

# Management Consulting Times

July 2025

Copenhagen, Denmark

## THE TAYLOR SYSTEM

Tavenner, C. (March 15, 1912). The Taylor System. *The Kalispell Bee*, p. 6.

Who is Frederick Taylor, the inventor of the much-discussed Taylor system of "scientific shop management," which the government is beginning to install in the arsenals with the result that the workmen are on the verge of striking?

The object of this article is to answer the foregoing question. Mr. Taylor is a resident of fashionable Chestnut Hill in Philadelphia. He is engaged in putting his system of shop management in various industrial establishments throughout the country. His business is to extensive that he is able to make use of several assistants. They are said to receive \$50 a day each.

Mr. Taylor has two codes to his "system," one version being for public consumption, and the other for the ears of employers exclusively. Mr. Taylor is frank to say there are some details of his scheme that it is best to refrain from discussing until his system is thoroughly installed, as their effect on workmen is such that it may properly be compared to the waving of a red flag before a bull.

Mr. Taylor received his first industrial training, and first tested out his system at the plant of the Midvale Steel company in Pennsylvania. Let us study the "science" of the shop management in this plant. C.H. Harrah, president of the company, happened to be testifying before the committee of labor of the house of representatives on Thursday, March 1, 1900, and the transcript of his testimony fortunately remains intact to this day to throw light on the working methods of Frederick W. Taylor, the subject of our sketch.

"We had men with stopwatches over the workmen working on an axle lathe, or whatever else it might be," said Mr. Harrah, "and every time a man looked up they took this time; every time he stopped to breathe they took his time, and in that way they got absolutely the amount of time employed in doing a certain amount of work. We made it a rule to run a machine to break," continued Mr. Harrah.

For instance, the life of a hammer bar may be two years. If that hammer bar



Frederick Winslow Taylor (1907)

does not break inside of the two years, I go for the foremaster, because he is not getting the work he ought to out of the forge. It is the same way in the machine shop. If a lathe, the natural life of which might be two years, does not break down before that, I would go for the engineer in charge."

Mr. Harrah did not divulge information as to whether, in the event a workman failed to break down in a given number of years under the terrific pace scientifically mapped out by Mr. Taylor, he would demand to know the reason, but he was frank enough to add: "We have absolutely no regard for machinery or for men..."

It may be granted that if the Taylor system in its entirety is put in operation, it will mean great products in goods and things, but in so far as man is concerned it means destruction. While it is producing wealth, it is grinding man.

"There are other considerations of a primary and more important character than merely producing wealth," declared Samuel Gompers recently, "and that is that the intelligence, that the physique, that the spirit, the mind, hopes, and aspirations of man shall also be cultivated and given an opportunity for higher achievements."

## NEW BOOKS: THE WRITINGS OF MARY PARKER FOLLETT

**SUBJECT OF BOOK TALK**

"The New State," a book by Mary Parker Follett, dealing with the need of **irrup-organization** in civic affairs, is the subject of the book talk to be given at Public Library Saturday at 11 a. m. and 1:30 p. m.

The Cleveland Press. (January 29, 1920), p. 1.

### 7. CREATIVE EXPERIENCE \$6.50 Mary Parker Follett (*Longmans Green*, \$3)

A profound and very important discussion of social problems, by the author of "The New State." It is as vivid and lively as it is significant and original. It merits, and will receive, the concentrated study of every one concerned with the scientific aspects of human relations.

The New Republic. (May 7, 1924), p. 5.

## PROF ELTON MAYO OF HARVARD WILL GIVE INDUSTRIAL TALK

The Springfield Daily News. (February 02, 1928), p. 7.

The Y.M.C.A. industrial association announces that Prof. Elton Mayo of Harvard University will be its speaker for Tuesday, the 7<sup>th</sup>. This meeting will be held at the Junior Achievement Hall, 33 Pearl Street, at 7:30 pm.

