

The International Management Institute and Political Opposition to its Efforts in Europe, 1925-1934

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INTERNATIONAL MANAGEMENT INSTITUTE: 1922-1927

In October, 1919, under the League of Nations, the International Labor Office (ILO) was established to study conditions affecting employment, with Albert Thomas as Director. In 1922, Thomas appointed Paul Devinat as chief of the ILO's Employers' Organization Service and in December, 1922 and January, 1923, Devinat and Thomas visited the United States. Here they met with Edward Filene who had just established the Twentieth Century Fund (hereafter cited as Fund). Filene believed world-wide economic problems could be solved by the use of scientific management to restructure European industry. In 1924, Filene and Henry Dennison (president of The Dennison Manufacturing Company) met in Boston and discussed the situation in Europe. Dennison said that while the leaders among European industrialists had grasped and in some instances adopted the concepts of scientific management, none of this growth had resulted in the development of a mechanism for the interchange of management knowledge. Dennison believed the best mechanism for such an exchange was the novel approach to solving management problems adopted by the Manufacturers' Research Association of Boston

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(MRA), a group of non-competing firms with an agreement to systematically pool their experience to solve management problems. This concept of businesses cooperatively sharing information and experience to solve management problems appealed to Filene.

Contacts between Devinat, Filene, and Dennison during 1924-1925, led to a proposal by Devinat for an international institute to study problems of scientific management. Devinat subsequently submitted the proposal to Filene who said the Fund would provide financial support for such an institute if the additional funds could be found.

In September, 1925, Devinat, Filene, and Dennison had a conference in Geneva to consider the Devinat project. It was decided to give Devinat \$16,000 for immediate operations, and that the first piece of work should be a study of "Scientific Organization" in leading industrial countries. Devinat would conduct the European study and the Taylor Society the survey in America. The European study was to cost \$10,000 and the United States survey \$6,000 [20].

By 1926, Devinat had completed the 10 page manuscript of his study stressing the need for accurate information on scientific management because the lack of such information hindered the rapid adoption of its concepts throughout Europe. Devinat said such information could be provided by establishing a central source of information and that he and the International Committee For Scientific Management (Comite' International de l'Organisation Scientifique, known as CIOS) were planning such an organization. Devinat said:

(t)he lack of serious information has paralysed many manufacturers in their desire to apply the methods of scientific organisation. . . The adaptation of these methods demands very advanced technical and psychological knowledge, and this cannot be acquired without free and unreserved interchange between countries of information which can be used to perfect methods and theories and secure the spreading of knowledge in regard to the results of practical experiments. The creation of a body for that centralisation and critical examination of information which is indispensable for the use of manufacturers and technicians in all countries is at present under consideration [14].

In his original plan, Devinat wanted to establish a scientific management institute attached to the ILO [13,1]. After consulting with Dennison, Devinat decided that to encourage further development of scientific management in Europe, the Institute should be a "completely independent institution, capable of dealing with the most diverse aspects of the whole subject" [13, 2].

In January, 1926, to raise more funds, Devinat contacted the Rockefeller Foundation regarding "my plan for the organization of an international insti-

tute for industrial administration to aid in the elimination of economic waste, elevating the status of workers and achieving economic reconstruction" [11].

The basic idea behind Devinat's plan for an International Institute of Scientific Management was the belief that America and European countries could gain from an examination of each other's management practices. The institute was designed to collaborate with CIOS to bring scientific management to Europe, and two members of CIOS were appointed to the Institute's Board of Directors: Edmond Landauer of Brussels, General Secretary of CIOS, and Charles de Freminville of Paris, President of CIOS. Association with the various National Committees for Scientific Management was also considered valuable and three such individuals were included: Professor Adamieki (Poland), Professor F. Hasa (Czechoslovakia) and O. de Madariaga (Spain).

The chairman of the Institute was Professor Francesco Mauro of Italy, who was considered an important choice because he was an important employer in Italy and president of the Italian National Committee (ENIOS) for Scientific management. Finally, two vice-chairmen were appointed: Dennison and F. Sokal, representing the ILO. The difficulties of having such a diverse group of individuals on the governing board of the institute were to become apparent as the years passed.

