



# Henry Ford and His Legacy: An American Prometheus

# 22

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## Contents

Biography .....	523
Jacksonian Viewpoint and Ideology .....	526
Management Thought and Contributions .....	528
Five-Dollar Day .....	528
Sociological Department and Savings Plan .....	530
African American Employees .....	530
Unions and Politics .....	531
Relationship with Taylorism .....	532
Corporate Governance .....	535
Management Talent .....	536
Limitations .....	536
Conclusion .....	541
Cross-References .....	542
References .....	542

## Abstract

The purpose of this chapter is to discuss the complicated life and history of Henry Ford. While Ford was an engineering genius, his ignorance of politics, incomplete management philosophy and drive to be independent nearly destroyed his legacy. His life, career, management style, relationships with Alfred Sloan and Taylorism are discussed.

## Keywords

Henry Ford · Fordism · Alfred Sloan

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Many figures in management history are shrouded by paradox. This theme is most true of Henry Ford: hero and villain, visionary and reactionary, defender and scourge of the worker, genius engineer and inept manager, the anti-Semite whose factories helped to destroy Nazi Germany, a deep internationalist whose rhetoric provided support for isolationism, and a pacifist who was a war profiteer. Ford was the richest man on earth whose corporation did not turn a profit for 15 years. Ford proved the statement that if you live long enough, you will become a villain. Had Ford died in 1918, soon after his Senate defeat, he would have been seen as a prophet and a martyr (Lewis 1976). Yet he lived on, facing a world that no longer supported him and one that he did not support. That Ford remained a hero is a testimony of his previous greatness and his ability at public relations (Watts 2005). Despite his faults, Ford is still considered the greatest business leader in history (McCormick and Folsom 2003).

Ford continues to cast a deep shadow on business practices. Even more than Frederick Winslow Taylor, Ford was the creator of the modern world. David Halberstam (1979) wrote, “yet, though he shared the principles, yearnings, and prejudices of his countrymen, he vastly altered their world. What he wrought reconstituted the nature of work and began a profound change in the relationship of man to his job.” Ford left such a deep impression that Aldous Huxley’s classic work, *Brave New World*, has divided the world into Pre-Ford and After-Ford history. Ford was both a genius and an ignoramus. His vision gave birth to the modern world, continuing the transportation revolution of the nineteenth century into a complete transformation of the modern world. Yet despite his genius, Ford was completely ignorant and unsure of how the United States became a nation. However, Ford also had a deep respect for history. He may not have known who murdered President Lincoln in Ford’s theater, but he certainly would have owned and persevered the theater box for future generations (Lacey 1986).

That Ford should be included in a book about management thinkers is something of an irony as, according to Peter Drucker (1954), Ford sought to eliminate the need for management. Once again, this irony is apropos. Ford’s life was a combination of triumph and tragedy caused by the inherent paradox of his own values. Although Ford is seen by most as a man of the future, leading the world into the modern industrial era, he remained, at the same time, someone who yearned for the small-town, agrarian simplicity that the advent of cars ended. If we are to place this paradox in terms of American tradition, we would state that Ford had elements of the Whig and Jacksonian traditions in his intellectual prelude. The Whig tradition, as exemplified by such luminaries as Presidents John Quincy Adams and Abraham Lincoln, stressed knowledge, science, and technological development. Its emphasis was on the future (Howe 2007). The Jacksonian tradition (named after President Andrew Jackson) focused on self-reliance and independence as its primary focus (Meyers 1957).

The son of a farmer and an advocate for rural America, Ford found himself very much in the Jacksonian tradition of self-reliance and independence (Kline and Pinch 1996). Much of Ford’s program stressed above-market wages, shorter working days, consumerism, to design cheaper products, both from an economic and ideological

perspective, and to provide workers with independence (Lacey 1986). Ford's desire to maintain independence – whether from investors, managers, banks, or the federal government – was the hallmark of his management thought and actions (Nye 1979). Despite his fabulous wealth, Ford remained the son of a farmer (Gelderman 1981).

Ford attempted, in vain, to save rural America (Wik 1962, 1964). However, his own efforts furthered its destruction as Ford's strategy led to the growth of the suburb. Ford also was a Whig; although the son of a farmer, he was trained as a mechanical engineer, one of the positions that made the new world possible (Howe 2007). Whigs stressed technological and transportation improvements to unite the country to ensure the proper development of society. They stressed hierarchy and moral improvement of society. Even some of the odious elements of his paternalism, such as his dislike for alcohol and his monitoring and education of employees, have its roots in the nineteenth century. Robert Owen would have found much to admire in his actions. The Whigs strived for economic consolidation, trade, and, unlike Jacksonians, did not fear integration or large wealth. Like Ford, the Whigs were great believers in technological advancement. The Whigs also stood for order and rationalization of processes (Howe 2007). Such processes meant centralization of authority and power. Ford was not a small businessman; he owned one of the largest companies on Earth. Yet he ran his corporation the way you would run a small business where cronyism, owner whims, and paternalism dominate (Jardim 1970). His actions were often indicative of one who wished to maintain control over his company – something that becomes more difficult with increased size and the stakeholders that follow that size. As McCraw and Tedlow (1997) noted, this tension created a great and unresolved paradox in Ford's mind and actions.

The purpose of this chapter is to examine the career, life, and context of Henry Ford to understand his contribution to management thought. The first part of the chapter goes through Ford's background, the foundation of Ford, its epic growth, and the idealistic ignorance of Ford. The second part focuses on Ford's management philosophy, the sociology department, wage policy, and Ford's relationship with scientific management. The third part of the chapter focuses on the sad decline of Ford and the Ford Motor Company, with special emphasis on his anti-management philosophy and his competition with Alfred Sloan and General Motors.

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## Biography

Henry Ford was born in 1863 to an Irish-born farmer named William Ford, whose family had fled Ireland to escape from the potato famine of 1846–1848. Ford immigrated to America in the belief that he would be able to find work and own property – noting that in America, you were an owner and not a renter (Halberstam 1979). William Ford had natural ability as a carpenter, making enough money through work and saving to buy a farm. Despite his son's numerous accomplishments – and the immeasurable wealth that he would one day collect – Henry would remain, in his heart (like William), an agrarian – believing in the simple world of the small town. Like many agrarians, Henry Ford disliked banks, believing that it was

idle money (Lacey 1986). Once, when one of the children of his friend boasted about his savings, Ford responded he would have been better off purchasing tools and making something. Ford maintained this attitude all of his life, focusing on creation, work, and thrift, rather than leisure – the man who made the modern world remained hopelessly stuck on the virtues of the nineteenth century (Gelderman 1981).

