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THE DEVELOPMENT OF
MANAGEMENT ASSOCIATIONS
IN GERMANY

ENTWICKLUNG DER
BETRIEBSLEITUNGS-ORGANISATIONEN
IN DEUTSCHLAND

by

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E.
Bird*

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MANPOWER DIVISION

October 1949

OFFICE OF MILITARY GOVERNMENT FOR GERMANY (U. S.)
Manpower Division
APC 757 Frankfurt, Germany

THE DEVELOPMENT OF MANAGEMENT ASSOCIATIONS IN GERMANY

by

DILLARD E. BIRD

Visiting Expert Series No. 12

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FOREWORD

The complexity of contemporary economic life, particularly in the major industrial countries, has made the job of management, whether in private or public administration, more and more difficult. The need for and the value of scientific method in dealing with management problems is indicated by the steady development of management associations concerned with management as a whole or with particular aspects of management, such as advertising, marketing, and personnel management.

One means of finding the most effective methods of management has been through the exchange of ideas based upon the experiences of individuals and companies in various fields of operation. In his report, Mr. Bird has outlined in some detail the advantages which can accrue from associations devoted to this purpose.

The particular organizational forms best suited for a pooling of experiences will undoubtedly vary from country to country. In my judgment, however, there will be general agreement as to the benefits of management associations to solve the complex problems of industrial management.



H. W. BROWN
Director
Office of Labor Affairs

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NOTES ON THE AUTHOR

Mr. Dillard E. Bird, Cincinnati, Ohio, president of The Society for Advancement of Management, is thoroughly qualified as a specialist in the field of management. He has headed his own firm of management consultants for the past four years and during this period has served industry as an adviser and consultant on many problems in the general field of management with particular emphasis being given by his firm to those problems of management which directly or indirectly affect human relations. Prior to the establishment of his own consulting firm, Mr. Bird served industry and government in various administrative and consultative capacities. For a period of several years he taught industrial management and industrial relations at Wharton School of Finance and Commerce, University of Pennsylvania, and for the past five years has taught personnel administration and labor relations at the University of Cincinnati in the evening college.

Mr. Bird has spoken before management groups in many sections of the United States and is the author of numerous articles on various subjects in the field of management. He has developed unique methods of training and symbolic presentations which effectively present the principles and concepts of management and human relations. Before becoming president of The Society for Advancement of Management, he served that organization as president of one of its local chapters, as Vice-President, in charge of operations, and as Executive Vice-President.

Mr. Bird holds a Bachelor of Arts degree from the University of Cincinnati from which University he was also graduated in Public Administration. He holds a Masters of Business Administration from The Ohio State University and has had several more years of graduate work in the field of business management in the University of Pennsylvania and at Ohio State University.

THE DEVELOPMENT OF MANAGEMENT ASSOCIATIONS
IN GERMANY

THE PROJECT

The project which was set up on which the author was invited to work was described as follows:

"To explore with German employer groups in the U.S. Zone of Occupation the value of, and the possibility of, establishing an organization of management personnel for the purpose of studying and disseminating through research projects, publications and meetings, management tools with special emphasis on matters relating to personnel management. To give advice on the type of organization that might be established and on the proper steps that might be taken to establish such an organization."

The reason for the selection of an active leader of the Society for Advancement of Management was because that organization seemed to more closely approximate in its objectives and methods the type of operation which the Manpower Division felt would be most advantageous if made effective in Germany. It seems appropriate, therefore, to include here a brief review of the objectives, the methods and techniques employed and the values obtained by the Society in its operations in the United States.

(The following quotations in this section were taken from "What It Is-What It Does," a booklet descriptive of the Society for Advancement of Management.)

"The Society for Advancement of Management is the recognized national professional society of management people in industry, commerce, government and education. Representing no special interest, it is motivated by a selfless zeal to spread the benefits of scientific management wherever management is required.

"The Society was formed in 1936 by the merging of the Taylor Society, organized in 1912 to forward the ideas of Frederick W. Taylor and his associates who had developed the concept of scientific management, and the Society of Industrial Engineers, formed in 1917. A third organization, the Industrial Methods Society, merged with the Society for the Advancement of Management in 1946.

NOTE: The views herein expressed are those of the author, and do not necessarily reflect the views of U.S. Military Government.

"The organization was inspired by the conviction that in our economy only those enterprises can endure in the long run which conduct their operations through plans and methods which eliminate waste of human and material energies; which meet a genuine economic need as determined by careful analysis of markets; and which encourage highest productive effort through sound human relations.

"The Society for Advancement of Management has consistently adhered to the purpose of helping executive approach all "phases of the management problem -- production, distribution, finance, administration, industrial relations -- in the engineering manner. This means discarding prejudgment, thumb rule, guessing and haphazard methods, and adopting instead the open mind and the scientific method in the solution of every management problem in each particular circumstance.

"The purposes of this Society are, through research, discussion, publication and other appropriate means:

1. To forward the elimination of waste and the development of efficiency through the study and application of scientific principles and methods of management.
2. To bring about a better understanding of the mutual interests of government, management, investors labor and the public in improved management.
3. To provide means whereby executives, engineers, teachers, public officials and others concerned, who apply scientific methods to management problems, may promote this common interest.
4. To inspire in labor, manager and employer a constant adherence to the highest ethical conception of individual and collective social responsibility.

"Structurally, S.A.M. is ideally set up to achieve its purposes. In the national organization there are conferences, literature, and national leadership. Since the membership includes outstanding leaders in every field of management, expert committees are readily available to study and report upon management problems -- and, indeed, to anticipate them. Moreover, in the chapters in leading cities throughout the country, members take part personally in Society activities in a way that would not be possible under a more centralized, remotely controlled organization.

"The National Organization is headed by a Board of Directors,

a President, Executive Vice-President, Secretary, Treasurer, Director-at-Large, and two Divisional Vice-Presidents -- each member of the group a key-man in management.

"Productive planning and establishment of the organization, per se, has resulted in an efficient functioning of the arteries, which provide the necessary service to the autonomous chapters, thus enabling them to achieve the above mentioned purposes.

"Although the chapters are autonomous in their activities, they are able to benefit their fellow chapters through the counsel and guidance of the National Officers and Organization and the constant reciprocal action of the entire Society through its established channels of the different committees and with the aid of the National Office.

"S.A.M. chapters are located in major industrial centers throughout the country and Canada. They are autonomous and serve their members through frequent discussion meetings, round tables, research and special study groups, intensive training courses, plant visits, newsletters and educational bulletins. The chapters provide frequent opportunities for members to exchange ideas and experience, and to enjoy continuous contact with the latest developments in management ideas and practices.

"In many cities, S.A.M. chapters are well regarded for their contributions to community and industrial development. The contributions of individual chapters have covered actual projects in worker productivity, management controls, management-labor cooperation within the community, applied worker incentives, and advanced management techniques for government.

"The majority of the half a hundred chapters undertook projects similar to those mentioned."

The chapters and the National Organization welcome to membership all who are inspired to participate in the advancement of management and enjoy the fellowship of people working toward the same objective.

"Student Chapters have been organized in leading colleges and universities offering major work in management fields. Many of these universities have designated chapter activities as electives for acquiring points toward a degree.

"The discussions and general programs of the chapters encourage and stimulate interest and understanding in the scientific principles of management.

"The sponsoring chapters assist the student groups in organizing, planning activities and securing speakers and published material. Each Student Chapter is carefully guided by a student advisor who is also a member of the Society.

"To help the national organization and the chapters to do as effective a job as possible, the Research Division has been established with a Director heading up each major management field. Virtually every phase of management is covered. Able men of national reputation serve as Directors, and competent committees assist them in their work.

"The Directors and their committees assist in the preparation of national conference programs. They prepare discussion material, and program outlines and ideas covering each management function to aid the chapters in developing stronger and more diversified programs. In addition, they coordinate and summarize the results and conclusions of the round table discussion groups in the chapters.

"The Society as a member of the National Management Council is assisting in the promotion of sound, scientific, management practices and doctrine on a world-wide basis."

