

# The Secret to Power in Business

by Glenn Clark

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## IV. Fairness to Employees

Arthur Nash inherited a small business in custom-made men's suits. The business was in a bad way, and seemed to be moving rapidly toward bankruptcy. After trying desperately to remedy the situation he turned his attention from the financial end of it and began to look into the welfare of his employees. He saw at once that they were all being underpaid. He took God into partnership and after meditation and prayer he decided on a very daring and extraordinary move. He doubled the salary of everyone, and for one old woman who was terribly underpaid he quadrupled her wages.

"If we are going to go to smash, we might as well go with full speed ahead," he remarked.

But to his amazement, the business did not fail. The orders doubled and then quadrupled, and he awoke one morning to find he was the head of a great and growing business, one of the greatest of its kind in the world.

In the course of time a depression swept the nation and business after business had to close down. When his strongest rival closed, Arthur Nash's employees came to him with a strange request. Many of the workers in the rival company were their friends, and they asked Mr. Nash if he would take them on for half-time at half wages, saying that they would be willing to have their own salaries and work-time cut in half during that period. Mr. Nash was so pleased with their spirit that he offered to take them all on and let his own employees keep their full-time jobs. And so the company went on, weathering storm after storm, and growing stronger through every crisis.

Walter Russell lecturing to the salesmen of the International Business Machines said, "The change which will give industry its mighty power is the discovery of the importance of man in his own economy. Industry has now become fully awake to the necessity of lifting every industrial worker upon as high a pinnacle of spiritual and economic power as possible.

"This may seem to be a strange statement in view of all of the labor troubles of today, but these troubles are but a part of the pain of birth of the new day of closer and more friendly industrial relations than the world has ever known. As a greater understanding of mutuality of interests permeates industrial human relations, the troubles will not only disappear but an internationally cohesive body of incalculable power will grow out of it.

"Now how and when did this discovery come about? It came about when standardized mass production suddenly caught up with consumption. During all of the centuries, men have toiled to satisfy human needs and had never caught up with demand until this technocratic machine age reversed the whole psychology of producer-consumer relationships. Almost overnight the greater of the industrial leaders realized that mass production could be of no use without mass consumption. Where could that mass consumer be found? There was but one answer, and that answer was 'man-in-the-mass.' But man-in-the-mass was also being standardized, if not de-humanized by the machine age.

"Then came the great awakening, and with it came the voices of industry's leading thinkers.

"This is not the machine age. It is the Age of Man,' said Thomas J. Watson, humanitarian, and president of what is probably the greatest man-building industry in the world today. 'We were all created one for another. We are all one big family. In all our dealings let us remember that all there is in business, or in anything else, is man. Man was not made for business, but business for man. All dealings begin with man and end with man. There is nothing else higher than the spirit of man.'

"A new international morality was born into the world, which I believe will lead to the solution of the problem of our new social order based upon that age-old practiced principle of brotherly love.

"While labor was asking for shorter hours and more pay, industry beat them to it by raising wages without the asking and beyond the asking. Farsighted Henry Ford amazed the world and set it gasping by setting a minimum wage so high that economists and the press predicted dire disaster as a consequence.

"Mr. Ford's answer was: 'How can we expect to sell our product to the masses unless you not only give them the money to buy it with, but give them the leisure to use, and the culture to appreciate it? Stop patronizing the workman. Philanthropy and charity only pauperize him. Give him wages to buy for himself what you would give him as charity.' Mr. Ford then sounded a note which was so new in industry that it was 'heard round the world.' It was to the effect that the hurt of any one man was felt by every other man. He pointed out the fact that the failure of an obscure man in no matter how remote a village, made just one less consumer for all producers.

"Said he, 'That man cannot buy my car, and I pass that loss all down the line to steel, glass, body, magneto, and tire manufacturers. Do not say that his hurt does not hurt us, for it does, and if it hurts us it hurts everybody in the world to some extent.'

"Then came the splendid mentalities of Gerard Swope and Owen D. Young into the picture while dynamic Charles Kettering preached aloud from the housetops the wisdom of giving the workman everything, and more, that he wants. 'Raise the living standard for all men,' he says, 'Give them what they want. Invent things for them to buy. Create desire in them for better things. Desire is the best consumer.'

"Like wild fire, that spirit caught the imaginations of the great leaders and the large corporations, until they became sincerely desirous of lifting the financial and cultural standards of the workers for their own sakes as well as for the purpose of developing a mass consumer. Thrift savings plans were established which put millions of dollars yearly into funds for workmen's benefit. Educational plans were established by insurance companies and industrialists alike. Bonuses were given, profit sharing initiated, installment stock purchasing, benefit insurance, employee savings plans, emergency loans, housing, and a host of other benefits to workmen were taken up which would have been considered outside the pale of business twenty years ago.

"Walter J. Kohler astonished the nation by building a workers' community of beauty and utility as an object lesson for those who had condemned labor to the familiar shacks, shanties, and slums of grimy factory towns, with their squalor and ugliness.

"Paul Litchfield established a new principle in corporate management in the Goodyear Rubber Company by going right down in the ranks for representation as well as up to the top. A 'Senate and Congress' were set up in his business which made its laws and enforced them.

"In like manner, the man-building process became a vital interest with Myron Taylor, Eugene Grace, Harvey Firestone, Cornelius V. Kelley, Alfred Sloan Jr., the brothers DuPont, Walter Chrysler, Clarence Wooley, Alvan McCauley, and many others. Together they are bringing about that spiritual rebirth in Industry which will contribute much toward the attainment of the unitary civilization which must be man's eventual goal."