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LABOUR DIFFICULTIES AND
SUGGESTED SOLUTIONS

Labour Difficulties

AND

Suggested Solutions

A MANUAL

FOR

TECHNICAL STUDENTS, CASHIERS, FOREMEN,
DEPARTMENTAL OR WORKS MANAGERS
AND EMPLOYERS

BY

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PREFACE.

The present Manual is designed to introduce technical students—our only recruits in training to become captains of industry—to one of the most difficult problems they will have to face in their chosen career. Very little research has hitherto been done to solve problems whose human elements are much more various than those of chemistry.

History fortunately provides us with problems sufficiently parallel to give the main direction of our search for a solution. This Manual, then, is mainly a series of semi-detached cases treated so as to expose a few general principles or rules in order to stake out a claim for man management to be given the status and attention due to a scientific study. A few cases thus discussed in a student's course will awaken interest in them, and furnish him with centres of growth and comparison for right treatment during his works career, so that afterwards he will readily understand contemporary progress, and assimilate its results as they occur.

Fortunately, too, this method is also best for foremen and others now fully occupied in man management. Labour difficulties increase daily, and must be solved at once. Reconstruction and a better understanding between man and management, rather than between labour and capital, cannot wait for a race of supermen. The salvation of British industry and the building up of another merrie England depend on those engaged in it *to-day*.

It is with some appreciation of their solemn trust—whether assumed or imposed all unwittingly—that this short Manual is addressed and dedicated to all present workers, foremen, cashiers, managers, and employers.

The present material was prepared in answer to an

invitation to give a course of six lectures to third-year undergraduates in the Manchester School of Technology. The limitations of time and of works experience on the part of the intended hearers will explain, to some extent, the limitations of treatment, its thought provoking form, and the definiteness of some apparently premature judgments on matters which will always remain in a state of partial solution.

When the course was thrown open to others the widespread interest and sacrifice of scanty leisure by those fully occupied with responsible management problems day by day was very gratifying, but it disturbed our plans. As explained above, however, it did not invalidate them; on the contrary, it suggested immediate publication to reach a wider circle of students and responsible managers equally interested, no doubt, in this subject.

Whatever may be the success of the Lectures or Manual in bringing to terms our stubborn labour difficulties, the thanks of the author and his readers are due to the initiative and organisation of Principal Garnett.

Acknowledgment is also due to the Editor of "The Automobile Engineer" for permission to re-publish Chapter III, and every chapter will remind the reader of the author's debt to two large Manchester firms—Messrs. Hans Renold Ltd. and The Calico Printers' Association.

W. J. D.

Manchester, March, 1918.

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CHAPTER I. LABOUR DIFFICULTIES.

MANAGING WORKERS. POSITION NOT UNPRECEDENTED.
RECONSTRUCTION ESSENTIALLY A HUMAN PROBLEM.
SOLUTION SUGGESTED BY HISTORY. HOW TO SOLVE
THE EXERCISES.

Any previous solution of the same problem will tend to cheer the despondent and suggest the means of improving the present state of things. The shortage of labour has removed the dread of the "sack" from many workers, and employers are now selling employment instead of buying labour. The rise in wages has naturally affected the lowest-paid labour first, while the absence of fathers has specially increased the independence of younger people. Open confession of impotence on the part of employers and foremen on occasion has confirmed delinquents in their disobedience or open defiance of authority.

It is beside the point to apportion blame or bewail the past, but two balancing considerations will indicate our best course—that of seeking causes and then applying the proper remedy to each. The first impulse one feels is to punish the insubordinate, and, undoubtedly, it must, at least, be demonstrated that insubordination does not pay.

Second thoughts show that for the first time in industrial history labour as a whole has got the initiative, and management is only reaping what it has long sown. Generally speaking, the result of any defiance has been dismissal without much inquiry into extenuating circumstances. This action has been a perfect preventive of any future clash between the two individuals concerned. Open lamentation for the departure of this

old remedy is now made in some works or other every day of the year. If the long tradition of controllers—who are, on the whole, more enlightened, more secure, and, therefore, more tolerant—has been crude and indiscriminating, can we expect labourers in the first flush of their independence to be more tolerant and less hasty or drastic in their action? The broader view must come from those who are nearer the top. The man who had ten talents was the first to be asked for results. Further, each individual must make a start at once and not wait for the magician's wand to change all controllers simultaneously.

A parallel from history is instructive, and always puts a pressing problem into something like its true perspective. Does a farmer who has lost a lamb openly bewail the days when the thief could be hanged? Does the tradesman who has been robbed of goods to the value of 5/- long for the same simple and complete remedy? Was hanging as complete a "cure" for each crime as it was for the convicted criminal? With such an example in mind can captains of industry and their general staffs at each works bring about a similar change of feeling and improved practice into their present labour difficulties? With history as our guide we may, at least, safely assert that the remedy, when found for each delinquent, will not be so simple and complete as hanging, so that it would be well not to start out with extravagant expectations.

Let us take an extreme case in point. A half-timer of 13, after working for about two weeks in a department, was told by the under-foreman to look after another machine for a time. The boy replied that it was not his job, and with some addition of forcible language told the foreman to do it himself. The latter intimated what he would have done if he had not been so short-handed, but, as a matter of fact, his responsibility for the department decided him apparently to obey the boy.

Nothing could afterwards wholly efface the injury thus done to the boy or to the authority of that foreman.

This incident came to the knowledge of others on the staff, but no action resulted. The general comments implied that such conduct was inevitable, and must be endured until the labour shortage was over and the boy could be "sacked." But, even granting that such boys must now be employed, it does not follow that all foremen would have been treated alike. The natural character and experience of some men would have carried them through triumphantly, or the boy would never have thrown down the challenge at all, so we may come to the conclusion that if young or old workers continue to come to us in that frame of mind our only remedy is for man managers to be selected and trained to deal with such difficulties.

But such difficulties are only part of the problem—they are only the amount we are behind scratch—for the progress of industry and civilisation largely depends on goodwill and hearty co-operation between all grades of people, and even if insubordination never occurred, and rigid, prompt obedience was obtained, the most valuable asset of a good foreman or manager might still be wanting. The development of interest, zeal, keenness and teamwork is the standard by which we shall win the race.

It was precisely this latter difficulty by which schools were nearly overwhelmed by the passing of the compulsory Education Act in 1870. It had been comparatively easy to teach the children who willingly came to learn, whose parents valued education and supported the efforts of the teacher, but when largely increased numbers of the opposite kind and quite unused to control at home were forced into the artificial conditions of the class-room the teachers' job became far more difficult. As the character and disposition of the children could not be transformed before they came to school, and since ability

to control children is not an indispensable condition of parenthood, the only remedy left was to train the teacher. This conclusion, so obvious now, was evolved and adopted slowly and by painful degrees. The method of training is not and never will be perfected, but no one can doubt that progress has been made and will continue. The wonderful results obtained with the deaf, blind and dumb, with defective or criminal material is such as to remove the despondency of those who consider labour difficulties unique or unprecedented and certain to lead to national disaster.

Anyone who has attended a Sunday School has some material on which to base an estimate of the difference made by training teachers. Each one's natural ability for the task is thus raised to a higher power, while those which are inevitable failures get sorted out in the course of training. Similarly, no manager of workers will ever be perfect, but each one can be improved, so that by individual effort and a general scheme of recognition and encouragement the total result in comfort and efficiency to all concerned will be very great.

The provision of a course of instruction in all technical schools can be trusted to develop treatment to suit the ends of future controllers of men, and it may also tend to functionalise the requirements so that such duties may be discharged almost entirely by those who have special aptitude for such work. But it is to those who are to-day grappling with the difficulties to whom we must look for immediate help. All employers and managers should show increased discrimination of the qualities needed for success in managing men, and give increased facilities for rewarding the individuals who succeed. In this Manual there will be some attempts to define what is wanted, and how it can be rewarded when found, but no material recognition can ever take the place of personal sympathy and appreciation of good work as it is done. An immediate expression of this is an encouragement of

the utmost value, but it is far commoner to take good work for granted and only blame the bad, just as one sore toe will attract more attention than ten healthy ones.

EXERCISES.

A few practical exercises will be given at the end of each chapter, and solutions, more or less approximately correct, at the end of the Manual. Students of all kinds will derive much encouragement from the limits of error permissible even to experts in this subject. For example, the official Old Age Pension Act solution of the poverty problem has been found subject to the considerable "maximum error" of encouraging thriftlessness—by giving 10/- a week to any old couple who have spent all their income as they went along, and probably left unliquidated debts at intervals in their career. Whereas another couple, who have pinched and scraped to bring up a family, pay their way, and insure or save for old age, certainly get less, and may get nothing at all from the State.

The quickest way to solve any particular exercise is to turn to the solution at the end of the Manual, but this is not the way to learn how to deal with new problems, which will demand prompt solution from present students when they become managers. The power to find right solutions to problems when there is no book to refer to will increasingly become the test for selecting managers, and displace the varying methods of the past. Some appointments have been accounted for by the recipient being born lucky, looking clever or impressive, marrying the owner's daughter, arriving with half-a-crown in his pocket, or by picking up a pin during his first interview, etc. Those who rely on earning their promotion by solving new problems must learn to ask themselves the right questions, play for time to think them over or to discuss them with others, correlate new points whenever the brain automatically brings such to the

surface of consciousness, and finally commit themselves to a reasoned opinion in black and white. This opinion should be compared with the one in the Manual and with any others available.

