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THE INLAND

A UNIVERSITY EXTENSION PROGRAM SPONSORED BY

**Institute of Industrial Relations*

**Graduate School of Business Administration*

of the University of California, Los Angeles

IN COOPERATION WITH THE UNIVERSITY OF CALIFORNIA, RIVERSIDE

EXECUTIVE DEVELOPMENT

THE INLAND EXECUTIVE DEVELOPMENT PROGRAM

PROGRAM

purpose

To provide business and government executives a general management course that uniquely combines a leadership laboratory in human relations with instruction in the other major administrative and technical aspects of the managerial job.

participants

Applications are invited from executives of companies and government agencies in the Riverside, San Bernardino and Orange County areas. Registration will be limited to approximately thirty participants.

time and place

Daily sessions will start at 8:00 a.m. and end at 5:00 p.m. During the first week, January 14-18, 1957, the registrants and faculty will live at the Arrowhead Springs Hotel, San Bernardino, California. During the second and third weeks, January 21 - February 1, 1957, all sessions will convene on the Riverside Campus of the University of California; four special dinner and luncheon meetings with outstanding guest speakers will be added features for this latter period.

accommodations

During the first week board and room (two to a twin-bed room) will be provided at the Arrowhead Springs Hotel, San Bernardino, California for all participants and staff. During the second and third weeks registrants may choose to live either at home or at one of the numerous hotels or motels convenient to the Riverside Campus. Requests for reservations in Riverside may be included with application letter.

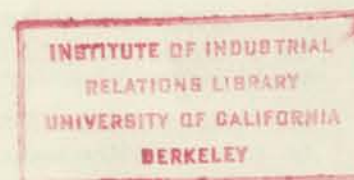
UNIVERSITY EXTENSION, RIVERSIDE

UNIVERSITY EXTENSION OFFICES

SOUTHERN AREA:
LOS ANGELES 24 (University of California Campus):
University Extension Building, 10851 LeConte Avenue.
Telephone: GRanite 3-0971; BRadshaw 2-6161; Ext. 721.
9 a.m. to 9 p.m. Monday (after 6 p.m. call
BRadshaw 2-5592 or GRanite 3-0981).
9 a.m. to 4:30 p.m., Tuesday through Friday.
9 a.m. to 12 noon Saturday.
LOS ANGELES 14:
813 South Hill Street; telephone: TUcker 6123.
11 a.m. to 9 p.m. Monday through Friday.
LONG BEACH:
11 a.m. to 9 p.m. Monday through Friday.
Telephone: ZENith 6622.
Telephone: OVerland 4-2210, Ext. 451.
RIVERSIDE (University of California Campus):
8:30 to 12 noon, 1 to 4:30 p.m. Monday through Friday.
SAN DIEGO 1:
1015 Seventh Avenue; telephone: BElmont 9-9221.
8 a.m. to 5 p.m. Monday through Friday.
CENTRAL COASTAL AREA:
SANTA BARBARA:
129 East Carrillo Street; telephone: WOODland 2-9118.
8 a.m. to 5 p.m. Monday through Friday.
NORTHERN AREA:
SAN FRANCISCO 2:
540 Powell Street; telephone: EXbrook 2-0824;
EXbrook 2-0825.
11 a.m. to 9:30 p.m. daily, except Saturday.
SAN FRANCISCO 4:
140 Montgomery Street; telephone: YUkon 6-2789.
11 a.m. to 9:30 p.m. daily, except Saturday.
SAN FRANCISCO 22:
Medical Extension, 3rd and Parnassus Avenues;
telephone: MONTrose 4-3600, Ext. 665.
8 a.m. to 5 p.m. Monday through Friday.
OAKLAND 12:
1730 Franklin Street; telephone: GLencourt 1-5150.
12 noon to 9:30 p.m. daily, except Saturday.
BERKELEY 4:
2441 Bancroft Way; telephone: ASHberry 3-6000, local 8221.
9 a.m. to 6:30 p.m. daily; Saturday, 9 a.m. to 12 noon.

Presented by:

**Institute of Industrial Relations*
**Graduate School of Business Administration*
University of California, Los Angeles



SUBJECTS AND SPEAKERS

The Program has five main subject areas. Descriptions, together with teaching staffs and approximate number of session hours, are shown below:

I. LEADERSHIP LABORATORY IN HUMAN RELATIONS AND SUPERVISORY SKILLS (40 HOURS)

This laboratory activity will function to increase the manager's effectiveness, both as a leader and as a member of a group, by developing his understanding of himself, of others and of group processes. The intensive training experience will bring newest theory and methods to bear on the human relations problems confronting all managers. Emphasis will be placed upon the development of interviewing and counseling skills and upon improving the clarity of communications. The laboratory will be conducted alternately in small-group seminars and in general theory sessions of the entire group. To further increase the benefits to be derived from this experience, the registrants and teaching staff will live at the Arrowhead Springs Hotel for the first week.

MR. MICHAEL G. BLANSFIELD, Chief, Employee and Career Development, San Bernardino Air Materiel Area

DR. GILBERT BRIGHOUSE, Professor of Psychology, Occidental College

DR. CHARLES K. FERGUSON, Department of Conferences and Special Activities, University Extension, University of California

DR. RICHARD C. HOGAN, Clinical Psychologist, Private Practice, Downey, California; Professor of Psychology, George Pepperdine College

DR. EVELYN HOOKER, Research Associate in Psychology, University of California, Los Angeles

DR. GEORGE F. J. LEHNER, Professor of Psychology, University of California, Los Angeles

DR. ROBERT TANNENBAUM, Associate Professor of Personnel Management and Industrial Relations, University of California, Los Angeles

DR. IRVING R. WESCHLER, Assistant Professor of Personnel Management and Industrial Relations, University of California, Los Angeles

II. ADMINISTRATIVE PRINCIPLES AND PRACTICES, INCLUDING MANAGEMENT CASE STUDIES (20 HOURS)

An examination of the managerial job in its functional elements: planning, organizing, staffing, directing, controlling. This section will feature presentations by specialists in management theory, policy and practice. Ample discussion opportunity will permit registrants to exchange their administrative experiences. Case studies will allow the group to apply principles under consideration to real situations.

DR. THEODORE H. ANDERSON, Associate Professor of Business Administration, University of California, Los Angeles

MR. LESTER GIAUQUE, Lecturer on Business Administration, University of California, Los Angeles; Management Consultant

MR. JOHN M. LISHAN, Acting Assistant Professor of Business Administration, University of California, Los Angeles

DR. CYRIL J. O'DONNELL, Associate Professor of Business Organization and Policy, University of California, Los Angeles

DR. DWIGHT PALMER, Dwight Palmer and Associates, Management Consultants

MR. GEORGE W. ROBBINS, Associate Dean of the School of Business Administration, and Professor of Marketing, University of California, Los Angeles

DR. JOHN R. VAN DE WATER, Head, Executive Program and Associate Professor of Industrial Relations and Business Law, University of California, Los Angeles

and
Members of the Program Administrative Staff

III. PRODUCTION MANAGEMENT AND MANAGERIAL CONTROLS (20 HOURS)

These sessions will be devoted to tools of scientific management available to the executive for more efficiently combining the enterprise's people, capital, and plant to better produce goods or services. Emphasis will be placed on production and work simplification; cost, quality and production control.

MR. JOSEPH D. CARRABINO, Lecturer in Production Management, University of California, Los Angeles

DR. JAMES R. JACKSON, Assistant Professor of Business Administration, University of California, Los Angeles

MR. ROBERT F. WILLIAMS, Lecturer in Business Administration, University of California, Los Angeles; Partner, Parsons & Williams

IV. THE MANAGERIAL FUNCTION IN SOCIAL AND CULTURAL PERSPECTIVE (15 HOURS)

A series of ten lecture-discussion sessions designed to examine the role of the executive from the standpoint of the social sciences and the humanities. The executive in business and government will be viewed both as a member of a formal organization and as a representative of that organization in the larger society. Each session will be devoted to one of several significant aspects of the executive's role: historical, economic, social, political, psychological and philosophical.

DR. HUGH G. J. AITKEN, Assistant Professor of Economics, University of California, Riverside

DR. FRANCIS M. CARNEY, Assistant Professor of Political Science, University of California, Riverside

DR. JOHN S. CAYLOR, Assistant Professor of Psychology, University of California, Riverside

DR. OLIVER A. JOHNSON, Assistant Professor of Philosophy, University of California, Riverside

DR. GEORGE A. KNOX, Assistant Professor of English, University of California, Riverside

DR. DAVID S. McLELLAN, Assistant Professor of Political Science, University of California, Riverside

DR. ROBERT A. NISBET, Professor of Sociology and Dean, College of Letters and Sciences, University of California, Riverside

DR. CARL G. UHR, Assistant Professor of Economics, University of California, Riverside

DR. CHARLES E. WOODHOUSE, Assistant Professor of Sociology, University of California, Riverside

V. METHODS FOR IMPROVING PROBLEM-SOLVING CONFERENCES (10 HOURS)

The executive will learn and practice techniques for conducting the problem-solving type of meeting, one of the principal activities to which a manager's time is allocated. Subsequent on-the-job applications of principles developed in these sessions include the informal meeting with subordinates as well as the more formally organized conference.

MR. JOHN ROHRBOUGH, Training Coordinator, 11th Naval District Civilian Personnel Office, San Diego

fee

Tuition, books, supplies.....\$500.

Room and board during first week.... 50.

Total registration fee.....\$550.

to make application:

Please make applications by letter to Mr. Robert F. Smith, Director, Inland Executive Development Program, Institute of Industrial Relations, University of California, Los Angeles 24.

Mr. Smith, or Mr. Gerald Deskin, the Assistant Director, may be reached for information at BRadshaw 2-6161, Extension 422 or 425. Dr. Jack Mezirow, Head, University Extension, University of California, Riverside, phone number OVerland 4-2210, Extension 451, also may be called for details.

In making application, please indicate name, title and position description. A check for fee may be submitted with application letter, or sent later upon receiving confirmation of registration from the Program Director. Participants will receive in advance of the program more detailed information regarding time and place for registering on opening day, directions to program location, daily schedule and procedures.

program administrative staff

DIRECTOR

MR. ROBERT F. SMITH, Assistant Director, Management Programs, Institute of Industrial Relations, University of California, Los Angeles

ASSISTANT DIRECTOR

MR. GERALD DESKIN, Research Assistant, Institute of Industrial Relations, University of California, Los Angeles

RESIDENT MANAGER

MR. MICHAEL G. BLANSFIELD, Chief, Employee and Career Development Branch, San Bernardino Air Materiel Area, Norton Air Force Base

COORDINATOR, LEADERSHIP LABORATORY (at Arrowhead Springs Hotel)

DR. CHARLES K. FERGUSON, Department of Conferences and Special Activities, University Extension, University of California

COORDINATOR, SESSIONS ON ADMINISTRATION AND MANAGEMENT

DR. MALCOLM HESLIP, Lecturer in Business Administration, University of California, Los Angeles; Coordinator, Special Business Administration Activities, University Extension, University of California.

COORDINATOR, SESSIONS ON MANAGER'S SOCIAL PERSPECTIVE

DR. CHARLES E. WOODHOUSE, Assistant Professor of Sociology, University of California, Riverside

program advisory committee

DR. RALPH M. BARNES, Professor of Production Management and Professor of Engineering, University of California, Los Angeles

DR. GEORGE H. HILDEBRAND, Director, Institute of Industrial Relations, and Professor of Economics, University of California, Los Angeles

DR. NEIL H. JACOBY, Dean, Graduate School of Business Administration, and Professor of Business Economics and Policy, University of California, Los Angeles

DR. ABBOTT KAPLAN, Assistant Director, University Extension, University of California; Associate Professor of Education, University of California, Los Angeles

DR. JACK D. MEZIROW, Head, University Extension, and Assistant Professor of Education, University of California, Riverside

MR. RICHARD W. POHL, Chief, Civilian Personnel Division, San Bernardino Air Materiel Area, Norton Air Force Base, San Bernardino, California

MR. GEORGE W. ROBBINS, Associate Dean, School of Business Administration and Professor of Marketing, University of California, Los Angeles

DR. HERMAN T. SPIETH, Provost, University of California, Riverside

DR. JOHN R. VAN DE WATER, Head, Executive Program and Associate Professor of Industrial Relations and Business Law, University of California, Los Angeles
and
Members of the Program Administrative Staff

First Week
Inland Executive Development Program

LEADERSHIP LABORATORY IN HUMAN RELATIONS
AND SUPERVISORY SKILLS

PROGRAM

Monday, January 14, 1957

8:30 - 9:00 A.M. REGISTRATION

9:00 - 9:30 ORIENTATION

 Welcome:

Mr. Robert Smith, Director, Inland Executive
Development Program

Mr. George Robbins, Associate Dean, School of
Business Administration and Professor of
Marketing, University of California, Los Angeles

9:30 - 10:00 FILM SHOWING: "OUR INVISIBLE COMMITTEES"

10:00 - 12:00 SMALL GROUP SESSIONS

12:15 - 1:30 P.M. LUNCHEON

1:30 - 3:30 SMALL GROUP SESSIONS

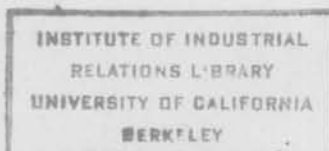
3:30 - 5:30 RECREATION TIME

6:00 - 7:00 DINNER (Seating Assigned at Round Tables)

7:00 - 8:00 GENERAL SESSION:

"Why Human Relations Training for Managers?" -
Charles A. Ferguson, Ed.D., Department of
Conferences and Special Activities,
University of California, Los Angeles

8:00 SOCIAL HOUR



Tuesday, January 15

7:30 - 8:30 A.M.	BREAKFAST
8:30 - 11:00	SMALL GROUP SESSIONS
11:00 - 11:15	BREAK
11:15 - 12:15 P.M.	GENERAL SESSION: "What the Individual Brings to the Group" - Evelyn C. Hooker, Ph.D., Research Associate, Department of Psychology, University of California, Los Angeles
12:15 - 1:30	LUNCHEON
1:30 - 3:30	SMALL GROUP SESSIONS
3:30 - 5:30	RECREATION TIME
6:00 - 7:00	DINNER
7:00 - 8:00	GENERAL SESSION: "The Challenge of Effective Communications" - Robert Tannenbaum, Ph.D., Associate Professor of Personnel Management and Industrial Relations, University of California, Los Angeles

Wednesday, January 16

7:30 - 8:30 A.M.	BREAKFAST
8:30 - 9:00	FILM SHOWING: "MEN AT WORK"
9:00 - 11:00	SMALL GROUP SESSIONS
11:00 - 11:15	BREAK
11:15 - 12:15 P.M.	GENERAL SESSION: "Looking at Groups in Action" - George F. J. Lahner, Ph.D., Professor of Psychology, University of California at Los Angeles
12:30 - 1:15	LUNCHEON
1:30 - 3:30	SMALL GROUP SESSIONS
3:30 - 5:30	RECREATION TIME
6:00 - 7:00	INFORMAL BANQUET
7:00 - 8:00	GENERAL SESSION: "Understanding Your Husband's Work Challenges" - Gilbert Brighthouse, Ph.D., Professor of Psychology, Occidental College

Thursday, January 17

7:30 - 8:30 A.M.	BREAKFAST
8:30 - 9:00	FILE SHOWING: "DEALING WITH PEOPLE THROUGH REFLECTION OF FEELING"
9:00 - 11:00	SMALL GROUP SESSIONS
11:00 - 11:15	BREAK
11:15 - 12:15 P.M.	GENERAL SESSION: "Overcoming Resistance to Change" Richard C. Hogan, Ph.D., Clinical Psychologist, Downey, Calif.; Professor of Psychology, George Pepperdine College
12:15 - 1:30	LUNCHEON
1:30 - 3:30	SMALL GROUP SESSIONS
3:30 - 5:30	RECREATION TIME
6:00 - 7:00	DINNER
7:00 - 9:00	PARTICIPANT NIGHT Charles K. Ferguson, Chairman

Friday, January 18

7:30 - 8:30 A.M.	BREAKFAST
8:30 - 11:00	SMALL GROUP SESSIONS
11:00 - 11:15	BREAK
11:15 - 12:15	GENERAL SESSION: "What's New in Leadership" Irving R. Meschler, Ph.D., Assistant Professor of Personnel Management and Industrial Relations, University of California, Los Angeles
12:15 - 1:30	LUNCHEON
1:30 - 3:00	SMALL GROUP SESSIONS
3:00 - 4:00	GENERAL SESSION: "What Do We Take From Here?" Mr. Michael G. Blansfield, Chief, Employee and Career Development, San Bernardino Air Material Area
4:00 - 4:30	FINAL EVALUATION AND STAFF PANEL

Second Week
Inland Executive Development Program

PROGRAM

Monday, January 21, 1957

8:00 - 9:30	GREETING - Dr. Herman T. Spieth, Provost, University of California, Riverside
	INTRODUCTION TO THE SERIES - Dr. Robert A. Nisbet, Professor of Sociology and Dean, College of Letters and Sciences, University of California, Riverside
9:30 - 9:50	INFORMAL DISCUSSION
9:50 - 10:40	GENERAL SESSION "Implications of the Next Steps in the Inland Executive Development Program" - Mr. Robert Smith, Director, Inland Executive Development Program
10:40 - 10:50	BREAK
10:50 - 11:40	GENERAL SESSION "The Staffing Problem: Four Essential Concepts" - Dr. Dwight Palmer, Dwight Palmer and Associates, Management Consultants, Los Angeles
11:40 - 1:30	LUNCHEON
1:30 - 2:20	GENERAL SESSION "The Staffing Problem: Four Essential Concepts" - (continued) Dr. Dwight Palmer
2:20 - 2:30	BREAK
2:30 - 3:30	GENERAL SESSION "Interesting Aspects of Planning in Large Enterprises" - Dr. Theodore H. Anderson, Associate Professor of Business Administration, University of California, Los Angeles
3:30 - 3:50	INFORMAL DISCUSSION
3:50 - 4:40	GENERAL SESSION "Interesting Aspects of Planning in Large Enterprises" - (continued) Dr. Theodore H. Anderson

Tuesday, January 22, 1957

8:00 - 9:30	"HISTORICAL DEVELOPMENT OF LARGE-SCALE ORGANIZATION: cultural and technological factors affecting the growth of large-scale operations in government and industry; similarities and differences between these two types of enterprise" - Dr. Hugh G. J. Aitken, Assistant Professor of Economics, University of California, Riverside
9:30 - 9:50	INFORMAL DISCUSSION
9:50 - 10:40	GENERAL SESSION "The Consultant Takes a Look at Problems in Organization" Mr. Lester Giauque, Management Consultant; Lecturer in Business Administration, University of California, Los Angeles
10:40 - 10:50	BREAK
10:50 - 11:40	GENERAL SESSION "The Consultant Takes a Look at Problems in Organization" Mr. Lester Giauque (continued)
11:40 - 1:30	LUNCHEON Luncheon Program with Speaker - 12 O'clock
1:30 - 2:20	GENERAL SESSION "The Information Needed for Effective Planning" Mr. John M. Lishan, Acting Assistant Professor of Business Administration, University of California, Los Angeles
2:20 - 2:30	BREAK
2:30 - 3:30	GENERAL SESSION "The Information Needed for Effective Planning" (continued) Mr. John M. Lishan
3:30 - 3:50	INFORMAL DISCUSSION
3:50 - 4:40	GENERAL SESSION "Methods for Improving Problem-Solving Conferences" (Part 1) Mr. John Rohrbough, Training Coordinator, 11th Naval District Civilian Personnel Office, San Diego

Wednesday, January 23, 1957

8:00 - 9:30	"INTERNAL RELATIONS: economic issues involved in the relations of employer to employee; current trends in unionization, collective bargaining, wage incentives, and employee benefits" - Dr. Carl G. Uhr, Assistant Professor of Economics, University of California, Riverside
9:30 - 9:50	INFORMAL DISCUSSION
9:50 - 10:40	GENERAL SESSION "Scientific versus Intuitive Management" - Mr. Robert F. Williams, Lecturer in Business Administration, University of California, Los Angeles; Partner, Parsons & Williams
10:40 - 10:50	BREAK
10:50 - 11:40	GENERAL SESSION "Internal Investment Theory Applied to Inventory Control" - Mr. Robert F. Williams
11:40 - 1:30	LUNCHEON
1:30 - 2:20	CAMPUS TOUR University of California, Riverside, Facilities and Program
2:20 - 2:30	BREAK
2:30 - 3:30	GENERAL SESSION "Methods for Improving Problem-Solving Conferences" - (Part 2) Mr. John Rohrbough
3:30 - 3:50	INFORMAL DISCUSSION
3:50 - 4:40	GENERAL SESSION "Methods for Improving Problem-Solving Conferences" - (Part 3) Mr. John Rohrbough

Thursday, January 24, 1957

8:00 - 9:30	"INTERNAL RELATIONS: group participation, leadership, and employee morale, from the standpoint of social psychology" - Dr. John S. Caylor, Assistant Professor of Psychology, University of California, Riverside
9:30 - 9:50	INFORMAL DISCUSSION
9:50 - 10:40	GENERAL SESSION "Internal Investment Theory Applied to Production Control" Mr. Robert F. Williams
10:40 - 10:50	BREAK
10:50 - 11:40	GENERAL SESSION "Internal Investment Theory Applied to Equipment Replacement" - Mr. Robert F. Williams
11:40 - 1:30	LUNCHEON
1:30 - 2:20	INDIVIDUAL ASSIGNMENTS
2:20 - 2:30	BREAK
2:30 - 3:30	GENERAL SESSION "Management's Controls on Quality" - Mr. John G. Carlson, Lecturer in Production Management, University of California, Los Angeles
3:30 - 3:50	INFORMAL DISCUSSION
3:50 - 4:40	GENERAL SESSION "Management's Controls on Quality" (continued) Mr. John G. Carlson
6:00	DINNER PROGRAM WITH SPEAKER (Guests invited)

Friday, January 25, 1957

8:00 - 9:30	"INTERNAL RELATIONS: structural variations in the pattern of formal and informal relations within large-scale organizations" - Dr. Charles E. Woodhouse, Assistant Professor of Sociology, University of California, Riverside
9:30 - 9:50	INFORMAL DISCUSSION
9:50 - 10:40	GENERAL SESSION "Work Measurement Techniques and Applications" - Mr. Robert F. Williams
10:40 - 10:50	BREAK
10:50 - 11:40	GENERAL SESSION "Work Sampling" - Mr. Robert F. Williams
11:40 - 1:30	LUNCHEON
1:30 - 2:20	GENERAL SESSION "Linear Programming for Production Management" - Mr. John G. Carlson
2:20 - 2:30	BREAK
2:30 - 3:30	GENERAL SESSION "Linear Programming for Production Management"- (continued) Mr. John G. Carlson
3:30 - 3:50	INFORMAL DISCUSSION
3:50 - 4:40	GENERAL SESSION "Methods for Improving Problem-Solving Conferences" - (Part 4) Mr. John Rohrbough

Third Week
Inland Executive Development Program

PROGRAM

Monday, January 28, 1957

8:00 - 9:30	"EXTERNAL RELATIONS: The modern business executive and his public" - Dr. David S. McLellan, Assistant Professor of Political Science, University of California, Riverside
9:30 - 9:50	INFORMAL DISCUSSION
9:50 - 10:40	GENERAL SESSION "Progress in Appraisal of Managers" - Dr. Dwight Palmer, Dwight Palmer and Associates, Management Consultants, Los Angeles
10:40 - 10:50	BREAK
10:50 - 11:40	GENERAL SESSION "Progress in Appraisal of Managers" (continued) Dr. Dwight Palmer
11:40 - 1:30	LUNCHEON
1:30 - 2:20	GENERAL SESSION "Gaining Full Advantage from Administrative Accounting and Financial Controls" - Mr. Seward Butler, on Staff of Management Accounting Department, Lybrand, Ross Bros. and Montgomery, C. P. A.'s.
2:20 - 2:30	BREAK
2:30 - 3:30	GENERAL SESSION "Gaining Full Advantage from Administrative Accounting and Financial Controls" - (continued) Mr. Seward Butler
3:30 - 3:50	INFORMAL DISCUSSION
3:50 - 4:40	GENERAL SESSION "Methods for Improving Problem-Solving Conferences" - (Part 5) Mr. John Rohrbough

Tuesday, January 29, 1957

8:00 - 9:30	"EXTERNAL RELATIONS: The government official, his public and his constituency; the relation of parties, pressure groups, and politics to the problem of administration" - Dr. Francis M. Carney, Assistant Professor of Political Science, University of California, Riverside
9:30 - 9:50	INFORMAL DISCUSSION
9:50 - 10:40	GENERAL SESSION "Staffing and Directing as Elements of the Managerial Job" - Dr. Cyril J. O'Donnell, Associate Professor of Business Organization and Policy, University of California, Los Angeles
10:40 - 10:50	BREAK
10:50 - 11:40	GENERAL SESSION "Staffing and Directing as Elements of the Managerial Job" - (continued) Dr. Cyril J. O'Donnell
11:40 - 1:30	LUNCHEON Luncheon Program with Speaker
1:30 - 2:20	GENERAL SESSION "Utilizing the Case Study Method" - Dr. Cyril J. O'Donnell
2:20 - 2:30	BREAK
2:30 - 3:30	GENERAL SESSION "Methods for Improving Problem-Solving Conferences" - (Part 6) Mr. John Rohrbough
3:30 - 3:50	INFORMAL DISCUSSION
3:50 - 4:40	GENERAL SESSION "Methods for Improving Problem-Solving Conferences" (Part 7) Mr. John Rohrbough

Wednesday, January 30, 1957

8:00 - 9:30	"EXTERNAL RELATIONS: Popular images of the top executive as reflected in American literature, with emphasis on how such images have changed through time" - Dr. George A. Knox, Assistant Professor of English, University of California, Riverside
9:30 - 9:50	INFORMAL DISCUSSION
9:50 - 10:40	GENERAL SESSION "Case Study in Staffing" - Dr. Cyril J. O'Donnell
10:40 - 10:50	BREAK
10:50 - 11:40	GENERAL SESSION "Case Study in Staffing" - (continued) Dr. Cyril J. O'Donnell
11:40 - 1:30	LUNCHEON
1:30 - 2:20	INDIVIDUAL CASE STUDY
2:20 - 2:30	BREAK
2:30 - 3:30	GENERAL SESSION "Methods for Improving Problem-Solving Conferences" - (Part 8) Mr. John Rohrbough
3:30 - 3:50	INFORMAL DISCUSSION
3:50 - 4:40	GENERAL DISCUSSION "Methods for Improving Problem-Solving Conferences" - (Part 9) Mr. John Rohrbough

Thursday, January 31, 1957

8:00 - 9:30	"The role of the individual in large-scale organization from the standpoint of philosophy: organizational commitment and ethical autonomy" - Dr. Oliver A. Johnson, Assistant Professor of Philosophy, University of California, Riverside
9:30 - 9:50	INFORMAL DISCUSSION
9:50 - 10:40	GENERAL SESSION "Direction of Subordinates" - Dr. Cyril J. O'Donnell
10:40 - 10:50	BREAK
10:50 - 11:40	GENERAL SESSION "Case Study in Direction of Subordinates" - Dr. Cyril J. O'Donnell
11:40 - 1:30	LUNCHEON
1:30 - 2:20	GENERAL SESSION "Operations Research: An Approach to Decision-Making" - Dr. James R. Jackson, Assistant Professor of Business Administration, University of California, Los Angeles
2:20 - 2:30	BREAK
2:30 - 3:30	GENERAL SESSION "Operations Research: An Approach to Decision-Making" - (continued) Dr. James R. Jackson
3:30 - 3:50	INFORMAL DISCUSSION
3:50 - 4:40	GENERAL SESSION "Methods for Improving Problem-Solving Conferences" - (conclusion) Mr. John Rohrbough
6:00	DINNER PROGRAM WITH SPEAKER (Guests invited)

Friday, February 1, 1957

8:00 - 9:30

REVIEW AND CONCLUSIONS: How the issues raised in this series represent varying perspectives on the role of the executive, and what such variation signifies about the conditions under which large-scale organizations operate in contemporary society.

Dr. Charles F. Woodhouse, Assistant Professor
of Sociology, University of California,
Riverside

9:30 - 9:50

INFORMAL DISCUSSION

9:50 - 10:40

GENERAL SESSION

"Implementation of Management Theory" -
Dr. Cyril J. O'Donnell

10:40 - 10:50

BREAK

10:50 - 11:40

GENERAL SESSION

"Implementation of Management Theory" -
Dr. Cyril J. O'Donnell

12:00

FINAL LUNCHEON

through
balance of
afternoon

Followed by Clinic Summary, Evaluation,
and Closing Ceremonies.

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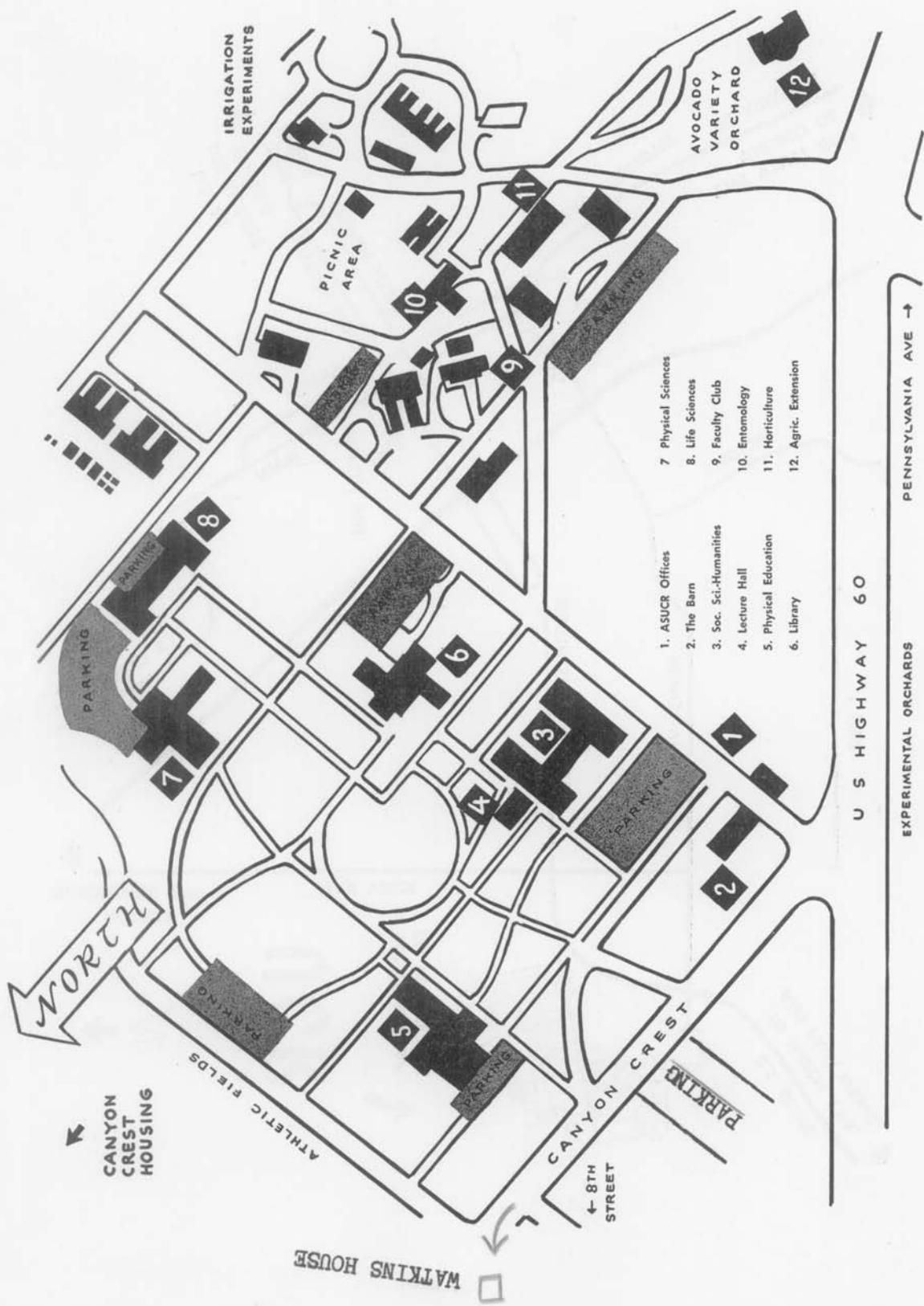
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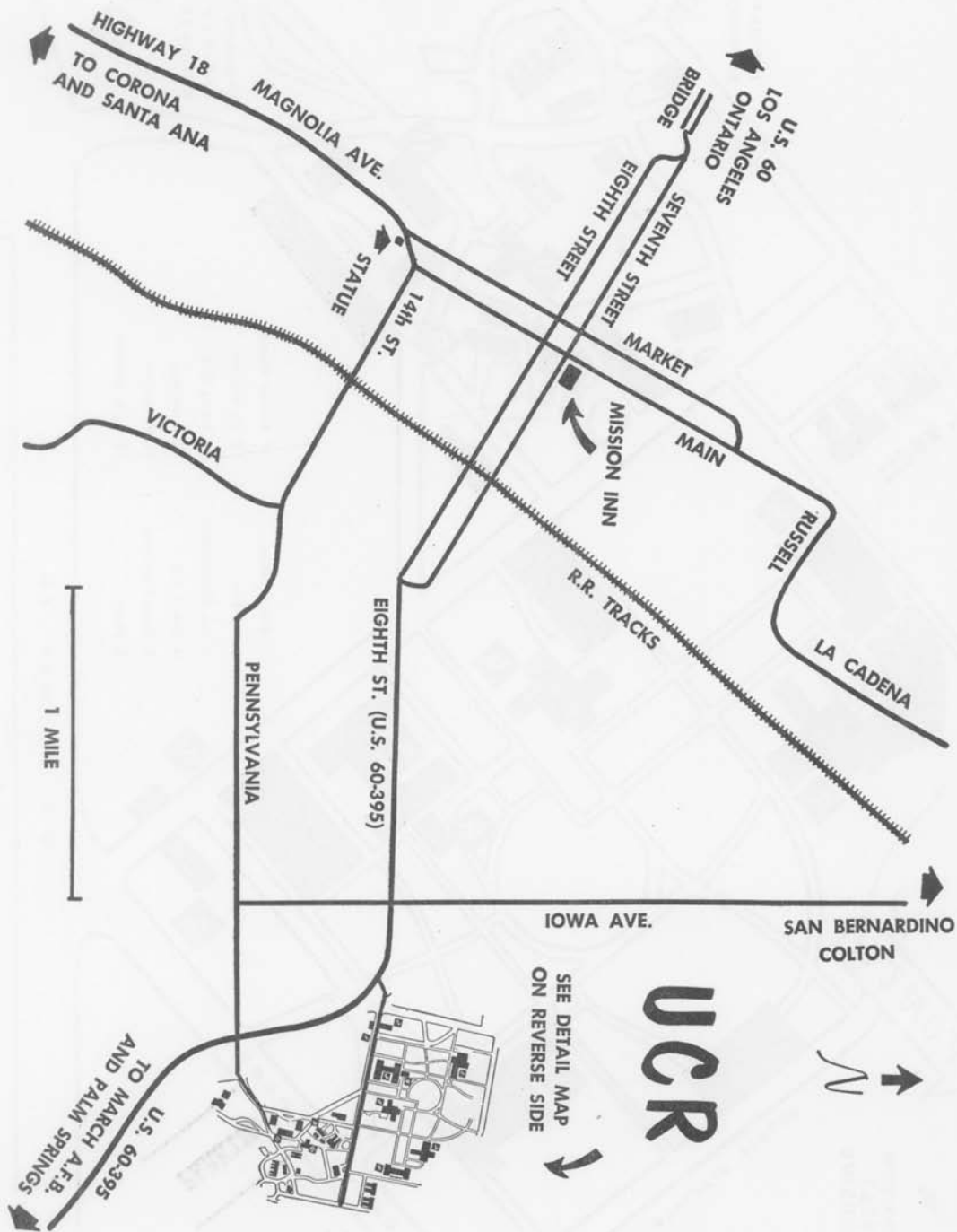
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Educated:

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BIOGRAPHICAL SKETCH OF

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tal College, Claremont Graduate School, University of
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1938 A.B. University of California, Los Angeles
1942 M.A. University of California, Los Angeles
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BIOGRAPHICAL SKETCH OF

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Present Position: Research Associate in Psychology, University of California, Los Angeles. At present on a research project on a grant from the U. S. Public Health Department.

Formerly: Academic positions at Bryn Mawr College, Whittier College and the California Institute of Technology. On staff of the Western Training Laboratory on Group Development and currently chairman of the Policy Committee of that activity.

Educated:

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M. A. University of Colorado
Ph.D. John Hopkins University

BIOGRAPHICAL SKETCH OF

GEORGE F. J. LEHNER

Present Position: Professor of Psychology, University of California,
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Formerly: Academic positions at University of Vermont, New York
University, University of Miami. Consulting and Clinical
work, Macy's Department Store, New York; Kings County
Hospital, New York; Childrens Clinic, Miami; United States
Veterans Administration, Los Angeles.

Publications: Mental Hygiene in Modern Living, (with B. Katz)
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Educated:

B. A. University of South Dakota, Psychology
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BIOGRAPHICAL SKETCH OF

ROBERT TANNENBAUM

Present Position: Associate Professor of Personnel Management and Industrial Relations, School of Business Administration, and Head of Human Relations Research Group, Institute of Industrial Relations, University of California, Los Angeles.

Formerly: Instructor in Accounting, Oklahoma A. and M. College, 1937-39. Lecturer in Business, University College, University of Chicago, 1940-42. Assistant Professor of Industrial Relations, University of Chicago, 1947-48. Assistant Professor of Personnel Management and Industrial Relations, University of California, Los Angeles, 1948-51. Associate Research Economist, Institute of Industrial Relations, University of California, Los Angeles, 1952-present. Consultant in Industrial Relations to various firms in the Los Angeles area.

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New Approach to Executive Selection

By ARNOLD S. JUDSON



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From *In This Issue*

Arnold S. Judson

According to legend, the ancient Greek Cynic philosopher, Diogenes, went about at midday with a lantern hunting for an honest man. Arnold S. Judson compares management today with Diogenes because it has been no less eccentric, he thinks, in its hunt for techniques of executive selection. Instead of hunting in a common-sense way, it has got bogged down in tests, gimmicks, and psychological subtleties.

In his article, *New Approach to Executive Selection*, Mr. Judson shows how an executive can get the vital information he wants about a candidate's personality in a half-hour, face-to-face interview, instead of having to rely on psychologists and technicians. The new techniques which make this possible have been developed over a period of several years by Mr. Judson and his staff at Polaroid Corporation, where he is Assistant Personnel Manager. He believes that they have contributed to the fact that last year Polaroid had its lowest rate of turnover in history despite a record high volume of hiring.

■ The indirect interview method is alone in the way it offers a *positive* program for evaluating personality.

New Approach to Executive Selection

By Arnold S. Judson

The problem of executive development has suddenly transformed modern management into a twentieth-century Diogenes. In searching for promising future executives, it has become lost in an expensive maze of gimmicks and tests. In its eagerness to be objective about a highly subjective matter, it has overlooked a technique admirably suited to executive selection.

That technique involves an indirect approach based on face-to-face interviews. Many managements, inept and insecure in their use of the interview, have rejected it for supposedly more "scientific" approaches. Yet it offers an extremely fruitful and practical method of evaluating an individual's personal qualifications. In this article I shall try to show how its potential can be developed to the point that it can be relied on as a formalized method for appraising executive candidates.

Although the basic principles to be discussed here are not original, I know of no company other than the Polaroid Corporation (with which I am associated) that consciously and systematically applies them to the selection of executives as well as other types of personnel. We have used this indirect interview approach for over three years in selecting personnel ranging from mechanics and laboratory assistants to sales, advertising, and production division managers; and the results are very promising. The technique seems practical, highly flexible in application, and capable of predicting individual strengths and weaknesses.

Current personnel practice seems to place increasing emphasis on the importance of personality when fitting the executive to the job. Technical competence alone can no longer be the criterion of such a man's potential. In our present-day society, the formal and informal social organization which comprises any business enterprise is a highly complex structure. To function successfully within this structure often requires personal contact with many individuals at a variety of organizational levels. The importance and frequency of this personal contact is greatly intensified when the job includes supervisory responsibility.

An individual can rarely prevent his personal problems from influencing his day-to-day relationships with others. If these problems are severe, they not only impair his own effectiveness but may also prove a serious threat to the morale of the group in which he works. The higher the individual's organizational position, the greater is his sphere of influence. Therefore, personality becomes an increasingly important consideration in higher-level positions.

Appraising Personality

But how can personality be appraised, say, in selecting a recruit for a management development program? In the case of the candidate's skills, aptitudes, interests, health, and intelligence, it is quite true that psychological tests, physical examinations, and reviews of past performance can yield much valuable information. But personality does not so easily lend itself to

objective measurement. We must, in fact, give up the idea that we can *measure* it in the sense that tests measure skills and aptitudes. Instead, we must turn to different methods — and to different objectives.

The Indirect Interview

In contrast with tests, the indirect interview approach is well adapted to the investigation of personality because it affords (a) objective observation tempered by subjective evaluation and (b) simultaneous consideration of many more variables than is possible in any other approach to the analysis of personality.

Personality may be regarded as the resultant of an individual's total experiences since birth, modified by his inherited characteristics and tendencies. We may therefore view the individual as a product of his total background. To gain some insight into his personality make-up, we must get some clue to the individual's mental "sets" resulting from this background. These sets will greatly influence an individual who is facing an important decision.

A skilled interviewer concentrating on the *why's* of the candidate's actions at important turning points or crises in his life can often gain a workable idea about the character of his mental sets. In doing so, he should consider no event in the candidate's background too unimportant to be taken into account. What seems insignificant detail on the surface may, in actuality, be a vital clue to the candidate's real self. The interviewer, then, should try to find out as much as he can about the candidate's life *as perceived by the candidate*.

With this information, the interviewer can proceed to appraise the candidate's personality against the background and specifications of the job to be filled. He can ask, "Is this man suited to the job and the job environment?" — and feel that he can predict the answer with reasonable probability of success.

The goal of the interview itself is not ambitious. Obviously, there is no intention of psychoanalysis in 30 minutes. Rather, the aim is simply to structure a situation where the candidate can talk about himself freely within the limits set by the interviewer. In the course of this kind of interview, the candidate invariably allows enough of his true self to "show through" any surface veneer he may have formed to allow the interviewer to get a sufficiently clear picture of the personality before him.

Challenge to Interviewer

The interviewer's personality is critical to the success of indirect interviewing. Genuine friendliness and warmth are fundamental. The candidate is often uneasy at the prospect of having to sell himself, but he can be made to feel at ease if the interviewer is interested in him and what he has to say. The greater his confidence in the interviewer's ability to understand him, the more freely he will express himself.

There are several physical factors which may be helpful in this connection. For example, there should be no barrier between interviewer and candidate; the chairs are best placed facing each other. Then, by leaning forward, the interviewer can help to indicate his interest to the candidate.

To establish a relaxed atmosphere and rapport with the candidate, the interviewer must subordinate his own personality during the greater part of the interview. His role is that of a careful listener. But self-subordination makes great demands on the interviewer. It is therefore important for him to have some insight into his own personality — his own biases, pet interests, and problems. Furthermore, since objectivity is his goal, he must be able to dissociate himself from the subject matter of the candidate's story insofar as that is possible. It is natural for one person to feel sympathetic toward another who has the same interests and who may have lived through similar experiences. But if the interviewer is aware of his own reactions to what the candidate is saying, he will be better able to avoid the pitfalls of emotional involvement.

Stability is a great asset to the interviewer. He should have the ability to remain calm if the candidate has difficulty in expressing himself, or if the interview takes an unexpected turn. Also, his calmness is often reassuring to the nervous candidate.

Keen observation, perception, and patience coupled with a fundamental understanding of the motivational or "dynamic" theories of personality are essential tools which the interviewer can acquire through training and practice. Naturally, the staff specialist has more chance to get to feel thoroughly at home with indirect interviewing and thus to use it to its full potential. However, the technique also has much to offer other members of management who interview, even though they have not had such specialized experiences. Although the line execu-

tive may not get the detailed picture seen by the specialist, he can still uncover information that he would not otherwise learn. Indeed, if he is sensitive, he may get a sufficiently complete story to arrive, more intuitively perhaps, at the same conclusion as the specialist.

Operating Guides

The key to success in using the new method lies in its indirection. The principle of indirection is familiar to psychiatrists and psychologists, if not to industrialists. Translated into specific terms, indirection means that the interviewer says as little as possible because the interview is candidate-centered. Instead, he concentrates his efforts on encouraging the candidate to spin out his own story in his own words. Although the candidate sees the interviewer as an interested listener, the interviewer is constantly analyzing the candidate's words, gestures, expressions, and meanings, both as to content and as to implication.

In addition, indirection means that the interviewer must follow certain specific principles in structuring the interview, asking questions, and encouraging the candidate to "give."

Minimal Structuring

The indirect interview is structured (or, to use a less precise term, "planned") only in a general sense. To get the most complete picture possible of the candidate's history, the interviewer wants him to talk about his previous employment, education, outside interests and activities, health, marital and financial status, and parental and family background. The candidate's goal, on the other hand, may be to find out as much as he can about the job, and then to present himself in the most favorable light. It is to the interviewer's advantage to tell the candidate no more about the job than necessary *until* his history has been thoroughly covered. Otherwise, he will color his story to match his conception (which may be mistaken) of what the interviewer wants to hear.

After the initial pleasantries, a typical indirect interview might begin with a generalized question such as, "Tell me, Mr. Carruthers, how did you get interested in this position?" or "Well, Mr. Fowler, what brings you to the Acme Company?" or "What interests you in this company?" The important feature of this kind of question is its very generality. A hundred

candidates may respond in a hundred different ways. If the candidate happens to be disturbed by conditions on his present job, he may begin immediately by a reference to these feelings. If his objectives are not well defined, he may reveal that fact, too. In other words, the function of the generalized opening is to start the candidate talking about himself, to get him to say what *he* thinks is important, not what he thinks the interviewer wants him to say.

Yet the entire interview should be so conducted as to cover virtually all the areas of interest to the interviewer. When the interviewer feels he has sufficiently covered one of these areas, he may bridge the gap to the next area by another general question such as, "Well, now, why don't you tell me a bit about your previous work?" or "What about your family?"

Finally, once the interviewer feels that he has enough information to make an evaluation, he can speed the remainder of the interview by telling the candidate about the position and the company. For this latter part, he can arrange what *he* tells the candidate according to how much he wants the man for the job.

Although the indirect interview may appear to be time-consuming and inefficient, the skilled interviewer need spend only 20 to 30 minutes on it. Needless to say, an unacceptable candidate may be evaluated in considerably less time than that.

Few Direct Questions

Fundamental to the indirect interview is a minimum of direct questioning. Questions that the candidate can answer by *yes* or *no* yield far less information than questions encouraging him to give a detailed exposition. Compare "Did you like your last job?" with "How did you feel about your job?" Questions implying definite answers should be avoided. The question "Have you ever designed any automatic machinery?" might better be asked in the form of "What kind of design work have you done?" Also, questions should not be worded so as to suggest the interviewer's attitudes. Better than "Have you had any experience with the union boys?" would be "Have you had any experience in collective bargaining?"

The more freedom the candidate has to talk about himself as a result of not being "led" during the talk, the greater the likelihood that he will reveal himself as he is, not as he thinks the interviewer wants him to appear.

Depth Interviewing

Perhaps the most difficult problem the interviewer has to tackle is seeing through the complexity of human personality. What a person says and what he feels may be quite different. Often the difference is not intended. The candidate may *think* he is presenting an honest picture of himself, quite unaware of the true nature of his feelings. People with troubling problems often cover up their uneasiness with layers of rationalization.

The interviewer's job is to find out *why* the candidate made certain critical decisions and *how he really feels* about the things of importance to him. Often, the interviewer can begin with a generalized question such as "How did you get interested in that?" or "How did you feel about that?"

There may be certain things about which a candidate feels deeply. An observant and sensitive interviewer can often tell when a candidate is "talking around" one of these things by his mannerisms or other physical activity (such as vigorous puffing on a cigarette, restless shifting in his chair, and so forth). The candidate may repeat several times certain phrases or words which relate directly to the subject of his uneasiness. If the interviewer should wish to explore these feelings more deeply, he may repeat these words or phrases in a questioning tone or make a more general remark such as, "And so . . . ?" or "You mean . . . ?" The candidate usually responds by elaborating further.

To illustrate, here is one way I have seen it work, in a situation where the candidate is talking about his former boss:

Candidate: "I don't know what the trouble was. Just a lot of little things every day. He rubbed me, and I guess I rubbed him. We just couldn't seem to get along. Nothing I could put my finger on. . . . I guess we just rubbed each other the wrong way."

Interviewer: "Rubbed the wrong way?"

Candidate: "We couldn't agree on anything. He always insisted on the job being done his way. He wouldn't allow for any other ideas."

Interviewer: "And so . . . ?"

Candidate: "Well, you know how it is. It's a lot easier to give orders than to take them. He was sitting in the driver's seat, and he just didn't give a damn about anybody else."

Interviewer: "So he rubbed you the wrong way?"

Candidate: "After a while of that kind of treat-

ment, I just got fed up and quit. I just won't take that kind of stuff from anybody!"

Notice how the candidate uses the word "rubbed" several times; while doing so he shifts uneasily from one position to another in his chair. By repeating this word in context, the interviewer encourages the candidate to spell out further what he means by "rubbed." Thus the picture painted at the end of this conversation is a good deal clearer than it was at the start.

The technique might be described as one of association. To the stimulus of a word or phrase, emotionally meaningful to him, the candidate responds with further thoughts and feelings which he associates with the word or phrase and thus illuminates his original statement. But if this aspect of the technique is to be effective, its use requires care. Selecting the particular word or phrase which will encourage the candidate to elaborate further, like any art, becomes easier with practice.

If the candidate has associations which are emotionally disturbing to him, he may freeze up and not respond to any kind of probing. In such a situation, silence can be used effectively by the interviewer to encourage the candidate to talk further. By saying nothing after the candidate finishes talking, the interviewer indicates he wishes to hear more. Few things can be as oppressing as silence. Usually, the candidate says anything to break the silence, and the first words he uses after such a pause can be as meaningful as the silence itself. However, use of extended silences is a drastic device, which therefore should be applied sparingly as a last resort.

Interpretation

The information which the interviewer obtains must, of course, be skillfully interpreted if it is to be useful, and it is that function which I should like to turn to briefly now.

It is difficult to generalize about *how* to interpret, but there is an important rule regarding *when*. Rather than waiting until the end of the interview, the interviewer will be most successful if he interprets the candidate's material continuously as the interview unfolds. In this way he can pinpoint the areas which he wishes to focus attention on and probe them more deeply.

The indirect approach has been defined as a search for consistent patterns of behavior and feelings; the implication is that the interviewer should not be a passive listener but a very active

one. One incident in the life of the candidate may have little significance to the interviewer, but a *pattern* of similar incidents, even if they took place under entirely different conditions, can indicate a good deal about the candidate's personality. For example:

A candidate says he left his previous job because of a disagreement with his boss, whom he found to be a very difficult man to work for. This, in itself, is of minor significance to the interviewer. However, this fact alerts the interviewer to explore the candidate's relationships with bosses on former jobs, with his teachers in school, and with his father, because all these people were in a position of authority over him.

As a result, the interviewer discovers that the candidate had boss trouble on previous jobs, that he did poorly in school because he could never get along with his teachers, and that he ran away from home at the age of 16 because his domineering father insisted on regulating his life in every detail. All these incidents taken together reveal a pattern of rebellion against authority in any form on the part of the candidate and a probable inability to adjust to any situation in which he would have to take orders.

But one note of caution is necessary. The interviewer should be careful to avoid the pitfall of overinterpretation. His assumption should be that no one event in the candidate's history has significance unless it can be related to other similar instances. Only a *well-defined* pattern of behavior offers a sound basis for evaluation.

Illustrative Case

Perhaps the best way to illustrate the indirect interview method of selection is in terms of a specific case like the following.

The job under consideration was that of production foreman in a plant manufacturing a high-price consumer product. The requirements were as follows:

Many of the production operations were still in a developmental stage, and since the process involved the use of high-speed automatic machinery, a man with practical and theoretical experience in technical matters was desirable. A basic engineering background was necessary, though a degree was not essential. Actual production supervisory experience was also a requirement.

The company was growing rapidly, and supervisors were allowed a good deal of freedom of action. Thus it was most important to get a man with

considerable growth potential, and with imagination, initiative, and ingenuity.

Among the many applicants was John Raymond, a good-looking, husky young man of 29. His record showed this information:

He had completed one year of engineering college and enlisted in the Marines, where he was promoted to Master Sergeant. After discharge, he had worked for three years as a production foreman in a company manufacturing metal parts for the automobile industry. For the previous three years, he had been an automobile salesman, but he now wanted to return to a supervisory job in industry. He was married with two children.

Raymond came to the personnel office in answer to an advertisement. He was first given a preliminary interview by a screening interviewer, who made a reference check by telephone with his former employer. The metal-parts firm gave Raymond a strong recommendation, praising his work as a foreman and saying he would be rehired if there was an opening and he reapplied.

Raymond was then given an appointment for a regular interview. After an exchange of pleasantries, the interview got under way. The following is a verbatim transcript of the actual interview (names and places disguised):

Interviewer: "We've been in the habit of recording our interviews on tape recorder so that we can give you our full attention without taking notes. Now, if you object in any way, we won't do it. But it really does help us, and we erase the interview after we go over the material."

Raymond: "I think that's fine. I never had it done before, but there's always a first time; and since it will help you, go right ahead."

Interviewer: "Well, thank you." [Turns on the machine and studies Raymond's employment application form until the recorder has warmed up; then resumes.] "What makes you interested in a position up here?"

Raymond: "Well, I was a production supervisor at the Cathco Company, East Boston, and I liked it. . . . I like that kind of work, and I have a capacity for that kind of work. You can check with them and find out, if you like. I left there because I wanted to make more money. I could not make it in that particular place due to the way they operated, so I took a job selling automobiles, which I am doing at the present time."

