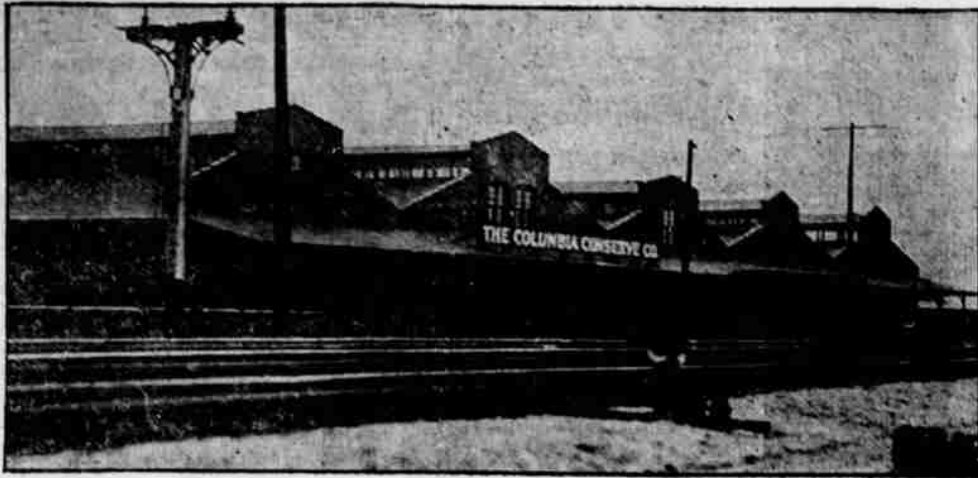


# A Business Without a Boss



Socialized soup. . . . The extent of this "business without a boss" may be seen by this view of the factory. . . . Its businesslike appearance is reflected in the businesslike manner in which the workers carry on the firm under a system that would be unique even in Russia.

By BOYD GURLEY

**B**USINESS MEN will tell you that it just can't work. It's crazy to think of fixing wages on the basis of needs and not efficiency. That way leads to bankruptcy. It's crazier to think of a business that has no owner, no responsible head who is looking for dividends, no boss who hires and fires, no genius to direct and guide.

And if that be not insanity enough, think of a business, a big business, whose smallest detail is managed by its workers from janitor to skilled technician, who meet on a basis of common equality and make decisions with a finality and a frankness that would astound the directors of a railroad or a bank or a steel trust.

The answer, of course, is that there is one business in this country which has operated on that basis for 12 years, is still running, makes large profits and has prospects of even greater ones—with never a prospect for any individual of getting for himself an added dollar beyond that standard of needs, real needs, not desires or dreams, which is set by these workers.

**I**F you should happen to be in Indianapolis some Friday evening and find the talkies dull, go out to a big building on the south side of the city, and sit in with a group of 150 men and women who are planning, discussing, deciding the problems that are presented by the highly competitive business of making and selling soups to a nation.

You will find, if you are lucky, the general manager of the concern, William P. Hapgood. You will also find the girls who paste the labels on the cans. The janitor is there. So are the men who tell the soup. And the cooks, the technicians, the stenographers, every one who has anything to do with the making and selling of this product.

Within that room there is a real democracy. That's the trick of the thing. That may be the reason why it works when you know it can't. For in that council chamber, every worker on a basis of absolute equality and free speech; absolute frankness reigns.

The girl who pastes the labels is privileged to tell the super-salesman how to get the customers, and often she tells him. And the stenographer is quite likely to suggest to the very technical man who works out the recipes for the soups, what she thinks of the taste of his latest concoction.

**F**OR they are not only workers, they are the owners, although none of them will ever own a share of stock as an individual, never look forward to the day when they can hand down shares as a legacy to their children. But they are banishing the fears that actuate most human beings, especially those who work for wages.

This has been going on for 12 years, unheralded and little known. It is not an experiment of a day. It has stood the tests, and is the only institution in the world organized and operated on this frankly socialized basis.

Here are the cardinal points of the organization of the Columbia Conserve Company:

The stock of the company, ultimately, and that probably means 1932, will be in the hands of trustees, named by the workers and held for the common benefit of all the workers.

The basis of wages is the needs of the worker, not his efficiency or "earning power."

The rate of wages is fixed by the workers, and differs with human conditions.

There are no increases for those who rise to what in other plants would be the foremanships and superintendents. These foremen and superintendents who today enjoy larger salaries received them before the change to the present system was made.

Advancement now carries no increase in pay. In this plant they are leaders, not bosses. And these people have the queer idea that a leader eats no more food, wears no more clothes, gains no expensive tastes by the mere fact that his talent qualifies him for leadership rather than for active production.

Every policy, every important matter, every detail in the widespread operation is in direct charge of all the employees, and can be changed or modified at any council meeting.