It has been found that through the participation of all levels of management both line and staff from all types of industries, a better understanding is brought about among all those participating with beneficial results to the individuals themselves and to the companies they represent.

"The individual member of S.A.M. is presented with the opportunity for well rounded development in the field of management, not only by taking what the Society has to offer, but also by contributing his own ideas. Through the media of publications, meetings, and personal contact with other members, he is able to acquire a vast amount of the newest information concerning techniques, procedures, and methods. Through writing, speaking, and round table discussions, he is able to express himself. Through the constant development of his management philosophy as he progresses in his profession, he becomes equipped to aid in the improvement of relations with other managers and executives within and outside of his own organization. All of these enhance the broadening of his outlook, the reliability of his judgment and the quickening of his personal accomplishment, as well as enable him to enrich himself through new friendships, prestige, and opportunity.

"Company membership invariably means the systematized development of leadership within the firm, a provision of the means for the exchange of technical information, and the promotion of a scientific

approach to management which must inevitably step up production. With the unification of company management and the tightening of administrative efficiency by means of constant organized research, top management, middle management, and supervision become coordinated. The liaison between company, community, and national management trends, made available by the Society's consolidated organizational procedures, results in the constant betterment of management in every phase of living.

"The community benefits as an economic unit through the reduction of losses and by way of preparedness for competition with the broadening of understanding evolved through the acquaintance established among selected management representatives of different organizations in the region. The education, through information and practice, made possible by the Society, directly affects general education, industry, business, and professional groups and thus, benefits the community as a whole.

"Among its members today are manufacturing and merchandising executives, directors, presidents, comptrollers, factory managers, production managers, sales managers, personnel directors, purchasing agents, specialists in time and motion study, industrial engineers, labor executives, economists, business and economic consultants, research workers, teachers of management, students, officials in federal, state and local governments, and others interested in bringing all the resources of science to the aid of management.

"Any person may be admitted as a Member who is not under thirty years of age and has done definite work in the development of the science and art of management as executive, industrial engineer, technical engineer, scientist, investigator or teacher. He shall have been in the active practice of his profession or calling for at least five years.

"Any person may be admitted as an Associate Member who is not less than twenty-one years of age and who is interested in the development of the science and art of management. When an Associate Member satisfies the requirements for admission as a regular member he shall be transferred to Member status."

OBJECTIVES

The inference might be drawn from the outline statement of the project in the preceding section that the objective of the Manpower Division was to suggest to the German industrial groups which were contacted that they establish a national organization to accomplish the same purposes as the Society for Advancement of Management. This was not the case. The approach which was decided upon was that of trying to stimulate interest among the German employers within certain selected local areas in planning for the establishment of a local group which would follow something of the pattern of the individual chapters of S.A.M. and encourage them to use the techniques which those chapters utilized in making their progress effective.

It was felt that the accomplishment of this general objective, which was decided upon in conference with Mr. Leo R. Werts, Manpower Adviser, would be valuable from three different points of view. First, it would be a useful technique for the Germans to employ to bring about a freer exchange of ideas among all the levels of management, and in the varied industries which would be represented, through a medium which has not been utilized extensively or fully to date; second, the development of an acceptance of the principles underlying the establishment of such local groups and the utilization of the S.A.M. chapter techniques described would assist in increasing the democratic approach to problems in industry; and third, since the techniques themselves involve acceptance of the American way of "elevating the importance of the individual," discussion of this principle and related problems and techniques would be an effective way of presenting many of the American conceptions of human relations to the Germans. It was hoped that sufficient interest would be thus aroused among German leaders to bring about greater utilization of human relations principles in Germany.

PROCEDURE

The Manpower Group, under the leadership of Mr. Leo R. Werts and Mr. Sam G. Wynn, were most helpful in supplying material for study to permit the author's orientation to the problems to be faced in approaching this project. The reports of previous visiting experts were studied. The author was briefed on employer engineering and technical associations existent in Germany. The author was briefed on the work which the Manpower Group had been doing and its accomplishments, problems faced by the Manpower Group and by previous experts, the current status of German industry and the problems it faced in the general field of management, production and labor relations, and plans for the future. The completion of this phase of orientation was followed by the development of a schedule of visits to leading German industrialists and heads of employer groups of all kinds and active leaders in all of the professional and technical organizations. These visits were scheduled in three Laender of the U.S. Zone although the greatest amount of time was spent in Bavaria and Wuerttemberg-Baden.

The request was made by Mr. Werts that in the course of the completion of this assignment, the author analyze his experiences, the methods used and record and report the values contributed by each method or technique from the stand-point of results obtained for the guidance of future experts in the Manpower field. The interest of the Manpower Division in obtaining this analysis indicated the advisability of using a number of methods of approach to the problem. Consequently, during the course of the experience, various circumstances and situations were encountered with interesting results. These results will be reported upon in a later section of this report.

The author met with individual industrial leaders and association leaders on appointment both in their own offices and in Manpower offices; with employer groups and association groups called together by Manpower executives and the same type groups called together by representatives of the employer groups or associations. These meetings also were held -- some in the offices of employers and some in Manpower offices. Some were held over a luncheon or dinner table and others were held during the course of the working day, some in the morning and some in the afternoon. Some of the visits with individual employers were held without the use of interpreter but all of the group meetings and most of the individual interviews were interpreted. The approach which was made to individual employers and to groups of management people was first to try to establish rapport before beginning the presentation of the subject matter. This was done with individual employers by the author introducing himself and his interest in talking with them,

acknowledging at the very beginning only a brief first-hand acquaintance with German institutions and German industry and inviting them to tell of German industry and its problems and the functioning of the associations in which they had direct or indirect interest.

The situation was somewhat different with the small groups of employers with which meetings were held because time did not suffice to permit each member of the group to present his ideas and still permit sufficient time for a presentation of the subject matter which they were called together to hear and to provide adequate time for a discussion after the presentation. In these cases, through the presentation the effort was made to anticipate many of the objections to the technique which might be raised; to answer these objections; and to indicate an interest only in offering a technique, which had proved of considerable value to those organizations in the States employing it, for any interest and value it might have to the Germans in furthering their own industrial program.

The effort was made to indicate very clearly at the outset of each discussion that it was not the author's purpose to establish chapters of S.A.M. in Germany, or to establish a national organization similar to S.A.M. in Germany. Each individual and each group were told that the assignment involved telling them about the values which such local groups, at the individual chapters of S.A.M., can contribute to the individuals participating and the businesses and the industries they represent. Each individual and each group were requested to keep in mind, as the local units of S.A.M. were described, that the ideas and techniques recited would only be of value as they were adapted to fit the needs in Germany. It was indicated at this point that there is no method or technique, however useful in one company or one industry or one country that can be lifted and applied intact in a different company, industry or country without examination to make sure that, in its present form, it is adapted to the same application which it received in the situation in which it was used so effectively. It was also pointed out that usually some adaptation either major or minor must be made if the technique or device is to be useful and to satisfy the objective for which the technique was selected.

Knowledge that there are many German employer associations, engineering and technical societies, and acquaintance with the fields which they cover made it possible to point out to each individual and group that the counterparts of these same organizations with similar activities existed in the United States in the individual localities where local chapters have been formed but that the existence of these other groups did not satisfy the objectives for which S.A.M. and its local chapters were established. Indication was given that in the author's home town, Cincinnati, Ohio, there were some 36 employer associations and technical and scientific groups, each having at least one meeting each month and that still there was found a need for a

chapter of S.A.M. The point was made that the S.A.M. chapter in that city has grown from a membership of 49 in 1943 to a membership of approximately 300 today, notwithstanding the efforts of all these other groups in their respective fields.

The presentation of the objectives of S.A.M. and the methods employed in making its principles effective followed a consistent pattern, although in each instance the form of presentation was varied according to the needs of the situation. In general, the text of each of the presentations followed the pattern which was presented in the formal message which appears in the succeeding pages and which message was prepared for radio presentation in Wuerttemberg-Baden.