"I do make a good living at it, but I don't like it. It's not interesting enough, and you meet people but you don't do things, and I do like supervision and a place where I can work and

try to develop like I did before. I had, oh, up to 100 — more than 100 — people working for me from time to time down there. They had — as I told Mr. Hall yesterday — quite a turnover of help down there, so that the payroll fluctuates very greatly due to the nature of their business with metal stamping, electroplating, and things like that. I don't know what this job is, I mean, whether it's something I would fit into or not.

"As I say, all I sell is production supervision, and that's the extent of what I do know about this job. If I knew a little bit more, perhaps I could tell you a little bit more. I am not a clerk; I am not an engineer. I have very good engineering ability with machinery and with methods. I have done a study of work in that capacity before, but I worked on a different theory than the engineering setup on it.

"I used to spend a lot of time on the job, learning how to do every job myself so that any job which came up for me on the time study, I could know it. And that's the way I operate, and whether that's what you want or not, I don't know . . ."

Interviewer: "You say you left Cathco because of the way they do business?"

To interpolate briefly, notice that the interviewer's initial problem was to select, from Raymond's outpouring, one area on which to focus. Raymond's statement that he could not make any more money "due to the way they operated" seemed meaningful in spite of its vagueness. The interviewer would have done better to repeat Raymond's actual words without waiting, but the delay did not turn out to be serious. It should be mentioned also that Raymond's long monologue was encouraged by the interviewer's frequent nods and general expression of interest. To continue:

Raymond: "Well, uh, not because of the way they do things, but because of the methods they operate under. I couldn't make any more money there. I made — well, at the time it was ample for me to get by. But there was no immediate future in the business for me. In other words, in the next 10 years I couldn't see myself making, perhaps — well, what might have amounted to \$100 per week, which was what their top men were getting. And it was just a matter of time; I would have gotten that. I know that, but I wanted to see a little further ahead, and I didn't like the way they treated their help. That was one thing I didn't like.

"Of course, that was neither here nor there. That had to be done through the nature of the business. They got orders that had to be sup-

plied immediately, and it took manpower to do it. They couldn't carry the force when they weren't working on orders."

Interviewer: "You say you didn't like the way they treated their help?"

By asking this question, the interviewer hoped to get at what Raymond felt to be good personnel policies. It is often easier to get the applicant's true opinions by having him project them into an external situation rather than by asking for these ideas directly.

Raymond: "Well, because of that. In other words, you couldn't give a man a steady employment. It makes it kind of hard on the worker under those conditions. Either he isn't satisfied with his job and you can't make him happy, or the extra work needs extra production. That is all, I think. They paid the men well. Working conditions were all right, but that does make kind of a ticklish situation. As far as the people themselves were concerned, they were wonderful. They treated me fine."

Interviewer: "You felt their policies were quite good then, actually?"

This is the summing-up type of question. By stating a generalization such as this, the interviewer hoped that Raymond would reveal more of himself either by disagreeing or by qualifying the generalization.

Raymond: "Yes, I mean their policies were all right, due to the nature of their business. I mean, after all, you work for a house. That's a difficulty I have in working on the road. I'm a house man. I always was, ever since I was a young fellow first starting to work. And I work for a house for their best interests, and I find it difficult to work by myself, as I am on the road where I don't have goals — where I am working on things to develop. I have a little difficulty in expressing myself. That's part of it, I guess."

There are several areas of interest here — an unusual use of the word *house*, an expression of a personal limitation, a beginning of self-evaluation. Already, the interviewer was beginning to penetrate Raymond's defenses; the interview was about to enter a "deeper" level. The interviewer chose to pursue the subject of goals further because that was the last thing Raymond mentioned.

Interviewer: "You say you have difficulty in finding goals when you work for yourself?"

Raymond: "Well, in other words selling automobiles. It's a little bit different than selling other

things. I can sell a man on a new car that we have. I happen to sell Ford automobiles, and I work for a good house. I can go out, and I know my product, and I can sell a man on the product. I don't like dickering with a man over his old car. We have some customers that are nice customers; you give them a fair price, and they go along. But we also have the customers who are going to dicker to every last dime, and I don't like to dicker like that."

Interviewer: "What are these goals that you speak about?"

Note that, in response to the first question about "goals," Raymond gave no indication of where his difficulties in this area lay. So the interviewer persisted in his question, referring again to Raymond's original statement. This time he was more successful.

Raymond: "Well, ah, when I worked on production before, I would have certain things that had to be scheduled, had to be met — new methods that I developed on the side myself. In other words, if I saw that some particular operation could be speeded up by doing something for it, I was able to try to develop it. I put time and effort into developing different methods in order to try and reduce costs, increase speed in production, or something like that. This was interesting to me — I really liked it."

Interviewer: "Who set these goals?"

Raymond: "I set those for myself, actually. It's the fact that I had something to work with there, whereas in selling there's no tangible thing to work on. In other words, in selling it's a matter of going out and just contacting more people, and talking to more people. No development or any real thought to it."

This exchange made it possible for the interviewer to establish rather quickly the fact that Raymond felt in trouble when he had to work with intangibles in an ill-defined situation.

Interviewer: "Well, what about the intangibility of working with people on jobs?"

Raymond: "That I've always done very well. As I say, I'd be very happy to have you check with Cathco on my record there. There was very little labor trouble; in fact, I had the smallest amount of labor trouble with my department of anybody in the place. I used to be able to do things such as, with a strong union, getting people to give you a little extra overtime on the side, and things like that. It was practically unheard of in the place."

Note that here the interviewer went too far. By introducing an idea which was his rather

than Raymond's, he blocked further discussion. Raymond froze up, erected his defenses, and began to justify himself.

Since the interviewer saw no need to return to the area of "goals," he changed the subject. He began to explore the specific duties of Raymond's job. In addition to providing the interviewer with some essential data, this tack served to relax Raymond because it was a subject with which he was thoroughly familiar.

Interviewer: "What unions did they have?"

Raymond: "They had the CIO at the time I was there. They have since changed to the AFL and back again to the CIO; but the union doesn't make any difference, as a matter of fact. Just try to treat the people fairly, that's all. As long as they give you a fair return and you try to treat them square, they will work for you."

Interviewer: "These were mostly men working for you?"

Raymond: "No, mostly women."

Interviewer: "What kind of an operation was it that you supervised?"

Raymond: "Well, first I ran the license plate department. Then I went over to the other department where I ran packing, and I assisted on the plating in the big shop and was responsible for expediting in the entire plant. If there was a certain amount of work to be gotten out for the day, I was responsible for the whole works right through. I also did work as the supervisor of the inspection department, so I knew all of the operations, and I knew what to do and where the bottlenecks were and how to get it out."

Interviewer: "How did you ever happen to get a job like that?"

Raymond: "Well, I started in there for them before the war and went in to work for them as a stock clerk. Then this job opened up with Eastern Airlines where I went in just as a cleaner of airplanes, and from that position I was trying to get into the aircraft mechanics school. I liked mechanics. But the war closed that down, I went to work in the war plant. I worked there as a stock boy for a couple of days, and then I went on to setting dies and became an inspector. And from there I went into the service; and when I got out of the service, I went back to them."

Interviewer: "Which was that?"

Raymond: "Cathco Company."

Interviewer: "Oh, I see."

Raymond: "I've spent most of my time with them. They found out that I was a house man, and they made me the boss and a detective in the plant. While they did that, I found a few cases of sabotage during the war, which I turned over to the FBI. Of course, they knew then how I

operated and put me into the capacity of more or less a detective. I was in charge of all the clerks. I went to school. I went to Wentworth's for a year to see if I could pick up a little something, but that didn't seem to increase my knowledge. It didn't increase my ability any with machinery.

"When I got back from there, I went back in as a clerk and spent a few weeks at that, and they just kept moving me right up. I never stayed down."

Note that Raymond again referred to himself as a *house man* and that he also volunteered some surprising information about his job with Cathco. The interviewer picked up this lead quickly.

Interviewer: "This detective job, what did that entail?"

Raymond: "Well, we were having a large amount of stealing. In other words, the workers on piece work were clipping. Whatever they could think of, they would clip on. I was supposed to go out and stop it. I used to work 24 hours a day trying to do it. I had to cover 3 shifts, but I was able to ease it down to a point where we were finally able to get a control on it, so it actually stopped."

Interviewer: "Why did they happen to pick you?"

Raymond: "They knew I was trustworthy, and they knew I had the ability to handle it. That's all."

Interviewer: "Did you enjoy doing that sort of thing?"

Raymond: "I enjoy working for the house. It doesn't make any difference what capacity I get. When I'm doing something to better the company, that's what I enjoy doing. And if I can do it through a job of that type — no, I'll answer a little differently. I don't like a job of that type. I mean, I think it's a sneaky job. I don't like a sneaky job, but it had to be done. In other words, I knew it was a temporary situation, and somebody had to do it and it might as well be me because I knew that at least I would try to get it done the best way possible without having labor trouble — we had to watch that, too."

Here Raymond had two entirely different reactions to the question about his attitude toward detective work. The first response was probably the more significant in revealing his true feelings because it was his first thought when the question was asked. The second contradictory answer was offered after he thought the question out a bit. Raymond probably felt that the interviewer wanted to hear the second answer.

Interviewer: "When you got out of high school, you went right to Norwich?"

Raymond: "Yes. When I got out of high school, I got a job with the First National and then I went to college. I am not a student, never was. I don't get very much out of a book. I'll admit it. But I can do things otherwise, and it was proved to me, in certain jobs, that I haven't actually lost anything. Yet I have a common sense which gets me by, where a lot of times, the fellow with the book learning, he works as a clerk some place. I found this all true."

Interviewer: "How did you happen to go to Norwich?"

Raymond: "My brother went there, and I had an uncle that went there before him. I liked military life and, well, followed my brother."

Note that the interviewer constantly asked Raymond *why* he did what he did. Raymond, in response, constantly afforded new glimpses into the motives for his behavior. He also furnished fresh leads for the interviewer to follow up.

Interviewer: "How did you actually happen to leave Norwich?"

Raymond: "Well, I wasn't doing too well, and I thought that I would join the service. So I went home, and my Dad wouldn't let me join at that time because I wasn't old enough. And so he told me to go to work for a little while, which I did. After I had another birthday, he let me go in. The war was on; I guess everybody wanted to be in. While I was in the service — well, I did a lot of things that all enlisted men do. They do just about everything, but I worked into setting up this special equipment. Link trainers, gun instructors. And I was considered the best installation man there was in the service, in the Marine Corps. They had a man come in from Honolulu on the third setup job I went on. He had been in the service quite a number of years. And this man was given his pick, and I took the balance; and he installed one machine, and I installed eleven in the same period of time."

Interviewer: "How did you like the Marine Corps?"

Raymond: "I liked it fine. Fine. Oh, I mean, there were days that weren't so hot, but there are days no matter what you do that aren't so hot; but I liked it. If I was a single man, I might still be in the service. But I'm not. I've got a family, which has got to be taken care of, and I can't do it from long distance. . . ."

At this point, the interviewer felt that he had enough material to evaluate Raymond's suitability for the job. He then spent about three or four minutes explaining the details of the job and of company wage policy. At the close of the interview, Raymond was told that there were still a number of candidates to be inter-

viewed and that he would be notified of the next step within a week.

The entire interview took a little less than 20 minutes.

Analysis of Case

From the considerable amount of information which was disclosed by Raymond, certain repeated words, incidents, and motives come together to form a definite pattern. The following statements taken by themselves would not necessarily mean anything, but together they add up to a definite picture of Raymond's personality:

(1) He liked working for a "house" with which he could identify himself closely.

(2) He found it difficult to work by himself without definitely established goals; he did not like intangibles. He disliked selling for this reason.

(3) At the Cathco Company he seemed to follow authority without question to the extent of doing a distasteful job — that of company spy. He explained his behavior on the ground that he "enjoyed working for a house."

(4) His choice of a college was governed by a "follow the brother" attitude and by the fact that it was a military school.

(5) He wanted to enlist in the service before he was 18, but refrained because his father forbade it.

(6) He joined the Marines, the most regimented of all the services — a completely arranged life. He enjoyed this kind of ordered existence to the extent of saying, "If I was a single man, I might still be in the service."

The picture painted here seems to be one of a man who finds it difficult to work in any situation that is not well defined and stable. Under conditions where he can form a strong identification with the company, he follows the leader with an almost blind, unquestioning loyalty.

Since the job for which Raymond was being considered had ill-defined limits and required a man with vision, foresight, and imagination, it seemed evident that Raymond was not the man to fill it. If he were hired, in all probability he not only would have done a mediocre job, but would have become unhappy doing it; he would not have got the kind of leadership and direction that he seemed to need.

It needs to be emphasized that isolated incidents or factors such as those referred to from time to time in the transcript have little significance *in themselves* other than as warning signals to the interviewer. They put him on notice

to watch out for other related incidents that may, tied together, form a consistent pattern. Even then the interviewer certainly cannot say the pattern proves beyond a doubt that the candidate will behave in a certain predictable way under a given set of circumstances. However, he can say that there is a *probability* that the candidate will follow the pattern if similar conditions arise in the future.

Contrast the wealth of information uncovered by the interviewer using the indirect approach with what he might have learned using more conventional procedures. The interview might have gone this way:

Interviewer: "Well, I see by your application that you've had about three years' experience in production. Is that right?"

Raymond: "Yes, sir, that's right."

Interviewer: "How many people did you supervise?"

Raymond: "About 100, men and women; but the payroll fluctuated a lot because of the way they did business."

Interviewer: "Oh, I see. We don't have much fluctuation here. Business has been very good since 1949, so you won't have to worry about that. I suppose you had a good bit to do with processing metals."

Raymond: "I did get to know a good deal about stamping, polishing, forming, and electroplating. Do you have those operations here?"

Interviewer: "No. We do mostly paper processing. We use special automatic machinery which we had to design and build ourselves. How are you with machinery?"

Raymond: "Pretty good, I'd say. Always had a talent for it since I was a kid. And I really had a chance to use this ability in the Marines when I was installing special training equipment. I guess I was considered one of the best installation men they had in the Corps at the time."

Interviewer: "Say, were you in the Marines? So was I. What outfit were you with?"

It is hardly necessary to go any further to demonstrate how little the interviewer actually learns about the candidate with such an approach. It is difficult to see how he could have uncovered any of Raymond's feelings about being a "house" man, working without goals, or all the other information that added up to a consistent pattern of behavior.

Conclusion

In my experience with the indirect method, I have observed some interesting sidelights.

Discussing the technique with colleagues, I have encountered a good deal of hostility as well as interest. This hostility takes the form of mild horror that "the candidate is being stripped naked in public." But does not this feeling negate the prime objective of interviewing for selection?

The basic principles of the indirect method seem well suited to interviewing aimed at gathering information in areas other than appraising candidates. For example, fact finding in grievance cases involving interpersonal relations and the evaluation of junior executives for placement or promotion are two areas where the indirect method may be used advantageously.

Although any technique such as the indirect approach to interviewing is difficult to evaluate in objective terms, there is reason for confidence. To cite one example, I was able to compare my interview analyses of some 35 supervisors with the results of a comprehensive battery of intelligence and projective personality tests administered by a trained clinical psychologist. In only four cases had I failed to catch certain important limitations, whereas in the balance I had gathered — in a sixth of the time and at less than a twentieth of the cost — much of the same information as the tests provided, and had gained a much stronger feeling for the individual's personality.

In many cases, a candidate for a supervisory position is interviewed by several executives. In the discussions following these interviews, I have been consistently able to support the others' intuitive feelings and hunches with more documented information. Follow-up reports on the progress of new supervisors and junior executives have been most encouraging in the way they have borne out my initial predictions.

The indirect interview approach is alone in the way it offers a *positive* method for evaluating personality. It is still in the developmental stage as far as any formalized application is concerned; it has the inevitable limitation of not ever being complete or precise. But those responsible for selection of executive personnel can have more confidence in their appraisals because they know that, rather than just depending on intuition, they have also had the benefit of a solid foundation of information.

Industrial psychology has been developing such a large and complex body of knowledge about managerial requirements and capabilities that most companies have felt it wise to leave more and more of the appraising of candidates to the technicians. With use of the indirect interview, that trend may be reversed. Executives can again take a personal part in selecting their subordinates and replacements, and feel their decisions will be sound.

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5,000 YEARS OLDER THAN SANTA CLAUS

by

J. Mamoukias

Tabriz, March, 1954

I have seen much of Roberts, the American engineer, in the course of the last week. He has lost his good spirits. He is no longer the same man. Yesterday evening we dined together and I found him exasperated. When I asked if there was anything wrong he replied, "It is the whole country that is wrong." He had just returned from a tour of inspection in a village: in one month the work had not progressed an inch and the peasants received him badly.

The administration of American Point Four in Persia resembles a little two-storyed house where two different kinds of activity are going on.

In the first story, at the political level, men are occupied in combating the Communist menace and procuring for the rightist government a working majority; this by the usual diplomatic means-influence, promises, propaganda.

In the second story, the technical level, a large staff of specialists is occupied in improving the living conditions of the Persian people. Roberts is in the second story. Politics hardly interests him. He is engrossed in wireless, photography, and building. He is a technician, but also a naturally benevolent man, and the idea of doing a job so useful to humanity pleases him enormously. Therein his disillusion.

"What do you think" he told me, "I go out there to build them a school and when they see me coming, the urchins pick up stones." In an incredulous voice he added, "A school!"

I believe that Americans in general like schools; above all the primary school which is the most democratic. Perhaps among the "Rights of Man" none seems to appeal more to them than the right to be educated. It is natural in a socially well evolved country, where other rights are so well guaranteed, to take such a right for granted. In the recipe for American happiness education plays a fundamental role and in the American imagination a country without schools must be a backward country.

But recipes for happiness cannot be exported without being a little modified. Here, America has not sufficiently adapted its own recipe, and it is from this fact that difficulties arise. For there are things that are worse than countries without schools; there are countries without justice or hope. Thus Tabriz, when Roberts arrives with his hand overflowing and his head full of philanthropic ideas to which the reality of the town (for each town has its special reality) gives the lie each day.

But let us return to Roberts' school. This is the procedure. Point Four offers free the land on which to build the school, all the materials, the plans, and the advice. For their part, the inhabitants of the village, all of whom are in a way masons, will furnish the labor themselves and without payment construct the school to which they will go to be instructed. An agreeable system, which will function marvelously well in, say, a German or Finnish community. Here it will not work, because the inhabitants do not have the public spirit which has been attributed to them.

The months pass, the materials disappear mysteriously, the school is not constructed. No one wants it. It is quite enough to disgust the donors. Roberts is disgusted.

What do the villagers think? They are a miserable country folk, subjected for generations to a regime of feudal farming. I am sure that no one has given them a gift, not for centuries. They are not ready to believe in Father Christmas. Above all, they are mistrustful, smell a trap, suspect this generous stranger of wanting something other than that which he says. Misery has also made them cheats and they think that by not following the instructions given to them they will perhaps thwart the schemes which they have not been able to divine.

In the second place, this school does not interest them. They do not understand its advantages, they are still not used to it, it is too soon. What they are concerned with is to eat a little more, not to be subject to the tyranny of the village policemen, to work less hard, or to benefit more from the fruits of their labor. For them, the school is a novelty. To understand it, it is necessary to reflect, but one cannot reflect properly with dysentery and with ulceration of an empty stomach soothed with a little opium. If we reflect for them we shall see that reading and writing will not take them very far as long as the social organization of the country is not modified.

Next, the Mullah is opposed to the school. It is his privilege and specialty to know how to read and to write. He writes the contracts and reads the pharmacists' prescriptions. He gives a service and is paid for it. He has no desire to lose his little income. He does not say anything against the school officially, but in the evenings on the doorstep he gives his opinion and people listen to him.

From this day the village has an unquiet conscience and does not look forward to the return of the American with pleasure. If it could be explained everything would be simple, but it will be badly explained. When Roberts returns he will find neither the school nor the recognition to which he has a right, but close shifty faces which pretend they know nothing, and urchins who cast stones in his way because they well understand the faces of their parents.

All this is only a gap to cross, a wide gap. I took a long time to understand this, and I am half oriental. Roberts will take twice as long as I did. Then he will write in his report that it is necessary for the time being to abandon the school, and concentrate for example on replacing the old public baths, which are points of focus of extraordinarily virulent infections. A certain time will pass before his superiors in America admit that he is right. But for Point Four to continue to function, fresh funds are constantly necessary.

Thus ultimately the problem of Roberts' school, which is a symbolic problem, will at one time or another confront the American taxpayer. This taxpayer is the most generous in the world but we know that he likes that things should be done his way and that he appreciates results which flatter his sentimentality.

It is easy to convince him that Persian Communism is being held in check by the construction of schools similar to those of which he has such a pleasant memory. It is difficult to explain to him that what is good in America cannot be so in Iran; that Iran, this old, sick man, is allergic to the usual remedies and claims a special treatment.

Gifts are not always easy to make when the children are five thousand years older than Santa Claus.

THE CONDITIONS OF EFFECTIVE LEADERSHIP IN THE INDUSTRIAL ORGANIZATION

by

Douglas McGregor
President: Antioch College

This discussion of relationships among people at work is written from the point of view of dynamic psychology which, because of its origin in the clinic, directs attention to the whole individual living and interacting within a world of other individuals. Life, from the point of view of dynamic psychology, is a continuous striving to satisfy everchanging needs in the face of obstacles. The work life is but a segment--although a large one--of the whole.

THE SETTING

Within this framework we shall examine some of the important forces and events in the work situation which aid or hinder the individual as he strives to satisfy his needs. First of all, we must recognize a fundamental fact: the direct impact of almost all these forces upon the individual is through the behavior of other people. This is obvious when we speak of an order from the boss, or pressures exerted by fellow workers to get the individual to join a union. It is perhaps less obvious when we speak of the impact of the business cycle, or the consequences of a fundamental technological change. Nevertheless, the direct influence of these forces on the individual--whether he is a worker or a plant manager--occurs through the medium of the actions of other people. We must include not only the easily observed actions of others, but subtle, fleeting manifestations of attitude and emotion to which the individual reacts almost unconsciously.

For purpose of discussion we may arbitrarily divide the actions of other people which influence the individual in the work situation into three classes: actions of superiors, of subordinates, and of associates. We shall limit our attention mainly to the actions of superiors as they affect the subordinate in his striving to satisfy his needs. This relationship is logically prior to the others, and it is in many ways the most important relationship in industry.

The fundamental characteristics of the subordinate-superior relationship are identical whether one talks of the worker and the supervisor, the assistant superintendent and the superintendent, or the vice-president and the president. There are, to be sure, differences in the content of the relationship, and in the relative importance of its characteristics at different levels of the industrial organization. The underlying aspects, however, are common to all levels.

THE DEPENDENCE OF THE SUBORDINATE

The outstanding characteristic of the relationship between the subordinate and his superiors is his dependence upon them for the satisfaction of his needs. Industry in our civilization is organized along authoritative lines. In a fundamental and pervasive sense, the subordinate is dependent upon his superiors for his job, for the continuity of his employment, for

promotion with its accompanying satisfactions in the form of increased pay, responsibility, and prestige, and for a host of other personal and social satisfactions to be obtained in the work situation.

This dependence is not adequately recognized in our culture. For one thing, it is not consistent with some of our basic social values. The emphasis is usually placed upon the importance of the subordinate's own efforts in achieving the satisfaction of his needs. Nevertheless, the dependence is real, and subordinates are not unaware of it. Among workers, surveys of attitudes invariably place "fair treatment by superiors" toward the top of the list of factors influencing job satisfaction. And the extent to which unions have attempted to place restrictions upon management's authority reflects not only a desire for power but a conscious attempt to reduce the dependence of workers upon their bosses.

Psychologically the dependence of the subordinate upon his superiors is a fact of extraordinary significance, in part because of its emotional similarity to the dependence characteristic of another earlier relationship: that between the child and his parents. The similarity is more than an analogy. The adult subordinate's dependence upon his superiors actually reawakens certain emotions and attitudes which were part of his childhood relationship with his parents, and which apparently have long since been outgrown. The adult is usually unaware of the similarity because most of this complex of childhood has been repressed. Although the emotions influence his behavior, they are not accessible to consciousness under ordinary circumstances.

Superficially it may seem absurd to compare these two relationships, but one cannot observe human behavior in industry without being struck by the fundamental similarity between them. Space limitations prevent elaboration of this point here, in spite of its great importance.

There are certain inevitable consequences of the dependence of the subordinate upon his superiors. The success or failure of the relationship depends on the way in which these consequences are handled. An understanding of them provides a more useful basis than the usual "rules of thumb" for a consideration of problems of the subordinate will be discussed under two main headings: (1) the necessity for security in the work situation and (2) the necessity for self-realization.

THE NECESSITY FOR SECURITY

Subordinates will struggle to protect themselves against real or imagined threats to the satisfaction of their needs in the work situation. Analysis of this protective behavior suggests that the actions of superiors are frequently perceived as the source of the threats. Before subordinates can believe that it is possible to satisfy their wants in the work situation, they must acquire a convincing sense of security in their dependent relationship to their superiors.

Management has recognized the financial aspects of this need for security, and has attempted to provide for it by means of employee retirement plans, health and accident insurance, the encouragement of employee credit unions, and even guaranteed annual wages. However, this recognition does not get at the heart of the problem: the personal dependence of the

subordinate upon the judgments and decisions of his superiors.

Labor unions have attached the problem more directly in their attempts to obtain rules governing promotions and layoffs, grievance procedures, arbitration provisions, and protection against arbitrary changes in workloads and rates. One important purpose of such "protective" features in union contracts is to restrict superiors in the making of decisions which, from the worker's point of view, are arbitrary and threatening. They help to provide the subordinate with a measure of security despite his dependence on his superiors.

THE CONDITIONS OF SECURITY: AN ATMOSPHERE OF APPROVAL

There are three major aspects of the subordinate-superior relationship--at any level of the organization--which affect the subordinate. The most important of these is what we may term the "atmosphere" created by the superior. This atmosphere is revealed not by what the superior does but by the manner in which he does it, and by his underlying attitude toward his subordinates. It is relatively independent of the strictness of the superior's discipline, or the standards of performance which he demands.

A foreman who had unwittingly created such an atmosphere attempted to establish a rule that union officials should obtain his permission when they left the job to meet with higher management, and report to him when they returned. This entirely reasonable action aroused intense resentment, although the same rule was readily accepted by union officials in another part of the plant. The specific actions were unimportant except in terms of the background against which the subordinates perceived them: an atmosphere of disapproval in the one case and of approval in the other.

Security for subordinates is possible only when they know they have the genuine approval of their superior. If the atmosphere is equivocal, or one of disapproval, they can have no assurance that their needs will be satisfied, regardless of what they do. In the absence of a genuine attitude of approval subordinates are threatened, fearful, insecure. Even neutral and innocuous actions of the superior are regarded with suspicion. Effective discipline is impossible, high standards of performance cannot be maintained, "sabotage" of the superior's efforts is almost inevitable. Resistance, antagonism and ultimately open rebellion are the consequences.

THE CONDITIONS OF SECURITY: KNOWLEDGE

The second requirement for the subordinate's security is knowledge. He must know what is expected of him. Otherwise he may, through errors of commission or omission, interfere with the satisfaction of his own needs. There are several kinds of knowledge which the subordinate requires:

1. Knowledge of over-all company policy and management philosophy. Security is impossible in a world of shifting foundations. This fact was convincingly demonstrated--to management in particular--during the first few months of the existence of the War Labor Board. The cry for a national labor policy was frequently heard. "Without it we don't know how to act." Likewise, subordinates in the individual company require a knowledge of the broad policy and philosophy of top management.

2. Knowledge of procedures, rules and regulations. Without this knowledge, the subordinate can only learn by trial and error, and the threat of punishment because of innocent infractions hangs always over his head.

3. Knowledge of the requirements of the subordinate's own job: his duties, responsibilities, and place in the organization. It is surprising how often subordinates (particularly within the management organization) are unable to obtain this essential knowledge. Lacking it, one can never be sure when to make a decision or when to refer the matter to someone else; when to act or when to "pass the buck." The potential dangers in this kind of insecurity are apparent upon the most casual consideration.

4. Knowledge of the personal peculiarities of the subordinate's immediate superior. The good salesman never approaches a new prospect without learning all he can about his interests, habits, prejudices, and opinions. The subordinate must sell himself to his superior, and consequently such knowledge is indispensable to him. Does the boss demand initiative and originality or does he want to make all the decisions himself? What are the unpardonable sins, the things this superior never forgives or forgets? What are his soft spots, and what are his blind spots? There can be no security for the subordinate until he has discovered the answers to these questions.

5. Knowledge by the subordinate of the superior's opinion of his performance. Where do I stand? How am I doing? To know where you stand in the eyes of your superiors is to know what you must do in order to satisfy your needs. Lacking this knowledge, the subordinate can have, at best, only a false sense of security.

6. Advance knowledge of changes that may affect the subordinate. Resistance to change is a common phenomenon among employees in industry. One of the fundamental reasons is the effect of unpredictable changes upon security. If the subordinate knows that he will always be given adequate warning of changes, and an understanding of the reasons for them, he does not fear them half so much. Conversely, the normal inertia of human habits is tremendously reinforced when one must be forever prepared against unforeseen changes in policy, rules, methods of work, or even in the continuity of employment and wages.

It is not necessary to turn to industry for evidence in support of the principles outlined above. Everywhere in our world today we see the consequence of the insecurity caused by our inability to know what we need to know in order to insure even partially the satisfaction of our needs. Knowledge is power, primarily because it decreases dependence upon the unknown and unpredictable.

THE CONDITIONS OF SECURITY: CONSISTENT DISCIPLINE

The third requirement for the subordinate's security in his relationship of dependence on his superiors is that of consistent discipline. It is a fact often unrecognized that discipline may take the form of positive support for "right" actions as well as criticism and punishment for "wrong" ones. The subordinate, in order to be secure, requires consistent discipline in both senses.

He requires first of all the strong and willing backing of his superiors for those actions which are in accord with what is expected of him. There is much talk among some managements about superiors who fail to "back up" their subordinates. The insecurity that arises when a subordinate does not know under what conditions he will be backed up leads him to "keep his neck pulled in" at all times. Buck-passing and its consequent frictions and resentment are inevitable under such circumstances.

Given a clear knowledge of what is expected of him, the subordinate requires in addition the definite assurance that he will have the unqualified support of his superiors so long as his actions are consistent with those policies and are taken within the limits of his responsibility. Only then can he have the security and confidence that will enable him to do his job well.

At the same time the subordinate must know that failure to live up to his responsibilities, or to observe the rules which are established, will result in punishment. Every individual has many wants which conflict with the demands of his job. If he knows that breaking the rules to satisfy these wants will almost inevitably result in the frustration of his vital long-range needs, self-discipline will be less difficult. If, on the other hand, discipline is inconsistent and uncertain, he may be unnecessarily denying himself satisfaction by obeying the rules. The insecurity, born of uncertainty and of guilt, which is inevitably a consequence of lax discipline, is unpleasant and painful for the subordinate.

What frequently happens is this: The superior, in trying to be a "good fellow," fails to maintain discipline and to obtain the standards of performance which are necessary. His subordinates--human beings striving to satisfy their needs--"take advantage of the situation." The superior then begins to disapprove of his subordinates (in spite of the fact that he is to blame for their behavior). Perhaps he "cracks down" on them, perhaps he simply grows more and more critical and disapproving. In either event, because he has failed to establish consistent discipline in an atmosphere of genuine approval, they are threatened. The combination of guilt and insecurity on the part of the subordinates leads easily to antagonism, and therefore to further actions of which the superior disapproves. Thus a vicious circle of disapproval--antagonistic acts--more disapproval--more antagonistic acts is set up. In the end it becomes extremely difficult to remedy a situation of this kind because both superior and subordinates have a chip-on-the-shoulder attitude which must be abolished before the relationship can improve.

Every subordinate, then, requires the security of knowing that he can count on the firm support of his superiors for doing what is "right," and firm pressure (even punishment) to prevent his doing what is "wrong." But this discipline must be established and maintained in an atmosphere of approval. Otherwise, the subordinate's suspicion and resentment of his superiors will lead to the opposite reaction from the desired one. A mild degree of discipline is sufficient in an atmosphere of approval; even the most severe discipline will in the end be unsuccessful in an atmosphere of disapproval. The behavior of the people in the occupied countries of Europe provided a convincing demonstration of this psychological principle.

THE NECESSITY FOR INDEPENDENCE

When the subordinate has achieved a reasonable degree of genuine security in his relationship to his superiors, he will begin to seek ways of utilizing more fully his capacities and skills, of achieving through his own efforts a larger degree of satisfaction from his work. Given security, the subordinate seeks to develop himself. This active search for independence is constructive and healthy. It is collaborative and friendly, yet genuinely self-assertive.

If, on the other hand, the subordinate feels that his dependence on his superiors is extreme, and if he lacks security, he will fight blindly for freedom. This reactive struggle for independence is founded on fear and hatred. It leads to friction and strife, and it tends to perpetuate itself because it interferes with the development of an atmosphere of approval which is essential to security.

These two fundamentally opposite ways in which subordinates seek to acquire independence have entirely different consequences. Since we are concerned with the conditions of the successful subordinate-superior relationship, we shall emphasize the active rather than the reactive striving for independence.

THE CONDITIONS OF ACTIVE INDEPENDENCE: PARTICIPATION

One of the most important conditions of the subordinate's growth and development centers around his opportunities to express his ideals 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 a genuine satisfaction in knowing that his opinions and ideas are given consideration in the search for solutions.

Participation of this kind is fairly prevalent in the upper levels of industrial organizations. It is often entirely lacking further down the line. Some people insist that the proponents of participation at the lower levels of industry are unrealistic idealists. However, there are highly successful instances in existence of "consultative supervision," "multiple management," and "union-management cooperation." The important point is that participation cannot be successful unless the conditions of security are adequately met. Many failures among the wartime Labor-Management Production Drive Committees could be traced directly to this fundamental fact that active independence cannot be achieved in the absence of adequate security.

There is a real challenge and a deep satisfaction for the subordinate who is given the opportunity to aid in the solution of the difficult but fascinating problems that arise daily in any industrial organization. The superior who, having provided security for his subordinates, encourages them to accept this challenge and to strive with him to obtain this satisfaction, is almost invariably surprised at the fruitfulness of the results. The president of one company remarked, after a few management conferences designed to encourage this kind of participation, that he had never before realized in considering his problems how many alternative possibilities were available, nor how inadequate had been the knowledge upon which he

based his decisions. Contrary to the usual opinion, this discovery is as likely at the bottom of an organization as at the top, once the initial feelings of inadequacy and hesitancy among workers are overcome.

The genuine collaboration among all the members of an industrial organization which is eulogized by "impractical idealists" is actually quite possible. But it can only begin to emerge when the mechanisms of genuine participation become an established part of the organization routines.

CONDITIONS OF ACTIVE INDEPENDENCE: RESPONSIBILITY

A corollary of the desire for participation is a desire for responsibility. It is another manifestation of the active search for independence. Insecure or rebellious subordinates--seeking independence in the reactive sense--do not accept responsibility. They are seeking freedom, not the opportunity for self-realization and development.

The willingness to assume responsibility is a genuine maturational phenomenon. Just as children cannot grasp the meaning of the algebraic use of symbols until their intellectual development has reached a certain level, so subordinates cannot accept responsibility until they have achieved a certain degree of emotional security in their relationship to their superiors. Then they want it. They accept it with obvious pleasure and pride. And if it is given to them gradually, so that they are not suddenly made insecure again by too great a load of it, they will continue to accept more and more.

The process of granting responsibility to subordinates is a delicate one. There are vast individual differences in tolerance for the inevitable pressures and insecurities attendant upon the acceptance of responsibility. Some subordinates seem to be content to achieve a high degree of security without independence. Others thrive on the risks and the dangers of being "on their own." However, there are few subordinates whose capabilities in this direction are fully realized. It is unwise to attribute the absence of a desire for responsibility to the individual's personality alone until one has made certain that his relationship to his superiors is genuinely secure.

Many superiors are themselves so insecure that they cannot run the risk of being responsible for their subordinates' mistakes. Often they are unconsciously afraid to have capable and developing subordinates. The delegation of responsibility, as well as its acceptance, requires a confident and secure relationship with one's superiors.

CONDITIONS OF ACTIVE INDEPENDENCE: THE RIGHT OF APPEAL

There are occasions when subordinates differ radically but sincerely with their superiors on important questions. Unless the superior follows an "appeasement" policy (which in the end will cost him his subordinates' respect), there exists in such disagreement the possibility of an exaggerated feeling of dependence and helplessness in the minds of the subordinates. They disagree for reasons which seem to them sound; yet they must defer to the judgment of one person whom they know to be fallible.

If these occasions are too frequent, the subordinates will be blocked in their search for independence, and they may readily revert to a reactive struggle. The way out of the dilemma is to provide the subordinate with a mechanism for appealing his superior's decisions to a higher level of the organization. The subordinate can then have at hand a check upon the correctness and fairness of his superior's actions. His feeling of independence is thereby increased.

This is one of the justifications for an adequate grievance procedure for workers. All too often, however, there is no similar mechanism provided for members of management. To be sure, in the absence of a union it is difficult to safeguard the individual against retaliative measures by his immediate superior, but it is possible to guarantee a reasonable degree of protection.

If the relationship between subordinate and superior is a successful one, the right of appeal may rarely be exercised. Nevertheless, the awareness that it is there to be used when needed provides the subordinate with a feeling of independence which is not otherwise possible.

SUMMARY

The subordinate in the industrial organization is dependent for the satisfaction of many of his vital needs upon the behavior and attitudes of his superiors. He requires, therefore, a feeling of confidence that he can satisfy his needs if he does what is expected of him. Given this security, he requires opportunities for self-realization and development.

Among the conditions influencing the subordinate's feelings of security are: (1) an "atmosphere" of approval, (2) knowledge of what is expected of him, and of how well he is measuring up to these expectations, (3) forewarning of changes that may affect him, and (4) consistent discipline both in the form of backing when he is "right" and in the form of punishment when he is "wrong."

The conditions under which the subordinate can realize his own potentialities include: (1) an adequate sense of security in relation to his superiors, (2) opportunities to participate in the solution of problems and in the discussion of actions which may affect him, (3) the opportunity to assume responsibility as he becomes ready for it, and (4) the right of appeal over the head of his immediate superior.

These conditions are minimal. Upon their fulfillment in some degree rests the success or failure of the subordinate-superior relationship at every level of the industrial organization from that of the vice-president to that of the worker.

Empathy: Management's Greatest Need

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FROM TIME to time George French has wondered why he is so manifestly and inescapably unpopular. He cannot understand it. He has always tried to do the right thing. In fact, he has often gone out of his way to be helpful.

As a department head with the Booth Manufacturing Company, he has regarded it as his duty to help his subordinates to improve themselves in every way. As a result he has always made it his practice periodically to counsel with them and point out their shortcomings to them. That they have not always been wholly receptive to his constructive criticisms is one of the crosses he has had to reconcile himself to bear. Nevertheless, in spite of this, he still feels it is his duty to help them in this way.

His father, whom he has always greatly admired and tried to emulate, had always told him that one of his greatest obligations in life was to help his fellow man. In consequence, he has persevered, even though his subordinates have not only frequently failed to follow his advice, but some have gone so far as to nickname him the "Broadaxe of Dept. 126."

All his life he has dedicated himself to doing his duty, however painful though it might be. Early in his life his father gave him a set of maxims which he has tried to follow faithfully, regardless of how strongly he might be tempted to swerve from the path of duty. These maxims are:

1. Always respect your superiors (they have had more experience and know their jobs or they would not be in them).
2. Always follow instructions as given (there is a good reason for every rule).
3. Always be honest and forthright in your dealings with others (while some may not like it, they will respect you for it).



HIGHLIGHTS ON THE AUTHOR

The author has had his own consulting service in the fields of personnel, industrial relations, and market research since 1943, and previous to that, since 1935, was in charge of the Chicago office of the Psychological Corp., engaged in the same type of activities. He holds degrees from the University of Chicago and the University of Vienna, Austria.

4. Always put the interests of your employer before your own (this is one of the best ways to make progress on your job).

5. Always try to help others, even though they may not be appreciative of it.

It has not always been easy for George to follow his father's admonitions. Some of his decisions have been hard for him to make. There was, for example, the case of old Pete Rogers. Pete had been with the company for 35 years. When it came time for him to retire, a review of his personnel file revealed that, due to a clerical error, he had never been officially listed as an employee with the insurance company which administered the retirement trust.

In consequence, technically Pete was not eligible for a pension. George had tried to explain to Pete that while it was unfortunate, mishaps of this character did occur and that there was nothing that he could do to help him. When Pete protested, he had even shown him the contract with the insurance company which stated explicitly the conditions under which employees were eligible for a pension, and had explained why he was ineligible. He hadn't liked to deal with such situations, but a rule is a rule.

Then there was the case of Molly Stevenson. Molly was a clerk in his department handling the first step in processing orders received from cus-

tomers. With the help of the company's methods expert, he had worked out performance standards for each clerk's activities. In this way he knew exactly what each girl should be expected to produce.

Molly had originally been one of his best and most faithful performers. Her work was accurate, and she spent little time in the washroom or in idle talk with the other girls. But over a period of time, her work had begun to deteriorate both in quantity and quality. He had spoken to her about it on several occasions. Each time she had promised to improve and for a short time she had. Later, she had slipped back, each time a little further.

In the meantime, he had heard that Molly's widowed mother, of whom she was the sole support, was suffering from cancer and that Molly was attempting to care for her at night to save the cost of a nurse. He suspected that this might be the reason her work was suffering. Hence, when he next talked to Molly he had told her that she would have to find someone to care for her mother at night because it was affecting her work.

Molly burst into tears and said she would try but she didn't know whether she could because doctor bills were already taking everything she earned. He had said that he understood, but that she must remember that her work must come first if she expected to stay

in his department. She promised that she would try and for a while did show some improvement.

Ultimately, however, her performance had shown a further retrogression and it had been necessary for him to call her in and release her. He had explained and she agreed that he had given her fair and ample warning. He had hated to do this, but his conscience was clear. She had been unable to meet the department's production standard; she had been warned; she had to be replaced.

Persons like George are not intentionally cruel. They are not overt sadists; they derive no immediate personal satisfaction from making others unhappy. They are, of course, pleased with the power they have over others. If the exercise of this power results in suffering, they may even feel a momentary pang of regret that it is they who have been chosen as the instruments through whom circumstances or a higher authority have chosen to act. Such experiences are unpleasant, they admit, but they are all part of the day's task. They constitute one of the less pleasant aspects of the supervisor's work.

In short, such persons are neither vicious nor vindictive; they are simply incapable of *empathy*, of emotional resonance, of the capacity to put themselves in the place of another and respond as he does. In simple terms, *they are completely and totally insensible to the needs or feelings of others*. They have no insight into or real interest in people.

They regard people in the same casual, detached impersonal manner that they think of inanimate objects or animals. If a pair of shoes wears out, they are discarded; if a pet develops distemper, he is destroyed; if an employee ceases to be productive, he is taken off the payroll. It is this quality of complete conscienceless unconcern for others which reaches its apex, its finest flowering, in the ruthless dictator, e.g., Stalin; in the "torpedo" (the professional killer); or in the master of a mass extermination establishment such as Buchenwald.

Most individuals who lack empathy are not inhuman in a calculated manner: they are simply persons who find it difficult or impossible to form attachments to people. They cannot make even minimal emotional investments in others. Their capacity for affection, even in-

terest in anyone outside of themselves, is usually quite limited.

What little warmth and love they have is jealously hoarded within their own egos and is lavished almost exclusively on themselves. Such persons are frequently not unfriendly; they may even be quite affable, especially with their superiors and associates. Often they are very public-spirited and generous, but always in a rather impersonal manner.

Hereditary or Environmental?

No one knows precisely why some individuals have a marked capacity for empathy, some less, and some practically none at all. It is probable that constitutional (inherited) factors may have a part to play. It is more likely, however, that early environmental factors have a vital influence in determining the degree of empathy of which a person may be capable.

Where the child has been reared in a cold, loveless, rigid, and overdemanding environment or one in which he has known little emotional security (his parents may have given him material benefits but little or uncertain affection), he may have feared to invest love or even interest in others for fear that it would not be reciprocated. Living always under the threat of emotional rejection by those from whom he seeks support and love, he dares not risk permitting himself to become too closely attached to others. They might (and perhaps have done so) reject his timid advances. In such instances, it is safer to hoard one's love within oneself.

People vs. Things

Under such circumstances, it is natural for an individual to turn his field of interest from people to *things*. Things are not expected to be a source of love; therefore, they cannot reject and hurt. *They are emotionally safe*. In addition, in a scientific age such as the present, things can be both fascinating and challenging. In consequence, they have tremendous appeal to many, particularly those who are especially sensitive to rejection.

Also in the American society of today, a preoccupation with *things* is highly acceptable socially. This is the "scientific age," and science, until very recently, has concentrated its activities

almost exclusively on *things* rather than on people. It is not surprising, therefore, that business and industry with their emphasis on production, research, accounting, engineering, and finance have had unusual appeal to "thing-minded" persons.

Even sales work, which presumes to deal with people, has been largely mechanized through the introduction of research designed to determine the best means of exploiting the public's wants and needs through advertising and other standardized marketing techniques.

In consequence, business and industry probably have a higher concentration of predominantly thing-minded persons than do many of the professions, e.g., medicine, the church, and the arts. And from a purely materialistic point of view this is probably advantageous.

A single-minded concentration on *things* by management with less regard for humanitarian considerations has probably contributed largely to the industrial development of this country. It has doubtless resulted in a vast contribution to the national product and the tremendous improvement in the American standard of living which has accompanied it. Whether this growth and increase in efficiency has also sometimes been at the cost of human well-being is a debatable question.

Certainly many of the frictions and conflicts which now plague business and industry may be attributed to the extent to which business management today is permeated with George Frenches—dynamic, efficient, loyal, and creative administrators who are also largely or totally insensitive to the needs, problems, and anxieties of the people with whom they work and whom they supervise.

The Union as Defender

Probably the best evidence of the acuteness of this problem is to be seen in the rapidity of the growth of the labor movement, once the social and legal shackles were removed from it. There are many conditions which influence workers' decisions to join unions. But one of the chief of these is the feeling on their part that management's points of view and attitudes lack an understanding for and appreciation of employee needs and problems. This, they recognize, is due in part to failures of intra-company communication—management is literally ignorant of

much that affects its people. But even when improved communication techniques have been introduced so that management is adequately informed, it is still often reluctant to take what the employees regard as needed action. Hence, many feel that they need a union as a defense against management's ignorance, indifference, or intransigence.

It is not that most workers distrust management's basic motives: The old stereotype of the capitalist as a hard-eyed, blood-sucking leech, mercilessly exploiting the helpless proletariat, has been relegated chiefly to Communist propaganda circles. Most employees are sufficiently sophisticated to know that top and middle management is composed of hired hands whose positions are fundamentally no different from theirs, except that the pressures are greater.

What they resent is management's blithe assumption that it already knows, on an *a priori* basis, what its subordinates need and how their problems should be handled. Too many management policies reflect either a complete ignorance of what is actually transpiring at the worker level or a total disregard for employee sensibilities and needs.

Typical of this latter type of thinking was that shown by the manager of an eighty-year-old plant which was being closed because it was no longer competitive. He told his employees, many of whom had over 30 years' service, that he would give separation allowances *only to those who were too old and feeble to obtain employment elsewhere.*

This manager was not deliberately and willfully attempting to be cruel. He was simply shortsighted. By excluding all but those who were manifestly incapable of other employment, he (by profession an engineer) estimated that he could save his employers approximately \$30,000.

It never occurred to him to consider what \$200 or \$300 would mean to an aging employee who had given the best years of his life to the company. This was because *he was completely without empathy.* He lacked entirely the capacity to put himself in his people's shoes. He was a rational automaton to whom people are merely ciphers and are to be treated as such.

It is largely because industry has

more than its quota of such executives that the unions have had such a rapid growth and continue to have the support of their members. The union, after all, constitutes their sole defense against such management.

The Schism in Attitudes

More immediately, however, this lack of empathy by supervisors and executives at every level is productive of many misunderstandings and conflicts in the course of day-to-day operations. These arise out of what may be termed "conflicts of attitudes."

An example may be seen in the difference between management and union attitudes toward incentive compensation based upon time studies. Management considers such incentives to be quite legitimate, even somewhat generous, since they enable the employee to share in the rewards of any additional effort which he expends. The unions, on the other hand, as well as many employees, regard them as instruments for the "speed-up," the conscienceless exploitation of the worker through appeals to his avarice.

Here may be seen the same technique of management as looked at from two violently opposed points of view: Those of management and labor. The attitudes of management are enthusiastic; that of labor is bitterly in opposition. Furthermore, neither has either sympathy or understanding for the other's point of view. Nor is either desirous of learning to understand the bases for the other's attitudes. Each group is monolithic in its opposition to the viewpoint of the other.

Furthermore, this conflict is based on no coldly rational difference of interpretation of the evidence; it is highly toned emotionally. Feelings run riot on both sides. Arguments pro and con are vigorously impassioned; factual evidence gives way to elaborate rationalizations; the level of discourse ascends higher and higher on the ladder of abstraction.

As the contestants become farther and farther removed from reality in their discussions, the higher and shriller becomes the emotional tone of their arguments. Ultimately, an impasse is reached. The parties to the conflict are so far apart that there is no hope for its resolution. The outcome is an uneasy state of armed truce. The net result is that time study rates become in them-

selves a symbol of management-labor conflict. Obviously, this does not enhance their effectiveness as incentives. (On the average, 70% of union grievances center on time study rates.)

This illustrates the fact that a lack of sympathy for others' points of view is not confined to supervisors and company executives. It is equally common among rank-and-file workers and their union representatives. Neither they nor members of management are able successfully to place themselves in the positions of those with whom they are in disagreement or are even desirous of attempting to do so.

In short, the cause of much industrial strife is to be found less in the specific practices and policies at issue and more in the *attitudes* of their protagonists and opponents toward them. It is not *the thing in itself* which is significant but the *feelings* which are associated with it. It is they which cause and perpetuate the difficulty. Therefore, if the conflict is to be resolved, the first step is to change the parties' attitudes toward the matter at issue.

Changing Antagonistic Attitudes

Superficially, this appears to be easy. It would seem to be only a matter of the clarification of misunderstandings. Given all of the facts it should not appear to be difficult for both parties to see the logic of the situation and reach an agreement. This would be true if both could observe the identical facts from the same perspective, i.e., objectively and without bias. This, unfortunately, is where the difficulty arises.

No one can ever be entirely objective about anything: He is always to some degree the prisoner of his preconceptions. In short, he has an *attitude* toward every issue with which he comes into contact. Further, each attitude has some (usually considerable) emotional toning or coloring. In other words, everyone is likely to feel at least reasonably strongly on nearly every issue toward which he has a well-established attitude.

If these feelings were strictly rational, they might be amenable to influence by logic. Unfortunately, they are not. Two factors influence them: The first of these is the *displacement of affect*. By this is meant the extent to which attitudes which are generated by one set of circumstances and which may well have been appropriate and justified are shifted or "displaced" on to other quite

foreign and often inappropriate objects.

A common example is the young man who (entirely unconsciously) displaces his hostilities toward his father onto his foreman. The father may have been an unconscionable autocrat, the foreman a mild, ineffective, and well-intentioned nonentity, but both are "authority figures." The young man's resentments toward authority, as embodied in his father, can easily, and frequently do, displace onto the foreman. This is not because the foreman is arbitrary or demanding. It is simply because he, like the father, symbolizes authority. (This, incidentally, explains why so many young people are drawn to Communism which purports to be dedicated to the destruction of entrenched authority.)

The second factor influencing feelings is the extent to which these attitudes are the products of deep-seated needs (many of which are not socially acceptable), hostilities, and anxieties. The high emotional toning which many of them carry likewise gives them a somewhat irrational quality. This is because their roots extend far back into the individual's infancy, and they have retained many of the prelogical characteristics of the child's thinking. They have been formed and colored by early environmental and subsequent cultural influences.

Among these influences are such factors as the individual's cultural heritage, economic level, occupational status, education, character of associates, political beliefs, and specific experiences on the job (relations with supervision, the union, etc.). Of particular significance also are the characteristics of the persons with whom he has identified himself in the course of his development. (If the ideal he strove to emulate was John D. Rockefeller, he would have radically different attitudes toward management than would be the case had John L. Lewis been his hero.)

The Menace of Inflexibility

Because the roots of most of everyone's attitudes are deeply buried in his past, their sources, even their very existence, are almost entirely unknown to him. Furthermore, because of their long standing they are also practically immutable. They have become firmly embedded in his personality. The holder will, in consequence, defend them literally to the death. He does not know he acquired them; he is not even too great-

ly concerned about their consistency or logic. He is convinced of one thing only: *What he believes is right*. Such mental sets as these are encountered frequently in the field of politics, e.g., the unreconstructed Democrat who still votes as his pappy did and whose motto is: "Right or wrong, I'll always be a Democrat." Unfortunately, such firmly held attitudes are not confined to politics; they are equally common in the field of labor-management relations.

As a result, neither workers nor their union representatives nor members of management can approach most of the issues on which conflict exists objectively and with an open mind. Each has his own particular constellation of attitudes on every topic. Furthermore, each is not only convinced that his attitudes are the only right ones, but that any opinions which differ from his are *irrevocably and indisputably wrong*. This makes agreement almost completely impossible.

Since neither party to the dispute actually has much solid, factual ground for his opinions (he is probably discussing the "interpretation" of the facts at issue), he is more likely chiefly to be expressing his *attitudes*. Hence, it is obvious that any meeting of the minds will be difficult to bring about. Not only will each party to the dispute find it difficult to place himself in the position of the other, but assuming that one or the other tries, he will still have difficulty in accepting the viewpoint of his opponent.

Thus, the major problem facing industry, if it is to enjoy labor peace and the benefits of good employee morale, is a twofold one: First, it must stimulate a higher degree of empathy in its supervisors and executives to improve their immediate handling of their interpersonal relationships. Secondly, it must arouse management to a clearer awareness of the part that *its own* attitudes play in clouding and biasing its analysis of the labor relations problems with which it is faced.