Every worker holds his place until discharged by this council of his fellow workers. He does not fear unemployment, as long as the business itself continues, for his wage is paid each week during the year.

He has no need to face a penniless old age, for there is a sinking fund for pensions for those who grow too old to be productive. There are provisions for operating expenses for hospitals, medical attention, dental bills for both workers and their dependents. There is a three-weeks' vacation, with pay, for every worker each year. Fear of old age; fear of poverty; fear of sickness; fear of lack of a job; these are gone.

**J**UST what did these workers fix as the basis of wage when they were called upon to decide what a man needs? Did they let their imaginations run riot with dreams of European trips and fine cars? Did they pounce on the profits to permit them to splurge in luxury? Incredibly, they settled the thing on a different basis entirely.

They surveyed the conditions of the city. They found



Every one of them is his own boss. . . . these employees carry on their own business in meetings of their council. . . . in which each has an equal right to speak his or her mind. . . . and doesn't hesitate to do it.

what it takes in Indianapolis for a single man or an unmarried woman to live comfortably, respectfully and frugally. That was the starting point. The figure they fixed is a trifle higher than is paid for similar kinds of labor in Indianapolis, but they found that the business, their business, could stand it, or could be made to stand it if they were efficient.

With that as a starting point, the rest was automatic. Of course, a married man needs more than a single man. So 50 per cent was added for the wife. There are families in which there are babies. These cost money. So \$2 a week was added for each child—up to three. There is a reason for the three.

**T**HESE workers also discuss social problems. They decided that very large families are a menace to the happiness of a worker's life. The limit was fixed.

During certain periods of the year it becomes necessary for the plant to add part-time workers. When these are employed, the council has begun to differentiate between what is paid to single and married casual workers, and an extra allowance is made for their children. As yet the difference in the case of casual workers is not as great as the council would like it to be.

The cynical will say, of course, that they never employ married men when they can get single boys, and certainly never put on the payrolls a man who heads a brood of five. But the books show the exact contrary. They give preference to those most in need of work, and during periods of unemployment it is noticeable that long lines of applicants stand in front of the plant. Among the unskilled, the Columbia has the reputation of being the best place in the city to work.



Maximum salaries go to married men with three children. . . . larger families are held uneconomical and are discouraged.

**E**Mployees under 20 are paid a minimum of \$19 a week. Married women, whose husbands are gainfully employed, are paid the same minimum. The minimum for all others is \$22 a week for single people, and \$33 a week for married men and women who are the support of families. Foremen, forewomen and higher executives are paid more than the others, but except in one case not as much as 50 per cent more.

What happens in the employees' meetings? Sit down and listen. The first two hours are given over to business. No board of directors more closely scrutinizes the reports of their executives than these workers do the figures of business, the reports of salesmen, the prospect of a failure of the tomato crop, the new account from Los Angeles, Peoria or New Orleans.

They know what each salesman is doing. They know how much profit was made. And no high-powered executive could be more exacting in demands for results. If there is something wrong, they want to know why, and they find out.

They know exactly how much can be spent safely on salaries, how big is the bank balance, how much must be borrowed to carry on the business during slack periods, how much can be applied each year to the purchase of the common stock which is to be owned by the workers jointly.

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Twelve years ago the Hapgood brothers inherited a canning factory, and as an experiment they turned it over to the employees to run . . . Today it stands as the world's only socialized industry, where wages are determined by personal need and not by efficiency, and where the most menial laborer may criticize the way every superior handles his job



The girl who pastes the labels on the cans. . . . can tell the head salesmen how to get customers. . . . or tell the technical man who concocts the recipes for soups what she thinks of his latest creations.

no standard of efficiency. It is the inclination, not the result, that counts. The man who does his best (and those who work with him know that accurately), has a better chance than the speed merchant who at times loafs or dawdles.

The group, of course, wants to know whether the applicant has some social outlook and comprehends or desires to comprehend the working basis of the concern. Ability to work with the group as a whole is desirable.

**H**AVING stood these tests and being admitted, the member is safe in his position until, in the opinion of the whole group, he has proved himself unfaithful to the trust placed in him. Mere falling off in efficiency does not mean discharge.

The group seeks the reason behind that lapse. And it tries to correct the cause. The first course followed is to send a failing worker to a medical expert. The work may have become monotonous. He is changed. He may be worried about money matters. There is a fund for loans, if the need be legitimate and urgent.

If he has just become lazy and fails to respond to remonstrance, aid, counsel or criticism, out he goes.

In a word, every action of the group, acting as employers and employees and owners, is based upon the slogan, "From every man according to his ability, to every man according to his needs."

How did it happen? Where did the workers get control of the plant? Who devised the plan? How long will it last?

**B**ACK in 1917, three Hapgood brothers inherited the plant. They were known as radicals. There was Hutchins, the eldest, Norman Hapgood, famous editor, and William P., who managed and ran the business. They decided to experiment.