Stuttgart, Germany
11 May 1949

I have been asked to tell you about the activities of the management society of which I am the president. This society we call the Society for Advancement of Management. I should like to make very clear at the outset that it is not my purpose to establish chapters of our Society in Germany. Neither is it my purpose to establish such a national organization in Germany. My assignment involves telling you about the values which a local group such as the individual chapters of our Society can contribute to the individuals participating, the businesses and the industries they represent. So, as I describe the activities of the local units of our national organization, please keep in mind that the ideas and techniques which I recite will only be of value as they are adapted to your needs in this country.

Our organization is a recognized national professional society of management people in industry, commerce, education and government. It is an organization which has no vested interests and is dedicated to the accomplishment of one purpose only, namely the advancement of the science of management. Our organization recognizes that any business or industrial organization if it is to survive must do three things: First, it must plan and evolve methods of eliminating waste in human and material energies. Second, it must meet a genuine economic need, and third, it must encourage highest productive efforts through sound human relations. This means that scientific methods must be developed and utilized and that reliance must no longer be placed on rule of thumb methods; that harmony must replace discord in all human relationships; that we must have cooperation among all people and not individualism; that we must have maximum output and no restrictions in output; and finally that each man must be given the opportunity of developing to the fullest extent of his ability and capacity.

In the States we believe very strongly that the only way to accomplish business and industrial objectives is through the elevation of the importance of the individual. We believe that it is no longer possible for any man to accomplish very much alone. It is only through the pooling of effort and the "give and take" of cooperative relations that each individual is permitted to make his maximum contribution to the individual business in which he is employed, the industry and the national economy. Through this process he is also able to himself develop to the fullest extent of his capacities. It is with these thoughts and principles in mind that the management society of which I am speaking was established and it is through the development and implementation of these ideas in the 52 communities in the States where our chapters are located that these principles have been made effective and valuable results obtained for all parties concerned.

It has long been practiced in our Country for industrial engineers from all industries to meet together regularly for a discussion of their common problems and to exchange ideas on new and better ways of doing old jobs which fall within the scope of their activities in the companies they serve. The personnel directors, those people concerned with human relations problems, observe the same practice within their own group and the same is true of production people. Long experience with this practice has indicated that many values come from such meetings, in spite of the fact that these organizations have functioned and are functioning very effectively at the present time. The local chapters of the Society have been formed to supplement the work done by these highly specialized groups. The chapters of which I speak are composed of a membership which includes industrial engineers, personnel representatives, line production supervisors, company treasurers, controllers, and some of their chief assistants. It has proven most advantageous to have these groups meet together to consider problems of mutual interest. We have found that, while it is advantageous for engineers to discuss their problems among themselves and that those participating gain greatly from this association, it is still more beneficial when people representing all management functions sit down together to discuss these problems. This makes possible the development of an acceptance of the sound principles and methods which are already accepted by the engineers themselves. The same thing applies to the development of an understanding of principles and methods agreed upon within the personnel group and the production group. Through all of these meetings the scientific method of approach to the solution of problems is employed.

The scientific method of approach implies first of all the utilization of a logical thought process or an orderly approach to the solution of problems. Reduced to its essence this means that before we can develop and apply scientific methods of any sort we must begin by training ourselves and those who work with us in the process of orderly thinking.

Every individual who expects to find the right answers to problems with which he is confronted must follow a definite pattern in his thinking. The steps which I recommend using are:

First, there must be recognition that a problem exists. One of our principal difficulties lies in the fact that we do not always realize the presence of a problem. Failure to recognize a problem causes us many times to take action which we would not take if we recognized that the particular problem existed. Therefore, in all of our thinking and in all of our attempts to reach adequate solutions the first step is to be able to recognize a problem when it exists.

Second, we must define the problem. This means simply giving sufficient attention and thought to the problem once it has been recognized to exist to make sure that we know exactly what the problem is before we attempt its solution. I am sure that each of us can think back and draw on our own experience for instances where we have developed and applied a solution to a problem only to find that the problem which we attempted to solve through the solution applied was not the real problem after all. It is impossible to develop an adequate solution to a problem unless we have clearly defined the problem that exists. A problem well defined is half solved.

The third step is to get all the facts. How often in our experience can we remember having reached a conclusion about a problem only to find that we have done so without all the facts. We cannot be sure that our solution is proper and will accomplish the desired end, unless we have all the facts. We are all prone to jump to conclusions when we have gathered only part of the facts and if there is any one practice which leads to multiple problems and difficulties it is our tendency to act before we have exhausted every effort to secure all the facts in connection with the problem which we are trying to solve.

Fourth we must analyze the facts. The collection of the facts is, of course, of utmost necessity. However, the facts alone do not have meaning until they have been studied and analyzed completely. It is necessary that all facts be studied for what they mean individually and collectively. It is possible to draw erroneous conclusions by considering single facts in isolation. Such single facts take on full significance only when they are considered as a part of the composite picture presented by all the facts.

The fifth step is to develop a preliminary solution. Having recognized that a problem exists, having defined the problem, gathered all the facts and analyzed them, our next job is to seek possible solutions to the problem at hand which may be indicated by each of the first four steps. Each one of these solutions should be listed and should be studied to see what advantages and what disadvantages the

application of each will have. Having decided which one of the solutions will best solve the problem at hand we have then selected our preliminary solution.

The sixth step is to test the solution. Having selected the solution which preliminary consideration leads us to believe is the best available under existing circumstances it is incumbent upon us to analyze this preliminary solution and all of its ramifications before we attempt to apply the solution. In the course of this analysis certain weaknesses are likely to be apparent in its application to the situation at hand.

The final step is to adapt and apply the solution. Each solution must be adapted to make possible the elimination of the weaknesses discovered in our testing of the solution and then, and only then may the solution be applied with an assurance that it will solve the problem at hand.

I can just imagine that some of you hearing this are saying - "that system may be alright in theory but you can't take the time to go through all of those steps when you are faced with a problem." Let me challenge your thinking. In my opinion it is only possible to think clearly on any subject or to develop a solution to any problem when this system is applied. Every person who is required by the nature of his work to make decisions of any kind must be able to think clearly and to make this system, which is not original with me by any means, so much a part of them that its application becomes automatic as they think through any problem of any kind.

We cannot disregard the value of the exchange of ideas.

Because if you have a Markschein and I have a Markschein and we exchange Markscheins, we each still have one Markschein. If, however, you have an idea and I have an idea and we exchange ideas, we each have two ideas.

These chapters bringing together as they do people from all levels of management and all professional and scientific occupations from many companies and many industries make it possible to overcome one of the management problems of a business, namely how to keep abreast of current developments in other companies, other industries, in the nation, and in the world. There is a tendency on the part of those businesses which have a strict policy of upgrading (promotion from within) to follow the pattern which has been set by custom and tradition. Unquestionably in instances where this takes place stagnation is very likely to set in and have negative effect on the business. Too often where the operation has been a traditional one we are likely to think that the method we have

been using is the only method by which the job can or should be done. The group which I head fosters the continuous application of the scientific method of approach to all such problems and wherever this method is applied such results are not likely to be forthcoming. There is also a tendency for some of us to think at times that there is nothing which we can learn from dissimilar industries. As a matter of fact some of our highest achievements have resulted when some of the methods employed by a metal working industry have been adapted to fit the needs of a chemical industry and vice versa.

It is my understanding that in your country there is a marked tendency for a young man to select an occupation and take a position in one company and to remain with that company and in that industry for the rest of his working life. That is the wish of the young man starting out and it is the hope of his employer that such will be the case. We in the States are perhaps at the opposite extreme. Perhaps we change too often. The frequent changes which are made by the man in the States are, however, more likely to be detrimental to the individual if they are too frequent than to the employer. Actually it is more than likely that they will result in benefits to the employer. It certainly prevents the inbreeding of ideas when there are changes in personnel at the several levels of management. The less the movement there is from one business to another and from one industry to another the greater the need for some organized device to permit the free exchange of ideas and methods which will foster improved scientific methods in each business and in each industry. Not only is this in the best interest of the companies and industries represented but it is of utmost importance in the achievement of the efficiency in production so necessary to a sound national economy. The achievement of continuously higher efficiency depends on our ability to increase the productivity of the worker.