Management Initiative

Most important, it must recognize that *the initiative for improvement in this area must come principally from management itself*, first, because empathy is one of the prime requisites for success as a supervisor or executive and secondly, because neither the mass of the workers nor their union representa-

tives, generally, have any reason to be aware that there may be an element of illogic in their attitudes and beliefs.

The unions, being part of a "movement," rarely question the essential rightness of their goals and the means employed to gain them. The majority of the workers and their representatives are still comfortably but implacably convinced that *their* viewpoints are invariably the only correct ones. Hence, they cannot be expected to see any need to question the soundness of their beliefs, much less take the initiative to change them in any way or to recognize that the employer's position may have any merit whatever.

Even within a presumably enlightened management group, the difficulties of stimulating a greater degree of empathy will be great. To begin with, if a supervisor's or executive's insensitivity to the feelings and needs of others is actually symptomatic of a deep-lying personality deformation, of a basic incapacity to invest affection in others, no amount of training or admonition will be of much help. Such persons must be recognized as inherently incapable of empathy. Situations such as this must be faced realistically. A George French can never be given much empathic insight.

On the other hand, if supervisors such as he are recognized as empathic cripples, their capacity for harm can be minimized. As far as possible, they can be taken out of line, administrative positions and given staff responsibilities. There they will have little contact with people, but can concentrate all of their efforts on *things* (production, engineering, accounting, etc.). If it is impossible to relieve them of administrative responsibilities, their personnel activities can be audited periodically by contacts with their subordinates (using exit interviews, follow-up interviews, counseling sessions, and periodic opinion polls) to discover, correct, and forestall their more egregious blunders in the field of human relations.

Where there is demonstrated capacity for empathy among them, much can be accomplished to make middle and top management aware of its nature, the need for it, and what it can accomplish in bettering human relationships. At the same time, it is essential that a recognition be given top and middle management of the magnitude of the dif-

ferences which may exist between their beliefs and attitudes on various aspects of company operations and those of lower level supervision and the rank-and-file employees.

Since the nature and range of these differences are frequently unknown to both parties, it is desirable to bring them to management's attention. This will often eliminate sources of misunderstanding and friction and at the same time illustrate, often dramatically, the variety and character of existing differences in attitudes between groups.

Both of these objectives can be attained by conducting a study designed to measure objectively and quantitatively the nature and extent of empathic differences at varying levels in a business organization. Either as a part of an employee opinion poll or independent of it, a series of identical attitude questions are asked of members of top and middle management and of hourly rated employees.

Typical of such questions is the following: "Do you believe that the Taft-Hartley Law is a 'slave labor act'?" Each respondent is asked to give a categorical "yes" or "no" answer to indicate his personal opinion relative to the issue. Following this, he is asked to indicate what answer ("yes" or "no") a majority of his associates and peers will give to the same question. Next (if he is a member of top management) he is asked to state how a majority of the members of his middle management (supervisory) and hourly-rated employees will respond. Members of middle management are asked to indicate how they believe top management and the rank-and-file employees will answer, as well as to state their own opinions. The hourly-rated group is asked to report similarly on middle and top management as well as on themselves.

Assessing the Differences

When these responses are tallied it becomes possible to measure the extent to which:

1. Absolute differences in attitude toward each issue exist among the three groups.
2. Members of each group understand (are empathic to) the attitudes of:
 - a. Their own (their peer) group.
 - b. Groups ranking above and below them in the organization.¹

It is often a shock to members of the various groups, particularly those in top management, to discover the magnitude of existing differences in attitudes at the various levels. They are frequently even more seriously disturbed to learn the degree of their own errors in estimating the attitudes of the members of other groups. Findings of this character, as indicated, present graphically and dramatically the range of the differences in opinion existing among employees at different levels in the enterprise and the frequent lack of insight into the attitudes of others by various management and worker groups. These findings can then serve as a basis both for training top and middle management in the nature and importance of empathy and for highlighting significant differences in attitudes among employee groups. Once these distinctions have been established, management can take constructive steps to discover the reasons for them and to minimize their effects.

Empathy is a critical factor in a wide variety of activities. The physician with a fine "bedside manner" is merely an individual with a strong inherent "feel" for his patients' needs, problems, and anxieties. He senses them largely by intuition, but, as a result, is able to respond to them with keener insight and hence greater effectiveness than does his colleague to whom his patients' complaints represent merely a formal catalogue of symptoms.

Most truly successful salesmen are empathic to a high degree. While they are rarely aware of the part empathy plays in their effectiveness, its contribution is a major one. It enables them intuitively to sense the prospects' true (as distinct from *stated*) needs. They then direct their sales presentations to showing how their products satisfy these more basic needs. In short, they have a resonance, a sensitivity, to the prospects' emotional as well as rational needs and respond predominantly to the former.

They then use logical appeals only to

rationalize (justify on logical grounds) the use of their products to gratify needs which are never even made articulate but which the salesman can sense empathically. Such persons are invariably more successful than those who, being incapable of empathy, must rely wholly on purely logical appeals directed at obvious needs.

Element of Leadership

All really successful leaders, including every dictator, have great empathic sensitivity. The essence of leadership of the masses is the development of an intuitive awareness of what they need and want. As most groups of this type are notoriously inarticulate, the leader must sense their needs instinctively, i.e., by empathy. He does this by placing himself in their positions and thinking what he himself would want under those conditions.

Knowing their needs, he can then chart a course designed to give them what they want and also justify his program. He may claim authorship for his plan himself, but the true roots of the appeal of his program are to be found in his *empathic awareness of what the group wants*. He insures that his followers will respond to his commands because in so doing, *they are actually only doing what he has sensed they have wanted to do anyway*.

This was the secret of Hitler's power over the German masses: Being of lower middle class background himself, he knew what they needed and wanted. He simply promised that if they followed him they would have what they wanted. The secret of his success lay in the fact that he was *emotionally in tune* with his followers. In consequence, whatever he demanded of them was what they desired to do anyway, regardless of its illogic, its nature, or its consequences.

Because of the tremendous power of this intuitive type of leadership and the great, albeit ordinarily unrecognized, cost of the failure of management and supervision to see others' problems from their points of view, the need for empathy must be of constant concern to management at all levels. Top management must look at itself objectively and appraise its own capacity for empathy.

In evaluating the competence of members of middle management, the ability to understand and respond to the needs and problems of others must be given a weight equal to that given to technical

¹ For a discussion of the problem and the potentialities of this technique, see Rammers, H. H., "A Quantitative Index of Social-Psychological Empathy." *Amer. J. Orthopsychiat.* 1950, 520, 161-5.
Anikeeff, A. M., "Reciprocal Empathy: Mutual Understanding Among Conflict Groups." *Purdue University Studies of Higher Education*. 1951, 77, pp. 1-48.

skills and productivity. Great reluctance must be shown to promote anyone to an administrative or supervisory position who has demonstrated an appreciable incapacity for empathy. Regardless of his other qualifications, if he is an empathic cripple, he will experience difficulty in handling people. He can never be truly effective as a leader without some ability to sense his subordinates' needs and problems. He can function only as a dictator in a completely regimented, authoritarian autocracy.

But as all totalitarian regimes have discovered to their sorrow, slave labor is rarely efficient and productive. *Participation* by subordinates is vital if their creativity and effort is to be maximized. But participation is impossible in an autocracy, particularly where the supervisor is incapable of empathy. If participation is to be encouraged, the leader must be capable of establishing and maintaining rapport with his subordinates. This he cannot do if he has no capacity for empathy. Therefore, empathic sensitivity is vital to effective leadership at all levels. Without it, no supervisor or executive can get the most from his people.

Even more vital is the role of empathy in resolving the conflicts which arise from differences in *attitudes* toward specific issues or company practices. If management representatives are incapable of empathy, it will be natural for them to assume that there is no question concerning the essential rightness of *their* positions on every issue. In short, they will be completely intolerant of the opinions and positions of their subordinates and the latter's union representatives.

Because a lack of empathy for management's viewpoint is also to be expected on the part of these employee and union groups, the result can rarely be other than a continuing and bitter deadlock. Often the consequences of such conflicts are both costly and distressing, taking as they do the form of slowdowns, work stoppages, limitations of output, theft, insubordination, abuse of equipment, and generally substandard morale.

A Reasonable Approach

Granting that management personnel has at least some empathic sensitivity, its reaction to a conflict situation will be to attempt to be reasonable. When confronted with a conflict of attitudes

as in the case of time studied incentive rates or promotions on merit rather than on seniority, it will not immediately adopt a two-valued orientation, i.e., assume that everything is absolutely right or absolutely wrong and that it has a monopoly on being in the right. It will grant that not everything is completely black or white; there may be some grays. It will further admit that it may be at least partly in the wrong. Most important, it will seek to ascertain not only what the employees and their union representatives believe and want, *but why they have these particular opinions and make these demands.*

Furthermore, its approach to such conflicts will not be doctrinaire. It will honestly seek the truth; it will not be looking solely for substantiation of its firmly held convictions. Such management really wants to learn the facts, even though they may perhaps be personally embarrassing and may pose difficult problems. In short, this type of top management may discover that its people actually have compelling and valid reasons for their beliefs and for making their demands. It can also discover that many of its own cherished opinions are not only incorrect, but are positively harmful.

It's Up To Management

The key to the resolution of these attitudinal conflicts lies, therefore, in the ability and willingness of those who determine company policy to try objectively and without passion to see both sides of the problems which face them. And, as already indicated, *the initiative must come from management.* Only management is in a position to correct many of the conditions which create or exacerbate employee ill-will and feed the fires of their hostility toward itself and what it stands for.

This, in turn, presupposes that relatively clear channels of communication exist between top company executives and the workers. The most empathic executive in the world is not going to be able to put himself in his subordinates' places if he is unable adequately to communicate with them. While it is customary to think of the chain of command, the hierarchy of supervision, extending from president to laborer, as offering a clear channel of communication, a little reflection will indicate that this is rarely the case.

There are too many barriers to com-

munication and sources of distortion in such a hierarchy. (The chief of these is the desire of each of those in each echelon to impress *his* superiors with the superlative quality of *his* performance. Hence, nothing is permitted to come to his superior's attention which might raise embarrassing questions about *his* competence.) Therefore, the line organization must be supplemented as a dependable channel of communication.

Likewise, for a number of reasons, the union hierarchy rarely provides a clear channel of management-employee communication. To begin with, the union is rarely an impartial, disinterested agency. Many of the issues in a conflict situation are ones toward which it is vehemently partisan. Furthermore, many unions themselves are rife with factionalism and internecine strife. Precisely what will be communicated will depend greatly upon which faction is in power. These internal difficulties, therefore, seriously affect a union's value as a dependable medium of management-worker communication.

"Talking It Out"

If management is to obtain a comprehensive and valid picture of its employees' opinions and attitudes and their sources, it must provide facilities for them to talk them out freely, at length, and without reservation. This generally excludes counseling conferences with supervision (relatively few foremen, department heads, and even executives have the skill, time, patience, and empathic sensitivity to make such contacts successfully).

Only persons who have demonstrated a high degree of empathy and who have been trained in the use of the unstructured, open end or nondirective interview can be used. Interviews of this type should be conducted with all employees (including supervisors) at regular intervals. All new employees should be interviewed a few weeks after starting on the job; older employees should have a counseling interview at least once each year, and all employees on leaving should be given an exit interview.

Ideally, an opinion poll should be conducted biennially to provide a static cross-section of employee and supervisory attitudes as a control on the findings of the less formalized proced-

ures. From these several sources, data can be assembled and collated which will provide management with a detailed, explicit, and fluid picture of precisely what each employee wants and believes, and why he wants and believes what he does.

"Do Unto Others . . ."

If, on the basis of the information obtained in this manner, management will then take the initiative in trying to see its people's problems *from their perspective*, it may discover that there is merit in many of their beliefs and demands. It may likewise learn that many of their complaints are justified.

Of the greatest significance, however, it will find it easier to resolve many management-worker conflicts of interest and attitude, some of which at first seem quite irreconcilable. It will not always be easy for management to accept others' (particularly the unions') points of view; and efforts in this direction may well be looked upon with suspicion by many in business—if for no other reason than that an approach of this nature is a distinct novelty in most companies.

It will be charged that this is a "soft," "appeasing," way to handle these problems. (It is *not*, because seeing the other person's side does not nec-

essarily imply weakness—it does not preclude disciplining.) Most significant, where an open-minded, albeit firm, attitude toward employee problems has been tried, the results have almost invariably been good. In nearly every instance where an enterprise has been consistently free from labor trouble, it has had top management which has applied this philosophy.

And why should the results not be good? The principle on which this method is based is at least 2,000 years old. It is simply the application in modern industry of the Golden Rule, "Do unto others as ye would have others do unto you."

LANGUAGE OF MOTIVATION

William Oncken, Jr.

It is said that the Navy discovered electricity in 1939. One of the things we did with it was to install PA systems on all our larger fighting ships. Most of you are familiar with the "now hear this" routine that precedes every communication over the system.

Well, right after Pearl Harbor, 1941, when we put to sea with what larger ships we had left, we (the Navy) found that under strenuous battle conditions morale was at a low ebb in the engine room. We weren't too sure what morale is, but whatever it is, they didn't have any of it in the engine room. Now this wouldn't ordinarily be a matter of life and death except for the fact that there are times when the Old Man wants an extra five knots for tactical reasons --- extra over and above the maximum rated speed which is clearly stenciled on the engine room control panel. Every captain knows that he cannot order any more r. p. m. out of his engines than their rated maximum --- if he tried to. But this is our story.

On the particular ship we have in mind, the Old Man decided he wanted an extra five knots. He turned to the executive officer and said "How about an extra five knots?" The "exec" turned to the chief engineering officer and said, "The Old Man wants an extra five knots." This message passed down the echelons of command into the bowels of the ship until it reached the striker who had his hand on the lever that could produce the extra five knots. He pointed to the engine specifications on the control panel and replied, "Can't you read?" This question was passed up the chain of command until the "exec" respectfully asked the Old Man whether he had not read the specifications.

The captain said he had and blurted, "Why can't we get an extra five knots out of the engine room, when battleship X, cruiser Y, and carrier Z have done it time and again. What's so different about us?"

That question went tersely down the echelons till it hit the bottom. The reply came up from mouth to mouth with equal terseness. "We've got boiler scale."

Down the chain of command went the captain's question, "What the devil is boiler scale?"

Up the chain came the reply: "Anybody knows what boiler scale is."

The Old Man had been led to believe that there was nothing wrong with the vertical communications between himself and the enginemen. All this word-passing, of which there was plenty, was creating an illusion of communications. Actually there was, as you have seen, no chain of understanding and therefore no communication at all. Just words, words, words; first down, then up, then down, then up again.

He went to the executive officer and said, "Trouble is, we've got bad morale in the engineroom. I want you to build up the morale of the men down there." The "exec" decided to go down to the library and look for a book on morale building. He found it. Chapter one stated that good morale results when you have good working conditions. He scratched his head over this one because he knew that after the first few rounds were fired, working conditions were all shot up topside while they are intact below decks; nevertheless morale was high topside, low below decks. The author obviously didn't know what he was talking about so the "exec" tore out chapter one and threw it to the winds.

Chapter two said that you get good morale when the organization is so laid out that everybody knows exactly his duties and responsibilities and the standards of performance that go with them. The "exec" leered at this one. He knew that after the first few rounds the deck organization was pretty well shot up and half the men weren't always too sure of their targets or of their marksmanship. Meantime, organization below decks remained intact. Yet morale topside was high; but below decks, low. He tore out chapter two.

Chapter three said that you get good morale when orders are "clear, concise, and to the point." The "exec" scratched his head on this one too, for, after the first few rounds, the men topside weren't too sure always what their orders were, let alone clarity and pointedness. The men in the engineroom got their orders via engine telegraph which can be read and acted on by anyone with an I.Q. of 50 and 1-20 eyesight. Nevertheless morale was high topside, low below decks.

We could go on. Suffice it to mention what the "exec" found in chapter eleven. "Rest periods at optimum intervals have a marked effect on morale. These can advantageously be combined with the so-called coffee break". This didn't ring a bell either. In some cases the men would remain at their battle stations topside for hours on end without relief of any kind. The engineroom crew kept a coffee pot on the steam line for constant use. You guessed it--morale high topside, terrible below decks.

In confusion, the "exec" threw what was left of the book over the side. In despair he returned to the captain.

The captain had an idea. "Let's get the chaplain to help us on this".

The chaplain said, "You are using the wrong approach. Go down the ladder and talk to the men, man-to-man. Inspire them. Why, half of them don't even know what you look like," he said, glancing at the Old Man.

"Let's go down," said the skipper. When they arrived, the men were waiting for them. The Old Man spoke first: "Men, let's see if we can't plan for a few more r.p.m. out of these engines. A little careful and systematic planning should do it."

He looked around. No sale. "Let's see if we can't get organized down here for a little more speed".

"Improved supervision and direction do a lot".

"If we could get a little better control of the situation..."

The Old Man was getting nowhere and he knew it. The chaplain stepped into the breach. He made no headway either. The officers turned and started back up the ladder.

The chaplain thought things over. He began to realize what was happening. Up till now the "management" had been using the language of production and efficiency while the men had been listening in the language of motivation. As he had just seen, this resulted in no chain of understanding being forged in support of the chain of command. Plenty of words, but no communication.

After one particularly strenuous engagement, he happened into the messing compartment. The men from above and below decks piled in for a long overdue meal. He noticed the conversation. The above-deck's crowd was comparing notes on what they had accomplished. The din of bragging and counterbragging drowned out all the other noises.

The chaplain noticed the below-decks men. They weren't participating. They were concentrating their attention on their bean soup. They had nothing to talk about. Indeed, had they not shown up for chow they wouldn't even have been missed? My friend, when you're not missed you definitely don't belong.

What about opportunity? The above-decks crowd had more than it could handle. Plenty to do of obvious significance and importance. But below decks? My friend, if you think that watching gages, throwing switches, keeping logs, turning valves, and oiling bearings, spells opportunity, you've never had engineroom duty. It just isn't there.

What about recognition? When a gun crew made a killing, the Old Man up there on the bridge would turn around and grin with pride at the gun crew that did the job. That's all those boys needed. The Old Man knew! (And in granting this recognition he followed the line of sight, not the chain of command.)

But below decks? What recognition can you get for doing what you're supposed to do anyway? And if you did get the Old Man the extra five knots he's looking for, what then? Why it would just increase the opportunities of the men topside and they would get the extra recognition for the added targets they hit. And this would only increase the bragging in the messing compartment, which was well-nigh insufferable as it was.

What about economic security? All hands had that, in the form of their regular pay and allowances. But these weren't exactly the things they joined the Navy for in the first place.

Emotional security, however, was not as evenly distributed between topside and below decks. The men with the blue sky above them could see what was coming and could plan ahead with a degree of confidence. If a squadron of strafers was swooping down, each man could estimate, for example, that he had 30 seconds to go before he got hit; but that 30 seconds was democratically distributed among all hands above decks --- there was no discrimination.

But below decks? The men down there didn't know when to expect a torpedo through the side, a bomb down the stack, a shell through the overhead, or a mine up through the bottom. Judging by the St. Vitus dance of the engine telegraph, the men could conclude the somebody on the bridge had gone berserk --- things must really be bad. Indeed, it is more popular in the engine room to overestimate the danger, because if you're right it won't make any difference anyway and if you're wrong, you don't feel let down when you find out what actually happened. So, in short, you have no emotional security.

The chaplain got the point. The psychic income of the men below decks was far below their minimum requirements. The thing to do was to raise it somehow. He couldn't do anything about their economic security but he could about the others. And here is where the electronic communications system--the PA system--came in.

He went up to the captain on the double. He suggested that they find an officer who had news or sports broadcasting experience in civilian life, that they put him behind a microphone on the bridge, and that he give a running account of the entire strategic and tactical situation as it unfolded and of the immediate part their own ship was playing in the action. He was to give a blow-by-blow description of each engagement, the disposition of the enemy, and the ship's battle status at every instant. The captain agreed. They found their man, a lieutenant junior grade, and put him to work.

During the next battle engagement the lieutenant did his job well. After it was over the captain said to him, "Lieutenant, give me that microphone. I want to announce the box score." When he had finished he added, over the PA system "This is peanuts compared to what we could do if we could overtake a squadron of enemy destroyers directly to the west of us. To do it, though will take an extra five knots".

To his amazement, he got the extra five. They overtook the squadron on schedule. They clobbered it. The Old Man grabbed the microphone from the lieutenant, "Men," he shouted, with obvious warmth, "We did it. And it goes without saying that without those additional five knots, there would not be anything to talk about".

The chaplain beat the men to the messing compartment. The usual din of competitive bragging was building up. Presently one of the men from the engineroom stood up and pounded his coffee mug on the table to get attention. When he got things quiet, he said, "Did you hear what the Old Man said? He said that if it hadn't been for the extra five knots you guys wouldn't have anything to talk about!" He sat down.

One of the above-decks crowd stood up. "What about that boiler scale you fellows have been griping about?"

"Oh, boiler scale? -- do you see that rating patch we've got on our sleeves? Well, we licked boiler scale years ago! What the devil are you talking about?"

It is easy to see what happened.

What had been a problem, boiler scale, now became an opportunity to accomplish something of significance and importance.

What had been a problem, boiler scale, now became an avenue toward recognition.

What had been a problem, boiler scale, now became an invitation to belong, through participation.

What had been a problem, boiler scale, now became a source of emotional security. They could now plan ahead with greater confidence.

You see, the officers recognized that to get more out of the engineroom than the maximum rated speed, they could not ask for it in the language of production and efficiency and still expect to get it, simply because the men would be listening in the language of motivation. Instead, they saw clearly that the problem was to translate "top management's" desire for greater production and efficiency into the language of motivation. This they did, in this instance, with real success.

Now don't get me wrong. I am not saying that you have to switch to the language of motivation for everything ~~you want out of~~ your organization. No indeed. When all you want is the maximum rated speed, you can demand it in the language of production and efficiency, and get it. We always can, and always have, been able to get compliance by simply ordering it. Anybody can get compliance. But I am sure that none of you here this morning can afford to be content with mere compliance. To be worth your pay, you have to develop a reputation for getting more--much more--than bare compliance out of your organization. To do that you have to talk to people in the language they're listening in.

The Administrator's Skill: Communication

By F. J. ROETHLISBERGER



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From *In This Issue*

F. J. Roethlisberger

We know a lot about breakdowns in machines, but we do not know so much about what causes breakdowns in human relations. We know a lot about how to keep a line of hydraulic presses running efficiently, but we are often at a loss to keep the operators from slowing down or going on strike. In short, our progress with the human problems of administration has not kept pace with our technological progress.

This situation has led to growing concern in the business community, with the result that in recent years a number of forward-looking projects have been undertaken at various universities for training and research in human relations. These programs are likely to have a very far-reaching influence on knowledge and understanding; indeed, they have already had a decisive impact, as is indicated by F. J. Roethlisberger's article in this issue on *The Administrator's Skill: Communication*. Mr. Roethlisberger, who is Wallace Brett Donham Professor of Human Relations at the Harvard Business School and in charge of the Program for Advanced Training and Research in Human Relations, shows why friction develops in work situations and suggests some of the principles of an approach by which "misunderstanding can be diminished — not banished — by the slow, patient, laborious practice of a skill."

¶ Too many training courses have said what an ideal supervisor should be — aloof and objective — whereas what he needs is to understand his own emotional involvement.

The Administrator's Skill: **COMMUNICATION**

By F. J. Roethlisberger

For some time I have been deeply interested in the process of interpersonal communication within the administrative setting. What is taking place when two people engaged in a common task interact? What do the actors involved perceive is taking place? What is a useful way for the executive to think about these interpersonal proceedings in which he is engaged, and what skills can he practice which will make him more effective as an administrator of people?

In this article I want to discuss these questions in terms of a specific, down-to-earth case in an industrial plant¹ — a case of misunderstanding between two people, a worker and a foreman. (It is not important that they happen to be foreman and worker; to all intents and purposes they might as well be superintendent and foreman or, for that matter, controller and accountant.) A brief review of the case should be useful in providing us with a point of departure as well as a point of return for our questions. And it should make it possible for us to discuss the practical application of some

of the recent findings of general semantics and human relations.

A Case of Misunderstanding

In a department of a large industrial organization there were seven workers (four men and three women) engaged in testing and inspecting panels of electronic equipment. In this department one of the workers, Bing, was having trouble with his immediate supervisor, Hart, who had formerly been a worker in the department.

Had we been observers in this department we would have seen Bing carrying two or three panels at a time from the racks where they were stored to the bench where he inspected them together. For this activity we would have seen him charging double or triple setup time. We would have heard him occasionally singing at work. Also we would have seen him usually leaving his work position a few minutes early to go to lunch, and noticed that other employees sometimes accompanied him. And had we been present at one specific occasion, we would have heard Hart telling Bing that he disapproved of

AUTHOR'S NOTE: This article is based on The Alfred Korzybski Memorial Lecture, which I delivered before the Institute of General Semantics, New York, April 24, 1953.

¹ This case (names and places disguised) is adapted from a case in the files of the Harvard Graduate School of Business Administration.

these activities and that he wanted Bing to stop doing them.

However, not being present to hear the actual verbal exchange that took place in this interaction, let us note what Bing and Hart each said to a personnel representative.

What Bing Said

In talking about his practice of charging double or triple setup time for panels which he inspected all at one time, Bing said:

"This is a perfectly legal thing to do. We've always been doing it. Mr. Hart, the supervisor, has other ideas about it, though; he claims it's cheating the company. He came over to the bench a day or two ago and let me know just how he felt about the matter. Boy, did we go at it! It wasn't so much the fact that he called me down on it, but more the way in which he did it. He's a sarcastic bastard. I've never seen anyone like him. He's not content just to say in a manlike way what's on his mind, but he prefers to do it in a way that makes you want to crawl inside a crack on the floor. What a guy! I don't mind being called down by a supervisor, but I like to be treated like a man, and not humiliated like a school teacher does a naughty kid. He's been pulling this stuff ever since he's been a supervisor. I knew him when he was just one of us, but since he's been promoted, he's lost his friendly way and seems to be having some difficulty in knowing how to manage us employees. He's a changed man over what he used to be like when he was a worker on the bench with us several years ago.

"When he pulled this kind of stuff on me the other day, I got so damn mad I called in the union representative. I knew that the thing I was doing was permitted by the contract, but I was intent on making some trouble for Mr. Hart, just because he persists in this sarcastic way of handling me. I am about fed up with the whole damn situation. I'm trying every means I can to get myself transferred out of his group. If I don't succeed and I'm forced to stay on here, I'm going to screw him in every way I can. He's not going to pull this kind of kid stuff any longer on me. When the union representative questioned him on the case, he finally had to back down, because according to the contract an employee can use any time-saving method or device in order to speed up the process as long as the quality standards of the job are met.

"You see, he knows that I do professional singing on the outside. He hears me singing here on the job, and he hears the people talking about my career in music. I guess he figures I can be so cocky because I have another means of earning some money. Actually, the employees here enjoy

having me sing while we work, but he thinks I'm disturbing them and causing them to 'goof off' from their work. Occasionally, I leave the job a few minutes early and go down to the washroom to wash up before lunch. Sometimes several others in the group will accompany me, and so Mr. Hart automatically thinks I'm the leader and usually bawls me out for the whole thing.

"So, you can see, I'm a marked man around here. He keeps watching me like a hawk. Naturally, this makes me very uncomfortable. That's why I'm sure a transfer would be the best thing. I've asked him for it, but he didn't give me any satisfaction at the time. While I remain here, I'm going to keep my nose clean, but whenever I get the chance, I'm going to slip it to him, but good."

What Hart Said

Here, on the other hand, is what Hart told the personnel representative:

"Say, I think you should be in on this. My dear little friend Bing is heading himself into a show-down with me. Recently it was brought to my attention that Bing has been taking double and triple setup time for panels which he is actually inspecting at one time. In effect, that's cheating, and I've called him down on it several times before. A few days ago it was brought to my attention again, and so this time I really let him have it in no uncertain terms. He's been getting away with this for too long and I'm going to put an end to it once and for all. I know he didn't like my calling him on it because a few hours later he had the union representative breathing down my back. Well, anyway, I let them both know I'll not tolerate the practice any longer, and I let Bing know that if he continues to do this kind of thing, I'm going to take official action with my boss to have the guy fired or penalized somehow. This kind of thing has to be curbed. Actually, I'm inclined to think the guy's mentally deficient, because talking to him has actually no meaning to him whatsoever. I've tried just about every approach to jar some sense into that guy's head, and I've just about given it up as a bad deal.

"I don't know what it is about the guy, but I think he's harboring some deep feelings against me. For what, I don't know, because I've tried to handle that bird with kid gloves. But his whole attitude around here on the job is one of indifference, and he certainly isn't a good influence on the rest of my group. Frankly, I think he purposely tries to agitate them against me at times, too. It seems to me he may be suffering from illusions of grandeur, because all he does all day long is sit over there and croon his fool head off. Thinks he's a Frank Sinatra! No kidding! I understand he takes singing lessons and he's working with some of the local

bands in the city. All of which is o. k. by me; but when his outside interests start interfering with his efficiency on the job, then I've got to start paying closer attention to the situation. For this reason I've been keeping my eye on that bird and if he steps out of line any more, he and I are going to part ways.

"You know there's an old saying, 'You can't make a purse out of a sow's ear.' The guy is simply unscrupulous. He feels no obligation to do a real day's work. Yet I know the guy can do a good job, because for a long time he did. But in recent months he's slipped, for some reason, and his whole attitude on the job has changed. Why, it's even getting to the point now where I think he's inducing other employees to 'goof off' a few minutes before the lunch whistle and go down to the wash-room and clean up on company time. I've called him on it several times, but words just don't seem to make any lasting impression on him. Well, if he keeps it up much longer, he's going to find himself on the way out. He's asked me for a transfer, so I know he wants to go. But I didn't give him an answer when he asked me, because I was steaming mad at the time, and I may have told him to go somewhere else."

Views of Misunderstanding

So much for the case. Let me start with the simplest but the toughest question first: "What is going on here?" I think most of us would agree that what seems to be going on is some misunderstanding between Hart and Bing. But no sooner do we try to represent to ourselves the nature of this misunderstanding than a flood of different theories appear. Let me discuss briefly five very common ways of representing this misunderstanding: (1) as a difference of opinion resolvable by common sense, by simply referring to the facts; (2) as a clash of personalities; (3) as a conflict of social roles; (4) as a struggle for power; and (5) as a breakdown in communication. There are, of course, other theories too — for example, those of the interactionists, the field theory of Kurt Lewin, and even the widely held views of Adam Smith or Karl Marx. But for our purposes here the five I have mentioned will suffice.

Common Sense

For the advocates of common sense — the first theory, though most of them would not call it that — the situation resolves itself quickly:

Either Hart is right or Bing is right. Since both parties cannot be right, it follows that if Hart is

right, then Bing is wrong; or if Bing is right, then Hart is wrong. Either Bing should or should not be singing on the job, carrying two or three panels at a time and charging double or triple setup time, and so on.

"Let us get these facts settled first," say the common-sense advocates. "Once ascertained, the problem is easily settled. Once we know who is doing what he should not be doing, then all we have to do is to get this person to do what he should be doing. It's as simple as that."

But is it? Let us look again at our case. Let us note that there are no differences of opinion between Hart and Bing about some matters. For example both would agree that Bing is taking double or triple setup time when he carries his panels two or three at a time to his bench for inspection. Both would agree that Bing sings on the job and occasionally leaves his work place a bit early for lunch.

Where they differ is in the way each *perceives* these activities. Hart perceives Bing's activities as "cheating," "suffering from illusions of grandeur," "thinking he is Frank Sinatra," "interfering with Bing's efficiency as well as the efficiency of other workers," "disturbing the other workers," "inducing them to goof off," and "influencing them against [Hart]." To Bing, on the other hand, these activities are "perfectly legal," "something we've always been doing," "something that is not disturbing the other workers," and so forth.

Among these many different conflicting claims and different perceptions, what are the facts? Many of these evaluations refer to personal and social standards of conduct for which the company has no explicit rules. Even in the case of taking double and triple setup time, there are probably no clear rules, because when the industrial engineer set the standards for the job, he did not envisage the possibility of a worker doing what Bing is now doing and which, according to Bing, is a time-saving device.

But we can waste effort on this question. For, even if it were clear that Hart is not exploring the situation, that he is not getting these important facts or rules which would settle who is right and who is wrong, it would still be true that, so far as Hart is concerned, he *knows* who is right and who is wrong. And because he *knows*, he has no reason to question the assumptions he is making about Bing's behavior.

Now this is very likely to happen in the case

of advocates of the common-sense theory. Significantly, Hart himself is a good advocate of it. Does this have anything to do with the fact that he is not being very successful in getting Bing to do what he should be doing? Let us postpone this question for future consideration.

Clash of Personalities

For the second school of thought, what is going on between Hart and Bing can be viewed essentially as a clash of personalities — an interaction between two particular personality structures. According to this view, what is going on cannot be known in detail until much more information about these different personality structures is secured. Hence we can only speculate that what is going on may be something of this order:

Neither Hart nor Bing feels too sure of himself, and each seems to be suffering from feelings of inadequacy or inferiority. Being unable to recognize, admit, or accept these feelings, however, each one perceives the behavior of the other as a personal attack upon himself. When a person feels he is being attacked, he feels strongly the need to defend himself. This, then, is essentially what is taking place between Hart and Bing. Because of his feelings of inferiority, each one is defending himself against what he perceives to be an attack upon himself as a person. In psychology, the feelings of each man are conceived as being rooted somehow in his "personality."

That this theory is pointing to some very important phenomena can hardly be questioned. Certainly I will not argue its validity. I am only concerned with what it is telling us and what follows from it. As I understand it, this theory says that neither Hart nor Bing is aware of his own feelings of inadequacy and defense mechanisms. These are the important facts that each is ignoring. From this it follows that there is little hope of correcting the misunderstanding without helping Bing and Hart to become aware of these feelings and of their need to defend against them. Short of this, the solution lies in transferring Bing to a supervisor whose personality will be more compatible with Bing's, and in giving Hart a worker whose personality will be more compatible with Hart's.

Conflict of Social Roles

Let us look at the third explanation. Instead of viewing the misunderstanding as an interaction between two individual personality units,

it can also be viewed as an interaction between two social roles:

With the promotion of Hart to the position of a supervisor of a group in which he had been formerly a worker, a system of reciprocal expectations has been disturbed. Bing is expecting Hart to behave toward him in the same way Hart did when Hart was a worker; but by telling Bing to stop "crooning his fool head off," for example, Hart is not behaving in accordance with the role of a friend. Similarly, Hart, as the newly appointed supervisor, is expecting that Bing should do what he tells Bing to do, but by singing Bing is not behaving in accordance with the customary role of the worker.

According to this theory, as any recent textbook on sociology will explain, when two actors in a relationship reach differing definitions of the situation, misunderstanding is likely to arise. Presumably this is what is happening between Hart and Bing. The role-expectation pattern has been disturbed. Bing views his singing as variant but permissive; Hart views it as deviant. From these differing definitions of what each other's role should be misunderstanding results. According to this view, it will take time for their new relationship to work out. In time Bing will learn what to expect from Hart now that Hart is his supervisor. Also in time Hart will define better his role vis-à-vis Bing.

Struggle for Power

The fourth way of representing what is going on between Hart and Bing would be in terms of such abstractions as "authority" and "power":

When Bing refuses to stop singing on the job when Hart tells him to, Bing is being disobedient to the commands or orders of a holder of power. When this occurs, Hart, who according to this theory is a "power holder," has the right to exercise or apply sanctions, such as dismissal or transfer. But the threat to exercise these sanctions does not seem to be too effective in getting Bing to stop, because Bing is a member of the union, which also has power and the right to apply sanctions. By going to his union representative, Bing can bring this power structure into play.

In other words, what is going on in the case is not merely an interaction between two individual or social personalities; it is also a struggle between two kinds of institutionalized power. It is an issue between the management and the union which may even precipitate a strike.

Management will charge that it cannot have workers in the plant who are disobedient to the orders of their foremen. The union will charge that Bing is merely introducing a labor-saving device which the foreman has not enough sense to recognize. To avoid things getting to this stage, the struggle-for-power theory would recommend that if Hart and Bing between them cannot settle their differences, they should refer them to the grievance machinery set up for this purpose by union and management.

According to this theory, Hart got into trouble not because he had authority but because when he tried to exercise it and was unsuccessful, he lost it. Authority ceases to exist when it cannot be exercised successfully.²

Breakdown in Communication

The fifth way of stating what is going on would be to say that Hart and Bing think they are talking about the same things when in fact they are not:

Hart assumes he understands what Bing is doing and saying; Bing assumes he understands what Hart is doing and saying. In fact, neither assumption holds. From this "uncritical assumption of understanding," misunderstanding arises.

Thus, when Hart tells Bing to stop "crooning his fool head off," Bing assumes that Hart is talking about Bing's singing when Hart may in fact be talking about his difficulties in maintaining his position as formal leader of the group. Hart assumes that Bing is singing deliberately to flaunt his authority, whereas in Bing's mind singing may be a way of relating himself to people and of maintaining his conceptions of himself.³

According to this theory, Hart and Bing are not on the same wave length, and as a result communication bypassing occurs. Each is behaving in accordance with the reality as he perceives it to be, but neither is aware of the assumptions that underlie his perceptions. Their misunderstandings arise as a result.

This theory strikes a new note that I should like to explore further.

Roots of Misunderstanding

So far our theories have explained well why there is misunderstanding and conflict; they have not shown so clearly how any new behavior

patterns on the part of Hart or Bing or both can emerge or be encouraged to emerge from the present ones. In them we have found no responsible actor, no learner, and no practitioner of a skill.

Could it be that what is going on between Hart and Bing results also in part from the fact that nobody is taking any responsibility for what is going on? May we not assume that people can learn through experience how to determine their relationships with each other as well as be determined by them? Let us therefore look at these interpersonal proceedings from the point of view of a person who is responsibly involved in them and who may be capable of learning something from them. I shall start with Hart and raise the questions: (1) "What is Hart doing to contribute to misunderstanding?" (2) "What, if anything, might he learn to do differently to minimize this effect?"

From now on I shall be chiefly concerned with Hart, not because I think Hart is any more or less guilty than Bing of creating misunderstanding, but because I wish to develop a useful way of thinking for persons in a position of responsibility like Hart. This way of thinking, I hope, will not be in conflict with our other theories. It will merely spell out what a supervisor must learn if he is to take into account the significant processes which these other theories say have been going on.

So, instead of viewing Hart in his dealings with Bing as a supervisor expressing his personality, playing a social role, or exercising power, let us view him as a practitioner of a skill of communication. Let us see what skills, if any, he is using. And if we find, as I fear we may, that he has not been too skillful, let us see if he can learn to become a more skillful practitioner, and how this can be done.

Hart's Trouble

When we ask ourselves what Hart is doing to facilitate misunderstanding, we meet again a number of different theories. Although I am not sure that these theories are pointing to different things, each uses a slightly different terminology, so I shall state them separately:

1. *Hart is making value judgments* — According to one view, the biggest block to personal com-

² For an elaboration of this view see Robert Bierstedt, "An Analysis of Social Power," *The American Sociological Review*, December 1950, p. 730.

³ For an analysis of this theory see Wendell Johnson, "The Fateful Process of Mr. A Talking to Mr. B," *HARVARD BUSINESS REVIEW*, January-February 1953, p. 49.

munication arises from the fact that Hart is making value judgments of Bing from Hart's point of view. Hart's tendency to evaluate is what gets him into trouble. Not only is he evaluating Bing, but he is trying to get Bing to accept his evaluation as the only and proper one. It is this orientation that angers Bing and makes him feel misunderstood.⁴

2. *Hart is not listening* — According to another and not too different view, Hart gets into trouble because he is not listening to Bing's feelings. Because he is not paying attention to Bing's feelings, he is not responding to them as such. Instead, we find him responding to the effect of Bing's feelings upon his own. Not only is he ignoring Bing's feelings, but also he is ignoring the effect of what he is saying upon them. This kind of behavior also leads to Bing's feelings of being misunderstood.⁵

3. *Hart is assuming things that may not be so* — Still another point of view says that Hart is getting into trouble because he is making assumptions about Bing's behavior that may not be so. Hart is confusing what he sees with what he assumes and feels.

When Hart sees Bing leaving early for lunch, for example, he assumes that Bing is doing this deliberately, intentionally, and personally to discredit him and to test his authority. Because of this assumption he feels angry and his feelings of anger reinforce his assumption. Now if Bing's going to lunch a few minutes early is such an attempt to discredit him, then Hart's anger and his attempt to retaliate make sense. But if he starts with this assumption and makes no attempt to check it, then his anger makes less sense. Hart may be assuming something that is not so.

Again, Hart shows he may be making assumptions that are not so by the way he talks in trying to get Bing to stop singing at work or to stop inspecting panels two or three at a time. When he uses phrases like "crooning your fool head off" and "cheating the company," is he not assuming that Bing should feel about these activities in the same way that he himself does? And if Bing does not feel this way, then obviously, in Hart's view, Bing must be a "fool," "defective," or a "sow's ear." To Hart, Bing is a sow's ear. And how does one feel toward a sow's ear? Toward such an entity one must feel (by definition) helpless and hopeless. Note that Hart's assumptions, perceptions, and feelings are of a piece; each re-enforces the other to make one total evaluation.

In short, all of Hart's evaluations are suspect because he confuses what he sees with what he

assumes and feels. As a result, there is no way for Hart to take another look at the situation. How can Hart check his evaluations when he is not aware that he is making them? By treating inferences as facts, there is no way for him to explore the assumptions, feelings, and perceptions that underlie his evaluations.⁶ For Hart, Bing is the way he perceives Bing to be. There is no way for him to say that "because of the assumptions I make and because of the way I feel, I perceive Bing in this way."

4. *Hart is making his false assumptions come true* — A fourth theory emphasizes still another point. This theory says that the very kind of mis-evaluations which our last theory says Hart is guilty of must provoke *ipso facto* the very kind of behavior on the part of Bing of which Hart disapproves.⁷ In other words, Hart is getting into trouble because, by his behavior, he is making his assumptive world come true.

Let us examine this theory first by looking at the effect of Hart's behavior on Bing. Very clearly Bing does not like it. Bing tells us that when Hart behaves in the way Hart does, he feels misunderstood, humiliated, and treated like a child. These feelings give grounds to his perception of Hart as "a sarcastic bastard," "a school teacher" pulling "kid stuff" on him. These perceptions in turn will tend to make Bing behave in the way that will coincide more and more with Hart's original untested assumptions about Bing's behavior. Feeling like a "marked man," Bing will behave more and more like a "sow's ear." Although he will try to "keep his nose clean," he will "slip it to [Hart], but good" whenever he gets the chance.

That this kind of misvaluation on the part of Hart will tend to produce this kind of behavior on the part of Bing is, according to this view, a fact of common experience. To explain it one does not have to assume any peculiar personality structure on the part of Bing — an undue sensitivity to criticism, defensiveness, or feeling of inferiority. All one has to assume is an individual personality with a need to maintain its individuality. Therefore, any attempts on the part of Hart which will be perceived by Bing as an attempt to deny his individual differences will be resisted. What Hart says about Bing is, from Bing's point of view, exactly what he is *not*. Bing is what he is from his own frame of reference and from the point of view of his own feelings, background, and situation. Bing is what he assumes, feels, and perceives himself to be. And this is just what Hart's behavior is denying.

⁴ See Carl R. Rogers and F. J. Roethlisberger, "Barriers and Gateways to Communication," *HARVARD BUSINESS REVIEW*, July-August 1952, pp. 46-50.

⁵ *Ibid.*, pp. 50-52.

⁶ For a fuller explanation see Irving Lee, *How to Talk with People* (New York, Harper & Brothers, 1953).

⁷ For example, see Hadley Cantril, *The Why of Man's Experience* (New York, The Macmillan Company, 1950).

In spite of the different terminology and emphasis of these theories, they all seem to point to certain uniformities in the interpersonal proceedings of Hart and Bing which should be taken into account regardless of the actors' particular personalities or social roles. For the misunderstandings that arise, Hart and Bing are not to blame; the trouble resides in the process of interpersonal communication itself.

Administrative Skills

Let us turn now to the second question: What might Hart learn to do differently in order to minimize the misunderstandings between him and Bing? I also want to consider briefly the question of what difference to Bing a slight difference in the behavior of Hart might make.

Problem of Involvement

So far it would seem as if we had made Hart the villain in the piece. But let us remember that although Hart has been intellectually and emotionally involved in what has been going on, he has not been aware of this involvement. All of our theories have implied this. Hart's ego has been involved; his actual group memberships have been involved; his reference groups have been involved; his feelings, assumptions, and perceptions have been involved — but Hart is not aware of it. If any new behavior on the part of Hart is to emerge — and *all* our theories would agree to this — Hart must in some sense become aware of and recognize this involvement. Without such an awareness there can be no reevaluation or no change in perception. And without such a change no learning can take place.

How can this change be accomplished? Some theories would seem to imply that misunderstanding will be minimized only when Hart *logically understands* the nature of his involvement with Bing. Hart will learn to evaluate Bing more properly only when he understands better the personality structures of himself and Bing and the social system of which they are a part. Only by the logical understanding and critical probing of his and Bing's feelings of inadequacy and defense mechanisms can he make a proper evaluation and bring about any real change in his behavior.

But there is another view. It holds that logical understanding is not of the first importance. Rather, misunderstanding will be minimized when Hart learns to *recognize and accept* re-

sponsibility for his involvement. Better understanding will be achieved when Hart learns to recognize and accept his own and Bing's individual differences, when he learns to recognize and accept Bing's feelings as being different from his own, and when as a result he can allow Bing to express his feelings and differences and listen to them.⁸

Let me explore this second theory further, for it suggests that Hart might possibly learn to do a better job without having to become a professional social scientist or be psychoanalyzed. Moreover, it coincides with some facts of common experience.

How Can Hart Be Helped?

Some administrators have achieved the insights of the second theory through the school of "hard knocks" rather than through the help of books or by being psychoanalyzed. So should there not be simple skills which Hart can be taught, which he can learn and practice, and which would help him to recognize and accept his involvement and to deal with it better?

Now it may be that Hart, because of certain personal deficiencies, is not able to recognize or accept his own feelings — let alone Bing's. That this holds for some supervisors goes without question. But does it apply to all? I do not think so, nor do I think it applies to Hart. Is it not possible that some supervisors may not be able to do these things because they have never learned how to do them?

The fact is, if our analysis up to this point is sound, that Hart does not get into trouble because he feels hopeless and helpless in the face of a worker who sings on the job, leaves early for lunch, and so on, and who refuses to stop doing these things when Hart tells him to. Any one of us who has had to deal with a worker behaving like Bing will recognize and remember feelings of inadequacy like Hart's only too well. We do not need to have very peculiar or special personality structures to have such feelings. Rather, Hart's trouble is that he assumes, and no doubt has been told too often, that he should *not* have feelings of inadequacy. It resides in the fact that he has not developed or been given a method or skill for dealing with them. As a result, these feelings are denied and appear in the form of an attribute of Bing — "a sow's ear."

⁸ For a fuller explanation see Carl R. Rogers, *Client-Centered Therapy* (Boston, Houghton Mifflin Company, 1953).

In other words, I am suggesting that Hart gets into trouble partly because no one has assured him that it is normal and natural — in fact, inevitable — that he should have some feelings of inadequacy; that he cannot and *should* not try to escape from them. No one has helped him to develop a method of dealing with his own feelings and the feelings of Bing. No one has listened to him or helped him to learn to listen to others. No one has helped him to recognize the effect of his behavior on others. No one has helped him to become aware of his assumptions and feelings and how they affect the evaluations he makes.

Instead, too many training courses have told Hart what an ideal supervisor should be and how an ideal supervisor should behave. Both explicit and implicit in most of the instruction he receives is the assumption that an ideal supervisor should not become emotionally involved in his dealings with people. He should remain aloof, be objective, and deny or get rid of his feelings. But this goes against the facts of his immediate experience; it goes against everything upon which, according to our theories, his growth and development depend. Indeed, to "behave responsibly" and be "mature" in the way he is instructed to, without becoming emotionally committed, would be, to use the *New Yorker's* phrase, "the trick of the week!"

Is it any wonder, therefore, that Hart remains immature — socially, intellectually, and emotionally? He gets no understanding of how these frustrations and misunderstandings must inevitably arise from his dealings with others; he gets no help on how to deal with them when they do arise. He probably has had many training courses which told him how to recognize and deal with workers who are sow's ears. He probably has had no training course which helped him to see how his assumptions and feelings would tend to produce sow's ears by the bushel. He has not been helped to see how this surplus of sow's ears in modern industry might be diminished through the conscious practice of a skill. Thus he has not even been allowed to become intellectually involved and intrigued in the most important problem of his job. Yet there *are* training courses designed for just such a purpose, and they have worked successfully.⁹

⁹ See Kenneth R. Andrews, "Executive Training by the Case Method," and F. J. Roethlisberger, "Training Super-

Conclusion

Am I indulging in wishful thinking when I believe that there are some simple skills of communication that can be taught, learned, and practiced which might help to diminish misunderstanding? To me it is this possibility which the recent findings of general semantics and human relations are suggesting. They suggest that although man is determined by the complex relationships of which he is a part, nevertheless he is also in some small part a determiner of these relationships. Once he learns what he cannot do, he is ready to learn what little he can do. And what a tremendous difference to himself and to others the little that he can do — listening with understanding, for example — can make!

Once he can accept his limitations and the limitations of others, he can begin to learn to behave more skillfully with regard to the milieu in which he finds himself. He can begin to learn that misunderstanding can be diminished — not banished — by the slow, patient, laborious practice of a skill.

But we can expect too much from this possibility, so let me conclude by sounding two notes of caution:

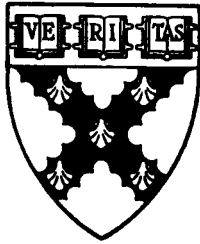
(1) Although these skills of communication of which I am speaking deal in part with words, they are not in themselves words, nor is the territory to which they apply made up of words. It follows, then, that no verbal statement about these skills, however accurate, can act as a substitute for them. They are not truly articulate and never can be. Although transmissible to other persons, they are but slowly so and, even then, only with practice.

(2) Let us remember that these interpersonal proceedings between Hart and Bing, or A and B whoever they may be, are extremely complex. So far as I know, there exists no single body of concepts which as yet describes systematically and completely all the important processes that our separate theories have said are taking place and how they relate to each other. Let us therefore accept gracefully and not contentiously that these interpersonal proceedings, unlike the atom, have not been as yet "cracked" by social science. Only then can we as students of human behavior live up to our responsibility for making our knowledge fruitful in practice.

visors in Human Relations," *HARVARD BUSINESS REVIEW*, September 1951, p. 58 and p. 47. — *The Editors*.

Barriers and Gateways to Communication

By CARL R. ROGERS and F. J. ROETHLISBERGER



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From *In This Issue*

Basic to almost all industrial problems is the need for effective communication. The extraordinarily perceptive article, "Barriers and Gateways to Communication," by Carl R. Rogers and F. J. Roethlisberger is, therefore, likely to be appreciated in full.

Mr. Rogers, who writes the first section of the article, which deals with the communications problem from the standpoint of human behavior in general, is Professor of Psychology and Executive Secretary of the Counseling Center, University of Chicago, and was formerly President of the American Psychological Association. Under a grant from the Rockefeller Foundation, he is currently undertaking a large research project to measure the outcome of counseling and psychotherapy. "The deeper we go in our understanding of psychotherapy," he tells us, "the more we realize the implications of this knowledge for understanding and dealing with problems of human relationships and communication at any level."

Mr. Roethlisberger, author of the second section dealing with communication in an industrial context, needs no introduction to our readers. The author of several previous REVIEW articles which have attracted wide attention, including "Training Supervisors in Human Relations" (September 1951), "Human Relations: Rare, Medium, or Well-Done?" (January 1948), and "The Foreman: Master and Victim of Double Talk" (Spring 1945), he is Wallace Brett Donham Professor of Human Relations at the Harvard Business School.

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Barriers and Gateways to Communication

By Carl R. Rogers and F. J. Roethlisberger

COMMUNICATION among human beings has always been a problem. But it is only fairly recently that management and management advisers have become so concerned about it and the way it works or does not work in industry. Now, as the result of endless discussion, speculation, and plans of action, a whole cloud of catchwords and catch-thoughts has sprung up and surrounded it.

The Editors of the REVIEW therefore wel-

come the opportunity to present the following two descriptions of barriers and gateways to communication, in the thought that they may help to bring the problem down to earth and show what it means in terms of simple fundamentals. First Carl R. Rogers analyzes it from the standpoint of human behavior generally (Part I); then F. J. Roethlisberger illustrates it in an industrial context (Part II).

— *The Editors*

Part I

It may seem curious that a person like myself, whose whole professional effort is devoted to psychotherapy, should be interested in problems of communication. What relationship is there between obstacles to communication and providing therapeutic help to individuals with emotional maladjustments?

Actually the relationship is very close indeed. The whole task of psychotherapy is the task of dealing with a failure in communication. The emotionally maladjusted person, the "neurotic," is in difficulty, first, because communication within himself has broken down and, secondly, because as a result of this his communication with others has been damaged. To put it another way, in the "neurotic" individual parts of himself which have been termed unconscious, or repressed, or denied to awareness, become blocked off so that they no longer communicate themselves to the conscious or managing part of himself; as long as

this is true, there are distortions in the way he communicates himself to others, and so he suffers both within himself and in his interpersonal relations.

The task of psychotherapy is to help the person achieve, through a special relationship with a therapist, good communication within himself. Once this is achieved, he can communicate more freely and more effectively with others. We may say then that psychotherapy is good communication, within and between men. We may also turn that statement around and it will still be true. Good communication, free communication, within or between men, is always therapeutic.

It is, then, from a background of experience with communication in counseling and psychotherapy that I want to present two ideas: (1) I wish to state what I believe is one of the major factors in blocking or impeding communication, and then (2) I wish to present

EDITORS' NOTE: Mr. Rogers' and Mr. Roethlisberger's observations are based on their contributions to a panel discussion at the Centennial Conference on Communications,

Northwestern University, October 1951. A complete report of this conference may be secured by writing to the Publications Office, Northwestern University, Evanston, Illinois.

what in our experience has proved to be a very important way of improving or facilitating communication.

