal, and with his wife and kiddies go for an auto ride, movie show, or ice cream soda. He will not even indulge himself a cigar. The day has been a bad one for him, just as preceding days have been—tomorrow may be even worse. He looks with sorrowful, self-reproaching eyes upon his little family, and lies down to a restless sleep, depressed and despondent, with a still faint hope that the morning may bring a change—that's the man out of a job. Think what day after day of this repetition—think what it would mean to you and your family—and then—go out and jump into your work with joy in your heart and a song on your lips You are a happy man—you've got a job In keeping with our policies, we have arranged a vacation period for foremen, and assistant foremen, and established a plan whereby the length of his vacation will increase with years of service. Our 20-year men, as a further recognition of service, have been given a vacation period during the year, and now we are going to go further—we're going into the rank and file and recognize the men who have previously not had these privileges. In brief, our plan is to give each man 26 hours' vacation each year. This privilege is based upon each week that the man has a perfect record. That is, for every week that his record is perfect, he will earn a half hour's

vacation, and if his record is perfect for the year, he has earned 26 hours, or three days with pay. This plan we propose for the first 10 years, and after 10 years, vacation credit will be increased to an hour a week, for a total of 50 hours per year—and after 20 years he will be entitled to a week with pay, just as our present 20-year men are We're not going to say what this means to the company in money, but we can assure you that vacation periods that have been arranged in the last few years will run into thousands of dollars

This company has been characterized by the many features considered to be advanced practices in personnel management. A number of these practices were introduced long before they were generally accepted as good personnel practice by management. In a very real sense Mr. Schmidt attempted to practice, in relation to his own employees, many of the precepts he believed in and talked about. Following is a list of such practices and the dates when they were initiated.

In 1910 a house organ was established which was distributed at first to salesmen of the company. Later it was extended to all employees of the company. In 1897 an Employees' Aid Society was established. Between 1910 and 1915 a Foremen's Club was established, which met monthly. In 1911 a technical library was founded for employees who would thus be able to better themselves by reading technical journals and books in the field of their vocations. Almost from the very inception of the company, service awards were made for length of service. In the period between 1910 and 1920, a number of old-time employees who had been with the company for 30 years or more were provided with two-month vacations, paid a thousand dollars and had their traveling expenses on the vacation paid by the company. Under this plan, several of the employees who were born in Europe were able to make trips to their birthplace.

It was an old established custom of the company to have an annual picnic during the summer and an annual Christmas party. At the annual Christmas party, Christmas gifts were distributed which were usually a combination of a bonus money award and food baskets. As far back as 1913, there is a record of meetings between the company officials and the employees of the company held twice a year. The purpose of these meetings was to maintain a personal touch between men and management.

In 1919, the 48-hour week was established as standard, with time and a half paid after 48 hours of work; in weeks in which holidays fell, one-and-a-half-time pay was forthcoming after 40 hours of work.

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The management evinced its interest in the personal lives of the workers by establishing bank accounts for each child born in an employee's family. The company put one dollar to the child's credit and then the parents were supposed to deposit one dollar each succeeding year, the company matching with another dollar each year. A ten-dollar bank account was given to each son or daughter of an employee at graduation from high school. The president of the company purchased a number of baby cribs which were furnished to employees with newborn children for use during a period of one year, then to be returned to the company.

Paid vacations were established for plant workers in the early 30's, and by 1940 all employees had at least one-week's vacation with pay.

In the field of recreation, a band was established in 1910; a playground in 1912; an athletic association in 1914; a park was purchased on a nearby lake with a clubhouse built there in 1913; a gym erected in 1923; and a skating rink established at the park in 1927; a drama club was started in 1931. The company had a bonus which was paid at the end of each year. This plan was established some time in the 1920's and continued to operate up through the 1940's. A cafeteria was opened in the 1920's and continued to operate through World War II.

These various personnel programs are indicative of the way in which the general philosophy of Frederick Schmidt was carried into practice.

MODERN MANUFACTURING COMPANY—B

In 1948, the president of the company, Mr. Joseph Williams, the second nonfamily member ever to hold a principal company office and who had for many years been associated with the company as a legal consultant, recalled the unionization of the plant in the following words.

This company was unionized in 1941. As you know, I had been associated with the company for many years prior to that; in fact, for almost 20 years prior to that time. I was in close touch with those who established the personnel policies of this company.

