

The Mussolini of Detroit

❖ **Why is the case study entitled ‘The Mussolini of Detroit’?**

The case study is entitled ‘The Mussolini of Detroit’ referring to Henry Ford who formed his company in Detroit and being similar to Benito Amilcare Andrea Mussolini (1883 – 1945) (http://en.wikipedia.org/wiki/Benito_Mussolini 13.01.2007). Benito Mussolini was a Fascist dictator of Italy from 1922 to 1943. He focused all power in himself as the leader of the Fascist party and attempted to build an Italian empire, in due course in alliance with Hitler’s Germany (http://gi.grolier.com/wwii/wwii_mussolini.html 08.01.2006). Like Mussolini centralized all power in him as the leader, Ford wanted sole ownership of the company and he wanted to bring salvation and liberation to the world through machinery. He bought out his eleven founding partners and became the sole owner of the company in 1920. Ford focused his missionary zeal on making man as well as automobiles and forced his workers to follow a strict regime in the work place and later on at home as well. Nothing was allowed to happen in the company without his personal knowledge and authorisation.

❖ **What common ground exists between FW Taylor and Henry Ford?**

Both FW Taylor and Henry Ford believed that work should be done in a standardised way in the most efficient way possible. According to (http://www.accel-team.com/scientific/scientific_02.html 12.01.2006), FW Taylor experimented with different designs of shovels that were to be used for shoveling different materials, for example with rice and ore, and he was able to design shovels that would permit the worker to shovel for the whole day. In doing so, he was able to reduce the number of

people shoveling at the Bethlehem Steel Works from 500 to 140. This greatly contributed to the analysis of work design and gave rise to method study. Taylor's framework for organisation included; (1) clear delineation of authority; (2) responsibility; (3) separation of planning from operations; (4) incentive schemes for workers; (5) management by exception; (6) task specialization (http://www.accel-team.com/scientific/scientific_02.html 12.01.2006).

To standardize and minimize the cost of his products, Henry Ford built the assembly line and bought the steel works and rubber plantations so that quality could be controlled. Also to reduce costs, Ford made the Model T available in only black color after the development of the assembly line because of its quicker drying time. Ford wrote in his autobiography, "Any customer can have a car painted any color that he wants so long as it is black" (http://en.wikipedia.org/wiki/Henry_Ford 09.01.2007). Henry Ford appointed Charles Sorensen as factory superintendent and in 1921 on Ford's orders he ruthlessly increased the speed of the assembly lines by 100 percent whilst simultaneously cutting down the number of workers by 30 percent and their wages by 25 percent. To reduce the annual labor turnover in the factory and also increase the motivation for the workers, Henry Ford introduced the Five Dollars a Day scheme of wage. Ford mentioned in his autobiography that it is the business of those who plan the entire work to see that all of the departments are working properly towards the same end and not the people working in the separate departments to see this is so.

- ❖ **Ford became the sole owner of the company in 1920 after its foundation in 1913. He bought up the steel works which provided the raw materials for the engine**

blocks and the Model T body; and he bought the rubber plantations which were the source of latex which his friend Goodyear made the tyres.

Why did Henry Ford feel he had to do this?

Ford had a strong determination to bring salvation and liberation to the world through machineries and his mission to standardize a product and manufacture it by mass means at a price so low that the common man could afford to buy it

(http://www.willamette.edu/~fthompso/MgmtCon/Henry_Ford.html 10.01.2007).

Backwards vertical integration is where the company sets up subsidiaries that produce some or all of the inputs used in the production of its product or products

(http://en.wikipedia.org/wiki/Vertical_integration 10.01.2006). The control of

these subsidiary companies is intended to create a stable supply of inputs and ensure a consistent quality in their final product. As in the case of Ford, buying up the steel

works which produced the raw materials for the engine blocks and the body of the Model T and the rubber plantations for the tyres was a way of centralising the

production of cars and the car parts and hence lowering the cost of production making it possible for every common man to afford an automobile. The company's use of

vertical integration proved very successful, as Ford built a gigantic factory that shipped in raw materials and shipped out finished automobiles

(http://en.wikipedia.org/wiki/Henry_Ford 09.01.2007).

❖ **Ford changed the world: in what ways? What was his legacy?**

Ford had revolutionary determination to lift hard work off flesh and bone and place it on steel and motors. He spent his 29th and 30th years of his life designing and building a horseless carriage which was completed in 1893. In 1908, Ford introduced the

Model T and by 1920 every other motor car in the world was a Model T Ford and a majority of American drivers learned to drive it because it was so simple and so cheap (http://en.wikipedia.org/wiki/Henry_Ford 09.01.2007). By 1916 the price had dropped to \$360 for the basic touring car (http://en.wikipedia.org/wiki/Henry_Ford 09.01.2007) causing a vast increase of sale in the Model T's. It was Henry Ford's legacy to keep the Ford Motor Company in the control of his family forever and also provide a car that the common man can afford (http://en.wikipedia.org/wiki/Henry_Ford 09.01.2007).

❖ **In what ways has the emergence and development of complex systems changed what managers do?**

Where there are no complex systems, a manager is only responsible to overlook the work done by one department only whereas the emergence and development of complex systems puts the managers in charge of looking over the work done by the different departments to make sure they are working towards the same end. It is the managers who plan the work and ensure that the work is being done accordingly. Each department will have a different manager and it is not necessary for the individual workers to have meetings to know what the other department is doing but it is necessary that managers meet to discuss the work being done in the departments to make sure they are working towards the same target. It is widely recognized that large and complex technical systems need to be designed, developed, produced and maintained using a unified system of engineering concepts, policies, principles, processes, and terminology which will be usable and understood by all those involved

(<http://sparc.airtime.co.uk/users/wysywig/wysywig.htm> 14.01.2006). Managers are required to unify, delineate, and categorize these requirements into the functional areas and provide the necessary instructions and guidance for their interpretation and use (<http://sparc.airtime.co.uk/users/wysywig/wysywig.htm> 14.01.2006).

❖ **What was Ford trying to achieve with his Sociological Department?**

Ford formed the Sociological Department to oversee his new scheme of not allowing the workers of his company to gamble, drink alcohol, smoke or have sex outside of marriage. He was fervently in opposition to these activities and insisted that any worker found indulging in any of these activities would not be qualified for the five dollars a day scheme of wage. The purpose of the Sociological Department with its 50 investigators and John R. Lee heading, was to promote the wellbeing of the workers and make sure that the workers were working right and in accordance of the rules put forward by Ford. Also the Sociological Department were to assist the many new people who were moving to Detroit to work for the Ford Company to adjust to their new way of life.

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