Barrier: The Tendency to Evaluate

I should like to propose, as a hypothesis for consideration, that the major barrier to mutual interpersonal communication is our very natural tendency to judge, to evaluate, to approve (or disapprove) the statement of the other person or the other group. Let me illustrate my meaning with some very simple examples. Suppose someone, commenting on this discussion, makes the statement, "I didn't like what that man said." What will you respond? Almost invariably your reply will be either approval or disapproval of the attitude expressed. Either you respond, "I didn't either; I thought it was terrible," or else you tend to reply, "Oh, I thought it was really good." In other words, your primary reaction is to evaluate it from *your* point of view, your own frame of reference.

Or take another example. Suppose I say with some feeling, "I think the Republicans are behaving in ways that show a lot of good sound sense these days." What is the response that arises in your mind? The overwhelming likelihood is that it will be evaluative. In other words, you will find yourself agreeing, or disagreeing, or making some judgment about me such as "He must be a conservative," or "He seems solid in his thinking." Or let us take an illustration from the international scene. Russia says vehemently, "The treaty with Japan is a war plot on the part of the United States." We rise as one person to say, "That's a lie!"

This last illustration brings in another element connected with my hypothesis. Although the tendency to make evaluations is common in almost all interchange of language, it is very much heightened in those situations where feelings and emotions are deeply involved. So the stronger our feelings, the more likely it is that there will be no mutual element in the communication. There will be just two ideas, two feelings, two judgments, missing each other in psychological space.

I am sure you recognize this from your own experience. When you have not been emotionally involved yourself and have listened to a heated discussion, you often go away thinking, "Well, they actually weren't talking about the same thing." And they were not. Each was

making a judgment, an evaluation, from his own frame of reference. There was really nothing which could be called communication in any genuine sense. This tendency to react to any emotionally meaningful statement by forming an evaluation of it from our own point of view is, I repeat, the major barrier to interpersonal communication.

Gateway: Listening with Understanding

Is there any way of solving this problem, of avoiding this barrier? I feel that we are making exciting progress toward this goal, and I should like to present it as simply as I can. Real communication occurs, and this evaluative tendency is avoided, when we listen with understanding. What does that mean? It means to see the expressed idea and attitude from the other person's point of view, to sense how it feels to him, to achieve his frame of reference in regard to the thing he is talking about.

Stated so briefly, this may sound absurdly simple, but it is not. It is an approach which we have found extremely potent in the field of psychotherapy. It is the most effective agent we know for altering the basic personality structure of an individual and for improving his relationships and his communications with others. If I can listen to what he can tell me, if I can understand how it seems to him, if I can see its personal meaning for him, if I can sense the emotional flavor which it has for him, then I will be releasing potent forces of change in him.

Again, if I can really understand how he hates his father, or hates the company, or hates Communists — if I can catch the flavor of his fear of insanity, or his fear of atom bombs, or of Russia — it will be of the greatest help to him in altering those hatreds and fears and in establishing realistic and harmonious relationships with the very people and situations toward which he has felt hatred and fear. We know from our research that such empathic understanding — understanding *with* a person, not *about* him — is such an effective approach that it can bring about major changes in personality.

Some of you may be feeling that you listen well to people and yet you have never seen such results. The chances are great indeed that your listening has not been of the type I have described. Fortunately, I can suggest a little laboratory experiment which you can try

to test the quality of your understanding. The next time you get into an argument with your wife, or your friend, or with a small group of friends, just stop the discussion for a moment and, for an experiment, institute this rule: "Each person can speak up for himself only *after* he has first restated the ideas and feelings of the previous speaker accurately and to that speaker's satisfaction."

You see what this would mean. It would simply mean that before presenting your own point of view, it would be necessary for you to achieve the other speaker's frame of reference — to understand his thoughts and feelings so well that you could summarize them for him. Sounds simple, doesn't it? But if you try it, you will discover that it is one of the most difficult things you have ever tried to do. However, once you have been able to see the other's point of view, your own comments will have to be drastically revised. You will also find the emotion going out of the discussion, the differences being reduced, and those differences which remain being of a rational and understandable sort.

Can you imagine what this kind of an approach would mean if it were projected into larger areas? What would happen to a labor-management dispute if it were conducted in such a way that labor, without necessarily agreeing, could accurately state management's point of view in a way that management could accept; and management, without approving labor's stand, could state labor's case in a way that labor agreed was accurate? It would mean that real communication was established, and one could practically guarantee that some reasonable solution would be reached.

If, then, this way of approach is an effective avenue to good communication and good relationships, as I am quite sure you will agree if you try the experiment I have mentioned, why is it not more widely tried and used? I will try to list the difficulties which keep it from being utilized.

Need for Courage. In the first place it takes courage, a quality which is not too widespread. I am indebted to Dr. S. I. Hayakawa, the semanticist, for pointing out that to carry on psychotherapy in this fashion is to take a very real risk, and that courage is required. If you really understand another person in this way, if you are willing to enter his private world and see the way life appears to him, without any

attempt to make evaluative judgments, you run the risk of being changed yourself. You might see it his way; you might find yourself influenced in your attitudes or your personality.

This risk of being changed is one of the most frightening prospects many of us can face. If I enter, as fully as I am able, into the private world of a neurotic or psychotic individual, isn't there a risk that I might become lost in that world? Most of us are afraid to take that risk. Or if we were listening to a Russian Communist, or Senator Joe McCarthy, how many of us would dare to try to see the world from each of their points of view? The great majority of us could not *listen*; we would find ourselves compelled to *evaluate*, because listening would seem too dangerous. So the first requirement is courage, and we do not always have it.

Heightened Emotions. But there is a second obstacle. It is just when emotions are strongest that it is most difficult to achieve the frame of reference of the other person or group. Yet it is then that the attitude is most needed if communication is to be established. We have not found this to be an insuperable obstacle in our experience in psychotherapy. A third party, who is able to lay aside his own feelings and evaluations, can assist greatly by listening with understanding to each person or group and clarifying the views and attitudes each holds.

We have found this effective in small groups in which contradictory or antagonistic attitudes exist. When the parties to a dispute realize that they are being understood, that someone sees how the situation seems to them, the statements grow less exaggerated and less defensive, and it is no longer necessary to maintain the attitude, "I am 100% right and you are 100% wrong." The influence of such an understanding catalyst in the group permits the members to come closer and closer to the objective truth involved in the relationship. In this way mutual communication is established, and some type of agreement becomes much more possible.

So we may say that though heightened emotions make it much more difficult to understand *with* an opponent, our experience makes it clear that a neutral, understanding, catalyst type of leader or therapist can overcome this obstacle in a small group.

Size of Group. That last phrase, however, suggests another obstacle to utilizing the approach I have described. Thus far all our experience has been with small face-to-face groups — groups exhibiting industrial tensions, religious tensions, racial tensions, and therapy groups in which many personal tensions are present. In these small groups our experience, confirmed by a limited amount of research, shows that this basic approach leads to improved communication, to greater acceptance of others and by others, and to attitudes which are more positive and more problem-solving in nature. There is a decrease in defensiveness, in exaggerated statements, in evaluative and critical behavior.

But these findings are from small groups. What about trying to achieve understanding between larger groups that are geographically remote, or between face-to-face groups that are not speaking for themselves but simply as representatives of others, like the delegates at Kaesong? Frankly we do not know the answers to these questions. I believe the situation might be put this way: As social scientists we have a tentative test-tube solution of the problem of breakdown in communication. But to confirm the validity of this test-tube solution and to adapt it to the enormous problems of communication breakdown between classes, groups, and nations would involve additional funds, much more research, and creative thinking of a high order.

Yet with our present limited knowledge we can see some steps which might be taken even in large groups to increase the amount of listening *with* and decrease the amount of evaluation *about*. To be imaginative for a moment, let us suppose that a therapeutically oriented international group went to the Russian leaders and said, "We want to achieve a genuine understanding of your views and, even more important, of your attitudes and feelings toward the United States. We will summarize and resummarize these views and feelings if necessary, until you agree that our description represents the situation as it seems to you."

Then suppose they did the same thing with the leaders in our own country. If they then gave the widest possible distribution to these two views, with the feelings clearly described but not expressed in name-calling, might not the effect be very great? It would not guarantee the type of understanding I have been describing, but it would make it much more

possible. We can understand the feelings of a person who hates us much more readily when his attitudes are accurately described to us by a neutral third party than we can when he is shaking his fist at us.

Faith in Social Sciences. But even to describe such a first step is to suggest another obstacle to this approach of understanding. Our civilization does not yet have enough faith in the social sciences to utilize their findings. The opposite is true of the physical sciences. During the war when a test-tube solution was found to the problem of synthetic rubber, millions of dollars and an army of talent were turned loose on the problem of using that finding. If synthetic rubber could be made in milligrams, it could and would be made in the thousands of tons. And it was. But in the social science realm, if a way is found of facilitating communication and mutual understanding in small groups, there is no guarantee that the finding will be utilized. It may be a generation or more before the money and the brains will be turned loose to exploit that finding.

Summary

In closing, I should like to summarize this small-scale solution to the problem of barriers in communication, and to point out certain of its characteristics.

I have said that our research and experience to date would make it appear that breakdowns in communication, and the evaluative tendency which is the major barrier to communication, can be avoided. The solution is provided by creating a situation in which each of the different parties comes to understand the other from the *other's* point of view. This has been achieved, in practice, even when feelings run high, by the influence of a person who is willing to understand each point of view empathically, and who thus acts as a catalyst to precipitate further understanding.

This procedure has important characteristics. It can be initiated by one party, without waiting for the other to be ready. It can even be initiated by a neutral third person, provided he can gain a minimum of cooperation from one of the parties.

This procedure can deal with the insincerities, the defensive exaggerations, the lies, the "false fronts" which characterize almost every failure in communication. These defensive

distortions drop away with astonishing speed as people find that the only intent is to understand, not to judge.

This approach leads steadily and rapidly toward the discovery of the truth, toward a realistic appraisal of the objective barriers to communication. The dropping of some defensiveness by one party leads to further dropping of defensiveness by the other party, and truth is thus approached.

This procedure gradually achieves mutual communication. Mutual communication tends to be pointed toward solving a problem rather than toward attacking a person or group. It leads to a situation in which I see how the

problem appears to you as well as to me, and you see how it appears to me as well as to you. Thus accurately and realistically defined, the problem is almost certain to yield to intelligent attack; or if it is in part insoluble, it will be comfortably accepted as such.

This then appears to be a test-tube solution to the breakdown of communication as it occurs in small groups. Can we take this small-scale answer, investigate it further, refine it, develop it, and apply it to the tragic and well-nigh fatal failures of communication which threaten the very existence of our modern world? It seems to me that this is a possibility and a challenge which we should explore.

Part II

In thinking about the many barriers to personal communication, particularly those that are due to differences of background, experience, and motivation, it seems to me extraordinary that any two persons can ever understand each other. Such reflections provoke the question of how communication is possible when people do not see and assume the same things and share the same values.

On this question there are two schools of thought. One school assumes that communication between A and B, for example, has failed when B does not accept what A has to say as being fact, true, or valid; and that the goal of communication is to get B to agree with A's opinions, ideas, facts, or information.

The position of the other school of thought is quite different. It assumes that communication has failed when B does not feel free to express his feelings to A because B fears they will not be accepted by A. Communication is facilitated when on the part of A or B or both there is a willingness to express and accept differences.

As these are quite divergent conceptions, let us explore them further with an example. Bill, an employee, is talking with his boss in the boss's office. The boss says, "I think, Bill, that this is the best way to do your job." Bill says, "Oh yeah!" According to the first school of thought, this reply would be a sign of poor communication. Bill does not understand the best way of doing his work. To improve com-

munication, therefore, it is up to the boss to explain to Bill why his way is the best.

From the point of view of the second school of thought, Bill's reply is a sign neither of good nor of bad communication. Bill's response is indeterminate. But the boss has an opportunity to find out what Bill means if he so desires. Let us assume that this is what he chooses to do, i.e., find out what Bill means. So this boss tries to get Bill to talk more about his job while he (the boss) listens.

For purposes of simplification, I shall call the boss representing the first school of thought "*Smith*" and the boss representing the second school of thought "*Jones*." In the presence of the so-called same stimulus each behaves differently. Smith chooses to *explain*; Jones chooses to *listen*. In my experience Jones's response works better than Smith's. It works better because Jones is making a more proper evaluation of what is taking place between him and Bill than Smith is. Let us test this hypothesis by continuing with our example.

What Smith Assumes, Sees, and Feels

Smith assumes that he understands what Bill means when Bill says, "Oh yeah!" so there is no need to find out. Smith is sure that Bill does not understand why this is the best way to do his job, so Smith has to tell him. In this process let us assume Smith is logical, lucid, and clear. He presents his facts and evidence well. But, alas, Bill remains unconvinced. What does Smith do? Operating under the assumption that what is taking place between him and Bill is something essentially logical,

Smith can draw only one of two conclusions: either (1) he has not been clear enough, or (2) Bill is too damned stupid to understand. So he either has to "spell out" his case in words of fewer and fewer syllables or give up. Smith is reluctant to do the latter, so he continues to explain. What happens?

If Bill still does not accept Smith's explanation of why this is the best way for him to do his job, a pattern of interacting feelings is produced of which Smith is often unaware. The more Smith cannot get Bill to understand him, the more frustrated Smith becomes and the more Bill becomes a threat to his logical capacity. Since Smith sees himself as a fairly reasonable and logical chap, this is a difficult feeling to accept. It is much easier for him to perceive Bill as uncooperative or stupid. This perception, however, will affect what Smith says and does. Under these pressures Bill comes to be evaluated more and more in terms of Smith's values. By this process Smith tends to treat Bill's values as unimportant. He tends to deny Bill's uniqueness and difference. He treats Bill as if he had little capacity for self-direction.

Let us be clear. Smith does not see that he is doing these things. When he is feverishly scratching hieroglyphics on the back of an envelope, trying to explain to Bill why this is the best way to do his job, Smith is trying to be helpful. He is a man of goodwill, and he wants to set Bill straight. This is the way Smith sees himself and his behavior. But it is for this very reason that Bill's "Oh yeah!" is getting under Smith's skin.

"How dumb can a guy be?" is Smith's attitude, and unfortunately Bill will hear that more than Smith's good intentions. Bill will feel misunderstood. He will not see Smith as a man of goodwill trying to be helpful. Rather he will perceive him as a threat to his self-esteem and personal integrity. Against this threat Bill will feel the need to defend himself at all cost. Not being so logically articulate as Smith, Bill expresses this need, again, by saying, "Oh yeah!"

What Jones Assumes, Sees, and Feels

Let us leave this sad scene between Smith and Bill, which I fear is going to terminate by Bill's either leaving in a huff or being kicked out of Smith's office. Let us turn for a moment to Jones and see what he is assuming, seeing,

hearing, feeling, doing, and saying when he interacts with Bill.

Jones, it will be remembered, does not assume that he knows what Bill means when he says, "Oh yeah!" so he has to find out. Moreover, he assumes that when Bill said this, he had not exhausted his vocabulary or his feelings. Bill may not necessarily mean one thing; he may mean several different things. So Jones decides to listen.

In this process Jones is not under any illusion that what will take place will be eventually logical. Rather he is assuming that what will take place will be primarily an interaction of feelings. Therefore, he cannot ignore the feelings of Bill, the effect of Bill's feelings on him, or the effect of his feelings on Bill. In other words, he cannot ignore his relationship to Bill; he cannot assume that it will make no difference to what Bill will hear or accept.

Therefore, Jones will be paying strict attention to all of the things Smith has ignored. He will be addressing himself to Bill's feelings, his own, and the interactions between them.

Jones will therefore realize that he has ruffled Bill's feelings with his comment, "I think, Bill, this is the best way to do your job." So instead of trying to get Bill to understand him, he decides to try to understand Bill. He does this by encouraging Bill to speak. Instead of telling Bill how he should feel or think, he asks Bill such questions as, "Is this what you feel?" "Is this what you see?" "Is this what you assume?" Instead of ignoring Bill's evaluations as irrelevant, not valid, inconsequential, or false, he tries to understand Bill's reality as he feels it, perceives it, and assumes it to be. As Bill begins to open up, Jones's curiosity is piqued by this process.

"Bill isn't so dumb; he's quite an interesting guy" becomes Jones's attitude. And that is what Bill hears. Therefore Bill feels understood and accepted as a person. He becomes less defensive. He is in a better frame of mind to explore and re-examine his own perceptions, feelings, and assumptions. In this process he perceives Jones as a source of help. Bill feels free to express his differences. He feels that Jones has some respect for his capacity for self-direction. These positive feelings toward Jones make Bill more inclined to say, "Well, Jones, I don't quite agree with you that this is the best way to do my job, but I'll tell you what I'll do. I'll try to do it that way for a few days, and then I'll tell you what I think."

Conclusion

I grant that my two orientations do not work themselves out in practice in quite so simple or neat a fashion as I have been able to work them out on paper. There are many other ways in which Bill could have responded to Smith in the first place. He might even have said, "O.K., boss, I agree that your way of doing my job is better." But Smith still would not have known how Bill felt when he made this statement or whether Bill was actually going to do his job differently. Likewise, Bill could have responded to Jones in a way different from my example. In spite of Jones's attitude, Bill might still be reluctant to express himself freely to his boss.

The purpose of my examples has not been to demonstrate the right or wrong way of communicating. My purpose has been simply to provide something concrete to point to when I make the following generalizations:

(1) Smith represents to me a very common pattern of misunderstanding. The misunderstanding does not arise because Smith is not clear enough in expressing himself. It arises because of Smith's misevaluation of what is taking place when two people are talking together.

(2) Smith's misevaluation of the process of personal communication consists of certain very common assumptions, e.g., (a) that what is taking place is something essentially logical; (b) that words in themselves apart from the people involved mean something; and (c) that the purpose of the interaction is to get Bill to see things from Smith's point of view.

(3) Because of these assumptions, a chain reaction of perceptions and negative feelings is engendered which blocks communication. By ignoring Bill's feelings and by rationalizing his own, Smith ignores his relationship to Bill as one of the most important determinants of the communication. As a result, Bill hears Smith's attitude more clearly than the logical content of Smith's words. Bill feels that his individual uniqueness is being denied. His personal integrity being at stake, he becomes defensive and belligerent. As a result, Smith feels frustrated. He perceives Bill as stupid. So he says and does things which only provoke more defensiveness on the part of Bill.

(4) In the case of Jones, I have tried to show what might possibly happen if we made a different evaluation of what is taking place

when two people are talking together. Jones makes a different set of assumptions. He assumes (a) that what is taking place between him and Bill is an interaction of sentiments; (b) that Bill — not his words in themselves — means something; (c) that the object of the interaction is to give Bill an opportunity to express freely his differences.

(5) Because of these assumptions, a psychological chain reaction of reinforcing feelings and perceptions is set up which facilitates communication between Bill and him. When Jones addresses himself to Bill's feelings and perceptions from Bill's point of view, Bill feels understood and accepted as a person; he feels free to express his differences. Bill sees Jones as a source of help; Jones sees Bill as an interesting person. Bill in turn becomes more cooperative.

(6) If I have identified correctly these very common patterns of personal communication, then some interesting hypotheses can be stated:

(a) Jones's method works better than Smith's, not because of any magic, but because Jones has a better map than Smith of the process of personal communication.

(b) The practice of Jones's method, however, is not merely an intellectual exercise. It depends on Jones's capacity and willingness to see and accept points of view different from his own, and to practice this orientation in a face-to-face relationship. This practice involves an emotional as well as an intellectual achievement. It depends in part on Jones's awareness of himself, in part on the practice of a skill.

(c) Although our colleges and universities try to get students to appreciate intellectually points of view different from their own, very little is done to help them to implement this general intellectual appreciation in a simple face-to-face relationship — at the level of a skill. Most educational institutions train their students to be logical, lucid, and clear. Very little is done to help them to listen more skillfully. As a result, our educated world contains too many Smiths and too few Joneses.

(d) The biggest block to personal communication is man's inability to listen intelligently, understandingly, and skillfully to another person. This deficiency in the modern world is widespread and appalling. In our universities as well as elsewhere, too little is being done about it.

(7) In conclusion, let me apologize for acting toward you the way Smith did. But who am I to violate a long-standing academic tradition!

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THERAPEUTIC PRINCIPLES IN GROUP LEADERSHIP AND GROUP RELATIONSHIP

by

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In presenting the way in which I see the relationship between the principles of psychotherapy and the problems of group leadership and group interaction I am going to divide my remarks into two sharply separated sections. First I would like to draw from my experience in psychotherapy a few of the learnings which seem to me most basic. Then I shall indicate the way in which these learnings were applied in practice by one individual in a complex group situation in industry.

Some Hypotheses Regarding the Facilitation of Personal Growth

For more than twenty-five years I have been trying to meet the challenge of providing help for troubled, conflicted, disturbed individuals. During that twenty-five years I have come to change almost all of the concepts with which I initially started my professional career. One brief way of describing the change which has taken place in me is to say that in my early professional years I was asking the question, How can I treat, or cure, or change this person? Now I would phrase the question in this way: How can I provide a relationship which this person may use for his own personal growth?

It is as I have come to put the question in this second way that I realize that whatever I have learned is applicable to all of my human relationships, not just to working with clients with problems. It is for this reason that I feel it is possible that the learnings which have had meaning for me in my experience may have some meaning for you in your experience, since all of us are involved in human relationships.

Perhaps I should start with a negative learning. It has gradually been driven home to me that I cannot be of much help to this troubled person by means of any intellectual or training procedure. No approach which relies upon knowledge, upon training, upon the acceptance of something that is taught, is of any great use. These approaches seem so tempting and direct that I have, in the past, tried a great many of them. It is possible to explain a person to himself, to prescribe steps which should lead him forward, to train him in knowledge about a more satisfying mode of life. But such methods are, in my experience, futile and inconsequential. The most they can accomplish is some temporary change, which soon disappears, leaving the individual more than ever convinced of his inadequacy.

The failure of any such approach through the intellect has forced me to recognize that change appears to come about through experience in a relationship. So I am going to try to state very briefly and informally, some of the essential hypotheses regarding a helping relationship which have seemed to gain increasing confirmation both from experience and research.

I can state the overall hypothesis in one sentence, as follows. If I can provide a certain type of relationship, the other person will discover within himself the capacity to use that relationship for growth and a process will occur in which change and personal development will take place.

But what meaning do these terms have? Let me take separately the three major phrases in this sentence and indicate something of the meaning they have for me. What is this certain type of relationship I would like to provide?

I have found that the more that I can be genuine the more I can be "all there" in the relationship, the more helpful it will be. This means that I need to be aware of my own feelings, in so far as possible, rather than presenting an outward facade of one attitude, while actually holding another attitude at a deeper or unconscious level. Being genuine also involves the willingness to be and to express, in my words and my behavior, the various feelings and attitudes which exist in me. It is only in this way that the relationship can have reality, and reality seems deeply important as a first condition. It is only by providing the integrated reality which is in me, that the other person can successfully seek for the reality in him.

As a second condition, I find that the more acceptance and liking I feel toward this individual, the more I will be creating a relationship which he can use. By acceptance I mean a warm regard for him as a person of unconditional self-worth -- of value no matter what his condition, his behavior, or his feelings. It means a respect and liking for him as a separate person, a willingness for him to possess his own feelings in his own way. It means an acceptance of and regard for his attitudes of the moment, no matter how negative or positive, no matter how much they may contradict other attitudes he has held in the past. This acceptance of each fluctuating aspect of this other person makes it for him a relationship of warmth and safety, and the safety of being liked and prized as a person seems a highly important element in a helping relationship.

I also find that the relationship is significant to the extent that I feel a continuing desire to understand -- a sensitive empathy with each of the client's feelings and communications as they seem to him at that moment. Acceptance does not mean much until it involves understanding. It is only as I understand the feelings and thoughts which seem so horrible to you, or so weak, or so sentimental, or so bizarre -- it is only as I see them as you see them, and accept them and you, that you can feel really free to explore all the hidden nooks and frightening crannies of your inner and often buried experience. This freedom is an important condition of the relationship. There is implied here a freedom to explore oneself at both conscious and unconscious levels, as rapidly as one can dare to embark on this dangerous quest. There is also a complete freedom from any type of moral or diagnostic evaluation, since all such evaluations are, I believe, always threatening.

Thus the relationship which I have found helpful is characterized by a sort of transparency or "all-thereness" on my part, in which my real feelings are evident; by an acceptance of this other person as a separate person with value in his own right; and by a deep empathic understanding which enables me to see his private world through his eyes. When these conditions

are achieved, I become a companion to my client, accompanying him in the frightening search for himself, which he now feels free to undertake.

I am by no means always able to achieve this kind of relationship with another, and sometimes, even when I feel I have achieved it in myself, he may be too frightened to perceive what is being offered to him. But I would say that when I hold in myself the kind of attitudes I have described, and when the other person can to some degree experience these attitudes, then I believe that change and constructive personal development will invariably occur -- and I include that word "invariably" only after long and careful consideration.

So much for the relationship. The second phrase in my over-all hypothesis was that the individual will discover within himself the capacity to use this relationship for growth. I will try to indicate something of the meaning which that phrase has for me. Gradually my experience has forced me to conclude that the individual has within himself the capacity and the tendency, latent if not evident, to move forward toward maturity. In a suitable psychological climate this tendency is released, and becomes actual rather than potential. It is evident in the capacity of the individual to understand those aspects of his life and of himself which are causing him pain and dissatisfaction, an understanding which probes beneath his conscious knowledge of himself into those experiences which he has hidden from himself because of their threatening nature. It shows itself in the tendency to reorganize his personality and his relationship to life in ways which are regarded as more mature. Whether one calls it a growth tendency, a drive toward self-actualization, or a forward-moving directional tendency, it is the mainspring of life, and is, in the last analysis, the tendency upon which all psychotherapy depends. It is the urge which is evident in all organic and human life -- to expand, extend, become outonomous, develop, mature -- the tendency to express and activate all the capacities of the organism, to the extent that such activation enhances the organism or the self. This tendency may become deeply buried under layer after layer of encrusted psychological defenses; it may be hidden behind elaborate facades which deny its existence; but it is my belief that it exists in every individual, and awaits only the proper conditions to be released and expressed.

I have attempted to describe the relationship which is basic to constructive personality change. I have tried to put into words the type of capacity which the individual brings to such a relationship. The third phrase of my general statement was that as a result of a process, change and personal development would occur. It is my hypothesis that in such a relationship the individual will reorganize himself at both the conscious and deeper levels of his personality in such a manner as to cope with life more constructively, more intelligently, and in a more socialized as well as a more satisfying way.

Here I can depart from speculation and bring in the steadily increasing body of solid research knowledge which is accumulating. We know now that individuals who live in such a relationship even for a relatively limited number of hours show profound and significant changes in personality, attitudes, and behavior, changes that do not occur in matched control groups. In such a relationship the individual becomes more integrated, more effective. He shows fewer of the characteristics which are usually termed neurotic or psychotic, and more of the characteristics of the healthy, well-functioning person. He changes his perception of himself, becoming more

realistic in his views of self. He becomes more like the person he wishes to be. He values himself more highly. He is more self-confident and self-directing. He has a better understanding of himself, becomes more open to his experience, denies or represses less of his experience. He becomes more accepting in his attitudes toward others, seeing others as more similar to himself.

In his behavior he shows similar changes. He is less frustrated by stress, and recovers from stress more quickly. He becomes more mature in his everyday behavior as this is observed by friends. He is less defensive, more adaptive, more able to meet situations creatively.

These are some of the changes which we now know come about in individuals who have completed a series of counseling interviews in which the psychological atmosphere approximates the relationship I described. Each of the statements made is based upon objective evidence. Much more research needs to be done, but there can no longer be any doubt as to the effectiveness of such a relationship in producing personality change.

To me, the exciting thing about these research findings is not simply the fact that they measure the efficacy of one form of psychotherapy, though that is by no means unimportant. The excitement comes from the fact that these findings justify an even broader hypothesis regarding all human relationships. There seems every reason to suppose that the therapeutic relationship is only one instance of interpersonal relations, and that the same lawfulness governs all such relationships. Thus it seems reasonable to hypothesize that if the parent creates with his child a psychological climate such as we have described, then the child will become more self-directing, socialized, and mature. To the extent that the teacher creates such a relationship with his class, the student will become a self-initiated learner, more original, more self-disciplined, less anxious and other-directed. If the administrator, or military or industrial leader, creates such a climate within his organization, then his staff will become more self-responsible, more creative, better able to adapt to new problems, more basically cooperative. It appears possible to me that we are seeing the emergence of a new field of human relationships, in which we may specify that if certain attitudinal conditions exist, then certain definable changes will occur.

Let me conclude this first section by returning to a personal statement. I have tried to share with you something of what I have learned in trying to be of help to troubled, unhappy, maladjusted individuals.

I have formulated the hypothesis which has gradually come to have meaning for me -- not only in my relationship to clients in distress, but in all my human relationships. I have indicated that such research knowledge as we have supports this hypothesis, but that there is much more investigation needed. I should like now to pull together into one statement the conditions of this general hypothesis, and the effects which are specified.

If I can create a relationship characterized on my part:

- by a genuineness and transparency, in which I am my real feelings;
- by a warm acceptance of and liking for the other person as a separate individual;

by a sensitive ability to see his world and himself as he sees them;

Then the other individual in the relationship:

will experience and understand aspects of himself which previously he has repressed;
 will find himself becoming better integrated, more able to function effectively;
 will become more similar to the person he would like to be;
 will be more self-directing and self-confident;
 will become more of a person, more unique and more self-expressive;
 will be able to cope with the problems of life more adequately and more comfortably.

I believe that this statement holds whether I am speaking of my relationship with a client, with a group of students or staff members, with my family or children. It seems to me that we have there a general hypothesis which offers exciting possibilities for the development of creative, adaptive, autonomous persons.

Group-Centered Leadership in an Industrial Organization

I have given some of the basic principles which I have learned from the practice of therapy. But specifically, practically, how can such principles be implemented in group leadership?

I thought first of giving examples from the operation of the staff group at the Counseling Center, or from the learnings of our clerical staff in utilizing such principles. I thought of drawing examples from our experience in conducting workshop groups. But the reaction of many people to such experience is -- yes, but these people are themselves interested in counseling, and perhaps that is why a group-centered approach seems effective.

So I have decided to draw upon the experience of Mr. James Richard in his work as plant superintendent in a plant employing some 250 workers, an experience reported much more fully in Thomas Gordon's new book, Group-Centered Leadership.*

The Background

Jim Richard was assistant to the vice-president when this story begins. He was a competent young executive, much interested in human relations, and very skillful in relating himself both to top management and to workers. He wanted more participation by all employees of the Company, free communication up and down the chain of authority, more identification of people with the Company. But after four years of effort he found that much of what he had accomplished by his well-intentioned efforts had been to transfer a large amount of the informal power in the Company to himself, and to make members of the Company, both management and workers, dependent on him for

*Houghton Mifflin, 1955.

carrying through many matters which were in no way his real responsibility. He realized that the subtle manipulations he had used had not particularly helped communication, and that many resentments and suspicions toward him and toward group processes generally, were developing.

In this situation, he began to rethink what he was doing. He came in contact with Thomas Gordon, and was instrumental in bringing him into the company as a consultant. Particularly through consultation with Gordon and Chris Argyris, and through acquaintance with the written material on client-centered therapy, he began to develop a new concept of group leadership. At about this time he was made Production Superintendent in charge of the plant of 250 people, with about a dozen men - foreman, a time-study man, a production engineer, and a personnel man, reporting to him. He decided to implement his newer understanding in the conduct of this position, and to try thereapeutic principles in running a factory which made pumps.

The Approach

His first effort was to establish an atmosphere, a climate, of acceptance and understanding. He changed from the traditional boss's office to a conference room. There was no desk for him, and only a large conference table. He says, "As the men used the room, I responded to their way of acting so that gradually the room was arranged to meet their use of it. In time we managed to create an atmosphere where a man could put his feet up, cuss, slam his fist down, or laugh out loud. Castings, blueprints, or worksheets often covered the table. It wasn't an office. It was a place to cut loose and get it off your chest -- a place where men of action could apply their minds or let their feelings go.

"The room was open but it was also a place where two men could sit in privacy and talk alone. This developed as the group learned to work together and acquired more respect and sensitivity to their colleagues' feelings. Whenever I was in close discussion with someone, others sensed it and intruded only long enough to say, 'Give me a buzz when you're through, will you?' or, 'Put me on the list sometime today.'

"The physical setting was merely an outward manifestation of a basic attitude. This attitude was also demonstrated through interpersonal contacts. I sought to reduce to a minimum the dependency which would come from close supervision from me, with all of the controls, advice, decision-making and problem-solving which might be done sheerly on an authority basis. This was not to deny an authority difference but rather to de-emphasize the difference as much as possible and to maximize opportunity for independent action.

"In order to develop this kind of atmosphere I spent more of my time in my office and less time out in the plant. Only after the relationships that I sought with members of the supervision group had been established did I alter this habit.

"In my own conduct I strove to focus attentively on individuals, and to respond with warmth and with acceptance of their problems. I tried also to give openly my own feelings, reactions and ideas. In general, I worked for an atmosphere of give-and-take, striving as much as possible to gain acceptance and use of my contributions on the strength of their merit rather than on my rank."*

* These and the quotations in the following pages are all from Gordon, Group-Centered Leadership, Chapter 12, except where noted.

I wonder if the significance of these quotations is reaching you. Here is a man who has been given the responsibility for manufacturing castings, in a highly competitive and cost-conscious company, and he is not thinking primarily about castings and costs, but about people and his relationships to people.

As one might expect, the foremen reacted to his approach with mixed feelings. They felt a sense of release from close and arbitrary supervision. But some also felt that they did not want to lose the dependence on authority to which they were accustomed. They also used their new-found freedom to voice deep resentments toward some of the top-management group. In many instances they wanted Richard to assume, at least temporarily, an authoritative role, in order to punish one of their own members, or to fight management on some issue, or to guide or reassure them in their own work. It was by no means clear sailing.

The Functions of the Group-Centered Leader

In this situation Richard gradually found himself carrying out various functions, as his foremen brought their problems and concerns to him, usually in small groups, sometimes singly. One function "consisted of facilitating communication in a group situation, much like the group-centered leader in a discussion group. Here I simply reflected the meaning of statements, linked together the statements of different speakers, requesting clarification when the meaning of statements was not apparent, and so on." Here he was endeavoring to help members of the group clarify their feelings and attitudes as a basis for action.

Another function "was that of accumulating facts from the foremen, from my own records, and from others in the organization, for the purpose of organizing them and making them available for use by some group in the process of problem-solving." Here he functioned as a resource person for the group, not to influence a decision, but to help provide the facts upon which it might be based.

A third function "consisted of providing a therapeutic atmosphere for a group of persons deeply involved in a problem at the feeling level. Here my role was very much like that of a group therapist, carrying out a therapeutic function for individuals interacting on a plane of feelings where they had never met before." As an example of this we might give one of the incidents Richard describes.* A foreman, obviously disturbed, comes in.

Foreman: Say, what do we do about the policy of Leave of Absence?
Do we go by the rule the way it says or what?

Supt: Well, I dunno, Mike ____, what's the situation:

Mike: Well, I got a girl, Susy, who's been on leave, and she's supposed to be back this morning. But her brother-in-law who works for me too, came in this morning and says she ain't coming in -- she's off with her boyfriend who is on leave from the army and decided to stay another day.

Supt: Well -- I think we better get Joe (personnel man) in here and hash this out.

* This incident is from a manuscript given to me by Mr. Richard.

So the personnel man is invited in and the Superintendent briefs him on the problem.

Supt: Hi, Joe, Mike's got a problem. He just found out that Susy is taking an extra day on her Leave of Absence.

Joe : Well, I don't see that there is any problem. She knows the rule. It was explained to her very clearly that she was due back today, and that if she wanted extra time she'd have to get permission in advance. She just took it on her own to take another day -- she just plain flaunted the rule.

Supt: You feel there is no problem -- that it's obvious she disobeyed the rule?

Joe: Sure. If you aren't going to live by them, why have the rules? You might just as well throw the rules out if you are going to let people break them on you.

Mike: Well, Yeah -- that's right. As far as my own personal feelings are concerned, though, I'd rather let it go. It would be easier on me -- Susy isn't a bad worker -- I don't have anything at all against Susy -- and my own feelings are just let it go by. Maybe jack Susy up a little tomorrow when she comes in. But then I think about another guy I've got coming up pretty soon -- and he's going to want a Leave of Absence. Now he's a guy who always takes advantage of me if he gets an opening. And if I let Susy get by with it, he's bound to throw that up to me after he's broken the rule, and there'll be nothing I can do about it then.

Supt: I see. You sort of feel like overlooking Susy's taking the extra day, but you fear this may leave the door open for others who'll take advantage of you.

Mike: Yeah, that's right. And then also I've always believed that when there are policies they ought to be lived up to. I can see some other foremen may have problems like this and I don't want to be setting a precedent that puts some of them in some future trouble.

Joe: Sure, this doesn't just apply in one place. It applies all over.

Supt: Well, I've got one thought about this -- is there a spirit behind this rule? Susy's got over a year's seniority, hasn't she? I'm wondering if we cut it a little too fine if we fire a girl for one day's infraction of the Leave of Absence permit --.

Joe: Well, I sure disagree! If you give in on one day, you have to give in a week next time and if you give in on a week, you are pushed farther next time, and pretty soon you don't have anything at all. You can't be fair to the people with flexible rules that operate according to the mood you're in that day.

This is simply the start of a long and involved discussion, which finally involved other foremen and other employees as well, and deep feelings of difference over the application of this and other rules. Richard saw his functions as those of serving the group by getting them together;

of fully understanding the feelings of each member, and conveying something of that understanding; of expressing his own personal reactions at times, as a member of the group; of leaving responsibility solidly with the group, trusting the basic capacity of the group. The solution which was finally reached was unconventional, personal, but suited to this group at this particular time.

A fourth function was to carry out "a role not unlike that of a counselor. A member of the supervisory group would bring a problem of a very personal sort involving rather deep feelings and attitudes. In such situations I attempted to listen carefully and demonstrate my understanding by reflecting back to the person the essential feelings and attitudes he was expressing. On other occasions personal problems grew out of or were mixed in with plant problems, thus calling for both the therapeutic functions of a counselor and the more fact-giving functions of a resource person."

An instance of this function occurred when "One day a foreman came in to the office and closed the door carefully behind him. He said he had a grave problem and wanted to talk it over. He explained that he shared a material bin in common with another foreman, and couldn't get along without the material in this bin. However, the other foreman had forbade him to use it.

"He explained that he wanted to figure out carefully what to do, and wanted me to think with him. He said: 'Now I want to do the right thing here. I realize what's going on. I know that Pete has it against me. This has been going on ever since (describes an incident of long ago). Damn it, I've got nothing against the guy, but I know how he feels about me, and he's bucking me all down the line, and yet I can understand why he feels that way because it goes way back, and there ain't nothing going to change the way he's feeling. And even so, I've still got a job to get done for myself, and him feeling the way he does, it makes it damn tough for me to operate. So all I want to do is figure out real careful the best thing to do because I know he ain't going to change his tactics and all I want to do is just go my way and get my job done.'

"An hour-long discussion ensued. The foreman talked and I concentrated on understanding his feelings and trying to follow him as he wove deeper into them. Most of his time was spent explaining past incidents of poor relations he had had with his co-foreman, and trying to evaluate the other foreman's behavior. I never condoned or rejected his judgment of the other foreman. When the discussion had ended, he had identified for himself what he felt the problem to be, and had decided upon a course of action.

"I felt my role here was one of hands-off in the friction between these two men. I had heard from each of them respectively, and each had gradually revealed some deep feelings. However, it seemed more useful for me to provide a place where they could safely work through their own problems, rather than to impose myself into the picture to 'create harmony' or 'fix things up' or 'straighten these fellows out.' I believed I was doing both men more good by leaving their relationship up to themselves, and to time to heal. I felt confident that they would work their problem out together.

"Several weeks later in the department of the foreman who had come to me with the problem I asked him how he was making out. He grinned and

said, 'Oh, we've got it all worked out. I figured out how to talk to him, and put it up to him. You've got to be scientific on these things.'

There were still other functions which Richard found himself carrying out. These had to do primarily with the relationships to top management. He says, "Another function I carried out was that of providing members of the supervisory group the authority channel through which they could obtain sanction on matters outside their own area of authority and independence . . . A sixth function was that of being a spokesman for the supervisors in order to protect their interest or represent their needs at a level of authority beyond theirs . . . A seventh function was that of communicating the limits within which the supervisors were allowed freedom to operate within the organization, and communicating what top management expected of the supervisors."

Results

How did this approach work? Here we have not only Richard's impressions, but the result of an independent survey conducted by Robert Burns of the Industrial Relations Center, University of Chicago, and Thomas Gordon, in which top management, foremen and shop workers were interviewed. All are in agreement that after a year of operation the approach was very successful indeed. Some of the results may be briefly summarized. Again I am going to quote from Richard.

"An outstanding consequence of this leadership approach was the growth of individual men. I believe all the men grew measurably, but there were some instances of unusual development.

"One foreman, when I first knew him, was sulky, stubborn, defiant, and singularly inarticulate. I had heard it said of him before, 'He has some pretty good qualities, but he's too bull-headed. He'll never make a foreman -- can't talk or handle people.' But I watched this foreman develop into one of the most articulate, soundest thinking, and most natural of administrators." This was not an isolated instance of personal development.

"The second consequence, and a direct goal I had sought, was strong cohesion of the group itself. After the early stages, when we had really worked together for some time in the way I have described, the group was able to function to a striking degree from its own resources. I tested this in many ways, and felt very grateful with the ways in which I was not needed. The factory began to function smoothly, efficiently and profitably -- and although I indeed was much involved in a number of knotty and perplexing problems, I believe it can truly be said that the group was running the operation. Leadership had been distributed, so that I was able to work with more effectiveness where I could contribute most, while other members of the group actually took over certain leadership aspects which they were better able to fulfill.

"It seems almost needless to say that morale rose. And it should be pointed out that there were no 'discipline' problems, no problems of 'getting men to take responsibility'. In fact, my problem actually became one of keeping up with the group and giving them the quality of performance and thought that their vigorous, energetic, and enthusiastic activity required. I had to scoot to keep up . . .

"The observation that 'productivity increased' is not quite adequate to describe the result I observed. Not only did the men work harder, do more, respond to conditions better, they did this with a special quality - a quality of creativity. They worked with zest, and with real thought and interest. As the members individually grew and functioned more fully, and as the group became a self-propelled, closely knit and smoothly working organization, the men really began to put themselves into the job. They didn't stand in unison and sing the company song. They argued and worked and sweated -- but with respect for themselves, respect for each other, respect for their men and respect for the Company. They gave of themselves individually in a way which leads me to characterize their productivity as having had the special quality of creativity."

Some Problems

Naturally, Richard found many perplexing problems, not all of them resolved, in utilizing this type of leadership in this modest-sized industry.

The initial scepticism, reluctance, and dependence of the foremen has been mentioned. Even more resistance and criticism came from top management. Except for the owner of the company, who was willing to see this approach given a trial, members of management felt that Richard was being impractical and weak, and felt that what he was doing threatened their own positions. Typical comments were as follows:

"You're dreaming! You actually let those guys tell you what they're to do!"

"You're babying people too much."

"You sit around with these people talking about trivial matters that could be settled in a few minutes by a competent person!"

"It's your job to tell these people what their jobs are, and see that they do them."

Perhaps the most significant commentary on these management attitudes is that after a little more than a year's experience in providing this type of leadership in the shop, Richard was promoted to a top management position.

Conclusion

I could go on about this one experiment in utilizing therapeutic principles in an industrial plant. But I would much prefer for you to read about it more fully for yourself in Gordon's book.

Perhaps I can refer back to the first part of my talk, in drawing this to a conclusion. In this experiment an industrial leader decided to go all out in the application of therapeutic principles to a production situation. He focussed on creating a climate in his relationships. He tried, within his own personal limitations, to adopt an approach of listening acceptance, of respect, of empathy. He took the very real gamble of relying upon the capacity of the group for resolving its own problems. He chose to focus on releasing the capacities for problem-solving, productivity and creativity in the group. He decided to concentrate on facilitating the development of responsible, autonomous persons. And I find the results of his experiment a very exciting challenge.

THEME AND VARIATIONS

(from Time Magazine, April 23, 1956)

If self-analysis made Freud a relatively adjusted man, it never blunted the sharpness of his search for understanding. He was too restless an explorer to remain content with his theories, worked until his death on amendments and additions. He was far less tolerant toward others' discontent with his theories, bitterly opposed some followers' deviations, but might well have accepted others that have developed since. Some rudiments of the Freudian main theme and principal variations:

Sigmund Freud held that the nature of man is essentially biological; man is born with certain instinctual drives. Most notable: the drive toward self-gratification. Basic mental energy, or libido, is equated with sexual energy by making the word "sex" stand for all pleasure.

Infant's first search for gratification is limited to release of hunger tension—oral phase. If there is no nipple handy, he puts thumb in mouth. Next comes satisfaction from defecation—anal phase. Third, pleasure from sensation in sexual parts—phallic phase. (Association of sexual gratification with reproduction—genital phase—does not come until sexual maturity.) Beginning about age two, the child's emotional attachment to mother leads to wishes to displace father—Oedipal feelings (the older, more rigid concept of an Oedipus complex is now frowned upon).

The psyche is divided horizontally into conscious and unconscious vertically into id, ego and superego. Gradually the child's unconscious fills more or less deliberately with things forgotten (suppressed) because they are unpleasant, and more importantly, with emotions and drives which are too painful ever to be tolerated in consciousness (repressed).

The id, entirely unconscious, most primitive part of the mind, is concerned only with gratification of drives. The ego, almost entirely conscious, develops from experience and reason, deals with perception of the environment, tries to go about governing id. Superego, largely unconscious, sits as judge, decides whether or not ego may permit id the gratification it seeks; it is conscience, made up of attitudes absorbed unwittingly in childhood and (to a much less extent) of attitudes consciously learned or adopted later.

Neurosis, to Freud, results from unsuccessful attempt by the personality to achieve harmony among id, ego and superego, and this failure in turn results from arrest of development at an immature stage. Commonest cause of emotional disharmony: failure to resolve Oedipal feelings. Example: many girls who profess to seek marriage actually avoid it because the prospect activates the threat of unacceptable emotions which are fixated to their fathers.

Among the mechanisms used to deal with conflicts: projection involves denial of an unacceptable element in the self and projecting it onto others, e.g., man who bangs desk and shouts: "Who's excited? You're excited, not me!" Reaction formation covers conversion of unacceptable hostility into cloying solicitousness, seen in many do-gooders and some overprotective mothers who unconsciously reject their children.

Another way of using libidinal energy: sublimation into constructive and creative work or play.

To resolve neuroses, patient on couch tells in free association all that comes into his mind, especially about early trauma (shock.) Since infancy and much of childhood are consciously "forgotten," these experiences must be recaptured with the help of the language of dreams—perhaps the most important single tool of analysis. There is no absolute symbolism (snakes may be phallic to one dreamer but to another merely reminiscent of a trip to the zoo), hence no universal key to the meaning of dreams. Analysis is complete when the patient has developed social responsibility, having dredged up all pertinent childhood trauma, recognized his unconscious Oedipal and other socially unacceptable impulses, and learned at a deep emotional level rather than a superficial intellectual level to live with such id-bits.

ALFRED ADLER (1870-1937) developed "individual psychology," which denies the overriding importance of infantile sexuality, argues that sexual maladjustments are a symptom, not a cause of neurosis. Adler gave inferiority complex to the language, said infants have inferiority feelings because they are small, helpless. Lack of parental tenderness, neglect or ridicule may make these feelings neurotic. Natural tendency is to seek compensation by becoming superior, hence open struggle for naked power. Power drives are often neurotic because directed to impractical goals. Emphasized ego over id.

CAR GUSTAV JUNG of Zurich holds that primal libido, or life force, is composed of both sexual and nonsexual energy, accepts an individual unconscious similar to Freud's but sees also a collective unconscious containing man's "racial memories". Within this are emotional stereotypes (archetypes) common to all races of man, e.g., the Jovian figure of the "old, wise man," the earth-mother. In Jungian "analytical psychology," the analyst participates more actively than in Freudian analysis. Jung aims especially at people over 40, largely because he believes they must feel the need of a religious outlook, which he encourages.

OTTO RANK (1884-1939) went Freud one better, held that Oedipal feelings came too late to be decisive. Real trouble, said he, was birth trauma—the shock of having to leave the warm security of the womb for the harsh reality of separate life. Anxiety caused by this experience formed sort of reservoir which should seep away gradually during maturation. If it persisted, then neurosis set in. Rank hoped to shorten analysis by going back to birth trauma, ignoring most of childhood.

KAREN HORNEY (1885-1952) applied the thinking of anthropologists and sociologists to psychoanalysis, gave great weight to cultural factors in neurosis. Rejected Freud's biological orientation, emphasized importance of present life situation. Modified Adler's concept of neurotic goals, adding that these contain their own sources of anxiety. Thus in coping with one difficulty, patient may set up neurotic defenses which bring on new difficulties, and so on. Widely remembered for her unfortunately titled book, Self-Analysis (1942), which is no do it yourself kit for cracks in the psyche.

HARRY STACK SULLIVAN (1892-1949) held that the human individual is the product of interpersonal relations, based an entire analytic theory on this concept. Pattern of child's earliest nonsexual relationships with significant figures largely (but not rigidly) determines the pattern of all later interpersonal integration. Man's aims are seen as pursuit of satisfaction (biological) and pursuit of security (cultural). If society denies satisfaction in sexual sphere, neurosis may result, but according to Sullivanians (a numerically small but influential school in U.S.), it comes far more often from frustration, for whatever reason, in cultural sphere.

ERICH FROMM of Manhattan and Mexico City denies that satisfaction of instinctual drives is focal problem, points out that man has fewer inherited behavior patterns than any other creature. In feudal times, he argues, the stratified, crystallized society wherein every individual knew his place gave security. Renaissance and mercantilism brought freedom from antlike existence but conferred (except on a privileged few) no freedom to work toward individual self-fulfillment. Thus neurosis today results mainly from frustrations which present trend of society threatens to intensify.

RESISTANCE TO CHANGE -
ITS ANALYSIS AND PREVENTION

by

Alvin Zander

University of California
Los Angeles

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RESISTANCE TO CHANGE-
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by Alvin Zander
Research Center for Group Dynamics
University of Michigan

Obvious improvements have sometimes caused intense resistance. Research shows that any change may be resented unless intelligent planning is done in advance to help the "changees" understand their own feelings.

In order to derive the benefit from research in industrial relations, someone must plan a program of action to apply them. When one begins implementing, he must change the social system in some way. The creation of this change can cause the development of resistance in those influenced by the change.

First, we shall look at what resistance is; second, the conditions that appear to be associated with its development; and third, some means whereby resistance may be prevented or decreased.

NATURE OF RESISTANCE

Let us look at some examples of resistance growing out of administrative changes.

A large number of foremen in a company were given training in how to treat their men like human beings. They liked the course and were eager to apply their learnings on the job. The company found, however, that relatively few of the foremen are really behaving any differently on the job. They know their stuff but do not use it.

In one of the paper-shuffling government agencies a new data form was developed which all admitted was briefer, more logical, and easier to use. Yet, this department found that the employees often omitted much of the data needed on this form, their speed of work decreased, and they objected to it on many insignificant grounds.

Our favorite example of resistance was furnished by a farmer in the TVA area. He assured us that he knew all about contour plowing, the rotation of crops, and the use of what he called "phosphosphate" for improving the soil. He allowed as how these were good ideas, "But," he said, "I don't do it that way."

These examples have one common denominator which might serve here as a definition of resistance. They describe behavior which is intended to protect an

* Adapted from a paper presented at the meeting of the American Society for Public Administration in Washington, D.C.

individual from the effects of real or imagined change. This reaction might be to either real or imagined change since the resister might be reacting to things that were really not changed but he thinks were, or fears that they might be. If a person believes a change has been made, or fears potential change, it makes no difference whether or not it is true in fact. He will act as though there has been a change.

How can one recognize when resistance is working? Unfortunately, there is no list of typical behavior which can be described as the symptoms of resistance, which, if present, indicate that one is dealing with this phenomenon. It is the protective function which the behavior is providing which determines whether or not a person is resisting, rather than the kind of thing he does. By the same token, all behavior which opposes change is not necessarily resistance. Some opposition to change may be perfectly logical and grounded on well supported reasons. The behavior must be attempting to protect the person against the consequences of the change in order for it to be resistance. This may be clearer if we look at the origin of the concept.

THE HOSTILITY PATTERN

The term and the concept we are using here has been borrowed from psychotherapy. When a therapist is attempting to change the behavior of the patient, he expects resistance from him. The therapist takes the position that the pattern of behavior used by the patient (which makes him a "sick" person) is a means to some satisfaction for him even though it also may make him ineffective or unhappy. Resistance occurs in the patient when the process of change (therapy here) comes close to being successful. When faced with the unpleasant necessity of giving up the behavior he does not like, but somehow needs, he begins to balk. He becomes silent, blushes, changes the subject, tells fibs, comes late to appointments, becomes angry with the therapist, or any of a number of similar things. The therapist watches for the context in which these signs of resistance occur since these indicate the crucial problems in the way the patient sees and deals with his world.

For the administrator, resistance may occur under fairly similar conditions. When he attempts to create a change the administrator may develop, unintentionally, many threats to the person or groups with whom he works. The behavior used by the resister may take many forms.

It may take the form of hostility either openly expressed or obliquely implied. The aggression may be directed against the change itself or against the administrator. What is done depends on how the person can safely resist without further endangering himself in that situation. Other symptoms of resistance may be sloppy effort after the change has been made, or fawning submissiveness which is a hybrid of applepolishing and apathy. It can occur by lowering the level of aspiration to an inefficient degree, discouragement, or the development of unhappy cliques and outspoken factions. It is important, however, to remind ourselves, that it is the function which such actions are performing for the person that makes them resistance rather than what they look like.

