

A New Emphasis for the American Dream

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Fear of famine and poverty has had a tremendous impact on the mores of our society. Over the years economic anxiety has been intense and enduring. Driven by fears for the adequacy of food, clothing, and shelter, man has found his greatest motivation in his desire for freedom from want and in the independence he gained from a store of wealth. Indeed, as an outgrowth of this constant need, wealth has become the major symbol of status.

However, two developments in our Western pattern of life will require some modification of our basic motivations. First, our survival today does not depend entirely upon physical sustenance, but upon winning in competition with an ideology that is built on an entirely different value system than our own. Rather than accept the competing system, we prefer not to survive. Second, the drive for wealth, though still powerful, no longer provides the motivation for us to compete successfully with the threat of foreign domination. Hence our survival as a free people is threatened. The following discussion of the evolution of this thinking will attempt to clarify these premises.

Conquering the Problem of Physical Needs

Western civilization has been comparatively successful in conquering the specter of scarcity. There are many reasons for the development of the surplus economy we enjoy today. One view which has considerable support is that our economic progress has been in part the result of the motivation and philosophy that came from what Max Weber called the Protestant ethic.

The banker, Henry Clews, in an address to the students at Yale, effectively defined what is known as the Protestant ethic as follows:

Survival of Fittest: You may start in business, or the professions, with your feet on the bottom rung of the ladder;

it rests with you to acquire the strength to climb to the top. You can do so if you have the will and the force to back you. There is always plenty of room at the top. . . . Success comes to the man who tries to compel success to yield to him. Cassius spoke well to Brutus when he said, "The Fault is not in our stars, dear Brutus, that we are underlings, but in our natures." [sic]

Thrift: Form the habit as soon as you become a money-earner, or money-maker, of saving a part of your salary, or profits. Put away one dollar out of every ten you earn. The time will come in your lives when, if you have a little money, you can control circumstances; otherwise circumstances will control you. . . .

Under this free system of government, whereby individuals are free to get a living or to pursue wealth as each chooses, the usual result is competition. Obviously, then, competition really means industrial freedom. Thus, anyone may choose his own trade or profession, or, if he does not like it, he may change. He is free to work hard or not; he may make his own bargains and set his price upon his labor or his products. He is free to acquire property to any extent, or to part with it. By dint of greater effort or superior skill, or by intelligence, if he can make better wages, he is free to live better, just as his neighbor is free to follow his example and to learn to excel him in turn. If anyone has a genius, for making and managing money, he is free to exercise his genius, just as another is free to handle his tools. . . . If an individual enjoys his money, gained by energy and successful effort, his neighbors are urged to work the harder, that they and their children may have the same enjoyment.¹

William H. Whyte, in *The Organization Man*, states that each time we eulogize the American dream we describe the Protestant ethic. You will note that as described by Clews, the ethic emphasized the importance of hard work, perseverance, and thrift. This philosophy contained ingredients of rigid discipline. Two other ingredients of his description of the Protestant ethic were especially significant. First, one of its prime ingredients was freedom. Freedom permits the individual the right of choice and freedom of choice is a most significant motivation. Second, the Protestant ethic, since it prompted the individual to gain by hard labor, to accumulate productive capital by saving, was significant in the production of consumable goods for survival. For these reasons the protestant ethic met the needs of humanity and was given the full support of

¹William H. Whyte, *The Organization Man* (Garden City, New York: Doubleday & Company, Inc., 1956), pp. 16-17.

religion. Its virtues have been preached from the pulpit and have become a part of the writings of popular authors. For example, Roger Babson's books *Fundamentals of Prosperity* and *Business and Religion* deal with this theme as do the writings of Harry Emerson Fosdick. The ethic was completely integrated into the religious philosophy common to almost all American Protestant faiths. Religious belief is important in molding a society. As Kenneth E. Boulding states:

Over a broad range of human societies within the extremes of the Eskimo and the desert nomad, if one area is rich and another poor, it is not because of anything inherent in the natural resources or in the genetic make-up of the people, but because of the cumulative effect of certain familial, educational, and religious practices. Thus the forbidding soil and climate of New England provided a comfortable—if not opulent—homeland for the Puritan, while under the Turk, in his unspeakable days, the ancient cradles of civilization became barren and starveling deserts.

