ONE should recall that controversy between labor and management concerning scientific management did not arise until after the Eastern Rate Case Hearings of 1910-11. For nearly thirty years Taylor had been developing scientific management technique in various plants, and labor had given it no attention. Then came the rate case hearings with sensational testimony concerning the achievements of scientific management, followed by a public reaction in the nature of a "scientific management bubble," and labor was up in arms. Although the factors which caused labor opposition were in their nature transitory, they were nevertheless very real.

IN THE first place, labor had been compelled by the circumstances of its origin and struggle for status to be conservative in holding its gains and to look with suspicion upon new theories and devices advocated by any representative of management. In the second place, labor's conservatism and suspicion were intensified by industry's leap to utilize the new mechanisms (without understanding the moral elements essential to their vitality) in an effort to get rich quickly, and by the horde of efficiency engineers who arose to exploit industry's susceptibilities; as Taylor said in 1911, "before Fall the woods will be full of quacks who are introducing scientific management, and they will be highly likely to give a black eye to the whole movement." In the third place, the expositions of scientific management were addressed too exclusively to ownership and emphasized too exclusively the advantages to ownership, which permitted a first impression that here perhaps was a new device for exploitation of labor. It has taken nearly fifteen years of observation, experiment and thinking to discover the real meaning of scientific management—that it is essentially cooperative and that without cooperation it cannot exist.

JUST as circumstances attending the publicity given scientific management in 1910-11 caused suspicion on the part of organized labor, so also later circumstances appear to have allayed much of that suspicion. During the subsequent fifteen years certain facts have come to stand out clearly. First, the "scientific management bubble" went the way of all bubbles—the quack efficiency engineer had his short day and was thrown to the discard, and the gullible get-rich-quickly-by-a-device manager paid the price of disillusionment. Second, there have been several instances of the successful development of scientific management in well-known plants, and these have demonstrated that the interests of the workers concerned have been conspicuously advanced. Third, these leading cases have demonstrated also that scientific management does require, as Taylor insisted, a mental revolution on the part of all participants—a mental revolution which is, in effect, common recognition that the law of the functional situation, as Mary Follett puts it, is superior to arbitrary authority—and does establish cooperation in place of antagonism. Fourth, scientific management has demonstrated its capacity for high productivity. Finally, labor has come to recognize—and has declared it recognizes—the necessity, in this period of post-war adjustments, of greater productivity.

FIFTEEN years ago the attitude of organized labor toward scientific management, historically justifiable, was suspicion, rejection, denunciation. Today its attitude, equally justifiable historically, seems to be one of open-minded inquiry and experiment. May not the next step in the evolution—historically probable—be one of adoption, promotion, insistence? We can conceive of no more powerful instrument for organized labor to use in inducing recognition of its place in industrial organization. The period of dominance of militant methods—the weapon of organized labor on the defensive—is past. Defense is no longer to organized labor the most important phase of its problem. It has achieved existence; now it must justify existence by constructive activity. What can be more constructive than insistence on scientific management all along the line—in regularization of industry, in marketing, in master planning and budgeting, in detail processing—with the result of increased productivity to sustain higher wages and a higher standard of living? What more powerful influence can it find to inspire recognition of its place in industry? Imagine the competitive advantage through lower unit costs and lower selling prices of a business having comprehensive, genuine scientific management under the common auspices of sympathetic and cooperating owners, managers and craftsmen!

COMMON auspices means simply technically practicable, common-sense cooperation. There is no evidence that organized labor desires abdication of ownership or of management. The fringe of individualistic, doctrinaire radicals has as yet no substantial influence and will not have unless ownerhip forces it by blind refusal of toleration. Organized labor is generally as conservative as is ownership. The leaders of labor are as sensible of the technical requirements of industrial organization as are leaders among owners. They recognize the requirements of what is called the capitalistic regime of industry; the necessity of risk, of responsible ownership, of management which directs operations and secures profits, of stock issues and dividends, of credit and interest—they are joining the ranks of capitalists by the establishment of banks of their own. They join ownership in wanting less government in business. What they do want in general is recognition of status, better management on the part of ownership which will assure regularity of operations and of income, and an equitable share in the net product of industry. What they want in detail is consideration of their point of view in the establishment of those personal relations and working conditions which touch them at so many points. There appears to be in these facts a basis for genuine scientific management under common auspices.

THE psychological paper printed in this issue is a logical continuation of the preceding papers in the series. Mr. Person's paper constituted a survey which terminated with emphasis on the importance of psychology of total situation; Mr. Mayo's paper developed at length the argument for recognition in management of total situation psychology; now comes Mr. Yoakum's paper critical of current personnel department methodology largely on the ground, if one may be permitted to interpret it that way, that it fails to take into consideration total situation in determining its units of observation and in the correlation of recorded data. We quote a few illustrative passages from Mr. Yoakum's paper: "We are slowly beginning to realize that triviality and importance of events are not measured by the absolute magnitudes of the events but by the more specific relationships they bear to our appreciation of them. Satisfaction with wages, hours, working conditions within the middle ranges, to paraphrase the limitations set to Weber's law, are more dependent upon what the other fellow gets, how long he works, and where he works than upon any direct understanding of the actual differences in amount of or method of payment." Our units of observation with respect to turnover are usually such things as resignations, discharges, layoffs, etc., but, says Mr. Yoakum, "in examining the nature of turnover . . . there seem to be at least four important elements causing the shifting of individuals from one occupation to another . . . (1) adolescent restlessness, (2) differences in individual capacity, (3) social status, and (4) individual interests." . . . . "The continuous struggle with spoiled work, absenteeism, turnover, unemployment, wages, etc., is in the forefront of things we seem always to have with us. My contention is that with better appreciation of the human factor, these, together with accidents, selection, promotion, and the understanding of each other, are open to solution." A great deal has been said of late about the relation, for instance, between opportunity for self-expression and interest in work, as though opportunity for self-expression were something definite and measurable, but as Mr. Yoakum says, "detailed statistics with complete descriptions of the conditions out of which the data arose would be of immensely greater value for solution of proper incentives, than the generalized ratios with which we now attempt to work." Better appreciation of the human factor "necessarily results in the recording of an entirely different series of data than is now customary. It also involves an agreed-upon willingness to experiment."

OTHER papers and discussions presented at the Spring meeting (Ann Arbor, Michigan, May 14 to 16) will appear in later issues of the Bulletin. Apropos of that meeting the Taylor Society desires to express its appreciation of hospitality and courtesies, and of effective cooperation in planning and execution, to the Regents and President of the University of Michigan, to the Local Committee from the staffs of the College of Engineering and the School of Business Administration, and to the Michigan Union. The facilities of the Union building were exceptional—sleeping rooms, dining rooms and convention halls available under one roof—and the courtesies of its staff were much appreciated.