Prof Mayo is an authority on industrial questions and problems. He will discuss with the membership of the industrial association the subject of "Control of Men and Situations." Prof Mayo is in constant demand for counsel on industrial problems. He is a brilliant scholar, an interesting speaker and will contribute much of value of to the association. Those who are not members of the industrial association may communicate with George E. Mayer, industrial secretary of the Y.M.C.A., concerning the opportunity of hearing Prof Mayo.



# Wartime Impact

## KURT LEWIN'S CONTRIBUTIONS

In the January, 1939, Harvard Review, Kurt Lewin reported the results of an experiment in which one group of school children was taught for several weeks by a teacher who used what was called a "dictatorial" method of instruction while a "democratic" methods was used in teaching another similar group. Within a half hour after the experiment began, the report states, it was possible to note the change from the friendly attitude to one of apathy and lack of interest in the group under the dictatorial method. They soon became more hostile, more domineering, embittered, critical, and demanded attention for themselves more vociferously. The experimental suggests that there must be active concentrated effort on the part of parents, teachers, and students if the fundamental concepts of democracy are to be instilled in our future citizens.

Lillywhite, H. (November 11, 1943). Education for Citizenship. Moorhead Daily News, p. 4,

...undernourished children may soon have strong healthy bodies - all because of a food experiment conducted in Cedar Rapids. These children are undernourished not because their parents lack the means...but because they do not get the right kind of food. Realizing this problem, the United States government asked Dr. Kurt Lewin of the University of Iowa's Child Welfare Research station to experiment with food habits in an attempt to determine why certain body-building foods are disliked, as well as to discover the best methods to get housewives to include them more frequently in the family diet.

Kohr, R. (July 19, 1942). Problem: How to Make People eat Foods That Are Good For Them. The Gazette, p. 7.

## LET'S EXPLORE YOUR MIND The Female of the Species Is More Adventurous By Albert Edward Wiggam, D. Sc.

1. DO THE WAACS AND WAVES HAVE AS MUCH MECHANICAL ABILITY AS MEN OF THE SAME AGES?

YES — NO —

2. CAN A SPEAKER INFLUENCE A LARGE CROWD MORE EASILY THAN A SMALL CROWD OR AN INDIVIDUAL?

YES — NO —

3. DO BOYS LIKE RADIO ADVENTURE STORIES MORE THAN GIRLS DO?

YES — NO —

THE HUMAN FACTOR  
COPYRIGHT 1943, JOHN F. DILLÉ CO.

## ANSWER TO QUESTION NO. 1

Wiggam, A. The Boston Globe (June 4, 1943), p. 14.

Yes. This is a fact that has surprised factory bosses and business men, but has long been known to University of Minnesota psychologist Donald G. Paterson and others. Their tests of mechanical ability show that women do not at first know all the mechanical tools or how to use them as well as men, but with equal training they are just

as good natural mechanics as men - in some operations, better. This is going to have a great effect on the competition for mechanical jobs between men and women after the war.

Answer to Question 3: I would have wagered my next coffee coupon they do, but a careful study of the ratio programs

"most liked" by 505 boys and girls, age 9 to 18, by psychologist Weston R. Clark showed girls from 9 to 12 liked adventure programs more than boys did. From 12 to 15 boys and girls ran the same.

### Los Angeles Office

In order to serve more effectively an expanding number of Pacific Coast clients, we have opened a Los Angeles office in the Pacific Mutual Building. We are pleased to announce that the office is in charge of Bruce Alexander, Resident Manager.

April, 1945

### BOOZ · ALLEN & HAMILTON

Business Surveys · Management Counsel  
NEW YORK CHICAGO LOS ANGELES  
285 Madison Ave. 135 S. La Salle St. 521 W. Sixth St.  
Tel. 2-7300 State 8343 Tri. 9175

Daily News. (April 06, 1945), p. 46.