Of all the elements of culture which shape economic institutions, religious practices particularly play a key role. . . .²

New Dimensions for Survival

If the motivation arising out of the Protestant ethic as described by Clews was significant in enabling us to survive as a leading nation, there are those who hold that it is no longer adequate. In the first place, the motivation was based on a desire for wealth and fortune. This desire is still strong, but the acquisition of wealth no longer completely satisfies. Since physical needs are not so pressing, aggressive wealth seeking does not today have the church's blessing to the same degree as has been true in the past. Churches today do not condemn material success, but they are placing more emphasis on the search for deeper, more lasting satisfactions. In the second place, the complexity of organizational life is such that it is more difficult to see that individual merit is always rewarded with immediate success or that hard work and thrift "pay off" for the individual. Most men today work in organizations, and they are rewarded for those qualities that enable them to rise in the organization. These qualities are harder to define than were the ingredients of the Protestant ethic. Those administering

²Kenneth E. Boulding, "Religious Foundations of Economic Progress," *Harvard Business Review*, XXX, No. 3 (May-June, 1952), 1.

organizations too often expect compliance, not creative genius or even industry. Indeed, some claim the organization is so structured that merit and hard work are rewarded only occasionally. Other reasons, such as family connections and who you are and know, prompt promotion. Hard work and thrift are still necessary, but other qualities are also important.

The effectiveness of the once-precious motivations of the American dream may be losing their drive. Yet our survival depends upon our ability as a nation to prevent the atrophy which threatens. We do not possess clear-cut and explicit motivations to extend ourselves to the outer reaches of our capacities. The frustrations that arise out of man's hopelessness to get the basic satisfactions from his experience in the organization are stifling the human resources that were inspired by the American dream in the days of the open frontier.

Our survival now depends not alone on our ability to achieve high productivity or to maintain a surplus economy, although this phase of our life's activity cannot be neglected; it depends first upon the successful development of a life which includes experiences that are more basic to ultimate satisfaction than the consumption of creature comforts or the possession of tangible goods, and second, the attractive qualities of this life must be communicated to and shared with the world as a more inviting alternative than the communist philosophy.

Charles Malik phrases it succinctly:

In this fearful age it is not enough to be happy and prosperous and secure yourselves; it is not enough to tell others: look at us, how happy we are; just copy our system, our know-how, and you will be happy yourselves. In this fearful age you must transcend your system; you must have a message to proclaim to others; you must mean something in terms of ideas and attitudes and a fundamental outlook on life; and this something must vibrate with relevance to all conditions of men.³

Although it often may be abused, fortunately for our civilization this drive for material goods is still with us. Other nationals, however, experience the drive more sharply. They work longer hours. They endure greater sacrifices than we are

³Dan H. Fenn, Jr., (ed.), "The Businessman and the Challenge of Communism," *Management's Mission in a New Society* (New York: McGraw-Hill Book Company, Inc., 1959), pp. 36-37.

willing to endure. As a by-product of our preference for leisure and our freedom from a sharp threat of hunger and exposure, we are growing soft and may thus become easy prey to foes who have been toughened by fighting the constant threat of starvation. They are driven by a much stronger desire for freedom from want than we who are getting used to plenty.

Need to Feel More Explicitly Our Quest for Freedom

Our love for freedom may be intense, yet it is intangible. We take freedom for granted. We do not have explicit evidence that it is a quality, a state of being that must be earned by wisdom, patience, anxieties, risks and positive action. Yet if this freedom is preserved, we must maintain our drive to productivity. What is more, *we must discover and make explicit a meaning in life and freedom which includes productivity but also transcends it.*

Basic Motivation—Survival

Realistically, we are threatened by a basically different philosophy than that from which the American dream evolved. This philosophy is based on fear, regimentation and force, rather than on freedom, light, and truth. The differences, when we see the issues clearly, are such as to leave us in little doubt as to where we choose. The imminent threat of this philosophy as a dominant force in the world, and possibly in our own country, should, if clearly understood, supply the motivation to transcend ourselves. If we see these issues clearly, the productivity of our industrial empire is only part of the answer. Even if we improve the justice and equity in the distribution of our gifts to the have-not nations, our contribution to the world must include more than the giving of tangible goods. Charles Malik had the wisdom to see that the acceptance of our way of life required something that "vibrates with relevance to all the conditions of man."⁴

Preserving and Adding to Our Present Gains

Whatever it is we have to offer the world for the privilege of continuing to live in it must include economic strength and industrial competence. Without these values we and those