Individuals vary, but I find that a refractory problem yields the best solution under the gentle heat of the retort courteous in a half-humorous discussion, which is followed by a tabulation of the pros and cons. This method requires some adaptability in taking sides according to the views of the person available for discussion, and this adaptability is needed only till the principles become clear, but it does give as a by-product a completer understanding of the points of view of those who finally differ on questions of principle. This process may be compared with the testing of "working hypotheses." The worst possible attitude is that attributed to politicians, namely, to choose one side and then stick to it because it is yours, adopting without criticism all the arguments in its favour and rejecting the others as disloyal.

The method of solving the exercises, then, is simply for the student to ask himself questions, and the first exercise is thus treated as an example. From Plato down to present day *viva voce* examiners it is agreed that the chief difficulty of such problems is that of asking questions—not answering them. Any student capable of stating a converse proposition accurately will derive much benefit from it as does an American humorist in his professional career. Every opportunity of reading trade union literature and history or of attending strike meetings should be used, in order to test one's power of seeing at least two sides of a question and forecasting objections to one's own proposals. No student in his works experience or apprenticeship should fail to join the trade union if he is eligible to do so. The money thus spent will probably yield him his best return, for it will admit him to a professional debating society

dealing with matters of living interest to its members, and this experience will be of increasing benefit to him the higher he rises in managerial rank. Each exercise must be treated as a scientific research problem, and must be studied quite apart from personal or class animosities, just as chemical problems were put into the way of solution and development. What research chemist ever has his "knife into" oxygen? In scientific research the first operation is to test the balance before any substance is weighed. In business this has been too often taken for granted or left to Government inspectors.

Exercise I. Youths leaving work without notice whenever they hear of a better job. How should a manager deal with such a case, seeing that if permission is refused the youth may hinder production or spoil goods, thus causing loss to the firm and fellow-workers in a piece set?

The following questions are given to indicate the method of arriving at a solution:—

1. What is the law as to leaving work?
2. Should a minority of one or more rule the majority?
3. Could the manager enlist the help of the majority?
4. If one such case is allowed to occur, would others imitate his action?

5. If the manager and workers are to suffer by insubordination, why should they not prefer to suffer in a better cause—that of enforcing discipline?

6. If one case occurred, as no remedy seemed possible, should the manager get a remedy ready for the next case? What book or authority should he refer to?

7. If a manager allowed such youths to run his works what part of his salary should he allot to them?

Exercise II. If one of two workers larking in a department was hurt and off work for some days, discuss the case from the manager's point of view with regard to the two workers and the foreman.

CHAPTER II. FOREMEN.

REQUIREMENTS OF A FOREMAN. HOW TO GET AND
REWARD THE RIGHT TYPE. "ACTING" FOREMEN.
HINTS TO YOUNG FOREMEN.

The first attempt to state the requirements of a foreman arose from the sad experience of an excellent workman who, after several years' service, had been promoted to foreman. A few months of this showed that he had not the necessary power of control and general oversight of the department, *i.e.*, he could not throw off his lifetime's habit as a worker of confining himself to one job, and acquire the new habit of seeing that the whole team of jobs ran well together. Of course, he lost his higher pay as a salaried man, and his extra allowance for sickness and holidays, but with these were lost other distinctions—such as the use of the foremen's dining-room and special clock. The two latter must have been much more galling to him, as they were public daily reminders of his failure.

Every time there has been occasion to refer to the note then made it has undergone modification, but the statement has proved useful in arriving at sound judgments, because no good part is lost, and every time it has been found that experience has added to the store.

REQUIREMENTS OF A FOREMAN.

Some good workmen prefer to remain as such rather than face the anxiety, responsibility and risk of a more highly paid post, but men who wish to rise to positions of influence should consider the following requirements, for the best workman does not always make the best foreman :—

1. *Skill as a worker.* A foreman must be good

enough at the work to be able to judge it, and not to be put off with a second-rate standard. He must also be good enough to show poor workers how to do the job, but the best men do not need to be shown. Nothing beyond this stage of skill is essential, though further stages will be useful and inspiring as an example. Resource and sound judgment in dealing with men and with sudden emergencies will develop with experience if the right kind of man is chosen for the foremanship.

2. *Not to do the work himself*—or he would be paid at a workman's rate—but to teach others how to do it and to see that it is done. The good foreman has time to stand around and watch how the work is going on, considering meantime how the method of working can be improved upon.

3. *To be responsible*: that is, to take blame for what is wrong in his department,—not to lay it on subordinates—but to have it put right.

4. *To be a good leader, i.e.*, to be able to inspire others—to make them keen on their work, their department and their firm. You can tell a good foreman by watching his men, as they will be active, confident and cheerful in their work.

5. *To be able to understand a problem thoroughly*: that is, to find out how it is to be carried out, to divide up the job, and to see that each subordinate understands the part he is to do; hence, he must be able to give short, clear instructions, to be able to explain things. A good foreman is not misunderstood by his men. They know exactly what he means without his having to do the job himself.

SUGGESTION: These notes should be printed in the foremen's rule book, and also brought to the knowledge of candidates for promotion beforehand, because a candidate who fails after trial has delayed the appointment of a good foreman, besides being an embarrassment to the firm, who may have to degrade one who must

have proved successful in his previous work. The worker suffers more, however, for he does not like to go back to his old grade, and probably seeks work elsewhere at the lower grade. Hence a definite probationary status as "acting" foreman should be recognised during holidays or other absence of any regular foreman. The American Army has just adopted the English rank of "acting" captain, etc.

Every student has material in his school experience of teachers for judging the relative value of different characteristics required in a manager of men. His works experience should be continually brought under criticism for the same purpose, and the following examples will also show some of the qualities we expect in a good foreman.

(1) A foreman, disheartened by repeated cases of neglect, stupidity or unreasonableness of his men, began to take a more just and hopeful view by the following reply: "That is why you are paid to think for them; otherwise there would be no foreman's job for you." The efficiency of a worker is in inverse ratio to his need for supervision, and the efficiency of a foreman is in direct ratio to the energy, forethought and intelligence he can induce in or supply to his workers.

(2) Take an example from a compensation case like those which the Board of Trade Gazette gives each month. A foreman saw a worker doing something over a machine in motion, and told him: "You ought to get the proper appliance for reaching that." Shortly afterwards the man's coat caught and he was injured, so that the firm had to pay him compensation. The man, of course, suffered great pain, lost half wages, and was lamed for life.

MORAL: A good foreman is not merely a finger-post to point out or advise. He must observe, judge any circumstances, and assume responsibility; that is, take

the risk of seeming fussy. He must give definite orders and see that they are carried out. He protects his men even against their own ignorance or carelessness, and in spite of themselves, if necessary. If such an accident has occurred how can sympathy and condemnation be blended, or handed out separately? What is the use of preaching to that man *after* he is hurt?

(3) Some boys larking in a department injured very seriously and permanently a youth who was passing in the course of his duties. The staff and all the workers were greatly shocked, and subscribed for the sufferer, but nothing could really compensate the innocent victim. The lawsuit to settle some legal point brought out the fact that such larking was fairly common, though its danger was known. This, again, shows the danger of a foreman ever making terms with laxity of discipline and oversight. Lack of judgment and resource in dealing with the previous larking seems to be indicated, for when the same events coincided with bad luck they led to an accident, though they had done not so previously. What could a manager do if he had seen the foreman check such larking before the accident occurred?

The value of good authority is hidden and difficult to prove, as nothing happens—things go smoothly. It is, therefore, most important for a manager to *look* for it, and to support a foreman in his authority *before an accident occurs*. Cases have been known where a foreman has got credit for managing a department where difficulties frequently occurred, whereas such difficulties should be diagnosed and cured. They are evidence of *bad* management, and call for immediate reform.

(4) A piece-set all gave a week's notice to get a higher rate of pay. The wages earned during the last few months were quite good, and increasing. Enquiries from the union and from the under foreman on the spot failed to give any satisfactory reason, and were being abandoned, when a woman was noticed working a

machine usually tended by a man. Questions as to how she managed, whether the union or the men had raised any objection, and whether she could do all the man's work and was paid the man's rate, elicited the fact that she was satisfactory, but had not been advanced as she could not do all the man's work. The foreman had to do some of it, and help with other parts. A question to the woman brought out a very illuminating story. She had been advanced to two stages of better work as another woman and the man had left. She had not been advanced, but would not have "made any trouble," only her husband had been killed and she had young children to keep. She "did not like" to speak to the foreman or manager about it, but she and other women overlooked had at last shown a determination to give in their notices, so that all the men agreed to do the same.

A lump sum was paid to her at once, and the women's rates were raised, but, as a matter of expediency, the piece price was increased by the amount of the advances, so that the men continued to get the unfair advantage received from the woman's promotion. The underforeman was not paid out of the piece-rate, so did not benefit financially, and it was not clear whether he did the extra work and let the men in the set get the benefit owing to indifference, or to pressure from the men. On top of all extra work and responsibility, therefore, we are expecting a foreman to see fair play, and act as champion of any worker suffering injustice.

