

WEBSTER ROBINSON

and

FUNDAMENTALS OF BUSINESS ORGANIZATION

Part 1. Time Period (1920-1929)

- A. Social: Literature - Lewis's "Main Street," Fitzgerald's "Gatsby"; Movies - Talkies, "The Sheik"; Radio - Amos n' Andy; Dance - Charleston, Dance Marathons; Music - Dinah, California, Here I Come; Boosterism - Chamber of Commerce, Rotary, Elks; Advertising - psychological approach; News - Tabloids; Prohibition - speakeasys; Capone and racketeering; Suffrage - Cable Act--women's citizenship independent of husband's; Cause Célèbre - Scopes "Monkey trial," Sacco-Vanzetti, Ku Klux Klan exposées; Labor - growth of Co. Unions and Towns
- B. Political: Republican era - Warren G. Harding (1920-23), "Normalcy"; Teapot Dome Scandal; Calvin Coolidge (1923-28); Herbert Hoover (1928-1932) Voluntarism.
- Domestic - Federal Power Commission (1920); 19th Amend. ratified; Palmer Raids and Red Scare; General Acctg. Office; Federal Farm Board.
- Foreign Affairs - League of Nations; German War reparations, Dawes plan (1924); Kellogg-Briand Pact, Outlawed war 1928; Improving relations with Mexico and Central America.
- C. Economic: "America's Business is Business;" rate of economic growth uneven with recession in older basic industries and expansion in auto, chemical, electrical, radio, and durable goods industries; growth of retail chain stores; unprecedented securities speculation led to Crash of 1929.
- D. Technological: Development of radar; hypoid gear, 1st house trailer, technicolor, 1st demo. color T.V., Bell Labs; 1st transatlantic radio telephone between N.Y. and London; Agriculture - development of hybrids and automatic cotton picker.

Part 2. The Man - Webster Robinson, Ph.d.

An organization analyst and lecturer in Business Administration at the University of California, Berkeley. Recognizing that the majority of managers in the 1920's were managing stable firms rather than starting new ones, Robinson felt there was a need to reduce the sophisticated principles of organization analysts and engineers to enable the student of business to master them and apply them.

Part 3. The Work - Fundamentals of Business Organization  
New York: McGraw-Hill, 1925

Preface: "The purpose of this volume is to show that regardless of the size or character of a business there are certain basic factors and relationships which are essential to its effective organization." In order to do this he presents eight fundamental principles.

## I. DEFINITE AND STABLE POLICIES

A policy is ". . . an accurately determined directive control which is based on definite and adequate knowledge and which designates the aims of the business and the approximate methods to be used in their accomplishment."

- a. Purpose - (1) to establish a definite aim; (2) a basis for a plan of action; (3) to coordinate departmental action; (4) to create and maintain goodwill, and (5) to ensure survival
- b. Types - (1) General Policies - statement of ideal future state  
 (2) Major Policies - designate internal and external operating methods  
 (3) Departmental Policies - segregation and combination of functions

## II. FUNCTIONALIZATION

It is the process of logical segregation and combination of functions which are then placed under the supervision of qualified executives.

- a. Purpose - (1) delegation of authority; (2) control; (3) to achieve maximum from division of labor; (4) to issue definite instructions; (5) a basis for standards; (6) to maintain stability; and, (7) to provide a flexible structure for growth.
- b. Process - (1) analysis of current operation; (2) develop and construct the basic organization scientifically (ideal); and, (3) construction of the actual organization
- c. Types of Organizational Functions
  - (1) Administrative - balance external with internal aspects of organization
  - (2) Executive - direction, supervision, and control
  - (3) Staff - advisory activities
- d. Results - (1) Functional Chart - outlines each members authority and responsibility  
 (2) Personnel Chart - shows who is responsible for performance of functions  
 (3) Organization Manual - explains fully the charts

## III. THE RIGHT MAN IN THE RIGHT PLACE

Proper selection by recognizing differences in individuals and in jobs.

- a. Purpose - (1) to place right people in positions of authority; (2) to protect worker from fatigue and injury; and (3) to develop a stable, satisfied work force.
- b. Selection procedures - functionalization, job analysis and specification, interviews, physical exams, testing and training.