⁴*Ibid.*

whose support we choose to win may sink to the desperate level where need for food, clothing, and shelter means more to us than the freedoms we cherish. Certainly we cannot forsake those aspects of the Protestant ethic which encouraged production. A distorted dedication to mundane values of physical survival is the unfortunate state of the greater share of the world's population today. The hope that the dignity of man and the freedom of the spirit to enjoy individual expression will persist depends upon our ability to maintain, with our great productive capacity, a comparatively high degree of independence from physical want. But we also must introduce to others more basic satisfactions that come to man as a result of the joys of being creative and significant to humanity in some useful manner. Since the organization is here to stay, since we depend on it for high productivity, somehow our life in the organization must be made meaningful, significant and even more productive. This achievement is a prerequisite to survival.

A Marked Change in Concepts of Management

For years we have paid lip service to the satisfactions that come from work and service. Today emphasis on these concepts is viewed in a much more realistic light than expressions of the past which have lost their meaning from over use. It sounds paradoxical, yet the drive for business survival or the drive for the preservation of profits or productivity is literally forcing business management to accept this basic premise: that productivity can best be realized by an honest and sincere bowing to the potential in the individual. This potential can best be released to productive activity by recognizing the dignity of man and his tremendous creative powers. This recognition must be more than the expression of a verbal philosophy. It must be a genuine attitude that is infused into all elements of the organization. The feeling of participation of the individual in the creative processes of the firm is becoming an essential ingredient of economic survival of the firm and the nation in which it operates.

Human Motivations Strategic in Business Success

The excellence of physical science has made it possible for most productive enterprises to achieve equality insofar as the

technical efficiency of the plant or machines is concerned. The differences that make for success or failure of management depend more and more on the manner in which the people in the organization respond. Even the technical efficiency of the plant itself depends on the creative genius of the engineers who devise it. They respond with more or less creative skill depending on the environment in which they work. *The environment is largely influenced by the quality of the administration. Management experts agree that as administrative officers become more aware of these basic facts, retaining their same technical competence, it will become exceedingly difficult for a management which does not achieve skill in getting its associates to feel a genuine sense of participation to succeed in competition with those who possess such skills.*

Acceptance of Organization and Its Leader by Workers

Basic to such an attitude, which encourages or stimulates creativity or participation, is an emotional acceptance by the worker of the objectives of the organization. It also implies an acceptance of the leader, his basic philosophy and his long-term goals. There may be minor differences and a great variety of conflicting short-term goals. Out of these differences and conflicts come stimulating experiences and growth. Indeed, creative experience in administration requires the presence of conflict, variety, and differences. Yet if the basic policies of administration are accepted and the goals are agreed upon, the worker discovers harmony in the feeling that these goals and policies are also his own. His voluntary action is in harmony with the goals and thus he feels an integrated sense of participation. The organization is his organization. It matters little to him that it also belongs in the same sense to a thousand others. He discovers more opportunities for creative expression in his own area than he has time for with little danger of conflict with others. As a matter of fact, he sees so many such opportunities and finds them so engaging that time loses its meaning. He is so occupied with his task that he works longer hours than he intends to. He also delights in the productivity of his associates. There is no reason for him to be jealous, because there is no scarcity of such opportunities. There is room for everyone to grow in productivity and stature. In effect, he loses himself. The products of his efforts do not necessarily conflict with

others if the policy and goals of the company are well defined and long term in nature.

Function of the Administrator—Creation of Proper Environment

The creation of the environment in which this productivity or creativity takes place is the principal function of the administrator. He selfishly avoids those activities and policies which interfere with the effectiveness of his associates because they also are working for the same objectives that he is, and the net gains to all will be greater if there is an appropriate degree of harmony in the organization.

Success in educating the worker to identify himself with the entire organization achieves another goal. The worker sees his work not as an isolated routine, but as a part of a whole. He thus becomes a motivated creator of one part of a whole constantly seeking means of improving his part of the work and hence the end product. The function of the administrator is to impart to each worker a clear visualization of his relationship to the whole. Under proper conditions this contributing experience becomes more meaningful than his compensation, provided he does have adequate subsistence. The sense of harmony which he feels in working with others provides him with even greater satisfaction than if he himself created the whole.