What change is required to bring such injustice to the notice of foremen and managers first, instead of through the union? Was the manager justified in submitting to blackmail from the men as a fine for the omission to prevent injustice?

It must always be remembered that correct judgment depends first on getting all the facts, but the persons who can give them are not all skilled in observing and presenting evidence. Their personal interest on one side

or the other may cause bias, and they may be reluctant to expose themselves or others to blame.

Without further examples we may safely assume that the duties of a foreman are exacting; he deals at first hand with difficulties, and unwise action on his part cannot be corrected without danger to discipline and authority. Most of his decisions must be given without consultation with the manager, hence he needs caution, wisdom, and tact, as well as force of character and power to control others. Labour troubles would rarely reach an acute stage if every foreman could quickly detect any injustice to his men and also check insubordination from them at an early stage. His training, pay, and status, therefore, should be improved to attract the best men, and not those who simply desire to "boss the show."

STATUS : The word "foreman" does not convey a definite impression of a man's status, as one may be the head of a large department, on a yearly salary, say, of £300, while another may be only the oldest or most experienced worker of three engaged on a job. In large works the following grades can be distinguished, with separate conditions of service arranged to correspond, but only the first three are really foremen.

1. *Superintendents of large departments* paid monthly without extra pay for overtime, but with or without a bonus on the production of the department. Each will have a separate agreement entitling him to sick pay for from one to three months, and summer holidays of two to three weeks, etc. The man who decides whether overtime is to be worked or not is the man who is *not* paid for it, and thus is stimulated to better organisation to avoid overtime.

2. *Foremen.* Heads of smaller departments or sections of large ones, paid a fixed weekly wage with sickness and holiday pay, but with or without a bonus

on the production of the department, and extra pay for overtime.

3. *Under or "working" foremen*, on fixed weekly wages, with overtime, holiday and sick pay, but with or without a bonus on production.

4. *Leading hand*: A worker who controls, helps, or lays out the work for a few other workers, but has no other authority over them. Such a man is not considered a foreman, and he would merely be paid a higher rate than an ordinary worker, and be on the same conditions of service, overtime, etc.

A foreman's pay varies, of course, with the trade and status as above mentioned, but a few general principles may be noted :—

1. Every six months a list should be prepared, as that in Chapter V, giving the following items for all foremen : Name, department, status or duties, age, years of service, date of last advance, present wage and bonus, special reasons for advance, and advance proposed. Such a list enables comparisons to be made, and reduces the chance of unassertive merit being overlooked. No claim from a union for general advances to foremen should be entertained, as equal improvement in their subtle and diverse personal merits is impossible. It is only when regular adjustment is omitted that the claim is likely to be put forward, owing to inequalities of treatment increasing and becoming more obvious in the course of time.

2. A contributory pension scheme should be open to each individual when he becomes foreman, *i.e.*, one of a class relatively small in number, but with distinct functions. It is, therefore, to the interests of employers to take the initiative in securing to foremen the benefits of co-operation and mutual intercourse. The pension scheme should not interfere with the individual's freedom to go elsewhere, nor with the freedom of the management

to discharge an unsatisfactory man. It should not aim at making foremen into objects of charity nor at binding them to their employers, but it should give them at least as good guarantees for the future as could be secured by much larger societies like the trade unions. This is a sort of deferred pay which appeals with the greatest force to the very type of men required as foremen, *i.e.*, men of forethought, who lay plans for the future, and prepare for sickness and old age. It is vain to expect men to avoid waste of time or materials, to plan their work ahead and to consider the welfare of men under them, if their own interests and those of their family suffer from the lack of these very characteristics. Most men begin to count at number one. A pension scheme is outlined in Chapter VI, and could be compared with that established by the Masters' Engineering Federation. A Government Commission should be appointed to enquire into all such experimental work in order to make its benefits and warnings available to other trades, who will soon feel the necessity for similar action. Such an enquiry has recently been undertaken into industrial fatigue and welfare work.

3. It is a manager's daily appreciation of a foreman's value and his special troubles that will best develop a foreman's character and service, so this duty is clear, even where the employer's duty as to pay and pension is neglected. For example, it is not uncommon for a piece-set's delegate to be called into the manager's office for conference as to any alteration in piecework or wages, and the foreman should be there too. Any proposed changes in works routine should be first discussed with the foremen whenever possible, and always announced to or through them. A room set aside for the use of foremen makes all such arrangements much more effective. Regular foremen's or works management meetings should be held in each works.

PROMOTION.

Promotion from workman to foreman, or of foreman from one department to another, should be made as a temporary transfer wherever possible, with suitable recompense afforded for the added responsibility. This will give time for the display of personal development or weakness as emergencies occur, and render it easier for either side to withdraw. A definite limit of one to three months should be agreed upon for a final decision, and at this stage a further increase of wages would be opportune. The practice of giving a new foreman the wages earned by his predecessor is thoroughly unsound, as it assumes the men to be of equal efficiency and that the new foreman has nothing more to learn about the job. It also assumes that the manager can give final judgment about the matter, so that half-yearly advances will not be necessary to adjust wages according to circumstances. Such "acting" foremen should also enjoy the privileges of foremen during probation or when acting during the absence of sickness and holidays of their superiors. A report of each one's success or failure should be filed for reference immediately after such a trial.

There is another phase of this attempt to simplify wage procedure by not disturbing the existing state of things. The management exaggerates the danger of advertising a vacancy among all employees to invite their applications. If ambitious, progressive men are dissatisfied they will certainly be looking out for posts elsewhere, so all present employees should be encouraged to try for promotion within the firm. Each rejected application gives date for repairing any weakness in training or experience. If the reason for an appointment is not good enough for publication it is probably not good enough to act upon, and this "dead hand" must be removed from promotion if British industry is to compare with American in its opening for merit. A similar survival

is an applicant's request that his present employer should not be referred to. It is obvious that only the less energetic and ambitious workers will be cowed and retained by fear of dismissal for trying to "better themselves." There is one mistake in promotion so common that everyone can quote examples within his experience. The second in command of a large and efficient department is often marked out for early promotion to an independent charge of importance, but the result is frequently disappointing. An ideal "second" is merely the *complement* of his chief, that is, he supplies the experience or characteristics in which the latter is more or less deficient. A chief of marked personality, strong in initiative, organisation and driving power, would neither require nor tolerate a similar second; hence, the second who holds the post and gains the good word of such a chief will probably be tactful, unassertive and attentive to detailed following of a system already laid down and perfected. Such a second is the very last man to take charge of a department and bring it to the same state of efficiency as his present one. Even his experience of a good system may be useless, because it requires the existence of a good system before it can be applied.

Every foremanship, therefore, deserves careful study, as a case of *compensating balance*, for the foreman requires certain qualities not yet fully listed or graded in value. Special strength in forethought, initiative and general leadership qualities compensates, at least in part, for weakness in other qualities, but the rest of those that are lacking must be supplied by the underforeman or other workers if the department is to be successful. It is the duty of the manager or employer to be adjusting continually his estimate of the various qualities supplied by each element in a department, and it is reasonable to suppose that this duty will be better done if a conscious organised analysis is recorded for reference.

EXERCISES.

III. Discuss the following cases, and give reasons for each detail of the course you would follow :—

- (a) " We always get our foremen from outside, as they have wider experience and cause less jealousy."
- (b) " None of our foremen are in the union. We don't promote a man unless he leaves his union."
- (c) " We never give a foreman an advance unless he asks for it. We assume he is satisfied."

IV. What advantage would result from workers choosing their own foremen? Are there any fatal objections to this, or to what extent could it be adopted? Is there any record of such experience?

V. Should a foreman always be paid better than the best man under him?

VI. Examine your home, school, and works experience in order to tabulate some " Hints to help young foremen."

CHAPTER III. MANAGERS AND EMPLOYERS.

REQUIREMENTS OF A WORKS MANAGER. ABSENTEE OWNERS. MANAGEMENT A PROFESSION. MAXIMS FOR MANAGERS. A MANAGERS' SEMINAR.

These classes are dealt with together in this chapter, as their functions are alike except where the owner is an absentee, a public company, or a combine. The manager on the spot, then, whether employer or works manager, is to-day faced with a new labour situation, and it is not surprising if old methods, therefore, require revision or substitution. Formerly the need for expert knowledge of chemistry in certain trades produced a similar situation, and the solution of this difficulty suggests our remedy—namely, the inclusion of man management in the general training of those likely to become works managers. This would be further supplemented by the appointment of specialists in large works where the present management needs to be strengthened in the qualities or training required to deal with labour difficulties, or where it is decided to organise a different state of things but no one on the existing staff can drop his present duties. With this chemistry precedent in mind, then, such a special appointment is less likely to be regarded with jealousy as an invasion of the manager's domain, but it will be more truly considered as placing further expert knowledge at the service of the management for the benefit of all concerned.