The Institute received financial support from the Rockefeller Foundation, but only after the Foundation expressed reservations about Devinat's ability. They knew that "(T)he Institute is his own child and that this personal problem" would be overcome by the "interest of Mr. Dennison and the plan to select an assistant director (Percy Brown) to make up Devinat's shortcomings" [15]. It was believed that while Devinat's initial interest was essential to launch the project, he did not appear to be a good executive. He was expending great energy in trying to obtain substantial subscriptions from European governments, without recognizing the various internal forces within those governments both opposing and supporting any effort to improve management methods.

Under the financial agreement finally decided upon, Mr. Rockefeller provided funds for three years at the rate of \$25,000, \$20,000, and \$15,000. In supplying these funds, Rockefeller also suggested that Malcolm Davis should serve on the IMI Board of Directors to monitor Devinat's activities in Geneva. The International Management Institute (IMI) opened on February 1, 1927.

In 1926, Dennison had given a talk on the MRA at the Rowntree Conference at Oxford, England, which attracted the interest of B. Seebohm Rowntree of Rowntree & Company Limited [10]. He saw the MRA approach as a way to increase genuine research into management, and in the autumn of

1927 he released one of his executives, Lyndall Urwick, from some of his duties to establish a similar group or groups in England.

INTERNATIONAL MANAGEMENT INSTITUTE: 1927-1933

The year 1927 served as a developmental period for IMI where Devinat established an office in Geneva, hired a staff and began a large number of projects and studies. From 1928 onward the IMI made a number of contributions to the development of management in Europe, but also experienced a large number of problems caused by the reservations held by the Rockefeller Foundation, the personal ideas of Filene, numerous political difficulties caused by personality clashes and the political desires of individuals and organizations. Because of this situation, our discussion is divided into "Accomplishments" and "Problems".

1928 Accomplishments

Devinat's main accomplishment in 1928 was establishing relations with CIOS through his friendship with Landauer, who was an engineer and manager of a textile mill, The Tessatoria Roman in Rumania, but he managed it from a distance. Consequently, he found time to act as a consultant to many Brussels firms and subsequently became friendly with many employers' organizations in the city. He also established the *Bulletin of The International Management Institute*, published a pamphlet on the IMI, and created a Terminology Committee to prepare a list of management terms and definitions. Finally, at Filene's insistence, he formed a number of Management Research Groups, and began studies of the application of scientific management to agriculture, railways, small factories, and the textile industry [14].

1928 Problems

In the spring of 1928, because of the negative attitude of the Rockefeller Foundation towards Devinat, the Fund, (using a clause in the constitution of the IMI written by Devinat) removed him as Director. Filene and Dennison aided by B. Seebom Rowntree, selected Colonel Lyndall Urwick to replace Devinat. The actual reasons for selecting Urwick are unclear. However, it is probable that since Urwick had succeeded in establishing seven management research groups in England within a year and that he had prepared a booklet on Management Research Groups probably played an important role [21]. On September 7, 1928, Urwick was appointed Director, assuming his duties on November 7, 1928.

In December, 1928, Evans Clark of the Fund wrote Urwick asking if the IMI had been successful in reducing European tariff barriers. Urwick replied

on December 25, 1928, revealing his unique knowledge of European problems. He explained that the Fund and Filene had to understand the complexity of the tariff policy in Europe which, he explained, consisted of three separate motives:

1. There was the fiscal motive since the tariff was a form of indirect taxation "designed primarily to assist in balancing the budget of the country concerned" [22].
2. There was the military motive where industries were protected not for economic reasons, but because it was believed that industries were essential in time of war. Therefore, "every 2-1/2d. state in Europe is trying to build up a motor-car industry. They know their own markets are too small for economic production. But they must have factories to turn on to ero-planes [sic] next time they go blood-letting" [22].
3. There was the ordinary economic protection policy motive which was even behind the tariffs imposed, said Urwick by the United States.

Urwick explained that motives (1) and (2) did not fall within the area of economics but were political issues. He said the IMI should not directly involve itself in political issues.

