

Scientific Management and Organized Labor Today¹

An Example of Cooperation Between Management and Organized Labor
Which Indicates One Direction of Industrial Progress

By GEOFFREY C. BROWN
Consulting Industrial Engineer, East Orange, N. J.

THERE is strong evidence from the tone of articles appearing frequently in labor publications as well as from the recent published utterances of prominent labor leaders that organized labor is gradually withdrawing from its old position of hostility to scientific methods of production and is moving toward a more liberal policy of cooperation with management in a general warfare on industrial waste. This is a sign of progress quite in keeping with the spirit of the times.

It is to be hoped that, as an essential part of this new policy, the unions will seek vigorously to disseminate among their members a knowledge of industrial economics and of the elements of modern management, if for no other reason than the protection of labor against the abuses of unscrupulous managers. Mrs. Gilbreth, discussing time study, refers to this in a paragraph so apposite that I hasten to quote from it.² "It (time study) has come to stay. Many labor leaders are opposed to it but their wisest course is to study, foster and cultivate it. They cannot stop its progress. . . . The modern managers will obtain it, and the only way to prevent its misuse by unscrupulous managers is that the workmen learn the facts of time study."

It is of equal importance, however, that the unions foster a spread of knowledge among their members as to the facts of scientific management,³ from a desire to cooperate with fair-minded managers in its promotion throughout the industrial world. The trade union has proved itself a beneficent force for the protection and insurance of its members. It would seem

¹A paper presented at a meeting of the New York Metropolitan Section of the Taylor Society, May 21, 1925.

²"The Psychology of Management," by Lillian M. Gilbreth, Sturgis and Walton, 1914, (now Macmillan), page 121.

³Note: By "scientific management" I do not intend to imply any particular system or group of functions but rather management conducted in the light of scientific inquiry and knowledge. "Management based on facts" briefly conveys this idea.

that one of its most promising fields today is that of education.

I believe that those managers are most progressive who now concede the right of labor to organize and to bargain collectively through accredited representatives on questions of wages, hours of work and working conditions. Not to concede this right is, if we reverse the situation, similar to, and about as logical as a refusal on the part of labor to negotiate with management, the accredited agent of an organized group of investors. But if this bargaining or arranging of terms is to be conducted intelligently and with, as it were, all the cards on the table, labor must comprehend the aims and to a considerable degree the technique of management, while management, in its turn, must be equally alive and sympathetic to the spirit of the labor movement. Otherwise the two are working entirely at cross purposes and any attempt at bargaining degenerates into an effort on the part of each to hoodwink the other.

That the prevailing type of trade unionism has been antagonistic to some of the elements of scientific management is beyond question. Professor Robert Franklin Hoxie in his well known analysis enumerates various causes to which this opposition is ascribable.⁴

(1) To general ignorance on the part of the union workers of the true nature, methods and results of scientific management. (2) To general and fundamental distrust which the workers have acquired from bitter experience of anything new or different in industrial organization and methods. (3) To the crudities of scientific management still in its beginnings, and to the many abuses of it in practice by charlatans, and by ignorant and unscrupulous employers who trade upon the name without understanding the intricate and delicate nature of the thing, the time and patience necessary for its development, or who deliberately violate its spirit and methods for labor-driving purposes.

These are the more important of the familiar objections, which, while they furnish a superficial ex-

⁴"Trade Unionism in the United States," Appleton, 1917, page 329.

planation, do not, as Professor Hoxie states, furnish any very significant answer to the actual question of why labor opposes scientific management.

They give answer in terms of belief only, without giving any clue to the causes of this belief, and therefore none to the real nature of the opposition—to the forces which have created the opposition, and hence to its strength and significance.

Professor Hoxie finally states his conviction that behind and beneath these more superficial objections there is "an essential incompatibility between the basic ideals of prevailing trade unionism and scientific management." This is as follows:⁵

Scientific management can function only on the basis of constant and indefinite change of industrial condition—the constant adoption of new and better processes and methods of production and the unrestrained ability to adapt the mechanical, organic and human factors at its disposal to meet the demands of these new productive processes and methods. On the other hand, trade unionism of the dominant type can function successfully only through the maintenance of a fixed industrial situation and conditions, extending over a definite period of time. Scientific management is essentially dynamic in its conception and methods, while trade unionism of the dominant type is effective only where it can secure the strict maintenance of the industrial status quo, or can make its influence count effectively in all matters affecting its membership during the term of a contract. The conditions necessary to the effectiveness of the one are, therefore, incompatible with the effectiveness of the other.

I reproduce what seem the essential points in Professor Hoxie's analysis partly because this analysis has had wide acceptance as a shrewd statement and explanation of the actual attitude of the unions toward scientific management, and partly on account of its close analogy with events coming within the range of my recent experience.

In the autumn of 1922, during the last months of the depression, I became interested in the reorganization of a small factory⁶ situated in the heart of New York's industrial west side. Conditions in this plant were those invariably found in any factory that has operated for many years along the most old-fashioned of traditional lines. This concern had no adequate storeskeeping system, no method of scheduling orders in advance through manufacture, no recorded information as to the productive possibilities of manufacturing operations or machines, and no vestige of a cost system. The financial position of the company had hitherto been visualized⁷ by a monthly trial bal-

ance drawn from an old-fashioned set of general books, this statement losing all significance because it was not based on inventory figures and did not show actual profit or loss in terms of individual orders or lines of product. Industrial engineers had been called in because the concern had suffered heavily during the depression year of 1921, and, in the absence of a cost system, had not been aware of the seriousness of its position until the books were closed at the end of that year.

Had the problem consisted merely of conducting a physical reorganization of the business and installing whatever elements seemed essential to its survival, it would not have presented extraordinary difficulty. Unfortunately there was present a psychological obstacle which rendered the path of the investigating engineer an extremely thorny one. The workmen were strongly organized in one of the federated unions⁸ coming under the jurisdiction of the American Federation of Labor. The management had persistently refused to recognize the union, and relations between the two were of the worst. The business had in ten years suffered from the effects of three disastrous strikes, and the management had grown so accustomed to this expensive type of interruption that it was frequently referred to as an unfortunate but inevitable condition of manufacture.

In spite of these obstacles, the reorganization proceeded slowly and with a certain measure of success. By June of the following year (1923) a fruitful power plant investigation had been completed and most of the elements of a cost system were functioning. What still remained unaccomplished, however, was all that part of the work having directly to do with the factory operations and therefore involving direct contact with the foremen and workmen. A system of scheduling orders in advance through manufacture had still to be installed, and no such system could function effectively until the standard output-capacity of each manufacturing operation had first been established. Many of the operations, also, were being performed in a wasteful manner owing to obsolete equipment and methods, and technical changes in the conduct of certain processes were obviously necessary. All this involved extensive time study, a course which was apparently impossible owing to emphatic refusal on the part of the workmen to submit to time study observation. Initial attempts in this direction had resulted

⁵"Trade Unionism in the United States," page 342.
⁶The Jacques Kahn Mirror Co., Inc.

⁷Glass Bevelers, Mirror Workers & Cutters Union, Local 528.