It may be said that present managers with all their practice in the art have hitherto required and accumulated only detached maxims rather than comprehensive scientific principles about man management. It may also be retorted that no one else has anything better to offer. There can be little doubt that few present

managers can find the necessary time to devote to a special investigation of this matter, but their criticism is likely to be more valuable than it was in the corresponding period of chemical research. Nowadays trained chemists hold appointments as works managers, and far more trained chemists are employed in industry. This process will be repeated when man management has been a subject of training in our schools of technology, when all managers will have some acquaintance with the theory of the subject and a few will have specialised in it. Persons who wish to check this specialisation have set themselves no less a task than that of arresting the development of industry, so that time will deal faithfully with them.

THE REQUIREMENTS OF A WORKS MANAGER.

These generally may be said to resemble the requirements of a foreman raised to a higher power, and also to include them, among others, just as the whole includes all its parts. Thus, a particular ingredient relatively more important for a manager is the power and habit of self-criticism, since he is less likely than the foreman to hear the criticism of others. In fact, the industrial disease of managers is autocracy—which is common in increasing degrees among kings, schoolmasters and ship captains. Is a system of inoculation discoverable in order to reduce the virulence of its attacks, or to prevent their recurrence? Men who make daily decisions affecting others may also lose their sensitiveness to opposition as an “indicator” of the need for revising their guiding principles. All opposition is from subordinates, and is subordinated accordingly. Managing ought to be raised to the dignity of a profession, with its own technique, literature, and discussions among equals, irrespective of the trade in which it is exercised.

Some of the important requirements may be tabulated as follows:—

1. *Technical knowledge of the trade.* This must be both detailed and general enough to give critical judgment and wide outlook. It may need to be supplemented by one or more specialists, and should one of the latter be able to command a higher salary than the manager this fact would not justify the trade specialist in taking the manager's place.

2. *Power of organisation.* This is the ability to take a complete and balanced view of the whole, to avoid being immersed in detail, but to be keen in deputing its natural divisions into the hands of capable subordinates. A manager must not have a "retail" mind, but be able to analyse a complex problem and make comparisons and generalisations about it. A difficult complaint should arouse his professional interest and zeal, just as it would in a medical practitioner whose patient was a close acquaintance of his own. He should be familiar with "research" methods of investigation.

3. *Skill in man management as distinct from management of works.* This must be based on a knowledge of a worker's mind and feelings, but result in a genuine respect for them, and an interest in workers as colleagues. Nothing is more certainly found out than a commanding presence or imposing manner unsupported by shrewd yet friendly insight. Respect or contempt causes a reaction equal and opposite. It is just as necessary for a manager to "like men" as it is for a nurse to "like children," that is, not to be irritated and out of sympathy with children's ways. A critical knowledge of the theory and history of trade union principles and practice is essential in order to deal wisely with legitimate or other demands from organised workers, and to ensure the due weight being given to the interests of capital and management both from the Government and the public. The psychology underlying the control and education of children has been formulated into working maxims which could be applied with necessary adapta-

tion to the management of older people by men possessing works experience. A good manager establishes friendly relations between the heads of departments and checks their jealousies and encroachments. A mechanic is not flattered by screeches for oil from parts of his machinery. Friendly co-operation of heads of departments is a supreme test of a good manager, whose motto must be "unite and rule," not "divide and rule."

4. *The owner's eye.* This fundamental requirement of any manager indicates a special sense of responsibility in spending other people's money, or in controlling other people's lives, and it develops ultimately into self-sacrifice, as when a captain is the last to leave his ship. This conduct may be contrasted with that of a cricket captain who puts himself on to bowl or bat first. Even if the possessor is weak and allows subordinates to slack he tries to make up by working harder himself. This man can be trained and developed into a sturdier type, exacting as works manager a fuller return for the owner than he would for himself. The too aggressive man, on the contrary, is much more difficult to train, and less likely to train himself, so that capable subordinates with any self-respect will leave him and be replaced by cowed or incompetent time-servers.

It may be of interest to employers and managers to state certain unfavourable differences felt by one who changed from teaching—which is more or less of a profession—to a business career. Favourable symptoms are omitted for the sake of brevity, and also because they are never so striking, nor are they so instructive for the purpose now in hand. In business circles there seems more aggression and more subservience, but less co-operation, between colleagues. The ideal "get orders" accounts for the absence of any business etiquette or "form" except a high standard of dress, and of urbanity towards customers. The pervading

difference in attitude towards firms who are respectively buyers or sellers arouses the suspicion whether any commercial transaction could possibly benefit both sides equally. Perhaps war shortage will restore the feeling that a supplier of material is a very real benefactor indeed. The surprising crispness of decision, and absorption in "getting things through," have also a taint of "keeping a pot a-boiling," of a "hand-to-mouth existence." If a labour difficulty arises the first thoughts are, "How much will it cost?" "Offer half." Much later, or too rarely, is thought given to the principle involved. Nor is enough imagination employed to *forestall* troubles. Impatience or astonishment is quite common for such a curiosity as that of a good samaritan crossing the road to look for trouble; the only business-like course is to "mind your own business," and an apt proverb like that is recognised as a conclusive argument. There is little professional interest in solving problems apart from the money to be made out of them. Anticipating and preventing trouble is a difficult thing to parcel up and hand over the counter for cash, as the only goods produced are peace and satisfaction.

In short, as the works unit increases in size, and co-operation in each trade develops, the possession of capital will cease to be a deciding factor of managership. Management of works and workers will become a profession, and its professors will require training in psychology and the diagnosis of complaints, just as a doctor does. The principles underlying previous industrial disputes will be studied and appreciated in order to do what is right and meet the paid experts of the trade unions with the skill of a lawyer. Finally, the future manager will not reach the highest grade unless he inspires all his colleagues with zeal, both for production and for such schemes of social well-being as are not unworthy of being compared with those of the Church.

The capture of Government departments by Socialists

or trade union enthusiasts is a matter of some alarm lest doctrinaire theories should be followed too far during the period of reconstruction after the war. All these enthusiasts, to begin with, are strongly biassed in favour of labour as against capital and management. Their training at Ruskin College, or in trade union debates, gives their natural aptitude all the force of special pleaders. Against their practised argument and invective management offers little except an inarticulate feeling that the policy is not quite safe. Management must get the necessary professional training to be able to state its case reasonably and forcibly, exposing fallacy and specious argument. The points of view of employer and worker are nearly but not quite the same, and, therefore, a "real" stereoscopic impression of any difficulty or principle can be obtained only by an equally searching gaze from each point of view. It cannot be too frequently called to mind that the pioneers of improved production, shorter hours, and factory legislation generally, have in nearly all cases been employers of labour; instances are given in Miss Proud's "Welfare Work" (G. Bell and Sons).

ABSENTEE OWNERS.

Absentee ownership in one form or another is increasing, and has already emphasised management difficulties, just as Irish difficulties were accentuated by the increased number of absentee landlords. As soon as this item is isolated as a distinct cause of trouble as well as an ingenious device which meets an increasing demand on the part of the investing public, its symptoms and cure can be discussed and studied. Its results are increased in number or intensity as the absenteeism is of three "stages," more or less progressive:—

Stage 1. The owner retires more or less from active daily management, leaving a trusted subordinate to act as his deputy and confidant during temporary or

permanent absence from the works or district. In this case the removal of the owner's personality is recent or intermittent but not complete, while his interest is not only financial, but personal, and actively exercised chiefly through his trusted lieutenant, but also directly through many of the older workers.

Stage 2. The ordinary limited company leaves its manager more fully to represent the status and duty of owner. The loyalty and outlook of the workers owing to the absence of any rival personality is more directly attachable to that of the manager, whose field of action is, therefore, free, and more exacting in like proportion.

Stage 3. When a series of similar business is combined into some sort of trust the manager's status and scope are restricted, because the final control of business policy and direction is removed to some head office or board of management, which has no direct intercourse with the workers. The managers also are more open to transfer from one works to another, and all these things tend to break the personal bond which naturally grows up between workers and owners residing close at hand and continuing from one generation to another. Thus Stage 3 represents a difficult and delicate problem in adjusting the scope of local managers and central head office so that they work in harmony and without rivalry or injury to one another. As business success and human welfare are deeply involved, this problem needs tactful investigation.

In all these stages we see some removal of a strong personal influence affecting the lives, families, and interests of workers, and reducing the acting managers themselves more and more into employees. The personal relationship of workers and employers thus tends to be replaced by a more or less hostile relationship between labour and capital. The old personal relationship was undoubtedly a very important element in the discipline, harmony, and success of a business, and its

removal must vitally affect the functioning of the whole complex organism. Our problem, then, is to provide a substitute for the element that is disappearing, or to endow the manager with its essential principle. Substitutes have been found for necessary chemical compounds. Others have been synthesised by chemists after definite research, and definite research can undoubtedly repeat its success in the field of personal relationship between labour and management.

The attention of present and future managers should be focussed on the problem of finding out what elements are lost by the severance of a strong, sympathetic, and enlightened owner. These efforts can be tabulated, and an effort made to supply the missing elements or the best substitute possible. Managers who have worked through such a change should be in the best position for supplying evidence of the elements required, and open discussion should facilitate the formation of a professional class capable of carrying on industry not only without loss, but even more efficiently than before. A system of training should make efficient managers more commonly distributed over all businesses than the best class of owners has been in the past.