1929 Accomplishments

In 1929, the IMI produced Special Reports on: (1) tasks in the field of rationalization; and (2) its work for the League of Nations. [19] It initiated work on: (1) Scientific Management in banking; (2) Scientific Management in Small Factories; and (3) Administrative and Management Problems of Combines of Companies. [19]

1929 Problems

On February 4th and 5th, 1929, the IMI held a meeting in Geneva, where Urwick presented a report outlining amendments to the Constitution, new financial arrangements, and a program of work until June 30, 1932. Urwick divided the IMI work into the normal activities, which it was committed to perform, and the special services it had to assume in order to survive. The normal activities were securing and distributing information, producing the *Bulletin* and helping the ILO investigate the effects of scientific management.

In regard to special services, Urwick wanted to conduct studies on scientific management in railways, in small factories, the management and admin-

istration of combines of companies, and the definition of management. In addition, he wished to publish accounts of the scientific methods in successful companies and selected books on rationalization. However, these were not original ideas but merely a continuation of Devinat's projects.

In April, 1929, Filene pressed Urwick to work harder to expand the Management Research Groups in Europe. Urwick said he had established four new groups but had financial problems:

Our chief difficulty still remains a financial one. Until we can obtain more support in Europe I have no funds in sight to engage technical staff or even . . . stenographers. . . . The embryonic scientific management movements in the majority of European countries are already terribly embarrassed themselves to obtain adequate resources for their national organization [23, 1].

In 1929, Percy S. Brown, (who had served as Deputy Director of the IMI in 1927-1928) returned to America to become a personal assistant to Filene and responsible for advising him on the work of the IMI. On April 22, 1929, Brown sent Filene a memorandum on Urwick's plans, stating that establishing Management Research Groups was the most important function of the IMI, and that merely providing information and assisting people to form groups was not enough:

. . . the Institute's work in promoting Research Groups (is) its most important function, and that it will not be merely sufficient to maintain a center of information and to assist people to create groups. It will be necessary to go out and preach and sell the idea, search for and prepare people to do the promotion work, then keep behind such people until the project is launched . . .

. . . emphasis should be made on the need for putting Research Groups' development ahead of everything else; for reduction in research leading to reports where the institute cannot itself carry on the work, and must depend on outsiders, as, for example, banking, railroads, etc. . . . [1, 2].

On reading this memorandum, Filene suggested Brown work closely with Urwick to promote Management Research Groups, and the rest of 1929 was concerned with this effort [7].

1930 Accomplishments

Main efforts were: (a) holding an International Conference on Budgetary Control in Geneva and (b) initiating a special course on "The National Organization of Commercial Enterprises" at the University of Geneva. The IMI also issued Special Reports on: (1) a Glossary of Budgetary Control Terms; (2) management terminology; and (3) the United States census of distribution [19].

1930 Problems

In 1930, Urwick ran into difficulty in establishing a Department Store Research Group telling Brown it would be "little short of lunacy to add to an already overburdened staff even the small amount of work necessary to . . . get this second Management Research Group going" [24]. By May, 1930, Brown wrote a frank letter to Dennison, mentioning his concern about excessive documentation and nonproductive effort by Urwick and a lack of effort towards Management Research Groups:

1. Great emphasis on lectures by the staff of the Institute, especially by the Director.
2. The tendency to documentation in the form of articles. The Director cannot be most productive in Institute work if writing articles. . . . This, to my mind, is essentially nonproductive documentation, . . . (and not as effective as). . . effort applied to creating Research Groups, . . .
3. The report shows also that most of the activities which are planned for the three-year period are documentary. . . . as I read through the plans, I see apparent emphasis on reports and studies, and practically no emphasis on producing specific results [2].

At the time Brown was expressing his fears, the Rockefeller Foundation had refused any additional funds for the IMI, Brown told Dennison he believed

the decision of Fosdick of the Rockefeller Foundation may have been "different had he seen a measurable accomplishment of industries more scientifically managed. . . ." after contact with the IMI [2].

