

MANAGEMENT ASPECTS

- 815 Organizational Health and Executive Development. C. Argyris.
Advanced Management 24, 8 (Dec. 1959).

The author is concerned with the fact that executives place emphasis on end-products such as high morale, loyalty, and interest in the company rather than on organizational processes. According to his research, high loyalty and high productivity are partially caused by the fact the employees are permitted to be non-involved and experience few contacts with management. He makes a plea for the process of increasing the healthy development of the total organization and says that it is a sick organization which would create the "organization man". It is argued that a healthy organization would stress individuality. In order to initiate the process toward organizational health, several steps are involved: first, to define what is to be included in the concept of organizational health; second, to translate this concept into actual behavior; third, to develop criteria to measure and evaluate the state of organizational health; and fourth, to apply these criteria to an executive development program or to other programs to see if they are contributing to organizational health. It is argued that changes may need to be made in the organizational structure, managerial controls, and leadership patterns, but it is also admitted that no concrete recommendations can be made in these areas at this time. It is further asserted that effective leadership is no different from effective living. Hence, the healthy leader grows and develops his own potentialities in such a way as to encourage relationships with others so that the process of growth and development takes place for all in the organization. Looking to the future, it is contended that personnel departments will be concerned with developing quality leadership and healthy organizations through the functions of research and training.

-- Cond. from J. Occ. Med.

- 816 Automation and Unemployment. W. Phelan.
Illinois Labor Bull. 20, 14-15 (June 1960).

For decades industry has been highly mechanized but humans regulated the machine, and controlled the input of variables. Today, machinery, which can control other machinery and regulate the input relationship of many variables, is available. The application of this new machinery in industry is called automation. Automation is primarily applicable in manufacturing, communication, and transportation industries, and in data processing (paperwork). If purchasing power can be maintained and at the same time automation is widely used, society as a whole is economically ahead. Automation produces goods cheaper in two ways. First, all production costs are reduced. Labor, material, and indirect factors, as material handling are all utilized more efficiently. Secondly, the production of surplus is eliminated. Automation of data processing systems enables management to receive daily or weekly inventory reports from all sectors of the distribution channels. Hence, when the retail inventories of a particular item are growing too large, the manufacturer realizes this situation in days instead of months. Therefore, production will be immediately shifted to a more needed item. With automation, productive capacity increases, and more goods and services can be produced and distributed. However, through the increase in productive capacity by application of automation, the fate of those who may have become unemployed through the application of automation must not be ignored. In a few industries, automation may come abruptly. Nevertheless, the situation will be only temporary and as soon as the individual has adjusted to the circumstances, he will realize that he must shift to growing industries. During the transition period, he will get unemployment compensation, which in the State of Illinois is now \$50 a week for a possible 26 weeks. Older workers who would find it difficult to switch to new industries usually will be kept in the present industry and used as a skeleton work force.