If we take the extreme case of a manager under a large combine we may name two elements lost by the elimination of the best sort of owner-manager :—

1. *Power of immediate decision.* The owner had more power to decide cases promptly, without appeal, on evidence which convinced him. The manager's authority may be further undermined by influence exerted on a deciding head office. A manager should therefore be thoroughly familiar with the principles of good management, *i.e.*, be more capable of making wise decisions, and the head office more careful to define the powers of the manager and to support his authority by every suitable means. Authority cannot be undermined one day and completely restored the next.

These conditions render it imperative for managers to meet regularly at head office and discuss the policy to be adopted on all questions of importance. Conflicting views should be frankly expressed, but common action should be decided upon. Every manager would then feel more confidence in the course to pursue and act loyally with the others even when his individual judgment had indicated a different course. He would know that he had had a hand in the decision, and would "play the game." Such regular meetings are the greatest need of all business combines, for in their absence there is liable to develop a rivalry between the head office and the local management, with resultant friction and ineffectiveness of control.

2. *Financial, personal, and hereditary interest in the permanent welfare of the business and of its workers.* The owner's position continually pressed him to take "long views" and sound judgment on all matters in the interests of his own family. Hence, the training, pay, and status of managers should be conceived so as to develop similar characteristics.

EXERCISES.

VII. Give detailed advice to a suitable candidate who wishes to become a works manager in the trade you are connected with. General school and technical training, works experience, character, habits, and general conduct should be treated to show why some things should be done and others avoided.

VIII. Should an employer yield to pressure to force a worker to join a trade union? If a union threatened to strike a works unless the manager forced some remaining workers to join, or, failing that, discharged them, what course should he adopt?

IX. Discuss the following anecdote :—

A carter fell ill the same day as his horse. When he returned after three days the horse was ready to

work. The employer saw the carter, and asked if he were quite recovered. The carter replied, "Yes. It was very strange that the horse had started work with me 15 years ago, fell ill the same day, and starts work again on the same day. You sent for a 'vet.' for the horse, but I had to send for my doctor, and now I find three days' wages stopped, too."

What apparently obvious conclusions does the anecdote imply? Are there any conditions which mitigate or justify the different treatment to the carter and his horse.

X. The editor of the "Athenæum" said: "Reconstruction after the war is a human problem rather than an economic one." Discuss this.

XI. The two best candidates for the post of manager to a works whose trade has declined are: (a) a good "manager," with no technical knowledge of or experience in that trade; (b) a man with good technical experience in the trade, but with no experience in management. State how you would come to a decision, giving the considerations which would decide you, and any precautions you would take.

XII. Give a few *maxims for managers*, that is, short, pithy rules of action for common occurrences.

XIII. *A Manager's Seminar*. Draft a prospectus or letter proposing the formation of a managers' seminar to discuss labour problems on the lines suggested in Chapter III.

CHAPTER IV

SELECTION FOR STABILITY OF STAFF.

THE EMPLOYMENT DEPARTMENT—ORGANISATION AND FORMS REQUIRED. THE INTERVIEW. COMBING OUT CANDIDATES FOR PROMOTION.

How to get an appointment has received considerable attention, but the employer's problem of selecting the best candidate for any given work has not been given the thought it requires.

It is agreed that the success of a business depends largely on the quality of the staff employed, so that the selection of the most suitable individuals is of the first importance in order to avoid the loss of time, trouble and money in training unsuitable material. "The American Machinist" for 5.12.14 published the result of an enquiry into 42,571 engagements of new men. It was found that an average number of $6\frac{1}{3}$ new men were engaged in a year for each one added to the total number employed at the end of it. A not very convincing estimate was added that each new engagement cost the engineering firms in question 35 dollars.

The special conditions prevailing in America cause these figures to be higher than corresponding ones for England, but even here the changes are excessive and could be profitably reduced by careful study of causes with a view to removing them. Mention is made of this fact as a reason for closer study of one phase of this question—the selection of staff.

Most firms of any considerable size have some routine method of dealing with this problem, but few consider it necessary to functionalise it and establish a special department for the purpose. Until this has been done there is little prospect of any literature on the subject

which will examine principles or rules of practice for the mutual improvement of their exponents. The following notes are the result of three or four years' experience, and are offered as a basis for further trial.

One great advantage of a special employment department is that there is always at hand someone whose business it is to deal with written or personal applications which are received from time to time from those desirous of finding work. A system of dealing with these adequately is necessary, and a certain amount of skill can be acquired in arriving at correct judgments.

An applicant for work is often in an abnormal condition emotionally, and the first task of an interviewer is to allay this feeling and to establish mutual ease. This can be done by having some form for the candidate to fill up with his name, address, training and experience. Here the candidate is on known ground; a little mutual discussion of these items to bring out his good points is a great help, as it allays his feelings of being a suppliant, and shows that the engagement if completed, is to benefit both parties. The mere sitting down to enter up the card acts as a sedative. The form given below is the fourth attempt to get on one card the details necessary for boys, girls, clerks, typists, draughtsmen, engineers, skilled and unskilled workmen. The information on the front can be given by the candidate, but the spaces at the back are filled up later by the interviewer :

Name of Firm
 Works.
 Mill.

Telegraphic Address : Telephone Number :

Applicants *must* enter own name and address and *may* enter all details on front of card.

APPLICATION FOR EMPLOYMENT AS

Name and Address

.....

Written Personal

Suggested by

Age last Birthday

Married or Single Wage wanted.....

When able to start

Trade Union

House or Lodgings required

Work, Trade or Position preferred, (or most suitable).....

Dept., District, Works, Mill or Office preferred (if any).....

Formerly employed by us at.....in.....Dept.

as foryears.

Ever received compensation

Any physical defects

EDUCATION :

Place.	No. of Years.	Highest Standard, Class or Course.
Day School		
.....		
.....		
Evening School or College		

Prizes and Certificates. Examinations passed.	School Reports.	Best Subject.	Worst Subject.

PRACTICAL TRAINING and EXPERIENCE, *e.g.*, APPRENTICESHIP :—

Post held.	Kind of work done.	Employer.

When and why left.	Last Wages.	Length of Service.	Man or Check No. we can refer to.

BACK OF CARD.

PHYSIQUE, CHARACTER, ETC. :—

Tall	Good Tempered
Active	Fluent
Very Strong	Tidy
Mouth Breather	Well-dressed
Healthy	Confident
Cheerful	Likely to control others ...
.....

Any defects in Character, Physique, Experience, etc.

Manner

.....

.....

General Impression

.....

Suitable for

Not suitable for

Other References, Extracts from Testimonials, etc.

.....

RESULT :—Return this card to ^{current} file. Send form ^{letter-}
_{obsolete} card

Start at.....on.....in Dept.

as Rate.....

Interviewed by

Incidentally this entering up of a card not only furnishes necessary information, but is a test of intelligence and quick grasp of essentials; of eyesight, writing, neatness and method; it is a test of character, training and judgment, for one can tell—from the discussion required to make clear all the facts—whether the candidate is modest, pretentious, assertive or conceited, and whether his education has been imposed on him or willingly attained with conscious design and at some sacrifice. In this discussion the interviewer should concentrate his attention on getting a clear knowledge of the facts, and helping the candidate to make the best of his case, and at the end it will be found that subconsciously a judgment of the candidate has been “added unto him.” On the other hand, if the attention is focussed on judging, quite a lot of the material necessary for a judgment will be missed. Again, a cunning attitude of mind—alert to trap a candidate into omissions or mistakes—distracts him and makes him feel guilty, or provokes concealment, whereas every sensible, right-minded person has some knowledge of his weaknesses or limitations, and does not resent a sympathetic consideration of them in relation to his good points. The importance of this attitude

of mind on the part of the interviewer cannot be exaggerated, as it seems to be the chief requirement for getting a test of *character*. The right ability and experience is probably easy to find and certainly is easier to judge in the short time at one's disposal.

Boys and girls should always bring school reports, exercise books and samples of any hand-work done by them. These are much better guides than testimonials given in a spirit of generosity and hope at the time of leaving a school. What a boy did last year is a good guide as to what he will do this, since the age of miracles and sudden conversions is passing away. Success in examinations is a test of "get there"—shows a determination to finish well. A few questions about his best and worst subjects give an indication of his tastes or strong points, and lead naturally to some tests in them.

With formal tests it is difficult to judge between a boy with second-rate ability well-taught, and a boy with first-rate ability who has been at a poor school, but a micrometer and small manufactured parts were always kept handy for practical tests, which proved useful in separating an applicant's natural ability from his educational acquirements. His attempt to measure the parts, measured also his desire to learn about new things—as well as his desire to get a new job. It showed how long he took to grasp a new principle and link it on to his already acquired arithmetical knowledge. It showed his dexterity or clumsiness in holding the micrometer and adjusting the screw with one hand while holding the object to be measured in the other. Finally, the point and explicitness of his questions and answers, as well as his appreciation of the moral and commercial value of accuracy with its infinity of growth, were points that arose naturally out of the subject in hand, while disarming self-consciousness or window-dressing. The result was a clear impression of an applicant's *character* as well as of his attainments, and proved much more reliable

than a judgment based mainly on the presence or absence of a pleasing address.