Yet despite his love of the country, Ford hated farming, initially disappointing his father, who wanted his son to take over the farm (Nevins and Hill 1954). Ford also hated school, believing that learning was not an end in and of itself, but rather believed that learning should be hands on and technical. He despaired learning about moral lessons from the school reader, even if he would deploy these lessons later in his life and in the lives of his workers. This gap in his education continued as he got older, explaining why he was an ignoramus on a wide variety of issues and facts. Ford's true love and talent was for machines, for which he showed both a true aptitude and passion. Ford could take a machine, separate the parts, put it together, and make it run better. In just his early teens, he built a machine that allowed his father to open the gate to the farm without leaving his wagon and demonstrated that he had a natural ability as a watch repairman. At 17, Ford left the farm, walking half a day to Detroit – a journey that changed the world.

Detroit was just then becoming a major industrial city, featuring 10 railroads, machinist shops, and foundries. It was an ideal spot for a talented, hard-working mechanic. Indeed, the country was going through the industrial revolution, and there were plenty of opportunities for the talented. Ford soon found work at James Flower & Brothers and then later the Detroit Dry Dock, where he secured work as a machinist (Brinkley 2003a, b). He also worked at the McGill Jewelry Store, cleaning and repairing watches. It was there that he had his first idea about making a watch so cheap that everyone could purchase one. While the technical aspects appealed to him, marketing the watches did not. Ford's disinterest in understanding markets would later haunt him in the future. While Ford had been trained as a mechanic, the only business training, practical or otherwise, was his learning about basic bookkeeping.

His father wanted Ford to return to the farm, and so he did, getting 80 acres from his father. His time on the farm convinced him that his passion and future was for machines (Lacey 1986). He attempted to build a steam-powered tractor, but he recognized that future lay with the internal-combustion engine, and so he sought to build a "horse-less carriage." First, he felt that he needed more training in electricity, so he got a job Detroit Edison. Soon he built his first car and sold it for \$200. He soon convinced William Murphy, a lumber merchant, to start his first company, Detroit Automobile Company. The company was successful, but the investors did not share his enthusiasm for building a car that the working class could use. So in 1900, the company was dissolved. In 1903, Ford started a new company that still bears his name today (Nevins and Hill 1954).

Ford needed capital to start the company, so he began to sell stock in his enterprise to investors. Despite the initial early success of the company, his investors doubted the over strategy of the company, in particular Alexander Malcomson. According to David Halberstam (1979):

Malcomson, like Ford's prior backers, argued that fancy cars costing \$2,275 to \$4,775 were what would sell. At the time, nearly half the cars being sold in America fell into this category; a decade later, largely because of Ford, those cars would represent only 2 percent of the market. Malcomson wanted a car for the rich; Ford, one for the multitude. Though the early models were successful—the company sold an amazing total of 1,700 cars in its first 15 months—it was the coming of the Model T in 1908 that sent Ford's career rocketing. It was the car that Henry Ford had always wanted to build because it was the car that he had always wanted to drive—simple, durable, absolutely without frills, one that the farmer could use and, more important, afford. He was an agrarian populist, and his own people were farmers, simple people; if he could make their lives easier, it would give him pleasure. He planned to have a car whose engine was detachable so the farmer could also use it to saw wood, pump water, and run farm machinery.

The investors made vast fortunes. James Couzens, future US Senator, invested \$2400 and, when he sold his shares back to Ford in 1919, received \$29 million (Lacey 1986).

The Model T was, arguably, the most successful product ever released (Brinkley 2003a, b). More than 15 million were launched from 1908 until 1927. The shutdown of the Model T was considered a watershed moment in automobile history. In fact, Brinkley (2003a, b) selected the car as the most important automobile of the twentieth century. It was designed to handle country and dirt roads better than cars that were more expensive. It was tough, durable, reliable, inexpensive, and painted black. Ford selected the color black not because he liked the color per se but because black paint dried quicker than other colors (Drucker 1954; McCraw and Tedlow 1997). Nor was it, contrary to popular mythology, the only color the car ever came in, as the universal application of black paint was not implemented until 1914. Previously, buyers of the Model T had the option of gray, green, blue, and red.

Once Ford had created the general model, he started on the process of making the cars cheaper and quicker to produce than anything else in the automobile industry (Brinkley 2003a, b). To do so, he hired the best efficiency experts, moved the location of his plant, and based on the suggestion of Walter Flanders, moved production into an assembly line – with the sole purpose of increasing production to staggering amounts (Halberstam 1979). Before the development of the assembly line, it had taken roughly 13 h to produce a chassis. After the development of the assembly line, it would take about five and a half hours to produce a chassis. By 1914, after Ford had added a conveyor belt to move items along the line – giving the “assembly line” its classic image – the time it took for a chassis to be produced was reduced even further, to only 93 min (Batchelor 1994).

Given the reductions in production time, the number of Model Ts produced went from 13,840 in 1909 to 260,720 in 1913, and finally to 2 million in 1925. When the Model T was first produced, the company's cash balance was \$2 million; when it ended, it was \$673 million. Ford outproduced the rest of the automobile industry. As Halberstam (1979) wrote:

In 1913 the Ford Motor Company, with 13,000 employees, produced 260,720 cars; the other 299 American auto companies, with 66,350 employees, produced only 286,770. Cutting his price as his production soared, he saw his share of the market surge—9.4 percent in 1908,

20.3 in 1911, 39.6 in 1913, and with the full benefits of his mechanization, 48 percent in 1914.

Ford Motor Company was, to use an entrepreneurship term, a gazelle, one of the rare companies that can experience growth rates that exponential (Wren and Greenwood 1998).

Ford selected to use what later came to be known as Porter's generic strategy of cost leadership (Porter 1980). The development of the assembly line system and the specialization of labor and coordination of business activities meant that Ford could produce the least expensive car and a durable one at that. The fact that Ford was able to produce such a good car, one that fit the roads at the time, was another source of competitive advantage. Other companies could not compete. Ford also recognized that he gained market share by slashing prices on his cars. In 1909, the average profit was \$220.11; in 1913, the average profit was \$99.34. Ford recognized that if he reduced prices, the more he could sell. The price of the Model T went from \$780 in 1909 to \$350 in 1914, and at that price, Ford sold 730,041 cars (Nevins and Hill 1954). Ford was aided by the discovery of oil in Spindletop, Texas (Halberstam 1979). The net result was that the price of gasoline was drastically reduced, making the internal-combustion engine utilized by the automobile even cheaper to use. Ford also benefited from being in the United States where the vastness of the national territory had long created problems with regard to internal population movement. By contrast, automobile production in Great Britain was initially curtailed by the so-called the red flag law, whereby under the *Locomotive Act 1865* internally powered vehicles were required to have a crew of three, one of whom carried a red flag to warn other road users; a law that was not repealed until 1896 (McCraw and Tedlow 1997).