Individual productivity can be increased only through sound human relations. When we have achieved a marked degree of technological progress we must then give our attention to the improvement of human relations within industry, to the level of our technological progress before we can expect to realize the full advantages from the scientific and technological progress which we have made. This is true in the States, it is true in Germany, and in any other nation of the world.

The only way that we can build sound human relations in any business, in any industry, in any country, is through recognition by top management that this is a job which must be done by the individual supervisor in his relationships with the workers for whose direction and supervision he is responsible. Those people who perform supervisory functions in industry, whether we admit it or not, are definitely a part of our management group and the effectiveness of our operation is either enhanced or retarded by

these members of the management team who have the direct responsibilities for face-to-face supervision of the employees of our company. If the foremen and other supervisors who exercise these responsibilities are not as good as we think they should be, and in our opinion are not good enough to do the job the way I have just described it, then it is a responsibility of top management to see that they are made so. The attainment of this objective implies careful selection of the men who are to perform these tasks in industry. It implies careful and continuous training of these men. It implies a policy of frankness with them on all matters which are of concern to every member of the management team in order that they in turn may "sell" the workers whom they supervise on the policies and practices of the company as established by top management.

This last point brings to mind one further obligation which I believe management has to its supervisors and to its entire working force. I refer to the necessity of keeping all persons associated with the enterprise fully informed about company policies and practices. It is impossible for foremen and other supervisors to carry out the wishes of management unless they themselves are fully informed on management policies and practices. Direct instructions should, of course, always be relayed through the individual worker's supervisor. Matters of general interest, and not specific directions, can be communicated directly to the entire work force of the organization through the written word. This means through letters, bulletins, plant newspapers and magazines, policy manuals and any other devices which can be distributed to each member of the work force in accordance with the needs of the particular situation. It is not enough for management to have sound policies and practices. All members of the work force of the organization must be informed on these policies and practices and convinced of their soundness if they are to be respected and receive the attention so necessary to making them fully effective. This applies to all policies which affect the individual in his relationships with the organization.

One of your industrial leaders said to me recently that the spirit of cooperation in America among businesses and industries was greater than that in Germany. That, while American industry was willing to exchange ideas and methods such was not the case in your country. I pointed out at that time that the reason for this free exchange of ideas among businesses and industries in the States may be attributed to what I choose to call an intelligent selfishness. We believe that we all gain by learning from each other. We have come to the conclusion that if one business or one industry has an idea which is good enough to be coveted by another business or industry, the business or industry which does not have it can find it if they are willing to pay the price,

which may be high. By the free exchange of ideas among businesses and industries the unnecessary duplication of effort and cost may be avoided. This makes it possible for each business to be more efficient in terms of methods and still to keep their research cost at a reasonable level by pooling results. In what I have said I do not want to leave the impression that secret formulas and patterns are given away. Although frequently these firms engaged in the same industry may combine to jointly seek new and better formulas for use in their production.

And now just one word about cooperation. It makes no difference what form of economy the country may have, cooperation is a key-stone of achievement. We have long since passed the time when one man, one company, one industry, or one nation may be selfsufficient. We are all interdependent, each on the other. The success of a person, a business, an industry, or a nation depends almost entirely on the degree of voluntary cooperation which is achieved. Anything which we may do to foster the improvement of this universal tenet is in the interest of us all.

The methods which are employed by each of the local chapters of our management Society vary according to the needs of the particular situation. However, there are certain types of meetings which are included in the pattern of activities of each of these groups. Once a month on a regularly scheduled day there is held a meeting for all members and their guests at which some industrial authority is invited to make a presentation of his ideas on a selected subject which will be of general interest to the entire membership. Following the presentation of the speaker an open forum is conducted to permit expressions from individual members on the material presented and to raise questions and discuss the various phases of the subject of the evening.

Since each group is composed of a number of people with specialized interests (industrial engineers, people dealing with personnel problems, production people, finance people, etc.) each of these groups may have a meeting of their own at which time they study problems presented. These problems may be actual problems which have arisen in the experience of the members of the group or they may be case studies presented for solution. During the course of the meeting by group discussion, the attempt is made to develop a solution to the problem which will be acceptable to the group. These groups also attempt to standardize the terminology which they employ. They may conduct research projects and make investigations through plant visitations or committee assignments of particular problems presented for solution. The general practice then is for each of these specialized groups to report back at appointed intervals, to the entire group when all the interests will be represented. If the findings of the special groups are of sufficient import they may be published for distribution to the entire membership and in any other quarters where such information will be useful.

These local chapters use news letter, educational bulletins, and other types of printed information which they distribute to their membership for educational purposes. They sponsor and conduct specialized training courses and stage conferences where subjects of various natures may be explored fully.

The objectives of these local groups then are educational and developmental. They assist each individual in the group in his own development and increase his fund of information in the field in which he is working which results in his own self-improvement and increases the efficiency of his efforts in the discharge of his responsibilities for the company or industry by which he is employed.

The advantages which I believe would accrue through the use of such a management organization in Germany are:

First, each individual participating would be assisted in his own development and self-improvement.

Second, each individual and each company would develop a greater fund of information and a fuller experience in the application of business principles and practices and the fullest realization of the benefits of the application of the scientific method of approach to the solution of problems.

Third, a greater freedom in the exchange of ideas within an individual plant and between plants in the same industry and different industries would be fostered.

Fourth, each company and industry represented would benefit from the exchange of ideas and methods. This, I believe, would be particularly useful in Germany, because of the minimum movement from one business and one industry to another which tends to lead to inbreeding and a static condition. Wherever there is a tendency to direction from above without the full expression of ideas from the lower levels of management we do not develop the initiative and ability of each of the individuals, therefore do not obtain maximum results from their employment. Wherever such conditions exist, local organizations of this type would do a great deal to stimulate the thinking of such individuals and bring about a greater recognition on the part of top management of the contribution which these individuals can make if given the opportunity.

Fifth, the operation of these local groups would assist in the development of the technique of group consideration and conclusions. This is a technique which we all must learn to use if we are to realize the fullest benefits from our business, social and political

relationships each with the other. The ability to discuss and not to argue, to state our own convictions, to give to each other person the same right, to recognize the value of the points which he makes and through a process of "give-and-take" to arrive at a mutual satisfactory solution to a problem.

The success of such a chapter would imply that there be full recognition of the value of human relations principles including the absolute necessity of the recognition of the individual as a person; full recognition of the value of the application of the scientific method of approach and of the importance of observing sound business principles and practices; receptiveness to new ideas or methods proffered by others; a policy of frankness with supervisors, and by supervisors I mean each person who has any responsibility for the supervision or direction of others. These are the men who must be charged with and must accept the responsibility of maintaining morale (esprit des corps).

The spirit of the organization cannot be developed and maintained by one individual at the top. It is the job of each supervisor in the organization and each supervisor must be helped to find the ways by which he can most effectively perform his function; it involves a desire to have a two-way flow of ideas within the organization with openmindedness and full consideration of all suggestions presented and no recrimination if ideas presented conflict with those held by top management personnel; a willingness to share ideas and methods with other companies; cooperation in all things; and finally, a sincere and consuming interest in advancing the science of management. If these conditions can be satisfied, I believe, that the technique described cannot help but contribute to the over-all development of your national economy.

RESULTS OBTAINED

The story of S.A.M. was presented in twelve industrial communities in the U.S. Zone to more than 600 German industrial leaders and their associates. In addition to the presentations which were made in person, the radio address which appears in the preceding pages was broadcast from Stuttgart to a large listening audience. More than 500 copies of this radio address were distributed at the larger meetings in the closing days of the author's tour in Germany.

