

## S. Raetskii, “Managing the managers” (1921)\*

[...] *Management science and management affairs in the West*

It should be stated that management theory is in its infancy, not only in Russia but also in the West, where very weak attempts have been made toward its development, aside from the brochures of Prof. Ostwald, *Managing the Managers* [1912], and German engineer Hermann Beck’s *Socialization as an Organizational Problem*, which Bukharin so often refers to in his book *The Economics of the Transition Period*, etc. We are talking here about a purely management science and not about individual applied and special systems similar to the system of Taylor and his followers. Despite the fact that the same Prof. Ostwald attributes lack of skills and aptitudes for organizational creativity to Russian social thought, it has done serious work toward founding a complete management theory. We have in mind Bogdanov’s *General Management Science*, whose first volume appeared about ten years ago, and the second right on the eve of the Great Russian Revolution. In the preface to the second volume Bogdanov recalls his hope with the release of the first book that in the future he would not be alone in his subsequent conditions on a new path for the development of a science so important for socialist construction. “The historical urgency of the task,” he says, “seemed to me quite clear and its grandness can attract the most active and courageous minds.” Some five years passed after the appearance of these lines, of which three years were consumed by the great historical experiment in reconstructing the vast state and economic mechanism on organizational foundations completely new to all of humanity. Meanwhile, Bogdanov’s work has become almost an archival rarity instead of becoming required reading for every Soviet worker, and its author has transferred all his brilliant knowledge as the “founder of management science” to a limited area of other work.

America and Europe are experiencing an acute shortage of management specialists and in an effort to intensify production by increasing the productivity of human labor in the most favorable combination of machines it is also showing in recent years a keen interest in issues of management-production and management-administrative theory. Private capitalist initiative and scientific associations with financial support from various industrial trusts are carrying out a number of measures to enrich industry with managerial personnel to expand management experience. Large factories are sending engineers and workers to other production sites to study their methods. The Steel Trust in America convened a production conference in 1917 with the participation of engineers, technicians and skilled work personnel foremen. Scientific associations and specialized journals organize periodic mass surveys among technicians and workers on the foundations of scientific organization of labor. In America a number of new scientific-technical associations for the study of industrial processes have been formed and most universities and polytechnics have special departments.

[...] *Manager and Type of Managers*

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Naturally management science cannot artificially create managers, but it is able to discover and develop the management skills of those who have manifested them in the work process. In organizational creativity managers make self-sufficient value. In social mechanics the role of the managers is limitless and finds application in all forms of human communal life, even minor ones. Prof. Ostwald rightly observes that “every reform in the political sphere does not meet obstacles and slowdowns so much from inadequate guiding ideas as from the fact that the practical implementation of ideas readily at hand depends entirely on the appearance of a reintegrative leader-manager.” The manager also brings about the highest moments of organizational order in society, moments of synthetic reintegration of functions. Innovators and revolutionaries produce new ideas and these ideas follow the distribution of functions. Managers perceive these ideas and find the necessary form of coordination and the necessary mechanism to enact them, introducing them in this way into the common fabric of social culture. The task of the manager in social structures is to gather people into groups, bring these groups to organizational cooperation, and in some cases of state necessity to force them by coercive means to work together in an organized fashion.

The manager has inherent basic psychological traits and characteristics, what we usually call “management skills.” When defining “management skills” one can often be misled by mistaking good knowledge and standard skills in an area of work that a person has done for a long time for the management skills themselves. Managerialism should not be merely the expression of a familiarity with the situation and conditions of functionality of a single order. The manager, put into any situation and faced with any management task should operate absolutely freely with management structures. In this respect, the manager can be compared with the architect who issues designs according to the tasks given to him. The architect develops a factory design without being specifically familiar with the production of the factory, without knowing how surgical operations are carried out, etc. Managerialism is social architecture.

We have already mentioned that the manager concept is peculiar to some complex of psychological features and special innate qualities. We find attempts among various authors to establish these psychological traits of the manager. Thus Herman Beck relates the properties of the manager to:

- a. clear instinct of forms, combined with the strength of will and knowledge that can lead to the highest achievements of institution-building,
- b. capacity for expedient action,
- c. consciousness of one’s managerial mission,
- d. capacity for foresight.

In conclusion, Beck said that the manager must be in general a strong personality.

Prof. Ostwald regards as the basic properties of the manager:

- a. an instinct for the essential and an instinct for accordance, i.e., an ability to immediately capture what the main function of each organ is and immediately determine in what combination and in what form the coordination of reintegrating

functions will give the desired positive effect; an ability to connect by means of a synthetic structure the functional elements in areas distant from each other;

- b. faith in the idea that is suppose to find an organizational embodiment for itself;
- c. willpower, determination and the ability to overcome obstacles.

