



# HOW TO USE PSYCHOLOGY IN BUSINESS

BY

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*Rivercrest Laboratory, Hamilton, N. Y.*

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**HOW TO USE  
PSYCHOLOGY IN BUSINESS**

## OTHER BOOKS

BY DONALD A. LAIRD

*More Zest for Life* . . . . . McGraw-Hill Book Company, Inc.

*What Makes People Buy* . . . . . McGraw-Hill Book Company, Inc.

*The Psychology of Selecting  
Men* . . . . . McGraw-Hill Book Company, Inc.

*Increasing Personal Efficiency* . . Harper & Brothers

*Psychology and Profits* . . . . . B. C. Forbes Publishing Company

*Why We Don't Like People* . . . A. L. Glaser Co.

*How to Rest and Sleep Better* . . Funk & Wagnalls Co.



*Modern Försäljningsteknik* . . . . . Bokförlaget Natur och Kultur,  
Stockholm

*Hur Man ökar sin Arbetsför-  
måga* . . . . . Bokförlaget Natur och Kultur,  
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*Sömnens: Varför vi behöva den  
och hur vi få den* . . . . . Bokförlaget Natur och Kultur,  
Stockholm

*Wie Steigere Ich Meine  
Leistungsfähigkeit* . . . . . Josef Singer, Berlin

*To the memory of*

**MELBOURNE STUART READ**

*Professor of Psychology at Colgate University, 1895-1927*

Calm scholar who fostered the  
art of learning with an abhorrence  
of bloated trivialities

## PREFACE

Friendly conversations with many average businessmen, and with executives of small plants, have given me the burning impression that they are *afraid of psychology*. They have been frightened away because most of them have not yet run across a book written in their own language, dealing with the problems they are up against daily. Many of them, it is true, have bought a book or two on some phase of industrial psychology, only to discover on trying to read it that it has been written for graduate students or specialists in the field, and is as clear to them as the expression on the changeless face of a poker player.

I have written this book with the rumble of a small plant in my head, trying to keep in the foreground on every page the tempo, the language, the interests, and the problems of the average businessman. I have not made the least effort to write a book for professional psychologists, or for the embryonic psychologists who are trying so hard to get the feel of the micrometer and the swing of the hammer in graduate school.

"So this is your book," let me say to the average businessman. "It was written especially to be useful to you, and to no one else. In it I try to give you more than mere information. There is a deeper understanding of your perplexing problems which psychology can give you, and which I have tried to weave into the book.

"Then, too, the bearing of psychology on the matter of government and the future of the nation has been touched upon; you businessmen have to pay the bill and, I feel, should know the frank facts which are usually skirted around. If the book seems to ramble in spots, it rambles for a purpose—as your salesmen often do."

If the average executive does not read this book, and does not profit from it, then I must admit that I have failed. Material of interest to the salesman and the sales executive is scattered throughout the book; it has seemed wise not to have a special section on this phase, in view of the recent publication of my book, "What Makes People Buy," which has had a wide circulation in the sales world.

That the material in this book has practical usefulness, as well as scientific backing, is reflected by the business periodicals which have published some sections of the book before its appearance under board covers. I am indebted to the following for their courtesy in allowing me to include in the book material which I first reported in their publications: *The American Weekly*, *Every Week Magazine*, *Factory Management and Maintenance*, the Ford Motor Company, E. F. Houghton & Company's *Black & White*, the American Medical Association's *Hygeia*, the *Journal of the American Dietetic Association*, the *Office Economist* of the Art Metal Construction Company, the *Public Ledger Magazine*, the *Medical Record*, the *Medical Review of Reviews*, the *New Republic*, *Physical Culture*, *Popular Science Monthly*, the *Review of Reviews*, *Science*, the *Scientific American*, Science Service's *News-Letter*, Street & Smith's *Progress*.

