

Vocational Service – Rotary’s Original Idea

It is extremely fitting that this first Presidential Celebration of the 2003-2004 Rotary year features Vocational Service. No matter how much we like to think that Paul Harris and his friends created Rotary for such noble ideas of humanitarian service, goodwill and world understanding – it just was not the case. Rotary was started for business reasons and professional purposes. Paul Harris had the unusual idea that friendship and business might mix and result in even more business!

A century ago, Chicago and most large cities were in the grips of growing business and industry – and rife with fierce competition. Such slogans as “Cutthroat Competition,” “Let the Buyer Beware,” “Dog Eat Dog,” and “The Public be Damned,” were commonplace in the lives of the giants of industry. Business competitors were the enemy. There were very few governmental restraints on enterprise, business practices or labor conditions. And business ethics, customer service, or professional standards were seldom topics of real concern. Just making money was the goal of business.

It was in this atmosphere that Paul Harris began to wonder if one person from each business and profession could actually work together, in a non-competitive atmosphere, to help each other improve their business and income. If they were not rivals or competitors, they could be friends and help each other achieve success. Thus, the idea of friendship and business was combined – and the idea of a Rotary Club evolved.

As a matter of fact, the constitution of the Chicago Rotary Club, written in January of 1906, stated two objects of Rotary. The first was “The promotion of the business interests of its members.” The second object was the concept of friendship. This idea of business as an object of Rotary was retained in 1912, when the International Association of Rotary Clubs adopted a statement with 5 Objects of Rotary. Although the business concept had evolved to a broader statement, it was still listed as number one – “To promote the recognition of the worthiness of all legitimate occupations, and to dignify each member’s occupation as affording him an opportunity to serve society; to encourage high standards in business and professions; and to increase the efficiency of each member by the exchange of ideas and business methods.”

Although the wording changed slightly from time to time as the Object was rewritten in subsequent years, the vocational service element was always retained.

I found an interesting comment, which was made by T.A. Warren, a British Rotarian in 1935, which was printed in a book on the early history of Rotary in Great Britain. T.A. Warren, became RI President in 1945-46, stated this opinion: “The only unique feature of Rotary is vocational service; everything else that we do is repeated by some other organization. If we are unique, if we have a special message or mission in the world that is unique to ourselves, it lies only in the realm of vocational service.” In all of our earliest days, Vocational Service was clearly the primary focus of Rotary.

So, let’s explore two separate directions of this unique business emphasis of early Rotarians.

The first, could be categorized as “Rotarians helping each other.” The members of Rotary were expected to patronize each other’s businesses, and recommend their fellow Rotarians to their friends and relatives, who needed goods or services. At the early Rotary meetings, a common practice was for each member to report on which Rotarians he patronized during the past week, or recommended to others. The early clubs had a club officer called the statistician, whose duty was to compile each week all the orders that had been given or received by members.

One story I heard from an early member of the Oakland #3 Rotary Club involved a member who was a haberdasher or clothing store owner. During the meeting, he slipped out into the hallway where the members had hung their hats – and checked the labels in each hat. He stormed into the club meeting and announced that “Some of you Rotarians have purchased your hats from my competitor. That’s not the Rotary way! So, I quit this club!” And he did. He truly was a “mad hatter.” But that was the concept – Rotarians helping each other in their business and professional pursuits – and expecting others to do the same.

The History of the San Francisco Rotary Club tells of the early emphasis on promoting business at club meetings. As you know, San Francisco was Rotary’s #2 club, and it was a custom that prizes were frequently awarded at club meetings to the member who had made the most purchases from other members during the previous month. Past RI President, Bru Brunnier, a charter member of the San Francisco Club reported that he won the prize one month by buying 72 separate items from as many Rotary members to furnish his new engineering office in downtown San Francisco.