Mr. Leo Werts, Manpower Adviser, made it clear from the beginning that he did not expect the author to establish local organizations similar to S.A.M. chapters during the course of his visit in Germany because he felt that this decision must rest with the Germans. This was certainly agreeable to the author because it is only through the German acceptance of the basic principles offered and a willingness on their part to meet the conditions prerequisite to the successful operation of such local group that any significant result might be expected through the establishment and operation of such local groups. The problem then was reduced to one of acquainting as many German industrial leaders as possible with the operation of S.A.M. in the States and the values which local groups similar to S.A.M. chapters might contribute to the industrial and economic development of Germany. The assignment was to lay the groundwork with the hope that at some time in the future, the Germans would take the initiative and seek to establish some local groups which would cover at least some of the functions described and yet with these local groups adapted to meet the needs of their own situation.

The reception of the ideas presented was generally marked by courtesy and interest in most cases. However, in most cases, while there was an acceptance of the principles offered, there was a skepticism about their application to the situation. This skepticism as expressed, was very vague, but in the author's opinion, it may be attributed to the following factors:

1. The average German industrial leader is accustomed to ruling his organization with a firm hand. He is accustomed to making most of the decisions of importance and most of his staff are "jawohl" men. Therefore, the idea of bringing in several levels of management from many companies in the community to enter into free discussion is contrary to the accustomed way of doing things and therefore prompts a skepticism from the very beginning in regard to the merits of this idea. The author has not the intention to imply here that this is true of all industrial leaders or in all industries, but the impression which was gained from solid months of work and meetings with German leaders on these problems, backed by the comments and appraisals of the situation by many of the German industrial

leaders themselves, points to this general conclusion. In fact, a number of those German industrial leaders who openly advocated the idea of the establishment of organizations similar to S.A.M. chapters indicated that the fact just cited was one of their reasons for wanting to see such groups established.

2. German industrial leaders generally are reluctant to exchange ideas and are very secretive about their ideas and processes even though the information may be generally available to all groups. Therefore, any project suggested such as the development of local groups, they view as an organized method of change which would work contrary to their wishes and interests and might put them in a position of having to reveal information which they desire to keep to themselves. It is because of this independence rather than interdependence and cooperation that it is difficult for the Germans to see the value in the exchange of ideas not only to themselves, the companies and industries they represent, but to the national economy as a whole.

3. The Germans have not yet learned the technique of discussion. There is a tendency to argue and to orate but not to discuss. This tendency was marked in almost every situation encountered. This becomes particularly true when there is a recognized leader present in a meeting whether he is the directing head of a company or whether his leadership extends beyond that of his immediate company.

4. There is too great a tendency now on the part of industry to turn its problems over to associations. It was very noticeable in a number of our discussions that the German employers now feel very much relieved since Military Government has given its approval to the establishment of large scale employer associations.

5. Some of the German leaders have expressed or implied resentment at being given many American ideas and techniques by Military Government and other Americans. Those individuals who gave such indications said "It must be realized that the Germans are not entirely backward, that they know all of these things which the Americans are offering to them. It must be realized that the Germans must be left free to select those which will satisfy their purposes and adapt them to their own needs doing the job in their own way."

In addition to the foregoing list of circumstances in Germany which seem to serve as real or imagined blocks to the full acceptance and promulgation of the ideas presented, certain of the German industrial leaders contacted offered other ideas excusing their lack of interest in moving toward the formation of local groups to carry out functions similar to those of S.A.M. chapters in the States. Among those ideas were:

1. The present associations and problems with trade unions, social and political groups, and the new effort to revitalize some of the principal associations are currently taking too much time of the manager for him to wish to sponsor anything else.

2. It is difficult to find anyone who will lead any new development of this kind because of the fear of being smeared by mud slinging and accusations of Nazi affiliations.

3. It is difficult to interest the younger people and many of the older people whose property holdings have been washed out twice in the past 25 years. The younger people will not take an interest in politics now.

4. Germany is going through a crucial period. There is always a possibility of a new nationalism because of the poor conditions in Germany now. Everything should be done by German leaders to counteract and to prevent this possibility becoming an actuality through the application of constructive preventive measures. Because of all these problems and the activities related to them, it would be difficult to siphon additional energy for such local management groups.

5. There are already too many associations, societies and other groups which perform similar functions to those of S.A.M. chapters in the States and it would be unwise to start another at this time.

The author observed that in his contacts with representatives of Chambers of Commerce and Industry (Industrie- und Handelskammer), there seems to be a fear that the initiation of such an organization as was described would detract from the interest in Industrie- und Handelskammer. The defense mechanism of the leaders in this group was apparently functioning fully. The same thing was observed in the representatives of some of the employers' associations contacted, although in some cases the head of the employers' associations went to the other extreme in doing everything possible to permit the presentation of these ideas in as many communities, to as many different groups as possible. The outstanding example of such cooperation was that of Herr Eugen Bunzel, head of the Working Committee of all Bavarian Employers' Associations.

The factors in the German situation which make it difficult for her industrial leaders to promote the development of such local groups at this time and the reasons cited by some of those who for one reason or another are not interested in seeing such groups developed, present the negative side of the picture. On the positive side, there was a strong interest expressed in the establishment of such a local group in five different communities by the recognized leaders in the employers groups in those areas. (Dr. Pentzlin of Hanover who was present in Stuttgart;

Dr. Director Fisher, in Stuttgart; Dr. Werner Baumann and Director Strehl, Amberg; Dr. Vogel, Schweinfurt and Dr. A. Honnacker at Aschaffenburg.) To each of the foregoing were given copies of the S.A.M. operations manual, S.A.M. publications and other material descriptive of the activities of S.A.M. in the States. This same information and material was requested by and furnished to other individuals in other communities contacted. Each of the groups contacted and each of the individuals to whom information was given were invited to seek further information during the course of the author's stay in Germany and after that time by mail to the offices of the Society in New York. Both Dr. Hans Voight and Mr. Brauchiere, who in the days of the author's trip to Germany were visiting in the States, studying the activities of the American Management Association and the Society for the Advancement of Management, expressed an interest in assisting in the formulation and development of such groups on their return. It requires in the United States from six months to two years to establish a chapter of the Society. It should not be expected that in Germany a good chapter would develop under this period of time. In the opinion of the author the groundwork has been laid, the ideas have been planted and since the Germans accept the principles which have been offered and know the conditions requisite to the establishment of such an effective organization on a local basis, the rest should be left to them to work out as they see fit with such guidance as they may wish to seek from the author and the organization which he represents.

RESULTS

The conclusion of the project calls for analysis of the results obtained. Without exception, each of those individuals with whom a personal interview was held, stated acceptance of the principles which were presented. In each of the group meetings, the consensus was that the principles offered could be applied to the situation in Germany. However, in some instances in some of the cities, some of those present expressed reservations about how these methods could be employed in Germany at the present time. It is reasonable to assume that a part of the stated acceptance of the principles was prompted by an active interest and a part was prompted by expediency. In some cases old doctrines and tenets traditional with the Germans, which doctrines are in conflict with the principles presented at these meetings, were stated by some of the German leaders immediately after stating acceptance of the principles with which these old German ideologies are in conflict. The fact that most of the meetings with groups were arranged by the heads of the employer associations makes it unlikely that these same individuals would spark a drive to establish a new organization which they feel would in some ways detract from the employers association. The heads of the employers associations made it very clear that they had a very difficult time raising sufficient funds to carry on their work and the inference was present in most cases that anything which detracted from the employer's interest in his association, made their job more difficult.

It seems logical, therefore, to expect that any work which is done in the organization and development of local organizations of the kind described in Germany will have to be spearheaded by some one or more individuals who are interested and active in employer association work and have the confidence of other employers but are not officials of employer associations or paid representatives. The only individuals who would be willing to undertake such organization work would be individuals who do not believe that German institutions which touch on and affect industry, business and human relations are "set" in their present form. Any individual who sees such weaknesses would also have to see weaknesses in the class structure which exists, in the social system and in the educational system, which perpetuates the economic and social system. There are such individuals in Germany. We met quite a few but they are the exception rather than the rule. Any person who thinks in these terms, if he is to accomplish his mission, would have to have full acceptance of his associates and other industrial leaders, in order to muster their support for a project of this kind which would involve changing concepts and ideologies of long standing in whole or in part.

