

MULTIPLE MANAGEMENT

Charles P. McCormick, President of McCormick & Company, took over a large, one-man, business upon the death of his uncle, who had established and run the business with one-man policy until his sudden death in 1932. Charles McCormick felt he had neither the ability nor the inclination to head a one-man business. He decided he needed help and, upon suggestion to the executive board, formed a "junior board of directors" made up of young promising assistant department directors. This experiment was extremely successful and was expanded to include "junior boards" representing each division of the company. This inclusion of junior executives in making significant decisions concerning the operation of the company was the basis of "Multiple Management".

### I. The Junior Board - Putting All of Executive Minds to Work

- A. Organized 17 junior executives into an executive board and given a free hand to develop management of the business.
  - 1. Made recommendations conservatively, but with a high rate of success and growth to the company.
  - 2. The process trained persons to manage the business. At least one man a year moved to the senior executive board.
- B. The advantages of being a junior board member listed the following opinions of a member who, in four years, worked from a minor position to a charter member with trust and responsibility.
  - 1. "Provides opportunity to express ideas and opinions on matters of vital interest to the company."
  - 2. "Enables you to better fill your superior's position and gives insight into the entire operation of the business and a chance to fill other roles as well."
  - 3. "Added knowledge allows for greater interest in the business."
  - 4. "Increases self-confidence and self-satisfaction at having accomplished something."
  - 5. "Competitive spirit makes you realize that others are striving for your place and it is up to you to produce to stay there."
  - 6. "The Junior Board has so many features that may be summed up as 'spirit'. A certain enthusiasm and desire for co-operation."

### II. Future Business Management

- A. "Management of the future will find most of its problems related closely to the human factor."
- B. "Management calls for a vision so broad and a comprehension so vast that they cannot be encompassed by one mind."
- C. "The measure of tomorrow's business is going to be more than its ability to earn profits...must appease desire for stock dividends, provide higher standard of living for employees, furnish most of the tax money to support pensions and the largest national debt in history."

- D. "Must depend upon more than one 'thinker'. Encourage creative desire, imagination, originality, and ambition."
- E. "Advancement can come only through creation of new wealth...which results solely from the opportunities which ideas create for both capital and labor."
- F. "New management encourages constructive thought...personal interests are so closely tied to company interests that success in life depends upon success of the business."
- \*G. "The primary purpose of the management of the future will be to build men; it will place the human factor above profit, knowing that if its human organization is constructed of the right kind of material the profit will take care of itself."

### III. The Human Factor in Business

- A. In order to prevent the neglect of the human factor there are three steps which must be accomplished.
  - 1. "Encourage and stimulate interest in the work of every department sufficiently to induce our people to consider their positions and jobs as careers, and remain in the employment of the company."
  - 2. "Train employees to study the business and take on responsibility as rapidly as they equipped themselves to do so; also to consider the advancement of the business and their part in such advancement as a most important necessity."
  - 3. "Reward all workers on a basis of absolute merit and justice, and convince them that they cannot advance themselves by any other means."
- B. The Junior Board in its sponsorship system developed the V.I.I. test for self rating. The three components of the test are:
  - 1. Vision (V)- ability to think ahead; imagination; logical reasoning; making sound and practical dreams come true.
  - 2. Independence (I)- stand up for ideas; self reliance; defend another's conclusions; ability to say "no"; guts.
  - 3. Intelligence (I)- intellectual capacity and understanding; good judgement; absence of unreasonable stubbornness; ability to separate good ideas from bad; identify right from wrong.
- C. "...majority of universities, in training of men and women for business, are neglecting the human factor...look forward to time when educational leaders will get together with the best business executives and map out courses that give students clear vision of and preparation for their future business responsibilities."

### IV. The Factory Executive Board

- A. Under the old management system labor was seen as a commodity. New management accepts the fact that the interests of capital and labor, employer and worker, are identical.

B. Because of the success of the Junior Board it was suggested that a similar program be developed within the factory in order to mesh its activities with every other division of the business. This activity was based on a 10 plank platform.

1. "Furnish every individual factory worker with the facts and information necessary to an understanding of his relationship with the purposes and activities of the business as a whole."
2. "Convince factory workers that the management is sincerely interested in giving them permanent employment and extending opportunities of self advancement."
3. "Shape the management to offer social and cultural opportunities."
4. "Encourage workers to accumulate property, and do everything possible to convince them that the interests of capital and labor are identical."
5. "In every activity of factory management encourage workers to contribute ideas and suggestions for the advancement of business."
6. "Endeavor to determine the work that each individual is equipped to do best; find and encourage that talent."
7. "Adopt a method of sharing profits that is satisfactory to all concerned."
8. "In everything accomplished see that the workers themselves have a definite part in planning and working out of details, through their established board."
9. "Consider every endeavor as a means of training management, as well as factory workers, in an improved concept of the principles of capitalism and its new responsibilities."
10. "Allow the principle of justice and good sportsmanship to govern all planning and activities of factory multiple management."

#### V. The Sales Board

- A. The success of the business depended upon improved and increased sales effort. Most ideas concerning advertizing and improved sales policy came from individuals not associated with sales, it became necessary to develop the sales board to stimulate merchandising plans and act as a clearing house for ideas from the other three boards.
- B. The 6 member board meets every six months for three days and seriously considers any ideas submitted by the sales force which has resulted in an understanding of management by sales and less friction between themselves and the 'inside' organization.

#### VI. General Board Meetings

- A. Every Saturday morning the senior executive board, the junior board, and the factory board meet informally.
- B. "Our weekly general board meetings not only provide opportunity to coordinate the three boards and check on progress, but also to investigate and develop the human factor."