It was also recorded that in the meeting room of the San Francisco Club a series of shelves were installed for members to display merchandise. Ten minutes of each meeting were devoted to members giving short talks about the quality of their own goods and services – or in other words – a Rotary commercial.

On some occasions, the “Rotating Five Dollar Bill” was used. This would be a five-dollar bill with a slip of paper attached, on which a Rotarian would sign an endorsement when he purchased an item from another Rotarian. He in turn would use the bill to purchase an item from a fellow member, and around it went. At the next club luncheon, the five-dollar bill, with all the endorsements, would be exhibited as an example of the practical application of the concept that Rotary promoted business.

San Francisco members were also urged to send advertising literature to each other’s homes, so wives would know where to make Rotary purchases.

It was this same concept of promoting business which led to the first community service project of the original Chicago Rotary Club. In their effort to promote more business, the members decided that since the women did most of the shopping in downtown Chicago, they would do even more if they stayed downtown longer. So, what was the answer? If they put public toilets in downtown Chicago – the shoppers would not have to go home so soon. And that is what they did – installed the first public restrooms in downtown Chicago. When service is provided – business is enhanced. It was on that basis that the world’s service club movement was launched.

It was Leslie Pidgeon, the RI President in 1917, who stated: “The primary object of Rotary is to relate the individual properly to his daily work. That is the first duty Rotary has to perform. The Rotary Club must educate the members to embody the idea of service in their own daily work.” It is interesting to note that Leslie Pidgeon, was the first Canadian, and first non-American to become President of Rotary International. He was a minister of the United Church, who first joined the Vancouver Rotary Club, and belonged to Winnipeg Rotary when he became RI President.

So, from the very beginning, Rotary membership was based on classifications, and classifications were based solely on one’s business, profession or vocation.

The second direction which the early Rotarians took was to promote higher ethical standards in business and professional practices. It was said that in the early meetings of Rotary, the members frequently discussed techniques to improve the business practices and offered wise

and friendly counsel to each other. If a Rotarians' advertising seemed misleading, if members heard negative comments about the quality of another member's products, or if there were steps a member could take to greet his customers in an improved manner – those, and many other business topics might be fair discussion at a weekly club meeting.

Soon, the members and their friends began to feel that when you do business with a Rotarian, you were always going to be treated properly, that their word could be counted upon, and that there was an ethical element in all transactions. Thus, the word “Rotarian” was considered a mark of distinction in the business world – equivalent to the mark of “sterling” found stamped on a piece of high quality silverware.

The Chicago Rotary Club, and others which followed, created a “Committee on Business Methods” which concentrated attention on the business and ethical practices and public confidence of each enterprise in their community. Rotary Clubs were regarded as leaders in fighting corruption and unfair business practices. It was as early as 1910, that Rotarian Arthur Sheldon, spoke at Rotary's first Convention in Chicago, saying: “As man comes into the light of wisdom, he comes to see that right conduct toward others pays; that business is the science of human service, and that he profits most who serves his fellows best. Thus, one of Rotary's first mottoes came into being – a basic principle of business ethics.

In passing, it might be noted that just a year later at the 1911 conference in Portland, Oregon, Ben Collins, then President of the Minneapolis Rotary Club told that his club used the principle of “Service Above Self” in all of their business and professional activities. And our second motto was initiated. Both of these mottoes were officially adopted many years later at the 1950 Convention in Detroit.

As Rotary continued to expand around the nation, it was not uncommon for Rotarians in the same profession to meet and discuss business ethics and fair dealings in business practices. They frequently discussed “standards” by which business and professional practices should be judged. So, after several years of preparation and debate, in 1915, Rotary was ready to adopt a “Rotary Code of Business Ethics” when they met at the annual Conference in San Francisco.

The “Rotary Code of Ethics” was not a law or rule, but rather it was an expression of determination to maintain certain basic ethical and honest standards in one's business or profession. The code could only be enforced by example and friendly influence and encouragement. The Rotary Code of Ethics set a high standard for men who were to be Rotarians.