In September, 1930, the IMI experienced difficulties caused by political maneuvering of the International Chamber of Commerce. The main problem arose through the manipulations of Dolleans, President of the Chamber, who, according to Urwick, "started off on a long rigmarole about the international importance of the Chamber and the impossibility of joining our Institute on the same basis as the other members" [25]. Urwick explained that the IMI constitution gave him power to put other members on a similar footing with regard to representation, if they contributed to the work of the IMI:

I added that, in my view, my Board would not raise any difficulties about giving the International Chamber of Commerce three representatives on the Board of the Institute, provided that they had reasonable guarantees that practical collaboration in supporting the Institute financially was forthcoming either directly, or indirectly [25].

Unfortunately, Urwick immediately discovered that while Dollea's wanted an important position in the IMI for the International Chamber of Commerce, he was unwilling to discuss the question of mutual membership of the IMI in

the International Chamber of Commerce, which was unfortunate. Urwick explained to Filene that mutual membership was the only practical possibility of financial support for the IMI. Dolleans told Urwick he would have to talk about such a possibility with the president of the Chamber, but meanwhile he obtained an agreement from Urwick for the IMI to perform work for the Chamber. Urwick told Filene he had neither the time, energy or the staff to do this work, and that Dolleans had left him with the impression that "he was playing the usual Latin game of talking a great deal about collaboration until it comes down to cash, and then fading away in a cloud of amiabilities" which, said Urwick, did not help to pay his staff [25].

Political problems also emerged in the relationship of the IMI to Dr. Hans Hinnenthal, director of the Reichskuratorium für Wirtschaftlichkeit of Germany (RK). Filene had met Hinnenthal in Berlin in July, and he had criticized the printed work of the IMI, saying if a large amount of the printed work of the IMI were eliminated, for more definite work, the RK would support the IMI more fully. In this regard, Hinnenthal was echoing the criticisms of Brown about the IMI activities. To blunt the criticisms of Hinnenthal, Urwick told Filene that the RK was the richest and most extensive national organization for Rationalization in Europe, and probably made less use of the IMI material than anyone else.

1931 Accomplishments

In 1931, the *Bulletin's* table of contents was altered and information on IMI work was eliminated. As a result, little data on IMI's work is available except from manuscript sources and publications listed in the National Union Catalog.

In 1931 a second International Discussion Conference was held on Management Research Groups and Rationalization, but no report on this conference is known to exist.

1931 Problems

Throughout the summer of 1931, the practical problems of the IMI seemed dormant; however, during the period of October to December, Urwick and the IMI were attacked by Filene, Mauro and Landauer. The difficulties between Urwick and Filene revolved around Urwick's remark to Clark that Filene was losing interest in the IMI. On October 23, 1931, Filene wrote Clark saying Urwick was wrong and he was not conscious of any "letup in my interest in the Institute" [16]. Although Filene criticized Urwick, he also defended his work, suggesting the recent criticism of Mauro, Landauer, and Olivetti on the lack of progress of the IMI was made because "they may have

in mind the possibility of making The International Committee for Scientific Management go faster than the Institute" [16].

Towards the end of 1931, the political intrigue against the IMI escalated sharply and Urwick found it necessary to write Evans Clark. Once again the two main conspirators were Landauer and Mauro who criticized an Urwick plan to send Hugo Von Haan (in charge of publications and finance at the IMI) to America for some practical experience with funds supplied by Mr. Rockefeller. This attack, Urwick told Clark, was part of a series of criticisms against the efficiency and work of the IMI

Urwick told Clark that while the reasons for their recent attacks by these two men were unclear, Mr. Butler of the ILO believed it was "due to a feeling that the XXth Century Fund may not continue its support after the end of next year, and they want to collar what is left of the Institute for the hard-boiled employers group (the International Union of Catholic Employers Association) in Brussels . . . or apprehension lest the growing weight and importance of the Institute may lead to the elimination of the International Committee of Scientific Management" [26]. Urwick was quite unhappy with the attitude of Landauer and Mauro that CIOS practically owned the IMI, despite the fact that they had not contributed any funds to the costs of running the IMI. This was more disturbing considering the fact that CIOS had "no real existence apart from these two, who have all sorts of dodges for avoiding real discussion" [26].