Productivity Multiplied by Such an Organization

As we have pointed out before, in our surplus economy, the motivation to obtain physical goods is still strong but is slowly giving way to motivation for something much more satisfying. *Economic salvation will result from an economy in which the major part of the people are motivated by the drive for creative experience within the organization rather than a drive for wealth.* Once this state of being is achieved, subsistence no longer will be a problem. The economy will produce an abundance heretofore undreamed of because of the productivity of creative people. What is true of the firm will be true of the economy. In the competition among nations and firms, those nations which discover and release the creative drive of individuals will be victorious. Their foes will applaud them and follow them rather than plunder them.

Status of New Ethic in Practical Life

Does this concept of creative, participating individuals have realistic backing? Is there a possibility of its becoming a practical reality? Does it have the support of speakers and writers as did the original Protestant ethic? Does it have spiritual foundations? Can it be given the blessing of churches? If so, where are the men who, like banker Clews in 1908, today are preaching this new ethic or amendment to the old, as the case may be? The truth is that they exist in abundance. Every one of the hundreds of management conferences expounds the doctrine. As a result of some industrial experiments, the Harvard Business School became aware of the practicability of this emphasis and has done much to encourage its propagation. Although the proponents of the philosophy have come from a diversity of schools and industrial areas, the Harvard Business Review has played a leading role in collecting and publishing papers which presented the thesis of the new ethic. Let us examine the background and setting of just a few of the men who have presented papers and review their statements:

O. A. Ohmann

One of the statements which made a significant impact on contemporary thought was in a paper read before a dinner group in 1954 in Cleveland, Ohio, by a psychologist turned businessman. O. A. Ohmann joined the Standard Oil Company of Ohio as assistant to the president after many years as a professor of psychology at Western Reserve University. His paper created such an impact that John D. Rockefeller, Jr., invited him to a dinner with the nation's business leaders in the Waldorf Astoria in New York City to discuss his philosophy.

Ohmann succeeded in phrasing into a profit and loss context the fact that leadership in the business enterprise was more a matter of attitudes than of management science and techniques. He held that the responses of the workers, upon which a business profit depended, were greatly influenced by the attitude which the administrator had toward his employees. He strongly advocated a stewardship attitude where the administrator feels responsible to his employees as well as customers and stockholders. He was so revolutionary as to maintain that the *genuine* authority of the administrator comes from those under him rather than those over him. The emotional

acceptance of him and his program by those under him releases them from the fears and insecurities resulting from his using a *less genuine authority* from above to compel them to do something in which they did not believe and of which they were not a part. They respond with greater creativity and productivity when they understand what they are doing and why they are doing it and are in agreement with purposes and methods.

Ohmann's writings also point to the growing tendency of people to seek for happiness which they are not finding in money nor material goods. The old economic laws which ascribe values to things because they are scarce seem to be operative in our economy of surplus: Goods and things are not as scarce today, therefore, acquiring them yields less comparative satisfaction. This first paper which drew attention to his thinking was entitled "Skyhooks With Special Implications on Monday Through Friday." The term "skyhooks" had reference to values which would transcend the physical goods men consumed and owned. He held that we at our present stage of civilization were yet reaching toward the heavens in search of a value system better than the one we have.

A significant point in his writings was that the basic satisfaction which he termed "skyhooks" could be found in the job itself. His views were that the experience of creating the product was much more significant than the product itself.

Ohmann holds that in bringing about a work environment where this creative experience could thrive, the administrator is strategic. Somehow he must provide the worker with a live conceptual vision of his own contribution and how it relates in a significant and meaningful manner to the work of the entire organization. In his own words the administrator ". . . defines the goals and purposes of his group in larger and more meaningful perspective. He integrates the smaller, selfish goals of individuals into larger, more social and spiritual objectives for the group. He provides the vision without which the people perish. Conflicts are resolved by relating the immediate to the long-range and more enduring values. In fact, we might say this *integrative function* is the core of the administrator's contribution."⁵

⁵O. A. Ohmann, "Skyhooks With Special Implications on Monday Through Friday," *Harvard Business Review*, XXXIII, No. 3 (May-June 1955), 38.

Ohmann makes frequent reference to long-run goals and short-run goals. He indicates that dedication to long-run goals promotes harmony while our preoccupation with short-run goals results in jealousies, anxiety, and frustration. In quest of long-run goals, many solutions to an immediate problem may be right. In the case of short-term goals, fewer solutions could be acceptable and thus there were more tensions and frustrations. If a management and workers were maturely oriented to long-term goals, most short-term goals would be reached automatically.