The author was given the assurance in several communities by one or more outstanding leaders that the ideas presented would not be forgotten but that every effort would be made to develop an organization which would

follow the principles of S.A.M. chapters, with the understanding, of course, that those principles and methods would be adapted to fit the needs of the particular situation. In each of those areas where such an expression was made, the individual or individuals who indicated that they would try to do something about it stated that they would be very anxious to talk with Dr. Hans Voight on his return from the United States after studying the Society and its operations.

It is not likely that such chapters will develop spontaneously after this one session briefing which has taken place during the author's two months in Germany. It is, however, reasonable to assume that if the representatives who were visiting the United States for studying S.A.M. and A.M.A. return and report enthusiastically on the activities of those organizations are themselves willing to take some of the responsibility for initiating the organization of one or more local groups, with the contacts which can be carried on by personal correspondence, that over a period of time, perhaps within a year or two years, one, two or three, such local groups, might come into existence. It should be pointed out, however, that while the organization of such groups would be a move in the right direction, the results which would be obtained would be questionable. It does not seem likely that the German industrial way could be sufficiently changed overnight to permit such local groups to function like a chapter of S.A.M. The reasons for this belief are derived from concepts which would find general acceptance among American leaders in Germany and the German leaders themselves.

1. The German industrial leaders are reluctant to exchange information each with the other.
2. The German industrial leaders generally are reluctant to include subordinate levels of management from their own companies in meetings with other industrial leaders of their own status.
3. The inclusion of subordinate levels of management, if it could be done at the beginning, would probably not accomplish the same purpose which it achieves in the United States because of the reluctance of a subordinate to reveal any information about his company. In addition, there is always the tendency for the subordinate to listen when the head of the company is present and speaking.
4. There is a strong tendency on the part of Germans, we have observed, when in meetings to make speeches, to argue, but not to discuss.
5. It is entirely possible that the purposes of such a group would be diverted to some cause other than "the advancement of the science of management" since most of the German industrial leaders are thinking about ways and means of combatting the trade unions, the communists and other groups and if some vested interests should develop to which the organization would devote its energy, the effectiveness of the activity would be nullified.

These are only a few of the dangers. There are many more and on analysis, they seem to present difficult obstacles to surmount, if such organizations are to come into being and serve any worthwhile purpose in Germany. Not only are they likely to prevent the effective organization of such groups but if one or more such groups should be formed and these factors should be permitted to operate, they could effectively kill all interest, for all time, for such an activity in that community. There is only one way that such an event could be prevented, that is, by having an American experienced in such work assist and control the organizational and developmental work and then stay on the spot to make sure that everything proceeded according to plan.

This should not be construed as a recommendation. Quite the contrary. Such local groups should develop with a marked degree of spontaneity from the enthusiasm of the Germans for the ideas and principles involved. It is hoped but not believed that these German ideas and traditional ways of doing things can be put aside sufficiently to permit the development of democratic organizations in local communities similar to S.A.M. chapters. The failure of one or more of these local groups would in a sense to most of the Germans participating be an evidence of another failure of another American democratic institution or method. The fact that the situation in Germany is different and that all of the factors, all of the conditions prerequisite to a successful S.A.M. chapter in the States or a similar local group in Germany have not been met, might well escape the attention of the Germans. Experience has taught us that it is much better to avoid such failures which preclude progress in the same direction in the future.

The acceptance of the logic of the foregoing comments will give additional weight to the recommendation that caution be exercised and that there be no effort to push the Germans or to hurry them to a decision on the matter or to the actual organization of such local groups. Arrangements have been completed to supply key persons in each of the areas where there is any likelihood of sufficient interest developing to permit the organization of a group interested in advancing the science of management with publications and other material of S.A.M. Arrangements have been made to correspond with a number of key leaders on management problems of mutual interest and on matters pertaining to the organization and development of local groups similar to S.A.M. chapters. Through these means and through the continued contact of the Manpower people with the German leaders, through the efforts of those individuals who were studying S.A.M. and A.M.A. in the United States at the time of this project, it is believed that such groups may develop in some few communities. In the author's opinion, the success of the project should not be judged on the basis of the organization of such local groups for the aforementioned reasons and because this was only one of the objectives which the project was designed to accomplish. The other objectives were as previously stated.

1. Through acquainting the Germans with the usefulness of the discussion technique to encourage them to bring about an exchange of ideas among all the levels of management and in the various industries.

2. Through the development of an acceptance of the principles underlying the establishment of such local groups and the utilization of S.A.M. chapter techniques, to stimulate an increased usage of the democratic approach to problems in industry.

3. To attempt to "sell" the Germans on the importance of the American principle of "elevating the importance of the individual" and its corollary, the ever present need in every country for greater utilization of human relations principles in industry.

It can be said that the more than 600 German industrial leaders who were met individually and in groups were exposed and indoctrinated to the fullest extent possible, within the existing limitations, in the importance of the principles and ideas advanced, methods of utilizing them and values to be obtained through dedication of management to the advancement of the science of management and the human relations principles discussed. There was sufficient discussion both pro and con to indicate that some thought was being given in each case to the material presented. In some cases the acceptance was prompt and enthusiastic and the discussion which followed both realistic and sincere. If the project accomplished nothing other than exposing some 600 German industrial leaders to the ideas which were agreed upon as important at the beginning, then the project would seem to have been worthwhile. When we add to this the interest in the ideas presented, the acceptance of the principles and the desire to do something to make them effective in the several areas to which we have just referred, then we find further justification for the expenditure of time and effort through this project.

The request was made by Mr. Werts at the time of his first meeting with the author on his arrival in Germany that in the course of the completion of this assignment an analysis be made of the methods employed, experiences encountered and the values contributed by each method or technique from the standpoint of results. This material to be offered for the guidance of future experts who will have assignments in the Manpower field. This interest on the part of Mr. Werts and the Manpower Division prompted the author to accept the method of approach suggested by the Manpower Directors in both Bavaria and Wuerttemberg-Baden with relation to all phases of activities and methods undertaken. The same methods were used several times, conditions were held relatively constant in some cases and varied considerably in others. The results were most interesting. The meetings that were held with industrial executives and leaders in Hesse were held on appointment in the offices

of the German industrial leaders. Of the meetings which were held with individual German industrialists in Wuerttemberg-Baden, some were held in the offices of the industrial leaders or executives and others were held in the Manpower offices. Without exception the meetings that were held with individuals of like status in Bavaria were held over a luncheon table or in the office of the German industrial leader.

The contacts with employers and industrial leaders were arranged to permit an explanation of the project in which the author was engaged and to attempt to convince the individual so contacted of the values which such techniques would have to German industry and the German economy when effectively adapted and applied. It was hoped that through the interest thus aroused, meetings of groups of employers would be arranged by the individuals with whom the original contact was established. This did not materialize in Hesse but, without exception, this objective was realized in each instance in Bavaria and Wuerttemberg-Baden. These group meetings were held (1) in the Manpower offices, (2) in the offices of an employer or employer association, or (3) in hotels or restaurants selected by the Germans. In the conversations held with individuals in the beginning in each Land, no direct request was made for such a meeting in any case. The only reference to these meetings was in the form of a suggestion that if, during the course of the author's stay in Germany, any interest developed in having the ideas presented to that individual offered to a larger group, if sufficient notice could be given, the author would be glad to make himself available.

In each community in Bavaria, the suggestion was immediately taken up and the author asked when he could come back for such a meeting because they were sure that there would be great interest by a larger group in hearing the ideas presented. The same acceptance of the idea was forthcoming in Stuttgart but in Hesse the interest did not develop to that point. The group meetings which were held, with one exception, were very satisfactory from the author's point of view which recognized the full set of circumstances existing in Germany at the time this project was undertaken. The Manpower Director and his assistant in both Bavaria and Wuerttemberg-Baden attended one of the meetings conducted by the author. However, in both cases, the Director made it clear that it was the author's meeting and that his own presence was not to be construed as a wish to have the weight of Military Government behind the project in the sense of forcing its acceptance on the German leaders to whom it was being presented. In other meetings, no representative of the Manpower Division was present, which made possible a freer exchange of ideas on the part of those participating in the meeting. It also permitted frank reactions to the project and the possibility of applying the techniques in Germany which might have been colored to some extent to please the Manpower Director, had he been present.