It must be remembered that such tests are less easy to apply than tests for the weight, length, or shade of goods received by a firm, and the probability is that simple, reliable tests of education and character will never be discovered, so we must be content to strive to approach more closely that perfect accuracy which is infinitely remote. The Binet intelligence tests for young children, and the physical tests used for sorting out defective children, are most suggestive to a professional interviewer who wishes to judge inherent ability even among grown-up people. Professor Munsterberg's tests for telephone operators and tram-drivers in New York, the English and French army tests for flying officers, and the tests now being made in psychological laboratories, are all detailed and valuable guides to an interviewer.

The "good" scholar proves disappointing in business when he is merely receptive or passive in disposition; he requires impetus and direction from some authority and lacks the initiative and strong personality required to make a way for himself. Such a "good" scholar shines best in routine work; nor does the troublesome or uninterested scholar always prove to be a future captain of industry—he may become a discontented or indifferent worker.

In every case then, the interviewer has to arrive at an independent judgment on evidence of varying value. Games and hobbies are always worth mention because they probably furnish the most reliable grounds for selecting a suitable career. What a boy wishes to become should be known, but his present choice may be merely an echo of outside suggestions or limited by lack of experience. For example, apart from its probable indication of physique and "team spirit," skill in batting is one of the most reliable signs of mechanical

ability in a boy. The inherent, subconscious working together of hand and eye which is required is the very thing necessary for success and speed in delicate manual work. Unfortunately the great mass of boys have little chance of displaying or cultivating this attribute in the elementary schools.

The medical examination of scholars has already shewn some fruit among the boys from the best homes, for it has induced some treatment of bad teeth and adenoids. Unfortunately, those who need this most are often the last to be affected through want of money or appreciation of the necessity for treatment. The need for a works doctor and a works dentist will, it is hoped, soon become more generally recognised, but in the meantime candidates otherwise suitable should not be appointed until the above defects at least have been remedied. It is well worth giving an hour or two from work per day to any young person who wishes to attend a dental hospital. Any candidate who is below the average school standard for his age has probably suffered from constitutional weakness, but he may be dull, or have been put back each time the family moved into a fresh school area. Such points should be cleared up.

Much caution is required if a candidate is accompanied by a parent or older friend. This may be due to a very desirable anxiety to judge the conditions of service and prospects of promotion, but it is frequently the result of partly unconscious bolstering up of a weak case. In either event the candidate himself must be judged without prompting or interference. An effort must be made to estimate written recommendations at their proper value.

With older candidates the above details become of decreasing importance as an indication of character as well as of ability, and their place is taken by the record of previous appointments. The standing and work of the various firms by whom they have been employed

and the positions held are of course valuable. The length of service with each and the reasons for leaving are specially important indications of *character*. For a position of any authority a candidate's power to see the employer's side of the question in such a personal matter as dismissal or resignation is a test of breadth of view and acceptance of responsibility. A supplementary oral description of the work done and its relation to that of other departments is not only a test of the candidate's power of generalisation and elimination of what is subsidiary; his account will show whether he can explain clearly to subordinates exactly what they are to do.

No reference to an employer should be made until the appointment has been offered and accepted, as it may prejudice a candidate's career; it is legitimate to state, however, that an appointment is subject to the references being satisfactory. Sometimes a candidate replies to an offer of appointment at the salary he has asked for by quoting an improved offer from his present employer. In that case the application should be cancelled; he may have been using one's offer merely as a means to an advance in wages without intending to leave; he certainly runs some risk in remaining with a firm which responds only to such treatment. This course may result in the occasional loss of a good man, but it is on the whole the wisest and most dignified. Every firm should aim at a fair judgment of the services of its employees and reward them accordingly.

The details on the back of the card are useful reminders of a man's personality and go about as far as is seemly without an appearance of inquisition unwarranted by the relation of payment for services rendered.

If a suitable vacancy exists the head of the department in question should be called in for consultation and approval, for there is a risk of friction and failure without this. In doubtful cases a definite trial may be arranged with each party alive to its conditions and anxious to

make the best use of it in a sympathetic spirit of scientific experiment. The card of an unsuitable candidate should be cancelled and kept in the "obsolete" file, but others in the "current" file for future reference, so that a "form" letter for further particulars, interview, or offer can be sent when a suitable vacancy does occur.

To sum up, the interviewer should help the candidate to fill up the card of necessary particulars, using these details as "talking" points, to get the candidate's point of view. It is essential that he should do this in the right spirit—with imagination and sympathy to identify himself with the other's interests. He must not impress his personality on the candidate, but keep his mind like wax to reproduce impressions of prominences and deficiencies.

This is a form of mental control, and requires practice; it is not mental flabbiness. The effect is difficult to describe or to attain, but has a sort of parallel in the modern gymnasium for physical cures where lessons and exercises are devoted to *resting*, *i.e.*, to producing consciously the relaxation of muscles which have for generations been handed over to the subconscious control of the brain.

A special device of boys engaged in a guessing game has some scientific basis. It is generally admitted that an habitual action of the mind, such as covetousness, tends to produce certain facial expressions. The process will also act the reverse way, so that a natural actor, by imitating the "expression," can produce the corresponding attitude of his own mind, and it would be of interest for an interviewer to test this on suitable occasions.

A word of caution is necessary. The interviewer's sole duty is not to choose out only the men of outstanding ability, energy, character, and ambition, nor does the choosing of men end the matter. He has also to fit each man to the work which he can do best, where the joy of exerting himself to the best of his ability will tend to

permanency and mutual profit in the relations of employer and employee; for it is not less a tragedy for an able ambitious man to be engaged on dull routine work than it is for a conscientious but indifferent routine worker to be put in a position requiring confidence, resource, control and responsibility. In a business of any magnitude there is need of many different types of men, but its success depends on them being in their right places. It has been suggested in Miss Proud's "Welfare Work," for example, that an efficient employment manager would "skim the cream" off a district to the benefit of his firm, but to the injury of the commonwealth as a whole, and especially of certain individuals. In practice it was found, on the contrary, that accurate judgment of applicants enabled such a firm to carry more than its share of subnormal individuals, as the latter could be fitted to jobs they could *hold*.

EXERCISES.

XIV. Fill up the details required on both sides of an application card for yourself and also for one other person.

XV. Devise means for finding the number of employees engaged and left, and the reason for the latter in each case. What use could you make of the information when obtained? What degree of reliance could be placed on the reasons given?

XVI. Draft an advertisement for an important post, the duties of which you are familiar with, and write an application for the post on your own behalf.

XVII. Draft a notice for internal circulation asking for applications for an important post. Give details of the procedure required to fill the vacancy.

XVIII. State the requirements of a successful store-keeper.

CHAPTER V. WAGE PAYMENTS.

DAYWORK. PIECEWORK. MIND-STUDY BONUS. HOLIDAY PAY. PROFIT-SHARING AND CO-PARTNERSHIP. WAR GRANTS AND ARBITRATION—A NATIONAL SCHEME WANTED.

DAYWORK.

The chief interest in any system of payment is the way that people re-act under it. Generally speaking, wage and salary earners are those who have not enough capital, originality, or initiative to risk "working on their own account" to provide for their needs. An employer after 25 years' experience of profit-sharing and allotment of shares to workers, confirms the above opinion that workers do not wish to control the business, for, if not by nature of this type, their environment tends to produce that effect. Hence we find the wide appeal which a "regular job" or a certainty has for all workers, and this is the great appeal of the day-work system of payment, in which the employer pays the workers by the time spent, and backs his own judgment and control to get enough work done to recoup with profit to himself the amount paid out in wages. The employer who cannot supervise all his workers appoints a deputy, or foreman, to see that the proper time is spent on the work and the proper result obtained.

Thus the worker's attitude is fundamentally *passive*, and there is no direct stimulus to efficiency except where promotion, or an advance in wages, or the fear of discharge is in operation. Hence, under the daywork system *supervision keenly looking for merit* is absolutely essential, and also definite organisation to keep it operating regularly against the monotony or distractions of each day's work. Such organisation includes (1)

minimum and maximum wage scales for boys and girls for each age up to 21 years; (2) minimum and maximum wage scales for each grade of worker from the unskilled labourer upwards; (3) quarterly advance list for boys and girls, and a general rule that anyone not recommended for the minimum by the second quarter day following his birthday must be discharged unless a further trial in some other department can be arranged. In the interests of all concerned the unsatisfactory cases must not be allowed to drift along unchecked; critical judgment must be precipitated if necessary; (4) half-yearly advance lists to include seniors (over 21 years), and one at least of these two lists must contain the names of all workers in each department, with details as to duties, service, wages, etc.; (5) the employer should correct or approve the advances proposed, asking department managers to cut down or raise their total by some percentage, if that is necessary to keep the results even or within bounds, but the manager would be left to make the individual adjustments.