A few days later, the problem still troubled Urwick so he had a long discussion with Mr. Butler and Sokal of the ILO. He reported to Clark that Butler and Sokal

. . . incline in the view that it is a deliberate attempt on the part of the hardboiled Employers' Associations in Europe, which have their headquarters at Brussels, to capture the Institute and to bring it completely under the control of reactionary elements [27].

Urwick admitted this was a distinct possibility because Mauro was close to Adriano Olivetti who was Secretary-General of the Fascist Industrial Federation and acting director of the Olivetti Company. Urwick felt Landauer's close association with the various employers associations in Brussels was important in determining his negative attitude towards the IMI, because there was "a tendency for Brussels to try and establish itself as the international town and to be jealous of the prestige of Geneva" [27]. Page 1 of Urwick's 3-page letter to Clark is reproduced in Figure 1.

Besides Landauer being aligned with the Brussels employers groups and Mauro associated with Olivetti, Urwick also explained there was, perhaps, a more important reason linked to their relationship with CIOS. By 1931, the

Figure 1

Page 1 of Lyndall Urwick's letter to Evans Clark, 17 November 1931

INTERNATIONAL
MANAGEMENT
INSTITUTE

17 November 1931

Mr. Evans Clark,
Twentieth Century Fund,
11 West 42nd Street,
NEW YORK CITY

Private & Confidential

Dear Mr. Clark,

This is just a personal letter to supplement the official correspondence which I have sent you to-day about Davis and other matters. I shall not put a copy of this letter on the files of the Institutes, and I should be grateful if you would treat its contents with discretion.

As I wrote to you in manuscript, I was somewhat surprised and shocked at our Board Meeting by a sudden attack on the part of Mauro and Landauer on the executive management of the Institute. Since this attack was a complete reversal of expressions of opinion which they had uttered publicly (Landauer in July last, and Mauro in January last), it left me somewhat unconvinced. I am still a little uncertain as to the reasons which lie behind this sudden change of attitude. In my letter of October 13th, I suggested that it was due to apprehension lest they might be asked to share in the responsibility for a possible failure on the part of the Institute.

I have since talked over the situation with Butler and Sokal. They incline to the view that it is a deliberate attempt on the part of the hard-boiled Employers' Associations in Europe, which have their headquarters at Brussels, to capture the Institute and to bring it completely under the control of reactionary elements. This of course is possible. Mauro is in fairly close contact with Olivetti, who is the Secretary General of the Fascist Industrial Federation. Italian national views and their general tendency to deny the possibility of effective international action, might play a part in such a development. Landauer is very close with the Belgian Employers, who are an extremely reactionary group as a whole. On this side there is a certain tendency for Brussels to try to establish itself as the international town and to be jealous of the prestige of Geneva.

In general, the attack has expressed itself along these lines, in general criticism that the staff are paid too high, don't work enough, etc., etc. It is all generalisations and a good many inaccuracies. I am not sure myself that it is quite so deliberate as Butler thinks. Landauer is a very able business man, but in dealing with institutional questions he is a bit apt not to think so clearly. His criticism so far has been expressed in terms of the "candid friend". But it is so prejudiced against Geneva, and so unfair in many of its implications, that it is very hard to believe that it is entirely spontaneous.

IMI had been successful in securing the support of the various National Committees of CIOS that constituted CIOS. Because Landauer was one of the founders of CIOS, and Mauro an important officer, they may have believed that their status in the international management movement was being threatened by the IMI

Urwick had to assure both Clark and Filene that Landauer and Mauro did not represent the entire membership of CIOS. This was because CIOS had not actually met for two years to discuss the IMI. Even when it did meet, CIOS was controlled by Landauer and Mauro in the following manner:

Their whole tendency is to build up a little "Bureau," as they call it, consisting in this case of themselves, which takes all the decisions before the Committee meets, and then runs them through somehow or other [27].

Finally, Urwick said the very attitude of these two men concerning Scientific Management was entirely different than the attitude of the Twentieth Century Fund in establishing the IMI:

They believe in Scientific Management, but merely as an Employer's instrument to lower costs. They don't believe in the further essential conceptions either of lower prices or higher wages. Olivetti's memorandum on the subject of high wages to the International Chamber of Commerce may be taken as typical of Mauro's attitude [27].

