

In another case, in the prison industries a certain shop was known as the discipline shop and was avoided like the plague. Convicts used every precaution to avoid assignment to it. Upon the institution of a wage system in which the men were paid upon a piece work basis, this shop presented possibilities of higher wage earnings than any other shop in the New York prison system. The men were able to earn as high as twenty-five cents per day net. Within two months this shop had ceased to be a discipline shop and the convicts worked as eagerly to be assigned to it as they formerly had avoided it. A long waiting list of applicants for jobs in this particular shop was soon established and, at last reports, was still running.

Mary van Kleeck. The difficulty with this subject is that the terms are not yet clearly defined. The discussion shows varying meanings in the same words. Obviously, in a money economy like ours, the financial remuneration is in one sense a primary incentive. This financial remuneration, however, is merely the medium of exchange. In other words, men and women work not for money but for the things that money will buy—lodging, food, clothing and the less tangible satisfactions which make up the standard of living of a worker and his family. Income determines the standard of living. For the wage-earner, whose income is all in his pay envelope, the manner of living and its satisfactions are in that sense primarily determined by the wage received. That is why wages are of such vital importance, and it is why the unions fight so hard to maintain and to raise the wage level. At the other end of the economic scale, profits for a similar reason become something to fight for.

But those who believe that financial incentives are not the most effective way of stimulating better work do not use the word in that sense. They take for granted the fundamental importance of the wage question. What they mean by financial incentive is an extra reward held out to stimulate the individual worker to put forth greater effort. If this is the acceptable meaning of the term for this evening's discussion, does not the issue resolve itself into this question: Who shall have the power to apply the incentive?

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A financial reward offered by management so organized that the wage-earners have no voice in its policies and procedures is an external stimulus. Just because it may increase the income it touches a vital spot. May it not become, therefore, an irritant which will actually prevent truly creative and long sustained effort?

But suppose the incentive is internal, originating with the worker himself. He may seek through group action to increase his income by getting higher wage rates for his craft group. If, again, management associates workers' representatives with it in determining conditions which result in larger or better output, the worker has some control over the incentives which are applied. Under these circumstances, the initiative comes from within. At the same time it is necessary that conditions surrounding the work shall be favorable so that the putting forth of initiative will bring what seems to the worker a natural result in improving both his status and his income for himself and for his group.

The inner urge of every worker is two-fold: He must earn a living and he wants to create something through his work. He will improve the quality and quantity of his work to make a better living. He will probably respond temporarily to the offer of a prize. If the boss can discharge him for not responding, he will be stimulated more quickly the nearer he happens to be to the poverty line. But a compulsory response cannot express the normal desire for self-improvement either in work or the kind of living made possible by work; compulsion from the outside produces inevitably a mechanical response. This, I take it is the belief of those who oppose the effort to goad the worker on by the offer of a financial reward determined upon and controlled by management with no control by the worker as an individual or through his group.

The discussion seems to me to show, however, that at present we know very little about the whole subject. It has been most illuminating to have the question presented by those whose experiences have differed. Evidently those who have worked with trade unions, Mr. Brown and Mr. Wolf, do not hold the same views as do those whose experience has been mainly in industrial establishments having no agreements with the unions. We need much more recorded experience

on the subject from a larger number of industries. Experience happens to have been more fully recorded in plants having no relations with unions. More experiments under conditions in which the wage earners share in control are needed before we shall adequately understand incentives, financial or otherwise, in their effect upon the quality and quantity of work, and especially in their results for the worker as an individual and as part of a group. I hope that the Taylor Society will seek out experiments and make it possible to have the results described and discussed in later meetings.

Mary B. Gilson. Various pictures have presented themselves to me as I have listened to Mr. Wolf's friendly criticism of Mr. Smith's paper. The resulting impression of them is that no one method can be the inevitably right one for every situation. One management or one dominating person may make one method work like greased lightning while another management or person may make a complete failure of the same method in the same plant. Likewise, the same man might make a wage method successful in one plant, with a given set of circumstances, and a failure in another plant under wholly different circumstances. In the vernacular of the travelogue lecturer, go with me while I show you a few of the pictures that have presented themselves to me in rapid-fire succession this evening. First, a large munitions plant during war time, in southern Illinois. Many of the best workers leave almost as fast as hired, saying they had come to work with an incentive far higher than a mere wage incentive, but that they cannot see that even their patriotic motives justify working their heads off while loafers are getting the same financial rewards as themselves. They are obviously disgusted because there is no way of measuring output and everyone is paid on a straight time basis. The virtue of patriotism is evidently not its own reward. Does this prove that financial incentives are important to at least some workers even when the incentive of working for one's country is primary?

Now go with me to the Hawaiian islands. Here, if anywhere, group incentives and financial rewards are widely used. A group of workers, for

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example, work on a certain tract of sugar land, with the incentive of sharing in the profits on the basis of the tonnage harvested. Surely here is an ideal situation, if the social instincts of workers can be directed into cohesive and unselfish group action. But what actually happens? On plantations where there is intelligent management and good supervision a group of workers may take great interest in the cultivation of their field and in harvesting a crop with high sugar content so that all may share equally in the financial reward for their productive enterprise. But on another plantation, with poor management and ignorant lunas, the group may have no morale whatever, part of the workers sneaking off for naps in the cane fields while their fellows do the work.

Again, picture a group of girls in a clothing factory. They are highly skilled, deft-fingered machine operatives, paid on the basis of a task and bonus system of wage payment. Their wages vary according to their skill and yet there is none of this base and contentious envy among them which opponents of financial incentives claim is the result of rewarding workers for their individual achievements in quantity and quality. They play together, they sing together, they talk and laugh together and there is no outward semblance of a wedge of dissension being driven between them because of their varying skill and their varying financial rewards.

The bargaining method has so long prevailed in the women's garment industry of Cleveland that it is too utopian to imagine it has been wiped out since production standards were introduced. Not that the situation has not been improved by use of time study and measurement of output, but it is just as well to be realistic and to talk with some of the time study men in the Cleveland women's wear factories before painting the picture with too rosy tints. Here, too, I conjecture, much depends upon individual management in individual shops and on the methods used to educate workers in time study, which methods of course vary as the intelligence of management and its attitude toward the whole problem varies.

These instances present themselves to me merely as part of a kaleidoscopic picture that has been projecting itself on my mind's eye tonight. Perhaps Mr. Wolf can extricate from it some general truth about financial rewards.