

PM 98100

# The 4-Way Test

*...learned from life 1932 in Chicago*



Rotary  
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s.a. PM 1200 and PM 1424

## *The 4-Way Self Test - of the things we think, say or do...*

1. Is it the **TRUTH?** (am I honest, openminded, straightforward?)
2. Is it **FAIR** to all concerned?
3. Will it build **GOODWILL** and **BETTER FRIENDSHIPS?**
4. Will it be **BENEFICIAL** to all concerned?

## *How It makes us more effective and efficient...*

The 4-Way Self Test has been used by good people since decades successfully around the world in business, government and communities as an effective measuring stick for a guide to right thinking and consequent conduct. If memorized and constantly applied to relations with others by everybody, it will **contribute to fair and more effective and friendlier relationships.**

The test is an effective instrument to develop respect and understanding between and inside companies. In the Putzmeister group they act as so called Fairness Rules for effective and efficient cooperation. They help to clear and hold clean all those fields and hidden corners in mutual relationships, which are not yet or can not be cleared in writing nor can be foreseen for future situations.

So since years already they became an integral part of PM business fundamentals (PM 1200, PM 1424) and part of the prefix for all internal and external contracts to cultivate trustful relations. Employees who repeatedly breach them, cannot become true company members and - based on the following evident deterioration in mutual trust and consequent waste in values - must leave, not regarding their level of responsibility.

The 4 Question Probe is even superceded by the **Golden Rule**. This is essential in true partnerlike relations and employment contracts, where fairness must be ammended by feeling responsible for eachother in proving „not to do something to somebody (our next), which we would not accept for ourselves“.

We suggest that you first memorize all four lines of the 4-Way Test and then form the habit of checking your thoughts, words and deeds with it. It helps to put a small sicker with it on the front side of your telephone and computer screen. Everybody must remember his superior, should he infringe.

If you get routine in checking your thoughts, words and deeds against The 4-Way Test, experience has shown, that it will help **you personally become happier and more successful.**

You will however find, that - inspite of searching for success form it - you **can not yet** effectively apply this Self Test to all your relations with others eight hours each day **in business** - as it should be done. This only functions **after** you gain the habit of doing it **also in your home**, social and community life. You thus become **a better father, a better friend, a better citizen and finally a well respected and sucessful businessman.**

To follow the 4 Way test is declared to be an integral element of the essential rules for our PLO - Putzmeister Learning Organization. **This means they must be learned first!**

*Karl Schlecht,*

Chairman of the supervisory board.

*Here its the story of how The 4-Way Test came to be developed.*

## ***Story of The 4-Way Test*** / By Herbert J. Taylor, President, Rotary International 1954-55

Back in 1932 I was assigned, by the creditors of the Club Aluminum Company, the task of saving the company from being closed out as a bankrupt organization. The company was a distributor of cookware and other household items. We found that the company owed its creditors over \$400,000 more than its total assets. It was bankrupt but still alive.

At the time we borrowed \$6,100 from a Chicago bank to give us a little cash on which to operate.

While we had a good product, our competitors also had fine cookware with well-advertised brand names. Our company also had some fine people working for it, but our competitors also had the same. Our competitors were naturally in much stronger financial condition than we were.

With tremendous obstacles and handicaps facing us, we felt that we must develop in our organization something which our competitors would not have in equal amount. We decided that it should be the character, dependability and service-mindedness of our personnel. We determined, first, to be very careful in the selection of our personnel and, second, to help them become better men and women as they progressed with our company.

We believed that „In right there is might“ and we determined to do our best to always be right. and we determined to do our best to always be right. Our industry, as was true of scores of other industries, had a code of ethics - but the code was long, almost impossible to memorize, and therefore impractical. We felt that we needed a simple measuring stick of ethics which everyone in the company could quickly memorize. We also believed that the proposed test should not tell our people what they must do, but ask them questions which would make it possible for them to find out whether their proposed plans, policies, statements or actions were right or wrong.

We had looked in available literature for such a short measuring stick of ethics but could not find a satisfactory one. One day in July 1932, I decided to pray about the matter. That morning I leaned over my desk and asked God to give us a simple guide to help us think, speak and do that which was right. I immediately picked up a white card and wrote out The 4-Way Test of the things we think, say or do as follows:

1. Is it the *truth*?
2. Is it *fair* to all concerned?
3. Will it build *goodwill* and *better friendships*?
4. Will it be *beneficial* to all concerned?

I placed this little test under the glass top of my desk and determined to try it out for a few days before talking to anyone else in the company about it. I had a very discouraging experience. I almost threw it into the wastepaper basket the first day when I checked everything that passed over my desk with the first question, „Is it the truth?“ I never realized before how far I often was from the truth and how many untruths appeared in our company's literature, letters and advertising.

After about 60 days of faithful constant effort on my part to live up to The 4-Way Test, I was thoroughly sold on its great worth and at the same time greatly humiliated, and at times discouraged, with my own performance as president of the company. I had however, made sufficient progress in living up to The 4-Way Test to feel qualified to talk to some of my associates about it. I discussed it with my four department heads. You may be interested in knowing the religious faith of these four men. One was a Roman Catholic, the second a Christian Scientist, the third an Orthodox Jew and the fourth a Presbyterian.

I asked each man whether or not there was anything in The 4-Way Test which was contrary to the doctrines and ideals of his particular faith. They all four agreed that truth, justice, friendliness and helpfulness not only coincided with their religious ideals, but that if constantly applied in business, they should result in greater success and progress. These four men agreed to use The 4-Way Test in checking proposed plans, policies, statements and advertising of the company. Later, all employees were asked to memorize and use The 4-Way Test in their relations with others.

The checking of advertising copy against The 4-Way Test resulted in the elimination of statements the truth of which could not be proved. All superlatives such as the words better, best, greatest and finest disappeared from our advertisements. As a result, the public gradually placed more confidence in what we stated in our advertisements and bought more of our products.

The constant use of The 4-Way Test caused us to change our policies covering relations with competitors. We eliminated all adverse or detrimental comments on our competitors' products from our advertisements and literature. When we found an opportunity to speak well of our competitors we did so. Thus we gained the confidence and friendship of our competitors.

The application of The 4-Way Test to our relations with our own personnel and that of our suppliers and customers helped us to win their friendship and goodwill. We have learned that the friendship and confidence of those with whom we associate is essential to permanent success in business.

Through over 20 years of sincere effort on the part of our personnel, we have been making steady progress toward reaching the ideals expressed in The 4-Way Test. We have been rewarded with a steady increase in sales, Profits and earnings of our personnel. From a bankrupt condition in 1932 our company within a period of 20 years had paid its debts in full, had paid its stockholders over one million dollars in dividends and had a value of over two million dollars. All of these rewards have come from a cash investment of only \$6,100, The 4-Way Test and some good hard-working people who have faith in God and high ideals.

**Intangible dividends** from the use of The 4-Way Test have been even greater than the financial ones. We have enjoyed a constant increase in the goodwill, friendship and confidence of our customers, our competitors and the public - and what is even more valuable, a great improvement in the moral character of our own personnel.

We have found that you **cannot constantly** apply the 4-Way Test to all your relations with others eight hours each day in business. This only functions after you gain the habit of **doing it also in your home**, social and community life. You thus become **a better father, a better friend and a better citizen.**