

Discussion

J. O. Hopwood.³ The Industrial Employment Code has been ably worked out, so far, as a guide in the development of human relations in industry. It is only by way of some extension or broadening of its terms that I can suggest a few points of change. These relate principally to our conceptions of the organization of industry in society.

The Code recognizes that industry as a whole is made up of individuals and organizations of individuals, each carrying on an economic enterprise by which commodities or direct services are produced and sold to consumers in the community.

There is no intensive organization of industry as a whole under conscious direction and little of such organization in any particular kind of industry. The units of composition are the different enterprises operating together, entirely under the control of economic laws or under economic laws plus limited agreements, through associations developed in some industries in recent years, or through public franchises or governmental regulation.

Traditionally, enterprises are individual and competitive. Human relations in industry have been, likewise, individual and competitive and, therefore, selfish and sometimes anti-social.

In the later years of the industrial revolution, however, we have had the development of the modern corporation, which is a social development fundamentally different—that is, it is and must be co-operative in nature. It is a single enterprise, competitive with other enterprises in the community but it is made up of individual persons who must be co-operative and work together as a whole. Whatever they produce, they produce as a whole.

The organization comprises a division of labor ranging all the way from the functions of the highest positions in management to the functions of the lowest positions in routine operations and, at the same time, the integration of these functions to operate together as a whole. Every individual is a producer whether he is in management, the shop, the clerical office, the sales force or elsewhere, and economies in any line affect the cost of production. This unity of organization should be, I think, more definitely set forth in the Code.

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Our difficulties in human relations in industry are the result of management's having held on to the old traditions that men are individual and competitive. We want co-operation but fail to recognize the essentials of co-operation in organization.

Wages are generally thought of as competitive. We want cheap "help" but we want co-operation from these workers. We speak of the workers as a class different from the rest of us. We speak of producers and non-producers and make classifications of accounts that way. What justifications are there for such distinctions? We are all workers and we are all producers. We need to develop the sense of partnership. Workers are not anybody's helpers. We are all members of the producing organization and, I think, the Code should bring out this fact as much as possible—that labor and management, in the final analysis, are not two distinct parties joined together by a contract in an enterprise but, in a single organization, management is labor, comprising the planning and executive functions, differing from the lower supervisory and routine functions only as to breadth or scope and, therefore, control. The Code acknowledges this in some measure but not fully. The idea of oneness, I think, should be brought out.

We have not learned the full significance of integration. Wages among individuals competing for work in the community are competitive but when individuals become members of an organized enterprise they are not competing with others for days' work. A comparison of wage rates among different organizations shows wide variations in rates for similar occupations and much divergency from any figures assumed to be market rates.

The individuals become trained and adapted to particular situations, they assume a co-operative relationship with all of the other members of the organization, and it is essential that their wages should be upon this basis—that is, they should bear relationship to the scope and proficiency of the individual's functions in the organization. Salaries and wages throughout the organization are essentially of the same nature and should be co-ordinated upon this basis by means of a graduated master scale of rates for the organization as a whole, not for departments independently. Moreover, in the distribution of the income of the enterprise, the portion which goes to salaries and wages should be as large as is consistent with the portion taken

for profits and the price of product to consumers.

These relationships with regard to wages enter into the determination of fair wages and the contribution of industry to the purchasing power of the community. I think they should be more definitely set forth in the Code in connection with its consideration of fair wages and the keeping of a balance between production and consumption.

R. W. Johnson.⁴ I have accepted the word "code" as something to be lived up to, but I hardly believe that this Code is being lived up to in every respect by any one company at present. It has merit, however, and I am not afraid of any criticism of the word code as being too binding.

I would suggest that the Code include a section on promotion. This should serve as a guide in setting up and maintaining wages commensurate with skill and in insuring advancement in an occupation or trade.

The subject of training is of great interest to me and I should like to see the Code deal more fully with it. Apprentice training is necessary in some skilled occupations. Older employes should be urged to advance themselves by training outside the shop. And foreman or supervisory training is also an important subject for discussion.

It seems to me that the statement under "Security of Employment" should be strengthened by stating positively that at the time of technological changes all employes should be retained and every possible transfer made before any reductions in force or acquisitions of new workers occur.

Under Section VII there is a statement about extending opportunities for women workers. I should like to hear some discussion of that point and if possible to have some definite statement in the Code on the relation between men's and women's wages.

My final question grows out of a statement under Section IV that "All wage determinations should be based on facts and procedures which insure at least relative permanence." I presume this refers to the cuts and increases in rates mentioned in the same paragraph, but I am not quite clear as to what is meant by "facts and procedures" and believe the Code should be more explicit in its statement.

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John W. Edelman.⁵ I want to start by thanking the Taylor Society for giving me some very excellent material to read to a series of strike meetings I addressed this morning. It was Mr. Hines' speech on overproduction, an urgent problem in the full-fashioned hosiery industry today. Mr. Hines' address showed a remarkable grasp of the present situation in a highly competitive industry and outlined pretty much the program which my union is urging in the industry it represents. I did not look for such excellent ammunition from this meeting!

In regard to the Code, the most appropriate thing I can say is that after actual contact with various types of management this attempt to formulate proper procedures seems so far in advance of anything I am encountering at the present time that it would seem almost captious to discuss critically any of the suggestions here outlined.

There are, of course, a number of suggestions I could make if I wished to achieve my particular ideal. In general, the proposed Code is so far in advance of actual practice that there is little need for minute dissection of particular points.

My reaction to some of the points made by the previous speakers is somewhat like that of the so-called "hard-headed," practical American Federation of Labor unionist who condemns as visionary any advances by management engineering and any liberal attitude toward social problems. My reaction is that the engineers are doing the dreaming. We have had here today a representative of management suggesting a proper ratio between profits and wages, and a mathematical ratio for allocating the share labor, management and capital should receive from the yields of industry. Any such plan presupposes an effective organization, not yet approached, of present-day industry. Until we make up our minds to that organization it seems to me hopeless to try to translate this type of discussion into any concrete form. Until a given industry is sufficiently organized, either through the establishment of monopolies and public regulation, or through voluntary agreements as a result of the modification of the anti-trust laws, and until present obstacles to labor organizations are overcome, it is futile to discuss any semi-ethical proposition as to what should or should not be granted either

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