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## Jacksonian Viewpoint and Ideology

The Jacksonian movement was a vast political and social movement led by President Andrew Jackson (President, 1829–1837) as a response to the growing market and transportation revolution then occurring in the United States. Like other political movements, there were various debates among those who considered themselves to be Jacksonians (Sellers 1991). Nevertheless, there was overlap among those who identified with the Jacksonian ideology. According to Marvin Meyers (1957: pg. 6),

Jacksonian spokesmen drew upon an exhaustive repertory of the moral plots which might engage the political attention of nineteenth-century Americans: equality against privilege, liberty against domination; honest work against idle exploit; natural dignity against factitious superiority; patriotic conservatism against alien innovation; progress against dead precedent.

Above all, Jacksonians disliked institutions, such as banks, that prevented them from exercising their freedom to pursue their own interests while avoiding complex legal and economic arrangements. They preferred producers to bankers, social

arrangements to public arrangements, and sought to make democratic that which had been the domain of the wealthy. They sought the American dream on individualistic terms (Feller 1995).

Many believed Jackson to be a tyrant (Howe 2007). So a second political party formed as a response to Jackson, called the Whigs, named after the British political party. Like the Jacksonians, the Whigs had a futuristic mindset and vision of American Greatness. Unlike the Jacksonians, the Whigs stressed modernity, the development of social and economic arrangements that would allow for unity in the national political life. For example, the Whigs stressed the development of a strong banking and transportation system as a means of producing higher degrees of growth throughout the nation. In addition, they sought an education system that would train a professional class. In some ways, as Robert Wiebe (1967) noted, the progressive era was, in part, driven by Whig notions of rationalization, unity, and order becoming the standard. Big business would now be regulated by the government; its executives would be professionally trained; ownership and management would be separate.

Ford was an admirer of Jackson, even visiting Jackson's home, the Hermitage (Nye 1979). Much like Jackson, Ford hated unearned profits and investments. Rather Ford sought to invest his profits back into his business and reduce the costs of his cars. Much like Jackson, he believed that once laws and economic relations were established, economics should be left in private hands rather than entrusted to the government (Nye 1979). Ford sought an enlightened industrial leadership, largely a political one dedicated to "spreading the benefits of production." Ford hated both capitalism and socialism, since it placed nonproducers in charge of the economy. He hoped that his system would provide the benefits of both capitalism and socialism through the enlightened administrative elite (Nye 1979). Although Ford hated welfare, the Ford Motor Company's Sociology Department (established in 1913) provided a broad range of welfare benefits, causing Ford to be regarded by many as the founding father of welfare capitalism (Brandes 1976).

Yet there was a vast contradiction between Ford's dreams and his overall goals. Namely, that Jacksonians would have viewed Ford's corporation with a degree of suspicion due to its size. Progressive era thinkers, such as Woodrow Wilson and Louis Brandeis, feared the accumulation of capital, especially its threat to politics, and sought to break up large corporations (Cooper 1983). Others, such as Theodore Roosevelt, sought to regulate monopoly. The United States shifted toward Roosevelt's view. No longer did business have a free hand; increasingly the business executive would have to work under government regulation (Cooper 1983). Ford's transportation revolution played a similar role in that it allowed for greater connectivity. Rather than a series of loosely connected regions, better transportation connected the country, making bureaucracy possible (Wiebe 1967). Finally, Ford's desire for an administrative elite would have meant increased education and training. Each of these elements would have encouraged greater rationalization. Ford sought solutions to a world that no longer existed. The United States had become a rationalized country where managers, rather than entrepreneurs, were the guiding light – a framework that would last until the 1970s (Patterson 1997).

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## Management Thought and Contributions

Ford's contribution to management thought was transforming workers into consumers, as Nye (1979) states, "sustaining prosperity between capital and labor." Ford's contribution to management was severalfold. The first and most important contribution is found in his establishment system that came to be known as "Fordism," and which was characterized by cheap, mass-produced goods and labor forces sufficiently well-paid to afford the fruits of their labor. Fordism had three distinct elements to it. Firstly, products needed to be standardized – made by a combination of machine and unskilled labor. Secondly, the assembly line would feature unskilled workers working in specialized jobs. The assembly line was, mostly notably, the most impressive feature of Ford's genius. The historian Douglas Brinkley (2003a, b) argued that Ford was a more notable contributor than Taylor since the assembly line made efficiency practical rather than theoretical. Taylor's biographer, Robert Kanigel (1997), agrees arguing that Taylor would have been incapable of producing such a process. Thirdly, the employees would be paid a living wage with the idea that they should purchase from the corporation. Ford's fourth contribution to management was the development of the sociology department to aid in the Americanization and training of workers. Ford's fifth contribution was the development of welfare capitalism (Brandes 1976).

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## Five-Dollar Day

The "Five-dollar day" was perhaps the most distinguishing feature of Ford's managerial contribution (Meyer 1981). It is also still referred to as a distinct contribution by the Ford Motor Company. The Five-dollar day is usually mentioned by Ford's defenders when his attitudes toward labor are mentioned. The Five-dollar day is one of the most discussed and analyzed events in business history (Nevins and Hill 1957). The reason was that the Five-dollar day greatly raised wages for the employees – the great majority of employees had only been making \$2.34 a day. There are numerous arguments for why Ford raised wages. Nevins and Hill (1954) view this as an idealistic step on the part of a man trying to do the right thing for workers. Meyer (1981) views it as a form of social control to block attempts of collective action on the part of the worker. Lacey (1986) views it as an attempt to purchase the good faith of workers to overcome their turnover concerns. In addition, it could be seen as an attempt to make investors happy, who were growing concerned over issues related to turnover, which was rampant. Nye viewed it as an attempt by Ford to destroy socialism by promoting a more egalitarian form of capitalism. Ford claimed it was part of a process in which he gained improved marketing. Raff and Summers (1987), two economists, note that marketing was a potential explanation for Ford's decision-making.

Raff (1988) argues that there is little evidence to suggest that there was anything gained from offering above-market wages. The market itself was low skilled; people were still willing to work at the company. Raff wrote:



“But I have found no evidence whatsoever that the company had any difficulty filling vacancies (actual or prospective). There are no traces that the company advertised for help.” He also argued that there was little cost in training new to hire workers. Adverse selection in labor is the idea that workers possess characteristics that prevent them from performing on the ideas that are known to them, but unknown to the worker. Raff based on Meyer argued that this was not the case: Division of labor [had] been carried on to such a point that an overwhelming majority of the jobs consist of a very few simple operations. In most cases a complete mastery of the movements does not take more than five to ten minutes. All the training that a man receives in connection with his job consists of one or two demonstrations by the foreman, or the workman who has been doing that job. After these demonstrations he is considered to be a fully qualified “production.”

Moral hazard, the idea that some workers may not work hard or ignore their duties, was also dismissed, because monitoring had been improved. Raff argues that there is little evidence of poor or incomplete work.