WHERE RESISTANCE STARTS

It will be helpful if we look at a few conditions conducive to resistance.

1. Resistance can be expected if the nature of the change is not made clear to the people who are going to be influenced by the change. In one of the largest government agencies, a change required one department which originally had the responsibility of processing papers involved in contacts with certain

industries to share this task with another office. Announcement of the change was issued in a brief statement. The immediate reaction was violent objection, even though some of the workers privately admitted that it was a wise and necessary move. They were reacting to incomplete information. Many people fear incomplete information about changes which influence them. It is more comfortable to know exactly where one stands.

There is some evidence to support the hypothesis that those persons who dislike their jobs; will most dislike ambiguity in a proposed change. They want to know exactly what they must do in order to be sure to avoid the unpleasant aspects of their jobs. Some administrators may attach too much importance to the value of information itself. Apparently they reason that people "ought not" to resist the way they do because the administrator has told them everything he thinks is important for them to know about the impending change.

2. Different people will see different meanings in the proposed change. Some of the resistant reaction described above came about because some workers saw the change as an indication that they had been doing a poor job, others assumed it meant their office would soon be abolished, still others were troubled since they were losing some of the power they had formerly controlled. We tend to see in our world the things that we expect to see. Complete information can just as readily be distorted as incomplete information, especially so if the workers have found discomfort and threats in their past work situation.

3. Resistance can be expected when those influenced are caught in a jam between strong forces pushing them to make the change and strong forces deterring them against making the change.

4. Resistance may be expected to the degree that the persons influenced by the change have pressure put upon them to make it, and will be decreased to the degree that these same persons are able to have some "say" in the nature or direction of the change. In a garment factory a change was required. The switch meant that workers would be asked to change their jobs and in many cases, to develop working relationships with new people. An experiment was made in which three different styles of introducing this change were tried out. One group of workers were simply informed about the change and were allowed to ask questions. They developed the most resistance as measured by turnover, absenteeism, and slowness in learning the job. Resistance was less in those groups who sent representatives to a meeting in which the nature of the change was discussed and all persons present made plans to carry out the change.

Resistance was least in the groups in which those to be affected discussed the nature of the change, laid plans for making it, and as a total group made decisions which were satisfactory to the entire group. In this latter group everyone participated. They had an opportunity to develop their own motivation instead of making the change only on the basis of orders from the boss. The fact that they were able to develop their own understanding of the need for the change and their own decisions about how to do it, reduced resistance most effectively.

5. Resistance may be expected if the change is made on personal grounds rather than impersonal requirements or sanctions. A supervisor posted the following notice:

I have always felt that promptness is an important indicator of an employee's interest in his job. I will feel much better if you are at your desk at the proper time.

Employees responded to this notice by appointing a committee to get information which would justify their late arrival, at the office. Many administrators can expect trouble in establishing a change if it is requested in terms of what "I think is necessary"; rather than making the request in the light of "our objectives," the rules, the present state of affairs, or some other impersonal requirement.

6. Resistance may be expected if the change ignores the already established institutions in the group. Every work situation develops certain customs in doing the work or in the relations among the workers. The administrator who ignores institutionalized patterns of work and abruptly attempts to create a new state of affairs which demands that these customs be abolished without further consideration will surely run into resistance.

These are a few of the conditions in which resistance might be expected to occur. There probably are many others.

DECREASING RESISTANCE

Some procedures on the part of the administrator might be useful in preventing or decreasing the resistance which arises in a changed situation. Let us look at a major principle in preventing resistance and some of its basic implications:

Resistance will be prevented to the degree that the changer helps the changees to develop their own understanding of the need for the change, and an explicit awareness of how they feel about it, and what can be done about those feelings.

This principle implies that the administrator can use resistance as an important symptom. Specifically, he can use the nature of the resistance as an indicator of the cause of resistance. It will be most helpful to him as a symptom, if he diagnoses the causes for it when it occurs rather than inhibiting it at once. The same resistant behavior, for example, may indicate that one person feels that he has lost prestige by the change, to another it may mean that he has lost power over an area of influence which he formerly controlled, and to still another it may mean that he fears that his friends will think less well of him. An administrator must know what the resistance means in order that he may effectively lessen it by working on the causes instead of the symptom.

There has been a good deal of experience in recent years in staff meetings and in work conferences like the National Training Laboratory for Group Development with the use of a group observer. This observer gives to the group, and the leaders, information about the group and the nature of any resistance. In these cases, the data about itself is made common group property for all members to discuss and to use in planning better work relations.

This communication must go in both directions. If two-way communication is not maintained, negative attitudes created during resistance will tend to persist.

RESTORING UNDERSTANDING

In a utility company a new office was formed with a new set of supervisors. The entire staff of supervisors called the workers together and scolded them for shortcomings in their performance. The tone used by the supervisors was so aggressive that the employees found it difficult thereafter to discuss anything with

them except those topics directly related to the effectiveness of production. The workers kept themselves at a distance from the supervisors and the supervisors made no move to close the gap. The result was that distance between these two groups made it impossible for them to come to any new understanding of each other. This mounting hostility was lessened only when the personnel department advised a number of "gripe-sessions" with small groups of workers in which the two levels developed a new understanding of each other.

Another implication in the above principle is that there is value in blowing off steam. The psychologists call this a "catharsis." There is good evidence that new attitudes can be accepted by a person only if he has a chance to thoroughly air his original attitude. Resistance to accepting the rigid, and often apparently meaningless, rules of military life, showed itself in flagrant violation of the rules, often in a most aggressive manner. Punishment only increased the resistance. Relief was provided by group sessions in which men were able to thoroughly gripe. After this relief of tension, they were able to turn to a reasonable discussion about what they could do to learn to live in terms of these requirements. It is as though new air can be put in the tire only after the old air is released.

A third implication of the earlier expressed principle is that resistance may be less likely to occur if the group participates in making the decisions about how the change should be implemented, what the change should be like, how people might perform in the changed situation, or any other problems that are within their area of freedom to decide. The experiment in which three ways of introducing a change were tried out showed that the workers, who had a chance to make a group decision about the ways in which the change should be made, developed much less resistance than did those who were simply called together to be told about the change and have all of their questions answered. What is important here is that the workers feel that they have a chance to discuss the major factors involved in the change, a chance to understand the nature of the fears they have in facing this change, and a chance to plan what they will do to calm their fears.

SELF-DIAGNOSIS GETS ACTION

Still another implication is that resistance will be less likely to develop if facts which point to the need for change are gathered by the persons who must make the change. A number of high level supervisors in a utility industry came to feel that the workers had many negative attitudes about their jobs which were due to poor supervisory practices. Each supervisor, quite naturally, felt that other supervisors were at fault. Top management set up a number of study groups in which the supervisors first learned how they could diagnose the causes of these negative attitudes. Each supervisor then returned to his own work place and gathered facts that would be necessary for him to analyse the causes of negative attitudes he could spot among his workers. Later the supervisors came together to report their findings. At this meeting their enthusiasm for change in their own practices was high because they had participated in gathering the facts which best described their problems. People will be more likely to act in terms of information they gather themselves than in terms of information gathered by others and delivered to them. If it is clear that a change is indicated in a given state of affairs, but the people who must abide by the change are resisting the shift, they can come to see it themselves by obtaining the facts which properly "case" the situation.

To summarize, we have said that resistance is a problem which any person who is responsible for social change must face. Even though it is strange and unexpected behavior, there are causes for the development of this phenomenon. These causes may be understood, and resistance may be prevented, if the administrator will help the changees develop their own understanding of the need for change and explicit awareness of how they feel about it, and what can be done about those feelings.

BIOGRAPHICAL SKETCH OF

LESTER C. GIAUQUE

Present Position: Lecturer on Business Administration, University of California, Los Angeles; Management Consultant.

Formerly: Business Analyst, United Shoe Machinery Corp. 1938-41; Industrial Engineer and Production Control Superintendent, Columbia Steel Co., 1941-45; Associate, General Manager and Assistant Publisher, W.D. Nebeker, Jr., 1945-49; Controller and Assistant General Manager, Archie McFarland & Son, 1949-50; Assistant to the Director of Maintenance, Hill Air Force Base, 1951-52; Management Consultant, Booz, Allen & Hamilton, 1952-55; Special Consultant to President of Coast Federal Savings, Los Angeles, in charge of Organization Planning; Owner of Management Consulting and Insurance Administration Business. (currently so engaged)

Educated:

1933 A.B. University of Utah
1938 M.B.A. Harvard University

SYNOPSIS OF MATERIAL

Among the functions of management none is more critical than organization. Once objectives have been set, plans and policies completed, there remains the necessity of deciding the activities which will be necessary to achieve the enterprise purpose. The formulation and grouping of the activities calls for elements of both art and science.

In his work with a variety of enterprises the modern management consultant gains a keen appreciation of the problems which arise in properly organizing to reach goals. In this presentation Program participants will have the chance, as it were, to look over a consultant's shoulder as he analyzes organizational problems, assisting executives to arrive at their solutions.

BIOGRAPHICAL SKETCH OF

JOHN M. LISHAN

Present Position: Acting Assistant Professor of Business Administration, University of California, Los Angeles.

Formerly: Price Economist, Office of Price Stabilization. Academic positions held at Brown University, University of California, Berkeley, and University of California, Los Angeles

Educated:

1942 B.A. Pennsylvania State University
1947 M.A. University of California, Los Angeles
1951 M.A. Harvard University

SYNOPSIS OF MATERIAL

Planning--An Administrative Task: A discussion of the functions of the administrator presupposes that most of the executive's energy is devoted to putting into effect previously devised plans for reaching pre-determined objectives. It falls to the lot of most administrators, even at relatively low levels, to participate from time to time in the planning process itself. Administrators who demonstrate a grasp of the relation of their own function to that of others are frequently invited to share in the determination of objectives and the formulation of policy. Those who do not know how to contribute to an over-all plan are usually not asked to participate. Attention should be given to the place of planning in the duties of the administrator, therefore, not only because he must continually plan ahead in the life of his own department but because he may be called upon to work on the larger plans of the organization into which his department fits.

BIOGRAPHICAL SKETCH OF

CYRIL J. O'DONNELL

Present Position: Associate Professor of Business Organization and Policy, Assistant Dean for Student Affairs in the School of Business Administration, University of California, Los Angeles.

Formerly: Industrial Engineer, P. R. Mallory Company, Incorporated; President, Indianapolis Distributing Company; Chairman of the Board of Directors, Wood Construction Company.

Educated:

1924 B.A. University of Alberta, Business Administration
1926 M.A. University of Alberta, Liberal Arts.
1944 Ph.D. University of Chicago, Business Administration

BIOGRAPHICAL SKETCH OF

DWIGHT PALMER

Present Position: Owner, Dwight Palmer and Associates,
Management Consultants

Formerly: Instructor in Personnel Administration, Extension Division, University of California, Los Angeles. In 1939-40, loaned to the California Institute of Technology to establish (in association with Dr. Arthur Young) the Industrial Relations Section. Various academic positions with Massachusetts Institute of Technology, Stanford University, Beloit College, Wisconsin

Born: April 11, 1904, of American stock (English and Scotch ancestry)

Educated:

A.B. 1925 Pomona College (Economics Major)
M.A. 1926 University of Chicago (Graduate School of Business)
Ph.D. 1935 Stanford University (Economics Major)
1935-38 All requirements except thesis for Doctor of Philosophy, (Economics) at London School of Economics

SYNOPSIS OF MATERIAL:

The Six Basic Questions on the Employee's Mind -

An analysis of the motivation of employees--the areas of main concern and modes of approach open to the intelligent employer of labor.

Management Operational Techniques -

An examination of selected management devices by which to achieve a maximum of operational harmony and inter-group effectiveness.

BIOGRAPHICAL SKETCH OF

GEORGE W. ROBBINS

Present Position: Associate Dean of the School of Business
Administration, University of California,
Los Angeles.

Formerly: Director of Research for the Farrar Company, Los
Angeles. Member of the faculty of the School of
Business Administration, University of Oregon.

Educated: University of California, Los Angeles
Harvard University

BIOGRAPHICAL SKETCH OF

ROBERT FRANCIS SMITH

Present Position: Assistant Director of the Institute of Industrial Relations, University of California, Los Angeles. Responsible for the Institute's educational programs for managers.

Formerly: From 1951 to 1955, Supervisor of Training for Ryan Aeronautical Company, San Diego, California. Responsibilities included company management development, work simplification, training and recreation programs. A member of Management Committee in negotiation of labor contracts (1951-54).

From 1947 to 1951, carried responsibilities in sales promotion and customer relations for Navion executive airplane manufactured by Ryan.

Chairman, Education Committee of San Diego Chamber of Commerce (1955).

Born: April 9, 1924 Brooklyn, New York

Educated:

1945 B.S. Naval Science, University of Southern California
1947 B.A. Economics, " " " "
1954 Certificate in Industrial Relations, University of California, Los Angeles.

BIOGRAPHICAL SKETCH OF

SEWARD BUTLER

Present Position: Management Accountant, Lybrand, Ross Bros., and Montgomery.

Formerly: Termination Accountant, U. S. Army, Corps of Engineers; Accountant, Kent & Rector, CPA's; Internal Audit Manager, Dresser Industries, Inc.; Internal Auditor, Lockheed Aircraft Corporation; Controller, Mrs. Lee's Pies, Inc.; Internal Auditor, Cannon Electric Company.

Born: April 26, 1915, Utica, New York.

Educated:

1939 B.S. Georgia School of Technology, General Science
1940 M.B.A. Harvard Graduate School of Business Administration
1944 CPA New York State

SYNOPSIS OF MATERIAL

The use of management accounting in industrial manufacturing enterprise with discussion of some of the current thinking about the use of accounting for cost control and as an aid in financial planning. Will discuss some of the current features of the use of returns on investment as a managerial accounting tool and will present some thoughts on the use of comparative reports.

BIOGRAPHICAL SKETCH OF

JOHN CARLSON

Present Position: Lecturer in Production Management, University
of California, Los Angeles

Formerly: Design Engineer with Gaertner Scientific Corporation;
Sales Engineer, Bliss & Loughlin Steel Company, Chicago.

Born: Chicago, 1926.

Educated:

B. A. Northwestern, Engineering
M.B.A. Northwestern

SYNOPSIS OF MATERIAL

This presentation will contain a discussion of the important elements in statistical quality control and their relationship to the activities of managers of various functions. Films and slides will be used to highlight the principles to be understood and used relating quality control to management.

Linear Programming in Production Control

J. G. Carlson

"Programming," as connoted by production managers of today, means the use of techniques to plan a complex set of interdependent activities in the best or optimal fashion. Though linear programming is the most prevalent term used to identify these techniques others include management programming and input-output analysis. Linear programming derives its name from the fact that the typical problems with which it deals are stated mathematically in the form of linear equations. It actually considers a number of variables simultaneously and calculates the best possible solution of a problem within stated limitations.

Furthermore, linear programming can be extended to analyze the effects of any change in the restrictions, an improvement in efficiency, an increase or reduction in cost, an increase in capacity. In short linear programming may be applied not only to finding the best program within given restrictions but also assessing the advisability of changing the restrictions themselves.

The theory of linear programming was developed by John Von Neumann, G. B. Danzig, T. C. Koopmans and a few other mathematicians, statisticians and economists. It was first applied in the Air Force's Project SCOOP with one of its applications being the Berlin Air Lift. Recent typical applications have been made in solving problems of maximizing profits on the basis of material and product allocation and optimal usage of machine and labor time but military, social and political problems are being increasingly explored.

The nature of the linear programming problem does not lend itself to ordinary equation solving. The ordinary techniques do not provide a ready method of solving a problem involving more unknowns than there are equations available in the quest of determining a solution to a desired equation which is either maximized or minimized by proper substitution of the unknowns. Thus with the assumption that all unknowns are positive (non-negative) numbers the problem boils down to optimizing the solution to an equation as a function of n unknowns when we can write only m equations ($m < n$) relating these unknowns.

Let x_i = unknown where $i = 1, 2, \dots, n$.

a_{ji} = coefficient of an unknown, j identifies the equation where $j = 1, 2, \dots, m$ and i refers to the unknown where $i = 1, 2, \dots, n$.

c_j = restriction on an equation where $j = 1, 2, \dots, m$.

b_i = coefficient of an unknown in the equation in which we seek to maximize or minimize the function of the unknowns.

Then the problem can be expressed symbolically as:

$$\begin{array}{rcl} a_{11} x_1 + a_{12} x_2 + a_{13} x_3 + \dots + a_{1n} x_n & = & c_1 \\ a_{21} x_1 + a_{22} x_2 + a_{23} x_3 + \dots + a_{2n} x_n & = & c_2 \\ \dots & & \dots \\ a_{m1} x_1 + a_{m2} x_2 + a_{m3} x_3 + \dots + a_{mn} x_n & = & c_m \end{array}$$

Of course there is more than one solution to a set of m equations since $m < n$ but linear programming techniques provide us with a specific solution which makes another function of the unknowns a maximum or minimum where

$$f(x) = b_1 x_1 + b_2 x_2 + b_3 + \dots + b_n x_n$$

Solution by the simplex method developed by Dr. George Danzig will be illustrated later.

The Meaning of the Equations

Let us assume an industrial situation in which, as is customary, the demand is to make profits as large as possible given certain conditions.

Let x_1	=	number	of	units	of	commodity	1
x_2	=	"	"	"	"	"	2
.
.
.
x_n	=	"	"	"	"	"	n
b_1	=	profit	per	unit	of	commodity	1
b_2	=	"	"	"	"	"	2
.
.
.
b_n	=	"	"	"	"	"	n

then

$$\begin{aligned} \text{Total profit} = f(x) &= b_1 x_1 + b_2 x_2 + \dots + b_1 x_1 \dots + b_n x_n \\ &= \sum b_i x_i \end{aligned}$$

Other conditional assumptions are:

- (a) reliable measures of unit profit.
- (b) unit profit is constant for each commodity no matter what the quantity.
- (c) limitations as to the amount of factors of production i.e., manpower, machine-time, capital, material, etc.

Thus it is the managers objective to most effectively utilize his limited factors of production to optimize profits.

Each unit made consumes a known specific amount of any factor of production, i.e., raw material, labor time, etc. If x_i , as before, equals the number of units of the i th commodity and k_{fi} is the amount of a factor of production f required for one unit of the i th commodity then

$$\begin{aligned} \text{Total Requirements of } f &= k_{f1} x_1 + k_{f2} x_2 + \dots + k_{fn} x_n \\ &= \sum k_{fi} x_i \end{aligned}$$

Now if the total amount of f available is only A_f we write:

$$\text{Total Requirement of } f = \sum_{i=1}^n k_{fi} x_i \leq A_f$$

and for factor of production g with availability of A_g

$$\text{Total Requirements of } g = \sum_{i=1}^n k_{gi} x_i \leq A_g$$

Thus assuming that the requirements for each commodity are directly proportional to the amount made (twice the number twice the factor consumed-- a linear relationship), we find that the total requirements of any one factor is equal to the sum of total requirements of that factor for each commodity.

Summarizing we find we look to linear programming techniques to maximize (or minimize)

$$f(x) = \sum b_i x_i$$

Subject to the Restrictions

$$\sum k_{fi} x_i = A_f \text{ where } x_i \leq 0$$

Illustrative Example:

Assumptions:

- (a) Three products P_1 , P_2 , & P_3 .
- (b) Each product made from two materials A & B.
- (c) Material usage as follows:

	<u>Product P_1</u>	<u>Product P_2</u>	<u>Product P_3</u>
Mat'l A	3 units	1 unit	1 unit
Mat'l B	2 units	3 units	2 units

- (d) Amount of material available is 1000 units of A and 1000 units of B.
- (e) All other factors of production available in sufficient quantity.
- (f) Profit per unit is \$5 for P_1 , \$4 for P_2 & \$3 for P_3 .

Problem: How many of each product should be manufactured in order to maximize total profit?

Solution: Let x_1 = number of units of P_1

x_2 = number of units of P_2

x_3 = number of units of P_3

Therefore,

$$\text{Profit} = f(x) = 5x_1 + 4x_2 + 3x_3$$

Now the amount of each material used cannot exceed 1000 units, therefore

$$3x_1 + 1x_2 + 1x_3 \leq 1000 \quad \text{and}$$

$$2x_1 = 3x_2 + 2x_3 \leq 1000$$

Now if we define two new unknowns, x_4 and x_5 , as the unused material A and B respectively, we can rewrite the above two inequalities as equalities. Thus

$$3x_1 + 1x_2 + 1x_3 + 1x_4 = 1000 - C_1$$

$$2x_1 + 3x_2 + 2x_3 + 1x_5 = 1000 - C_2$$

Therefore, restated, the problem is to maximize

$$f(x) = 5x_1 + 4x_2 + 3x_3$$

subject to the limitations of

$$3x_1 + 1x_2 + 1x_3 + 1x_4 = 1000 - C_1$$

$$2x_1 + 3x_2 + 2x_3 + 1x_5 = 1000 - C_2$$

The Simplex method of solution is shown in Table I. The solution, which is read in the bottom third of the Table, and in third column from the left, is

$$f(x) = 5x_1 + 4x_2 + 3x_3$$

$$= 5\left(\frac{6000}{21}\right) + 4\left(\frac{1000}{7}\right) + 3(0) = \$2000$$

or,

$$x_1 = \frac{6000}{21} = 286 \text{ units}$$

$$x_2 = \frac{1000}{7} = 143 \text{ units}$$

$$x_3 = 0 = \text{no units}$$

$$\text{Profit} = f(x) = \$2000 \text{ maximum}$$

Therefore, if 286 units of Product #1, 143 units of Product #2, and no units of Product #3 are manufactured, the total profit will be \$2000, which is the maximum amount that can be made with the limited amount of raw materials available.

Table I
Simplex Method of Solution

		Variable	Quantity	x_1	x_2	x_3	x_4	x_5
		x_4	1000	3	1	1	1	0
		x_5	1000	2	3	2	0	1
(Profit)	-z		0	-5	-4	-3	0	0
5	x_1		$\frac{1000}{3}$	1	$\frac{1}{3}$	$\frac{1}{3}$	$\frac{1}{3}$	0
	x_5		$\frac{1000}{3}$	0	$\frac{7}{3}$	$\frac{4}{3}$	$-\frac{2}{3}$	0
	-z		$\frac{5000}{3}$	0	$-\frac{7}{3}$	$-\frac{4}{3}$	$\frac{5}{3}$	0
5	x_1		$\frac{6000}{21}$	1	0	$\frac{3}{21}$	$\frac{9}{21}$	$-\frac{3}{21}$
4	x_2		$\frac{1000}{7}$	0	1	$\frac{4}{7}$	$-\frac{2}{7}$	$\frac{33}{7}$
	-z		2000	0	0	0	1	1

Solution By The Simplex Method

1st Tableau

Mat'l	Variable	Quantity	x_1	x_2	x_3	x_4	x_5
A	x_4	1000	<u>3</u>	1	1	1	0
B	x_5	1000	2	3	2	0	1
Profit	-z	0	\$-2	\$-4	\$-3	0	0

The first obvious thing to do would be to start producing as much of Product 1 (x_1) as possible because this contributes the most profit per unit. However the most we can produce would be $1000/3$ since this would use up all of material A available. ($3 \times 1000/3 + x_2 + x_3 + x_4 = 1000$.) Therefore in replacing x_4 by production of x_1 we would divide all the totals and coefficients in the matrix in x_4 row by 3. We note that the divisor is the number appearing in x_1 column x_4 row.

$$x_1 \quad 1000/3 \quad 1 \quad 1/3 \quad 1/3 \quad 1/3 \quad 0$$

In producing $x_1 = 1000/3$ what effect would this have on the amount of x_5 (amount of material B not used) and what would be the effect on profits? In the equation including the factor x_5 we had

$$2x_1 + 3x_2 + 2x_3 + x_5 = 1000 \quad \therefore \text{if } x_1 = 1000/3$$

$$\text{and } x_2 \text{ \& } x_3 = 0 \quad x_5 = 1000/3$$

and in equation for profits

$$z = 5x_1 + 4x_2 + 3x_3 \quad \therefore \text{if } x_1 = 1000/3 \quad z = \$5000/3$$

We must now carry through the relative effect that production of x_1 has on the other coefficients in the x_5 and z equations. To demonstrate the relative effect of producing $1000/3$ of x_1 we must have its coefficients in the new equations for x_5 & z be zero. This is done by subtracting these equations as they are at present from the new x_1 equation in such a way that the x_1 coefficient be zero. The "rule" is that in making the subtraction only the new equation brought in should be modified. In this instance to eliminate the effect of adding x_1 on the x_5 equation we multiply the new x_1 equation (its determinant) by 2.

$$\begin{array}{rcllclcl}
 (-) & x_1 \text{ (x 2)} & 2000/3 & 2 & 2/3 & 2/3 & 2/3 & 0 \\
 & x_5 & 1000 & 2 & 3 & 2 & 0 & 1 \\
 \hline
 & x_5 \text{ (new)} & 1000/3 & \underline{0} & 7/3 & 4/3 & -2/3 & 1
 \end{array}$$

Likewise to cancel the effect of adding x_1 on the profits equation we multiply the new x_1 by 5 and subtract (add).

x_1 (x 5)	5000/3	5	5/3	5/3	5/3	0
-z	0	-5	-4	-3	0	0
-z (new)	5000/3	<u>0</u>	-7/3	-4/3	5/3	0

We now have a solution to our equations which would tell us to produce only x_1 (1000/3 or 333 units), which would use up all of material A, use up only 2000/3 or 667 units of material B and yield a profit of 5000/3 or \$167. The 2nd Tableau would appear as follows.

2nd Tableau

Variable	Quantity	x_1	x_2	x_3	x_4	x_5
x_1	1000/3	1	1/3	1/3	1/3	0
x_5	1000/3	<u>0</u>	<u>7/3</u>	4/3	-2/3	1
-z	5000/3	<u>0</u>	<u>-7/3</u>	-4/3	5/3	0

This could be put in equation form as (we already know x_4 is zero but will carry its coefficient along in matrices)

$$\text{Production of } P_1 = 1000/3 = x_1 + 1/3 x_2 + 1/3 x_3$$

$$\text{Mat'l B} = 1000/3 = 7/3 x_2 + 4/3 x_3 + x_5$$

$$\text{Profit} = 5000/3 + 7/3 x_2 + 4/3 x_3$$

Investigating the 2nd Tableau we discover that there is still a chance to make a profit by producing some of x_2 . The maximum amount of x_2 which we could produce is equal to 1000/7 since, with x_3 & $x_5 = 0$,

$$\text{Mat'l B} = 1000/3 = 7/3 x_2 \quad \text{or } x_2 = 1000/7$$

Thus a new x_2 is formed to replace x_5 by multiplying the x_5 row by 3/7.

$$x_2 \quad 1000/7 \quad 0 \quad 1 \quad 4/7 \quad -2/7 \quad 3/7$$

To compensate for the effect of producing (or introducing) 1000/7 units of x_2 we must again make appropriate modifications of this new x_2 and subtract from present equations. The effect on x_1 row would be determined by multiplying the new x_2 by 1/3 and subtracting

(-) x_2 (x 1/3)	1000/21	0	1/3	4/21	-2/21	3/21
x_1	1000/3	1	1/3	1/3	1/3	0
x_1 (new)	6000/21	1	<u>0</u>	3/21	9/21	-3/21

Since $1000/3 = x_1 + 1/3 \times 1000/7$, x_1 is reduced in amount desired to maximize profits from $1000/3$ to 333 to $6000/21$ or 286 . And for the effect on profits by producing $x_2 = 1000/7$ we would multiply the new x_2 by $7/3$ and subtract (add)

x_2 ($\times 7/3$)	$1000/3$	0	$7/3$	$4/3$	$-2/3$	$3/3$
-z	$5000/3$	0	$-7/3$	$-4/3$	$5/3$	0
-z (new)	$6000/3$	0	<u>0</u>	0	1	1

Now since producing no other products would increase our profits (all positive or zero values for -z) this is then an optimum solution.

3rd Tableau

Variable	Quantity	x_1	x_2	x_3	x_4	x_5
x_1	$6000/21$	1	0	$3/21$	$9/21$	$-3/21$
x_2	$1000/7$	0	1	$4/7$	$-2/7$	$3/7$
-z	2000	0	0	0	1	1

This states that for x_3, x_4 & $x_5 = 0$, and $x_1 = 6000/21$ or 286 units, $x_2 = 1000/7$ or 143 units.

$$\text{Material A consumption} = 3 \times 6000/21 + 1 \times 1000/7 = 1000$$

$$\text{Material B consumption} = 2 \times 6000/21 + 3 \times 1000/7 = 1000$$

$$\text{Profit} = \$5 \times 6000/21 + \$4 \times 1000/7 = \$2000$$

STATISTICAL CONTROL OF PROCESS QUALITY

By John G. Carlson

Part I

1. Definition of Quality

Quality is a very difficult term to define without leaving out some essential part of its definition. Roughly it may be stated that the quality of a product or process may be determined by a comparison of its characteristics with those given by predetermined specifications.

The quality may be measured in two ways. When the quality records are kept of certain measurable characteristics, then the quality is said to be expressed by variables. (Examples - Diameter of a shaft, length of a bolt, etc.) When the records disclose only the number of articles conforming or failing to conform to a specific requirement it is said to be a record by attributes. (Example - parts tested on a Go-No-Go Gage.)

The level of quality is also important in that the product of a company usually becomes the raw material of a customer. The customer will undoubtedly wish some assurance of the reliability of the product so that the lots purchased will be reasonably consistent with one another and with any which may be purchased in the future.

To improve the quality level of a product may be just as dangerous to a company as letting the level drop below specified limits. The customer who receives a high quality lot may demand this quality in the future and at the same price.

2. Definition of Control

Control means a method for determining when the activities of a business are deviating more than they should from the course laid down by management.

Satisfactory control of a quality takes place when the process is under control and the quality of the product lives up to the specified standards. The main function of S.Q.C. is not to establish quality nor improve it, but to keep it identical with prescribed standards. These standards by which management controls processes should be set with due consideration for all factors. The requirements of the Sales Dept., the capabilities of the process, the skill of the workman, the availability of raw materials and engineering design should all be studied so as to produce maximum profit for the whole organization.

3. Objectives of SQC

Some of the objectives of SQC may be summarized in the following list.

- a. Reduction in the amount of rejections.
- b. Prediction of impending trouble before actual rejections are incurred.
- c. Reduction in the cost of inspection through smaller in-

2.

spection force required, fewer instruments and gages required and reduced inspection time per lot or per piece needed.

- d. Greater uniformity of product.
- e. Narrowing of tolerances which makes for more efficient use of materials.
- f. Provides a better basis for establishing or altering specifications.
- g. Provides a basis for influencing decisions of engineering, production and inspection departments and aids toward cooperation between these departments.
- h. Provides such by-products as:
 - 1. Improvement in processing, inspection and engineering standards.
 - 2. Periodic evaluation of departmental performance in quality terms.
 - 3. Evaluation of vendor activities.
 - 4. Provides process inspection where none existed before.

Another objective of a SQC system is that it be so designed that it may fit into the existing situation of processes and personnel with a minimum of alteration, and confusion. This may be done by using present inspection procedures as much as possible, fitting techniques to the personnel existing and avoiding high-powered statistical terminology.

Limitations placed on the use of SQC are mainly those of quantity of production of a certain item and the personnel involved in the carrying out of the techniques. When production of a certain item is 50 or less, there is little justification for setting up a control chart since in itself it would not be very accurate. Control charts for variables are best when production is above 1000 and for attributes production should be above 10,000 items.

4. Misconceptions

It is often felt that on jobs of short duration, SQC is not worth setting up and applying. The time required to set up a chart is dependent only on the time required to produce enough units for a suitable chart. Thus time in weeks or months is not of importance, it is the number of units produced in a period which validate a chart.

Another misconception is that the methods are extremely mathematical. The examples which follow in part III and IV illustrate that only simple arithmetic is used and not even squares of numbers are required in computations.

As far as the common objection on the basis of "Its too complicated for the personnel" it has been proven that a foreman with 2 hours instruction set up a control chart procedure with excellent results.

Techniques are good only where one realizes trouble exists in another misconception. It may be true that where one is conscious of trouble in certain places, these places provide good opportunities for cost savings.

Nevertheless, SQC techniques often turn up cost-saving opportunities in places where there is no consciousness of trouble.

Part II

1. The Control Chart

Practical meaning of 3-sigma limits on Control Charts for Variables is illustrated by its immediate detection of changes in the universe or process and steps should be initiated to find out the factors which caused the process to change. Thus if the process is under control we would expect at least 97.73% of the samples tested to be between these control limits and only .27% to fall outside these limits due to pure chance-cause phenomenon being in operation. The Control Chart in effect tells when to hunt for the cause of variation and in some cases where to look. Thus the power of the chart lies in its ability to distinguish between variations due to chance and those due to outside or assignable causes. It tells when to leave a process alone and prevent unnecessary adjustments to the machinery which may increase rather than decrease costs and sometimes the variations themselves.

2. Preliminary Steps in Setting Up a Control Chart

- a. Consider carefully the quality characteristics which are to be measured.
- b. Study the production process in detail to determine the kind and location of causes which are likely to yield irregularities.
- c. Plan how to collect and subgroup data
 1. Make sure that the inspection instructions are clearly set forth and understood.
 2. The subgrouping should divide the process into different conditions which exist i.e. time of production, location, etc. This is important so that causes of variation are not obscured.
 3. Records of the data should be so complete that each may be identified with a specific time or process within the shop.
- d. Select one of the four forms of statistical measures which the term S.Q.C. usually refers to.
 1. Control Chart \bar{X} and R or σ . When the measured values of the quality characteristics are at hand these charts may be used. The range chart is used in preference to the sigma charts because ranges are easier to compute than sigmas.
 2. Control Chart for \bar{X} alone. This chart may be used when experience has shown that instances of lack of control are almost always associated with \bar{X} rather than sigma or R.
 3. Control chart for p or pn. A chart used when wishing the records of inspection to show merely the number of items inspected and number found defective. These charts can also be found in addition to \bar{X} and R charts.
 4. Control chart for c. This is used when determining the number of defects in a sample. Such is the case in inspection of finishes, textiles, etc.

3. Starting the control Chart

In setting up the control chart sufficient data is collected so that preliminary control chart constants can be set up. These in turn become a basis for establishing standard values for \bar{X} , R and the selection of standard values is perhaps the most basic problem in setting up control procedure. The primary aim is not just to get control, but to get control at a satisfactory level which is defined by the specifications.

If the preliminary data gives no indication of lack of control, then the grand average ($\bar{\bar{X}}$) of the averages of the samples (\bar{X}) and averages of the other characteristics (\bar{R} & $\bar{\sigma}_x$) may be taken as representative of the process. If, however, an analysis of the preliminary data gives indications of lack of control, there may be grounds for disregarding some of the data and/or reviewing the process for assignable causes. \bar{X} and $\bar{\sigma}_x$ should then be recalculated from the data retained or new data collected when assigned causes have been found and corrected.

Will these values for $\bar{\bar{X}}$ and \bar{R} or $\bar{\sigma}_x$ be acceptable? They will be if the distribution for \bar{X} and $\bar{\sigma}_x$ falls within the X_{max} and X_{min} limits given by the specifications. Thus if $\bar{\bar{X}} + 3\bar{\sigma}_x$ falls within the specified limits, $\bar{\bar{X}}$ may be set as the Standard \bar{X} and $\bar{\sigma}_x = \sigma$. This is not to be taken as absolute fact since the shape of the distribution curve may indicate that a great percentage will be within X_{max} - X_{min} though normal distribution to the 3-sigma limits indicates otherwise. If the distribution does not fall within the limits of the specification, there are only two alternatives: a fundamental change in the process or a change in the specifications.

4. Using the Control Chart During Production

Once the control chart and limits have been established, then certain rules must be followed to insure effective use.

- a. Points should be posted to the control chart at once.
- b. If points fall outside the limits, immediate action should be initiated.
- c. Other indications should be noted such as unusual patterns.
 1. A series of points falling close to one limit.
 2. A long series predominately above or below the center line.
 3. A series of points exhibiting a trend.
- d. Charts should be reviewed periodically and also after each major corrective step has taken place.
- e. Charts should be kept as a record for future use and also as proof of quality to purchaser. (Charts can reduce amount of acceptance inspection done by purchaser if copies are submitted to him.)

Notation:

- Clearance = Difference in external & internal dimensions of two mating parts (1.000-.999=.001)
- Allowance = Minimum clearance between two mating parts. (Maximum size of shaft less minimum size of bearing)
- Tolerance = Permissible amount of variation expressed as absolute value or plus or minus (.0026 = \pm .0013)

CONTROL CHART DATA SHEET

Product _____ Prod. Order No. _____ Date _____
 Characteristic _____ Dept. No. _____ Oper. _____
 Unit of Measurement _____ Machine No. _____ Insp. _____
 Specification Limits _____ Daily Output _____
 Specification No. _____ Sample _____

Sample No.	1	2	3	4	5	6	7	8	9	10	11	12
Items	x_1											
	x_2											
	x_3											
	x_4											
Total												
Average \bar{x}												
largest value												
smallest value												
Range R												

Sample No.	13	14	15	16	17	18	19	20	21	22	23	24
Items	x_1											
	x_2											
	x_3											
	x_4											
Total												
Average \bar{x}												
largest value												
smallest value												
Range R												

Comments: _____

	$\bar{\bar{x}} =$ _____ $\bar{R} =$ _____

Table I

Factors Used in Computing 3-Sigma
Control Limits For Average and Range Charts

No. in Sample	Factors for Control Limits			
n	A ₂	d ₂	D ₃	D ₄
2	1.880	1.128	0	3.268
3	1.023	1.693	0	2.574
4	.729	2.059	0	2.282
5	.577	2.326	0	2.114
6	.483	2.534	0	2.804
7	.419	2.704	0.76	1.924
8	.373	2.847	.136	1.864
9	.337	2.970	.184	1.816
10	.308	3.078	.223	1.777

Formulas

<u>Purpose of Chart</u>	<u>Chart for</u>	<u>Central Line</u>	<u>3 Sigma Control Limits</u>
For analyzing past inspection data for control ($\bar{\bar{x}}$, \bar{R} are average values for the data being analyzed).	Averages	$\bar{\bar{x}}$	$\bar{\bar{x}} \pm A_2 \bar{R}$
	Ranges	\bar{R}	$D_3 \bar{R} \text{ \& } D_4 \bar{R}$
For controlling quality during production (\bar{x}' , σ' and R'_n are selected standard values where $R'_n = d_2 \sigma'$ for samples of size	Averages	\bar{x}'	$\bar{x}' \pm A_2 R'_n$
	Ranges	$R'_n = \bar{R}$ $= d_2 \sigma'$	$D_3 R'_n \text{ \& } D_4 R'_n$
For determining the danger limits which should be within a half unit ($\frac{1}{2} \sigma_s$) of the specification limit. Otherwise the process produces parts which are too good for the specifications or not good enough for the specification.	Averages	\bar{x} DL	$\bar{x} \pm \sqrt{n} A_2 R'_n$

(Since $\sigma_s = \frac{\sigma'}{\sqrt{n}}$)

Part III

1. Control Charts for Interchangeable Parts

The control chart has been found extremely useful in the manufacture of mating parts. This application of SQC consists of using lots of the individual parts which in themselves were produced using the control chart technique and leaving the tolerances required for assembly entirely up to chance. The manufacture of SAE 1/2-20 class 3 nuts and bolts will be used to illustrate the chance laws as they may be applied to assembly operations.

National Standards have established that each part has a pitch diameter tolerance of $\pm .0013$ inches. The maximum clearance permissible between mating parts is therefore $.0052$ inches. It is possible to determine a total tolerance for the resulting assemblies based on the tolerances for the component parts by utilizing fundamental statistics which states that σ^2 is equal to the variance. Thus the combined variance of two component parts is equal to the sum of the individual variances or in this case $(3\sigma_n + 3\sigma_b)^2 = (3\sigma_{n,t})^2 + (3\sigma_{b,t})^2 = (.0013)^2 + (.0013)^2$ is equal to $(.00185)^2$. Three standard deviations is thus equal to $.00185$ and the maximum clearance for the assembly is $.0037$.

This means that the clearance between the mating parts of the various assemblies will probably cluster in a normal distribution about a certain average clearance with very few assemblies differing from this clearance by more than $.00185$ on either side. The mean clearance may be found in the following way. Each of the component parts is assumed produced with its control chart maintained at the midpoint of its tolerance. The sizes of each part is assumed to vary normally about this midpoint and therefore the mean clearance of their assemblies would be the difference between these two midpoints.

Clearances for assemblies of nuts and bolts is shown in the following illustration. This shows a normal distribution about a mean of $.0026$. With control limits at $\pm .00185$ on either side of this mean it may be stated that about 99.73% of the assemblies will have a clearance of between $.00075$ and $.00445$ with most of them having a clearance of about $.0026$ inches.

As an aid for quick solutions in situations such as this, a nomograph has been developed by Mr. Dorian Shainin, Chief Inspector at United Aircraft Corporation. This nomograph can be used as follows: the tolerance of the component parts are entered on the side scales, a straight edge is used to connect the two points and the reading on the center scale is the tolerance which will be yielded by the assembly of two parts which are assembled strictly by chance.

Two important results are obtained from the above discussion. One is that the actual assembly clearance tolerance obtainable uses only about 65% of the permissible assembly clearance tolerance. ($.0037$ divided by $.0052$ equals 65%). The other is that if we set a statistical tolerance for the assemblies at the permissible limit ($.0052$ or $\pm .0026$) then the tolerance for the individual parts can be "opened up" to $.0037$ (or $\pm .0018$) as shown by the nomograph. The standard tolerance for each component of an SAE 1/20 class 2 thread is $.0036$, ($\pm .0018$) which means that the use of a control chart will allow you to get class 3 assemblies at class 2 prices.

2. Block Example

Similar techniques may be used in a discussion of more complex, multi-component assemblies. A simple example using many blocks which were cut to five basic lengths will be used. Each of the five groups are assigned a different color. If the longest of each group are placed in one stack and the shortest in another, these stacks would represent the extremes and add up to the solid lines in the Figure. If the blocks are scrambled and random selections made from each color then almost invariably their total would lie within the dotted lines. The region between the dotted and solid lines becomes the unused tolerance. The chart shows that the designer can assign workable tolerances to component parts and the algebraic sum of these tolerances would far exceed the limits for a workable assembly but the statistical sum would yield desired results.

Solutions to problems of the above type can either be worked out mathematically as indicated by the variance procedure or by use of the nomograph. One pair of tolerances can be entered on the outer scales yielding a resultant in the center column which in turn can be used to pair up, with another component tolerance etc., until all the components are handled and the final resultant obtained.

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Part IV

Control Chart for Fraction Defective ("p" chart)

This charting technique applies where there are relatively large quantities of an item produced. It also is used where inspection is by attributes--or a forced choice of either defective or non-defective units. This is a go, no-go situation.

It is to be remembered that a defective unit may at times contain a number of defects. The seriousness and quantity of defects classifies it as a defective.

Chance factors operating in the production process result in the production of a certain proportion of defective units. This ratio or proportion is called $p' = \frac{\text{No. of Defective Units}}{\text{Total units produced}}$. When the process is operating under this chance-cause system the p' represents the probability of drawing a defective unit in a lot or sample. If the p' found from sample to sample does not vary beyond certain limits then it is said that the process is in a state of statistical control or "in control".

If x equals the number of defectives in a sample of n units then $p = \frac{x}{n}$ or the fraction defective. Subscripts may be added to indicate which sample. The percentage defective may be obtained by multiplying by 100.

If a number of samples were taken and a frequency distribution made of the individual fraction defectives (p_x) from the sample, the distribution would approach a binomial. The average of the frequency distribution (\bar{p}) is the best estimate of the fraction defective (p') of the process. Also the standard deviation of this distribution is the best estimate of the process variation. This is dependent on the process being "in control".

If the value of $\bar{p} \approx p'$ is a "satisfactory" level of quality then the control charts can be established. If, however, $\bar{p} \approx p'$ is too large a percentage than deemed satisfactory then a) a fundamental change in the process must be made or b) the specification requirements must be changed. (where $\bar{p} = \frac{\sum X}{\sum N}$)

If $\bar{p} \approx p'$ is adopted as the standard value, representative of the process at this point in time then control limits for a sample size of n can be established. The formula for the 3-sigma limits for p' is $p' \pm 3\sqrt{\frac{p'(1-p')}{n}}$ where $\sqrt{\frac{p'(1-p')}{n}}$ is the standard error of a percentage.

If the sample size is not constant, control limits must be calculated for each sample size. Thus when plotting values on a "p" chart with varying sample sizes the control limits for each point plot is a function of its sample size.

When dealing with constant sample sizes it is more convenient to work with number defective than fraction defective. This is then $p'n$ as the number of defectives in a sample of n items. The control or 3-sigma limits for number defective are $p'n \pm 3\sqrt{p'n(1-p')}$. Also if the fraction defective (p') is small, say less than .05 a simplified formula of $p'n \pm 3\sqrt{p'n}$ may be used for close approximation to the control limits.

When the data is plotted, the p' decided upon and the control limits established, the chart controls quality as the \bar{X} chart does. If a value of p from a sample falls above the UCL_p then the process can be assumed to be

producing a greater proportion of defective products than could normally be expected. The process should be shut down, investigated and the cause of the trouble removed.

If, on the other hand, a point falls below the LCLp, the cause for this must also be investigated. Since this resulted in quality improvement perhaps this "cause" can be incorporated into the process which can be continued at a new lower fraction defective. The control chart for "p" has in this instance disclosed an improvement in the process which might otherwise have been discovered.

Part V

Control Chart for Defects ("c" Chart)

It should be recalled that a Unit may have a number of defects or opportunity for defects whereas if it is rejected it becomes a defective unit. The distinction is brought out when comparing "c" charts, where defects are to be discovered in a sample (which can be interpreted as one unit), with "p" charts, where defective units are to be discovered in a sample of n units. The basis of the "c" chart is the Poisson distribution whereas the "p" chart is based on the Binomial Distribution.

The "c" chart is utilized when the defects of units from a process a) have many opportunities to occur and, b) rarely occur actually.

Examples of "c" chart applications could be when examining the assembly of automobile dash boards or painting of vacuum cleaners (holidays, globules, thickness, etc.).

A frequency distribution can be made by showing the number of samples (units) having the same number of defects versus the categories of 0, 1, 2 - etc. defects per sample. This distribution would again not be symmetrical and would be classified as a Poisson since the number of defects examined is very large yet the probability of a defect occurring is very small ($NP < 5$). It is true that a) the average of the distribution is the best estimate of the process average and b) the spread of the distribution is an estimate of the variation of defects per sample.

The control chart for "c" is constructed by first finding the average number of defects (\bar{c}) from a number of samples by

$$\bar{c} = \frac{C_1 + C_2 + \dots + C_k}{k} \text{ where } k = \text{number of samples.}$$

This can be plotted as the center line on the chart. The control limits based on the standard deviation which is approximated by $\sqrt{\bar{c}}$ are equal to $\bar{c} \pm 3\sqrt{\bar{c}}$ at the 3-sigma limits.

\bar{c} would become standardized at an opportune time and $\bar{c} \rightarrow c'$. The plotting to this graph would be as before and the signals of inferior or superior quality would be indicated as before.

BIOGRAPHICAL SKETCH OF

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Present Position: Assistant Professor of Business Administration,
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Sciences Research Project, under sponsorship of the
Office of Naval Research, 1950 to present. Project
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Educated:

1946 B.A. University of California, Los Angeles, Meteorology
1950 M.A. University of California, Los Angeles, Mathematics
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SYNOPSIS OF MATERIAL

Operations research has two main aspects. On the one side it is an approach to the process of managing, and especially to the management decision-making function. As such, it is applicable by the manager in his daily work, and will help him to develop, test, and improve rational bases for planning and controlling the operations for which he is responsible.

On the other side, operations research is an advisory profession which specializes in the expert application of the operations research approach, and which uses powerful scientific tools to help in the solution of important and difficult problems.

This talk will introduce operations research in both of its aspects, with examples showing how it can be put to work.

BIOGRAPHICAL SKETCH OF

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Present Position: Practicing with the firm of Parsons and Williams, Consulting Management Engineers. Lecturer in Business Administration, University of California, Los Angeles.

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Educated:

1939 B.S. Rice Institute, Mechanical Engineering

SYNOPSIS OF MATERIAL

Theme: Intuitive vs Scientific Management.

1. Theory of internal investment analysis as a basic management technique.
2. Quantitative Methods in Inventory Control.
3. Quantitative Methods in Equipment Selection.
4. Quantitative Methods in Production Control.
5. Work measurement and applications.
6. Work Sampling film.

BIOGRAPHICAL SKETCH OF

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Educated:

1946 M.A. St. Andrews University, Economics
1947 M.A. University of Toronto, Economics
1951 Ph.D. Harvard University, Economics

SYNOPSIS OF MATERIAL

This presentation will survey some of the common problems of large-scale organizations, as seen by the historian. Attention will be directed to the relatively late development of large-scale organizations in business, as contrasted with their early development in politics (the empire and the nation-state) and in religion (universal churches). It will be argued that this time-lag in development was due to the inability of large-scale business organizations to use force (authority backed up by coercive sanctions) as a means of coordinating behavior. Effective interpersonal cooperation in business had to be voluntary, not coerced. Voluntary cooperation could be secured only by effective two-way communication between the various components of the organization. Consequently, it will be suggested, large-scale organizations in business could not develop until techniques of communication (both in the technological and in the sociological sense) had reached a certain minimal level of efficiency. Furthermore, the continued existence of large-scale business organizations in a democratic society depends upon maintaining effective communication both within the organization itself and between the organization and its environment. Reliance upon force always signals a breakdown in communication. A free society must minimize the use of force by private individuals and organizations. Consequently a free society has a direct interest in maintaining effective communication among its constituent organizations. The significance of this point of view for policy will, in conclusion, be briefly suggested.

BIOGRAPHICAL SKETCH OF

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Research Interests: Political Theory, American Government and
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1948 A.B. University of Southern California, Political Science
1950 M.A. Stanford University, Political Science
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Synopsis of Material:

Every organization has a function. This is as true of private, industrial organizations as it is of public "bureaucratic" organizations. For our purposes here we can say that governmental organizations have a public function. The organization, that is, is created to serve some public need. The original constituency of a governmental agency is the people of the United States. Inevitably, however, other functions emerge for the personnel of the organization. Ordinarily it quickly develops a "clientele" and as it does so tends to identify its function as service to the needs of the clientele. The dynamics of this process are labyrinthine and somewhat elusive. They involve politics, political parties, pressure groups, personal ambition, majority rule, and the general welfare. The question to be explored is that of whether or not a governmental agency which identifies its function in strict terms of the needs of a private clientele has become dysfunctional in terms of the purposes for which it was created.

INSTITUTE OF INDUSTRIAL RELATIONS



THE SELF-LEGITIMATION OF AN ENTREPRENEURIAL CLASS: THE CASE OF ENGLAND

By
REINHARD BENDIX

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E. T. GRETHER, *Director*

The Self-Legitimation of an Entrepreneurial Class : The Case of England¹

REINHARD BENDIX

(Associate Professor of Sociology, University of California)

I

This essay is concerned with the ideological leadership of an entrepreneurial class. The material used in this discussion has reference to the English experience of the late 18th and early 19th centuries. But the questions with which this study was initiated, have general significance. It may be helpful, therefore, to begin with these general considerations.

Industrialisation may result from the initiative of many social groups : government officials, dissenting religious groups, aristocratic land-owners, craftsmen turned into small entrepreneurs, a political élite dedicated to industrialise a nation, and many others.² Every group which stands in the vanguard of a successful movement for industrialisation must prove strong enough, not only economically but also ideologically, in order to accomplish what industrialisation requires : a break with the past. The question of ideological leadership on the part of an entrepreneurial class is not concerned with the origin of its capitalist spirit. Rather, it is concerned with the ideological weapons by which representatives of such a class seek to destroy the last elements of traditionalism in economic life.

Social actions are traditional, when they are animated by a "belief in the everyday routine as an inviolable norm of conduct".³ And there are certain everyday routines of economic conduct, which may be called the "special enemies" of an entrepreneurial class. Among these are the traditional conception of the master-servant relationship with its emphasis upon deference from below and protection from above, and the subordination of work-performance to social rather than economic considerations.⁴ Both forms of traditionalism stand in the way of industrialisation. Modern industry requires the creation of a non-agricultural work-force which stands ready to offer its services, which responds "adequately" to the incentives offered by employers, and which is willing to submit to the discipline required in factory production. These qualifications of a work-force are ideal from the standpoint of industrialisation. Yet their development is seriously hampered if the traditional deference of the servant and the equally traditional, quasi-familial authority of the master continue to prevail. That development is hindered also, as long as work is performed to meet the needs of family-subsistence (rather than for the sake of maximising income), since these needs are not only defined, but also limited, by the standards of customary practices.⁵

Wherever a break with these and other forms of traditionalism has been a prelude to industrialisation, it has occurred under the ideological leadership of an entrepreneurial class. To be sure, we should guard against overestimating the hold which traditional beliefs have over economic life, as much as we should avoid overrating the significance of entrepreneurial ideologies themselves. For traditionalism in economic life, such as the preference for tried methods of production or the preference of poverty at home in lieu of the risks and opportunities abroad, is often maintained, not because change as such is opposed, but because every proposed alternative creates more problems than it solves, socially and economically speaking.⁶ Moreover, a major break with traditionalism, when it does occur, is the result of many forces, of which the ideological leadership of an entrepreneurial class is only one. But this leadership is a major factor, nonetheless, and the ideologies which were used to justify the advance of modern industry originally, have helped to shape the vital legacies that affect the autonomy of the individual in the industrial civilisations of today.

The present essay is concerned with the development of entrepreneurial ideologies in England as an introduction to studies of comparable or contrasting developments elsewhere. Before we examine the English case more closely, it may be helpful to relate it to these other, analogous developments.

In England industrialisation was bound up, more perhaps than in any other country, with the economic activities of a large and heterogeneous middle class. The rising entrepreneurial class of the 18th century found itself confronted with a working-class, which was in the process of emancipating itself from the restricted beliefs and practices characteristic of traditionalism. Over a century ago John Stuart Mill made an observation which bears directly on this point.