As the years went by, and Rotary became more of an international organization. “The Rotary Code of Business Ethics” became more difficult to translate and use as a working document in the changing business and professional life. In 1978, the Code was withdrawn from circulation, and the 1980 Council on Legislation approved an amendment to the RI By-laws to delete any reference to the Rotary Code of Business Ethics in all future literature and publications of Rotary International. So that is why, many of you may not have heard of this document which had such a significant impact upon the early development of Vocational Service.

I first heard the phrase, Rotary Code of Ethics, when I was a very new Rotarian and was invited to attend, along with about a dozen other new members, a Rotary information evening. The host of the evening dinner was Les Hink, the owner of Hink's Department Store in Berkeley, and probably the community's most influential person. It was an honor to be in the home of this distinguished Rotarian.

Before the evening ended, Les Hink told a story, which I have remembered for 45 years. He said, "When a group of my friends were trying to charter a Rotary Club in Berkeley in 1916, I told them I really wasn't interested in some luncheon club. But, one day, a friend brought me a copy of Rotary's Code of Business Ethics, which I read, and read again. I thought if this is the kind of organization which believes in honesty, fair play, high ethical standards, and decency in business practices – then I want to belong to the Berkeley Rotary Club." And he joined. As he concluded the evening, he came to each one of us, and personally gave us a parchment scroll, rolled as a diploma, and tied with a ribbon – it was the Rotary Code of Business Ethics. When he joined Rotary in 1916, it was the most important reason for him to become a Rotarian.

In the years following World War I, dozens of trade, manufacturing and professional associations developed and adopted codes of business and fair practice standards. Automobile dealers, sales organizations, restaurants, travel agents, and many other professional associations drafted new standards of business methods which recognized that each had an opportunity to serve society – as well as eliminate the sharp and shady practices which had been so customary in many industries. Many of these occupational improvements were led by Rotarians who frequently met at Rotary Conventions in vocational groups to discuss business practices and improved business methods.

It was in 1927 that the confusion of referring to Rotarians' "business, profession, calling, occupation, employment or trade" was finally eliminated by adopting the word "vocation." The term 'vocation' seemed to cover every type of useful occupation, so the Rotary convention, held in Belgium in 1927, approved the words "Vocational Service" to replace business methods. When the Object of Rotary was later rewritten, "Vocational Service" became the Second Avenue of Service for Rotarians and Rotary Clubs.

In 1943, another significant step was taken when the Rotary Board of Directors adopted a 24-word statement on business practices – originally written by Rotarian Herbert J. Taylor of Chicago. The statement became known as the "Four Way Test," and became a guide for sales, promotion, advertising and all relationships with dealers, customers and employees. The simple philosophy of the 4-Way Test was created by Herbert Taylor in 1934, during the Great Depression, when he was called upon to take charge of the Chicago-based Club Aluminum Company, which was facing imminent bankruptcy. He created the test as a measure of the company's fairness, honesty and integrity in all of their business transactions. It became a personal standard for making business decisions.

Of the things we think, say and do: Is it the Truth? Is it Fair to All Concerned? Will it build Goodwill and Better Friendships? Will it be Beneficial to All Concerned?

The 4-Way Test is not a code, creed, or pledge, but rather four questions for self-examination and improvement of one's dealings with others. It is a simple and practical guide for all human relationships. The Test has been printed on thousands of articles, plaques, billboards, and posted in school rooms and public buildings, and been the topic of hundreds of essay and speech contests.

Herbert Taylor became President of Rotary International in 1954-55, the 50th anniversary of Rotary. As you might imagine, the use of the 4-Way Test was one of the six objectives of Herb Taylor's Presidential theme. Over the years, the 4-Way Test has become firmly imbedded in the Vocational Service Avenue of Rotary.