The arrangements of these group meetings by the individuals who in each case offered to accept the responsibility without being asked indicated an interesting fact. In the presentation of the methods of operation of the local chapters of the Society, indication was given of the value of including in the same meeting the several levels of Management within the company, including technical and scientific personnel. The suggestion was made to the individuals who offered to arrange such meetings that they include all levels of management and technical and scientific personnel from all industries, in order that an opportunity would be afforded them to try out some of the ideas in a preliminary fashion. In practically every case, those individuals included were the top men of the companies they represented and the only variations discernible were those which occurred when the top man was unable to be present and sent someone else from the organization. It is understandable that in the first meeting the top group might want to become familiar with the ideas proposed before exposing other members of their organization to the thinking here in Germany. This is, however, in sharp contrast to the American way which would be in most cases to send one or more second or third line men to get the facts about the proposal, see who else was present and what the general reception of the idea was and to recommend to the president concerning the interest which the company should take in the proposal. It is not difficult to believe that the fact that this was only the first meeting had little bearing on the exclusion of other levels of management. It is believed that this reluctance to include other levels of management would continue which, in effect, would stultify the effectiveness which could be attained by such a local group.

The tendency was very marked in these meetings for those participating in the meetings (particularly the chairman) to make speeches following the formal presentation made by the author. In the case of the chairmen of the meetings, in most cases an obvious attempt was made to establish the degree of acceptance or rejection of the ideas presented which he desired, and in some cases the effort was extended to one of attempting to limit the questions and discussion within the bounds which he prescribed during the course of his forceful comments, frequently in the form of a rebuttal to the presentation made. In most cases, including those of the meeting chairman, a speech was made by each individual who had a question to ask and it was necessary to follow a long discussion before the question was finally posed. The questions which were posed in most cases were in the opinion of the person raising the question rhetorical. Frequently the questions which were raised had no bearing at all on the subject matter presented and in most instances had no direct bearing on the material presented.

The speeches made, the arguments presented and the questions raised tended to focus about the economic conditions in Germany, the restrictions of Military Government and JEIA, the trouble which they as employers were having with the trade unions and the Betriebsraete, the danger of "co-determination" legislation, the danger of Communism, the high taxes and other similar problems. However, in those instances where there was really a sincere interest in trying to find something in the presentation which would be useful to the group rather than in trying to impress upon the speaker the many problems which they as industrial leaders in Germany had, some one or more persons in the group were successful in steering the conversation back to the subject at hand and it was only out of these meetings that any tangible results, so far as the organization of local groups of the kind described, may be anticipated.

The cities where group meetings were held included large, medium and small. It was interesting to note that the small cities were very grateful for the visit and the opportunity of hearing directly from an American some of the ideas, methods and industrial philosophies employed in the States. In each of these smaller communities, indication was given that this was the first opportunity that they had had to meet with anyone from the States. Further indication of the interest of some of the smaller communities in such ideas and the opportunity of meeting with Americans on occasion was evidenced by the fact that in the large meeting held in Munich, several men from smaller communities in outlying parts of Bavaria made specific requests of the author that he attempt to schedule a visit to their city before returning to the States. The meeting at which these requests were registered was held at such a late date that it was not possible to rearrange a schedule in order to permit the accommodation of these requests and the individuals were so informed. However, each individual was given a kit of material which described the activities of S.A.M., S.A.M. publications, copies of speeches which the author had delivered in Germany and other printed material pertinent to the subject.

Approximately 50 percent of these meetings with individual German industrial leaders were held without the use of an interpreter and approximately 50 percent with an interpreter. In those cases where an interpreter was not used, it was because the German leader with whom the meeting had been scheduled indicated that he had a good acquaintance with the English spoken word and that he was able to present his ideas effectively in English. In some cases, even where this indication was given, an interpreter was used and in all of those cases in which an adequate acquaintance with the English language was not claimed. The interpreter who was furnished by the Manpower Division did an effective job of relating to the German groups the material presented by the author.

The use of an interpreter was new to the author and care was taken at the beginning to prepare himself and the interpreter for the task which they faced jointly in the meetings with German industrialists as individuals and as a group. The author outlined a program of joint orientation for himself and the interpreter, each with the other and this program was completed before any attempt was made to present ideas through this medium to any individual or group. The first step was to have the interpreter read all of the expert reports which were pertinent to the project of which he was going to be a part. Second, the interpreter was asked to read all of the books and pamphlets which had been brought to Germany by the author in order that a familiarity with the subject matter and terminology be developed at the beginning. Third, the author spent a complete Saturday with the interpreter talking to him about his philosophy of management, the ideas and concepts in back of his philosophy, the methods and techniques employed in sound management practice and all related matters. The interpreter was encouraged to ask questions which occurred to him and the author invited discussion of any of the ideas or concepts presented which were not clear. The interpreter was very conscientious in his efforts to translate the author's thoughts exactly into the German language in order that the meaning would not be changed in the process. The author prepared two speeches and several written statements to be used in presentations to the groups to be contacted. The interpreter was asked to make translations of these speeches for formal presentations in order that they might be distributed in German and also in order that the interpreter would have experience in presenting these ideas and concepts in German (he would already have selected his language in preparing his paper translation and would not have to seek it out for the first time as the idea was presented). The author spoke extemporaneously in each case but the fact that the interpreter was fully familiar with all of the material to be presented made possible much more accurate and rapid translation than would otherwise have resulted.

GENERAL CONCLUSIONS ON METHODS EMPLOYED

It has been pointed out that an appraisal of the methods utilized was requested and that in order to make such intelligent comparative appraisals, different methods were employed. A summary of the general conclusions drawn appears in the succeeding paragraphs:

1. The more definite and concrete the project can be, before the expert arrives in Germany, the better the results which may be anticipated. It is recognized that it is not possible in all projects to define them clearly and concisely before the arrival of the expert in Germany. Such was the case with this project. However, much time can be saved and better results obtained wherever this condition can be met.

2. The greater the amount of orientation that can be done by sending material to the expert who is to visit Germany while he is still in the States, the more rapid progress may be expected of him on his arrival. This assumes, of course, an active interest on the part of the expert and both the time and the inclination to prepare in advance for the project.

3. The method which was followed by the Manpower Division in the orientation of the author was very much appreciated. There was a deliberate attempt on the part of Mr. Werts and his associates to avoid prejudicing the thinking of the author in any way whatsoever and permitting him to form his own opinions from the objective reading material with which he was furnished and from his direct contacts with German industrial and labor leaders, employees and workers. It is helpful to experts to have as much background information on the Germans as is possible, both historical and current, if an intelligent approach is to be made to any project.

4. The development of a coordinated program for the expert as soon as possible after his orientation would be helpful. It would be helpful if the Manpower Directors from each Land could be brought together at stated intervals or at special times and schedule the arrival of the experts so that all three Manpower Directors and the Manpower advisory staff might, together with the expert, explore the problem and arrive at some pattern which could be expanded and detailed later but which might serve as a base upon which detailed planning could be done. This suggestion would eliminate the necessity of the expert making a trip into each Land to meet the Manpower people and to explore with them in their own field the possibilities and then at that time to lay plans for future visits. The wishes or interests of one Manpower group could considerably conflict as far as the time of the expert and the assignments involved are concerned. Joint planning would eliminate much of this.