It will be noted that the above organisation completely reverses the opinion that the employer is naturally against all advances in wages, and has to be cajoled or pressed to give them by foremen in touch with the workers and their merits. It is difficult to understand how such an opinion has obtained its general tacit acceptance, for it assumes that advances have not only to be earned but begged or fought for, since the man who finally grants them does not know the merits of each case. If that is so he should take steps to know the merits. When a request for an advance comes from a trade union it generally asks for all to be treated alike, as members pay the same subscription and all have a vote, but these qualifications do not prove that all deserve alike from the employer. The real facts of the case appear to be (1) cheap labour, like cheap material, is generally unsatisfactory to the employer; hence, he must

continually look for and encourage the best. It is generally agreed that the majority of people do not develop their best until favourable environment is provided for them, that is, they do not put up a steady fight for it themselves, so the employer must create this environment. (2) A really good worker knows what he is worth, and unless he is paid accordingly he will seek work elsewhere or subside into a dissatisfied, unsatisfactory worker. Some who think they are good workers are mistaken, and an effort must be made to undeceive them, or they will not see the necessity for improvement. (3) A trade union has an indisputable claim to champion minimum wages for each class of work, a less claim in deciding the maximum wages, and little or no claim at all in deciding a particular wage between a minimum and maximum for any individual. The tendency of union action to benefit the indifferent or average worker at the expense of the best is partly due to lack of the exact knowledge of individual capacities. The employer can get that exact knowledge, and should use it.

WAGE SCALES

SAMPLE WAGE-FOR-AGE SCALE (Works 1912)

BOYS

Age	Minimum	Standard	Maximum
14	6/-	6/-	7/-
15	6/-	7/-	8/-
16	7/-	9/-	11/-
17	9/-	11/-	14/-
18	12/-	14/-	17/-
19	15/-	17/-	20/-
20	18/-	21/-	24/-
21	Labourers 22/- Machinists 24/-	Scales for Graded Labour give the Standard and Maximum Rates for 21 years and over.	
Over 23.	Labourers 24/- Machinists 25/-		

GIRLS

Age	Minimum	Standard	Maximum
14	6/-	6/-	7/-
15	6/-	7/-	8/-
16	7/-	9/-	10/-
17	9/-	11/-	13/-
18	11/-	13/-	15/-
19	12/-	14/-	16/-
20	13/-	15/-	17/-
21	14/-	16/-	18/-

RULES :—New employees may be started at the minimum rate for the year less than their own age, but must reach their own minimum within a year, and should reach their standard within two years.

Juniors may be advanced at each quarter, as their development may be rapid for a time, but spasmodic.

A labourer transferred to a machine should at once be advanced 2/- to mark his promotion.

SAMPLE MINIMUM AND MAXIMUM WAGE-FOR-AGE
SCALE, FOR OFFICES, JANUARY, 1915
BOYS

Age	Minimum	Standard	Maximum
14	6/-	7/-	8/-
15	8/-	9/-	10/-
16	10/-	12/-	13/-
17	13/-	15/-	16/-
18	16/-	18/-	20/-
19	19/-	21/-	25/-
20	22/-	25/-	30/-
21	25/-	30/-	35/-
Head of Section A.	35/-	45/-	60/-
Head of Section B.	45/-	£150	£200

GIRLS

Age	Minimum	Standard	Maximum
14	6/-	7/-	8/-
15	8/-	9/-	10/-
16	10/-	12/-	13/-
17	12/-	15/-	17/-
18	15/-	18/-	21/-
19	17/-	21/-	25/-
20	19/-	23/-	28/-
21	21/-	25/-	30/-
Head of Section A.	30/-	33/-	35/-
Head of Section B.	35/-	38/-	40/-

NOTES :—Section 47 of the National Insurance Act will not recognise boys or girls of 16 receiving less than 10/- as eligible for the lower payments by worker and employer.

Eighteen years is another “critical” age under the National Insurance and Factory Acts. It is only in unskilled trades that workers over 18 years are considered as adults; thus, 21 years is the commonest age for completing apprenticeship, but engineers receive full journeyman’s rate only at 23 years.

At 14 years boys’ and girls’ rates on the above scale are alike, but at 21 the minimum and maximum rates for boys are higher by 4/- and 5/- respectively. The girls’ rates increase more rapidly in the middle stage than at the later one, while boys’ rates increase progressively by greater steps.

In order to save time at such a census a complete list of employees is sent to the head of each department, with names and other details entered up. He is asked to check the numbers, add or correct any details due to promotion, etc., and return the list with recommendations for advances. When approved the list is returned to the department, so that the head may inform his workers.

PIECEWORK.

Under the piecework system a piece "rate" is agreed upon for each piece produced, so that the worker is stimulated to bargain for higher piece rates, to have plenty of work to go at, and to increase and count the number of pieces done. The call for efficient supervision and guidance by the management is proportionately relaxed, but the worker, having attained a certain proficiency, gets accustomed to that, or may fear to do better lest the piece rate be cut. The attention of the management is diverted from improved methods and plant as the men would reap all the benefit unless the painful process of cutting the rate is entered upon, for unions tend to wage indiscriminate war on all reductions of rate, and this tendency was recently approved by the Premier in reference to munition work. The general result, then, is for improvement to depend upon the thews and sinews of pieceworkers, and not on the alert intelligence of the management in hearty co-operation with the workers.

Where a single worker does not finish a clean-cut operation the workers are grouped into "sets," each man of which has his "ratal," in order to settle the ratio in which the combined earnings are divided *pro rata* to hours worked by each person. The influence on the set may, therefore, be keen mutual help, or jealous watching to see that each man does his proper share of the work; much depends upon the inspiration and direction of the foreman and management in this respect.

The piece-rate for each set is fixed more or less on general experience of work of that type, and is run for a trial period before being finally agreed to. During the trial the workers' temptation is to hang back, so as to get as high a rate as possible, for once the rate is fixed it needs very special efforts to get it either raised or lowered, so the management, on the other hand, tries to keep a bit in hand for this contingency. The two parties resemble opponents at a game of poker rather than batsmen, bowlers, and fielders of the same team.

Unfortunately, the keenness of trade unions in agitating for increased piece-rates has made it too rare for foremen and managers to take the acceptable initiative in raising the rate when necessary, but it has left them with the unpopular monopoly of reducing rates that have become too high. Such sharp division of the sheep and goats is not complimentary to the zeal or diplomacy of the management, and again indicates a certain demoralising effect of piecework on the relations between workers and the management.

When should piece rates or bonus rates be cut? This question has led to more strikes and ill-feeling than any other, for unjust or misunderstood instances have embittered feeling and rendered it almost a trade union axiom that rates should never be cut. This extreme position is, of course, untenable. Rates set by any fallible human beings must be open to revision and adjustment, for they are not like the laws of the Medes and Persians, which "cannot be altered." The remedy for imperfect agreements is not to increase their rigidity but their mobility. It is the duty of managers to keep the machinery of adjustment in order by continually working it both upwards and downwards, whenever necessary, and under no circumstances to allow it to become rusty and friction-producing. Rates appear to call for revision under the two following conditions:—

(1) When any material alteration takes place in the

ratio between the machine-work element and the man-work element in any operation, *whether the change is sudden or of cumulative growth.*

(2) *When any wage is abnormally high or low compared with that of workers expending the same time, strength, skill, or comfort in their work, even if the above ratio is unaltered.*

The first condition would hardly be challenged by any responsible labour leader, but rigid proof of the change is necessary, and safeguards must be taken that the bearing pressure caused by any alteration should not be concentrated on one or two individuals, but it must be distributed as widely as possible. This action is as much in the employer's comfort and interest as the union's. New machinery, plant, or methods likely to affect a piece-rate should, therefore, never be put into operation at the old piece-rate, or even as a rule put on immediate trial at new rates. But each worker should be paid a time rate equal to his previous total piece earnings until he is used to the change and three months' trial at a new rate has been agreed upon. Any worker set free by the new arrangements should be found other work at wages equal to his previous earnings. It should be remembered that any improved production will increase the number of goods requiring to be handled, or the rate at which changes must be made, or the concentration of the worker's attention to his duties, so that workers are generally entitled to an increase in their total earnings and should not have them reduced simply on account of the management's plans for improved production. The aim of the management is not to reduce the worker's earnings, but to *reduce the wage and other costs per piece* or to improve the quality of the work done, and both items should be accompanied by increased earnings to the individuals concerned. These principles are obvious, but it is astonishingly difficult to see that they are fulfilled in any actual case that occurs in a works, and

this is particularly so if a set has been allowed to work improved plant at the old piece-rate without remark.

The second condition is more debatable, and has been rhetorically discredited as feeding animals by "cutting off their own tails," but difficult problems cannot be decided by mere rhetorical flourishes or by pointing out that it is other people's tails that are in jeopardy in this case. The following considerations seem sound:—

(1) If a piecerate which does not give a minimum living wage to the class of workers demanded by the skill, energy, discomfort, or danger of the operation, should be raised, why cannot a piecerate be lowered if it yields a wage out of proportion higher than that of similar workers in the same works or trade?

(2) If a disproportionately high piecerate exists it causes discontent to others who are doing equal, better or harder work for less money, even if that money is an acceptable standard to similar workers in another works. When such a piecerate is found the management should immediately look for some set comparatively under-paid in order to transfer all the money saved to them.