"Of the working men, at least in the more advanced countries of Europe, it may be pronounced certain that the patriarchal or paternal system of government is one to which they will not again be subject. That question was decided when they were taught to read, and allowed access to newspapers and political tracts; when dissenting preachers were suffered to go among them, and appeal to their faculties and feelings in opposition to the creeds professed and countenanced by their superiors; when railways enabled them to shift from place to place, and change their patrons and employers as easily as their coats; when they were encouraged to seek a share in the government, by means of the electoral franchise. The working classes have taken their interests into their own hands, and are perpetually showing that they think the interests of their employers not identical with their own, but opposite to them".⁷

Mill's statement makes it apparent that in Western Europe the independence of workers was a by-product of the same major historical changes which have led to the independence of the entrepreneurial class

itself. Hence, when the spokesmen for English manufacturers in the late 18th and early 19th centuries demanded the self-dependence of the lower classes, they were merely responding to an historic *fait-accomplí*. That they did so in an attempt to structure this independence of the workers in a manner agreeable to the interests of the employing classes, comes as no surprise and will be examined later. But whatever the reasons, they did demand the self-dependence of the lower classes and they denied, at the same time, their responsibility for the protection of the poor. One may say that the English industrialists of that time were more fearful of the obstacles, which traditionalism placed in the way of their economic pursuits, than of the risks inherent in advocating the independence of the workers.

It is appropriate to contrast this English experience with that of Russia, for today Russia is one of the major industrialised areas of the world. Industrialisation in Russia was initiated in the 18th century on the basis of forced labour. All serfs, whether they worked in manufactures or on the land, were obliged to pay a poll-tax to the Tsar, a fact which established the tradition of seeking recourse for their grievances from the Tsar. This system led during the 18th and 19th centuries to a form of social protest which attributed all actual abuses to employers, landowners and government officials and which sought relief by direct appeals to the highest authority despite continued disappointments and cruel persecutions. Hence, the revolution of 1917 was used to overthrow the established authority of a Tsar who had failed his people, but it was not used to alter fundamentally the established traditions of the Russian masses. For in that tradition all the nation's resources belonged to the Tsar as the custodian of the people. When the Tsar fell, all resources reverted to the people, who would now work for themselves as they had previously worked for the Tsar.⁸ In his writings of that time Lenin accurately, if unconsciously, reflected this tradition. In an article on the "Immediate Tasks of the Soviet Government" he deplored the prevailing lack of labour-discipline. The task of the government must be to teach the people how to work, for the Russian was a bad worker owing to the Czarist régime and the tradition of serfdom. Elsewhere Lenin wrote that in the long run labour will be performed gratis for the benefit of society. But right now it was the duty of the Socialist government "to organise competition". Only now was competition possible on a mass-scale.

"Model communes should and will serve as educators, teachers, helping to raise the backward communes. The press must serve as an instrument of socialist construction, give publicity to the successes achieved by the model communes in all their details, study the causes of these successes, the methods these communes employ, and on the other hand, put on the 'black-list' those communes which persist in the 'traditions of capitalism', i.e. anarchy, laziness, disorder and profiteering. In capitalist society, statistics were entirely a matter for 'official persons', or for narrow specialists;

we must carry statistics to the masses and make them popular so that the toilers themselves may gradually learn to understand and see how long it is necessary to work, how much time can be allowed for rest, so that the comparison of the business results of the various communes may become a matter of general interest and study, and that the most outstanding communes may be rewarded immediately. . . ."⁹

In retrospect it is possible to see that this approach sought to mobilise the enthusiasm of the masses for the tasks of the Soviet Government by appealing to their pride of collective ownership and control. Yet while the masses rather than the Russian Tsar were now the nominal fountainhead of all authority, they remained duty-bound to render services to the state. Eventually this duty had to be enforced by the centralised organisation of production and distribution and by an intensified form of competition which, according to Lenin, turned the work of the individual from a private affair into an important affair of state. Hence, the non-agricultural work-force which was mobilised in the West under the slogan of the "independence of the worker", was mobilised in Russia under the slogan of "labour performed out of a habit of working for the common good".¹⁰

A non-agricultural work-force may also arise along lines which differ both from the English and the Russian models. I have reference to those colonial countries, where capitalist enterprise has advanced to a considerable extent. In these countries entrepreneurial classes have been composed as a rule of one or several dominant and alien groups. These groups must employ a labouring class consisting of natives, who are ethnically and culturally distinct and who are moreover extremely weak both economically and politically. It is under these conditions of a plural society that a non-agricultural work-force has been created in such countries as South Africa, the Netherlands Indies, and others. Where capital and labour have developed together, the relation between foreign capital and native labour has been complicated by the clash of colour and of culture. In addition, that relation has often been complicated by the need to import native labour under contract in areas where capital is abundant but labour scarce. It is undisputed that considerations of economic advantage have over-ruled all others, wherever the dominant group has differed greatly from the subject native work-force in terms of race, culture and religion. Under these conditions the spokesmen for the dominant group are prone to assert that the native peoples are inescapably dependent and inherently inferior. And this view leads either to the assertion that their inferiority accounts for their social and economic misery or again to the charge that the superior people must safeguard the natives against the fatal consequences of their own weakness. Accordingly, views concerning the native worker have ranged from the strident doctrine of *Apartheid* to the tempered ethic of benevolent paternalism. But whether the responsibility of the dominant group is denied as in the first view, or asserted

as in the second, neither can overcome the continued dependence of weak native peoples and neither can create a non-agricultural work-force which would facilitate intensive industrialisation. It is this profound cleavage between the entrepreneurial class and the native labourers which makes a case apart of these areas of the world, into which modern industry has been introduced by a Western power. For in the "plural societies" of these areas there is no political or economic community between the two groups. And if such a community were to be created, then the subject, native group would have first of all to acquire citizenship so that the decisions made would reflect the political activities of both the "foreign" capitalist and the "native" worker. Likewise, if such a community were to be created in economic terms, then the subject, native group would have to participate on equal terms in a national market rather than remain in native economic enclaves or leave them on condition of complete economic subjection. Changes in this direction would certainly alter the relationship between the entrepreneurial class and the native labourers, for they would remove that relationship from the twin dilemma of racist subjection and paternalistic tutelage. Such changes are taking place in the position of the Negro in the United States, and it is this fact which distinguishes the American pattern from that of the "plural societies". In the latter distinct social groups are related to one another much like independent political societies, except that they exist within the same State.¹¹ And it is obvious that in the absence of a national community nationalist uprisings have appeared to many native peoples as the only alternative to a foreign domination which condemns them to permanent inferiority.^{12 13}

The foregoing discussion has suggested a three-fold development of industrialisation, which in each case has been reflected in the relationship between the entrepreneurial and the working class. While this typology needs considerable elaboration, it helps to point up the significance which may be attributed to the legitimation of entrepreneurial classes. In the course of industrialisation these appeals have fashioned the ideological weapons with which Russia and the West seek to enlist the peoples of underdeveloped areas. It is somewhat fanciful to suggest that communism in the 20th century is a counterpart to the Calvinism of the 17th century. But spurious as this statement may be, it helps us to visualise that in both cases we deal with an "entrepreneurial class" which is inspired by a sense of mission, which plays a major part in the industrialisation of a nation, and which on that basis appeals to the loyalty of peoples elsewhere.

II

English industrialisation was spearheaded by an entrepreneurial class which attacked the prevailing traditionalism of social and economic life by demanding freedom from restraints for itself as well as for the

lower classes. There are many instances in which a rising social class has championed the underdog. But there are probably few examples of an upper class which has continued to demand the independence rather than the subordination of the lower classes after its new position of power had been secured.

The English manufacturers of the 18th century were confronted by a traditionalism in economic life which has been characterised above in general terms. The following discussion is concerned especially with their ideological attack upon traditionalism in the relationship between "higher" and "lower" classes, and there is no more telling description of the object of that attack than that written by John Stuart Mill in 1848:

"According to the theory (of dependence) the lot of the poor, in all things which affect them collectively, should be regulated for them, not by them. They should not be required or encouraged to think for themselves, or give their own reflection or forecast an influential voice in the determination of their destiny. It is supposed to be the duty of the higher classes to think for them, and to take the responsibility of their lot, as the commander and officers of an army take that of the soldiers composing it. This function, it is contended, the higher classes should prepare themselves to perform conscientiously, and their whole demeanour should impress the poor with a reliance on it, in order that while yielding passive and active obedience to the rules prescribed for them they may resign themselves in all other respects to a trustful *insouciance*, and repose under the shadow of their protectors. The relation between rich and poor, according to their theory (a theory also applied to the relation between men and women), should be only partly authoritative; it should be amiable, moral, and sentimental: affectionate tutelage on the one side, respectful and grateful deference on the other. The rich should be *in loco parentis* to the poor, guiding and restraining them like children. Of spontaneous action on their part there should be no need. They should be called on for nothing but to do their day's work, and to be moral and religious. Their morality and religion should be provided for them by their superiors, who should see them properly taught it, and should do all that is necessary to ensure their being in return for labour and attachment, properly fed, clothed, housed, spiritually edified, and innocently amused".¹⁴

Mill did not claim that such relations existed at the time he wrote; in fact, he questioned whether they had ever existed historically. He believed this to be an idealisation which might be embodied here or there in an individual, but which was significant because of the feelings it portrayed, not because of the facts to which it supposedly referred.

The feelings which Mill had in mind have a medieval origin. We must go back to a time when attitudes towards authority were profoundly emotional, buttressed by unquestioned sanctions, when all

persons in authority stood *in loco parentis*, and when the exercise of rule as well as the expressions of deference by inferiors were couched in words and acts of dramatic intensity.¹⁵ Even though rapid social change disrupted the actual authority-relationships which had strengthened these feelings, ruling groups of all kinds were likely to cultivate them at the level of ideology.

The rise of absolute monarchy and the widespread adoption of mercantilist policies affected this traditional ideology of the relationship between "higher" and "lower" classes. For the concentration of power in the hands of the king implied that the exercise of rule and the obeisance towards superiors had become conditioned upon royal sanctions. While this did not necessarily undermine the traditional ideology which Mill described, it imparted to it the belief that the king had now the authority as well as the power to order the relations between classes.¹⁶ Yet this claim of the Tudor and Stuart kings, that it was their responsibility to order the class-relationships of English society, did not go unchallenged.

Professor Nef has shown how difficult, if not impossible, it was for the central government to enforce compliance with the laws which were designed to implement this conception of kingships. Administration of these laws lay in the hands of justices of the peace, magistrates and other local dignitaries, who consistently refused to enforce laws which ran counter to their economic interests and which they conveniently regarded as unwarranted interference with their local jurisdiction.¹⁷ Nevertheless, the traditional conception of the relation between higher and lower classes tended to be used by the local gentry as well as by the king, in their struggle for power and authority. Both could legitimate their claims by idealising the authority vested in them as a higher class. That in many cases they either did not or could not meet their responsibility for the protection of the poor, made it that much more necessary for each group to speak as if they were adhering to well-established practices and sentiments. It is true that the merchants and landlords who were actively engaged in many forms of industrial enterprise challenged the sovereign prerogatives of the king. But it is also true that the king's defence against this challenge as well as the middle-class support of it, were cast in terms of an appeal to the traditional prerogatives of the ruling class and the traditional subordination of the "lower classes".¹⁸

The ideology of traditionalism continued to prevail long after the "amiable, moral and sentimental" feelings of the higher classes were seriously affected by the intrusion of incompatible material interests. What requires explanation, therefore, is the continued advocacy of a traditional conception of the relation between higher and lower classes, long after changing material interests might have suggested that these views be abandoned. To be sure, there were certain groups of industrial entrepreneurs, especially members of the dissenting sects, among whom both the ideology *and* the practice of labour-relations continued

in the traditional mould, largely as an outgrowth of religious convictions. But there were probably many more among the rising middle class in England, whose traditional claims to authority continued intact, while their treatment of the labouring poor hardened under the impact of rapidly expanding economic opportunities. As a consequence the ideas of the *laissez-faire* doctrine were gaining ground rapidly in the late 17th and early 18th century. Nevertheless, traditionalism continued its "verbal hold" over all phases of economic life, and this must be clearly understood, if one is to understand also that the doctrines of *laissez-faire* as applied to labour had such a profoundly disturbing effect on the class-ideologies prevailing in England at the end of the 18th century. One must appreciate this setting of the ideologies of the English entrepreneurial class, if the ruthlessness, with which its spokesmen and representatives were advancing the "cause" of industrialisation is not to appear pointless.

The hold of traditionalism upon the ideology of the higher classes in the 17th and 18th centuries is best appreciated perhaps in the debates over the position of the labouring poor in society. Dorothy Marshall has observed that during the 17th century most of the tracts dealing with the problem of poverty were written in years when the price of corn was high.¹⁹ It was believed that the high price of provisions, was caused by a want of trade and money, and that poverty was consequently the result of economic factors over which the individual had no control. Hence, circumstances, rather than personal depravity were held to be responsible for widespread distress, although towards the end of the century writers began to speak of the laziness and dissipation which prevailed among the poor. The measures suggested for the relief of the poor, primarily consisted of schemes whereby the poor and the vagrants could be employed for the benefit of the nation.²⁰ Until the end of the 17th century poverty was regarded as a misfortune due to adverse circumstances, which the higher classes were obliged to alleviate. These views were still in keeping with Mill's description of the traditional outlook of the higher classes, whose harshness toward the labouring poor was attenuated as much by the emotionalism of tutelage as by the emotionalism of deference. The poor were children, they must be disciplined, they must be guided, and on occasion they should be indulged. In the context of religious doctrine this ideology implied that the duty of the rich to protect the poor was an *opportunity* to perform acts of Christian charity.

But towards the end of the 17th century, charity came to be regarded as a *responsibility* of the rich, and with this shift in emphasis went a reassessment of the character of the poor. They were children still, but they were no longer to be indulged. It is perhaps significant that during the 18th century a majority of the pamphlets dealing with the problem of poverty, were written during years when corn was cheap.²¹ Poverty was now regarded as the result of indolence, not of circumstances; hence, labourers were thought to be poor despite the cheap

price of provisions which made poverty unnecessary. There were several reasons for the judgment that poverty was the result of vice, not of misfortune. The increase in trade during the 18th century prompted an increase in the demand for labour, but merchants and manufacturers were hampered by a relative scarcity of labour despite the increase in population. Workers were reluctant to disrupt their accustomed way of life, in keeping with a traditionalism of their own, especially when the low price of corn enabled them to maintain this way of life with less work rather than more. Finally, the settlement laws interfered with, and the system of Parish relief discouraged, the mobility of the worker, even if he was willing. It is in this setting of the employers' unsatisfied demand for labour, the workers' reluctance to offer their services, and the institutional obstacles to labour-mobility, that 18th century writers asserted the depravity of the labouring poor. The trouble was, they believed, that the poor were idle and dissolute. And although these writers did not yet deny the responsibility of the higher classes, they maintained that it was no longer a question of finding employment for the poor, but of establishing workhouses in which all the poor could be set to work under the strictest discipline.²²

The contention that poverty was the deserved punishment of the poor was certainly not a new theme. Nor was it new to assert that poverty was the result of indolence, insubordination and dissipation and that the poor must be instructed in the virtues of industry, humility and thrift. But, in the past, it had been believed that poverty was a punishment sufficient in itself. And while the poor had always been admonished to be virtuous, that admonition had taken the form of sermons and of education. The significant fact is that the 18th century writers seem to have agreed on the sternest discipline as the only means by which the rich could meet their responsibility for the protection of the poor. They did not consciously deviate from the traditionalist conception: they were still in favour of regulating the lot of the poor, and they still discouraged the poor from thinking for themselves.²³ But to them poverty was no longer a misfortune to be alleviated. It had become the inescapable lot of the labouring poor. The dissertations on the utility of poverty, which Mr. Furniss has reviewed, are so many variations on the theme of Arthur Young, according to whom "every-one but an idiot knows that the lower classes must be kept poor, or they will never be industrious".²⁴

But it was difficult to make the poor industrious as long as corn was cheap, labour was immobile, and poverty was relieved. It is not surprising, therefore, that the mercantilist theories were supplemented during much of the 18th century by the efforts of the evangelical movement within the established Church, as well as by the Methodist revival. These movements vigorously promoted various schemes for the education of the poor, and especially of their children. Such organisations as the *Society for Promoting Christian Knowledge*,

various *Societies for the Reformation of Manners*, and many others endeavoured to instil in children and adults the necessary habits of industry together with a sense of subordination to the higher classes. It is too easy to decry the hypocritical mixture of economic interest and religious piety with which these theories and movements were imbued. For all of them manifested a continued belief in the responsibility *and in the ability* of the higher classes to reform the poor. Only by a challenge of this belief could the intellectual destruction of traditionalism be accomplished.²⁵

III

To accomplish the ideological destruction of traditionalism it was necessary to demand the self-dependence of the poor. Yet to do so was to run the risk that the independence of the workers would interfere with the freedom of their employers. Hence it became necessary to prescribe the code of conduct for the working classes, which they would have to follow in their "independence". To destroy traditionalism it was also necessary to deny the responsibility of the higher classes for the protection of the poor. Against the contention that this was the function of the higher classes, the spokesmen of the English entrepreneurial class set the contention that it was not within their power to do so. Yet by so denying their responsibility and their power they ran the risk of relinquishing their claim to be recognised as the "higher class".

Of course, it is improbable that the early industrialists were explicitly concerned with problems which are inherent in the liberal approach to the relations between higher and lower classes. For them it did not appear problematic to urge the workers to be self-dependent and to practise the Christian virtues, although the virtues they preached undermined the self-dependence on which they insisted. Also, the contention that it was not in their power to relieve the distresses of the poor was often little more than tough-minded expression of self-interest, while the soft-minded could argue the same point by reference to the omnipotence of God and the unalterable laws of nature. These problematic aspects of an ideological position are not the equivalents of psychological problems. But they do reveal the points of weakness in such a position. And since ideologies develop through controversy, it is at these points of weakness that ideological defences are likely to be built.

These considerations help to explain why the liberal position became dominant only at the beginning of the 19th century, although liberal opinions had been expressed throughout the 18th century. For example, early in the 18th century Daniel Defoe had attacked the basic assumption of the English Poor Laws, which imposed on the higher classes the obligation of finding employment for the poor. He felt that the proper approach was to let the labourers find employment by themselves. But Defoe did not indicate, apart from his failure to suggest practical

alternatives to poor-relief, on what basis the higher classes could deny their responsibility for the poor without relinquishing their claim to authority and esteem. Later in the 18th century writers like Townsend and Burke presented the view that the inborn idleness of the workers could not be overcome unless the Poor Laws were abolished and he was exposed to the promptings of hunger and distress. Burke conceived of labour as a commodity, which would be paid in accordance with what it was worth to the buyer; to consider the actual want of the labourer in this connection, was entirely beside the point. At the same time Burke claimed that the interests of workers and employers were in harmony. The employer would pay his workers as much as he was able in order to obtain good work from them, while the suffering of the poor in times of scarcity was an affliction of providence which no human plan could alter. The weakness of his position was that Burke took no trouble to hide his defence of vested interests. For he recommended religious consolation to the poor in times of distress; but the religious duty to relieve the poor he left to the discretion of the higher classes. He made no attempt to show that the higher classes were meeting their obligation to the best of their ability.

It is in this respect that the doctrine of population succeeded, where these earlier and similar approaches failed. In the first edition of his *Essay on Population* (1798) the Rev. Thomas R. Malthus announced the universal law of nature that population tends always to increase faster than the supply of food. And the misery of the poor was the inescapable means by which population was brought in line periodically with the available supply of food. Many elements of the Malthusian doctrine were not new. That the poor will always be poor, was widely accepted. That they were improvident was believed throughout the 18th century. That the Poor Laws encouraged evil habits of indolence and insubordination was accepted by many influential men long before Malthus wrote. Many others had said also that poverty was a useful stimulus without which men would not exert themselves. Finally, many of Malthus' specific doctrines on population had been anticipated by others, though the prevalent view of the 18th century had been to favour population growth in theory and as a matter of government policy.²⁶ Malthus' *Essay* brought well-known ideas within the compass of a systematic doctrine, and thereby it gave new strength to widely-held beliefs. Nevertheless, there was a startling novelty in his work, which it is important to isolate.

Malthus gave a new foundation to the demand for the self-dependence of the poor and to the denial of responsibility on the part of the higher classes. The traditional view had been to emphasise the duties of the labouring classes in the exercise of industry, humility and thrift. But Malthus succeeded in making specific and concrete proposals for the conduct of the poor, where these earlier admonitions had remained elusive. For he attributed the poverty of English labourers not to such vague and easily refuted shortcomings as idleness, but to the specific

and entirely irrefutable fact that they had married at an early age and that they had had children.

"Almost everything that has been hitherto done for the poor has tended . . . to hide from them the true cause of their poverty. When the wages of labour are hardly sufficient to maintain two children, a man marries and has five or six; he of course finds himself miserably distressed. He accuses the insufficiency of the price of labour to maintain a family. He accuses his parish for their tardy and sparing fulfilment of their obligation to assist him. He accuses the avarice of the rich . . . the partial and unjust institutions of society . . . perhaps the dispensations of Providence. . . . In searching for objects of accusation he never adverts to the quarter from which his misfortunes originate. The last person that he would think of accusing is himself, on whom in facts the principal blame lies . . ."²⁷

The cutting edge of this argument was not the traditional commendation of Christian virtue to the poor, but the startling contention that the evils of poverty could be avoided by the deliberate destruction of the family. Of course, Malthus disavowed this intention; he was not, he said, actuated by prejudice against any class but solely by the love of truth, though he admitted that the "wretchedly poor" through want of foresight could not be expected to exercise moral restraint.²⁸ But in the eyes of the poor, Malthus had condemned them to a life, from which all passion and sentiment had to be barred if they would save themselves from semi-starvation.

This conception of the lot of the poor had its counterpart in a new conception of the higher classes. The principle of population introduced a new distinction between the damned and the elect which was made to rest, not on the doctrine of predestination, as the Puritan Divine had done, but on the exercise of moral restraint.

By moral restraint Malthus referred to the postponement of marriage.²⁹ The desire for sexual gratification and for the familial continuity of life was here subordinated to money-making, or at any rate to the exercise of foresight which was indispensable to money-making. Hence, sexual gratification and the satisfactions of family-life were made, by implication, the reward of wealth, while deprivation in these respects became the added punishment of poverty. Consequently Malthus favoured a national system of education in which the principle of population would be taught. He advised the higher classes that they should better the lot of the poor by teaching them the principle of population. In this way the poor would learn "what they can and what they cannot do". Such education will improve the condition of the poor; everything which is done for the poor without having this specific effect, will only increase their misery.³⁰

By his demonstration that poverty resulted directly from the folly of the poor in marrying early and having children whom they could not support, Malthus denied the moral claim to relief on the part of

the poor. By the same token he exempted the higher classes from all responsibility, other than education, for it was within the power of the poor, and within their power alone, that misery could be averted by moral restraint. In the Puritan doctrine poverty and wealth had been seen as the innerworldly reflection of an inscrutable divine judgment. In the Malthusian doctrine poverty had become evidence of unruly passions and lack of foresight, while wealth had become the manifestation of virtue and reasoned judgment. Poverty, in this view, had become an unredeemable condemnation of the English working-class, for by the time poverty had befallen a man, no practice of virtue could free him of its yoke. The uncertainty of salvation which the Puritans had preached to the poor had given way to the certainty of self-inflicted ostracism which the Malthusian doctrine now explained as an inevitable law of nature.

IV

The doctrine that poverty was the fault of the poor, while only the education of the poor was an obligation of the higher classes, had a certain inherent weakness, however widely this doctrine came to be utilised at the time. In the past, responsibility for the poor had been the justification of authority over them. Now this responsibility was denied in the face of constant agitation for reform. It became necessary to spell out the particular advantages derived from the development of industry, before which all criticism could be shown to be absurd. It became necessary to identify the success of the manufacturers with the benefit to the nation if the fortunate were to be allowed the belief that their good fortune was also a "legitimate" fortune.³¹

Alexis de Tocqueville has suggested that ruling groups become vulnerable politically when they fail to render the services which give meaning to their rule, while their high status remains. It is a logical consequence of this observation that ruling groups seek to make a case for their contribution to society. Of course this case can be made in many ways. It may be an unconscious affirmation of innate superiority in every word and gesture, or again a self-conscious apologia of rulers under attack. However the case is made, the fortunate who believe in the legitimacy of their fortune want to see their case established before others. And while they may never fully succeed in persuading the humble and downtrodden, they always try anyway, and they succeed more often than is generally supposed.

In England at the beginning of the 19th century, many industrial entrepreneurs denied their responsibility for the poor and asserted their claim to authority over them simply by the praise of machinery and by reference to their economic achievements. What was good for their economic success was also good for the nation as a whole; all else was beside the point. And the principal fact which made this success possible was the use of machinery which facilitated man's labour while

it increased his output. This ease of labour at power-driven machinery in the factories was contrasted constantly with the drudgery of the home-worker in his unhealthy hovel. These claims were so simple that they must have seemed most persuasive to practical men of affairs, who could not be troubled with the complexity of abstract ideas.³²

Yet, this simple ideology had its weakness also. The English entrepreneurial class was on the ascendance. But it had still to win political and social recognition for its contribution to the nation's welfare. Such recognition was difficult to attain as long as the spokesmen of this class denied that industrialists had either the power or the responsibility to provide for the welfare of the labouring poor, while radical agitators and spokesmen for the landed aristocracy denounced the manufacturers for their inhumanity to women and children. In the face of such agitation it was not persuasive to praise the machinery which was the very symbol of oppression in the eyes of the critics.

At this juncture the emergence of the entrepreneurial class as a political force gave rise to an essentially new ideology. I have reference to the agitation of the Anti-Corn Law League, founded in 1838. Of this agitation John Morley has written that

"The important fact was that the class-interest of the manufactures and merchants happened to fall in with the good of the rest of the community. . . . The class-interest widened into the consciousness of a commanding national interest. In raising the question of the bread-tax (i.e., duties on all imports of corn), and its pestilent effects on their own trade and on the homes of their workmen, the Lancashire men were involuntarily opening the whole question of the condition of England".³³

In fact, the use of free trade as a political issue caused an ideological realignment of the English class-structure. Before the agitation of the Anti-Corn Law League, the poor had been condemned to economic destitution, a celibate life, or a "voluntary" confinement in a "well-managed" workhouse, while the spokesmen of the manufacturers had denied the miseries incident to industrialisation, or had blamed them on others. Now, the entrepreneurial claim to authority was changed from a denunciation of the poor and a mere denial of well-publicised abuses into a claim based on moral leadership and authority on behalf of the national interest. Now, industrialists could demonstrate as well as claim that their efforts to advance the wealth of the nation benefited employers and workers alike. The appeals of the Anti-Corn Law League were weapons in the struggle of the entrepreneurial class to assume leadership over an increasingly restive working class and to wrest leadership from the politically entrenched, landholding aristocracy.

The buoyancy of this new and different spirit stood in marked contrast to the pessimism of the Malthusian doctrine. In one of his campaign speeches John Bright, the famous spokesman of the League, gave a new interpretation of the relation between higher and lower classes.

"I am a working man as much as you. My father was as poor as any man in this crowd. . . . He boasts not—nor do I—of birth, nor of great family distinctions. What he has made, he has made by his own industry and successful commerce. What I have comes from him, and from my own exertions. . . . I come before you as a friend of my own class and order; as one of the people; as one who would, on all occasions, be the firm defender of your rights, and the asserter of all those privileges to which you are justly entitled. . . . It is on these grounds that I solicit your suffrage. . . ."

And after pointing out that the workers had a vital interest in the abolition of the Corn laws, for themselves and their children, Bright pointed to the consequences which were sure to follow if these laws were not abolished by the time their children had become adults.

"Trade will then have become still more crippled; the supply of food still more diminished; the taxation of the country still further increased. The great lords, and other people, will have become still more powerful, unless . . . the working classes stand by the working classes; and will no longer lay themselves down in the dust to be trampled upon by the iron heel of monopoly, and have their very lives squeezed out of them by evils such as I have described".³⁴

It is apparent that such an appeal no longer adhered to the Malthusian view according to which the working class was by nature "inert, sluggish and averse from labour". Perhaps Bright was in advance of his fellow-manufacturers, though his agitation on behalf of the Anti-Corn Law League was not exceptional aside from his personal vigour. At any rate, this agitation was inspired by a new image of the self-dependent working-man, as well as by a new image of moral leadership by the middle class.³⁵ Yet, this ideology had difficulties of its own. The more the propagandists of the Anti-Corn Law League attempted to rally the workers behind them, the more they ran the risk of having their middle-class agitation turn into a vehicle of a more radical, working-class movement. On the other hand, safeguards against this risk could not be pushed too far, either, since the agitation of the League had to be carried on in all-out opposition to the landowners and the politically powerful aristocracy.

This new orientation of the English entrepreneurial class should not obscure the fact that even the most "radical" spokesmen of the League were vigorously opposed to all factory legislation. While a man like Richard Cobden acknowledged the need for limiting the hours of child-labour, he opposed the idea that this should be done by legislation. He made it incumbent upon the "resolute demands and independent action of the workmen themselves" to accomplish this end, yet he opposed the "combinations" of workers which might have done so.³⁶ But as long as the landholding aristocracy was regarded as the major

opponent of the League and its backers, this basic hostility to working-class demands did not become apparent. Once the Corn Laws had been repealed in 1846, it could no longer be hidden. The alliance of all manufacturers in their fight against the Corn Laws gave way to a split between liberal and conservative elements. Liberals like Bright sought to continue the middle-class leadership of the masses which had been initiated under the League. Conservatives like Cobden were satisfied with their successful rebellion against the landlords and were apprehensive about the possible consequences of further agitation, especially with regard to the suffrage. While Bright fought for the remainder of his active political life for the enfranchisement of the working class, it is probable that the majority of businessmen and manufacturers did not share his belief in universal suffrage. But it is significant that the entrepreneurial ideologies which became popular after the repeal of the Corn Laws clearly reflected the optimistic creed of the free-trade agitation, and could no longer go back to the dismal views of the Malthusian doctrine.

V

To examine the entrepreneurial ideology after the repeal of the Corn Laws, we must turn away from colourful figures like John Bright and consider, instead, the drab successors of Andrew Ure. Among them Samuel Smiles was perhaps the most popular. He elaborated a theme which Ure had barely touched upon, but which had figured prominently in the agitation of the League; that the successful men of business had worked hard and had done well, and that the means by which they had become successful were within reach of everyone. The writings of Smiles reflect these two themes accurately enough. A series of his volumes were devoted to biographical accounts of successful merchants, engineers, manufacturers, inventors, and others, in which the chronological details of each man's career were interspersed abundantly by moral homilies, describing the virtues of the businessman-hero and upholding him as a model to be emulated by all. Another series of his books was designed to demonstrate the specific, if old-fashioned, virtues, which could be cultivated by everyone, and which would lead to success. Eloquently entitled *Self-Help*, *Character*, *Thrift*, and *Duty*, these four volumes contained didactic essays on virtues and vices, each of them illustrated abundantly by biographical and other documentation. It is important for us to see the significance of this ideological position in the context of the development which this essay has traced.

As Smiles pointed out, his counsel to young men of ambition was as old as the Proverbs of Solomon. Biblical passages extolling the honour and dignity of hard work had been cited for centuries, in order to teach humility and resignation to the poor. This had been the traditional view, on which the demand for the self-dependence of the poor had made inroads only slowly. Malthusianism had taught that

the poor should exercise foresight and moral restraint, but it had held out little hope for the majority of the "wretchedly poor". The debates over Poor Law Reform, which were partly inspired by Malthus' views, had made the opinion prevail, though perhaps unwittingly, that the poor were idle and dissolute. Once the higher classes had renounced their responsibility for the poor, they began to assert their authority in the manner of Andrew Ure, exonerating themselves and attributing riot and treason to the workers who wanted to assert their much-advocated independence by trade-union organisation. Then the agitation of the Anti-Corn Law League had sought to rally the politically restive workers to the support of middle-class agitation against the Corn Laws and against aristocratic supremacy. And in the middle of the 19th century, this evolving ideology of the entrepreneurial class found its culmination, not in John Bright's agitation for suffrage, but in Samuel Smiles' message of virtue and success for the humble.

Smiles stated his belief, and he reiterated it constantly, that the poor need not remain dependent and impoverished. The higher classes had demonstrated by their own success that it was possible for each to "secure his independence". To be sure, Smiles continued the old theme that the workers were idle and dissolute. But he did so, not to discourage them, or teach them the Christian virtues so that their inevitable poverty would be spiritually alleviated. Instead, he wanted men to know the enemies of idleness, thoughtlessness, vanity, vice, and intemperance so that they may "employ their means for worthy purposes". At considerable length and in wearying detail he recounted the many ways in which even the most humble could aspire to higher things by hard work, attention to detail, and systematic savings.³⁷

Smiles preached a gospel not merely of work, but of hope. He founded the industrialists' claim to authority and leadership on a creed which attributed their success to qualities readily accessible to the poor. In fact he enjoined upon the higher classes the task of doing all that lay in their power, to instil these qualities in their workers. Consequently, Smiles took a new look at the relations between the higher and the lower classes. He deplored the prevailing lack of sympathy between masters and men. Of course, he made the usual arguments against indiscriminate charity, yet he did not leave the definition of their duties to the caprice of the higher classes. Instead, he chastised the character of the rich man of business, whose all-absorbing love of gold would make him "almost invariably disposed to be idle, luxurious, and self-indulgent". Instead of interpreting economic success as evidence of virtue, Smiles claimed that the vast majority of businessmen are of "no moral or social account". And by taking this forthright stand against the immorality of the rich, Smiles could advance the claim to authority and leadership on the part of the entrepreneurial class. He formulated an ideology, which avoided the political risks involved in the extension of the franchise without abandoning the claim to moral leadership which had inspired the agitation of

the Anti-Corn Law League. For in his view the rich have a great opportunity for influencing the working class, and they have therefore the social responsibility for doing all they can. Malthus had denied the ability of the higher classes to do anything for the poor beyond educating them in the exercise of moral restraint. Smiles recognised that the worker was a citizen, who gave daily evidence of his rising social power, and whose very discontent was "only the necessary condition of improvement". That Smiles could criticise severely the actions of the rich and think constructively about the discontent of the poor, is perhaps the clearest indication of how much entrepreneurial ideologies had changed since the beginning of the 19th century.

But by the 1860s the workers of England had already won major victories on many fronts. Trade unions flourished, suffrage was extended. The individual independence of the worker which Malthus and Senior wanted enforced, which Ure decried, which Cobden and Bright wanted to lead, had by then changed from a demand of the employers and their spokesmen into a political force which the doctrine of self-help could not undo. For the worker had used his independence to join in organisations of his own, which could oppose the employer with commensurate power as the individual could not. The workers had helped themselves. And the doctrine of self-help would henceforth appear to them as a device to undermine the solidarity of their organisations.

VI

I break off this very brief survey of ideological history to return to the questions raised in the first section of this essay. The distinctive feature of the English experience was that an entrepreneurial class legitimated its power by the demand that the poor should imitate them. Though this demand was amplified by exhortations which often seemed hypocritical to those to whom they were addressed, it is historically significant that economic success alone was made the touchstone of compliance with this ideology of industrialism. The contrast of this approach with the legitimation of other ruling classes is striking. An aristocracy insists upon the inferiority of the common man, whose every imitation of the aristocratic way of life is either farce or presumption. A class of colonial entrepreneurs views the native working class much as the aristocrat views the common people, only that race purity takes the place of family lineage as an unalterable criterion of status; but since membership in a race confers upon the individual neither quality nor personal dignity, nor ancient and hallowed prerogative, and since moreover it is made the ground for rule under conditions where the ruled cannot accept it without losing their self-esteem, coercion cannot be given effective legitimation. Finally, a successful communist party claims for itself the undisputed and unerring leadership of the masses, it claims to act as the faithful representative of their

general will; hence everyone who fails to fulfil the Party programme has wilfully ostracised himself from the community and must be punished accordingly.

It will be useful to formulate these considerations as if they were the theoretical alternatives which are open to an entrepreneurial class. Assume that industrialisation requires the creation of a non-agricultural work-force and that this involves a break with "everyday routine as the inviolable norm of conduct": an entrepreneurial class may then take one or another of the following positions:

(a) It may demand the self-dependence of the lower classes and deny its responsibility for their protection; theoretically, the danger of this position is that the lower classes become too independent.

(b) It may assert that the lower classes are inevitably dependent and take responsibility for creating a non-agricultural work-force solely in terms of economic self-interest; theoretically, the danger of this position is that the continued dependence of the lower classes seriously interferes with the labour-requirements of industrialisation.

(c) It may demand that all power be placed in the hands of the working class and enlist the full participation of all in the exercise of that power. But the final authority for detailed planning and supervision is vested in a party, which represents itself as the organ of the most progressive section of the working class and excommunicates all who challenge this claim. Theoretically, the danger of this position is that the participation of the workers suffers as the "organised spontaneity" of supervision gains in importance.

Now it will be useful to relate these considerations to an earlier study of legitimation. More than a generation ago the German sociologist Max Weber analysed the religious doctrines which made the pursuit of economic gain legitimate and which were used to justify that pursuit against older religious doctrines which condemned it.

"Religion has psychologically met a very general need. The fortunate is seldom satisfied with the fact of being fortunate. Beyond this he needs to know that he has a right to his good fortune. He wants to be convinced that he 'deserves' it, and above all, that he deserves it in comparison with others. He wishes to be allowed the belief that the less fortunate also merely experiences his due. Good fortune thus wants to be 'legitimate' fortune".³⁸

Weber showed how the doctrines of the Puritan Divines made the fortunes of their parishioners seem legitimate. These doctrines helped to buttress the self-esteem of a rising entrepreneurial class: it had been Weber's intention to explain the "innerworldly asceticism" of this class, i.e. the emergence of a new code of conduct. The religious beliefs which in part accounted for this change of conduct were used to justify the economic success to which that conduct led.

Much valuable work is still being done along the lines which Weber suggested originally. Yet it is probable that today the interests of

many social scientists are shifting away from this perspective, even if they accept his thesis without reservations. There is less concern to day than a generation ago with the uniqueness of Western rationalism as it manifests itself in economic life, or with the way in which the economic activities of a middle class are strengthened psychologically by certain religious doctrines. For the East-West conflict of today presses upon us less academic questions than those dealing with the origin of capitalism in the West and its failure to develop in India and China. While Calvinist doctrines probably account for the rationality of capitalist enterprise at the time of its first development in the West, there are today other than religious bases for the emergence of a new ethic of economic conduct. Among these nationalism ranks perhaps first of all, and communism runs a close second.

To mention these ideologies as if they were on a par with the Protestant Ethic which Max Weber analysed, opens up problems which need at least to be stated explicitly. We have seen that in England, the need for legitimation remained after the spread of Calvinism had succeeded in undermining the general acceptance of earlier religious precepts which had been inimical to unrestrained economic activity. The doctrines of Calvinism had given strength to a class ideology. But when major technological and economic changes during the latter half of the 18th century began to give real scope to the economic enterprise of this class of merchants and manufacturers, more was needed in the way of ideological defences than a reiteration of Puritan formulæ. These formulæ had applied to the conscience of the individual; now they needed elaboration, to say the least. For the ideology of the English entrepreneurial class was to justify the rejection of government interference in economic affairs in an age when such "interference" was accepted as a matter of course. It was to justify the means used to create a docile and readily available labour-force in an age when labour was neither docile nor readily available where needed. And it was to justify the demand for social recognition of the middle class in an age when the ruling aristocracy regarded the trader and manufacturer with contempt and ill-concealed derision. It is apparent that the rising entrepreneurial class in England was still confronted with a preference for traditional modes of life on the part of the workers and the landed aristocracy, long after it had overcome the religious restrictions on its own economic conduct. But its ability to legitimate its rise to economic and political power by an appeal to the independence of the working classes depended upon certain preconditions which are largely absent from the underdeveloped areas of the world today.

In the England of the early 19th century workers were asserting their independence long before their employers were willing to grant it, or before they were ready to give that independence a positive meaning in line with their own interests. To be sure, Smiles and others like him were accused of hypocrisy, partly because their slogans were used to undermine the solidarity of trade-union organisations, and

partly also because independence and success appeared as a travesty to the worker who could barely earn enough to make ends meet. But this accusation is irrelevant, for every ideology which defends material interests will be called "hypocritical" by its adversaries. The point is rather that the legitimation of the English entrepreneurial class was meaningful because the independence of the worker, which it extolled, had a history of its own. The workers were demanding their independence and using it as they saw fit; and there was evidence of independence on the part of men who had achieved economic success by overcoming the formidable obstacles of their environment. Hence, there is a certain disparity between the Protestant Ethic which aided the formation of a new code of economic conduct and thereby helped to initiate English industrialisation, and the Ethic of individual striving and success which in its secularised, 19th century form proclaimed a doctrine of individual opportunity that mitigated the sharp differences between classes which were a legacy of feudalism. That is to say, the Protestant Ethic initially served to legitimate a change in the economic conduct of a numerically small class. In England it took a century and a half before a more general acceptance of that ethic inspired an upsurge of industrial activity; and it took several further decades before the upheaval of the industrial revolution gave way to an established industrial society and a widely accepted ideology of industrialism.

There is, then, a disparity in time and in content between the ideology which helped to initiate industrialisation and the ideology which defends the practises of its successful development. That disparity is absent from the patterns of industrialisation outside the European and American orbit. For today there is no interval of two centuries between the initial phase and the full development of industry. Since techniques of industrial production are theoretically available in all their modern complexity, countries will either industrialise quickly or continue for a considerable time as plural economies, if not with one foreign capitalist then with another. But if they do industrialise quickly, then this requires the total organisation of a country's resources. And the ideology which is to inspire that total organisation must create *at the same time* a new ethic of an entrepreneurial class and an ideology of industrialism which will be widely accepted among the masses. There is no reason to believe that either the Protestant Ethic or the ideology of striving and success are suitable for inspiring the total organisation of a country's resources.

NOTES

¹ This is a preliminary report on a larger study in progress. In this study the ideologies of entrepreneurial classes are analysed for several countries, at the inception of industrialisation and today. For aid in this study I am indebted to the Institute of Industrial Relations, University of California, Berkeley. I am also indebted to my research assistant, Mr. Gaston Rimlinger.

² Because of this diversity of origin, an entrepreneurial class is here defined in terms of its function rather than in terms of its social composition. In the words of

Joseph Schumpeter, "the function of entrepreneurs is to reform or revolutionise the pattern of production by exploiting an invention, or, more generally an untried technological possibility for producing a new commodity or producing an old one in a new way, by opening up a new source of supply of materials or a new outlet for products, by reorganising an industry, and so on. . . . To undertake such new things is difficult and constitutes a distinct economic function, first, because they lie outside of the routine tasks which everybody understands, and secondly, because the environment resists in many ways. . . ." See Joseph Schumpeter, *Capitalism, Socialism and Democracy* (New York, Harper & Brothers, 1950), 132. To define an entrepreneurial class in terms of its function seems to me unequivocal at the beginning phase of industrialisation, which is the subject of the present paper. I should add that I am not concerned here with the further implications of Schumpeter's theory.

⁸ H. H. Gerth and C. Wright Mills, *From Max Weber: Essays in Sociology* (New York: Oxford University Press, 1946), 296.

⁹ The larger study takes up other aspects of traditionalism, with which an entrepreneurial class must concern itself.

¹⁰ Hence, when wages rise, less work is done rather than more, because under these conditions less work will suffice to support the accustomed way of life. A comprehensive survey of traditionalism in economic life, especially as it applies to labour, is contained in Wilbert Moore, *Industrialisation and Labour* (Ithaca: Cornell University Press, 1951), 14-139. A more analytical approach to the same problem is contained in J. H. Boeke, *The Interests of the Voiceless Far East* (Leiden: E. J. Brill, 1948). See, however, the judicious critique of Boeke's thesis in J. S. Furnivall, *Netherland's India* (New York: Macmillan, 1944), 454-64.

¹¹ For a striking, if extreme, illustration of this point see McKim Marriott, "Technological Change in Overdeveloped Rural Areas", *Economic Development and Cultural Change* (December, 1952), 261-72.

¹² John Stuart Mill, *Principles of Political Economy* (Boston: Charles C. Little & James Brown, 1848), II, 322-23.

¹³ This direct collective obligation of the Russian people to the Tsar as a person did not allow conceptions of private ownership to develop much strength. Thus, the obligation of all citizens to render services to the state prepared the ground for the collectivist tendencies of the Russian revolution. A convincing elaboration of this point is contained in Boris Brutzkus, "Die historischen Eigentümlichkeiten der sozialen und wirtschaftlichen Entwicklung Rußlands", *Jahrbücher für Kultur und Geschichte der Slaven*, x (1934), S. 62-99.

¹⁴ V. I. Lenin, *Selected Works* (New York: International Publishers, n. d.), VII, pp. 333-34.

¹⁵ Cf., for example, Lenin's praise of the unpaid, volunteer labour of Communist party-members ("subbotnik") in *Selected Works*, VIII, 238-46 and IX, 423-48.

¹⁶ See J. S. Furnivall, *op. cit.*, 462-64 for suggestions along these lines.

¹⁷ These nationalist movements in underdeveloped areas run a special risk ever since the rise of communism in Soviet Russia. For the affinity of nationalism with communism ceases on the day after the "foreigner" has left, and then it may be too late for the native ruling class to stem the tide which it has used to "improve its own position".

¹⁸ The foregoing typology uses the experience of given countries as its basis, but it is not confined to that experience. Rather each type is conceived as encompassing certain possible variants. Thus, the French or German experience approximate that of English industrialisation but they also retain elements of traditionalism which were destroyed in England. The variety of colonial practices ranges from the complete duality of the South African case to its tempered modification in Portuguese or Belgian practice. And the communist ideology of the duty of each to do all he can for his country which is encircled by enemies, has its analogue in many forms of nationalism.

¹⁹ John Stuart Mill, *Principles of Political Economy* (Boston: Charles C. Little & James Brown, 1848), II, pp. 319-20.

²⁰ See Sylvia L. Thrupp, *The Merchant Class of Medieval London, 1300-1500* (Chicago: University of Chicago Press, 1948), pp. 16-27.

²¹ Cf. the explanatory preamble of the Statute of Apprentices (1563) quoted in George Unwin, *Industrial Organisation in the Sixteenth and Seventeenth Centuries* (Oxford: at the Clarendon Press, 1904), 137-40.

²² John U. Nef, *Industry and Government in France and England, 1540-1640* (Philadelphia: The American Philosophical Society, 1940), 35-57.

¹⁸ If these ideological defences, both the theory of kingship and the assertion of local autonomy, seem exaggerated during the seventeenth century, then this does not indicate an absence of traditionalism in the prevailing conceptions of authority, but their gradual decomposition. Exaggerated reaffirmations of an ideology are as clear an index as any of the existence of basic threats to them, however difficult it may be to specify the required degree of exaggeration.

¹⁹ Dorothy Marshall, *The English Poor in the Eighteenth Century* (London: George Routledge & Sons, 1926), 20-21.

²⁰ Several writers maintained that it was "our duty to God and Nature" to provide for and employ the Poor, even if such employment would not result in a material benefit to the nation. This is clearly an example of undiluted traditionalism. Cf. the discussion of seventeenth century writers in Marshall, *op. cit.*, 18-30.

²¹ Cf. Marshall, *op. cit.*, 32-33.

²² There were other proposals which did not become as widely accepted at the time. Some writers urged that the poor should be employed in separate enterprises, established for the purpose. Others already anticipated the later view of the *laissez-faire* economists by demanding that the poor should be forced, if need be, to find work for themselves. It is indicative of the persistence of traditionalist conceptions that the latter view did not become popular despite the fact that it was urged by such well-known writers as Defoe, Locke, and Dunning.

²³ See the detailed exposition of these doctrines of eighteenth century writers in Edgar Furniss, *The Position of the Laborer in a System of Nationalism* (Boston: Houghton Mifflin Company, 1920).

²⁴ Quoted in *Ibid.*, 118.

²⁵ In this essay I confine myself to an examination of ideas. That these ideas, which reveal the impact of economic interests directly, develop largely in response to economic changes, is not perhaps as illuminating a suggestion as is often supposed. It does not explain, for example, that traditional attitudes prevailed long after they had become detrimental to the economic interests of a rising entrepreneurial class. The intellectual challenge of traditionalism at the end of the eighteenth century can be understood only, if it is fully appreciated that traditionalism persisted although this conflicted with economic interests.

²⁶ See Kenneth Smith, *The Malthusian Controversy* (London: Routledge & Kegan Paul, 1951), 3-43.

²⁷ Thomas R. Malthus, *An Essay on Population* (2nd ed., Everyman's Library, New York; E. P. Dutton, 1933), II, 170.

²⁸ *Ibid.*, II, 143.

²⁹ I should mention parenthetically that Malthus buttressed his doctrine of population by a theological argument. In this he described "moral restraint" as "those exalted qualities of mind which will fit (men) for His high purposes", and he suggested that the principle of population was the divine instrument by which the world has been peopled, for without this instrument men would have remained "inert, sluggish and averse from labour". See T. R. Malthus, *First Essay on Population*, 1798 (London: MacMillan & Co., 1926), 352, 363-64.

³⁰ Malthus, *op. cit.* (2nd ed.), II, 259-60.

³¹ This necessity follows from a proposition of Max Weber, that the "fortunate are seldom satisfied with the fact of being fortunate". The weakness of the Malthusian doctrine was that the fortune of the successful was attributed entirely to a purely human trait; the exercise of foresight. The fact that a merely human quality was said to account for the acquisition of wealth and that this quality involved, moreover, the subordination of human passions to "the hope of bettering our condition, and the fear of want" severely reduced the moral stature of this doctrine. It is not surprising that many English industrialists and their spokesmen would not let go of this convenient justification of their every practice merely because the tender-minded could not stomach the consequences. But it is not surprising either that the argument suffered in the long run from being much too closely identified with a mere defence of material interests to carry much conviction to anyone who did not profit from it more or less directly. How readily fault was found with the Malthusian argument even by those who were convinced by his major thesis is analysed in great detail in Kenneth Smith, *op. cit.*, 47-169.

³² The classic statement of this position is contained in Andrew Ure, *The Philosophy of Manufactures*, originally published in 1835.

³³ John Morley, *The Life of Richard Cobden* (London: Chapman & Hall, 1881), I, 141.

³⁴ Quoted in George M. Trevelyan, *The Life of John Bright* (London: Constable & Company, 1913), 113–14.

³⁵ To be sure, workers were more self-dependent by that time, and the middle class had to claim leadership in national affairs, if it wanted political recognition. But ideologies are not simply reflections of changing circumstances. Andrew Ure's *Philosophy of Manufactures*, for example, was not altered in subsequent editions despite these changing conditions.

³⁶ John Morley, *op. cit.*, I, 298–99, 464–68.

³⁷ See, for example, *Thrift* (London: John Murray, 1875), 30–64, 159–78, and 290.

³⁸ H. H. Gerth and C. Wright Mills, ed., *From Max Weber, Essays in Sociology* (New York: Oxford University Press, 1946), 271.

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INTEREST GROUPS AND BUREAUCRACY

by

Edgar Lane

It should no longer be necessary to defend the proposition that men's diverse interests define their political existence. While appeals for a common rededication to the convenient ambiguities of "the national welfare" are among the conventions of American campaign oratory, they fly in the face of much that we know (or should know) about ourselves. We are awed, even flattered, by descriptions of government as a distant monolith, greater somehow than the sum of the social parts from which it derives and exigent of the good citizen's total allegiance. But we actually pattern our collective life on the somewhat different principle that government is merely a specialized instrument for the protection or frustration of the various ends that groups of men happen to regard as important. Once grant that men have the right to differ on fundamentals, that they have the right to want more for themselves than for others, that they further have the right to seek by any honest means to impose their wishes on their fellows, and it could not have been otherwise.

Since these concessions lay close to the heart of our national life, there should be nothing startling in the fact that, from colonial times on, men and groups of men have sought both to prompt and to prevent the exercise of governmental power. This involves what Willard Hurst has called "if not the fundamental object of government . . . at least an aspect of government's main purpose," which is simply "that men should come to it, all the more so because what they want may be against the general welfare." ^{1/} We need not here examine "the general welfare" as an objective reality. It is enough to say that it may at least reflect an operational consensus, and that one measure of a democratic order is the extent to which it protects men's right to assail it.

Groups in Politics

A politics based on men's interests, organized to a greater or lesser degree, is not peculiar to the United States, or to constitutional republics, or, for that matter, to systems conforming to broadly democratic values. Even totalitarian states, theoretically enlisted in total service to parahuman ends, exhibit in practice a distinct, if fetal, species of interest politics. Our experience, rather is distinguished by the unusual degree to which our interests have been organized and by the special conditions under which they have been politically effective.

Constructive analysis of interest politics in America must begin with the multifarious activities of organized groups--"pressure groups," "lobbies," or "interest groups" in the social scientist's more descriptive term. The origins and nature of these groups and their role in the political process have been extensively treated elsewhere, most notably in David Truman's The Governmental Process. ^{2/} It would be redundant to say more here than that life is always less simple than it used to be, that we can no

1. J. Willard Hurst, The Growth of American Law (Boston: Little, Brown and Company, 1950), p. 62.
2. New York: Alfred A. Knopf, 1951.

longer hope to live it substantially alone (if we ever could), and that the development of meaningful associations with others is the civilized man's response to the otherwise incommensurable bewilderment of the world in which he lives. Groups arise when and because men perceive the interests they hold in common. These interests, in turn, flow naturally and in great quantity from the functional specialization and diffusion of human relationships which largely define the social growth. In the United States, a mobile and expanding population, a self-generative technology, an unquenchable regionalism, vast and usable material wealth, a broadly protected tradition of free political association and expression, and highly developed instruments of mass communication have all conduced to the proliferation of organized groups. The structure of our governmental institutions--diffused and accessible--has contributed no less significantly to the process.

