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The "How" of Sound Labor-Management Relations

By M. H. HEDGES

AMERICANS, south of the Canadian border, are strong on methodology, and weak on philosophy. Upon our gift for techniques, we have built the greatest system of industrial technology in the world. Perhaps we have done this instinctively, blindly, but we certainly have laid the sure basis for a higher standard of living, and provided the mechanical and physical foundation for the realization of the dreams of Utopians.

Never self-critical, we do not frequently see our own short-comings, even where industrial achievements are concerned. It has been frequently said if industrialists used the same engineering approach to labor relations that they used in the creation, fabrication and marketing of a new product, they would cut down industrial disputes at least 50 per cent. Such organizations as the Society for the Advancement of Management have existed to throw light on the darker areas of management, but when crucial periods such as the present, dating from V-J Day, arrive, all the reason and philosophy in the world appear to have little effect upon the general violent outcome.

In the summer of 1946, a group of noted engineers and economists issued a statement asking for the return of the "rule of reason" in industry. Such well-known engineers as Morris L. Cooke, Sanford E. Thompson, David C. Coyle, economists such as George Soule, Alvin H. Hansen, Paul F. Brissenden, Edwin E. Witte, John A. Lapp, Ordway Tead, and others issued a public statement which declared:

Both labor and management must have faith in the bargaining process, and must not try to use it as a weapon of warfare. There must be above-the-board conferencing with faith in reasoning as opposed to faith in power politics.

There are other signs of a return to reason in industry—for example, the recent Productivity Conference held under the sponsorship of the U. S. Department of Labor, which brought 175 technicians to a two-day meeting, when only 80 were expected. The National Policy Committee (a voluntary group which seeks to do exactly what its name implies) has set out to hold six regional dinners this winter to discuss labor-management relations. National magazines, like *Harper's*, which hitherto have gingerly skirted the problem, now plunge directly into the discussion, with more assurance than assured knowledge. *Fortune* magazine, elite business publication, devotes a 300-page issue to a discussion of the problem. Here in the United States there is an undersurface trend toward a more rational, even more scientific, attitude toward relations between labor and management.

It is too early to determine just what is bringing this slow change in public opinion, but some of the reasons are certainly the following. America is just now operating a full employment economy. It, of course, operated such an economy during the war, but now 17 months after V-J Day, it is still giving full employment. Anything, such as strikes and lock-outs, which interfere with production and threaten such a desirable state, is deplored.

Second, the power of organized labor is greater than it has ever been in the history of the nation, that is, its veto power. Strikes approach national magnitude though called by single unions. Employers are purloining the strike technique.

Management is coming in for its share of criticism. Industrial strife is viewed as a glorification of force, and unreflective action, a state quite apart from the engineering approach. Management with its historical functions clearly understood, since the days of Frederick

Taylor, kept alive by such organizations as the Society for the Advancement of Management, is seen failing in its historic functions. It is this discrepancy between management theory and practice, which is causing the asking of unflattering questions.

One of the primary principles of management has been, and is, namely the inducement of team play.

Management, as an economic function, is defined as the correlation of the details of operation of an enterprise so that it will work as an harmonious whole toward a desired goal.

When management fails in this, management fails in its prime function. That it has failed in this is apparent. Another important function of management is co-ordination. Frank L. Rowland, Executive Secretary, Life Office Management Association, New York, writing in October *Modern Management* asserts:

Corporate degeneration stems from the lack of management coordination and co-operation—not usually from deficiencies in the techniques of management.

Top management comes in for criticism. The operation of war activities was so stupendous, and necessity was so great, that the process of coordinating could not be left to chance. A management control staff was set up as a result.

Some criticism of management is being voiced for management's failure to supply goods at stable prices, and to keep up quality of product. Higher prices for goods of poorer quality are harassing consumers.

In the face of this situation, there is no avoidance of restiveness on the part of every section of the population. Labor expects crippling legislation in the new Congress.

In the United States, management has reversed its usual formula, in its approach to labor-management relations: it has abandoned engineering for ideology. It has been more interested in theory than in methodology.

But there has been widespread experimentation in labor-management relations

in many industries: on the railroads, in textiles, paper-making, lumber, and public power. Though no one can say with any assurance there is a precise science of labor-management relations, there has been enough experience in the field, and enough success, to enable one to describe the conditions for successful achievement.

The *sine qua non* for successful labor management relations is the *will to make* co-operation work. Legislation cannot do it. Force cannot do it. No mere mechanical system can succeed. The will, fed by honest-to-God conviction, must precede any conferences, negotiations or program.

It is this fact reaching back into the recesses of human personality which is usually overlooked, and neglected. Historical precedent for this point of view can be had in the writings of Frederick Taylor, father of scientific management. Taylor was never accused of being a sentimentalist, or a tender-minded individual. He was a thinking engineer, on the tough side. Taylor said emphatically:

Now, in its essence, scientific management involves as complete mental revolution on the part of the working man engaged in any particular establishment or industry—a complete mental revolution on the part of these men as to their duties toward their work toward their fellow men, and toward their employers. And it involves the equally complete mental revolution on the part of those on the management's side—the foreman, the superintendent, the owner of the business, the board of directors—a complete mental revolution on their part as to their duties toward their fellow workers in the management, toward their workmen, and toward all of their daily problems. And without this complete mental revolution on both sides scientific management does not exist.