### McKinsey & Company

Management Consultants

Established 1916

Announce the opening of a Pacific Coast office in

SAN FRANCISCO

Bank Building, 325 Montgomery Street

under the management of

L. EDWARD SCRIVEN

Supplementing Successful Management by:  
Sales and marketing • Manufacturing and operations • Cost accounting  
Budgeting, personnel • Personnel and labor relations • Tax management  
organization • General consultation and surveys.

NEW YORK CHICAGO BOSTON  
McKinsey & Company McKinsey & Company McKinsey & Company  
40 East 42nd Street 135 South LaSalle Street 75 Federal Street

Chicago Tribune. (April 05, 1944), p. 26.

Chicago Daily Tribune. (February 04, 1946), p. 27.



# Consultants solve problems

By Richard L. Gordon  
*Post Staff Reporter*

Uplight about a problem?  
Call a consultant.

Regardless of the nature of your trouble, you'll probably be able to find an outside expert who'll go to work on it, for a fee.

"The scope is unlimited; there are all sorts of things people want done," noted consultant Dick Wagner, former general manager of the Cincinnati Reds.

Hubert Bermont of Washington, D.C., says "152 disciplines" are involved in consulting.

He should know; he's a consultant to consultants.

He's president of the Consultants' Library and author of a book, "How to Become a Successful Consultant in Your Own Field."

Consultants write a good deal; it helps get the word around about what they do.

Kaleel Jamison, a Cincinnati consultant on organizational development, has a book coming out in July. It's called "The Nibble Theory," a title which derives from the human tendency to try to "nibble others down to our size," according to the author.

Consultants also become known by word of mouth and through their own literature. A brochure from Kaleel Jamison Associates says "we consult—to good organizations that want to be better."

Included are a number of firms from the Fortune 500, according to Mrs. Jamison. Some of the issues she helps them address are:

Management development, competition for individual excellence, conflict resolution, team building, black/white work relationships, women/men work relationships, sexual attraction and sexual harassment.

She believes sexual attraction is inevitable because "when people work together, they become closer." And she thinks the best way to "use the positive energy it can create" is for the parties involved to admit it through "appropriate verbalization," rather than keeping it bottled up.

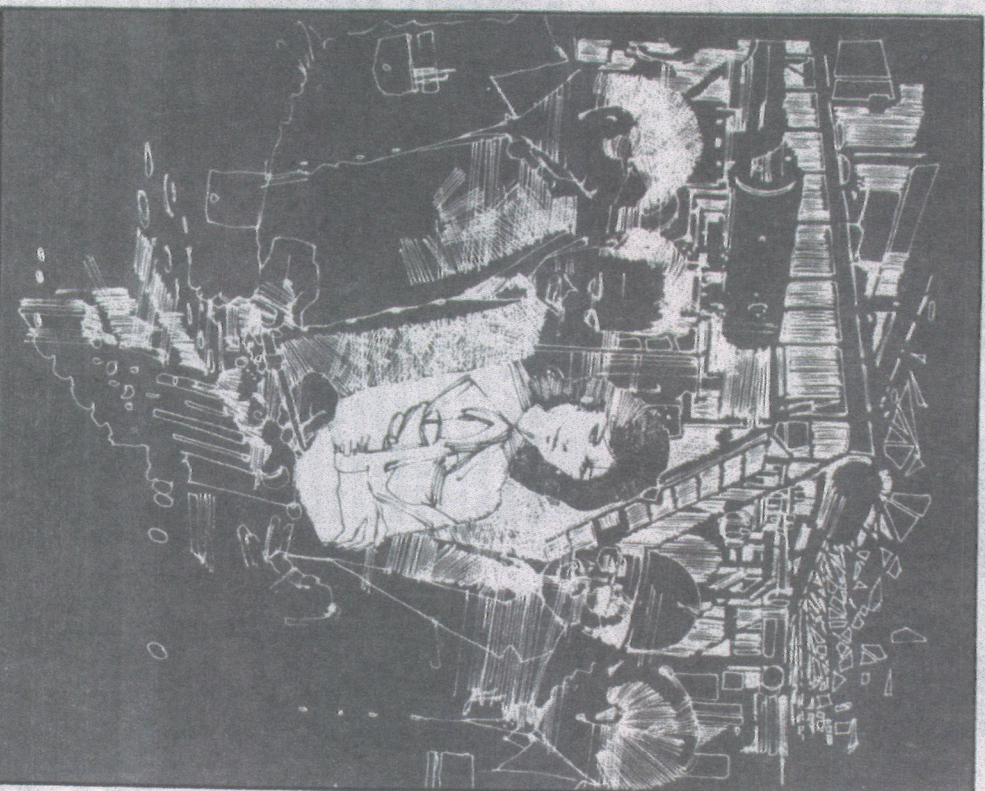
Mrs. Jamison's suggestions concerning sexual attraction in the workplace have resulted in a good deal of publicity—in Money magazine, Business Week, Wall Street Journal, etc.