Raff’s (1988) opinion was that the Five-dollar day was a rent-sharing arrangement between the company and labor to prevent collective action on the part of employees. While it would have been possible to contend with a single employee, if whole groups of employees caused problems with the firm, the firm would be unable to handle the rebellion:

The profits were bigger the more efficiently all these machines were used, the more intensively all fixed and quasi-fixed factors were exploited. Collective action which interfered with this was a direct threat to the rents. The company’s means of dealing with shirkers (or anyone who wanted to interfere with centrally determined pace and coordination), however effective for isolated individuals, would have been much less efficient in dealing with groups.

Likewise, Ford understood that the employees came from cultures where peasant norms and values were very different and so they would be more likely to question authority.

Raff and Summers (1987) offer a slightly different viewpoint. They argue that Ford did experience above-average returns from a higher wage: They experienced queues in waiting for jobs and had a better selection of employees. All of which suggest that Ford did pay efficiency wages. There are several reasons why increases in wages lead to an increase in production. Firstly, Ford recognized that there was a serious morale problem at the plant. He also recognized that monitoring employees could be very costly and detrimental to the working conditions. So he decided to head it off by providing higher wages. Nevins and Hill (1954) pointed out that Ford had seen employees become more productive when wages were increased when he visited a plant in England. Raff and Summers (1987) also concede that increased morale may have been a source of an increase in production based on wages. Finally, Ford and the company understood that not every employee would be able to handle the working conditions (Meyer 1981). Therefore, Ford was willing to pay those that would work within the system and create a boost in production. Mostly, as Meyer notes, the Five-dollar day was an attempt to provide a great sense of rationalization over the workforce – educating immigrant workers on the need to work wages.

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## Sociological Department and Savings Plan

The Sociological Department is another notable managerial contribution by Ford (Nevins and Hill 1957). It has confounded many historians over the years as to its real purpose. It is also the most conversational element of the Ford program. Brinkley (2003a, b) noted that the home life of the employee should not have been the business of the corporation. Yet as we have noted in the previous chapter on Owen, there was a deep interest in the home life of employees during the eighteenth and nineteenth century. Headed by the Rev. Samuel S. Marquis, the purpose of the sociology department was to educate workers and their families on the proper use of money, the development of adequate moral behaviors, and to provide English language lessons for new immigrants. They also sought to Americanize immigrants by teaching them how to save, keep flies off food, and general cleanliness. The Ford sociology department, in other words, performed actions similar to social workers in the United States and elsewhere (Katz 1996). It was also in accordance with Ford's wishes that people should be independent or rather Ford was teaching them to be independent by developing a sense of thrift. The other side of the sociological department was nefarious. Its purpose was to spy on workers and their families to make sure that they were not wasting their salaries. This was a strange viewpoint, but it fitted Ford's image of himself as a village chieftain (Jardim 1970).

The employee savings plan was yet another example of Ford's managerial philosophy. According to Nevins and Hill (1957), investment certificates were available in dominations of \$100 to employees. These certificates were comparable to nonpreferred stock and were available to any employee who stayed on payroll. The certificates yielded 6% interest and dividends. The certificates were non-negotiable and nonassignable. In addition, the employee could only use one third of his salary on them. Despite the limitations, the savings were popular, and they were designed to aid employees when there was a downturn in the economy.

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## African American Employees

Ford was willing to hire anyone – except women and Jews (Lacey 1986). He believed that women should work at raising children, keeping home, and running the house. His hatred of Jews will be discussed later in this chapter. Yet he was willing to hire anyone else. Although in our time we would regard these opinions as retrograde, they were surprisingly enlightened for the time-period. Ford was especially keen on hiring African American employees. In fact, a great many African Americans moved to Detroit with the understanding that they would find employment from Ford. The type of African American worker whom Ford sought to hire were young men, unmarried, but in search of long-term employment so they could get married. In fact, work at the Ford Motor Company was seen, along with the Pullman Company, as regarded as one of the best jobs that a member of the African American community could aspire to. Not only were they attractive, failure to get a job at Ford usually meant that the applicant had to leave Detroit and – almost

certainly – delay marriage. More remarkable was that Ford actually paid the same wage to African Americans as he did whites – a most unusual policy (Maloney and Whatley 1995).

But there were limits to Ford's largesse. Like everything else he did in his career, there were usually strings attached. Ford did not believe in charity. He also sought to turn a situation to his advantage. African Americans did not have other employment options available to them. Ford understood this. Yet given his job design, he had serious turnover problems. One solution to these problems was to have African Americans work in foundries, the hottest, most dangerous place to work in the corporation (Foote et al. 2003). White males did not have these issues – they could leave Ford easily and find employment elsewhere. Ford also encouraged racial divisions through his use of the police service for preventing unionization. One of the reasons why the United States struggled with forming strong labor groups had been the racism of the American workers. Ford used this idea to his advantage, sowing discord between white and African American workers (Brueggemann 2000).

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## Unions and Politics

Ford's relationship to labor was a highly complex and, at times, contradictory one. Ford was, at his heart, a deeply paternalistic man who viewed himself as a chief of the village. Ford's reputation as being hostile to labor was one that was justifiably born out of his resistance to unionization at the Ford Motor Company during the 1930s (Kennedy 1999). The picture of a beaten and bloody Walter Reuther – the long-term leader of the United Automobile Workers who was beaten to near pulp along with a number of aides outside Ford's Rouge plant in May 1937 – recalls some of the harrowing photographs that were (and could have been taken) in Nazi Germany or Soviet Russia (Lichtenstein 1995). Ford hated unions. The reason again was simple. They were a threat to Ford's independence. His position against unions was strengthened through his relationship with Harry Bennett, the head of Ford security. Bennett played on Ford's worst fears, suggesting that union members may try to assassinate and kidnap him (Lacey 1986). Even before Ford's battles with the United Automobile Workers – when Ford maintained a reputation as a generous and benevolent manager, he was notable for the control he sought to exert over his workers' private lives – firing them for drinking or smoking.

Ford was no ordinary ogre to workers. Ford dramatically raised wages with the Five-dollar day. He pushed for the 8-h work day. He allowed for weekends off. In addition, he provided his workers with financial services, social services, and education, enabling them to move into the middle class. At the start of the Great Depression, Ford raised wages, at the behest of President Hoover, to \$7 a day. Many of the services that Ford offered his workers were key objectives of the American labor movement. Brandes (1976) noted that American unionists wanted aspects of welfare capitalism in their bargaining and political activities rather than taking more control of the workplace. Gordon (1992) noted that the later union movement merely federalized what management had promised workers in the 1920s.

Ford provided these services, in part, not out of altruism but because he wished to avoid unions. There were multiple ways to deal with the so-called labor question. The first was to have unions, capitalistic in nature or radical. Worker representation plans like the ones the Rockefellers proposed was a potential solution (Bruce and Nyland 2011). Ford was part of what has been called as the welfare capitalism movement. The welfare capitalist movement was designed to overcome the labor problem. In fact, from a modern eye it offered similar benefits that modern corporations currently run, including retirement benefits, life insurance, bonus and profit-sharing, educational, and recreational activities. According to David Kennedy (1999), the real purpose of these plans was to maintain corporate control over labor, by proposing programs that the federal government might offer. Kennedy also notes that these plans were often poor substitutes to entitled government programs and collective bargaining. The Great Depression mostly ended these programs due to the corporations' inability to maintain them (Cohen 1990). Eventually even Ford abandoned their programs.

