



HISTORY OF THE FOUR-WAY TEST: 24 Words That Can Help Change Your Life!

In 1932, the United States was deep in the Great Depression, and businesses looked for any way to get out of perpetual debt. A businessman and Rotarian named Herbert J. Taylor gave up a stable job (for those times) to become president of the bankrupt Club Aluminum company in Chicago. Taylor knew a series of wrong business moves would lead to 250 lost jobs, so he challenged everyone at Club Aluminum to use morals and ethics to lead the company back into prosperity. From this declaration came a moral and ethical “yardstick” that businesses use today to encourage cooperation and success in the workplace. Taylor called the Four-Way Test, “*24 words that can help change your life.*”

This easy-to-remember test asks:

- ***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 most significant and practical example of the test in action concerned an incident involving a printing contract. One local printer won an order from Herb’s company beating all other tenders. The printer, however, soon realized that he had underestimated his quote by \$500. Legally, Club Aluminum could ignore the printer’s appeals and compel him to fulfill his side of the contract.

Club Aluminum was deeply in debt and had acted in good faith, but Herb asked his board to reconsider and pay the printer the extra \$500. Remember the second line of the test? He asked his fellow directors, “Is it fair to all concerned?”

The Four-Way Test can often create situations where tough decisions have to be made. But, as Taylor’s efforts later showed, these decisions led to ethical growth for members of his company.

We firmly believe this model can be learned at a young age, and the history of the Four-Way Test is a testament to what it will do to improve the moral and ethical environment of your school.