"Consultant" is defined as "a person who gives expert or professional advice." And there is another factor—the consultant is an outsider, bringing a fresh perspective to the problem.

The service generally is "not inexpensive," Wagner noted. Consultants may charge by the hour, or by the project, or they may be on retainer. "We are on retainer—level payments over the year," Wagner said.

Hourly fees apparently range from \$35 to \$75, though some consultants decline to discuss fees at all for publication.

While some consultants are licensed, this is because of the professions they are in—engineering, accounting, architecture, etc.—rather than the fact that they are doing consulting work.



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"No state licenses consultants," said Bermont, the consultants' consultant.

And E. Joseph Faessler, a Cincinnati consultant whose training is in psychology, notes that "anybody can hang out a shingle."

This, he believes, is one reason why the consultant's image leaves something to be desired.

Nevertheless, business is using consultants widely.

Wagner's RGV Enterprises Inc., for example, is a consulting firm in the fields of sports, entertainment, broadcasting and facility management. The company began operations in February.

Wagner's consulting work so far has been "primarily baseball." But he'll be getting into other sports, and he's talking to several colleges.

"People are interested in controlling costs, and in marketing," he said.

E. William Sullivan, president of Sullivan Associates, is a consultant in "human development." He holds a degree in philosophy, once intended to be a priest, and was the head of a printing company for 30

years. Then he became a consultant.

"I'm working with people," he said. "I'm doing what I want to do, and I'm having a ball."

He recalls the computer software company where "the money was rolling in, but everybody was unhappy."

A dozen programmers were wrangling among themselves, partly because an executive had become bored and was playing off one against another.

"I just pointed out what was happening," Sullivan said. "Now they communicate better, and have a yearly retreat."

He says he has no axes to grind, and he tries to be a good listener. He's a good watcher, too.

"I watch for non-verbal communication," he said. "If the president makes a statement on a certain point, and I see a vice president wiggle his chair, and this happens several times, I may say to the vice president: 'I believe you want to respond.'"

But he emphasizes that you can do this "only after you have developed an atmosphere of safety and trust."

No consultant seems to speak very long without using the word "communication," and it is used in a very broad sense.

Management Communication Consultants is a Cincinnati-based national firm in the field of telecommunications—which involves getting groups of people together in sight and sound though they may be hundreds or thousands of miles apart physically.

The local company helps developers achieve "T.E.R.E.," which means "telecommunication enhanced real estate."

According to Robert Snouffer, president of Management Communication Consultants, the local firm now is at work on telecommunications systems for two large commercial centers in Richmond, Va. and Jacksonville, Fla.

A project begins with a study of needs, and includes equipment acquisition, all of which gets into a lot of technology. But Snouffer said "we try to look at it from the people angle."

The David Douglas Corp. is a consulting firm that is involved in the hardware of video and audio. But Faessler is vice president for human resources.

"I'm in the people end of the business," he said. "My field is interpersonal communication."

He said the big idea is to resolve misunderstanding by opening up communication, so that conflict "doesn't have to be handled on a crisis basis all the time."