As you can see, Ostwald and Beck are saying almost the same thing in different words, establishing a uniform set of psychological attributes of the manager. Taylor as well establishes traits that are no more concrete and objective, and he recognizes the need for even a master (though Taylor regards the kind of master possessing the whole sum of indicated qualities as highly problematic) to possess the following qualities and characteristics: intelligence, education, experience, tact, energy, wit, common sense, health and honesty.

... Managers can be divided into basic types. Beck primarily divides them into two groups: manager-creators and manager-technicians (executors).

- a. The manager-creator takes an idea into himself, but the manager-technician receives the idea for fulfillment from outside.
- b. The manager-creator should be innate, and the manager-technician can be trained, since managerial technique, says Beck, is subject to study and the establishment of regulating rules and standards for it.
- c. The manager-creator is an artist, bringing all the elements of artistic creativity, composing organizational forms and structures, and the manager-technician is only a copyist.

A. A. Bogdanov proceeds from three basic types of managerial process: the organization of people, the organization of things, and the organization of ideas. On this basis he classifies managers into three corresponding categories, though of course the manager is always found as a combination of several of these types. The ideal manager is the one combining an ability to organize people and things and ideas. According to Bogdanov, the higher elements of the labor milieu provide the most suitable material for this purpose. Usually one finds managers combining only two of any type of organizational ability. We believe that the traits established by Bogdanov are the most appropriate in their objectivity, since they can be easily accounted for and concretely defined, while the psychological traits of Ostwald, Beck, and Taylor are in this respect much more insubstantial and do not give solid grounds for constructing the right system, accounting for and selecting managerial strengths with the aid of various measuring methods.

In application to state-economic forms of Soviet construction all managers can be distributed in three categories, according to the classification of Bogdanov:

- a. The manager-executor or rather productionist (organization of people and things, and here the manager has to do with the technology of the production process).
- b. The manager-administrator (organization of people and things, but without the technology of the production process). There are now serious objections against this category of managers based on the fact that in a communist society there cannot be administration of people. N. Bukharin, referring to this objection, indicates in his book *The Economics of the Transition Period* that this form of organization is unavoidable for the transformation period and that in the future with the withering

away of state power it will become a thing of the past, because then the highest type of administration over things will have been created, where people will voluntarily fulfill the requirements of statistical calculations.

- c. The cultural manager [*organizator-kul'turnik*] (organization of people and ideas).

In this manner some well-defined features of the managerial type have been established, which nonetheless require some special experimental study in a setting of appropriate labor organizational processes for its ultimate manifestation and confirmation, in order to extend in this way to managers the same method of professional selection that applies to every other profession. Organizational work must be subjected to psycho-physiological examination by the same laboratory route and experimental techniques, like every other vital labor, by the relevant scientific institutions.

### *Is managerialism a profession?*

The question arises, is managerialism a profession? Is it possible at present to unite managers in a special trade union? Both questions must be answered in the negative. Although managers possess special psychological traits and methodological and technical tools and skills, they nonetheless do not form an independent profession, as an independent part of the state-economic organism. Managers constitute a part of every independent profession—they are its necessary link. Managers are interprofessional and, if you like, superprofessional. Found in the ranks of this or that profession as a constituent part, the manager, in addition to the specialized technical knowledge required for a given profession, should have at his disposal some total of data, properties, and skills of general managerial nature – what we would call the managerial dogma. Each manager must combine the specialist and the universalist who can algebraically solve any organizational problem, whatever branch of organized human activity it might belong to. It is in this sense that we have called him a representative of social architecture. It is true that in America and Europe the manager has a definite place in the nomenclature of professions, but here the name of the special domain in which the manager has to operate is always added to the word “manager.” Thus when managerial positions are advertised through special agencies, newspaper articles, or relevant unions, they always say “production manager,” “transport manager,” “distribution manager,” “advertising manager,” “agricultural production manager,” etc.

Managers in each of the professions are creating in sum, regardless of specialty, general managerial experience, and they isolate it and concentrate it, gradually finding a common language. With the development of machine technology the managerial element in each manager must be increased and the specialist element decreased. Managers of each profession fulfill the function of overcoming specialization, which distorts the personality [individuality] of the worker. With the growth of machine technology and standardized methods specialization and endless fragmentation of professions should be eliminated and lead to the creation of a universal synthetic type of high technical culture. The integration of the personality of the worker will pass through the managerial type. The following lines from Bogdanov may serve as confirmation of our words. When exclusively automatically regulated mechanisms are the basis of production, “human labor will be reduced to a combination of functions of the managerial type and the executor type, previously found in sharp division: control of the machine and control over it on the one hand, and direct physical action upon it on the other.” Here specialization is transferred to the machine.

The branches of production in point of fact do not mix with each other, each has its own technique, but specialization is overcome and loses its harmful aspects. It ceases to be a network of partitions between people, and it ceases to narrow their horizons and limit their communication.