In addition I am under obligation to Alan Macdonald for literary assistance in some sections of the book. The illustrations which are not original are credited, where they occur in the book. I am indebted to David Drexel Laird for assistance in all phases of making the photographs to illustrate the book.

DONALD A. LAIRD.

RIVERCREST LABORATORY,  
April, 1936.



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# HOW TO USE PSYCHOLOGY IN BUSINESS

## CHAPTER 1

### HOW PSYCHOLOGY HAS GONE TO WORK

*To the reader: This first chapter is necessary, but you may find it dull reading. If so, after trying a few pages, jump ahead to the second chapter.*

Psychology has gone to work. You will not see it in the line of men hurrying through factory gates just before eight in the morning; but it has gone to work with them, nevertheless.

It does not have a white-collar job. It is in overalls and carries a thermos lunch kit. You will find it at work in the dirtiest parts of the factory, smeared with grease, and in the pits of coal mines with its face as smudgy as any. On the seat with your taxi driver you will find it, beside the hand of the motorman on the trolley car, helping the foreman break in a new worker whose fingers are not yet deft at the strange work, and in the salesman's kit.

In a restaurant psychology went to work. After the psychologists had completed their work, the manager wrote: "In spite of the fact that we had gone to a great deal of trouble in the planning of our restaurants to eliminate factors likely to interrupt smooth working, you have shown innumerable places where we failed in detail, and those details are undoubtedly the cause of waste of labor, of irritation, and of breakages. To have reduced our breakages by 44 per cent as a result of one month's work is a considerable achievement."

So when powerful Katrinka smashes unheard-of quantities of your dishes in the kitchen, try putting psychology to work with her!

Girls employed as candy packers, and paid by the piece rate, had their output increased 35 per cent after psychologists had made a study of the best methods of doing their work.

Taxicab accidents were reduced one-third by a large company which employed about 6,000 drivers, through the work of a psychologist who was on their staff for several years.

Output of girls wrapping tobacco was increased 14 per cent when monotony and fatigue were lessened by having the girls shift operations twice in each working spell. On a laundry mangle, output was increased 30 per cent when psychologists, after study, had the feeder and the receiver shift places every twelve minutes, so that the one avoided excessive fatigue from continuous standing.

An 11 per cent gain in output on a clamping machine in a box-making factory followed when psychologists altered the foot lever to prevent uncomfortable leg stretching, a heavy spring was installed to help the work of the lever, a support shortened to give more space for unfinished work, and the tools rearranged to save lifting a heavy weight hundreds of times a day.

Fatigue in filing metal bars was decreased by adjusting the height of the work bench to make it 60 per cent of the height of the worker.

When psychologists changed the glass globe of the miner's lamp, distracting after-images were reduced by half, and the vein of coal better lighted. Many thousands of the improved lamps are now in use, preventing much fatigue underground.

How in the name of reason can psychology accomplish these things?



The average business person must think he uses psychology. At least, the way he uses the word to explain things when all other words fail him would lead to that conclusion. When he explains the loss of a sale, he is likely to shrug his shoulders knowingly and say, "The psychology wasn't just right." Probably something was wrong, whether it was psychology or something else.

But knocking the idea of psychology around in this way has not done any great damage. Usually such an explanation is followed by a deep silence and the feeling on all sides that the fellow is simply at a loss.

In contrast with this dragging in of a mysterious term to explain all when the average executive is up against a wall, is the cold, experimenting, matter-of-fact approach of the qualified psychologist, who has not just conjured up a word, uttered it solemnly, and let the matter drop as though it were all explained and understood. When up against the unexplainable in business, the psychologists, these last twenty years, have buckled down to hard work and fact-finding to search out just what the hitherto unexplainable amounted to and how it can be put to work.

For psychology has gone to work. You may not see it punch the time clock or hurry through the factory gates with its lunch kit in hand just before seven in the morning; but it has gone to work. It may not even be on the payroll; but the odds are that the firm tries to make some use of psychology, and there is a slight possibility that they do make some sensible and deliberate use of modern psychological knowledge.