Ford also had real difficulty with the National Recovery Administration (NRA), which was President Franklin Roosevelt's first attempt to deal with the Depression (Gordon 1992). The purpose of the NRA was to end the deflationary wage-price spiral in which the United States found itself through a combination of price controls, strengthened trade union rights and government, and government infrastructure projects (Kennedy 1999). Ultimately, it sought to eliminate wasteful competition between corporations, as well as unneeded conflict between labor and capital (Brinkley 1995). Widely regarded as a failure both at the time and subsequently, the NRA suffered from hostility from business as well as the fact that its planned scope exceeded the government's legal powers (Skocpol and Finegold 1982). Despite being courted by President Roosevelt and NRA Director, General Hugh Johnson, Ford was a notable opponent of the NRA, joining in the legal actions undertaken to curtail its activities. According to Sidney Fine (1958) – Ford agreed with many of the policies of the NRA but hated the fact that the government forced these policies on him. Yet it is also important to recognize that Ford did not oppose Hoover's policies in the 1920s, when Hoover was Commerce Secretary (Hawley 1974). Much like the NRA, Hoover sought to control prices and production by forming voluntary trade associations that would stabilize and monitor the market place (Hawley 1978). Ford supported this program because it was volunteered based and one where the worker had a choice. The shift to mandatory controls – even that as a large producer Ford had some control over – was why Ford opposed unions and government actions. These viewpoints were increasing out of vogue in the progressive era and completely out of vogue in the New Deal.

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## Relationship with Taylorism

What is the relationship between Taylorism and Fordism? To some commentators, there was little difference between the two concepts. For instance, David Halberstam (1979) wrote,

modern ideas about production, particularly those of Frederick Winslow Taylor, the first authority on scientific industrial management. Taylor had promised to bring an absolute rationality to the industrial process. The idea was to break each function down into much smaller units so that each could be mechanized and speeded up and eventually flow into a straight-line production of little pieces becoming steadily larger.

Peter Drucker (1954) went even further, writing that even if Ford had never even heard of Taylor, he was the greatest disciple of Taylorism. In fact, this viewpoint does have considerable evidence behind it. Firstly, much like Taylorism, Fordism was intentionally concerned with both the rationalization and efficiency of work, suggesting that they had common goals. The purpose of both was to control worker responses and find ways to make the process cheaper. Secondly, the other overlap between the two was recognition of monetary compensation and highly specialized, low-skilled jobs. Thirdly, both viewpoints greatly angered the literati and intellectuals at the time, as it provided a sense of standardization and control of expression. Hughes (1990) noted that Weimar Germany saw Taylor (scientific management) and Ford (assembly line) as joint forces producing something uniquely American and could together unlock the secrets of production. Doray (1988) viewed them as a madness that infected the worker in tandem. In his view, Taylorism alienated the worker; Fordism tied them to machines.

Others, such as Daniel Wren (2009) and Frank Gilbreth, disagree with the above assertion. Wren argues that Fordism and Taylorism are distinct constructs from each other. Although they shared some aspects of scientific management, such as specialization and division of labor, they were different. For example, Wren notes that one of the outstanding features of Taylorism was its outstanding level of cost accounting. This was something that Ford lacked knowledge of. In fact, the cost accounting framework would be adopted by General Motors, who had a connection to Taylorism through its DuPont investors. Secondly, the use of the conveyor belt and assembly line system was an aspect that Taylorism did not feature. Scientific management tended to place emphasis on human labor, and less on machines. In fact, the first automobile company to devote its energies to scientific management was Franklin Motor Company, advised by Carl Barth and George Babcock, but once Fordism had taken root, scientific management's sway over the automobile industry languished. Finally, Frank Gilbreth noted that the job design in Ford was poor. Daniel Nelson (1970) felt that Ford was not a company that utilized scientific management. In fact, some scholars have argued that attacks on scientific management mostly should have been directed more at Ford.

At the time of Toyota's ascent to the top of the automobile industry, Fordism and Taylorism were seen as one entity in industrialization noted Jürgens et al. (1993). They viewed both Fordism and Taylorism as rationalizing business activities to increase efficiency as the primary goal of industrial life. They noted that modern industry combined two separate concepts. From Taylorism, industrial life separated "thinking from doing" reducing work into a series of repetitive tasks, led by managers who make decisions that had little basis in the actual running of the

business. Fordism produced standardization as its primary focus, with human behaviors and products produced in a similar fashion. Both reduced work motivation to mere financial rewards, separating both social and intrinsic motivation. Jürgens and coauthors compare the Ford-regulatory model with the new model of Toyotism, which featured different types of motivations, teamwork, and more democratic decision-making.

My viewpoint is similar to Wren's, but for different reasons. Wren is correct in that the behaviors, testing, job design, and managerial accounting between scientific management and Fordism is stark and quite different. Taylor did not propose anything similar to an assembly line. Ford would have used a conveyor belt rather than a first-class man to haul pig iron, believing that it was both cheaper and more efficient. Although there was experimentation and analysis in designing the assembly line, I am not sure Taylor would have had a high opinion of Ford's corporate design. Taylor would have been horrified by Ford's accounting department – where the main goal was to dodge taxes and confuse the government (Halberstam 1979). Yet if we examine the processes, both produced rationalization of work – namely that it was designed to produce efficiently, quickly, and homogeneously. Although there were different mechanisms, the goal was similar – rationalization of work.

There were two key differences between Fordism and Taylorism. The first is that Ford recognized that if we could have mass production, we could also have mass consumption (Brinkley 2003a, b). Accordingly, Ford provided higher wages to overcome turnover, but also to provide workers with a financial ability to purchase from the company. Ford also sought ways to provide credit and other services to ensure that his workers had the ability to become productive members of society. His high wages provided a vast expansion to those who wished to buy a car – his workers were his customers. His decision to provide the Five-dollar day was as a way to market the company, suggesting that use of corporate social responsibility of marketing well before the current interest in it. Ford also regarded this movement as a form of business rather than altruism.

The second difference was that Fordism had the idea and the need to provide socialization to workers (Nevins and Hill 1957; Gelderman 1981). Taylor produced the notion that workers should be trained through standardized processes; Ford stressed the other part of training, namely socialization. Ford was the pioneer of the socialization aspect of training. A tremendous amount of training these days considers the role of socialization – which entails work norms, how to interact at work, and legal/ethical responsibilities. In Ford's case, it was the Americanization of workers. Just as Taylor had to contend with, Ford had to deal with a vastly different working population due to the consistent influx of new immigrants, changing the working culture. Therefore, what Ford sought to do was to Americanize them by providing English classes and opportunities to socialize, in order to prepare them for modern industrial life and a work culture that was very different from the peasant work culture. This was part of the reason why Ford took an interest in his workers. It fit a progressive era pattern of managing the social life of the immigrant.

