

essarily associated with periods of business depression. My purpose, then, is: (1) to direct attention toward what I take it will come to be recognized as the more important causes of unemployment in a well ordered industrial society; (2) to localize responsibility for the reduction of the unemployment factor; and (3) more especially to advocate the development of increasingly precise methods of measuring the various phenomena we class under the general head of unemployment.

Assuming that the proper length of the work day has been determined, employment for the individual or the group or the community as a whole is measured by the amount of time actually occupied in production work. The unemployment factor, then, is the percentage by which this falls short of the theoretical maximum. All current practice encourages another point of view—that the test of employment is being on somebody's payroll. Under such a concept, if every available worker were actually on someone's payroll there would be no unemployment, which is of course absurd.

In approaching any large national problem good American practice suggests that we first seek some method of localizing it. So to bring this problem of unemployment within the range of our individual industrial hearthstones, so to speak, I have divided its treatment into two parts:

- (a) Unemployment *within* employment; and
- (b) Unemployment *without* employment;

the former being the employment of men and women who, technically at least, have jobs—those who are considered or consider themselves the employees of a given plant.

It is becoming the union policy to have available work apportioned among the employees rather than have some laid off or discharged in order that the rest may work full time. The Amalgamated Clothing Workers do not consider lack of work a sufficient cause for discharge. Within the last few months one clothing establishment employing over 2,000 people was working the entire staff less than one day a week. Even with work at this low ebb the effort on the part of the union to hold the employer to responsibility for employment was in no way relaxed. We saw something of the same attitude on the part of the employees of Baldwin Locomotive Works—a non-union plant—when early in 1914 a normal staff of 19,000 had been reduced to 4,000 working part time. The unemployment was continued so long as to cause great destitution. But even in homes where essential furniture

like chairs and beds had been disposed of, the workers still considered themselves to be Baldwin employees. This feeling was so strong in many instances as to preclude any thought of looking for employment elsewhere.

Of course a worker may "have a job" in the foregoing sense and yet obviously not be participating at all in the wage distribution, or if participating, then not to a normal extent and perhaps not fully occupied during the period of such participation. Under our definition of unemployment be it remembered we included all varieties of waiting time whether paid for by the employer or not. It all represents an economic waste.

My own impression is that the total of "Unemployment without employment," i. e., the unemployment of what may be called jobless men, represents a relatively small percentage of the total. In some industries and especially in good times, it may easily represent an almost negligible part of the total unemployment. If this assumption proves even relatively near the truth, it will pay us to devote our most painstaking attention to the unemployment of men and women who can, very broadly speaking, be said to have jobs.

And of course if we can assume that ninety per cent, say, of all the employment in the world is that suffered—or enjoyed—by those "with jobs", we have localized the responsibility in the first instance at least within the area of the individual plant. And every employer is cited at the bar of public opinion to show cause why he is not guilty of contributory negligence in adding to the sum total of unemployment. In other words the burden of proof is on every employer who lays any claim to industrial leadership to show that he has availed himself of every possible device for providing steady employment.

But *self-interest* will more and more move manufacturers to undertake the detailed study of the unemployment problem as it becomes recognized that general industrial effectiveness, and more especially constantly lowering costs, are altogether inconsistent with intermittency of employment.

It would certainly be most unfortunate if there were any warrant for feeling that in this matter we were like rudderless ships on unknown and boisterous seas. And yet this appears to be the attitude most commonly held. The moment the subject of unemployment is mentioned we are apt to drift off into a more or less loose discussion of the possible influence of exchange, the tariff, the disorganization due to a change from a seller's to a buyer's market, styles, and

seasonal demand, through all of which we are supposed to be relieved of our individual responsibility. This is frequently little more than a smoke screen to cover up either our lack of knowledge or a purposeful avoidance of responsibility. If what has already been done in this field has not proven that reasonably steady employment is possible of attainment for most industrial establishments, it at least points strongly in that direction. This paper is based on the assumption that members of this Society are acquainted with the accomplishments in the matter of affording steady employment of such concerns as the McElwain Shoe Co., the Plimpton Press, the Clothcraft Shops and the Dennison Manufacturing Co. But before the average manufacturer can make use of the experience of these concerns there is required a detailed analysis of the causes of his own unemployment.

Before we get very far in the scientific study of any subject we discover the need for some means of making measurements. So it is in the study of unemployment, and of more immediate interest in this study of "unemployment within employment." The moment we undertake the analysis of our own contribution to the total distress, we discover that "we need some formula or expression or device by which we can measure the amount of unemployment time of those who have jobs. Such a mechanism will enable us to rate the performance of individual employers in this respect, to evaluate the results achieved in different industries in providing steady work and even to contrast the experience of different communities in this matter. In applying this test we should be able to determine the record made in any given period of time—a day, a week, a month, a season or a year. The formula should be so exact as to include layoffs of a few moments or a few hours as well as of days and of weeks.¹" Such a measure as the one proposed should be so broadly conceived as to be applicable to a given room or a department of a single industrial establishment, or to the plant as a whole, to regional divisions of an industry or to the industry throughout the nation, to geographical areas including all industries, and to the nation at large. We seek a method which is both reasonably exact and capable of being developed in the direction of even greater exactitude. But to be broadly useful the method must be one that is as readily simplified to meet the conditions found in most small concerns, or expanded to meet the necessities of our more highly organized industrial estab-

¹"Unemployment within Employment," in *American Federationist*, November, 1919.

lishments. For the lack of a more descriptive title I suggest we call this factor—this measuring stick for unemployment within employment—the "Unemployment Score." Such "Unemployment Score," it will be understood, is the percentage by which the actual employment given an individual or group compares to the theoretically possible maximum.

It seems desirable to point out the absolute dissimilarity between labor turnover² and the "Unemployment Score." An unnumbered bulletin of the Bureau of Labor Statistics on the "Standard Definition of Labor Turnover and Methods of Computing the Percentage of Labor Turnover," says:

Labor turnover for any period consists of the number of separations from service during that period. Separations include all quits, discharges, and layoffs, for any reason whatsoever.

The percentage of labor turnover for any period considered is the ratio of the total number of separations during the period to the average number of employees on the force report during that period. The force report gives the number of men actually working each day as shown by attendance records.

In the ten or fifteen years of its use this term "labor-turnover" has of course achieved some degree of definition. But even so it is a crude unit of measurement with not much significance in a *well run* establishment. A study of the definition will show that its relation to the proposed Unemployment-within-Employment factor or "Unemployment Score" proposed in this paper, is at best indirect.

The usefulness of such a factor or "score" will be limited unless it is arrived at as the summary of factors measuring contributory causes each in turn build up in like manner. The process should be capable of being carried to any useful degree of subdivision. Let me illustrate this broadly. Assume that the possible theoretical total of working hours for those engaged in a given building last week was 1,000 units of production time. Things ran unusually smoothly, material was delivered on schedule, there were no labor troubles, and the workers were actually engaged during 920 units of production time. The unemployment is of course the difference between the theoretical and the actual or 80 units of production time. Under our proposal the "Unemployment Score" will be eight per cent.

²The educational value of the term "Labor-turnover" in calling attention to the waste involved in frequent changes of employees has been very great. It can also be said that "By appreciating the human consequences of high labor turnover, organized labor has come to see a practical value to wage earners through better labor administration policies." *Extracted from a letter by a far-sighted and splendidly disinterested leader of labor.*