In a few instances, perhaps one firm out of a thousand, they have at some time or another employed a psychologist to help them out. And there are some firms that have had a well-qualified psychologist working all his or her time for them steadily week after week for the better part of the last fifteen years.

Twenty years ago there was not much that psychology could do for a firm, except to look wise and make shrewd

guesses. Today psychology is in a far different status. The two intervening decades have been silent witnesses of feverish activity in many college laboratories, factory shops, offices, advertising agencies, and even in institutions for the feeble-minded; they have uncovered precious new information of tremendous value at times in the humdrum business of making profits and in the supreme business of saving workers from excessive fatigue and from gnawing boredom and failure. It has taken highly ingenious psychologists, especially apt at scientific research—and considerable salesmanship to get industries to try out this and that—to advance the knowledge of how psychology can be put to use to help the lot of the rank and file as well as to serve the pocketbooks of the stockholders.



These psychologists of the past decades have almost literally worked themselves out of a job. Not entirely, however, because, in this country, probably they have given more attention to trolley-car motormen than to workers in any other single occupation, and just at a time when the motormen appear to be taking their place in the same retirement as canal-boat captains! It is this way: the psychologists have produced enough new information so that almost anyone with a level head and good intentions can draw from this storehouse of discoveries and make some helpful use of them in improving his own business or in helping the progress of his own life. Unfortunately, however, not all this newer industrial psychology is foolproof, and serious mistakes are often made by the person who, with inadequate training or insufficient reading in the field, becomes oversold and rushes ahead to make an application which is not entirely appropriate.

This is true, of course, for all fields in our highly specialized modern world. Today almost any high-school boy can connect a push button with an electric bell; but it is still wise to have a master electrician look over the

wiring to make certain that it has not been connected with a high-voltage line which would knock the salesman off the front porch when he pushed the button. We all know a little business law, but an attorney is a valuable person to have look through the contracts we have drawn up before signatures are affixed to them. We can all use an adding machine, but it usually takes an auditor to discover the real condition of our business. We can find out that the carburetor of our car is out of adjustment, but it takes a greasy and apparently unconcerned mechanic to adjust it for the proper mixture of gas and air.

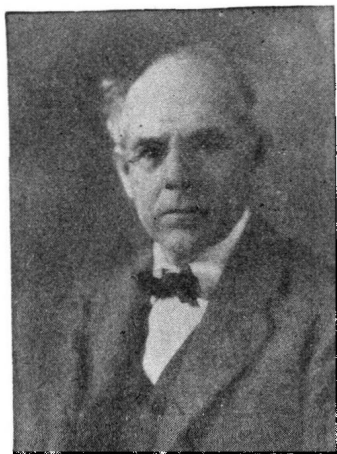
If these analogies are not kept in mind, popular accounts of industrial psychology may be a little dangerous. The intensely practical reports of the findings of many industrial and laboratory psychologists, from many countries, may prompt the energetic reader to decide impulsively to put into effect tomorrow what he reads tonight. Don't! Think over the entire situation first. There may be some conditions with your firm, or in your case, which would complicate the smooth working of the plan, perhaps make it disastrous. Then, too, find out more about the matter by reading intensively. Do not rush ahead. Get thoroughly in hand all facts bearing on the question, then carefully adapt the procedure to your needs, try it out on a small scale, and watch results.

Whenever the application you contemplate involves a number of persons, or much expense, or a period of time to watch for results, the wise thing to do is to get in touch with a person near at hand who is qualified by training and experience to get you the technical help which you will likely need, in spite of the apparent simplicity with which the results presented in reports seem to have been accomplished.

Although distance lends enhancement, you will probably find at a college or university close by someone who is qualified to help you. I suggest that you write to the departments of psychology of two or three colleges, asking

each of them to put you in touch with some member of the staff who is the logical man for the problem you have in mind. If you can get someone to give you expert technical help on your man-power problems for less than a per diem of fifty dollars, or its equivalent over a period of time, you could better save your time by using an almanac instead. As an evidence of good faith on my part, let me

ask you not to get in touch with me.