## Corporate Governance

Ford hated bankers and the art of finance. He did not understand the value of stockholders and the oversight that came from corporate governance. Halberstam (1979) stated Ford hated that stockholders got wealthy on the company's expense but provided little aid in return. There is much wisdom to this statement, but I would go further: stockholders interfered with Ford's independence in running the company. Simply put, the Ford Motor Company was his as he saw fit to run it, regardless of what others thought. The "others" included his own son, family members, and longtime executives. Ford wanted to use money to expand the company, trying new and various experiments. At one board meeting, Ford told his right-hand man, Harry Bennett, that there was little reason for them to stay; they would simply do what they wished (Nevins and Hill 1962). When the Dodge brothers sued over dividends, Ford fought them tooth and nail (McCraw and Tedlow 1997). During the case, Ford called profits immoral, noting that a company should be run so that profits were spent on the business. He lost the case and created a resolve to free himself from control at the earliest possible moment.

In 1919, Ford gathered the needed funds to make the Ford Motor Company a family-owned affair (McCraw and Tedlow 1997). This Quixotic adventure was undertaken at the time when the Ford Motor Company should have been investing in a replacement for the Model T and/or developing new car models to diversify his business. Rather than plowing his profits back into the company, Ford used his capital to purchase the investors' stock which, other than the Dodge brothers, had mostly been on his side. Unfortunately, Ford had selected an unpropitious time for his buy-back. A post-war depression had started. Ford was short of the needed funds. Accordingly, he put the financial squeeze on his dealers, forcing them to pay a higher rate to the company (Lacey 1986). This was at the time when Sloan had taken over General Motors and was moving against him. Ford also began losing his senior executives. The loss of one in particular, William Knudsen, was particularly detrimental to the company. Knudsen was a production genius who had successfully guided the company's production during the First World War. Yet Ford believed that Knudsen was getting too important, exercising too much authority, and becoming too close to Ford's talented son, Edsel, the latter being seen by Ford as a combination of heir and usurper. Knudsen, tired of being humiliated, left the company, taking a pay cut in the process, and joined General Motors. Many of other outstanding Ford executives also left the company (McCraw and Tedlow 1997).

The lack of proper oversight was dangerous for the company, since there were few checks and balances on Ford's behavior. More troubling was that this occurred during a time when Ford was starting to lose mental control, becoming ever more paranoid, cynical, and narcissistic (Lacey 1986). Had shareholders remained in place, they could have made sure that the company remained profitable. Perhaps, they would have forced Ford to make necessary changes, such as abandoning the Model T, or adding another production line. When Edsel recommended developing credit lines to help people purchase Ford cars, shareholders may have forced Ford to accept it.

Shareholders also would have checked the profitability of the company. When Arjay Miller joined the company, he attempted to find out what the profits were per month. Instead, he found an elaborate system, dedicated to calculating the amount of paper used per month. When Miller asked for the figures, the accounting department said they are what we make them – to which Miller realized he was in never-never land. The only oversight at Ford came from Edsel, who was abused by his father, and Harry Bennett, Ford's chief goon. Only after Edsel had died, in part due to the stress his father put him through, did Ford's wife (and Edsel's mother) begin wresting the company from the old man (Halberstam 1979).

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## Management Talent

Halberstam (1979) noted that Ford did not have friends and saw them as a limitation to be avoided. Yet such a statement cannot be squared with the fact that Ford often kept people in power because he found them useful or, more likely, they appealed to his prejudices (Brinkley 2003a, b). Ford had something worse than friends. He had lackeys and flunkies. A comparison with Alfred Sloan would allow us to see the difference. Sloan did not have friendships with his managers; they were simply employees who were hired to do a job, based on their merit (Farber 2002). Sloan sought relationships outside the firm. Ford sought talented workers. Indeed, in the early days of the company, Ford had a wide range of talented executives and engineers who were attracted to the company because of its progressive nature. Yet as the company became successful, Ford's narcissism was activated. He sought executives who would tell him what he wanted to hear. He also hated it when his managers used their autonomy to make changes. When Ford visited Europe in 1912, his executives made modifications to the Model T, turning it into a smoother riding vehicle, hoping to surprise him with this new development. Ford was not amused and stopped the changes (Brinkley 2003a, b). Ford drove away much of his company's talent, as many grew tired of dealing with this unpredictable man. One of Ford's long-term executives, Bennett, was a thug, who stole from the company, bullied workers, and played on Ford's worst fears. Again, there was little managerial oversight or checks on Ford's increasing irrational behavior.

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## Limitations

I find Ford's inclusion in a text on management thought to be interesting. Although Ford has a high esteem among business and management historians, he did not leave a management philosophy, and in some ways, disdained a management approach. Unlike Sloan's careful and well-planned managerial charts – where duties, authorities, and responsibilities were clear – Ford's had little organization and the responsibility was always with him (Drucker 1954). Ford actually would appoint two different people to a similar position, provide them with same duties, and sit back while the two managers struggled over authority. Ford also punished executives who



demonstrated too much authority and independence. He even bullied his only legitimate son, Edsel, when he showed a streak of independence. Peter Drucker (1954) noted that the principle issue that manager's face is not managing workers, but managing managers – namely handling the relationships with managers above and below. The major reason for this is that each manager plays a role in the organization of the company and without coordination between these various managers, the organization cannot produce.

Drucker went further – he argued that Ford tried to manage without managers. Drucker concedes that there could be other reasons, such as senility. I would argue that Ford's narcissism and mental decline contributed to this decision. Ford simply did not want to lose control of the organization, and if the price was disharmony within the organization, then that was the price he was willing to pay. Ford did not just have his police force spy on his workers. He also had them spy on his own executives. Those executives that showed any independence were forced out. One of the reasons why, according to Drucker, Harry Bennett was able to emerge as a supreme power within the company was that he was Ford's creature. Bennett lacked the standing and experience to be an executive on his own. So he could not betray Ford. But once Ford was out of power, so was Bennett.

Ford wanted lackeys, executors of his will, but not managers, investors, or government oversight (Brinkley 2003a, b). He ran his company with complete authority. This accomplishment is unlike any in the modern world, where, even in a market economy, there is oversight of managerial activities. The one department where management was allowed to function within Ford was the sales department. Ford was also willing to pay a high amount of money for engineers, but not for managers. Unlike engineers, they were too much of a threat to his power. Ford's preference for engineers over managers reflected his focus on technical and operation issues rather than managerial issues such as organization, coordination, and strategy. Although he selected a cost-leadership strategy, Ford ignored that his company could use other approaches and offer other products. Drucker (1954) noted that Ford recognized that he could provide colors other than black – but to do so, would threaten the uniformity of his product. But Drucker went further – Ford, despite his adoption of mass production, continued to maintain that uniformity of the product was needed for mass production, an old-fashioned view. What Ford failed to realize – mostly because he did not have an adequate training in management – was that what matters was standardization of parts. Drucker wrote “it (mass production) does not rest on uniform products. It rests on uniform parts which can be mass-assembled into a large variety of different products.”