1931 Accomplishments

In 1931, the IMI issued Special Reports on: (1) safety on the Boston Elevated Railway; (2) the organization and management of railways; (3) the administrative problems of large-scale businesses [19]. The railway report under (2) was a final version of a study begun by Devinat in 1928.

1932 Problems

Political problems for IMI increased in 1932. For example, Urwick informed Clark that the British representatives to CIOS were "dead against international development and are using the present economy [problem] to bring pressure to bear on all the departments concerned to shoot at the labor office [ILO] by any means possible" [28]. In addition, the French government was angry, believing the financial crash of 1929 was due to the overrationalization of Germany [28]. Eleven days later, Urwick told Filene that Landauer once again was a problem because "He appears to be trying to run the institute solely in the interests of his particular group [CIOS]... [29].

By July, Clark discovered that Landauer planned to make the IMI subsidiary to CIOS, and Clark wrote Filene on July 6th to warn him of this scheme. (Page 1 of Clark's 3-page letter is reproduced in Figure 2). Filene

Figure 2

Page 1 of Evans Clark's letter to Edward Filene, July 6, 1932.

Handwritten notation by Filene on October 11, 1932 states:

"Clark will study and report on the question of the efficiency of the Inter. Management Institute. I think that they are in danger."

TWENTIETH CENTURY FUND, INC.

11 WEST 42ND STREET

NEW YORK

TELEPHONE LONGACRE 8-8888

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July 6, 1932

*(At 11/32 Clark will study
and report on the
question of the efficiency
of Inter Management Institute
& think that they are in danger.*

Mr. Edward Filene
c/o Morgan & Company
14 Place Vendome
Paris, France

Dear "E.A.":

I hate to bother you with business matters while you are on vacation,

but I think you should be informed about the situation at the International Management Institute. Possibly you know about all this directly from Urwick.

On the chance that you do not, however, I want to summarize the information which I have.

Von Haan and I have discussed Institute affairs several times during the last week - he sails tonight on the New York. From these conversations I gather that the difficulties between Landauer and Urwick are approaching a crisis which concerns the whole relationship between the I.M.I. and the International Committee on Scientific Management. I have obtained this information from Von Haan in confidence, and have not been informed of the situation directly by Urwick.

I gather that Landauer is going to initiate a movement at the conference of the International Committee to be held in Amsterdam July 18th to 23rd to make the I.M.I. subsidiary to the International Committee. Urwick, on the other hand, has as you know for some time been moving in the opposite direction. He would have the I.M.I. the principal agency for the scientific management movement in Europe and would make the International Committee and the National Committees subsidiary thereto.

contacted Urwick who replied that he suggested to Landauer that CIOS and IMI be combined into one organization and that at the Amsterdam meeting he planned to "discover whether there is sufficient support among national committees to secure amalgamation even if Landauer opposes it" [30, 2].

By July 26th, the Landauer scheme of making IMI subsidiary to CIOS was resolved because he was not reelected as the representative of CIOS in the IMI Urwick was delighted at these results and told Filene he planned changes in the IMI to widen its appeal to new members [30]. In August, Urwick was disturbed by Filene's decision not to attend the September meetings of the IMI He wrote Filene, pleading with him to attend saying it was a discouraging decision for people trying to fulfill Filene's ideas. He said Filene's failure to come to Geneva exposed the IMI "to every kind of intrigue and personal politics." Urwick now attributed Landauer's criticism of the IMI to the feeling that Filene was losing interest [32, 2]. Filene did not attend the meetings of the IMI, but was represented by Joseph Willits of the Rockefeller Fund. Willits subsequently reported the results of the meeting to Filene stating they were encouraging primarily because the unsatisfactory relations with CIOS were resolved because of Landauer's removal from the IMI Board. He also was pleased fifty Management Research Groups were now established in Europe.