At the time the union began handing out handbills and calling meetings of our employees, we were quite certain nobody would pay much attention to it. As far as any of us knew throughout the entire management, all the employees were very loyal to the company and appreciated everything the company had been able to do for them. Why, as you probably know, it was even a custom back in the 1910's for the employees to give presents to the officers of the company. At that time, the Board room of the company was furnished by gifts from the employees. That can give you some notion of how the older employees of this company felt about it. We still have some of the men working in the plant who still remember those good old days.

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Well, we didn't make any particular effort to oppose the union because we couldn't do anything under the National Labor Relations Act. But we were certainly sure that we didn't have anything to worry about in the union. Unions never had made very much headway in this town and we were certain they wouldn't have any attraction for our people.

Well, you can certainly imagine our surprise when in the election the union won by an overwhelming majority. That certainly brought a lot of us up short and made us realize that we had been living in some kind of a fool's paradise. Here we had thought we knew exactly how our workers felt about us, and it turned out that they had other ideas entirely. No, I wouldn't say that the union that organized them was particularly aggressive or hard-hitting or any more efficient or effective than a number of other unions. It just seems that there was a tremendous change in the way employees thought about things. We feel that we must have failed to keep abreast of the changing times and didn't realize that working people today think about things a lot differently from the way they did when I was a worker.

You know, I don't think Frederick Schmidt could have really understood the kind of change that has taken place in the world. He had an entirely different view of life, and there are still some people in the company today who are part of his tradition.

In some respects I think the advent of the union hastened Mr. Schmidt's death. He was Chairman of the Board at the time and was in semi-retirement. When the union won the election he was very much upset and bitter. He took practically no active interest in the company after that and died a year and a half later.

THE DEPARTMENTAL EXPENSE LEDGER

In the course of the annual audit of the books of the Upstate Corporation, Sam Miller encountered a situation which highlighted an interesting administrative impasse. Mr. Miller was a field auditor for Adams, Best, Cole and Company, certified public accountants. He had been working on the books of the Upstate Corporation for a number of days when he came across an elaborate expense ledger maintained by the company.

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Mr. Miller found out from the plant accountant that the ledger was maintained by Fred Tinkham, one of the younger members of the plant accounting department. Mr. Miller approached Tinkham in order to find out the purpose of the ledger and the ways in which it was used in the company. For purposes of auditing the books of Upstate Corporation, Mr. Tinkham's ledger was not necessary, since the expenses were entered on the general ledger of the company. It was precisely because no apparent connection existed between the Tinkham ledger and the requirements of the annual audit that Mr. Miller was curious to find out its purpose.

Fred Tinkham went over the ledger in great detail with Mr. Miller. Among the points he made were the following. The entries on the ledger were segregated by departments for all units of the Corporation. Entries were made in the ledger weekly. The data were maintained currently with not more than a one-week time lag. Tinkham estimated that he spent approximately two to three days each week making his ledger entries. Mr. Miller observed that the ledger was maintained in considerable detail and with apparently a high degree of accuracy, judging by the care with which Fred Tinkham handled the files and papers supporting each entry.

Then Mr. Miller asked Tinkham how the ledger was used. The reply was as follows:

> I have never made any reports from the ledger. As far as I know, nobody else in the accounting department has ever used it for reports either. I suppose somebody around here uses it. But you know, now that you mention it, it does seem funny that we don't make more use of it. As you can see, it's got a lot of valuable information in it, and I think if I were running this company that information would be very valuable to me But I can assure you that it's a man-size job trying to classify entries and getting all the material together.

With that information, Mr. Miller gradually broke off the discussion of the ledger and dismissed it from his mind until he had finished his audit of the books.

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When the audit was completed and Mr. Miller was writing his report back at his office, his attention returned to the departmental expense ledger of Mr. Tinkham's. Should he mention it in his report and make the recommendation that the ledger be discontinued as unnecessary and costly to maintain? He felt he had a responsibility to his client in this connection. On the other hand, this was the first time he had worked on the books of the Upstate Corporation and he might not have the complete picture in spite of Tinkham's explanations. With this latter thought in mind, Mr. Miller discussed the problem with his superior, Franklin Stone.

"I have some questions and a problem here," Mr. Miller told his boss. "I didn't want to stick my neck out and put it into my report on Upstate Corporation, but maybe you can help me on it." Miller then went on to describe the Tinkham ledger and added his own observations on the expense involved in its maintenance and its apparent uselessness.