Sloan understood this idea. Yet it was a basic management idea. What Sloan further recognized was that one could go further than just achieving symmetry with different parts, rather than different products. Sloan recognized that vertical integration could reduce transaction costs between various divisions. Ford recognized something similar in his vast Rouge River plant, a vast edifice constructed between 1917 and 1928. At this integrated industrial complex, steel was made in house, allowing for a car to be produced 21 days after the raw material had arrived. But his organization and accounting procedures were too crude to really take advantage of

this. Sloan recognized that a company could offer multiple products in the same field. For example, as people aged, they could move from say a Buick all the way up to a Cadillac (McCraw and Tedlow 1997).

Sloan would emerge as the greatest challenge that Ford would face, and one that he was not equal to. Sloan represented in some ways a shift in the American experience. Educated, connected, a technocrat, Sloan represented the shift to a formal system of management where the purpose of management was to coordinate among various divisions within the corporation. In addition, Sloan did not own the business – he was an employee who had the backing of the DuPont family. Sloan was an administrative genius who would provide the organization and coordination that General Motors had lacked under its previous head, Billy Durant (Farber 2002). Durant was a corporate buccaneer, a promoter, an acquirer of corporations, and general visionary. Durant's vision was to build a corporation that sold a wide variety of cars to different customers. Unfortunately, for General Motors, Durant was not an administrator. When the DuPonts took over the company, there were no standard accounting procedures, no way of telling whether a division lost or gained money. The corporation lacked direction.

Concerned with their investment, the DuPonts decided to oust Durant from the company. They sought to provide better organization to the company. They selected Sloan in part because of his previous success at the Hyatt Roller Bearing company and his background in engineering which, at that point, was held in high esteem and considered to be a font of knowledge on how to manage corporations. The DuPonts were also interested in the corporation because they believed that while Ford controlled the market, his share could be reduced.

Sloan was almost the exact opposite of Ford. Whereas Ford wanted recognition from the press and courted them (Farber 2002), Sloan was reserved, preferring to operate in the shadows. Ford sought to dominate his firm – pitting managers against each other, so that decisions remained solely in his domain. Sloan hired the best possible managers, including several former Ford executives, including William Knudsen, inventor Charles Kettering, financial expert Donaldson Brown, and Charles E. Wilson. Neither Ford nor Sloan really had friends – Ford's best friend was Thomas Edison, Sloan's was Walter Chrysler. But whereas Sloan kept his executives at a distance, Ford sought flunkies, such as Harry Bennett. There were also differences in how they handled dealers. Ford could control his flunkies, but the flunkies could lie and manipulate Ford. Ford bullied his dealers, often forcing them to pay for cars where there was no major market. By contrast, Sloan kept this dealer's confidence, using them as a resource and fountain of information.

Accordingly, the story of Sloan and Ford is one of a competition, whereby a manager is pitted against an entrepreneur. Sloan was not an entrepreneur. He did not start General Motors. Nor, according to Peter Drucker (1946), did he seek innovation. Sloan was a genius at creating a command and control structure that allowed for the use of divisions to produce different products for different customers. His concern was on the process, not the product. If one understood that process, it could be manipulated, changed, and diversified to fit different customers' needs and desires. Sloan was bound by his shareholders, and they stood as a check on his behavior. Ford was an entrepreneur who bucked tradition and conventional wisdom in that he understood that

average people wanted items deemed luxurious and found a way to produce them. Ford did not understand that a corporation needed to do many things. He simply did not understand the command and control nature of the cooperation.

Sloan also recognized that no one could compete against Ford's prices (McCraw and Tedlow 1997). Ford's value chain was too efficient to be defeated. Where Ford could be, and was, defeated was if a competitor could offer a different product, one that had more variety. Through such a strategy, General Motors could gain market share relative to Ford. Sloan understood that as a market matures it goes from a period in which only a few people can afford to purchase the product to one where mass consumption is possible. The next phase would be when a dominant company emerges, one that competes primarily on price, efficiency, and branded products. Yet this phase is transitory. Firms often learn how to reduce price. Ford's system could not provide a long-term competitive advantage because it could be copied by competitors. In fact, several of his production executives left the firm, taking their knowledge with them. The next phase focuses on brand differentiation, brand loyalty, and diverse products. Ford failed this test.

Another problem with Ford, and why the lack of oversight caused so many problems, was that Ford suffered from a narcissistic personality. Although it is admittedly difficult to assess historical figures psychologically, the process of psychobiography has gained widespread acceptance in the historical profession – management history being no exception. For example, several scholars have provided added insight on both Taylor and Robert Owen over the years. A narcissistic personality is a personality characteristic where the person has an exalted sense of themselves, they believe that they have more worth and value than others, they often have a difficult time accepting criticism, and are typically prone to manipulation through over-laudatory compliments (Paulhus and Williams 2002). Narcissists are also prone to be angry when they are opposed. Narcissists are also predisposed to see themselves as saviors. Narcissists are often prone to paranoia and often greatly overstate their level of expertise. In addition, narcissism could be activated as a trait, the more success a person has the more that narcissistic tendencies in his/her personality are likely to become pronounced.

Ford demonstrated many aspects of narcissism. A man that could boast that he created the modern age indicated a tremendous amount of self-worth. He hated sharing recognition with others and surrendering his independence. When the workers rejected his largesse, he responded, through his agents, with extreme violence. The Model T was sacrosanct to Ford. No one could make changes to it – as if the car had been created by God. He disliked it when managers showed initiative. Ford wanted his executives to be executors of his will. Ford seemed to prefer to use the word "I" often when describing his behaviors. He also left several books on his beliefs and a biography. He purchased his boyhood home and preserved it as a museum. Finally, he was paranoid – believing that bankers and Jews were out to ruin the world. Although I proposed that Ford had developed a Jacksonian outlook, political beliefs are influenced by personality. A belief that would encourage impudence would be attractive to someone who was narcissistic.

This explains, in part, the most bizarre episode in a life of bizarre episodes – namely Ford's hatred of Jews. At the time Sloan was building a juggernaut to assault

Ford, Ford seemed more concerned with imaginary Jewish conspiracies. Ford's attack on Jews was the most weird, disgusting, worthless, and venal endeavor that he ever took on. What is remarkable was that Ford had worked with Jews before, especially during his quixotic campaign to end the First World War (Kraft 1978). Although anti-Semitism was a common element in the United States at the time, made worse by the war, Ford's championship of the cause provided the movement with a real dose of legitimacy. After all, Ford was considered the equal of Moses at the time. Ford's work was largely published in the *Dearborn Independent*, a paper owned and financed by Ford himself.