Since the publication of the "skyhooks" article, Ohmann has been in popular demand as a speaker and has published widely. His work has been heralded as a significant contribution to management literature.⁶

A. A. Stambaugh

Ohmann gives credit for the development of the philosophy he has presented to A. A. Stambaugh, a man who has demonstrated its success. Stambaugh, a lawyer, was asked by a law partner to join him in reviving the Standard Oil Company of Ohio. This company was facing failure as a result of the division of the old Standard Oil Company into parts leaving the Ohio Company with no executive leadership. Stambaugh ultimately became the executive officer and was in a large degree responsible for restoring the company to a position of leadership. He had no training in business management—especially the oil business. He credits the success of the company to the response of the employees to his management philosophy.

In spite of the fact that his methods resulted in developing a most profitable enterprise, he places profits in a secondary position when compared to the development of men. He states that "There is no greater nor more satisfying reward than that which comes from discovering and developing men. The possibilities are almost unlimited."

⁶"Keeping Centers of Creativity Alive in a Large Organization," paper presented at a meeting of the American Institute of Chemical Engineers, White Sulphur Springs, West Virginia, March 4, 1957. "Search for a Managerial Philosophy," a paper presented at the mid-year meeting of the American Petroleum Institute's Division of Refining, May 1957, head office New York City. For additional papers by Dr. Ohmann see: "The Whole Man On a Whole Job," paper presented to the Annual Pipe Line Conference, Cleveland, Ohio, May 6, 1957.

Stambaugh pictures the industrial organization in which the attitude of dignity of the human spirit prevails as one that is completely democratic. It provides an atmosphere where each employee is stimulated to creative effort and has an opportunity to have his views reach the top. The following quotation provides an example of his philosophy regarding a business organization:

There should be a capillary of ideas from the bottom to the top and from the top to the bottom that creates an atmosphere in which decisions almost automatically announce themselves. There may be the wrong man in the wrong place, a bad policy, or a faulty plan, but if the democratic process is working without restraint, the correction appears without delay. Its therapeutic effect is irresistible. On the other hand, if leadership is dictatorial, possessive, uncommunicative, and concerned only with its own importance, mistakes of whatever kind are embalmed seemingly forever within the organization.⁷

The careful reader may ask the following question: Under a system so completely democratic how can the leader get ideas accepted and adopted that he believes are best for the company and which have identified him as a leader? An efficient organization requires coordinated effort. Certain activities must be synchronized. Such control and coordination requires the discipline of authority and follow through.

Stambaugh's philosophy would recognize three choices for achieving both of these goals. First, the executive would delegate little authority, issue orders and expect obedience. There would be a minimum of delegation or decision making apart from the administrator. He would personally see that the work was done by means of his own authority. Second, there could be rules or guides for action expressed as policies. These policies could be broad and general or narrow and specific but achieve complete coverage of activities. The policies could be phrased by the administrator and be guides for the employees to follow. Third, the administrator would be so effective as a person in getting his basic philosophy accepted and so competent as a teacher in getting his ideas clearly understood that the use of the above two methods, though necessary, would be minimal. Just as basic as the above qualities, the administrator,

⁷A. A. Stambaugh, *Successful Leadership* (Salt Lake City: Deseret Book Company, 1961), pp. 36-38.

under the latter method, should have the ability to listen sincerely to the ideas of those beneath him and the moral fortitude and character to modify his own views even though at times it may entail personal embarrassment. Stambaugh would agree that all three of these methods of control must be used in some degree, but he makes it very clear that the executive who is competent in the use of the third method will be the most effective and more likely to be recognized as a great leader.

Abraham T. Collier

Abraham T. Collier is also a lawyer and is at present vice-president and chief counsel for John Hancock Life Insurance Company. He has sensed the necessity for change growing out of our new environment. He has become a prolific writer and a very busy speaker on the subject. His interest in people grew out of his experience as personnel manager of the John Hancock Company before his appointment to his present position.