So a contract was made with the workers as a group for the purchase of the plant by a retirement of the common stock from profits. Written into that contract was the provision that safeguards its ownership for those employed.

William Hapgood knew the business. He remained as general manager, and is still in that position. He is also the most democratic of the entire group, and takes pride in that fact. He has furnished inspiration. He has contributed to the business direction by advice, but is often overruled. He would be the first to admit that often the workers have prevented costly mistakes.

There have been fat years and lean years. But slowly the stock is being retired. Only a national panic and universal bankruptcy can prevent the final consummation of the plan and the complete ownership, in common, by the workers.

**H**AS incentive been destroyed when wages are fixed on needs and not on accomplishment? Is there jealousy and envy? Does the single man loaf because he gets 50 per cent less than the married man at his side? Does the girl who draws the minimum object when the mother of three is employed?

Very recently the group employed an efficiency engineer of national standing to investigate. They believe in efficiency even if they do not consider it the proper basis for wages. These engineers applied the usual tests. They discovered that the average efficiency by accepted standards was unusually high. That may be the answer.

The talk at noon hour centers on the possibility of expanding the concern so as to include the manufacture of materials used in the plant, perhaps in the growing of the vegetables and the raising of the meats. Always the workers have the idea of giving to society the best they have, and of getting for this just what they need to support them.

This organization seldom appears before the public. But recently, when asked to advertise in the Year Book of the Associated Civic Clubs of Indianapolis, they agreed to do so, because their story "seemed to fit in with the goal of the Civic Clubs, an effort to make happier, more intelligent, and better citizens."

"**W**E are believers in democracy," they explained, "in the right of each human to participate in the important activities which mold his life, to make the laws which shall govern his conduct, or to delegate such power to others of his own choosing."

"We are coming more and more to believe in payment on the basis of need rather than on the basis of efficiency."

"It is our belief that in a democratic society not only is liberty fundamental to the existence of such a society, but that approximate equality of income is essential to the development of that fraternity without which democracy is a creed, and not a manner of living."

"Under the form of government which we have described, our business has increased in volume, in profits, and in standing with our customers. Most of us have progressed in our knowledge of our own special work, and in the business problems with which all manufacturing concerns deal—production, sales, finance."

"Individually our incomes have increased, our education has been broadened by the social as well as by the business problems with which we deal, and most of us are happier than we should be in a less democratic society. . . ."

Of course, it is crazy. Any business man can tell you it will fail.

And then back of it is the 12 years of success, and the growing fervor and the larger enthusiasm among those who manage themselves, and are demonstrating something new to industry.

Leaders, but not bosses. . . . Advancement in title or duties to executive capacity doesn't mean more pay in this shop. . . . But these officials run the works. (Front row, left to right): William H. Hines, vice president; Miss Estelle Franz, secretary; Miss H. Dorothea Nordholt, trustee; Howard E. Herner, treasurer, and (standing) Walter Mullen, director, and Kenneth W. Lucas, trustee.

**T**HEN comes the session devoted to what is labeled "human relations," but is really a frank, cold, full and free discussion of the workers themselves, their needs, their deficiencies, their promotions in rank.

Take the case of the woman who had been employed as an extra worker. She had eight children. She represented herself as a widow. Not an especially capable worker, to take the judgment of the employees who worked at her side. She gossiped. And, worst of all, she had lied. She was not a widow. Her husband had been caught by the police when prowling around a bank with a revolver and was temporarily a guest of the state. She had been paid the highest rate during the two months she had been employed, earning as much as \$47.50 a week.

When dull times came, she applied for more work. Then the facts came out.

"I can understand why she seemed nervous and at times was not very good," said one of the women workers. "She was afraid, and a person who fears cannot work. She was afraid that we would let her go if we found out."

**W**HAT these 150 bosses wanted to know was whether she had known of her husband's criminal profession, and had profited from it. They wanted to know whether it wasn't a duty to give these eight children a chance. They wanted to know, most of all, whether there was not a chance to salvage something out of a wrecked home that society had failed to save.

Opposition, of course. No sentimentality. Cold business. Colder consideration of the duty of industrial units to think of the larger social order. She went back, finally, to the job, and at a wage higher than that of the majority of the women who voted to restate her.

Take the reverse. One man had been given trial after trial. He had been shifted from place to place. He had a peculiar disposition. He seemed lazy. There was a probe into the causes. Perhaps he felt the Columbia was obliged to keep him. He would not work. So out he went—but not penniless, for there is a rule that every worker takes with him an extra two weeks' pay when he leaves.

To get into the group requires something more than the asking. Those who go "on salary," which means full benefits, constant employment, the old-age pension, the health service, and the vacation, must stand tests more rigid than those demanded by most secret lodges.

The first requirement is an inclination to work. There is