The substitution of this new outlook—this new viewpoint—is of the very essence of scientific management, and scientific management exists nowhere until after this has become the central idea of both sides; until this new idea of cooperation and peace has been substituted for the old idea of discord and war.

Management generally in the United States has never reached even the portal of sound labor-management relations. Individual industrialists have.

The second prerequisite of sound labor-management relations is faith in frankness, which inevitably leads to ascertainment of all facts related to negotiations or disputes.

This is harder to achieve than frankness in other human relationship. The long traditional antagonism between labor and management colors every transaction. Words stand in the way. Labor and management do not mean the same thing by "profit," "price," "production." A seasoning period must ensue. Fact must prevail. Together they must grope back along old trails, to origins, so that words will tend to express the same ideas. Here is where the will to co-operate must be strong, or first efforts at co-operation will break up into bickerings and querrels.

Frankness leads naturally and inevitably to a new appreciation of facts in negotiations. When facts are agreed upon by opponents, the area of disagreement shrinks. This is a commonplace. When facts are kept back, by one or the other party in dispute, a cloud of dark suspicion arises which tends to discolor questions at other levels. Negotiations go best, when nothing is held back, when all phases of a problem are openly discussed. If, for example, management feels that certain matters are "none of labor's business," it is better, if management will not yield, to exclude these matters by agreement. Management has recently, in certain instances, taken the position that labor has no interest in profits, in production policies, in time and motion study, in goals of production. Labor responds that these are matters in direct interest. But facts—and fact finding—usually inhere in more concrete questions than the foregoing. There can be no real conferencing, and no real negotiations, without a full discovery, and full appreciation, of all the facts.

After both sides reach the conclusion

that they wish to use the conference method, and after all facts have been ascertained, and agreed upon, the next procedure relates to collective bargaining itself. Collective bargaining is a phase, originating with the Webbs, in England, in 1890, but it is still not fully understood as a process. Collective bargaining must culminate in agreement—a contract—and better a written contract. Negotiations must never be allowed to degenerate into a mockery. If either party tries to impose its will by force, by artfulness, by rattling of a saber, the process tends to develop into something else than collective bargaining. In true collective bargaining, emphasis should be laid on "bargaining." Collective bargaining is give-and-take. If labor wins concession, labor must be prepared to grant concessions.

There are two guiding goals in the collective bargaining process. The first is allegiance to the shop, the plant, or the industry. The second is recognition of the effect of the award on national economy. The two parties in the bargaining process must be constantly aware that the good of the industry, and of the nation, must take precedence over the narrower good of either party. Self-interest certainly enters in. In the long run, both labor and management will profit by placing the industry and the nation first.

Labor's great contribution to industry has been on the side of human welfare. Labor has insisted that labor—human beings—should have at least as good treatment as machines. Labor has refused to consider workers as commodities. Labor has insisted that the individual worker has dignity, and that his essential humanness must not be violated.

Management's contribution to industry has been on the side of technical production. It has provided the engineering techniques—the know-how—which makes production possible. In reaching for more and more production, management has often transgressed the boundaries of human welfare, and too often labor

has neglected to seek to understand management's technical problems. This has created the present impasse. Research departments—now more than 60 operated by unions—have asked union leaders to visualize more clearly the problems of management; but any drive for better relations between labor and management should be accompanied by an educational campaign to acquaint labor with management's problems, and management with labor's standards, goals, and aspirations. For either to be indifferent to the other's aims creates continuing warfare. Technical committees under sound labor-management relation have gone a long way in acquainting labor with managerial problems. These committees are joint committees, which

consider only technical problems, in the plant or shop. They do not deal with questions of human welfare.

Better labor-management relations are impossible. The impasse is not so complex or so stubborn as not to admit of analysis. The stakes of sound labor-management relations are great. It is unlikely that democracy can continue to exist with a deep cleft down through its vitals—the cleft made by a disordered industry. It is not likely that human society can solve international relations, if it cannot close the gaps at home, and solve labor management relation. Then, too, the financial return for good relations is enormous. It is estimated the recent automobile strike cost the industry more than a billion dollars.

Credo for Labour

By KERMIT EBY

WHAT is organized labor? Why affiliate with it? Why give your life to fighting its battles, defending its positions, when you might teach? Or preach? Or work at some less strenuous calling? These are questions which my friends often ask and which I have many times tried to answer.

Perhaps no one can completely answer such questions. The following is an attempt to summarize some of the answers articulated and others subconsciously felt.

In the first place, let me tell you what the labor movement is not! It is not a few personalities, however important, played up by press and radio; not letter-heads bearing the names of Philip Murray, William Green, David Dubinsky, and Walter Reuther! The labor movement instead is a base, foundation of 14,000,000 American workers on which social, economic, and political democracy

can be built under the guidance of sound leadership. And without such a base, those who speak for economic reforms and social legislation would be literally "a sounding brass and a tinkling cymbal."

Therefore, those who live in the American labor movement, who understand its historical mission, who know it was in the vanguard in lifting the worker out of economic serfdom, in protecting the rights of women and children, in insisting in season and out of season on free public education, are proud to be a part of it. Labor's ideals are consistent with our American idealism which has its roots in concepts of brotherhood, respect for human values, and equality of opportunity.

We Americans once were an inspiration of the world. Our revolution inspired other lands. The persecuted looked to America as a haven. For every DAR whose ancestors came on the Mayflower, seven debtors from the prisons of Europe found security on our shores. In 1716, one-third of America's citizens

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