Collier suggests that the business administrator must win the support of his workers to the extent that they can be effective producers. In order to achieve this goal he "ought to aim at articulating an ideology that, in addition to being an accurate expression of management goals, is a little closer to the personal and even religious aspirations of the people." The ideal which he puts forth is the creative ideal. He states that today business provides an opportunity for men to gain satisfaction beyond sustaining their own lives and holds that every individual has the capacity for creative expression. He points to the fact that more and more tasks are being subjected to mechanical progress and automation leaving for men those tasks which men alone can do because they involve judgment and creative skill.

Another interesting and significant point which Collier makes is that creativity in an administrative program can only thrive where differences are permitted and even encouraged. "One of the cornerstones on which the creative society is built is the incontrovertible fact that men are different, that they cherish these differences, that the joy and fascination of life depends on the existence of differences, and that there are great social values in differences."⁸

⁸Abraham T. Collier, "Business Leadership and a Creative Society," *Harvard Business Review*, XXXI No. 1 (January-February 1953), 31.

Collier's presentation implies throughout that it is the basic nature of man to be creative and if he is denied this privilege he is bound to experience frustration. He goes so far as to state "It can be reasonably contended that the great upheavals of modern history—its wars and its revolutions—are not so much the result of differences between people as of the feeling of a nation or a class that its capacity for creative expression is in some way threatened or thwarted. This was one cause of the Russian revolt of 1917, although the revolutionaries themselves later made the great and historic blunder of seeking to abolish conflict by abolishing difference rather than by accepting difference and in that way removing the barriers to creative work."⁹

It is only logical then that the nation which provides men with opportunities for creative expression will continue to thrive. He points out that the ". . . only real and lasting bulwark against Marxism is in the experience of the large body of our workers and our citizens. If that experience is basically creative and satisfying—and it is management's task to see that it is so—the stultifying conformities of the Socialist state will always be bitter to their taste."¹⁰

Collier describes the creative processes in an administrative society as a process of resolving differences. This process requires a prevailing attitude in which free expression throughout the organization encourages the spawning of new ideas. The creative experiences arise out of the resolving of differences by an effective communication of words as well as feelings and attitudes.

To many readers one of the most significant contributions in Collier's presentation is his relating of the creative experience to the religious experience and the religious experience to God. To illustrate he states ". . . One of the recurring themes in most religions is that God is viewed as the Creator and that creativeness is one of His essential attributes. Another recurring theme is that man's spirit, his conscious 'self,' his unique ability to transcend his material and animal limitations, is the essence of God in man."¹¹

While he does not state that man himself might, by the creative process, grow to become a God, to those who believe

⁹*Ibid.*, p. 33.

¹⁰*Ibid.*, p. 38.

¹¹*Ibid.*

Godhood may be the ultimate destiny of man, this implication is clear. It is significant to note that he connects work to creativity, creativity to religion and God. This linkage then enables man to see an all-pervasive purpose in his work which embraces religion and God. A man working with a conceptual appreciation of the significance of his job to the lives and happiness of others, and experiencing himself a creative satisfaction, should not only achieve a feeling of personal enjoyment, but he should also acquire a dedication to his work. Such a condition should enable him to multiply his talents and his capacity. Possibly this condition would enable us to discover in man the latent capacity which William James stated that man possessed but seldom used.

In short Collier sees the positive creative experiences as not only the key to personal satisfaction, greater productivity, but as our last and only bulwark against Marxism and the socialist state.

Stanley F. Teele

If these concepts, new to business administration, are taking place in business, is education lagging? Education should lead the way with the development of sound theory which should then be tested for its soundness by practical business.

As a matter of fact, education and religion have been discussing these concepts for many years. There have been two principal reasons why they have never made more headway in the practical world. First, business has been too preoccupied with the expedients of making a profit or with the struggle for food, clothing, and shelter, to heed a "philosophy" whose return could not be evident in this year or at least in next year's profit-and-loss statement. This comment is not meant to be critical. Survival until our present era has depended upon the expedients of enough food and clothing. The other reason for the delay in adopting these concepts was that the gulf between education and the practical life was too broad for effective communication. Educators, though aware of the concepts, were not completely conscious of their productive implications. They were not too vigorous in their defense. Businessmen and educators responded to different motivations. They talked a different language. They had not learned to accept each other as significant contributors to the whole of life. This

gulf still exists but one of the most hopeful signs is that it is narrowing. One of the many modern educational movements that have looked at business from a broadened whole view is the development of the case study method. To get educational materials under this method the teachers of the school bridged the gap and went inside the business to study motivations and methods. As a result of years of such study and experiment, business educators developed a philosophy consistent with that we have described.

