Conservation of Human Resources

Although Adam Smith postulated that the wealth of a nation depends upon the quantity and quality of its labor supply, only recently have economists recognized the importance of the study of human resources. Throughout the nineteenth century and far into the twentieth, economists handicapped themselves by two crippling simplifications: They assumed that the only important forces in the environment were economic, and that individuals were motivated primarily by a desire to increase their wealth.

Toward the end of the 1930s a group at Columbia University began to develop more realistic and valid assumptions about economics and group behavior. From the start this was a cooperative undertaking in which an economist, psychiatrist, sociologist, statistician, and social worker participated. Much time and effort were devoted to the education of the team members, so that the approaches developed represented a true integration of the several disciplines. Our early work concentrated on labor, particularly unemployment. There were three major publications: Grass on the Slag Heaps: A Story of the Welsh Miners; The Unemployed; The Labor Leader. Following firsthand studies of the disorganization brought about by unemployment, attention was directed to the opposite—namely, the significance of work for the individual and for society. We have recently published the first of these studies, Occupational Choice.

After the interruption caused by World War II, the program was re-established, but on a broadened base with expanded staff. General Eisenhower, shocked by the waste of manpower uncovered during the war (about two million men were rejected because of mental and emotional deficiencies), considered it a matter of national urgency to study the problem and to seek solutions. He took the leadership in establishing in the Graduate School of Business at Columbia a five-year basic research program, the “Conservation of Human Resources.” Financed by contributions from business and foundations, the project enjoys the full support of the Department of Defense, the Veterans Administration, and the Selective Service System, all of which are cooperating by making their records available. Close liaison is also maintained with the trade unions.

The project is nearing the end of its second year. Its basic program has a threefold focus: studies of marginal and ineffective personnel in civilian and military life; an analysis of the problems of talent and superior performance; and a historical investigation into the changing pattern of work in America.

During the coming year we plan to publish The Uneducated: A Challenge to the Nation, which will present the results of investigation into the causes of the large-scale illiteracy revealed during World War II and into the broader question of the relation between minimum education and work performance. A short monograph on Military Manpower Policy will provide basic data on manpower selection and utilization in periods of partial and full mobilization. Also nearing completion is a monograph on What Labor Expects from Government, which represents one aspect of a more comprehensive study of The American Worker, 1890-1950.

We are currently at work on the problem of the ineffective worker and soldier, to clarify the relation between emotional factors and individual and group performance. Within the next few months, work will begin on talent and superior performance.

Three generalizations are suggested by our research: First, basic research in human resources requires a team approach. Second, the research must be underwritten for several years to permit mature planning and careful exploration. Finally, it is feasible to select as a focus for basic research important problems of national policy. This is the framework in which the Conservation of Human Resources Project is cast.

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