1933 Accomplishments

In 1933, the IMI prepared special reports on:(1) A railway car plant in Poland; (2) flow work; (3) the practical use of statistics; (4) public administration; (5) rationalization and prosperity; (6) the reorganization of a garage; and (7) recent German studies of distribution problems. [19]

1933 Problems

Once again, in March, 1933, Filene asked Brown to prepare a report on the IMI In his report Brown said Urwick covered too much territory in regard to managerial subjects: "He lectures freely on most of the aspects of management, and because of his position, is probably accepted as somewhat of an authority on all of them" [[3, 1]. The *Bulletin*, said Brown, should be more interesting and contain editorials by competent authorities, not unsigned editorials by Urwick.

In conclusion, Brown outlined what he considered the two most important fields for the IMI to concentrate upon in the future:

1. to foster and nourish the work of the international committees and CIOS (now that Landauer was "neutralized").

2. promoting and nourishing research groups in different countries [4, 3].

On March 31, 1933, Brown forwarded another memorandum on the IMI, saying an important gap in the IMI's work was failure to maintain contact with the research groups once they were organized, although "continuance of contact between the Institute and research groups was of great importance; . . . (and). . . IMI should foster and nourish the groups" [5, 1]. Finally, Brown said the Fund should:

determine whether the money that it spends in this work is being used most effectively, and if not, what can be done to improve the situation, or, if it cannot be improved, whether the funds might not be used to better advantage in some other way. [5, 1].

During July and August, in corresponding with Erwin Schell of M.I.T., Urwick said the IMI had serious difficulties due "to the fall of the dollar on the one hand. . . and. . . owing to the demand of the ILO that we concentrate on work bearing on the social aspects of rationalization" [31]. Because of this situation a special meeting of the Fund was held in Washington, D. C., on November 14, 1933, on the future of the IMI. As a result of this meeting, the Fund, on November 24, 1933, voted to discontinue its support of the IMI as of December 31, 1933 [17].

On December 18, 1933, Dennison, Urwick, and Brown met to discuss Urwick's plan to continue some of the IMI work. The next day Brown forwarded data on the plan to Filene, reminding him that Mauro and Landauer still were a problem:

You consistently took the position that the threat of war, the development of intensive nationalism, and economic difficulties, would make it almost impossible to get any high degree of effective cooperation toward improvement of management methods during the next few years. . . (and). . . Dr. Mauro and Dr. Landauer. It was pointed out that the only way they could be eliminated without causing considerable difficulty was by closing the Institute [6].

Brown suggested to Filene that the Urwick proposal was not suitable and on the basis of Brown's analysis of this plan, Filene, on December 23, 1933, wrote a memorandum (based on Brown's analysis) to the trustees of the Fund on the Urwick proposal. Filene said it was not the time to expect the adoption of scientific management on a large scale because:

In my judgement, there is no possibility of enlisting the interest of business men to cooperate internationally to make their successful experiences in production and distribution common practice, nor to cooperate to effect wide improvement in organization and methods [18].

Filene also said:

I do not consider it wise for a representative of the Fund (Urwick) . . . to endeavor to set up a new national committee for scientific management, or to attempt to reorganize the existing one! (In addition) the publication of books on reorganization, two of which Mr. Urwick has started, would not, in my judgement, greatly influence industry to organize better. We have had countless such books in this country from the time of Taylor on, and they have been widely read abroad with but little measurable results [18].

Filene concluded that on the basis of this analysis, the IMI closing plan should be followed and Urwick's proposal rejected.

TERMINATION OF INTERNATIONAL MANAGEMENT INSTITUTE: 1934

1934 Problems

The year 1934 witnessed the termination of the IMI. On January 5, Clark wired Davis in Geneva expressing the Fund's "appreciation to Urwick and staff for able courageous services under exceptionally trying circumstances past few years," and explained the reason for this decision:

Decision based on circumstances outside power of Institute Staff to avoid namely impossibility Fund's making good loss resulting from dollar depreciation to allow effective work and unfavorable European political economic conditions [9].

A few days later, on January 11th, arrangements were made to liquidate the IMI's assets and transfer the archives to the ILO for safekeeping. In this manner, the IMI's brief existence was brought to a close.

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