

fectively at setting down those terms and their meanings which are generally accepted by the majority of the members of the Society.

MR. LICHTNER: The substance of all I have said this evening is the resolve that we perpetuate the work of Dr. Taylor, that we make and keep this institution which bears his name up to date in every respect and in progress with the times, and make it recognized as the final word on industrial and constructive problems. This requires the setting up of standards of practice, especially standards on the following points:

First: We should establish an Industrial Dictionary. This should cover terms in common usage in industry. It must be used with judgment and common sense, and not dogmatically.

Second: We should establish standard forms and methods of routine, such as forms for time tickets and standing orders. These standard forms and methods should be made use of to as large an extent as possible in factories working according to the principles of the Taylor System, but they must at the same time be adapted to fit in with the forms and methods already in use at any factory. In our zeal to use standards, we must not lose sight of the facts that a set of forms never yet made a system, that the methods used in one factory are not applicable in their entirety to any other factory, and that each factory must be dealt with not only according to its physical condition but also according to the human element.

FOR my part, I do not think it is enough to content ourselves with instructing the workman. I think we must make him a business associate. To be absolutely sure of a man his interest must be made to coincide with his duty. Up to the present time a productive enterprise has rested on two elements—brains and capital. These two elements have taken labor into their service for hire. I believe now that

Third: We should establish a typical organization chart. This chart could then be used as a basis for laying out an organization chart which places responsibility on individuals, and which is adapted to the needs of a particular concern.

Fourth: We should establish a reference list of books on the subject of scientific management. This list should include all the books consistent with the principles of the Taylor Society.

Fifth: We should establish standards of practice on such items as methods of wage and bonus payments; and amount and relation of base and bonus rates.

Sixth: We should come to some decision as to where the Taylor Society stands with reference to important points in modern industry. There are a great many issues of importance as to which, under our present procedure, there is no way of knowing where the Society stands as a body. Take the eight-hour day, for instance, or the question of profiteering.

Finally; on the basis of these standards concerned with fundamentals, we can undertake with every hope of success the original plan of the Society of accumulating data on time and job analysis. It is by such formulation and setting down of standards that the Taylor Society will make itself recognized, as it should be recognized, as the authority on the art and the science of administration and of management.

the moment has come to make labor an associate. I do not believe a business enterprise can be stabilized except where the science which directs it, the money which sustains it and the labor which produces it unite in the division of the profits and in a share of the losses. (Edward Herriot, Mayor of Lyons, France, in *The Annals*, September, 1920.)

CAN INDUSTRIAL DEMOCRACY BE EFFICIENT? THE ROCHESTER PLAN¹

BY

MEYER JACOBSTEIN²

I WANT to tell a very simple story of fact and achievement and let you draw your own conclusions.

Here is the background of my story. In the city of Rochester we have from fifteen to twenty thousand employees in the clothing industry. For twenty-five years we have had organized opposition of employers to organized opposition of labor. The industry has been highly disorganized on its technical side. From a scientific point of view it is still a backward industry.

Our industry employs a mixed population. The racial elements are extremely varied, with the Italian and the Jew predominating. But in spite of the diversity we found in a recent census that two-thirds of all our people were citizens, either native born or naturalized.

About fifteen months ago the clothing manufacturers of Rochester, looking ahead with far-sighted vision, felt that they ought to take the initiative in building up a sane, sensible and scientific industrial relationship in the industry.

The Clothiers' Exchange of Rochester, comprising now some nineteen manufacturers, and in whose plants work something like fifteen thousand people,—these manufacturers with no strike on their hands, with no aggression on their part or aggression by employees, sent for Mr. Sidney Hillman, the president of the Amalgamated Clothing Workers of America, and said to him: "We desire to cooperate with you and the union to the end that we may work out harmonious labor relations of benefit to you and to us." Collective bargaining began, as you see, in a very frank statement of purpose by the employers to the head of the Union in times of industrial peace.

The employers said to Mr. Hillman: "In view of the fact that you do not represent all of the workers, we

will deal collectively with those workers in our plants who are members of your union." At that time only about twenty-five per cent of the workers belonged to the Amalgamated. Manifestly it would have been very undemocratic to have said to Mr. Hillman: "We will let you speak for all the workers in the industry." That would have been autocracy of the worst kind. It would have meant that the employers on the one hand, and a labor leader on the other, were arbitrarily superimposing an industrial relations machinery on fifteen thousand to twenty thousand employees. So they said to Mr. Hillman: "We will let you speak authoritatively for those in your own organization."

An arrangement was then entered into between the Amalgamated on the one side and the employers on the other. When I say an "agreement" was made, I don't want you to have in mind some large, voluminous document drawn by lawyers. It is Mr. Hillman's idea that legal talent disturbs rather than makes for cordial relations and industrial peace. He has prided himself on the fact that lawyers have not interfered with the progress of his organizations. A contract was drawn up, not by lawyers, but by men who were in the front line trenches, men who were face to face daily with the labor problems in a practical way. The agreement drawn by laymen is a two-page, typewritten document expressed in the simplest language.

The agreement was based on the fundamental proposition that both parties had certain definite rights and certain definite responsibilities, recognized and respected mutually. At the very outset the union recognizes the employer's right to manage his own business without interference, so long as the interests of the workers are not jeopardized. The rights of management are recognized in the very first paragraph of the agreement which reads as follows: "The union concedes and recognizes the right of the

¹A paper presented at a meeting of the Taylor Society held at Rochester, N. Y., May 7, 1920.

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