J. McKeen Cattell, first to devise mental tests, first to start a laboratory for teaching psychology to college students, and founder of this continent's Psychological Corporation.

The Psychological Corporation, 522 Fifth Avenue, New York City, is an American clearing-house of practical and duly qualified psychologists with which it is worth while to communicate for assistance. In England there is the unique and eminently successful National Institute for Industrial Psychology, Aldwych House, London, which puts to shame anything of the kind in America—or anywhere else in the world—and which is a virile, living monument to Dr. Charles S.

Myers, in a country where psychology otherwise is pretty far back in the days of used-to-be.



I know that people will still place a bet on a spavined race horse, buy submerged building lots, and believe in the good intentions of the strange girls who make a fuss over them in the blue smoke of a night club, but I still like to hope there is a glimmer of good sense shown by the human race at times. So I trust I am not wasting the paper and ink of the publisher when I warn you about trying to get anything more than high-grade salesmanship and a rooking

if you go with your man-power problems to a crystal gazer, fortune teller, astrologist, horoscope reader, hypnotist, character reader, radio psychologist, radio "doctor" or "professor," or any of these dynamic middle-aged women who give a week of lectures (personal conferences extra) on secret powers and the control of others, or the question-and-answer pages of the newsstand magazines.

This may strike some readers as being unnecessary advice and may incense others as being unfair.

It is certainly necessary advice, however. Were it not for the libel laws, I could write a thick book on well-authenticated instances of men and women whose associates think they have good business judgment but who, in asking the assistance of these mental patent medicine venders, show a credulity that would not do credit to a voodoo follower.

And it is certainly justified advice, as you can quickly ascertain the next time you feel like nibbling on their bait if you stay clear of the hook until you have received the advice of the senior psychologist at your nearest bona fide institution of higher education, from your local medical society, from the superintendent of your nearest state hospital, and from the Psychological Corporation. If you do not trust the advice and scientific judgment of such persons, then look in my book "The Psychology of Selecting Men" for more details about the general uselessness of the cults and promotions mentioned as by all means to be avoided.

At the present time I know of a United States congressman, of several corporation executives, of public school superintendents, and a few scientists in other fields, who have a superstitious faith in those present-day necromancers. But I still believe the human race is the apex of evolution.



Psychology's going to work probably means more than the uninitiated imagine it does. For much work has been



needed to make the findings on which the scientific psychologist progresses. It has not been some peculiar inner vision or second sight acquired by psychologists by which they have been able to reach their practical conclusions. They do not need funny whiskers and a penetrating eye. They do not go into a dark closet and after a few moments of abstraction come out with the right answer. There is no unique insight or powerful mental endowment which psychologists must have before they can get the answers. Yet how many intelligent persons imagine that this is true, that psychologists read the thoughts of others, hypnotize foremen, and can cast an evil eye over the poor working girl.

The psychologist might cast an eye *at* a good-looking working girl, for he is, after all, as human as the rest of the world. He has no mysterious powers or forces or insight which other men do not have. What he knows about human nature and about saving fatigue, about the right job, about morale, has all been learned slowly and laboriously by accumulating data and analyzing them by the same scientific methods that are used in other fields of engineering.

The psychologist is, in short, just another engineer, using the methods which engineers in general follow, to find out about the stresses and strains in human nature. It is in some respects a more difficult form of engineering, since his materials are more variable and at times so intangible that the approach to their study has to be indirect. But it remains essentially engineering—human engineering—and the same methods of laboratory or clinical gathering of data and their mathematical analysis have to be followed. For the past twenty years, these have been followed in order to build up a substantial body of highly useful knowledge. It has been hard work, but fascinating work for those with a yen for it; it has not been a matter of second sight or lucky guesses.

The engineering nature of modern psychology is reflected in the requirements maintained for graduate work in some