

# Industrial Relations<sup>1</sup>

## A 1930 Survey of the Problem.

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IT WAS Nick, the tie-tamper, who gave one of the best statements of the reason why the worker comes to take himself quite seriously in the industrial process.

"Yesterday," Nick answered the stranger's whyfore, "the President of road he come by in special car, and when car come over deesa joint, car go boomp! And President say to Chief Engineer, 'Why dat boomp, huh?' So Chief Engineer say to Superintendent of Division, next chair, 'What about dat boomp?' Superintendent of Division say to his Engineer of Division, 'Better fix dat boomp!' And Engineer of Division, when he come home last night, he say to maintenance of way big boss, 'Why in hell not fix dat boomp, huh?' So maintenance of way big boss call up my boss and say, 'For heaven's sake fix dat boomp quick.' So my boss he come out deesa morning and say, 'Nick, for God's sake fix dat boomp!' Me fix-a da boomp!"

On the other hand the importance of the managerial point of view became plain when, in an oil plant at Bayonne, I met the only human being I have ever wished with all my heart to murder. Everybody in the place had exactly the same desire for exactly the same reason, namely, the way this foreman had of telling us yard laborers to "Pick up that skid!" And then, as we held the skid for further orders, he would yell, "Why do I have to tell you guys what to do with that skid? Don't you know that for the last three days we have done nothin' but push them barrels of oil up into these cars? Why do I have to tell you to take that skid to that car?"

The perfectly good reason was that, a few days before, when a bunch of us newcomers had been told to pick up that skid and had started in the direction of the car we were stopped by this same foreman's "Hey, there! Where you goin'? That skid belongs to the company. I'll tell you what to do with it! You wait for my orders!"

After that, of course, for the rest of time when

<sup>1</sup>Paper presented before a meeting of the Taylor Society, Columbus, Ohio, May 1, 1930.

he told us to pick up the skid we picked it up but, rather than get in bad with him, we would have held it the entire eight hours! But, after all, it was perfectly plain that he was not to blame. He was "hogging" away from us the pleasure of doing our job with any interest or initiative, largely because somebody above him was hogging away from him the satisfaction of being a foreman. And the reason why his superior was thus taking away from him the satisfaction of doing his job was that that superior's superior in turn was hogging away from him the desired satisfaction—and so on clear up to the top.

Both those instances, I submit, made it easy to believe my employer in the Hydraulic Steel Company right when he used to say:

"Whenever you see men unhappy in the yard-gang or on the assembly line, take a look at the Board of Directors. If you don't find the trouble there, take a look at the President. If you don't find it there—take another look!"

Just because this is true, it has come about in this good year of 1930 that, in a measure never known before, personnel management and general administration are now recognized as pretty much the same thing—that the handling of men is now accepted not only as a legitimate function of management, but as a function as important, if not even more important in many instances, than the handling of materials and machinery.

As a result of this degree to which even the top-most levels of general management have now come to take seriously this problem of handling men, we can certainly say that in 1930 the level of industrial relations is decidedly higher than ten years ago and vastly higher than fifteen years ago. Without doubt we have less warfare in the shape of strikes, along with enormously more effort by management to get the workers' co-operation through either the local plant council or the national or standard union.

In all this, furthermore, there is today a gratifying volume of educational activity. I believe we

do not properly appreciate in this country how we habitually, in industrial education, invest hundreds of millions yearly on nothing but an assumption—the assumption, namely, that if a man can improve his talents, he will hardly fail to find a chance to use them.

Incidentally, this assumption and this practice have vast social as well as vast industrial repercussions. For instance, we have enormously less gambling on the horses than they have in England, simply because we are gambling so much money on ourselves.

"Every day in merry England," my landlady in Wales used to exclaim, "there's a 'orse race some place, except Sunday and, of course, on Sunday the boys are 'ard put to it. But many of them stands on the street corners and gambles on the noomber o' the trams-a-coomin' down the street, and I do 'ear that there be those as goes to church and gambles on the noomber o' the 'ymms!"

Besides this immensely important increase of worker education, as also of worker stock ownership, and still more important in a way, is the shorter work-day along with the big increase of paid vacations and pensions and on top of all this, of course, almost universal group insurance. Most outstanding of all perhaps is the general acceptance of what could hardly have been imagined fifteen years ago, namely, the economy of high wages combined with low labor costs.

Certainly in all this we have got far, far away from the old idea that spending a certain amount of money for the friendly interest of the workingman meant nothing except lessening the cost of strikes. If today you see an employer improving his industrial relations simply as a means to the avoidance of trouble, you can be sure he has not yet caught the modern idea of getting the hearty co-operation of his working associates whose wages represent an item certainly as large as any other one expenditure and in many cases larger than all the others combined.

As the result of the closer contacts gained through all these new activities it is possible to note two very gratifying results, significant as starting points for the future.

First, I believe that management is able to say today, out of its experience, that, on the whole, the workingman does not tend to take unfair advantage of decent treatment—that the fears we

used to have of the worker who, given an inch, would take a yard have not been realized.

Second, I believe that the worker would agree with the whole American public that today we are lucky, tremendously lucky, to have come in 1930 to what might be called the flowering of the capitalistic era—with this full flowering deserving the name not of the capitalistic but of the "manageristic era." For this period is typified by the manager who is himself an employe charged with the responsibility of maintaining an equilibrium between the competing yet inter-related interests of the owners, the workers, the management, the consumers and the public.

Naturally enough the further result of these two gains is that in 1930 as never before we have come to see that all these matters touch not only man's work but his entire life—that they are pertinent not only to our industrial and economic activities, but vitally affect the whole of our entire social and civic life as well. Naturally enough, therefore, the public thus vitally concerned observes with satisfaction that in this year 1930 of the manageristic era, the handling of the human beings in the plant has come to have the serious attention of the topmost levels of managerial interest and responsibility.

Nevertheless, after naming these altogether valuable and significant gains, it seems to me we must also admit that the challenges brought to management today as the result of these very gains are even greater—immensely greater.

The chief difficulty in the present situation is that, while the vice president in charge of operations is far readier, today than ten years ago to admit the importance of his plant's human factors, he is nevertheless still inclined to give it a sort of left-handed attention and a left-handed skill. The reason is largely that he has not yet taken the time to get at the roots of his human problem in anything like the manner he expects to utilize in approaching his more material problems.

Recently I was talking with a man who had taken part in getting together President Hoover's report on "Recent Economic Changes." He said it was surprising to look over the filled-in questionnaires received back from the most outstanding of American corporations and to find that, as to their industrial relations, most had simply said, "Yes, we have this plan and we have that plan, and we