And as the substantive jurisdictions of government have, largely under the spur of specialized group efforts, expanded so as to involve the significant shared interests of more and more people, more and more continuously, so have the groups organized around these interests become permanently active in seeking to affect or mitigate what government does. We do not have accurate knowledge of how many groups seek to impose their claims on agencies of government, nor do we know how much human or material expenditure their efforts entail. The Department of Commerce lists more than four thousand national associations alone, to say nothing of local, state, and regional groups. How many of these have been politically active in any significant sense? On the national level, more than five hundred groups have been deeply enough engaged in legislative politics to concede some liability to comply with the disclosure requirements of the Federal Regulation of Lobbying Act; several hundred others have not complied, although they are represented by hired agents who have. No parallel data are available as to the number of groups substantially engaged in seeking to affect administrative decisions, but there is no reason to assume that the aggregate figure would be any smaller.

Character and cost

If we do not know how many active political interest groups there are, we know even less of the character and cost of their exertions. Group reports filed under the Lobbying Act have recently indicated group legislative expenditures of approximately ten million dollars annually, but it is quite clear that this figure only begins to reflect the realities. In the states, the absence of uniform disclosure laws makes discussion of group activity the more hazardous, although it is plainly extensive. It is equally plain that on no level of government is public policy conceived, enacted, or applied--nor can it be understood--apart from the men whose interests are somehow touched by it.

The growth of political interest groups in America has been of special importance in the growth of public bureaucracies, at least partly because the concomitance of the two processes has been so little perceived. While "lobbying" and other overt manifestations of group political effort have conventionally been regarded as involving only the legislature, interest groups have been under no obligation to bend their activities to the abstract verities of separation of powers. They have been and are active, rather, wherever governmental decisions affecting their membership are made. In an era marked by the relative decline of legislative prestige and authority, the groups' concern with administrative policy-making is thus as

natural as it is intense.

One aspect of the long-standing interrelationship between interest groups and administrative bodies is reflected in the establishment of agencies concerned primarily with clientele and service like the Veterans Administration or the Departments of Labor, Agriculture, and Commerce. Some of these agencies have developed directly out of politically articulate group demands for public subsidies and benefits, or for protection against the demands of other interests. In other cases, the establishment of a public agency serving a more or less unorganized clientele has served as a catalyst for the more effective grouping of the interests concerned, as well as of those interests which might be disadvantaged by the new agency's activities. Of the latter situation, the history of securities regulation in the United States is perhaps the readiest example.

Equally in point is the more recent development of a distinctive administrative process in agencies structured along other than purely clientele lines. Operating under general legislative charters, these bodies have been increasingly charged with the formulation and enforcement of binding rules affecting private persons. It should occasion no surprise that these persons and the groups in which they are organized should seek by every available means to ensure the conformity of the rules to their own interests. Their right so to do, moreover, has been explicitly recognized and procedurally safeguarded in such enactments as the federal Administrative Procedure Act of 1946. Irrespective of its special origins and purposes, legislation of this kind can be taken as a practical reflection of the depth of group involvement in administrative politics and as an effort to inject into the latter certain of the expectations of reasonable openness and equality of approach that have at least formally been associated with group-legislative relationships.

Action on various fronts

This does not mean that groups have turned their attention away from the legislatures; they act, rather, on different stages at different times, or on several stages simultaneously. At the risk of considerable oversimplification, one might contrast Collis P. Huntington's single-minded quest for outright congressional gifts with the very much more complex program of the Association of American Railroads, which might at one time be pressing Congress for statutory relaxation of the Sherman Act, petitioning the Interstate Commerce Commission for higher freight tariffs, and "educating" the electorate to the evils of publicly supported highways. These tactics and concerns are not unique; they demonstrate only the extent to which all groups, if they are to be effective, must conform their efforts to changing distributions of political power and changing patterns in its exercise. It is less a question of having so much energy to expend than of somehow finding enough additional energy to participate effectively in an ever widening decision-making process. Groups must constantly attune themselves to the working competence of government, which their own demands tend inevitably to enlarge.

Groups and Administration

To say that groups are as significantly involved in the administrative as in the legislative process suggests the difficulty of precise delineations of group tactics in the two areas; they merge within groups as they

may vary among them. For one group, informal personal entree to decisional centers may be sufficient to ensure a total accommodation of public policy to group objectives. For another, the most massive or determined external public relations campaign may accomplish or prevent nothing. One need think no further than organized labor's unsuccessful effort to head off the Taft-Hartley Act in 1947. Tactical choices or necessities hinge on such diverse variables as group resources and membership, on the group's prestige and promotional position, on the ease of its contacts with the inner reaches of government, on the nature and probable consequences of the policy at issue, on the innovative or preventive character of group objectives, on the presence or absence of well-entrenched competitive interests, on precedent, public expectations, preference, or simple hunch. The ways of group politics are many, and if they have never been fully catalogued they have been sufficiently described in the literature to obviate the need for further discussion here.

We should note, however, that the common strain in all group political effort is the achievement and exploitation of linkages between group preferences and the behavior of public officials--legislative, administrative, or judicial. Here, in essence, is "the group problem," if such there be. A group's political success depends on its ability to create and use official identifications with itself--to destroy, in effect, the fiction that a man becomes a political eunuch when he takes an oath of office. The problem is not so much that this fiction is one of the fundamental conceptual binders holding the system together as that it is destroyed with such fearful ease. The spark of life for the political interest group is thus its conversion of a phrase like the "public interest"--a deeply meaningful thing in a democratic order--to a self-serving shibboleth.

We are talking, in brief, about what the Douglas Subcommittee on Ethical Standards in Government more or less generically referred to as "involvement." In the simplest sense, this means nothing more than almost every man's penchant for approaching the world from the standpoint of his own in-explicit or inarticulate major premises. More difficult are those situations where the premises are shriekingly articulate, or, to change the figure, where the view is determined by deliberately polarized blinders. Our problem is the role of the interest group as shaper of premises for the bureaucratic mind and hanger of blinders on the bureaucratic nose. And since this is less a problem of "pressure" than of preferences, it is a boundlessly difficult one to analyze, describe, or solve.

The Representative Bureaucracy

Much of the current literature centers on the political interest group as a representative phenomenon, as a spontaneous but inevitable growth resulting from the manifest inadequacies of our system of undifferentiated territorial representation. Although it has led some observers to propose extreme institutional reconstruction along functional lines, this emphasis has been both accurate and essentially wholesome. It has, however, served to focus an excess of attention on the relationships of groups and explicitly representative bodies--that is, the legislatures--to the relative neglect of the administrative bureaucracy in its representative aspect. We are only partly right in equating the growth of bureaucracy with the development of expertise as the result of complex problems or the assumption by government of broader social responsibilities. For this complexity is seldom easily perceived, the assumption by government of new responsibil-

ities is never a simple matter, and the view of bureaucracy as expert is often merely a deft piece of institutional public relations. Although operating under different patterns of public expectation, acceptance, and control, bureaucracy in the United States, in its origins, functioning, and ultimate accountability, is as representative as the Congress or the state legislatures.

But whom does bureaucracy represent, and how do interest groups affect its representativeness? We have already referred to the clientele basis of a substantial part of our administrative organization. Here is perhaps the simplest case of representative bureaucracy, exemplified by such agencies as the Departments of Labor and Commerce. Although having somewhat different origins and purposes, many of the "independent" "regulatory" agencies have also come to perform distinct services for the interests whose activities they were ostensibly created to police, a statement of which the pattern of public utilities and transportation regulation in almost all jurisdictions would be obvious and adequate proof. Under these circumstances, a regulatory mission can quite readily become a representative one. Other agencies have explicit representative arrangements worked into their formal structures or operating codes, a tendency of which the National Industrial Recovery Act was the supreme (although by no means the only or most recent) case in point.

This is interest representation within the bureaucracy of a fairly direct sort. More tenuous but even more durable are those group-agency linkages which rest on practice, personality, and tacit understanding. We need only note, for example, the almost universal assumption that certain high offices will be staffed from certain interested sources. Martin P. Durkin's brief travail as Secretary of Labor can be taken as a demonstration of the rigor with which such conventions are apt to be regarded, even under the most adverse conditions.

Bureaucrats in interest groups

This process, of course, has an even more significant converse; not only have bureaucrats been drawn from an associational milieu, but key figures in interest groups have also not infrequently been drawn from public life, bringing with them, it may be assumed, a web of experience and personal contacts which cannot but secure more hospitable hearings for group claims before their successor bureaucrats. Thus, an assistant chief counsel of the Interstate Commerce Commission becomes vice-president in charge of the Law Department of the Association of American Railroads; an Assistant Secretary of Agriculture becomes president of the United States Beet Sugar Association; an assistant general counsel of the Civil Aeronautics Board becomes general counsel of the Air Transport Association. The situation is familiar beyond the need for further illustration, and in each case it is difficult to withhold the conclusion that the client group is specially advantaged over its competitors.

What does this mean? On one level of analysis, it means that the groups concerned are not only one up on their less privileged counterparts but that they are also deriving the benefit of skills and relationships developed at considerable public expense. For this, the community must assume at least some responsibility, for so long as it persists in suffering its highest officers to subsist on journeyman wages and periodically retiring to private life the most forthright or committed among them,

it is making their absorption by more narrowly defined interests inevitable. The fact that they have generally been absorbed with material profit to themselves is not necessarily evidence that they have "sold out" either the public or their own integrity, or that their employers are debauching the commonwealth. Although to a deeper social ethic it might be repugnant, according to the values which prevail in society at the present time there is nothing reprehensible in making unique and valuable experience available to anyone who is willing to meet the price, just as there is nothing reprehensible in meeting the price--or even in setting it irresistibly high. That there are men reluctant to capitalize privately on their public selves does not justify condemnation of those who make a different choice. We might better be grateful that the choice still exists.

Beyond the advantages which it affords the more strategically positioned groups, the constant and easy interchange of personnel between groups and bureaucracy suggests the limited value of the notion of externally applied group "pressures." The truth is that we should be less concerned about group "pressure" than about its absence. We should be concerned about those quietly stabilized group-agency relationships which preclude (or at least render meaningless) the conventional external demonstrations--demonstrations which groups nonetheless persist in making and which people who should know better persist in regarding as important. Interest groups become a real problem when they cease clamoring for attention. Silence accompanies the sure fix rather than the free market.

Group Politics and The Public Interest

Some group-agency linkages have apparently become so fixed and complete as to bring in question the basic function of so extensive a public bureaucracy as ours. This function is not easily described, but a few observations may be in point. In the first place, for all the current and sophisticated derogation of "the public interest" as a standard of reference or achievement, it remains the only one to which we can honestly repair. We may not know what "the public interest" entails in individual situations, but we court disaster in the long run by denying that it is even knowable. This is to say only that a democratic order cannot operate indefinitely in purely segmental terms. No matter how demanding the claims of its special clienteles, a bureaucracy must at very least make a brave show of being responsive--as it is ultimately responsible--to a broader consensus.

There is no good reason to deny that the main impact of groups on the administrative process is disruptive of an orderly and conscientious approach to this fundamental problem. The basis on which much of our administrative apparatus has developed, the close ties between groups and bureaucracy, the differentials in group resources and access to the bureaucracy, the very breadth of the responsibilities to which this bureaucracy is heir--all conduce to the making of decisions on the basis of immediate situations, a tendency against which all but the most heroic reconstruction or programmatic leadership can avail little. No blame attaches to groups which thrive on the prolixity and vastness of the administrative state, but it is futile to deny their prosperity.

It would be equally futile to assert that the apparently chaotic tugging and hauling of groups on government must bring the system down in ruins about it. Somehow, as one of the contributors to this volume has noted

elsewhere, "the public interest" is observed in the administrative process more often and more faithfully than we might suppose--or than we deserve. We can still point to administrative decisions made squarely counter to the wishes of every significant group concerned, decisions traceable solely to the vision or stubbornness of dedicated men.

Nor are we entirely without weapons for asserting more strongly the broader consensus on which the system truly rests. Administrative integration offers possibilities which have not yet begun to be explored. The reshaping of the political party into a mature, unified, and responsible force--a development for which there appears to be an increasing ground swell--could contribute no less tellingly to the shaping of rounded and consistent public policy, at least somewhat less subject to the diverse strains of group interests. The general application of the disclosure principle to group-agency relationships would almost certainly further the same end. The present Federal Regulation of Lobbying Act is suggestive of the form such disclosure might take, as well as of its possible results. The redrafting or more stringent enforcement of the present conflict of interest statutes could also have a wholesome influence, although scarcely a conclusive one.

Each of these approaches deserves the most careful consideration. No one of them, nor all of them together, can be expected to alter the underlying realities of which group political effort on the administrative level is merely symptomatic. They are, candidly, tangential in character, but nothing more fundamental is even remotely likely. There is no point in discussing means by which group politics might be curtailed, or by which administrators could be rendered immune from the presumed taint of their interests or experience. Better frankly to work within the limits of the possible. Within these limits, the tools for building a bureaucracy of maximum devotion to the public interest are more than sufficient. It remains only to use them.

BIOGRAPHICAL SKETCH OF

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Educated:

1942 B.A. Western Reserve University, Economics
1951 M.A. Western Reserve University, Industrial Psychology
1956 Ph.D. University of Michigan, Social Psychology

Synopsis of Material:

Internal Relations: Social psychological factors involved in the relations of supervisor to supervisee; necessary conditions for effective group decision and coordinated group action.

This lecture will consist of:

- A. A summary of research findings indicating the relationship between group discussion and
 - 1. quality of group decision.
 - 2. motivation to carry out group decision.
- B. Analysis of the necessary conditions which must obtain if the findings are to be generalized beyond laboratory conditions.
- C. Discussion of:
 - 1. the extent to which the necessary conditions can be met in business or governmental organizations.
 - 2. consequences of failure to meet the necessary conditions for effective discussion.

INSTITUTE OF INDUSTRIAL RELATIONS



TRAINING MANAGERS FOR LEADERSHIP

By

ROBERT TANNENBAUM, VERNE KALLEJIAN,
and IRVING R. WESCHLER

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INSTITUTE OF INDUSTRIAL RELATIONS

FEW AREAS in the domestic social life of the nation are vested currently with greater public concern than the field of industrial relations. The development of better relationships between organized labor and organized employers, and the integration of these relationships with the interests of the individual citizens and the nation as a whole, constitute one of the most serious problems facing our economic and social system today.

The Legislature of the State of California expressed its desire to contribute to the solution of this problem when, in 1945, it established an Institute of Industrial Relations at the University of California. The general objective of the Institute is to facilitate a better understanding between labor and management throughout the state, and to equip persons desiring to enter the administrative field of industrial relations with the highest possible standard of qualifications.

The Institute has two headquarters, one located on the Los Angeles campus and the other located on the Berkeley campus. Each headquarters has its own director and its own program, but activities of the two sections are closely integrated through a Coordinating Committee. In addition, each section has a local Faculty Advisory Committee, to assist it in its relations to the University; and a Community Advisory Committee composed of representatives of labor, industry, and the general public, to advise the Institute on how it may best serve the community.

The program of the Institute is not directed toward the special interests of either labor or management, but rather toward the public interest. It is divided into two main activities: investigation of the facts and problems in the field of industrial relations, which includes an active research program and the collection of materials for a research and reference library; and general education on industrial relations, which includes regular University instruction for students and extension courses and conferences for the community.

Training Managers for Leadership

ROBERT TANNENBAUM, VERNE KALLEJIAN, and IRVING R. WESCHLER



AMERICAN MANAGEMENT ASSOCIATION
330 West 42nd Street **New York 36, N. Y.**

Training Managers for Leadership*

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Human Relations Research Group

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University of California, Los Angeles

Describing the kind of human-relations training that is aimed at getting people to feel differently—and not merely think differently—in their day-to-day handling of human problems, Stuart Chase once summed up the effects of this “learning” process with the observation, “It gets into your central nervous system.” This is the basic objective of the pioneer approach to human-relations training which is described in this article. Among its distinctive features are its use of techniques that are more commonly associated with clinical settings and experimental group training laboratories, and the somewhat unusual composition of the training group itself.

A SUCCESSFUL MANAGER is an individual who, in addition to being on top of the technical demands of his job, is also an effective leader. Such a leader has the necessary sensitivities (to himself, to others, and to group process) and the related interpersonal skills adequately to deal with the human problems which daily confront him.

Many and varied training programs have been developed to help managers become effective leaders. Most of these are found in formal organizational settings, such as business firms, government agencies, educational institutions, welfare organizations, the military, and community agencies. Leadership training programs in such organizations often make use of conference sessions in which selected materials are presented by a trainer and discussed by the conferees.

Sometimes these methods are supplemented by the use of such techniques as role-playing, “buzz” groups, productivity evaluations, and the like.¹ The trainer is most often either a staff specialist or someone in the organization with higher line status than the conferees. In such sessions, the trainees usually come from the same organizational level in the hierarchy—that is,

¹ Some outstanding books and articles concerned with recent developments in leadership training are:

Dooher, M. J. and V. Marquis (eds.). *The Development of Executive Talent: A Handbook of Management Development Techniques and Case Studies*. American Management Association, New York, 1952.

Gordon, T. “Group-Centered Leadership and Administration,” in Rogers, C. *Client-Centered Therapy*, Houghton-Mifflin, Boston, 1951, 320-383.

Maier, N. R. F. *Principles of Human Relations: Applications to Management*. John Wiley & Sons, New York, 1952.

Planty, E. G. and C. A. Efferson. “Developing Leadership for Tomorrow’s Tasks,” *Dun’s Review*, January and February, 1952.

* In the July, 1953, issue of *Advanced Management*, Robert N. McMurry talks of “Empathy: Management’s Greatest Need.” The present article describes a training program which is designed to help managers develop empathy. Because the term “empathy” has been used by writers in a variety of ways, we prefer the term “sensitivity” to describe the events involved in accurately perceiving the characteristics of individuals and groups. Problems of sensitivity are currently being studied by the authors under a grant from the U. S. Navy Office of Naval Research, and experiments with training of the type described in this article are being conducted at the U. S. Naval Ordnance Test Station, China Lake, Calif.

—THE AUTHORS.

they are of similar rank or status, and often have no on-the-job interpersonal relations outside of those which occur in the training sessions themselves.

Some Limitations of Conventional Training Programs

The training programs just described can have some serious limitations:

1. The trainee is removed from the social setting in which he customarily performs. With relatively few exceptions, each manager in performing his job must get on well with his subordinates, equals, and superiors. Training him in human relations apart from the humans to whom he must relate is like training an albacore fisherman in a trout stream.

2. Programs designed merely to impart human relations information may have little or no effect in inducing desirable changes in behavior. A prerequisite for the successful outcome of leadership training is the motivation to learn about oneself, others, and group process. Unless the trainee feels a need for human relations information, he is not going to "hear" it. But even if he is able to "hear" it—i.e., to accept the information—he will not necessarily be able to apply it on the job. If the new information conflicts with other of his needs, attitudes, and feelings, it will be difficult—if not impossible—for him to behave appropriately.

3. There may be little transfer of learning from the training situation to the work situation. We are not at all sure that insights and skills which are gained in the conventional training session can readily be utilized in the actual work situation. There, the social pressures on the individual to maintain his

customary modes of behavior are often so strong that any attempt on his part to change is likely to fail; such change may very well conflict with the larger organizational "ways of doing things," so that he may either be forced to maintain his old behavior or to resign.²

Two Distinctive Features

One type of leadership training designed to minimize these limitations has two distinctive features:

1. The trainee group is *vertically structured*; that is, the training sessions are conducted with all managers of a given organizational unit present. In industry, this might include the department head, his division heads, and their branch heads. In education, it might consist of a superintendent, his assistant, and the various members of his administrative group. In a community agency, the field supervisors might meet with the director of the agency and his assistants.

The trainee group can also be structured along other *functional* lines. Thus, its membership might include all members of a policy committee or of a research planning board. Of key importance is that effective collaboration of the trainees be prerequisite to on-the-job success. For purposes of this paper, the vertically structured group will be discussed; however, everything said applies as well to differently structured *functional* groups.

2. This training emphasizes the *development of the trainee's sensitivities* to himself, to others, and to the ways in which people interact with each other

² For some related empirical evidence on the first alternative, see Edwin A. Fleishman, "Leadership Climate, Human Relations Training, and Supervisory Behavior," *Personnel Psychology*, Vol. 6, No. 2 (Summer, 1953), pp. 205-222.

in groups. This training approach utilizes procedures which have been found useful in clinical settings and experimental group training laboratories.

Leadership training groups can be vertically structured without receiving sensitivity training, and they can receive sensitivity training without being vertically structured. *The suggested approach to leadership training combines these two features* in order to focus sensitivity training on those interpersonal problems which intimately involve the members of the training group in their on-the-job relations and more adequately to insure that the impact of the training will be carried over to the work situation.

How Leadership Training is Carried Out

The managerial job by its very nature requires getting things done through other people; and this, in turn, requires understanding of personal needs, attitudes, and feelings. Many factors can operate to impede the development of this understanding. By far the most significant sources of failure in understanding can be traced to defense mechanisms⁵ which the individual weaves around himself to allay threat or anxiety. Many persons tend to see the world as they would like it to be, and to avoid information which they do not want to see.

Some managers become so preoccupied with their own personal problems and the non-human aspects of their job, such as budgets, production schedules, and inventories, that they remain unaware of the ways in which this concern substantially prevents them from

accomplishing what they really want to accomplish.

Other managers rigidly adhere to stereotypes and prejudices which can substantially simplify for them the way they handle their jobs. For example, if manager is strongly committed to the idea that all subordinates have to be closely supervised, he then may become insensitive to the cues which suggest differential modes of supervision. He may, in fact, pride himself on the fact that he treats all subordinates in a bold, forthright, and direct manner, and may fail to see that this may produce adverse effects upon those individuals who do not respond to this style of supervision.

Detecting the existence and subtle operation of these mechanisms is very difficult. Usually some responsible person in an organization becomes aware that interpersonal problems of members within the hierarchy have reached the point where impairments in performance occur. A frequent symptom of faulty working relations, for example, is the failure of relevant information to flow up and down the line. Every manager in the chain of command may readily admit that a free flow of information is highly desirable and may maintain that he personally does everything possible to promote it. However, the supposedly free-swinging doors of many managers often have rusty hinges. Lengthy discussions of communications *per se* and sincere avowals of managers to double the output of reports and memos seem to have little effect, if, for example, the problem is the result of (1) attempts of individuals to raise their status at the expense of others; (2) apprehension about the ways in which information will be utilized; (3) antagonism.

⁵ For an excellent discussion of some of these defense mechanisms (such as projection and rationalization), with special reference to the problems of supervisors, see Chris Argyris, *Personality Fundamentals for Administrators*, Labor and Management Center, Yale University, New Haven, 1953.

onism arising from real or fancied misuse of power; (4) fear that activities will be interpreted as inadequate or incompetent; and (5) real or imagined disinterest or lack of appreciation of genuine efforts.

In the vertically structured training group, the breakdown in communications may quickly manifest itself in a variety of ways. It may soon become patently clear that the "executive neurosis" works all the way up and down the line in such a way that each individual in the group protects his status, power, and security by keeping his subordinates in line through the device of withholding information.⁴ The participants learn to discuss and to understand such problems and, with the support of the trainer and other members of the group, attempt to develop greater skill in dealing with them. As issues become clarified and understood, each trainee is helped to appraise his own behavior with respect to them. In time the training group becomes more secure in its ability to deal with material of this nature, and more complex problems are raised for discussion. This serves to further understanding and acceptance between members and to promote a more cohesive management team.

Though the major portion of the training time is devoted to problems particularly suited to vertically structured training groups, time can be devoted to other aspects of sensitivity training. Through role-playing and other techniques, training in counseling, interviewing, etc., is carried on. As the group acquires new sensitivities and skills, the trainer takes a less active role so that

the group performs an increasing portion of its own training function.

The Role of the Trainer

The functions of the trainer vary considerably, depending upon his competence, his theoretical orientation, and the nature of the group. Nevertheless, it is possible to classify his functions into six main categories:

1. *Creating situations conducive to learning.* The trainer plays a vital role in structuring the training situations in which trainees interact. If a situation is skillfully set up, the relations between trainees which occur there are certain to provide numerous focal points for useful learning. For example, the cautious use of some brief sociometric questions (indications of "likingness," desirability as a work partner, leadership skill, etc.) involving the members of the group in a given training session typically yields data on the way each group member is perceived by his fellows. Each trainee is provided with potentially useful insights, which in turn can be strengthened by an interpretive group discussion.
2. *Establishing a model of behavior.* The trainer provides a model for behavior by his activity in the group, his acceptance of criticism, his non-evaluative comments, his willingness to deviate from planned programs, and his ability to raise questions and to express his own feelings. By his own behavior he helps to establish an atmosphere of acceptance and freedom of expression in which the group can discuss interpersonal problems that might otherwise be circumvented or avoided.
3. *Introducing new values.* The trainer, by his behavior, implicitly or explicitly introduces new values or roles into the group. The way he reflects feelings, clarifies comments, and actively behaves himself focuses attention on those problems which he feels the group should eventually become aware of and accept. For example, his willingness to relinquish a position of authority and leadership carries with it a host of implications for the group.
4. *Facilitating the flow of communication.* The trainer identifies barriers to the flow of communication between individuals. By raising questions, clarifying issues, and encouraging full participation of all mem-

⁴ The "executive neurosis" has been described by Robert N. McMurry in a stimulating article which appeared in the November, 1952, issue of the *Harvard Business Review*.

bers of the group, he facilitates the development of mutual understanding and agreement. Frequently when sources of difficulty are below the level of awareness, the trainer, who is less personally involved with these difficulties than the group, is better able to identify the problems and help bring about their recognition and potential solution.

5. *Participating as an "expert."* Frequently the trainer is called upon to introduce knowledge derived from research findings or experience which the group may need in order to proceed with the solution of a given problem. However, his "expert" role is shared with the group members.
6. *Developing interpersonal skills in group members.* In addition to the behavior described in 2, 3, and 4 above, the trainer can help the group members develop new interpersonal skills by providing them with opportunities to "try out" new methods, such as non-directive interviewing and participative conference techniques, in dealing with interpersonal problems which arise within the group.

It is readily apparent that the trainer in this type of program must have understanding, skills, and attitudes which can only be obtained through special experience or training. The National and Western Training Laboratories in Group Development (at Bethel, Me., and Idyllwild, Calif.), among others, provide facilities for the acquisition of some of this required understanding and skill. At UCLA, students who are preparing for positions in management are given this opportunity through a course in "Leadership Principles and Practice." Other universities provide similar training. The in-service training departments of some organizations have trained personnel who can perform this job. Other organizations must, of necessity, bring in skilled trainers from the outside—from the public schools, universities, and consulting firms.

Introducing the Training Program

The introduction of this kind of leadership training program requires careful

preparation and patience, with the group moving one step at a time, and dealing with resistance as it develops at each step in the process.⁵

It may be desirable to preface this program with a more conventional approach which meets some of the initial expectancies of the group in its early training stages. Use of formal case studies, for example, may pave the way for the gradual introduction of more personal and intimate experiences offering greater possibilities for effective learning. It is crucial for the trainer always to recognize that the group can move no faster than the individual trainees are able to go.

Sources of Resistance

Resistance to this type of training program may appear in many forms and guises. Some participants expect to deal with case materials and resent the fact that they themselves are the cases they are asked to deal with. Others feel that human relations training should concern itself with the development of principles and rules, and become disturbed at the lack of guide lines which can be universally applied. The lack of a formal, organized course program which can be traced from its first lesson to its last causes difficulties for those trainees who expect the leadership training program to be a continuation of their regular school experiences.

One of the major sources of resistance undoubtedly stems from the trainee's view of his own position in the group's status hierarchy and the behavioral im-

⁵ The practical aspects of introducing a training program are interestingly dealt with in the June, 1953, issue of *Adult Leadership* in an article entitled, "Improving the Processes of Leadership Training." Other relevant articles in this issue, which is entirely devoted to leadership training, are: "What is Leadership Training?" "If People Want to Change—The Crucial Conditions of Training," and "Designing the Training Group."

plications to him of that position. Until the participants learn how to accept and deal with the reality of status, not much progress can be expected. Since the adverse effects of status are largely fostered by the behavior of the "top wheel," it may be necessary for the trainer to deal privately, in advance of the training, with the top status individual's own relevant fears. He must be made to realize, for example, that unless he is able to accept criticism, little interchange of opinion is possible. Other private interviews with individuals who are threatened by the training process might also be necessary as the program progresses. In some cases, it has been found useful to have the trainer or some other professional act as a personal counselor to those individuals who feel the need to work through, outside the group sessions, some of the personal anxieties which may be generated by the training.

Make-Up of the Training Groups

All the individuals who relate to each other in the work or functional group should be expected to participate in the training. Every effort should be made to get those individuals to attend who at first may not have been sold on the value of the program. Our experience indicates that among the persons who resist are very often those who could most profit from the experience. Realistically, of course, there will be some individuals who, for various reasons, will be unable to begin or to adapt to the training. Their decision not to participate at all or later to drop out may be based on specific personal and interpersonal difficulties which they do not care to have explored by the group.

In certain instances, the trainer may wish to ease out of the program a trainee

who is seriously impeding group progress. Among the factors which the trainer will have to take into account are the size and maturity of the group, the role of the individual in the work situation, and the trainer's own confidence, skill, and experience in dealing with the relevant trainee problems.

Other Considerations

The training meetings of the group differ from other work-oriented meetings (such as staff meetings) in several important ways:

1. *The relative lack of a planned agenda.* Though considerable planning on the part of the trainer is involved in setting up and carrying through the training program, the actual content of the program is highly flexible. External time pressures ("to get things done") are kept to a minimum.
2. *Participation in leadership.* Work-oriented meetings are usually chaired by the high-status person in the group; in the training sessions the leadership may pass to the group trainer or to any other person in the group.
3. *Motivation of the participants.* In the training sessions, the participants are prepared to deal with problems which are rarely, if ever, introduced in conventional work-oriented meetings. Discussion tends to become focused on the clarification of interpersonal perceptions, as contrasted with technical job issues which often dominate conventional meetings.

A few comments on the mechanics of the training program are also necessary:

1. Training meetings should be held at least once a week, if not more often. The personal impact of the training depends upon a carry-over from session to session which might be lost if the meetings were too infrequent.
2. Much more experience is necessary to determine the optimum length of each session. We have found that a session of one and one-half or two hours is adequate.
3. Because of the interpersonal nature of the training program, it is essential that the composition of the group remain the same and that the participants be encouraged to attend regularly.

Advantages of Training Vertically Structured Groups in Sensitivity

Training vertically structured groups in sensitivity is likely to yield several desirable outcomes:

1. Changes in interpersonal behavior developed through the training sessions will probably be carried over to work relations. As new ideas and feelings are discussed, understood, and accepted by the group in the training sessions, there is a good possibility that their impact will be reflected in the daily work contacts of the trainees.

2. The emphasis of this kind of training program is primarily oriented toward awareness of self, of others, and of interpersonal relations, rather than the acquisition of book knowledge. When awareness occurs at the "gut level" (emotional) as well as the "head level" (intellectual), changes in behavior are more likely to occur.

3. Our experience indicates that working together on mutual problems of interpersonal relations produces a more cohesive working team. In the long run, the methods and techniques introduced by the trainer may become an important part of day-to-day working procedures, so that the point is reached where the group can function at a new level of efficiency without the trainer's presence. Thus, at regular staff meetings and in other work contacts where serious interpersonal problems may well arise, the staff members themselves are in a position to deal adequately with

these problems which previously were unrecognized or ignored.

Implications

The development of vertically structured, sensitivity-oriented leadership training groups reflects a growing recognition that interpersonal problems which arise on the job cannot be ignored. Even though these problems are frequently due to factors which are below the level of acute awareness, many of them must be tackled if an organization is to function at the highest level of effectiveness.

In the past, the chief methods available for dealing with such problems have been individual or group counseling and psychotherapy where attempts are made to produce changes in the total personality. Though this type of leadership training has some elements of therapy in it, the objective is to focus only on those interpersonal problems which are relevant to work relations and which require a minimum amount of clarification and understanding to produce more adaptive behavior.

Interpersonal problems with roots deeply imbedded in the personality structure cannot adequately be dealt with in this training; however, a large majority of on-the-job interpersonal problems stem from misunderstandings, from attributing one's faults to others, and from distortions due to lack of a free flow of interpersonal communication. These can be suitably handled by this kind of training and often resolved with a minimum of serious tension or conflict.

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PARTICIPATION BY SUBORDINATES IN THE MANAGERIAL DECISION-MAKING PROCESS

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INSTITUTE OF INDUSTRIAL RELATIONS

FEW AREAS in the domestic social life of the nation are vested currently with greater public concern than the field of industrial relations. The development of better relationships between organized labor and organized employers, and the integration of these relationships with the interests of the individual citizen and the nation as a whole, constitute one of the most serious problems facing our economic and social system today.

The Legislature of the State of California expressed its desire to contribute to the solution of this problem when, in 1945, it established an Institute of Industrial Relations at the University of California. The general objective of the Institute is to facilitate a better understanding between labor and management throughout the state, and to equip persons desiring to enter the administrative field of industrial relations with the highest possible standard of qualifications.

The Institute has two headquarters, one located on the Los Angeles campus and the other located on the Berkeley campus. Each headquarters has its own director and its own program, but activities of the two sections are closely integrated through a Coordinating Committee. In addition, each section has a local Faculty Advisory Committee, to assist it in its relations to the University; and a Community Advisory Committee composed of representatives of labor, industry, and the general public, to advise the Institute on how it may best serve the community.

The program of the Institute is not directed toward the special interests of either labor or management, but rather toward the public interest. It is divided into two main activities: investigation of the facts and problems in the field of industrial relations, which includes an active research program and the collection of materials for a research and reference library; and general education on industrial relations, which includes regular University instruction for students and Extension courses and conferences for the community.

PARTICIPATION BY SUBORDINATES IN THE MANAGERIAL
DECISION-MAKING PROCESS

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PARTICIPATION BY SUBORDINATES IN THE MANAGERIAL DECISION-MAKING PROCESS

I. INTRODUCTION

THE role of "participation" by individuals or groups in American culture in general and in industrial organizations specifically has been treated by many writers. Its implications for political theory as well as for a theory of human relations in formal organizations are numerous. However, in spite of this academic and extra-academic interest, a clear-cut, operational definition of the concept, or a precise set of hypotheses regarding its dynamics, has not been developed. While to do so will be the object of this paper, the treatment will not be completely operational. The development of appropriate methods of measurement is conceived as a next step that should follow the preliminary one of conceptual clarification undertaken in this paper.

A review of the literature indicates that three major approaches have been taken in dealing with "participation":

(1) *The Experiential Approach*. This approach is exemplified by writers who in the course of their experience in enterprise work have obtained a "feel" for the role of participation in the decision-making process and have put down their experiences in article or book form.¹ Writings such as these provide a set of insights and hunches whose verification in any systematic fashion has not been attempted. The actual referents from which these formulations are derived often are single sets of observations in a single or in a few enterprises—observations generally made in an uncontrolled fashion.

The experiential approach, operating outside the bounds of scientific method, nonetheless adds to scientific knowledge indirectly by providing the raw material from which hypotheses may be moulded. The precise structure of these hypotheses is not stated neatly by the experiential writers, but rather remains to be formulated.

(2) *The Conceptual, Non-Experimental Approach*. This approach characterizes the writings of authors who are, essentially, academicians with strong theoretical backgrounds. It is typified by writings that deal with "conditions," "functions," and other abstractions, generally of a socio-psychological nature, that attempt to explain the dynamics of participation.² The conceptual, non-experimental approach at its best is the process of theory or hypothesis formulation. Ideally it lays the groundwork for actual testing and experimental work, but much of this type of technical literature so far published on participation lacks the clarity of conceptual definition necessary to make it useful as a basis for experimental work.

(3) *The Experimental Approach*. This approach is found in the writings of authors who have seen fit to apply experimental techniques either to especially

¹For example: H. H. Carey, "Consultative Supervision and Management" (*Personnel*, Mar., 1942); Alexander R. Heron, *Why Men Work* (Palo Alto, 1948); Eric A. Nicol, "Management through Consultative Supervision" (*Personnel Journal*, Nov., 1948); James C. Worthly, "Changing Concepts of the Personnel Function" (*Personnel*, Nov., 1948).

²For example: Douglas McGregor, "Conditions for Effective Leadership in the Industrial Situation" (*Journal of Consulting Psychology*, vol. VIII, Mar.-Apr., 1944); Gordon W. Allport, "The Psychology of Participation" (*Psychological Review*, May, 1945).

constructed social situations involving participation, or else in natural settings in which participational activities prevail.³ With adequate controls and with a meaningful theoretical structure within which individual findings may be placed, this approach is doubtless the most fruitful. Ideally it indicates what will happen under specified sets of conditions and with what degree of probability. Unfortunately, up to now experimental work on the dynamics of participation in the decision-making process has been sporadic.⁴

The present paper is of the conceptual, non-experimental type. Participation in the decision-making process is conceived here as an instrument that may be used by the formal leadership of an enterprise in the pursuit of its goals. No attempt will be made to examine it from an ethical standpoint or in terms of its consistency within the frame of a democratic society, although it is by no means assumed that such considerations are less important than the ones set forward here.

II. DEFINITION OF PARTICIPATION

It is essential, in dealing with participation, to make clear the meaning which is to be attached to the concept. One must specify both who the participators are and in what they are participating. Too frequently in the available literature on the subject the reader must determine these matters for himself since no explicit statements bearing on them are made by the writers.

As already indicated, this paper is primarily concerned with participation as a managerial device. Attention is therefore focused on the subordinates of managers in enterprises as the participators. It is important to note that these subordinates may be either non-managers or managers.⁵ If they are managers, they are subordinates of superior managers in the formal organization of the enterprise in addition to having subordinates who are responsible to them.

Because of space limitations, consideration of the participation of individuals as union members in specific activities of an enterprise is excluded from the scope of this paper. Suffice it to say here that in those cases where the participation of union members is direct and personal, the benefits to be derived by the enterprise are similar to those derived from participation within the superior-subordinate relationship. However, in those cases (which are the greatest in number) where the participation of the union member is indirect and impersonal, it is doubtful if such is the result. It is our conclusion that most of the statements which follow are relevant to the former cases.⁶

³For the concept of the "natural experiment," see F. Stuart Chapin, *Experimental Designs in Sociological Research* (New York, 1947), and Ernest Greenwood, *Experimental Sociology* (New York, 1945).

⁴For a good summary of relevant experimental work, see Ronald Lippitt, "A Program of Experimentation on Group Functioning and Productivity" (in *Current Trends in Social Psychology*, Pittsburgh, 1948).

⁵For definitions of these terms as used here, see Robert Tannenbaum, "The Manager Concept: A Rational Synthesis" (*Journal of Business*, Oct., 1949).

⁶In connexion with this discussion, it should be noted that when participation takes place within the superior-subordinate relationship, managers have primary control over the nature of the activity; when it takes place as part of the manager-union relationship, they may or may not, depending upon the relative power of the two parties.

What then is the meaning of participation, and with what type of participation by subordinates are we here concerned? An individual participates in something when he takes a part or share in that thing. Since taking a part or sharing is always involved, participation takes place in a social context. Managerial subordinates in formal enterprises are responsible to their superiors for the performance of designated tasks. In such performance, they are participating in the production of the good or service of the enterprise. They also participate (share), through the receipt of wages or salaries, in the distribution of the total revenue received by the enterprise. These types of participation are common to all enterprises. But there is another type of participation which is much less frequently encountered, although its use as a managerial device has, of recent years, grown rapidly in importance. This type involves participation by subordinates with their superiors in the managerial decision-making process.

Decisions are made by managers in order to organize, direct, or control responsible subordinates to the end that all service contributions be co-ordinated in the attainment of an enterprise purpose.⁷ Since managers are those who accomplish results through subordinates, the latter are always directly 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.⁸ 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.⁹ However, subordinates can provide and discuss with their

⁷See Tannenbaum, "The Manager Concept: A Rational Synthesis."

⁸This discussion of the decision-making process is based upon Robert Tannenbaum, "Managerial Decision-Making" (*Journal of Business*, Jan., 1950).

⁹In 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

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.¹⁰

The participation with which we are here concerned may take place in two different ways. First, it may involve interaction solely between a subordinate and his manager.¹¹ 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.¹²

III. 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

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).

¹⁰It 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).

¹¹The 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.

¹²It 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.

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.¹³ 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.¹⁴

(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 change.¹⁵ 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.¹⁶ 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

¹³The 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.

¹⁴For 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).

¹⁵See, 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."

¹⁶See, 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).

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.¹⁷ 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.¹⁸ The conditions under which it *will* accomplish them—under which participation will lead to motivation—is the concern of the section which follows.

IV. THE PSYCHOLOGICAL CONDITIONS OF EFFECTIVE PARTICIPATION

All managers of an enterprise are faced with the problem of eliciting service contributions from their subordinates at a high level of quality and intensity. These service contributions are essential if the formal goals of the enterprise are to be attained. What induces subordinates to contribute their services? What motivates them?

A motivated individual is one who is striving to achieve a goal; his activity is goal-oriented.¹⁹ But it should be stressed that motivation is only *potential* motion towards a goal. Whether or not the goal is reached depends not only upon the strength of the force in the direction of the goal, but also upon all other forces (both driving and restraining) in the given situation.²⁰ To illustrate, a person may be motivated to produce 200 units of an item per day, but the restraining force in the form of machine failure or a quarrel with the foreman may lead him to attain an output of only 150 units.

In enterprises, the goals towards which individuals strive may be of two kinds. They may be the formal goals of the enterprise, or they may be other goals which are complementary to the formal goals. The latter is the typical case. Individuals may strive for monetary reward, prestige, power, security,

¹⁷This concept of effective authority is expanded upon in Tannenbaum, "Managerial Decision-Making."

¹⁸These advantages will henceforth be referred to as enterprise advantages.

¹⁹A goal is defined as a result which, when achieved, has the power to reduce the tension of the organism that has caused the organism to seek it.

²⁰Thus, motion in the direction of goals may be achieved not only by adding forces in the goal-direction, but also by reducing forces impeding such motion. See K. Lewin, "Frontiers in Group Dynamics" (*Human Relations*, vol. I, no. 1, 1947, pp. 26-7).

and the like; or they may strive for certain psychological gratifications through the very act of doing the job (that is, they work because they like their work). The primary reason why they contribute their services is to attain these latter goals. In attaining these desired goals, they make possible the attainment of the formal goals of the enterprise which to them are simply means to their own ends. In this sense, the desired goals and the formal goals are complementary.

In the former case, the goals desired by the individual and the formal goals are the same. The individual contributes his services primarily because such contribution makes possible the attainment of the formal goals of the enterprise which coincide with his own personal goals. To the extent that this coincidence of goals exists, the necessity for managers to provide complementary goals for subordinates is thereby lessened, and related costs are reduced. It is suggested that participation tends to bring about a coincidence of formal and personal goals.²¹ It may be that through participation, the subordinate who formerly was moved to contribute his services only because he sought, for example, security and financial rewards, now comes to be moved additionally because he recognizes that the success of the enterprise in turn will enhance his own ability to satisfy his needs.²²

Whether one conceives of participation as involving separate subordinates with their superiors or subordinates-in-groups with their superiors, in the final analysis one must not lose sight of the fact that the subordinate is a unique human being with a given personality. This implies that whether or not participation will bring forth the restructuring of his goal pattern (incorporating the formal goals within the scope of the personal goals) will depend upon a set of dynamic psychological conditions, the primary ones of which are outlined below:

(1) The subordinate must be capable of becoming psychologically involved in the participational activities. He must be free from "blockages" which may prevent him from re-arranging his particular goal pattern in the light of new experience. He must possess some minimum amount of intelligence so that he may grasp the meaning and implications of the thing being considered. He must be in touch with reality. If he responds to a dream world, any "real" developments, such as opportunities to take part in certain decision-making processes, may not penetrate without gross distortion and as a result miss their point.

²¹It must be noted that participation as used in this context is only one device which may lead to additional motivation by bringing about a coincidence of formal and personal goals. For example, some other devices that under certain conditions may result in motivational increases and their derivative benefits to the enterprise are permitting personal discretion to the person to be motivated and stimulation of a sense of pride of workmanship. In the former context, managers in all enterprises must always decide the amount of discretion to permit to subordinates. Many considerations naturally underlie this decision. For present purposes, it is important to emphasize that in many circumstances, the granting of considerable discretion may lead to substantial increases in motivation. Several devices may be used concurrently, and the dynamics of the devices themselves are interrelated. For example, use of discretion may bring about an enhanced pride-of-workmanship feeling.

²²It must be recognized that typically goal configurations, rather than single goals, act as motivating agents.

(2) The subordinate must favour participational activity. In other words, the person who believes that "the boss knows best" and that the decision-making process is none of his business is not likely to become strongly motivated if given an opportunity to participate. It is apparent that for personality types shaped intensely by an authoritarian system, opportunities for participation may be regarded as signs of weakness and leadership incompetence and on that basis may be rejected unequivocally.²³

(3) The subordinate must see the relevance to his personal life pattern of the thing being considered. When he realizes that through participation he may affect the course of his future in such a fashion as to increase its positive goal elements and to diminish the negative ones, he will become motivated. For example, a person who can see the relationship between "putting his two bits" into a discussion of a new way of using a stitching machine and the fact that this may mean greater job security and increased pay for himself may be motivated.

(4) The subordinate must be able to express himself to his own satisfaction with respect to the thing being considered. He must be psychologically able to communicate; and, further, he must feel that he is making some sort of contribution. Of course, if he cannot communicate (owing to mental blocks, fear of being conspicuous, etc.), by definition he is not participating. If he does not feel that he is contributing, he may, instead of becoming motivated, come to feel inadequate and frustrated. This presupposes that not only is he articulate, but that he has a certain fund of knowledge on which to draw. Participation may fail if it involves considering matters that are quite outside the scope of experience of the participators.

All of the above conditions must be satisfied to some minimum extent. Beyond this requirement, however, the conditions may be mutually compensating, and a relatively low degree of one (although necessarily above the minimum) may be offset somewhat by an extremely high degree of another. For example, if a subordinate is unusually anxious to take part in participational activity (perhaps for reasons of prestige desires), he may come to be quite involved in the process of restructuring his goal pattern so that it will include some of the formal goals, even though he is not always certain as to whether or not he is really contributing anything worthwhile. Further, the relationships specified by the conditions are essentially dynamic. Opportunities for participation, reluctantly used at first, ultimately may lead to a change of mind and to their enthusiastic acceptance.²⁴

It is apparent that individual differences are highly important in considering the effectiveness of participation as a motivational device; however, the

²³For example, see A. H. Maslow, "The Authoritarian Character Structure" (in P. L. Harriman (ed.), *Twentieth Century Psychology*, New York, 1946). For more detailed treatments see the major works of Erich Fromm and Abram Kardiner.

²⁴It should be stressed that "life spaces" of individuals (that is, their conceptions of themselves in relation to the totality of a physical and psychological environment) and their readiness for action in the light of these conceptions are never static. Constant change and "restructuring" take place, making for an essentially dynamic patterning of behaviour. For alternative definitions of the concept "life space" see Robert W. Leeper, *Lewin's Topological and Vector Psychology* (Eugene, 1943), p. 210.

"amount of participation opportunities" made possible by the managers is also a variable quantity. Thus, it is necessary to enquire what the limits to opportunities to participate are in terms of maximum results.

Common sense experience indicates that when some subordinates are given too many opportunities for participation, or too much leeway in participating, they may tend to flounder; they may find themselves unable to assimilate effectively the range of "thinking opportunities" with which they are faced.²⁵ On the other hand, if they are given little or no opportunity to take part in the decision-making process, by definition they will not come to be motivated by participational activity. For each individual, an amount of participation opportunities lying somewhere between these two extremes will result in a maximum amount of motivation. A hypothesis stemming from this formulation is that for effective operation of participation as a motivational device in a group situation, the members of the group must respond similarly to given amounts of participation, for wide divergences of response may bring forth social tensions and lack of team work within the group.

Of course, many factors act together to motivate an individual. Therefore, the usefulness of the conceptualization advanced depends upon the possibility of breaking down the total of motivational forces into those owing to participation and those owing to other factors. Experimental control methods, matching of cases, and similar devices may have to be utilized to make such an analysis possible. Whether or not the increment of motivation owing to participation is worthwhile depends to an important extent upon the level of intensity of motivation that prevailed previous to introduction of the device of participation. No doubt, there are upper limits to intensity of motivation, and, if motivation has been strong all along, the effect of participation may not be very great.

V. 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 is applicable.²⁶ 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?"

²⁵For the belief that "thinking" as a solution for the industrial problem of motivation is usable more effectively on the supervisory level, but less applicable on the "lower levels" of the organizational hierarchy, see Willard Tomlison; "Review of A. R. Heron, *Why Men Work*" (*Personnel Journal*, July-Aug., 1948, p. 122).

²⁶For 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.

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.²⁷ 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.²⁸

(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 the decision-making process. These channels must be available continuously and their use must be convenient and practical.²⁹

(6) *Education for Participation.* For participation to be effective, efforts

²⁷See Chester I. Barnard, *Organization and Management* (Cambridge, 1948), p. 48.

²⁸See McGregor, "Conditions for Effective Leadership in the Industrial Situation," *passim*.

²⁹For 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.).

must be made to educate subordinates regarding its function and purpose in the over-all functioning of the enterprise.³⁰

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.

VI. EFFECTS OF PARTICIPATION AS A FUNCTION OF TIME

An area of research that still remains relatively unexplored is that relating to the variation of the effects of participation with time. Some experimental studies have examined these effects in terms of increased productivity over a period of several weeks or months and found no appreciable reductions in productivity with time; while other evidence indicates that in some cases participation may have a sort of "shock" effect, leading to a surge of interest and increased motivation, with a subsequent decline.³¹ Inadequate attention seems to have been given to this rather crucial question, and the present writers know of no studies that have traced the effects of participation (or other motivational devices) over periods as long as a year. However, on a priori grounds, and on the basis of experiential evidence, it would seem that, after an initial spurt, a plateau of beneficial effects will be attained, which finally will dissolve into a decline, unless additional managerial devices are skilfully employed.

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³⁰See French, Kornhauser, and Marrow, "Conflict and Co-operation in Industry," p. 30.

³¹For evidence of no decline in the motivational effect of certain participational procedures in an industrial re-training situation after a relatively brief time period subsequent to initiation of participation had elapsed, see, for example, L. Coch and J. R. P. French, "Overcoming Resistance to Change" (*Human Relations*, vol. I, no. 4, pp. 522-3). Also Lewin, "Group Decision and Social Change," pp. 338 and 343. For the hypothesis that under certain conditions decline may occur with time, see Heron, *Why Men Work*, p. 180.

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FEW AREAS in the domestic social life of the nation are vested currently with greater public concern than the field of industrial relations. The development of better relationships between organized labor and organized employers, and the integration of these relationships with the interests of the individual citizen and the nation as a whole, constitute one of the most serious problems facing our economic and social system today.

The Legislature of the State of California expressed its desire to contribute to the solution of this problem when, in 1945, it established an Institute of Industrial Relations at the University of California. The general objective of the Institute is to facilitate a better understanding between labor and management throughout the state, and to equip persons desiring to enter the administrative field of industrial relations with the highest possible standard of qualifications.

The Institute has two headquarters, one located on the Los Angeles campus and the other located on the Berkeley campus. Each headquarters has its own director and its own program, but activities of the two sections are closely integrated through a Coordinating Committee. In addition, each section has a local Faculty Advisory Committee, to assist it in its relations to the University; and a Community Advisory Committee composed of representatives of labor, industry, and the general public, to advise the Institute on how it may best serve the community.

The program of the Institute is not directed toward the special interests of either labor or management, but rather toward the public interest. It is divided into two main activities: investigation of the facts and problems in the field of industrial relations, which includes an active research program and the collection of materials for a research and reference library; and general education on industrial relations, which includes regular University instruction for students and Extension courses and conferences for the community.

THE ROLE OF PUBLIC OPINION IN RELATION TO THE MEDIATOR

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A Definition of "Public" in Relation to Labor Disputes

THE "PUBLIC" presumably includes the total domestic population or at least all reasonably literate adults. For the mediator of a labor dispute, the public with which he is concerned may include a large proportion of this population, or it may be limited to relatively few people, depending on the character of the particular dispute. Obviously a threatened strike of two or three employees in a candy store interests quite a different group of people than a 60-day walkout of the employees of the basic steel industry. Rather than attempting to define the "public" whose opinion is of moment in relation to any particular dispute, and therefore to its mediator, I suggest that we think of the population as being divided into three groups: parties, participants and outsiders.

The core of interested persons in every strike or threatened strike situation is the group composed of the "parties," including all the employees and their representatives and all the representatives of management. In each situation these are the people who must make decisions. The employer representatives must decide if they will stand firm even in face of a strike and the employees must decide whether there will be resort to strike action. Both parties must also decide on the substantive terms which will result in agreement. The mediator's job is to influence the decisions of this group in order to bring about a settlement of the dispute.

Just beyond the parties is a second group of people, also directly interested in the controversy, who may be referred to as "participants." The participants include the members of the families of the employees, the merchants and others who sell to the employees and their families and the suppliers of goods and services to the employer. This second group also includes the employer's customers who have no alternative source of supply at the same price or with the same convenience. If they can obtain the same product but only with slightly greater inconvenience, their interest in the dispute may be very minor but they still have a somewhat greater involvement than the general public. The

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participants, as defined here, also embrace other employers and employees whose costs or whose conditions of employment will be affected by the outcome of this dispute. Since all the participants have an active interest in the decisions made by the parties, and often influence these decisions, the mediator is directly concerned with the attitudes and opinions of this group.

Finally, as the third group, there are all the other members of the "public," who for the purpose of each dispute may be thought of as "outsiders." The outsiders may have a deep concern about the effects of a strike, particularly so, for example, in case of war where production will be curtailed, but they have no direct interest in the outcome of the immediate controversy. In some situations, there is no involvement of this group while in others the interest of some outsiders may become almost as great as that of participants. The mediator is concerned about the opinions of outsiders to the extent that they have or may develop any interest in the decisions to be made by the parties.