Mr. Stone laughed and said:

That's Sterling again. I guess we are never going to get over some of the things he did while he was here You never did know Sterling, did you, Sam? No—he left before you came with us. Sterling was a systems man. He was with us about a year and a half. That man was a bear on accounting systems. I remember now, he did some work with Upstate, and that departmental expense ledger is undoubtedly one of his ideas.

You say that the ledger is not used within the company. Well—I don't know whether that is a worry of ours Sure, our man recommended its installation, and apparently with a real purpose in mind. Are we in a position though, Sam, to say now that Upstate should throw the ledger out?

Sam Miller answered:

Well, yes and no. But we have a responsibility to our client to advise him on his accounting procedures, especially since one of our recommendations resulted in establishing this particular ledger On the other hand, I don't think it's any of my business to say something about it in my field report. I conducted the audit. Everything is in good shape. My report deals with that. But I thought you might be in a position to do something about the ledger. Suppose our client finds out one of our recommendations wasn't so hot? Then what? Will we lose his account? I'm not a partner here and that isn't any of my business. But you can see the whole picture and would be able to get it straightened out."

Mr. Stone replied:

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You've got a good point, Sam, and I really appreciate your loyalty and interest. But let's look at it from another standpoint. Suppose we do go to our client and say that the ledger is useless. He turns around and says, "But you fellows had us do this." Are we going to stand well with him? Is he going to think we know our business? It's a hard problem, Sam, but I don't think I want to take it up. You go ahead and put it into your report if you want to and we will consider it later.

Mr. Miller felt dissatisfied that his boss did not take the responsibility for doing something about Tinkham's ledger. On the other hand, he was not at all certain that he had a green light to raise the question in his own report. After all, his own boss was not excited about it. Mr. Stone had given no instructions about what to do. Furthermore, he seemed to indicate that he would do nothing about it unless it was called officially to his attention in the field audit report. Mr. Miller further reasoned that he had exercised his responsibility to Adams, Best, Cole and Company by calling the problem to the attention of his superior. Was it now really his business to go any further? He certainly was not a systems man. And technically the departmental expense ledger was not within his scope as a field auditor since the record was not necessary for the purpose of auditing the company's books.

Mr. Miller finally decided not to mention the Tinkham ledger in his report. As far as he knew, nothing was ever done about the situation.

CENTRAL HABERDASHERY

The narrator was one of six salesmen at Central Haberdashery, a men's furnishings store which carried medium to high quality merchandise. Mr. Bass, the owner, had operated the store successfully for 20 years, and had built up a substantial regular clientele. Many of his customers, however, were people who shopped around and bought at no particular store. There was also a considerable transient trade, for the store was favorably located in the central business district of a community of 100,000.

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When I joined the "gang" I was immediately accepted and I got to know the fellows pretty well. We all got along swell and were often together after store hours. Mr. Bass sometimes bought us drinks at the end of a busy day, and occasionally he took us to Chicago for a ball game.

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Mr. Bass and the boys had certain business practices which I did not like, to put it mildly. It wasn't a matter merely of store operation; to me it was a matter of ethics. For instance, the first day I was on the job, a man came in and asked if the hat he had ordered had come in yet. Mr. Bass answered that it should be in by Saturday and told the man to come in then. As the man walked out of the store all of the fellows smirked, and Mr. Bass said, "We'll tell him Saturday, boys."

I didn't understand, so I said, "Tell him what?"

Bill Dean, young assistant manager, explained that they had promised the customer that they would put in a special order for a certain hat he wanted, and then had proceeded to fail to send in the order. "The next time he comes in we'll tell him that we're very sorry that we were unable to get the hat he wanted. Since he'll think we have gone to the trouble of sending in a special order just for him, he'll feel obligated to buy a hat from stock, and probably a good one at that. There are a lot of angles in this business."

Well, I had done enough selling during my short life to realize that there were "angles," so I wasn't surprised by this one—only disgusted.

Every day I observed the boys "in action" and wondered at their proud smiles after they put something over on a customer. The more clever stunts warranted special praise from Mr. Bass and Bill. If the average retail customer could hear what is said about him after he leaves a store, he would never buy from a retailer again. He would forge his own tools and weave his own cloth.

Mr. Bass liked to tell about the family of "hicks" who once came into his store to buy a burial suit for their father. Before they knew what had happened he had sold them a suit with two pairs of trousers. The boys often sold rayon ties as "pure silk." A surprising number of women, supposedly good judges of fabrics, fell for this one.