#### IV. DIRECTION

" . . . includes all those factors which determine the type of action that the organization is to take." Involves decision making.

Of the three types of decision-making (Role of thumb, practical and scientific) Robinson suggests that scientific is the best.

- a. Scientific decision making depends on:
  - (1) policies
  - (2) standards - the best method to accomplish a task under existing conditions.
    - (a) standard practice, and
    - (b) standard of performance
- b. Establish standards by: (1) having a reason for it; (2) determine new development in field to which it applies; (3) eliminate what is currently wrong; and, (4) correlate facts into standard practices.

Management determines standard practices; workers are responsible for proper execution.

#### V. SUPERVISION

" . . . is the factor which analyzes and interprets direction which sees that policies, orders, and standard practices are actually carried out."

- a. Purpose - to see that every man and machine is achieving maximum results with minimum effort by doing their assigned work.
- b. Types of supervision - (1) personal - use of supervisors; (2) impersonal - use of policies, standards, orders, etc.

#### VI. CONTROL

" . . . is that fundamental of organization which comprises the means of providing the manager with continuous, prompt, and accurate information concerning the efficiency of operation, what the business is doing, what it has done in the past, and what it can be expected to do in the future."

- a. Purpose - (1) detection of weak spots; and, (2) indication of a trend.
- b. Elements of Control
  - (1) Forecasting results - using standards, costs, and schedules
  - (2) Recording results of actual performance - records
  - (3) Placement of responsibility for results

#### VII. DELEGATION AND COORDINATION OF AUTHORITY AND RESPONSIBILITY

- | <u>AUTHORITY</u>           | = | <u>RESPONSIBILITY</u>          |
|----------------------------|---|--------------------------------|
| 1) right to command        |   | 1) accountable for performance |
| 2) power to enforce orders |   | 2) depends on one's position   |

- a. Purpose - (1) to secure executive cooperation; (2) to stimulate interest of workers; and, (3) to provide a basis for measuring results.

### VIII. INCENTIVE

Incentive is both a stimulus to initiate action and a means to develop a "willingness to work and cooperate.

- a. Purpose - (1) morale - loyalty, will-to-do, and cooperation  
 (2) eliminate friction in organization  
 (3) increase the amount and quality of work  
 (4) to reduce turnover
- b. Types of Incentives - need all three for each produces a different reaction  
 (1) non-material - managerial attitude toward workers  
 (2) semi-material - interesting jobs and working conditions  
 (3) material - financial (guaranteed day rate plus piece rate based on time and output)

### Comments

Critique - In many ways Robinson's view of management is very similar to his contemporaries and yet in other ways his ideas were more symptomatic of things yet to come. Like his contemporaries, Robinson presents normative principles based mostly on experience of executives of the day. His eight principles are quite similar to Emerson's 12 principles (i.e. policies = ideals); Direction embodies Emerson's standard schedules, conditions, and operation and dispatching while his notion of incentives incorporate many of Emerson's notions of Fair Deal and efficiency reward. Robinson's notion of morale is akin to Fayol's concept of esprit de corps although he defines it more fully. In addition, Robinson's concept of functionalization is an extrapolation to the entire organization of Taylor's Functional foremanship. He adheres to the notion prevalent in the twenties that a happy worker will be productive (satisfaction leads to performance); this causal relationship has subsequently become circumstantial. He notes one way to achieve this is through "employee representation" which reflects the now illegal use of company unions in the twenties.

Like future management theorists, he recognized the importance of the organization adapting to its environment. Although he defines the environment rather narrowly to include mostly factors which affect the firm's marketing effort. His discussion of selective procedures reveals a very sophisticated view of personnel management for the time. Furthermore, his discussion of incentives reveals that Robinson was aware of the need for multiple incentives and that different incentives have different effects on behavior, a concept which later behavioral scientists like McGregor and Herzberg were to explore more fully.

- Major Contributions - (1) a clear explanation of functionalization on an organization wide basis  
 (2) translating many scientific concepts of management into a form easily understood by the manager with a non-technical background