*Founding a scientific center for problems of organization*

A task parallel with the practical management of managers is the creation of a scientific center of the Republic, which would associate all emerging efforts to study problems of the scientific management of labor and production, and all those academic institutions which already study this. The need for this association, coordination, and unified leadership is felt by almost all who are engaged in the problems noted above. Most of the speakers at our conference agree on the need to create some kind of central institution which would take the whole matter in its hands and place it in a broad state scale. Until now, research work was conducted in not entirely organized fashion at the initiative of individual institutions or scientific organizations. All of them are unrelated to each other and do not have a unified plan of work, whose necessity does not require demonstration. On the other hand the task of central state institutions should be much broader than just the study of psychophysiology and individual labor. It should its task as examining all issues related to the various branches of collective and socially necessary human activity and began to establish principles of “social mechanics,” to work out the most useful methods of combination and coordination of labor activities in order to obtain the maximum beneficial effect with a minimum expenditure of energy. The latter expresses the need to create principles of an applied management science, built on methods of rigorous calculation of the interrelations of parts of functions and the location of a single parameter for labor processes in all forms of collective human activity, not just narrowly productive ones.

Such a research center is envisioned as a special institution which may be called the State Institute of Social Mechanics and Psycho-physiology of Labor. The organizational chart of such a State Institute was already proposed by me some time ago in a report in a circle dealing with managerial theory, as follows.

At the head of the Institute stands a board of five persons to be appointed and approved by the Soviet of People’s Commissars (SNK), including:

A representative from SNK,

A representative of Trade Unions (organized labor)

A representative of the Supreme Economic Council (economic organ)

A representative of Science (by agreement with the Socialist Academy and scientific institutions)

A representative of Technology (by agreement with associated scientific-technological institutions).

Academic activities are led by the Scientific Council, composed of representatives of the Institute sections and invited representatives of Science, Technology and managerial practice.

The Institute is divided into three sections:

1. Section of Social Mechanics,
2. Section of Psychophysiology of Labor,
3. Section of applied organization with subsections:
  - a. Administrative organization,
  - b. Transport labor,
  - c. Construction labor,
  - d. Labor in mechanical productions,
  - e. Military organization, etc., etc.

These subsections perform advisory functions, design and planning, and instructor-exemplary work on special branches of activity of various departments and institutions with which it may be in close and continuing working relations.

Sections and subsections in its activities based on existing scientific and practical institutions and organizations with the task of development and experimental study of related issues, and specifically organized by the Institute scientists demonstration facility. Work of the Institute, in addition to laboratories and experimental surgeries, conducted at factories, mines, agricultural, railways, etc. and in general in the real world of work and production processes.

The Institute has:

- a. A managerial museum,
- b. A library
- c. An editorial and publishing office,
- d. An office for foreign relations,
- e. A statistical and economic office,
- f. An office of graphics and measurement methods with auxiliary workshops, photography, cinematography, etc.

There is undoubtedly good sense in this structure, as one can see at the least because Hermann Beck proposes an almost identical project in his book, with which I became acquainted already after giving my original report in a tectological circle, having gotten the book thanks to the kind assistance of A. A. Bogdanov. Beck proposes to create in Germany a managerial center of three departments: a) Managerial Archive, b) Managerial Science Division and c) Managerial Board. The first has the task of regular collection and systematization of all kinds of materials related to managerial activities, scientific processing of these materials, as well as attracting and exchanging managerial experience. In the Managerial Archive forms, checklists, templates, standards, every kind of tools of accounting and control, etc. are collected.

The Managerial Science Division is divided into two groups:

- a. social economy, which considers managerial measures from the point of view of the interests of the national economy,
- b. technology of the economy, which discusses questions about the planned use of matter and energy, the effect of various instruments of production, systems of various enterprises, etc.
- c. psychology of labor, which seeks to conduct rational experiments of labor processes,

- d. psychotechnics, which considers issues related to improving the working rhythm, elimination of internal psychological coercion, fatigue, elimination of irrational movements, stimulation of the will to work, etc.

The Managerial Board, which uses the work of the first two divisions, recruits managerial practitioners of various professions and branches, and creates sections to implement both the experiments and the proposed measures.

Thus a project similar to the present one is being promoted and seriously debated in Germany in connection with the upcoming projects of socialization of its economy.

This fact gives me a firm belief that the basis of my proposal has a certain vitality and realistic approach.

The tasks of the projected central institution are amenable proposed by almost all the speakers dealing with the study of the forms of management of the study of labor in the Republic. Its program should include purely scientific research, scientific testing, the creation of new institutions and laboratories, the convening of congresses and conferences and international congresses, participation in production propaganda, collective consultation, training of scientifically-educated leaders, the organization of management courses and departments for the study of labor, the staging of experiments in production enterprises, the organization of expeditions, psychotechnics, broad publishing activity with journals, brochures, and popular textbooks, and so forth and so on, and this should be throughout the country in higher and secondary technical schools. [...]

Translation: KH