Pajamas are sized by the leters A, B, C, D, and E, instead of by numbers. Most customers give the chest size and leave it up to the salesman to translate that into letter size. So, when stock was getting low in "C" and was plentiful in "D," it was easy for the boys to concentrate on the "D's" for a while. Some people returned them, but most didn't. Maybe they rolled them up or cut them off—I don't know.

Transients and gift purchasers were often sold incorrect sizes and faulty goods. Traveling people were soon too far

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away to return the goods, and recipients of gift items hesitated to tell the givers that "the shirt you gave me doesn't fit, and it has a flaw in the sleeve."

In August and September we had only a few scattered sizes of bathing trunks remaining in stock. If a boy came in for a pair of trunks and was not certain of his size, the procedure was to hold up any pair that might possibly be within two or three sizes of being correct. The salesman would say, "How do these look? Think they'll fit? There's a lot of stretch in them if you need it." The boy, deferring to the wisdom of the salesman, would agree that they looked O.K., thus placing upon himself all responsibility for having chosen the size. If, after trying on the trunks at home, he returned to exchange them for a better size, he would be told of the law which prohibits exchanging or returning bathing suits and would be gently reminded that it was he and not the salesman who selected the trunks.

For several weeks I watched such goings-on and didn't say a word. I seriously considered quitting the job, but I couldn't see how that would solve anything. It seemed that the *caveat emptor* * attitude was so prevalent—at least in retailing—that I would run up against it no matter where I worked. I decided not to do or say anything about it unless I had to. I soon had to.

One day I was showing an elderly lady some sweaters for her husband. She wanted the best that we had in cotton; she said her husband was allergic to wool. I had to go to the stockroom to do a little hunting. Mr. Bass and Bill were working in the stockroom and offered to help, so I explained the lady's problem. Mr. Bass picked out a sweater, ripped off the "100% wool" tag, and said, "Give this to her. These women just want to be particular."

Well, that was the proverbial last straw. I gave the sweater back to Mr. Bass and told him that if he wanted to lie to a customer, that was his business, but I wasn't going to do it. I told him I was turning the sale over to him. Then I walked out to get a coke and cool off.

I nursed that coke for a long time, trying to decide what the hell to do next. I couldn't see going back to the store and apologizing to Mr. Bass even if my job did depend on it, because all those things seemed so damned wrong. One of my bosses during my high school days had laughingly told me that "the Lord gives salesmen a little leeway." It seemed that every salesmen I had worked with had taken more than his share of the leeway.

* Literally, "Let the buyer beware."

I decided to go back and see what would happen, but I didn't care much whether I still had the job or not. To my surprise, Bill and Mr. Bass were very pleasant, almost apologetic. They said they had had no idea I felt the way I did about things and that I could have knocked them over with a feather when I popped off in the stockroom. They tried to convince me that I misunderstood things, that these "little white lies" weren't really lies but were just a part of any business. "Everybody has to do it to stay in business," they said. At the time it seemed to me like poor rationalization, but, in retrospect, I think they really meant it.

I stayed on until about two months later when I went back to college. We had no more trouble and I wasn't urged again to mislead a customer. But somehow, I didn't feel like "one of the boys" any more. We still went out together, but I think they felt they had an outsider in their midst. Maybe I just imagined it.

Now, I'm not a religious person by any means, and I think I've been a "bad boy" just as often as the next fellow, but I still feel strongly about this thing. Call it honor if you like. My problem is: How can you reconcile honor and the practicalities of real life? Must you compromise your standards of honor in order to get along with everyone in business and keep a job? There is no doubt in my mind that all of those fellows were basically honest and considered themselves honest. I believe they sincerely thought their tactics were simply good business. But how does a guy who doesn't feel that way conduct himself in such an environment? What attitude and what concessions constitute proper adjustment?

How many businessmen preach absolute honesty and integrity in all business dealings—with tongue-in-cheek? How many businessmen hang their Rotary code of ethics up on their office walls in beautiful white frames, and then climb down off their chairs to resume their petty schemes in pursuit of the almighty dollar? That's what I want to know—how many? Is it all of them because "everybody has to do it"—or is it just the men I've known? I hope it's just the ones I've known, because if it isn't, I'm in the wrong field, and business is not for me.

This account of his own experience was written by an Army veteran enrolled in a commerce curriculum. The recounting of his experiences forcefully expresses the intensity of his feelings about the problems he discusses.

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