In the 1960s another new idea was introduced to Rotary Clubs as a means to promote Vocational Service – the Case Study of principles and new methods of handling business situations. This technique, which had long been used in universities and business schools, became a valuable

practice to promote vocational service and share business experiences in Rotary Club meetings, conferences and assemblies. A booklet, called “Lets Get Down to Cases” was published by Rotary to assist clubs in setting up cases for discussion and analysis. The cases, and occasional playlets usually would include business dilemmas which had serious ethical problems for managers, or conflicting interests among employees, stockholders, customers, and suppliers. In the case studies, there usually was no “right answer,” but rather they provided the opportunity for Rotarians to explore moral, business and ethical dilemmas.

Vocational Service gradually emerged into a wide variety of other Rotary activities, as many clubs developed vocational guidance opportunities to assist young people in exploring and selecting their future business and professional careers. Around the world, Rotary clubs sponsored vocational experiences for young people; such as job interview training, vocational guidance camps, vocational schools, Camp Enterprise, Junior Achievement, and career information sections in public and school libraries. Other Rotary clubs have initiated special vocational programs for disabled persons to enable them to perform useful occupations.

In 1965, The Rotary Foundation established one of Rotary’s most popular and rewarding programs – combining vocational service and international understanding – The Group Study Exchange program. Since that time, over 35,000 young business and professional men and women have participated on 6,500 GSE teams. An important emphasis of the program is the opportunity to visit farms, schools, industrial plants, manufacturers, professional offices, and governmental establishments to observe and learn from a wide variety of vocational experiences.

By the 1980s, Rotarians once again directed their attention to business and professional relations – urging Rotarians to maintain a balance between the natural desire for success in one’s vocation, and the necessity to maintain ethical, honest and dignified business practices. Finally, in 1989, the Council on Legislation adopted a new statement, called a “Declaration of Rotarians In Business and Professions.” This eight-paragraph declaration provides a more specific explanation or guidelines for what the phrase “high ethical standards” actually means in the Object of Rotary.

The Declaration for Rotarians in Business and Professions once again reiterates that a Rotarian’s vocation is considered “to be another opportunity to serve society” and an obligation to improve the quality of life of one’s community. Again, we see the special reference to the dignity and respect to all useful vocations. The Declaration continues to emphasize the importance of honesty, high ethical standards and fairness to employees, associates, competitors, customers and the public.

Today, if we wish to put Vocational Service in its proper perspective in the lives of Rotarians, we could well look to a fundamental statement drafted by RI President, Will Manier and adopted at the 1934 RI Convention in St. Louis which said:

“Fundamentally, Rotary is a philosophy of life that undertakes to reconcile the ever-present conflict between the desire to profit for one’s self and the duty and consequent impulse to serve others. The philosophy is the philosophy of service—Service Above Self – and is based on the practical ethical principle that “He Profits Most Who Serves Best.”

That is the basis of all Vocational Service activities of Rotary.

One of Rotary’s greatest builders, Chesley Perry, the General Secretary of Rotary for 32 years, summed up the early direction of Rotary in these terms: “Although Rotary may have started as a simple and more or less selfish endeavor to get additional business for those who were its first charter members, it has grown and developed into a marvelous great universal movement with

elements of altruism, sparkling with beautiful gems of the philosophy and science of service to fellow man and society.”

As we begin this 21st Century, it seems as if our society has come full circle in the question of business ethics. Large corporation executives are under indictment for unethical and illegal practices. Huge segments of the population have lost savings and retirement funds because of shady and shameless corporate dealings. Confidence in business and professional trust has been eroded and lost. Perhaps the time has come for Rotarians to recall the Rotary Code of Business Ethics and tell the world again the important messages of business honesty, ethics, truth and fairness.

If Vocational Service was the basis for Rotary’s activities in the beginning of our first century, this may be the time to restore business and professional ethical concerns as Rotary’s primary responsibility as we approach our second century. So, let us celebrate this day as we contemplate the role of Vocational Service in Rotary.