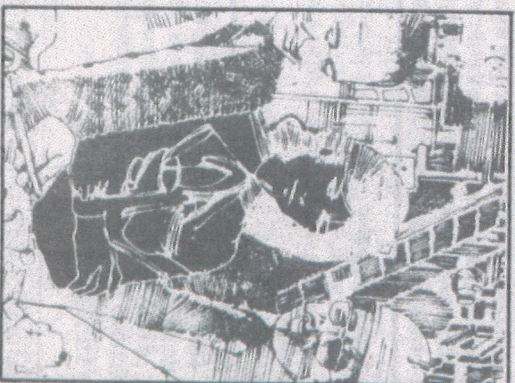
One important point is to make it clear that the consultant is not there to establish guilt or place blame—and this may be difficult. "I've been looked upon as a shrink and a hatchet man," Faessler said.

But once he has gained the trust of the parties involved, he can help them see things from a different perspective—the other fellow's viewpoint.

When this happens, according to Faessler, "sometimes it's amazing."

And how often does it really solve problems? What is Faessler's batting average?

"I'd say about 80 percent success," he said.





# Transformation and Digital Revolution

## INTERNET SALES WORTH 2,000 BILLION DOLLARS

Stifford, R. (Oct. 23, 1998). The Press, p. 12.

This week we find out that Internet sales for European companies are set to rise by ten

percent to nearly \$2,000 billion U.S. dollars by the year 2011, according to a new European survey of companies conducted by KPMG Management Consulting. The survey questioned marketing directors in more than 500 European countries to find out how they use the Internet for e-commerce (sales conducted electronically). The report shows that in the United Kingdom, 65 percent of companies see e-commerce as

being vital to global competitiveness. Chris Boucher, a director in the IT consulting unit of KPMG Management Consulting in Leeds, said: "A significant group of organizations (just under 10 percent of respondents) are doing well - although admittedly that is still a relatively small number."

The characteristics of the organizations which are doing well in e-commerce are, according to Chris Boucher, "a high level of board-level involvement in e-commerce initiatives and the subsequent allocation of substantial marketing budgets, plus the integration of the supply chain to meet customer needs." One of the first companies to take advantage of the Internet was online bookseller Amazon, which has followed the success of its US-based website this week by launching a website specifically for the UK market - [www.amazon.co.uk](http://www.amazon.co.uk).

## At IBM Global Services... 'People are the product'

Alerio, J. (June 17, 2001). The Journal News, p. 41.

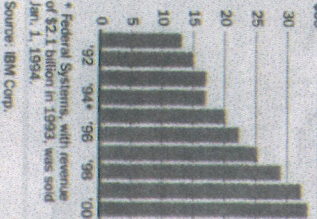
When you think of IBM, you probably picture a giant mainframe or a ThinkPad laptop. But, increasingly, the IBM brand is being borne by people, not machines. Almost 15,000 of the roughly 316,000 IBMers around the world are employed in Global Services - the consulting, outsourcing and information technology services arm of the Armonk-based computer giant.

IBM isn't giving up on its software, microchips, or supercomputers - far from it - but Global Services will be the main driver of sales of these products, transforming IBM into what Chairman Louis V. Gerstner calls a "services-led" company.

Global Services is IBM's best-performing business, contributing half of the company's revenue growth in the first three months of 2001. It was the division's best quarter ever. The \$10 billion in contracts include eight deals over \$100 million and one over \$1 billion. The services backlog has reached more than \$87 billion.

### Services business grows to No. 1

IBM's services operations were scattered until IBM Global Services was formed in 1996. The division, a world leader, combined 5-year-old outsourcing subsidiary Integrated Systems Solution Corp. with consulting and maintenance operations.



Source: IBM Corp.