Stanley F. Teele, until recently Dean of the Harvard Business School, is a fitting spokesman for the educational philosophy that has gained a following throughout the nation. He has defined the goals of education in a much broader context than prevailed in the past. Rather than listing the techniques and routines which might at one time have been considered as education, he names three major quests of business education.

The first is to control and utilize the physical universe and make it serve the needs of men. The second is to teach man to adapt himself positively to a rapidly changing world. The impact of a changing environment can be emotionally frustrating, painful, and upsetting to one who has not learned the art of adjusting himself to more complex levels of living. The third major quest is ". . . the search for ultimate values appropriate and satisfying to the human soul. By ultimate values I mean a man's concepts of the relationship of the individual to others, to the universe, and to God."¹²

Teele holds that only with a mature value system which the individual has developed for himself can he enjoy a sense of serenity and objectivity in a world of turmoil and change. He holds that an attitude growing out of such a spiritual value system is an absolute essential for the administrator of tomorrow.

Teele in another address reflects the same philosophy which has been described in discussing the previous writers. He places emphasis on the job as more important and the product as secondary: ". . . we have been shifting steadily toward a reversal of the words we have continued to use in describing ourselves; we say that our system is great because it has created an incredible standard of living, and has thus provided

¹²Stanley F. Teele, "Change, The Business Manager, and Faith," address given to the Brigham Young University studentbody, May 9, 1960, p. 7.

each individual with the possibilities for personal development to the outer reaches of his own abilities; but what we have been doing in our businesses is increasingly attempting to provide each individual with the possibilities for personal development to the outer reaches of his own abilities, and thereby creating an incredible standard of living."¹³

He further affirmed the basic view in a statement made to a group of Harvard Business School alumni in Utah:

[the fact that] . . . ours is an industrial civilization and four out of five of us are employees, working for someone else, means that much of the satisfaction in life must come from our daily employment. . . . It is basically true that man does not live by bread alone; material rewards alone will not provide for most of us full and satisfying lives. . . . For most people, full and satisfying lives derive largely from a sense of significance, a sense of being useful, of making a contribution, of participating fully in the activities of the group. . . . An immense amount of nonsense is spoken, written and believed in this area. Unless the concern for enhancing human dignity in an enterprise is genuine, it is worse than useless.¹⁴

Again we see that it is the creative experience itself rather than the product of creation that Teele holds as the primary value, placing the "tangible standard of living" in its secondary position. This theme has been receiving significant emphasis at Harvard and other schools of business.

In taking a summary view of the expressions of these four men, it is noted that while they were mature in dealing with theory and intellectual values, they were also practical men with judgment well seasoned by contact with the realities of contemporary business problems. All agreed that our future depended upon our discovery and adoption of a way of life which dignified the individual by providing him with an opportunity for creative experience in an environment where he was a free and participating principal.

Conclusion

A further search would yield a significant number of men and pronouncements supporting the same objectives. A hopeful

¹³Fenn, *op. cit.*, p. 47.

¹⁴Stanley F. Teele, "The Business Executive of the '60's," speech given to the Harvard Business School Club at the University of Utah, December 1954, p. 4.

sign is that critics are questioning the soundness of these ideas. This process has a tendency to refine, to remove basic weaknesses and to drive the roots of the sound shoot of truth into deeper soil. Indeed one of the signs of strength of the philosophy itself is that in the presence of conflict it has grown stronger and gained a larger following.

One of the basic criticisms that some may have against these concepts is that they provide just another device for exploitation—another method whereby the greedy businessmen may increase their share of the national income, a more subtle technique of manipulating the human spirit for gain. In the first place, it is a definite part of this ethic that motives are vital. The man with selfish motivations will be proportionately ineffective in his attempt to create the desired environment. He will not inspire faith and positive creative qualities. In the second place, if one has an enlightened view of profit one can see that the basic philosophy on which profit is based is our most effective safeguard of freedom.

The True Meaning of Profit

Those who criticize profit base their remarks on two dominant objections. First, the profit system is greedy because it encourages inequality. Second, in some instances the excessive greediness and aggressiveness growing out of the profit motivations subordinate human value to a point where human dignity is violated and debased. The righteous hostility engendered by such actions often has blinded the critics to the fact that such occurrences were the result of failure of the system to operate effectively. They would have us turn to another system without being aware of its evils. Hopefully for our world population, the political experiments that are taking place today provide us with the answers we seek. Such evidence reveals much worse abuses under other systems than the abuses of the profit system.