In making their decisions the parties weigh the effect of each decision against the reaction, as they anticipate it, of all the participants in the dispute. And again depending on the character of the dispute, they also attempt to determine the effect of their decisions on the outside public. Whether or not the outsiders, or even the participants, are actually concerned about these decisions, the representatives of management and labor engaged in the bargaining often feel that many people are waiting, somewhat breathlessly, for the results of their negotiations. Because of their own involvement it is natural for them to have an exaggerated view of the interest of others. The smart mediator does, therefore, attempt to measure the effect of both the participants' and outsiders' attitudes on the terms of any contemplated settlement or on the breakdown of negotiations. He also endeavors to use these attitudes and reactions as a force in channeling pressures on either or both parties to accept a "reasonable" settlement of their differences.

As previously stated, the opinions of the group called participants, or of outsiders, are an important or a minor factor in widely varying degrees. Arthur Lesser, Jr., in an address last Spring at New York University,¹ concluded that:

" . . . the evidence is not persuasive that public opinion has much weight in helping to settle specific disputes except possibly in sensitive areas."

¹ "Public Opinion in Settling Labor Disputes," *Proceedings*, New York University Fifth Annual Conference on Labor, p. 630.

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Defining the "public" as including "participants" as well as "outsiders," as described above, I would disagree with this conclusion.

Disputes Where "Participants" Are Limited and "Outsiders" Are Not Directly Concerned

Where employers are making products not sold directly to the consuming public, as for instance in the case of a small manufacturer of electric wire which will be used in making radios, members of the employee's families, those who sell to the employees and those who sell to or buy from the employers, probably make up the bulk of the public which is vitally concerned about a settlement of the dispute. The number of participants is relatively limited since there are only a few customers, and since this is a small employer, not many other employers or employees will be influenced by decisions of the parties. There would normally be little, if any, interest of outsiders in this type of situation. Even here, however, the mediator can bring to bear a minimum degree of outside pressure on the parties. Among other economic and social pressures, the force of outside opinion tends to keep the negotiators in session and at the business of trying to resolve their differences. While the mediator is in the picture neither side dares assume the responsibility of breaking off negotiations. The mediator thus controls the hours that the parties bargain by the prestige of his position and the fear that outsiders may become more directly involved.² As every mediator knows, control over the timing of negotiations, the making of proposals and counter-proposals, is often crucial to the settlement of a dispute.

As the number of involved participants increases, or as their interests draw closer to those of either the employer or the union, the parties become more sensitive to their opinions. The participants are sometimes in a position to assess penalties, for example, by withdrawing their support as consumers. The parties react quickly to the possibility of such action. Mediators attempt to measure the effect of these developments or, in certain instances, may even encourage the threat of penalties as a means of obtaining concessions.

Public interest is often measured by the amount of time and space

² There are exceptions to the general statement that the mediator can control the timing of negotiations by his prestige and the opinion of others. We all know of particularly courageous or stubborn—depending on your point of view—employers and union representatives who find satisfaction in defying the mediator and public opinion. Even these negotiators, however, usually play their role with at least one ear toward the reaction of outsiders.

devoted to a particular problem by such mass media as the radio and the metropolitan press. As people who live in large cities, we sometimes overlook tremendously important labor disputes in small communities. Actually, however, it is in strikes or threatened strikes in small towns where the attitudes of persons not directly involved may have their most important impact on mediation efforts. In a small homogeneous community nearly the entire population becomes participants, and every aspect of the bargaining is closely watched by the friends and relatives of the workers and by local businessmen. The union knows that it must rely on the support of these people to carry on a successful strike. Also, the employer's conditions of employment are well known throughout the community. In determining their stand in such situations neither management nor union will ignore public sentiment as represented by the broad group of participants.

One factor may bring about the special interest of outsiders in even minor strike situations: the occurrence of violence against striking or non-striking employees, or against the property of the employer. Where such interest has been aroused, the mediator frequently can help to correct the situation which created the interest and also use it as a tool in effecting a workable compromise. Acts of violence often convert minor incidents into major controversies with the concomitant change from apathy to emotional involvement on the part of many outsiders.

Disputes Where Directly Interested "Participants" Are Numerous

In those strike situations, real or threatened, involving products or services sold directly to the consumer, the opinions of these participants influence greatly the work of the mediator. The manager of even a small restaurant is vitally concerned about the effect of a picket line on his customers or potential customers. The picket line, used by the union as a method of winning support for its position, will also affect the activities of the mediator. Where reaction of the participants is opposed to the pickets, the mediator may win concessions from the union, just as support for the strike will tend to make the employer amenable to compromise. It may be assumed that the parties will consider the reaction of consumers even without the mediator's intervention, but the mediator is in a position to weigh objectively the effects of this reaction. It is his job to see that both sides understand the possible implications of consumer sentiment without the natural biases resulting from personal involvement.

With larger numbers of employees involved in a dispute, the number of participants increases and outsiders with a special interest in the situation will also tend to increase their interest in the positions taken by representatives of the parties in their bargaining sessions. Where companies and unions are engaged in pattern-setting bargaining the number of participants is increased almost infinitely. Other employers, even in other industries, and hundreds of thousands of workers develop a direct interest in the negotiations because they may affect their own costs or their own conditions of employment. Naturally, this interest is modified also by the apparent reasonableness of the union's demands and the employer's proposals for settlement. In some instances consumers have so overwhelmingly considered the cause of strikers to be justified that employers have found difficulty in overcoming adverse sentiment. It may be hypothesized, for example, that it took the Ford Motor Company many years to recover completely from the ill effects of consumer reaction to its labor troubles during the 1930's. Back-to-work movements, particularly during a protracted strike, also develop as a result of participant and outsider pressures on employees. The use of the press and radio to advertise the strength of back-to-work movements is a commonplace device in labor relations strategy. The alert mediator watches such developments and times his proposals in accordance with the development of these pressures.

A mediator, as distinguished from a conciliator (and more and more it appears apparent that this distinction should be made in discussing the intervention process), makes specific proposals to the parties for the resolution of their dispute. Even though such proposals are almost always made in private, the effectiveness of the procedure is largely dependent on pressures created by the opinions of participants and outsiders. The mediator obviously does not take this step until he is sure that "the time is ripe" for his positive suggestions to be accepted by both sides. Generally speaking, once the mediator has stated a proposed settlement he must secure agreement on these terms (with perhaps minor language modifications) or he must withdraw from the dispute. While the terms of his proposal are private until they have been accepted, it is not unusual for the mediator to announce publicly that recommendations are being made which he believes should result in a final settlement of the dispute. Announcement that a proposed solution has been made to the parties gives it some of the character of a government recommendation and makes it more difficult for either

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party to reject the proposal. The pressure of opinion of participants and also of outsiders is important, first in connection with the timing of mediation proposals and second, in securing their acceptance.

It may be noted that in the Scandinavian countries a great deal of attention is given to the use of the opinion of those not actively involved as an aid in the mediation of labor-management controversies. In Denmark, according to the studies of Professor Walter Galenson,³ it is customary for the bargaining process to reach a climax with the formulation of a so-called "mediation proposal." These proposals of government mediators are made public and, quite frequently, if they are not accepted by the parties in important disputes, legislation on an *ad hoc* basis may be utilized to make the recommendations effective. This, of course, is a procedure so close to compulsory arbitration that it would find few advocates in this country. It indicates, however, how far it is possible to go in utilizing the pressure of outside attitudes and sentiment to support mediation efforts.⁴

Where a threatened strike, or the continuation of a strike already in progress, may endanger the health and welfare of many persons, the mediator may effectively use the more drastic forms of intervention, relying on informed opinion of persons other than the parties for support of his position. For example, representatives of both management and labor in the public transit field have found it difficult to resist proposals that disputed issues be referred to final and binding arbitration. The Amalgamated Association of Street, Electric Railway and Motor Coach Employees of America has long realized the public relations problem in carrying on a successful strike, at least until after it has indicated its willingness to submit its demands to arbitration by a third party. Employers in the transit industry have endeavored in recent years to resist the pressure for arbitration, but usually this resistance has been shortlived. In those situations where large numbers of consumers are participants in the dispute and are more interested in a prompt settlement than in the nature of the solution, the mediator may spend much of his time trying to secure an agreement to arbitrate. His work tends to be effective to the extent that he can devise procedures, including the development of standards for a submission agreement,

³ See, for example, his excellent chapter on Scandinavia in *Comparative Labor Movements*, Prentice-Hall, Inc., 1952.

⁴ The Danish type of procedure also assumes a greater respect for the integrity and judgment of the mediators than is customary in the U. S. The American penchant for "cussing out" the umpire enlivens many sports but its value may well be questioned as applied to labor-management disputes.

that will lead to a settlement. Such procedures will be acceptable to the parties not because they prefer them to a substantive settlement but because the weight of pressures from participants leaves them little choice.

Disputes Where "Outsiders" Play an Important Role

In the type of situation where a strike might have a critical effect on large numbers of consumers the opinion of outsiders, as well as participants, plays its most effective role as an aid in the mediation process. This is the basis for so-called "fact-finding" procedures, which are really only advanced stages of mediation, where the production of *essential* goods or services are involved. The real function of fact-finding boards is not to find facts but to build up public pressure for settlement of the dispute on "reasonable" terms as determined by expert outsiders.⁵ As Carroll Daugherty's board stated in its report on the 1949 steel case:

"... for the first time in the process, they [fact-finding boards] provide an opportunity for the public at large to become informed on the issue of the case. Sitting as the eyes and ears of the general public, they are in a position, as impartial observers, to come to informed conclusions on the facts and to make recommendations as to a fair and equitable settlement of the disputes. These recommendations should cover the framework, rather than the details, of a settlement, which should be left to the parties for negotiation. In doing this they advance the collective bargaining process by helping to provide the public with the facts upon which it can base its opinion."⁶

This function of fact-finding is so obvious that it is somewhat surprising that it was overlooked by the members of Congress in 1947 in the enactment of procedures to deal with "national emergencies." The prohibition on boards of public inquiry from making public recommendations has made these agencies of the government practically ineffective in the settlement of disputes to which they have been assigned.⁷

It is clear that the Congress provided for fact-finding without recommendations because it feared that public recommendation would make the process too much akin to compulsory arbitration. (We might digress to note that the steel cases of 1949 and 1952 illustrated

⁵ Another important function of fact-finding, which it is not necessary to deal with in this paper, is to secure a basis for delay in contemplated strike action while other means of settlement are worked out.

⁶ *Steel Fact-Finding Board Report*, 13 LA 62, Sept. 10, 1949.

⁷ *Federal Fact-Finding Boards and Boards of Inquiry*, mimeographed report, Bureau of Labor Statistics, U. S. Dept. of Labor, Washington, D. C., May, 1950.

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that these fears were largely unfounded. You will recall that in the 1949 steel case involving pensions a strike occurred after the report and recommendations of the fact-finding board and that the final settlements differed from the recommendations of the board. In the 1952 steel dispute, where the Wage Stabilization Board made public recommendations for wage adjustments, an 18-month contract and a union shop, the steel strike was not immediately settled nor did the final agreements conform in detail to the recommendations.) It is undoubtedly the weight of opinion of large segments of the public, and the fear of the consequences of that opinion, that makes the process of fact-finding with public recommendations resemble compulsory arbitration. It is also precisely this fact which gives the procedure power as a method for dispute settlement. If we are to minimize crippling strikes in industries having a vital effect on the public health and welfare, and at the same time avoid compulsory arbitration, procedures must be devised to provide for a powerful form of mediation. We all recall the extent to which it was the pressure of opinion of an aroused population at war which made the War Labor Board "orders" effective during World War II. As long as the procedures are used infrequently, and judiciously, even in peace time it should not bother us that their effectiveness is due to the difficulty management and labor have in ignoring public recommendations by outside experts.

Summary

In summary, I would argue that public opinion plays an important role in the mediation of labor disputes. Without specifically defining the "public" with whose opinion the parties and mediators are concerned, it is helpful for purposes of analysis to consider the public as divided into three groups. The "parties" themselves make decisions which are to some extent influenced by mediators. These decisions are also affected by the size and degree of interest of a second segment of the public, namely the "participants" in the labor dispute. This group includes families of employees, businessmen who sell to these employees, the employer's suppliers and consumers, and also other management and labor groups who will be directly affected by the decisions of the parties. The third group, referred to as "outsiders," includes all other reasonably literate adults who normally may be expected to develop an interest in the dispute only under specific circumstances, such as in the case of war, when violence occurs, or where an issue of great principle is at stake. The mediator must be

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familiar with the attitudes and opinions of each of these groups and he may use them, in varying degrees, as a method of increasing the pressure for a settlement of the controversy on "reasonable" terms.

Even in minor situations where the dispute is far removed from any direct relation with large numbers of consumers, the opinion of participants, and even outsiders, sustains the mediator in keeping negotiations active. It is this pressure from groups other than the parties which gives the mediator control over the timing and the conduct of negotiations since it adds weight to what otherwise might be feeble intervention for a settlement.

As the strike or threatened strike comes closer to consumers, and as the number of those directly affected increases, the mediator can utilize the forces of their opinion more effectively. He can make positive proposals for settlement either in the form of substantive recommendations or in terms of procedures. Fear of the possible reaction of large numbers of consumers and potential consumers is a potent tool of the mediator.

In those situations where a strike of long duration would vitally affect the public health and welfare, or where the production of essential goods or services are immediately involved, public opinion is a critical factor for producing agreement. In these situations the use of fact-finding, along with public recommendation on the terms of a proposed settlement, is the most powerful force available in a democracy for the mediation of disputes. It approaches the very boundary of compulsory arbitration but it avoids government dictation on the terms and conditions of employment.

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SOME ECONOMIC IMPLICATIONS OF GUARANTEED WAGES

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Steps in the Evolution of Economic Security for Wage Workers.

Recent negotiations for guaranteed wage contracts by the United Auto Workers (UAW) with automobile manufacturers, by the United Steel Workers of America with the American and Continental Can Companies, etc., represent one more step, perhaps a long step, toward the achievement of economic security for wage workers.

This process of protecting wage earners against major risks of loss of income in industrial life began about 45 years ago in the United States with the passage of the first workmen's compensation acts. These provided indemnities for workers who were victims of in-

dustrial accidents. In a few states, including California, workmen's compensation is now supplemented by compulsory disability insurance, which compensates workers who are temporarily disabled because of disease or injury suffered off the job. In the meantime, however, organized labor has forced development of health insurance in industry by negotiating for employer financed health insurance plans. As a result, an increasing number of non-agricultural workers are now protected against total loss of income due to industrial injury and/or to disability caused by illness or injury off the job.

With the passage of the Social Security Act, the basis was laid for protecting workers against lack of income

in old age and due to involuntary unemployment. However, the legislation passed in 1935 soon became outmoded in the course of events. World War II intervened to raise prices and wages to levels much higher than had prevailed during the latter part of the 1930's. In the meantime Congress and the state legislatures failed to amend the old-age insurance provisions of the Social Security Act and the state unemployment insurance laws so as to provide realistic benefits. One result of this legislative negligence was that organized labor began to press for employer-financed industrial pensions to supplement old age insurance benefits. This movement received a dramatic start in 1946 with the signing of the Lewis-Krug agree-

ment. This pact obligated coal mine owners to finance a welfare fund for miners by paying initially a royalty of five cents per ton of coal. This fund was to be used for paying industrial pensions supplementary to old-age insurance payments of \$100 per month to miners with 30 or more years of service in the coal mining industry. By imitation and adaptation the welfare-plan movement spread rapidly through our manufacturing industries in the process of collective bargaining.

While organized labor has scored successive gains or improvements in negotiations with employers concerning health and welfare plans, very little progress has been made in unemployment insurance. To be sure, the states gradually raised the weekly benefit amounts paid from initial maxima of \$15 in 1938 to about \$35 at present. They also extended the coverage of these laws and lengthened the potential duration of benefit payments from around 15 to 26 weeks. Yet, it is clear that unemployment compensation has become progressively less adequate as a form of income protection during involuntary lay-offs when compared with weekly wages earned in industry.

From the hearings and debates surrounding the passage of the Social Security Act, it appears that Congress intended to indemnify eligible unemployed workers, whose earnings fall within the range of the first three quartiles (starting from the bottom quartile) of the wage structure at least to the extent of 50 per cent of their weekly wages by unemployment compensation payments. Likewise, the Bureau of Employment Security has for years been urging state legislatures to amend unemployment insurance acts so as to provide "adequate" benefits, defined as benefits so related to earnings that 75 per cent of eligible claimants should not be able to qualify for maximum weekly benefits on the basis of the latter being in excess of 50 per cent of claimants' weekly wages.

These aims concerning the relation of unemployment benefits to wages in insured employment have obviously not been fulfilled. Average weekly wages of factory production workers were close to \$77 in July of this year.¹ Wage increases recently negotiated for auto, steel, electrical workers, etc., and increases about to be negotiated for other workers, are likely to raise this figure above \$80 per week in the near future. If this is true of average weekly wages of production workers, it is almost certain that millions of workers whose earnings fall in the third quartile of the

wage structure must earn about \$100 a week. Unemployment benefits currently average \$25 a week. Thus they represent less than 30 per cent of weekly wages in insured employment, and perhaps 35-40 per cent of average weekly take-home pay. As a result in industrial states, California included, more than two-thirds of claimants qualify for the maximum benefit payments.² Consequently, recent union demands for wage-guarantee payments from employers to supplement unemployment benefits so that laid-off workers should receive payments of at least 60 per cent of their straight-time weekly take-home pay are in line with the proportion of income-protection Congress intended, as far back as 1935, to provide for the involuntarily unemployed.

While supplementary wage-guarantees have not yet become actual in our industries, the demand for them is indicative of a change in aim by labor. This change, apparently, is the consequence of organized labor's recent achievement of secure legal status in our society. Perhaps one can say that most union activities in the United States up to the time of World War II were aimed at enforcing labor's claim to virtual property rights to jobs in industry. This goal has by now been realized to a considerable extent. Of late another aim is apparently taking its place, namely a claim by organized labor to the income from steady jobs in American industry. To what extent this goal is realizable is an important question, too broad to deal with here, except parenthetically. Instead we shall attempt a more modest task of determining what are some of the economic consequences of pursuing this aim by means of negotiated wage-guarantee plans of the type concluded between the UAW and the Ford, General Motors, International Harvester, and other corporations.

Wage-Guarantee Plans, Old and New.

Recent studies of wage guarantees have brought to light the fact that they are not new in American industry. Nearly 200 wage-guarantee plans were found to be in operation in 1946 and to cover somewhat more than 100,000 workers. Some of these plans have a long and successful history. The "big three" most widely known ones are those of Procter and Gamble (introduced in 1923 to provide 48 weeks of work at full-time pay per year for workers with two or more years of service), the George A. Hormel Company

(introduced in 1934 to guarantee substantially all workers 52 paychecks a year at 38 times their basic hourly pay-rate), and the Nunn-Bush Shoe Company (introduced in 1935 to provide 52 paychecks per year for workers with one or more years of service, their total income depending on the value of shoes sold, since the fund from which wages are paid is set up as a specified percentage of the value of shoes sold).³

Characteristics of these older wage-guarantee plans are:

1. Most of them were introduced by management.
2. All limited the guarantee-liabilities undertaken by the companies so that if the plans became too burdensome, management, at its discretion, could limit their operation or even discontinue them.
3. As a *quid pro quo* from the workers, most plans called for concessions on overtime pay and job-assignments. Overtime pay earned in peak season was "banked" in the guarantee fund to help finance wage payments in slack season. Guarantee-protected workers were expected to accept jobs in other departments and occupations on a rotation basis when work fell off in their usual jobs.
4. The older plans were not intended to supplement unemployment insurance payments.
5. Before wage guarantees were introduced management entered on successful campaigns to re-schedule production and marketing of the firm's output to reduce seasonality in operations to a minimum.
6. Among the older plans the most successful ones operate in industries producing types of non-durable consumer goods for which demand is steady. They may not have fared as well in the less stable durable goods industries.

The new union-negotiated plans are similar to the old ones in imposing a limited financial liability on the companies involved. This liability is restricted to the sums accumulated in wage-guarantee funds built up by payments by employers of 5 cents per man-hour of service by production workers for an entire year before they are to receive payments. Beyond the first year the companies must make payments to the trust funds until the latter reach pre-determined levels calculated to defray wage-guarantee payments for protracted, mass lay-offs, which represent a maximum liability. These levels are set at \$55,000,000 for the Ford Motor Company and \$150,000,000 for General Motors. When the funds reach these amounts the companies stop further payments per man-hour worked and need not resume them until layoffs occur to reduce the funds below these

¹ See any of the following:

U.S. Office of War Mobilization and Reconversion, *Guaranteed Wages: Report to the President by the Advisory Board* (the Latimer Report) (Washington, 1947).

J. L. Snider, *The Guarantee of Work and Wages* (Harvard University, Graduate School of Business Administration, 1947).

A. D. H. Kaplan, *The Guarantee of Annual Wages* (Brooking Institution, 1947).

J. Chernick, *A Guide to the Guaranteed Wage* (Institute of Management and Labor Relations, Rutgers University, Bulletin 4, 1953).

² State of California, Department of Employment, *A Sourcebook on Unemployment Insurance in California* (Sacramento, 1953).

³ *Economic Indicators*, August, 1955, p. 15.

levels. In most other respects the new plans are different from the old ones:

1. They have been forced on reluctant managements by unions in collective bargaining.

2. They involve no *quid pro quo* from workers by way of sacrifice of overtime pay. In fact, they are designed to discourage use of overtime and induce management to hire additional workers when more production is needed. Seniority workers (in autos, those with 90 or more days of service) covered by the plans receive one week of wage-guarantee credit for each two weeks of employment. If straight-time wages are \$100 per week, it costs the company \$700 in two weeks to work two men overtime 20 hours each week. Eliminating overtime and hiring a third man reduces the wage-cost of this work to \$600 in two weeks. If the third man is laid off after two weeks this cost rises to a potential maximum of \$625, for he has at most earned one week of wage-guarantee credit, which, at its maximum, costs the company \$25 per worker per week.

3. The new plans are to be "integrated" with unemployment insurance. This means that employers are only to supplement unemployment benefits with wage-guarantee payments so that the two combined shall equal 65-60 per cent (after five weeks) of laid-off workers' weekly take-home pay at straight-time work up to 26 weeks. However, in no case is the employer's payment per credit week of wage guarantee to exceed \$25. Under the Ford-UAW contract workers with average earnings and an average number of dependents would receive \$50-\$55 per week in lay-off pay, with the company paying \$15-\$20 of this amount and the remainder coming from unemployment insurance.

4. The recently negotiated plans are contingent on legalization of wage-guarantee payments as supplements to unemployment benefits. If this is not achieved within two years in states where at least two-thirds of the workers covered by the plans reside, the guarantees are to be discontinued and funds accumulated for them are to be disposed of in the workers' favor under joint union-management procedures. The Attorneys General of Michigan and Massachusetts have already issued opinions stating that wage-guarantee supplements to unemployment benefits are not in conflict with their unemployment insurance statutes. In the other states, however, laid-off workers usually may not receive both unemployment benefits and payments, such as severance pay, from former employers at the same time. If they do, such payments are deducted from unemployment benefits to which they otherwise would be entitled and they receive only the positive difference, if any, between the benefits and the payments as unemployment compensation. This is because "severance pay" has been construed as "wages" under these statutes, and persons receiving "wages" are held not to be totally unemployed. In most states, therefore, legalization of wage-guarantee supplements to unemployment benefits probably requires amendment of the unemployment insurance laws.⁴

Perhaps enough has been said to indicate the broad features of the new union-negotiated wage-guarantee plans. For the sake of the argument in the remainder of this paper, we must assume that plans of the Ford-UAW type, with modifications and most likely with improvements, will spread through our manufacturing industries in the years ahead. This also forces us to assume that unemployment benefit supplementation will be legalized in most of the states.

However, plans of the Ford-UAW type probably represent only a beginning in the pattern of wage guarantees that might develop, just as the Lewis-Krug miners' welfare plan was only a beginning in relation to what was to come subsequently in welfare plan provisions. Indications of this are (a) the UAW entered negotiations with the Ford and GM managements with demands for lay-off pay equal to 80 per cent of take-home pay; (b) shortly after the Ford-GM-UAW contracts were signed, the United Steel Workers negotiated wage guarantees with the American and Continental Can companies similar to those at Ford and GM but for a more extended duration of up to 52 consecutive weeks of lay-off per worker rather than up to 26 weeks. It was said then that guarantees at least equal to these will be pressed for in the forthcoming (Spring 1956) negotiations with the steel producers, who employ a much greater number of steel workers (about 650,000) than do the can companies.

Whether wage-trust-fund payments by employers of 5 cents per man-hour per production worker will suffice to finance recently negotiated plans is not certain. If employment continues at recent high levels for some years hence, the cost of maintaining the guarantees is likely to prove smaller than this. But if we are due to bump into one or more recessions in the next decade, 5 cents per man-hour may not be enough.

While it is true that plans extending wage guarantees to 52 rather than 26 weeks are apt to be more costly, they are by no means likely to cost twice as much as 26-week plans. This is due to the fact, amply shown by experience, that the great majority of persons who are laid off manage (except in a prolonged and deep depression) to find new jobs within less than 26 weeks, the maximum period during which they may receive unemployment benefits. Those few who do not find new jobs within this period are likely to drift out of the labor market, often as unemployed.

It is also true that if lay-off pay is to rise from 60 to 70 or more per cent of weekly take-home pay, future wage guarantees will be costlier than recently negotiated ones. How much costlier is difficult to say in the absence of reliable data. But let us assume that if we avoid recessions for a few years hence, wage guarantees of up to 52 weeks' duration to pay laid-off workers up to 70 per cent of weekly take-home pay may be financed, good times and bad thereafter, for a cost between 5 and 10 cents per man-hour worked. This price,

while considerable, may not be excessive if, in fact, it does provide the bulk of our wage-earners with income security.

Whether the current plans will achieve this beneficial result depends, apparently, on three circumstances. (1) It depends on whether we shall succeed in maintaining high-level employment for a period long enough to enable the wage-guarantee trust funds to be built up sufficiently to meet the liabilities which may be brought on by a recession. (2) It depends on what adjustments employers are likely to make in their production and hiring policies when they are faced with the necessity of paying not only unemployment insurance payroll taxes but also charges of so and so many cents per man-hour per production worker to be paid into a wage-guarantee trust fund. (3) Further, it depends on how the various segments of the labor force respond to the adjustments employers are likely to make. However, before we go into these matters, it might be well to clear away some misconceptions concerning the effects of negotiated wage-guarantee plans, which have arisen in certain quarters.

Misconceptions Concerning Wage Guarantees.

One misconception about current wage-guarantee plans which is disseminated by some employer interests is that these guarantees are apt to bankrupt a large number of firms. This claim is not made for such business giants as AT&T, GM, and Ford, but more particularly for medium-sized and small business enterprises, and especially in times of economic stormy weather.

Business bankruptcy was also prophesied to be the consequence of the adoption of welfare plans ever since 1947. While some small businesses are apparently perpetually operating in economic hardship (many farmers, independent grocers, dry-cleaning establishments, etc.) — and wage guarantees if extended to such firms would doubtless increase these hardships — this is not true of the great majority of small and medium-size firms. These firms seem to have not only survived but also to have thrived despite successive rounds of wage increases plus additional charges for health and welfare plans as well as concessions on such fringe benefits as paid holidays and vacations. Most of these firms will not be seriously affected by having eventually to pay 5 cents per man-hour per production worker into wage-guarantee funds, at least not more so than they have been

⁴ A good summary of the Ford — UAW guaranteed wage contract is found in *New York Times*, June 7, 1955.

affected by similar or higher charges in recent years for health and welfare plans.

The cost aspect *alone* of current wage-guarantee plans is not likely seriously to impede production and investment in our industries. The "improvement factor" in industry, based on automation and other cost-saving influences, which apparently raises man-hour productivity by about 3 per cent per year when we operate at high capacity output levels, is apt to "absorb" the cost-impact of wage guarantees in a fairly short time. Hardship may, of course, result if we attempt to force guarantees onto our least stable industries, unless the guarantees are modified to allow for peculiarities in their operating or market conditions. But this is another matter, not related *per se* to the cost of maintaining guarantee plans.

A more serious misconception, which we find repeated occasionally even by economists, is that the generalization of wage guarantees tends to transfer labor from a variable to a fixed cost of production. The clearest expression of this view is by Dr. Seastone who wrote as follows in the December, 1954 issue of the *American Economic Review*:

However, union attempts to establish an economy-wide system of secured wages and employment are likely to find a management community which is largely hostile to treating labor as a fixed cost of output.⁴

The circumstances under which labor might conceivably become a fixed cost of production (fixed in the aggregate—rather than in the unit-cost sense) would be quite unusual and radically different from the conditions implied in currently negotiated wage-guarantee plans. If all workers were hired on a retainer fee basis for terms of one or more years, the fee being payable in equal weekly installments for up to 40 hours work per week, and if their wage guarantee when work is not available were equal to 100 per cent of their gross earnings at work, then we might be entitled to speak of labor constituting a fixed cost of production in much the same sense as we now speak of interest on bonds and debentures as a fixed cost. But this is decidedly not the case with the currently proposed wage-guarantee plans.

The Employment Stabilizing Effects of Marginal Lay-Off Costs.

Essentially what has happened since the introduction of unemployment insurance is that the marginal cost of laying off unskilled and semi-skilled

workers has increased by imposition of payroll taxes at differentiated rates from negligible and vaguely known amounts to more clearly discernible expenses. Before unemployment insurance, the cost of laying off workers was zero if the employer was contemplating a permanent reduction in force. But if he was only reducing his force temporarily, anticipating that he would later on have to increase his force to its earlier magnitude, then the lay-off cost was found to be positive, as were also other costs associated with other causes and forms of labor turnover. This was more evident in the case of skilled workers than with respect to unskilled or semi-skilled ones. The costs of labor turnover took the form of training expenses imposed on employers who expanded hiring after a temporary layoff. These were marginal lay-off costs, which might by analysis in given conditions be stated as a rate of so and so many cents per man-hour per production worker. Faced with these costs, on purely economic grounds, employers tend to maintain employment particularly of skilled and of long-service workers until the marginal revenue productivity of their work (calculated on a man-hour basis) declines below their hourly wage rates by amounts corresponding to their marginal lay-off cost, i.e. the most probable cost of having to break in new workers when demand for the firm's output expands.

Unfortunately, there are no nationwide or even industry-wide data available for us to tell how much the training costs associated with labor turnover amount to on a man-hour basis.

However, unemployment insurance increased marginal lay-off costs discernibly but in ways which could not be determined in advance for individual employers because of complications in the experience rating provisions of unemployment insurance laws. Employers became aware of these costs (as separate from and additional to training costs on new workers imposed by labor turnover) by variations, effected through experience rating, in the rates of unemployment insurance payroll taxes they had to pay. Employers with higher than average lay-off incidence and hence with more than average compensable unemployment chargeable against their reserve accounts, experienced a rise in unemployment insurance payroll tax rates to higher than average levels, and vice versa for employers with lower than average lay-off incidence. But precisely by what amount marginal lay-off costs rose relative to an increase in compensable employment was only vaguely known, and

generally known long after the fact, by individual employers.

Nonetheless, the very existence of unemployment insurance with payroll tax rates variable in relation to stability of employment experience, induced insured employers to efforts at work-stabilization in order to achieve reductions in unemployment insurance tax rates. We need not enter into the unresolved question as to how many of those employers who received lower payroll taxes through the workings of experience rating did so by employment stabilizing efforts of their own and how many did so fortuitously by operating in industries which traditionally offer greater stability of employment than the average of insured employments. All we are concerned with here is that unemployment insurance by raising marginal lay-off costs induced some additional employment-stabilization efforts by private employers. At the maximum rate of 3 per cent per annum on the first \$3,000 paid in insured employments, employers pay \$90 per year per insured job. Many employers pay less than this, for on the average, unemployment insurance payroll taxes have not exceeded 1.5 per cent of taxable payrolls up to a \$3,000 per year limit per insured job since the initiation of unemployment insurance.

Even at 2.0 per cent of taxable payrolls or \$60 per year per insured job, unemployment insurance taxes come to about 3 cents per man-hour or 1 to 2 per cent of hourly wage rates (assuming that most insured employments pay hourly wage rates of about \$1.90 per hour).⁵

For similar reasons it can be expected that wage guarantees supplementary to unemployment insurance, once they become generally adopted in our industries, will induce additional employment stabilizing efforts by private employers. Hence the combination of supplementary wage guarantees, unemployment insurance taxes, and the costs of training new men after lay-offs is a greater employment stabilizing influence than one or two of the components of this combination taken separately.

Suppose we are able to determine that job-training costs incident to labor turnover amount to x cents per man-hour per production worker and that when lay-offs occur the employer faces additional marginal lay-off costs of y cents per man-hour in unemployment insurance taxes, y being an increasing function of the proportion and duration of lay-offs in the employer's work-force. On the assumption that recently negotiated wage guarantees will spread through our industries, we can now

⁴ D. H. Seastone, "The Status of Guaranteed Wages and Employment in Collective Bargaining," *The American Economic Review*, XLIV (December, 1954), p. 917.

⁵ *Economic Indicators*, August, 1955, p. 14.

postulate that these wage guarantees will cost employers an additional amount (presently 5 cents per man-hour in the Ford and GM contracts) of z cents per man-hour per production worker.

In these circumstances marginal lay-off costs in wage-guaranteeing industries come to $(x \text{ plus } y \text{ plus } z \text{ cents per man-hour}) = u$.

Assume that hourly wage rates, w , are initially in all cases equal to the marginal revenue productivity of work, MRP_l (the " l " denoting labor), measured on a man-hour basis. MRP_l varies, of course, with changes in demand for the products of wage-guaranteeing industries. Initially then, we have $MRP_l = w$, and we assume (as seems realistic in the short run at least) that w is inflexible downwards except in protracted recessions or depressions (not contemplated here). Now suppose demand for the products of wage-guaranteeing industries falls off 10 per cent, so that $MRP_l = 0.90w$. If there were no marginal lay-off costs, employment would be reduced by $0.90w/w$ or 11 per cent to achieve a new equilibrium. But employers are mindful of lay-off costs, u , so if they believe the drop in demand to be temporary, they will only reduce employment and output by $(0.90w + u)/w$. Since u is positive, $(0.90w + u)/w$ will always be greater than $0.90w/w$. Thus the resulting lay-off will be smaller than 11 per cent, and if $u = 0.10w$, there may be no lay-off at all for the time being.

Meanwhile, with product demand at 90 per cent of its former level and production continuing at more than 90 per cent of the normal rate of output, inventories are bound to accumulate. This will force one or the other or both of two adjustments. With inventories growing, employers may conclude that x cents per man-hour, the labor-turnover cost, is, after all, deferrable until additional hiring becomes necessary. Then they are likely to cut back employment and output by the ratio $(0.90w + u - x)/w$ from the larger ratio $(0.90w + u)/w$ in order to retard accumulation of inventories. But if demand does not revive for a long time, inventories alone will force these industries to reduce product prices. This, of course, reduces MRP_l further from MRP_{l1} to a still lower level MRP_{l2} , and then forces a further reduction in employment, etc.

Enough has been said to show that the combination of wage-guarantee finance charges, unemployment insurance taxes, and labor-turnover expenses as marginal lay-off costs constitute a stronger cushioning and stabilizing influence on employment than either one or two of these elements are in the

absence of the third. But it should also be clear than even if u were to increase so as to approach equality with w , this will not prevent lay-offs from occurring when demand declines. Other things equal, the larger u is, or the larger (y plus z) are, the more will decline in employment be cushioned and retarded following a previous decline in demand.

On the other hand, fear has been expressed that wage guarantees may induce employers to stabilize their employment at levels far short of their capacity output because this can be done with less risk and at less actual and potential cost than to expand hiring as demand rises and then having to reduce hiring and pay lay-off costs when demand falls off. This is a risk that is real, but as long as u does not exceed 50 per cent of w , employers would find it to their advantage to expand hiring when demand rises. The other alternative is to endeavor to increase output by working a given force overtime. Since overtime work costs at least 1.5 times as much per man-hour as compared with straight-time work, it will be to their advantage to avoid overtime if additional men can be hired at straight-time as long as the marginal lay-off cost, u , are less than $0.50w$.

Thus far, u is apparently considerably smaller than $0.50w$. While we do not know what x , the labor-turnover cost, is per man-hour, y plus z taken together are not likely to exceed 8 or 9 cents per man-hour. Perhaps u approaches 12 or 15 cents per man-hour in most branches of manufacturing. If so, there is a wide margin between u and $0.50w$, for the latter magnitude is close to \$1.00 per hour even for unskilled workers and is higher than that for the semi-skilled and skilled. And even if we may expect z , the wage-guarantee cost component of u , to increase beyond the present level of 5 cents per man-hour, it seems most unlikely that z might be raised so much as to make u approach $0.50w$. Hence the risk that wage-guarantees may induce employers to restrict their hiring to some level which can be maintained with the minimum of variation in the amount of man-power used is at least not at present an imminent risk. This risk is greater under certain systems of severance pay than it is under wage guarantees. If employers were obliged, for instance, to give all seniority workers \$500 severance pay at the time of lay-off, then this would be likely to make the marginal lay-off cost greater than $0.50w$, perhaps even greater than w . In such circumstances one could expect employers to adopt minimum hiring policies.

However, how strong the cushioning effect of wage guarantees will be de-

pends not only on the magnitude of u relative to w , but also on how strong the unemployment insurance and wage-guarantee trust funds are at the time when the need for using them on a large scale arrives in some future recession.

This is why the existence of prosperous times when wage guarantees are introduced and the continuation of prosperity until the reserves in the trust funds have become large enough to meet their obligations in times of mass and protracted lay-offs is so essential to their efficacy. It should be borne in mind that if our unemployment insurance funds seems strong enough now to provide benefits to eligible workers for a considerable time, this is largely due to the fact that these funds have been insulated against heavy drains during several years of war-time hyper-employment, and by a higher average level of employment in the post-war years than most of us expected would prevail.

In connection with the possibility of wage guarantees being adopted on a wide basis, we must also observe that there are some industries for which they seem very poorly suited. These are industries in which production can not be stabilized for climatic and other reasons, and industries in which employment is either seasonal or irregular or intermittent. We refer, of course, to agriculture, to the related food processing industries, to most branches of the construction industry, and to some branches of the retail trades. Whether wage guarantees can successfully be extended to these industries remains to be seen, and if they are extended to them it will be interesting to find out to what extent employment becomes stabilized as a consequence.

Wage Guarantees and Aggregate Demand.

Generally speaking, levels of production and employment respond and react to changes in the level and composition of aggregate demand. If wage guarantees are widely introduced during a prolonged period of high employment, their introduction will occasion the minimum of disturbance in industry. Once they are established and functioning smoothly, they can be expected to stabilize aggregate demand at a level closer to the value of the full employment output of the economy than would be likely without the guarantees. The reason for this is that the guarantees would maintain consumer demand at a higher average level than in the past. This, in turn, though it may not necessarily increase the level of investment demand, it is at least not likely to reduce the latter. Thus, there seems to be no urgent reason to fear that wage guarantees will tend to reduce

aggregate demand. However, this is not to say that an economy operating under general wage guarantees will necessarily avoid the disasters of recessions or depressions. At best, the guarantees are likely to contribute to a reduction in the amplitude and duration of economic fluctuations. They are not likely to eliminate the latter. Consequently, wage guarantees should not be regarded as the equivalent of employment guarantees, neither would it be wise to look to them as an influence likely to initiate recovery.

Wage Guarantees and the Labor Market.

It seems likely that wage guarantees may induce employers to more effective employment stabilizing efforts than we have witnessed thus far. These efforts are now pursued almost entirely on an individual firm basis. Group action by many employers, possibly organized and initiated by trade associations and other organizations to which most employers belong, may be expected to develop and to produce more effective results along this line. Among other things, wage guarantees may force employers to make more effective use than now of the nation-wide network of state employment and placement offices which operate in conjunction with the administration of unemployment insurance. Furthermore, group action between employers on the one hand and local, state, and federal agencies offering public service job opportunities both in public construction works and in other activities, may be exerted in such ways as to dovetail private with public employment. The result might in a good many cases be that work forces which are now only employed seasonally may be offered substantially year-round employment. At least these are possibilities which are likely to be more fully explored if wage guarantees become general in industry.

In this connection, we should, however, recognize that not everyone who works for wages or salaries necessarily wants a year-round job. This may lead to a division of jobs between relatively steady ones and temporary ones, with the latter excluded from the guarantees. The labor force would also be likely to exhibit a similar division between the great bulk of workers who seek steady jobs under the protection of the guarantees, and a smaller portion of this force who prefer seasonal, part-time, and intermittent jobs.

When all employment-stabilization efforts have been exhausted, industry will still have intermittent and seasonal jobs to offer. Certain elements of the labor force will seek such jobs in preference to steady ones. Among these

elements are students, housewives, and retired workers living on pensions. These segments of the labor force will continue to look for summer and part-time jobs which leave time for study, for household duties, and which do not make excessive demands on energies of aged workers seeking to supplement their pensions by intermittent work. When several segments of the labor force seek less than steady jobs and when industry has such jobs to offer, it would be unusual if arrangements would not be made within a general framework of guarantee-protected jobs to withdraw distinctly temporary work from the guarantees and, perhaps, to increase the remuneration of persons performing such work by the average cost per man-hour of financing wage guarantees for steadier jobs.

Effect of Wage Guarantees on Unemployment Insurance and on Labor Mobility.

Another reaction that wage guarantees supplementary to unemployment insurance are likely to bring about is that employers will more and more join hands with organized labor to raise the benefit provisions and to liberalize unemployment insurance laws by pressing for legislative amendments to achieve these ends. The inducement for doing this is quite clear. Other things equal, with a given level of wage guarantee per seniority worker to be paid, the larger the proportion of the latter that is paid from the state unemployment insurance fund, the smaller is the proportion the employer has to meet by direct payments into a trust fund. Liberalization of unemployment insurance might occur gradually as guarantees are negotiated first with the giants, then with the big, and later with the moderate-size enterprises in our basic industries. But if this happens, then it is regrettable that it should have been forced to happen because of union-negotiated wage guarantees with employers, when, with similar cooperation from employers, it might have happened, without the need for the guarantees, by the process of legislative amendment. For it should be quite obvious that none of the income-security aims of organized labor which negotiated wage guarantees are intended to serve could not just as well have been achieved by appropriate amendments to our unemployment insurance laws.

The regrettable aspect in this is that there would have been an advantage from the standpoint of preserving labor mobility to have achieved these income-security ends by amending the unemployment insurance laws as compared with achieving them by a combination of privately negotiated wage guarantees

to supplement inadequate unemployment insurance benefits. Unemployment insurance offers workers in covered employment a certain income security, albeit a small one, in times of involuntary unemployment. But this is done on a basis such as to place a minimum of obstacles to the mobility of labor. A system of clearings of claims, providing for interstate payments of unemployment benefits, has developed between the unemployment insurance systems of the various states. The result is that if machinists become unemployed in California and learn of new job openings in Illinois, they are encouraged to move to the latter area to seek these jobs. While they are seeking them, and until they find them or other suitable work in their new location, they are able to collect the California unemployment insurance benefits to which they are entitled on an interstate payment basis.

This is not the case with supplementary wage guarantees. The latter are payable by particular employers. While there is nothing in the contracts between these employers and the corresponding unions to prevent wage-guarantee payments from being issued to eligible workers in the new locations to which they may have moved in search of jobs, the inducement for them to move is greatly minimized. The larger the number of weeks of guarantee-credit such workers have accumulated in the service of a given employer, the longer will they be able to wait for re-employment with him or with some other employer in their present locations. The need for long-distance moves to new job opportunities may not impose itself upon them until they have exhausted their guarantee rights, at which time they will also in most cases have exhausted the funds required for the move.

It is to be feared that the combination of industrial pension rights and of wage-guarantee credits which accrue in the service of particular employers will more and more tend to tie segments of the general labor force to these employers in ways which are likely to be costly to society unless special measures are taken to stimulate workers' mobility without penalizing them in their income security rights. The means to this end are several, but that is a subject too remote from our central theme to be dealt with here.

Conclusion.

The foregoing, then, spells out what I consider to be the most probable and the most immediate economic consequences of wage guarantees of the Ford-UAW type if they become generally accepted in our major industries.

On balance, and with some luck in their formative period, such guarantees are likely to be a positive influence toward a desirable degree of employment stabilization, however, most likely at some additional sacrifice in labor mobility.

This, of course, does not exhaust the intriguing problems wage guarantees post. One problem we cannot enter on, which may be fundamental, is what the consequences of generalized wage guarantees will be for the maintenance of industrial discipline in a job- or income-secure work force. Another has to do with the impact joint management-union administration of welfare-, health-, and now of wage-guarantee-trust-funds will have on the preroga-

tives of management to direct the production, marketing, and the pricing activities of industry. Management decisions concerning production, sales policies, prices, and the like will inevitably have discernible consequences for the future condition of these funds. Increasingly it is clear that these decisions can not be taken in abstraction from management's contractual obligations for the welfare, health insurance, and wage guarantees to its workers. And the union's representatives on the joint trust-fund boards are not likely to let management forget about these obligations. What this may lead to is hard to say.

Some persons have prophesied that the joint management of trust funds and of certain other functions (grievance procedures, for instance) is likely to lead to an indigenous form of co-determination patterned after the current German model. This may or may not be so. Yet it is inescapable that the proliferation of jointly administered funds and functions between unions and management has increased organized labor's privileges and powers in the production sphere. Whether this will lead, as the Webbs hoped it would, to the goal of industrial democracy or to other harsher forms of organization of society's productive activities still remains an open question.

BIOGRAPHICAL SKETCH OF

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SYNOPSIS OF MATERIAL

Formal organizations--in private business or in government--are based on (1) a division of labor, and (2) unity of command. Division of labor results in the creation of separate groups of workers whose responsibilities are limited, but who know more about their own work than other people do. Unity of command, however, depends on the probability that each such group will perform so that its own work can be coordinated with that of others.

These dual characteristics of an organization create a managerial dilemma. On the one hand, since top managers are isolated from the immediate setting where specialized work is done, they must make rules and policies flexible enough to allow subordinates to exercise discretion. On the other hand, these rules and policies must be definitive enough to ensure overall coordination. Top managers, therefore, are dependent on their subordinates to let it be known when the work of their own group is being interfered with by others; but top managers may find that their isolation from actual operations makes it difficult to evaluate the information received.

This need to reconcile specialization of function with unity of command creates a problem of the distribution of power within an organization. Power, for this purpose, can be defined as the ability of any functional group to have its own premises of action accepted by other groups as criteria for decision-making or for evaluating performance. Broad agreement on such premises results in coordination, but leaves the question open as to which group determines the terms in which coordination is achieved. This is especially true since coordination is achieved through informal social relationships between members of different functional groups, as often as it is by the imposition of formal rules. Rules, in fact, may be weapons of last resort in a struggle for informal power rather than rigid guides for routine activity. The question at issue here is to what extent the free flow of 'communication' within an organization permits re-alignments of power from time to time.

CONFLICTS BETWEEN STAFF AND LINE MANAGERIAL OFFICERS

by

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/

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 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 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 having 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 naivete ^{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 not relevant ^{14/} for carrying out his formal assignments; 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 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 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 ambitions 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 cafeteria 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. However, 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 fantasizing 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 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 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.

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 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 taste); (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.

Footnotes

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 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

(Footnotes continued)

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.

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 "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.

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 some pertinent comments on age conflict.

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 relations staffs) as "college punks," "slide-rules," "crackpots," "pretty boys," and "chairwarmers."

13. John Mills, a research engineer retired from the telephone industry, has noted the wordly naivete 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 specialized training. E.G., the head of the industrial relations staff had a B.S. degree in aeronautical engineering; his assistant had a similar degree in chemical engineering. Considering that 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.

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.

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 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.

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.

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.

BIOGRAPHICAL SKETCH OF

JOHN ROHRBOUGH

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Formerly: Education Specialist at the Instructor Training School,
U. S. Naval Training Center, San Diego (seven years).
His experience also includes public school and college
teaching, editing and sales with eastern educational
publisher, and lecturing on human relations. Mr. Rohr-
bough is also moderator on radio KFSD's Chain Reaction
Forum, San Diego.

SYNOPSIS OF MATERIAL:

The working aspect of conference techniques--with practice sessions
led and criticized by members of the group. Included will be an evalu-
ation of conferences types and selection techniques for fitting the
method to the need.

THE SILENT CONFERENCE
by
John Rohrbough
Coordinator of Civilian Training
Eleventh Naval District

PURPOSE

To analyze all the aspects of a complex idea, as contrasted to "brain-storming", which is bringing to bear a large number of ideas on a simple problem.

EQUIPMENT

1. SLIPS. Size 2 x 3½ inches, two different colors. Each participant (or group) should have ten or twelve of one color, and forty or fifty of the other.
2. SORTING CARDS. These are 8½ x 11 sheets, with pockets ¾ " deep. Stamp album pages are suitable. These may be bought at stamp dealers at about 15¢ each, or may be home-made.
3. PAPER CLIPS. One box.
4. SORTING-BOX. (optional) A shallow box with compartments (sixteen is a good number) into which the slips may be placed.

THE PEOPLE

1. CHAIRMAN. Instructs the group, and sets up committees as needed.
2. TELLER. Distributes supplies. Picks up completed questions. Distributes sorted questions for analysis.
3. SORTER. Classifies completed questions for re-distribution to group.
4. GROUP. Twelve, fifteen, or multiples.
Probable maximum, sixty. If the group is small, members work as individuals. Larger groups should be split into twelve or fifteen teams.

PROCEDURE

- A. OVERVIEW
Tell the group there will be a series of steps, which will be explained in detail as they come.
- B. INTRODUCE PROBLEM
Give scope, responsibility, and sample questions.
- C. WRITE QUESTIONS
"How can" is a good opening for questions in a silent conference since we are basically concerned with an operational program.
 1. Some questions come easy. Reach for the hard ones.
 2. Write questions on the smaller stack of slips.
 3. Write close to the upper edge of the slip.
 4. Make questions short.
 5. Put only one question on each slip.
- D. WRITE ANSWERS.
Take questions in turn, and write as many answers as you can to each.
 1. Make answers short.
 2. Write close to the upper edge of the slip.
 3. Put only one answer on each slip

4. As each set of answers is completed, put the question on top of the answers and clip together.
5. Make each completed question available to the teller.

E. SORT

The TELLER picks up the questions as they are completed, and brings them to the SORTER.

1. The chairman may act as sorter, or appoint someone. The sorter should be chosen for his ability to classify material quickly.
2. Set up categories as the questions are brought in. It is desirable to write a key word or phrase on a slip for use as an index, so later questions can be quickly placed.
3. A sorting box may be used if available.

F. ANALYZE

When the first committee or person finishes answering his questions, the teller brings him all the questions in the largest category finished by the sorter.

1. The teller also brings a SORTING CARD.
2. The most typical question is selected, and placed at the top of the sorting card.
3. The answers are arranged in logical order following the question.
4. All duplicates are discarded.

G. REPORT

Each committee or person is given a few minutes to prepare a report on the question in hand.

1. The chairman calls for the reports in an order established from the SORTER'S index.
2. The TELLER collects the sorting cards complete with questions and answers after the reports.

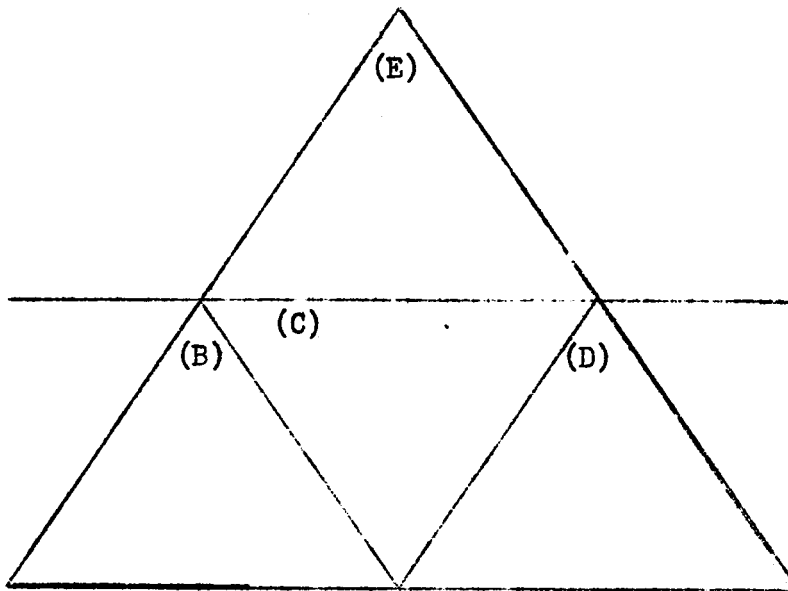
NOTE: For a permanent record, the slips may be picked off the cards with Scotch tape, and attached to a sheet of paper.

EFFECTIVE CONFERENCE-ROOM TECHNIQUES

John Rohrbough
Coordinator of Civilian Training, 11th Naval District

1. PLANNING

(A) _____



Two Different Conference Types

2. MATERIALS

(a) Face-to-Face

(1) Name - Cards

(b) Display

(1) TAB - Sheets

(2) Black Board

3. OFFICIALS

(a) Recorder

(b) Chairman

4. PROCEDURES

(a) Action

(1) Agenda

(2) 40-Minute Formula:

- a. Read and mark
- b. Declare agreement
- c. Set time limit
- d. Record Action Statements (tab sheets)
- e. Try for agreement
- f. Postpone unfinished items
- g. Twice-postponed items to other type of conference

(b) Planning

(1) Problem solving (Brainstorming)

a. Fact Finding

b. Methods

EVALUATION PLAN		CONFERENCE TIME	EVALUATION TIME
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NO.	NAME	
		CONFERENCE LEADER
		EVALUATION RECORDER
		LEADER CHARACTERISTICS

Attitude convincing?
Voice controlled?

		CONFERENCE PLAN
--	--	-----------------

Plainly defined?
Proper overview?

		CONFERENCE RECORD
--	--	-------------------

All main points caught?
Action statements complete?

CONFERENCE ROOM

Workable seating?
Name cards?
Paper & Pencils?
Agenda?

		PARTICIPATION
--	--	---------------

All members brought in?
Shy people encouraged?
Talkers tactfully guided?

		LEADER PERFORMANCE
--	--	--------------------

Made no statements?
Encouraged all to make statements?
Achieved agreements?