

COMPENSATING INDUSTRIAL EFFORT

A SCIENTIFIC STUDY OF WORK AND
WAGES

By

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THE RONALD PRESS COMPANY
NEW YORK

Serialized by
DECCAN BOOK STALL
POONA 4.

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Second Printing, April, 1941

PRINTED IN THE UNITED STATES OF AMERICA

To
FRANK W. TAUSSIG
AND
GEORGE O. VIRTUE,

PREFACE

In the end the success of every business or other venture comes back to the men and women upon whose labor and thinking all creative work depends. So it is that the problem of getting every worker to give the best that is in him or her is of vital concern to every manager of an individual business, to every industrial and economic statesman.

This book, which is a sort of sequel to my *Economic Motives*, deals with this great problem of work-incentives. It is broader than either mere money rewards or physical production. Its subject matter has application in three important purposes, namely, (1) the improvement of labor management, including the management of executives and salaried specialists, from the standpoint of proficiency in production or other operations; (2) promotion of the well-being of the human factors; (3) making further headway in the pure sciences concerned. These applications are of course closely interwoven.

The book assumes frankly that the reader recognizes his practical problem, even in a single business, as one with which he cannot adequately cope except through application of thorough scientific method. The book endeavors to assist him in such an attack. It acquaints him with important facts, principles, and research methods which are relevant to the chief problems of work-incentives. It draws together and integrates for him things that have been learned in the fields of economics, personnel and general management, and industrial psychology. Its conclusions are general in scope and apply to motivation and remuneration of mental as well as manual personal services, in non-profit as well as profit organizations. It places considerable emphasis upon statistical treatments of the simpler kinds. For while it is true that human affairs to a large extent defy measurement and prediction, yet quantitative scientific measurements are capable of continually increasing understanding and control of them—especially, perhaps, because they tend to neutralize our

human weakness for selecting those cases which conform to our prejudices and neglecting and forgetting those which do not.

My thanks are due to the following publishers who have kindly permitted me to use materials from recent works published by them, as well as to the authors of these works: American Economic Association, American Society of Mechanical Engineers, Columbia University Press, E. P. Dutton & Co., Inc., Harper & Brothers, Harvard University Press, His Britannic Majesty's Stationery Office, McGraw-Hill Book Co., Inc., Personnel Research Federation, University of Pennsylvania Press, Viking Press, Inc., and Williams and Wilkins Co. A few specific personal obligations are acknowledged in footnotes below; and some others, of a more general sort, must be noted here. Mr. J. B. Probst has generously supplied me his recent forms, and permitted me to reprint such parts as I wished. My researches on suggestions from employees have been abetted and encouraged by Mr. Waldemar Kaempffert and Dr. S. C. Gilfillan; various of my colleagues, notably Professors Charles B. Gordy, John W. Riegel, and Margaret Elliott Tracy have assisted me at sundry points; and furthermore my former students Charles Eubank and Paul Stanchfield have devoted, I fear, all too many man-hours of the very best quality to inquiries, drafts, and revisions which directly contributed to this book. This volume has also benefited greatly, I am sure, by my extensive correspondence with Mr. Durant Rose. My debt to Mr. Sam Mavor is much greater than is apparent from the numerous references to him and his firm in the following pages; for during nearly a decade he has been making generous and enlightening responses to my frequent notes and queries.

Problems of the stimulation and compensation of human effort, with due regard for protection of each person's mental and physical health, are very complex; but the need of workable solutions is pressing. It is hoped that the book will offer some measure of welcome aid. Whatever our purpose, scientific knowledge of causes and effects is indispensable for the fullest practical control of events.

Z. C. D.

Ann Arbor, Michigan,
January, 1937.

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