Basic adjustments must be made in our economy to accommodate the new world of inter-planetary travel and atomic defenses. Such complications make effective competition more difficult to achieve. On the other hand, the means required to make the profit system work more effectively are improving. There are a greater volume and variety of goods and services, thus making it less necessary to accept inferior products or ser-

vices. The means of communicating—the availability of services such as TV, radio, and newspaper—keep the public alert to advantages and abuses. The mobility of people enables them to become better acquainted with alternatives. A sensitive, enlightened public conscience is becoming more effective as a censor group. This group of educated and interested public is the most effective control of abuse. Because of improvements in communication, competition on many fronts is more effective today than it has been at any previous time.

If we assume that this is so and recognize the truth that other systems likewise have abuses, the profit system has the basic qualities which will permit the management philosophy we have discussed to work better in our day than will any other system.

Basic to the philosophy we have been discussing are two concepts: "Freedom" and "Participation." Unless a person has freedom to act and to choose, he cannot enjoy the benefits of participation. Vital to every man's life is his career decision. It is important that he be permitted to succeed or fail based on his own skill in making his choice and developing his skill to succeed. Likewise, it is important that he be able to select the goods and services which make up his livelihood. Discrimination, self-reliance, and individuality grow out of a lifetime of these experiences. The market on which the profit system is based permits a maximum of freedom in both of these areas. It permits a maximum of positive participation. The market, although it is impersonal, is a device most sensitive to human freedom. It responds more effectively to human choice than does any other system. It rewards those who are successful in determining human wants and satisfying those wants with a minimum use of resources. Basically, a profit is the result of the enterpriser's organizing human energy, resources, and tools and directing their operation so that the resulting satisfaction will have a money value when measured at the market place which is greater than the money cost of the resources.

When viewed in this sense—if we agree that the choices of the people are sovereign, as we do in a democracy—the operation of a profitable firm has met the test of social desirability. With our limited knowledge today, it is the system most suited to the effective participation and control by the people and for the people. We should recognize abuses, correct them by

enlightened criticism, discriminating market choices, and legislation where necessary. Our efforts to maximize individual participation can best be expressed by preserving in as many places as possible the market system as the arbiter of values.

Caution

Another objection that might be cited by careful-thinking people is that while the views defended here are attractive and true to man's inner drives, they are not practical. This statement contains elements of truth. Although we have been exposed to Christian concepts for two thousand years and longer, man is still selfish. Short-term goals and unethical expedients are more dominant today than ever. Changes will come slowly, for roots in old motivations and practices are deeply embedded and as long as the majority of the people of the world are desperate for a livelihood, unethical practices and selfish motives will constitute a barrier. The signs, however, show progress. Herrymon Maurer, a *Fortune Magazine* editor contemplating the changes, states, "It is conceivable that the large corporation will emerge as a new social force whose basic drive is the creativity of individual human beings."¹⁵

There are some basic reasons for optimism. First, it must be observed that where food, clothing, and shelter are adequate (and they are becoming so in an increasingly large proportion of the world) the human satisfaction deriving from creative experience growing out of love of work so far transcends pleasure of high level consumption that it will be accepted by a greater number of people. Second, even though we have known that the satisfactions of a creative experience were superior to conspicuous and excessive consumption, we have been forced to emphasize production of material necessities in order to survive. Our age is the first that has freed a large segment of the masses from the necessity of a strong preoccupation with short term expedients so they could look beyond these short term goals and see not only a means of getting the necessities of life, but also the satisfactions of a more meaningful creative experience. This age is the first that could give this more meaningful motivation a practical rationale. Third, as many writers have indicated, the very values which we seek are being

¹⁵Herrymon Maurer, "The Age of Managers," *Fortune*, January 1955, p. 84.

destroyed by another people. By means of strong short-term motivations, this people is becoming physically powerful. This threat should drive us to seek the establishment of these basic long-term values as a means of survival.

The changes may come slowly. The philosophy will have to be refined and re-refined by a spirit of free criticism. Life would be bleak, however, without a hope for the emerging dominance of these values so closely associated with the freedom and dignity of man. On the other hand, problems, challenges, and even setbacks have a positive and resonant line where hope of triumph is strong.