5. The experience which the author enjoyed in Germany indicated that one of the principles followed in the States has equal application in Germany. It is much better to talk with individuals at the beginning and to acquaint them with the material which will be the subject matter of group presentations before attempting to arrange any group meeting. The first advantage which derives from this practice is that the individual contacted will frequently assume the responsibility of arranging a group meeting which is much better than having the meeting called by an official of the Manpower Division. The second advantage gained from this practice is that in presenting the material to the group there is at least one individual in the group who is familiar with the material and who can offer, for the benefit of the group, his belief in the ideas presented. The third advantage is that meetings arranged by such individuals who have been contacted personally are more likely to carry weight with the Germans who are invited to attend. A word from the leader who has arranged the meeting is very helpful in keeping the discussion from wandering too far and keeping it in a constructive vein.

6. The time factor is important in discussions with German industrialists. It has been observed that an unhurried approach to problems discussed is most advisable in dealing with German industrialists. On several occasions because of the pressure of time it was necessary to move directly after a brief get-acquainted session into the subject at hand. This particular approach has seemed to be too fast to permit the establishment of proper rapport with the person interviewed. In these particular situations the Germans have not warmed up to the ideas presented as quickly, if at all, as in those cases where sufficient time was available to permit the Germans to talk freely about their own interests and their own problems before listening to new ideas. It appears that the reaction which the Germans have when the more hurried approach is made is that "here is another American coming into our country and our situation 'cold' and before he understands our problems making suggestions on what we should do, simply because it works in America." This, in spite of the fact that care was taken in each situation with each interviewee to point out that it is not our purpose to set up or even to suggest that there be established in Germany a similar national organization. The point has been made that the story of our success through the operations of the local chapters of the Society in the States is offered only for the value which the techniques described may have to German industry when adapted to the needs of their particular situation. It has seemed to us that each one of the Germans interviewed has wanted to tell the complete story of his own problems in his plant, of his accomplishments there, and of all of the organizations which operate not only in the Land but in all Laender. This in spite of the fact that in most cases they knew that this information had been available to the expert from the files of OMGUS Manpower, and also that this information had been furnished by previous industrialists

interviewed. The acceptance was far greater in those cases where the Germans were given full opportunity to describe completely all of these things before the expert offered any explanation of his purpose in Germany and of the organization whose work he would be describing.

7. The reactions which were experienced in interviews caused a questioning of the effect which the meeting place has on the success of the interview:

a. Attention.

With one exception those interviews which were held in the Manpower offices apparently were more successful than those held in the offices of the person interviewed. It is possible that the duties and responsibilities attendant with the business of the interviewee had not been put completely out of mind when the interview was held on the company's premises. In most cases there were frequent interruptions, such as telephone calls, secretaries coming in to ask questions, or some matter of urgent importance was called to mind by a paper lying on the desk which the interviewee excused himself for a moment in order to initiate action. Those interviews held in Manpower offices found the interviewee free of the cares of his own business and his full attention was devoted to the subject at hand. It cannot be definitely determined that attention is the principal factor involved but it is certainly important.

b. Interest.

There may be a psychological advantage in having the German industrialists visit the Manpower Office for such interviews. They may feel a greater obligation to interest themselves in the idea presented than if someone from the States calls on them in their own office. Perhaps the matter to be discussed appears to them not to be of sufficient importance to the Manpower Group to cause Manpower to ask them to visit in the Manpower Office. It is possible that they may regard such visits in their own plants as visits purely and the ideas presented as something which they have no obligation to accept unless it strikes their particular fancy. The reverse of this attitude may be implied when they are asked to visit Manpower offices for such interviews.

c. Sincerity, lip-service and practical application.

If it is assumed that there is some practical value in points a. and b. and that there may be stronger motivation for acceptance and cooperation when visits are held in the Manpower offices, the next question which occurs is whether or not the element of sincerity of interest is as strong when the interviews are held in Manpower offices or whether only lip-service is given to the acceptance of the principles

presented and in either case to what extent the ideas will find practical application. It is believed that the increased attention and interest, carrying with them the obligation to accept, are important even in face of the possibility that li-service is being given without the sincerity necessary to make possible the effective application of the principles. This opinion is based on the fact that it is impossible to sell any ideas unless the attention and interest of the person can be secured from the beginning.

8. Persons generally helpful to the Manpower Division and to one expert may not necessarily be the ones to be helpful to another expert. There are numbers of reasons for drawing this tentative conclusion. To use the author's own problem as an example we would call to attention the fact that the association people, Industrie- und Handelskammer, REFA, Sozialrechtlicher Landesverband and the Arbeitsgemeinschaft Sozialer Betriebsgestaltung, are all concerned with the vested interests of the group they represent, and particularly in the case of Industrie- und Handelskammer most representatives jealously guard the prerogatives of that organization and fear and fight against anything which might possibly offer any encroachment on their field. While these organizations are in a position to organize support for Manpower projects which affect all of their members as the Manpower provisions of Military Government are made effective, they would naturally, and do in most cases, oppose the formation of any other groups which would detract attention from their own groups, absorb the time, interest, and attention of their membership diverting it to, what they consider, competitive interest.

Another reason why the same man may not be equally useful on two different projects is the difference in interest of the individual. We all accept the fact that we are much more willing to give of our time to some matter which is of particular interest to us than we are to a matter which is beyond or beside our field of interest.

If the same individuals are used in connection with each of the projects and the projects come too close together indigestion may develop. That is, if before one idea has been digested, a second idea is presented and activity requested confusion may result in the minds of those Germans involved in both projects and full effectiveness may not be expected from either under these circumstances.

There is also the danger of working a willing horse to death. The industrialist who is faced with the problems of his own company, perhaps of organizations in which he is interested, and in one or two Manpower projects, may find it difficult to give further time on some subsequent projects although his interest might be considerable. There is also the possibility of an unfavorable reaction at being called upon too often and having, what he considers, too much of his time so occupied. This might make difficult further effective cooperation from these individuals.

9. Too many American ideas imposed causes resentment. In the course of interviews held a direct inference was left on two occasions that "we Germans are getting too much direction from Military Government in the conduct of our industrial affairs. It must be recognized that we have the ability and the know-how to work our way out of this situation without so many American ideas." The strong national pride of Germany makes some of its industrial leaders somewhat resentful of the re-orientation when it is carried into fields where they believe they can do without it. It is believed that if possible the undertakings of succeeding experts should be related to as great an extent as possible to make it a continuation and enlargement of a basic idea and set of principles on which acceptance could be developed with each expert simply adding to the basic concept. This would make the effort seem one project instead of many.

10. The most effective results have been obtained by the author in interviews with German industrialists who do not possess a sufficient command of English to permit them to express themselves adequately or to understand material presented to them verbally. These men requested that the conversations be related to them in German by the interpreter and with two exceptions these were the only truly successful meetings. Those people who claimed an adequate command of English were reluctant to have an interpreter (another German) relate to them what was said because, it apparently made them feel an inferiority to the interpreter which they do not like to admit. The same individuals experienced difficulty in understanding what was said to them in English but in most cases they were too proud to admit that they did not understand and ask for an interpretation. Even though the effort was made to say the same thing several different ways hoping that the point would be understood, facial expressions and comments indicated that there had not been an understanding of the material presented. Several of the men who did not want an interpreter asked if some written material could not be sent them which would say in writing what was told them in verbal conversation. In two cases where an interpreter was not used while there was an obvious show of courtesy at the beginning and throughout the interview there was a closed mind before the first word was spoken about the purpose of the visit. In one of these more than two sentences could not be spoken without being interrupted with some totally irrelevant statement about some other organization in which he was interested. In those cases where an interpreter was used throughout the whole interview the acceptance was forthcoming promptly in each case.

11. German industrialists are absorbed in the problems of their own companies. Without exception each of the industrialists interviewed was eager to describe the difficulties he was having in his own company, particularly in relation to the problems with the trade unions and the

Betriebsraete. Some of them also talked about the problems they face in building their way from the bottom up productionwise with the limited purchasing power available in Germany, the difficulty in building their export business, and the small amount of capital and raw materials available to them for this process. If this line of conversation and other experiences which they have and are encountering, related to the problem at hand, can be discussed fully by them first, they will then be more amenable to the ideas presented by the expert.