Ford's message found an audience (Lee 1980). That the paper did not make money was of little concern. Ford was more interested in being the voice for rural America than he was in turning a profit. The damage done by Ford was enormous. Simply put, he not only provided support to one of the most evil movements of the twentieth century, his message also provided intellectual support of the Nazi regime. This is not to suggest that Ford caused the Holocaust. But he did provide, according to various Nazis, an intellectual justification. Late in his life, when Ford saw the first pictures of the Nazi Death Camps and beheld the final fruits of anti-Semitism, his guilt and loathing for his actions brought on his final stroke, rendering him for his last few years more paranoid than he had been.

Ford's anti-Semitic comments are arguably the most baffling and detrimental of his actions in terms of the effect on the reputational status of not only Ford but his company. Ford began to focus on anti-Semitism soon after the First World War, writing frequently about Jewish conspiracies in his personal newspaper, the *Dearborn Independent*. The collection of his works was evidently published under the title the *International Jew*, perhaps, with the exception of *Mein Kampf*, the most anti-Semitic publication of the twentieth century. Apparently, Ford found the Tsarist forgery, the *Protocols of the Elders of Zion*, to be accurate, as he legitimately believed that there was a Jewish conspiracy to take over the world. Mostly, Ford blamed the war on international bankers (a code for Jews) and sought to limit their influence in society (Baldwin 2001).

Why would a man as brilliant as Ford believe and write such nonsense? Conspiracy theories are often believed by the uneducated. Despite Ford's genius and brilliance as an engineer, he was widely ignorant of basic facts of history, politics, and social science (Lacey 1986). For example, Ford did not even know how the United States came into being. Ford's greatest admirers, those who pushed him into a career in politics, felt that he could not serve as government executive, since he was ignorant about many things – but he could make an effective senator. In addition, the attacks on Ford, often personal, slowly turned him into a cynical person. His defeat in the 1918 Michigan Senatorial contest, through the use of illegal money, also played a role in his increasingly erratic behavior. After the war, Ford was surrounded by men of poor character. His secretary, Ernest Liebold, was not only anti-Semitic but encouraged Ford to publish his ideas. Finally, Ford had personality characteristics of someone who would believe in conspiracies, including paranoia, narcissism, and Machiavellianism. While Ford was spewing nonsense, Alfred Sloan was creating strategies to overtake Ford.

Scholars have often argued that Ford lost his effectiveness as an executive. The Roosevelt administration was so concerned with the poor management of Ford that they discussed several options to deal with the problem, including nationalization or providing funds to Studebaker to purchase the company. However, Ford retained the ability to produce machines quickly and cheaply. What Ford lost was the tempo and rhythm of society. The world of 1943 was a much different one from when Ford had been born in 1863. But how to mass produce remained, more or less, the same. During the Second World War, Ford built an impressive production facility at Willow Run (nicknamed the Run). The Run was so impressive and such a tribute to American know-how, that Ford's head Charles Sorenson boasted that if the Japanese and Germans saw it, they would commit suicide. The Run produced 8500 B-24 bombers, the symbol of American military and economic might. By 1944, a B-24 bomber was produced every 63 min. What Henry Kaiser was to ship-building, Ford was to airplanes (Kennedy 1999).

Ford's shift to the mass production of weapons provided the executives with many hurdles. Ford, for instance, took to hiring midgets, to inspect the inside of the plane. Yet there were other problems for workers, such as housing, healthcare, working conditions, and other social issues. Ford and his executives claimed that what workers did off the job was none of their concern. This statement seemed to endear little positive feelings from workers and politicians, who remembered some of the worst aspects of the sociology division. Compounding problems was the death of Ford's son, Edsel, one of the two voices of reason at the company (the other being Charles Sorenson). The amazing production at Willow Creek could not have been possible without the aid of former Ford and General Motors executive and head of war production, William Knudsen (O'Neill 1993). The bulk of production praise went to executives such as Henry Kaiser, who were more in tune with government action, union membership, and worker welfare. Ford's attitude cost him his only legitimate son, Edsel, whose long-running battles with his father and his cronies finally took his life. Ford died 5 years later, after turning over the company to his grandson, Henry Ford II. Henry Ford II led the turn-around that saved the company, moving Ford from its position as the United States' fifth largest automobile company to a permanent second behind General Motors.

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## Conclusion

Ford left a complex legacy befitting his complex character. He was, as David Halberstam claims, a genius mechanic, a semi-genius in business, but a crackpot offering semi-literate responses on issues. The world had become more complex and more integrated than ever during Ford's life. The establishment of a cult of celebrity, based on the international media – and with Ford being a celebrity – meant that his opinions would be spread everywhere, much to the detriment of his reputation. Ford's narcissism did not help his ability to overcome his ignorance. Ford's attitude toward power suggests a man who would no longer be dictated to, regardless of the foolishness of his ideas, or the power of his opponents. Ford would be free – even at

the expense of his reputation and wallet. The last few years at Ford under his rule could be described as a country under a crazy ruler – with the populace hoping that the ruler dies, hoping the son will be king.

Ford's desire to be independent, which resulted from his Jacksonian beliefs, was another major hindrance to his functioning in the modern world. From 1880 until around 1920, the United States witnessed a breaking down of barriers, amid an integration of communities that helped destroy the old America that had stressed frugality, independence, and moralism. According to Robert Wiebe (1967: 132),

... they had enough insight into their lives to recognize the old ways and old values would no longer suffice. Often confused, they were still the ones with the determination to fight these confusions and mark a new route into the modern world.

This new class wanted rationalization, bureaucracy, and administration – concepts that would have been foreign just several years ago. The development of an educated middle class and the use of roads and railroad meant the end of the old order that Ford had stood for. Bold decision-making and entrepreneurship were downplayed in this new order. The bureaucracy would intervene in the relationship between workers and managers; now law, rather than promise, was the way of the land. Part of the irony was that Fordism was one of the concepts that brought in this new order. Ford's successes had made his old world impossible.

Yet despite this, his bigotry and his heavy handedness, Ford remained a popular person with the average American, especially the rural community. Even if Ford was no longer viewed as Moses, he still remained a respectful figure to the average worker. The reason was simple; Ford was an American Prometheus – instead of fire, Ford stole mobility from the wealthy. Intellectuals and the wealthy hated him for that. Yet the average American remained grateful to Ford because he allowed for the average person to be able to commute to and from work, go and visit relatives, and go away for a day trip. From this perspective, Ford was the greatest friend the worker ever had. Unfortunately, Ford refused to see neither the limits of his vision nor how his success ended the old world. He was truly bound like Prometheus, but instead of iron chains, the chains were delusion, ignorance, and paranoia. But the people loved him.

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## Cross-References

- ▶ [Taylor Made Management](#)
- ▶ [The Age of Strategy: From Drucker and Design to Planning and Porter](#)

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