### Contracts stacking up

IBM has made services, outsourcing and consulting deals with a wide array of companies. Here are a sample:

- NTL, United Kingdom**  
Announced May 2001  
A broadband communications company, NTL has hired IBM to provide computer services for its operations across the United Kingdom and Ireland in a deal valued at \$2 billion over 12 years.
- U.S. Customs Service, United States**  
Announced April 2001  
The primary enforcement agency protecting U.S. borders, the Customs Service will pay IBM more than \$1.3 billion over 15 years to modernize its technology infrastructure and deploy a new system for processing imports.
- Astrazeneca, International**  
Announced February 2001  
One of the world's largest pharmaceutical companies, Astrazeneca will pay IBM \$1.7 billion over seven years to provide computer services in 45 countries.
- Westpac Banking Corp., Australia**  
Announced October 2000  
One of Australia's top 10 companies, with global assets of \$185 billion, Westpac is paying IBM and Telestra, IBM's telecommunications subcontractor, \$2.3 billion over 10 years to develop its e-business banking.
- NTT Comware, Japan**  
Announced October 2000  
IBM's agreement to provide computer services to NTT Comware, the information technology arm of NTT, the world's largest telecommunications carrier, will be worth \$15 billion over 10 years when the contracts are signed.
- Selectron, United States**  
Announced August 2000  
Selectron, a supply chain manager for customized electronics, will pay IBM \$1.8 billion over 10 years to build computer infrastructure and e-business solutions.
- Averda, International**  
Announced May 2000  
A life sciences, pharmaceuticals and agriculture company, Averda will pay IBM \$1.5 billion over 10 years to manage core elements of its worldwide technology operations, including computer centers, server operations and the provision of Internet, e-mail and help desk services.
- Cable & Wireless Communications, United Kingdom**  
Announced September 1998  
The global telecommunications business will pay IBM \$3 billion over 10 years to provide computer outsourcing.

### Business buzz list

Hot topics in strategy, management, marketing and business.\*

- Outsource everything!** — The "IT Outsourcing" conference that rolled into Boston last week was just one slice of a much larger trend: offloading everything that's not absolutely core to the company. And don't think that this is just another futuristic scenario: some powerful consulting groups, including Cap Gemini Ernst & Young, are out there selling the concept to corporate leaders around the world.
- Alternatives to hierarchy** — The traditional org chart is looking kind of tired. Whether it's the US intelligence services or the Catholic Church, a lot of information seems to be getting lost on its way up the food chain. Meanwhile, a phenomenon like the Internet grows spectacularly without any hierarchy at all. Business strategists have noticed this, and a few posthierarchy models are starting to emerge.
- Entrepreneurship** — Always in season, as a dream for slinky-eyed business school students and as a fantasy for disgruntled corporate managers. But a Harvard B-School professor advises: know thyself before you leap.
- CRM** — "Customer relationship management" continues to be the good idea that nobody really has the time for, or the budget, or the patience. But that hasn't stopped an entire sector of companies, many of them "technology consultants," from actively selling it, and selling it, and selling it.

\*Vote for your favorite, or add your own candidate, at <http://www.boston.com/globe/weblog/denison/>

Denison, D. (June 23, 2002). The Boston Globe, p. 38.

## Ireland slips in European e-govt rankings

Smith, G. (March 31, 2005). Irish Independent, p. 18.

A NEW survey has placed Ireland fourth out of 28 European countries for the sophistication of public services available to online citizens. However, Ireland's rating for online availability has fallen and the country is now firmly in the middle ranking. Sweden, Austria, and the UK occupied places above Ireland, according to the fifth annual report on the supply of electronic public services across Europe, which was produced by Capgemini on behalf of the European Commission. Nick Forbes, managing director of Capgemini in Ireland, said the challenge for Ireland now is to move beyond the easy part of making services available online to delivering real value from e-government. He called for three elements: clarity in deciding what services to deliver through which channel; the Public Services broker to be delivered; and the continuation of funding for the information society. In conducting the survey, Capgemini examined 14,000 websites across 25 EU member states as well as Norway, Iceland, and Switzerland. The report found that more than 90pc of public service providers now have an online presence.