The object of the second condition, then, is a *fairer* distribution of wages, and not a lesser one. It is highly important that the management should discuss directly with the workers concerned any proposal which is so liable to misunderstanding or misrepresentation. When any workers concerned are known to be trade unionists the matter should also be discussed with their officials. The following report illustrates this action, though it refers to bonus reduction and not to a piecerate reduction.

CONFERENCE WITH WORKERS ON REDUCTION OF A BONUS RATE, 1916.

Present: Works Manager, Secretary and President of Union, and all the journeymen affected. Foreman unfortunately absent.

The secretary reviewed the history of the dispute. The men's notice expired in three days' time, and had been renewed, after being once withdrawn at his request. His suggestion of a temporary return to the basis of 52,000 pieces had been refused by the firm. The men were free agents, and could persist in withdrawing their work and trying for munitions, but the union would not support them as they were paid the recognised rate, and any bonus was an extra.

The men raised the following points:—

(1) The bonus of a journeyman directly responsible for production was less than that of an under-foreman in a certain minor set.

Answer: (a) The bonus is a gift, and the employer can divide it as he thinks best.

(b) The journeymen should not be compared with a foreman or under-foreman; their own foreman should be thus compared.

(c) Other foremen were over piecesets paid entirely on production, and not receiving large time wages.

(d) The journeymen should be compared with similar ones at other works. Their bonus was much above the average for the last three years.

(2) Their production had been raised from 30,000 pieces to 80,000, while the bonus had been reduced successively by basing it on 43,000, 45,000, 52,000, and 62,000 pieces respectively; hence they were doing more work and receiving less bonus every time.

Answer: (a) Increased production is not chiefly due to machine men, but to improved management, specialising, and long runs on big orders, which mean less changes for the machine minder. One organiser or salesman could improve production and available profits more than all the machine men put together.

- (b) A good harvest in South America or a good rainfall in India could benefit works engaged for those markets more than all their *extra* effort represented by the bonus. Works enjoying such an "unearned" bonus must be taxed and reduced at intervals for the benefit of works and workers unequally treated by fortune. Thus the war had benefited other works though it injured the trade of this one; hence the firm during the last six months had been reluctantly forced to the conclusion that all bonuses must be revised, as war conditions seem likely to last longer than had been anticipated. Fortunately, food and wages, after two years of war, had far exceeded the most optimistic expectations.
- (c) The bonus was small compared with their wages, and only given in order that they might share in the *good* fortune of the works and trade. It could not be expected to provide them with good fortune while the works and trade as a whole suffered.

(3) Labourers were more thought of than journeymen. Labourers got all they asked for or went elsewhere at once.

Answer : (a) Such labourers were more "thought of" in the same sense that a stone in a man's shoe was thought of, not in the sense of being valued more but as causing more anxious thought. These labourers had not invested years of experience and training in the trade, and their future did not depend on having a good trade to return to after the war.

- (b) No person on earth can prevent a rising tide of wages reaching the lower levels of labour first.
- (c) A scheme specially designed to combine their interests and those of their labourers had been

suspended in deference to the wishes of their secretary and president, but the firm is always ready to promote such an object.

- (d) The firm was not astonished at somewhat impatient or unreasonable requests from labourers such as those referred to, but did not expect 18 journeymen to throw 270 other workers out of employment at the present crisis for a trivial sum, especially against the advice of their union. Sir George Askwith's telegram to one such group of men was read: "The proper course for them to adopt is to report the difference to this department for settlement by arbitration, and they should continue work in the meantime."

(4) At the time of their last advance the firm gave them 3/6 and took 2/6 off their bonus.

Answer: (a) The reduction in bonus was specially held up till the advance came into force after consulting the union officials, who, however, have always refused to recognise the bonus. The object of the delay was that the men should suffer less by the reduction, but the consideration thus shown seemed to have been rankling ever since through lack of appreciation.

- (b) This history is now repeating itself. The very war conditions which have forced the firm to reconsider the bonus have also forced the union to ask for an advance in wages. Both these matters will be considered together as before, but the firm hopes that its motive will be fully appreciated in future.

The men acknowledged such new points of view as had been brought forward, and expressed a wish to debate them privately. The manager invited them to con-

tinue in the use of his office, and withdrew. The men, after private discussion, withdrew their notices.

“MIND”-STUDY BONUS.

No attempt is made to describe the premium bonus method of payment advocated by F. W. Taylor, the founder of scientific management. His “principles” and their elaboration by disciples deserve study at the source, but their outstanding developments as compared with the piecework system are :—

(a) Scientific stop-watch time and motion study to determine the best way of doing each element of an operation, and then training and paying workers to adhere strictly to this.

(b) A big increase in pay for attaining a recognised standard, but with a diminishing inducement for exceeding that standard.

(c) A guarantee that the rate shall not be cut unless the plant or method is altered, each alteration being susceptible of a renewed time-study if questioned.

The bonus dealt with in the following schemes may be said to be based on a “mind”-study, just as Taylor’s bonus is based on a “time” and “motion” study. It is a gift similar to that referred to in the conference quoted above, and is also :

(a) Additional to any standard rate of pay and amounting only to about one-tenth of the wage. It is a welcome addition to wages when things go profitably, and its loss does not affect the standard wages fixed by the worker’s training and ability.

(b) Its object is to encourage economy, or extra care as to quality of work; that is, such care as would be natural to an owner. All this is difficult to measure or induce from or force upon the average wage-earner, hence the main problem is to find how his mind will react in response to any proposed stimulus.

The following schemes will show its field of action :—

1. *Firemen's production and coal saving bonus.*

Object : To increase the pay of firemen as they increase in skill.

Pool : Each week the pool is based on—

- (a) *Production* : One-fifth of a penny per man per ton of coal used up to 10 tons per 1,000 pieces.
- (b) *Coal saved* : One penny per man for each ton that the coal used is less than 11 tons per 1,000 pieces.
- (c) 1/- per ton of bad coal sorted out from deliveries.

Reductions : One-sixth of the week's pool will be deducted for—

- (a) Any day on which there is a formal complaint from a foreman about lack of steam. Such complaint must be signed by a foreman and approved by the manager.
- (b) Any day on which an official complaint is received from the local authorities about black smoke.

Staff : The pool will be equally divided among the firemen and ash-wheeler *pro rata* to hours worked each week. All the night and week-end firemen not on productive work will count together as equal to one man for this purpose.

Adjustment : This may be necessary owing to—

- (a) Capital expenditure on new plant, electric driving, etc.
- (b) Changes of goods which affect steam consumption.
- (c) Variations due to summer and winter conditions.
- (d) Night and week-end firing.

Note : A further item might be added to the pool based on each day's CO₂ record, where the necessary apparatus is fitted.

2. Bonus for motor van drivers :

The scheme applies primarily to regular service drivers, but special or emergency drivers may come within its scope if the amount of driving is considerable. A copy of the scheme is given to each driver, and one is posted up in the garage.

Scheme : On and after 1st January, 1913, a bonus will be given to each driver for each period of three calendar months in which no complaint has been received as to his conduct or courtesy, and for which his record is free from all accident. The bonus will be 10/- for the first free quarter, 12/6 for the second consecutive free quarter, 15/- for the third, and £1 for the fourth and every succeeding quarter until a complaint or accident is recorded against any driver. One who thus loses the whole of his bonus must begin the series again at 10/- for the first free quarter, but if only part is lost the bonus for the first free quarter will be the amount to which the bonus has been reduced, or the next amount above.

At the end of each quarter the foreman in charge will furnish a report to the employment department, who will sanction the payment. This report includes the mileage covered, and the ratio of such distance to 2,000 miles will be used to decide what part of the bonus will be given to part time drivers. The driver should have covered at least 1,000 miles to qualify for the increased rate for the new quarter. The report will also be considered with the March and September advances.

Notes on the working of this scheme : (1) The bonus is a gift for *not having* complaints—especially from the general public, police, or other outside officials. It is not for having a good case against any complaint that is made, as this may be a very undesirable and dangerous characteristic. Whenever a complaint from *outside* is received the bonus is stopped.

COPY OF REPORT.

Driver.	March quarter.		June quarter.		September quarter.	
	Possible Bonus.	Actual Bonus.	Possible Bonus.	Actual Bonus.	Possible Bonus.	Actual Bonus.
A.	..... 15/-	..... 12/6 (1656 miles)	..... 20/-	..... 20/- (3018 miles)	..... 20/- —
B.	..... 12/6	..... 12/6 (no mileage record)	..... 15/-	..... 15/- (3661 miles)	..... 20/- —
C.	..... 10/-	..... Nil. Police complaint)	..... 10/-	..... 10/- (2340 miles)	..... 12/6 —

(2) The driver is in charge, and responsible both for any passengers and their conduct as well as for the van and goods.

(3) We must always be our own severest critics if we wish to keep up our present standard of care and consideration for other road users. This alone will prevent accidents, which is our main object. The quarterly record of awards is the only thing that will stand us in good stead if ever the time of need arises. Thus it is both the firm and present or future drivers that will benefit from a rigid application of a high standard. Hence, drivers should report any circumstances which are likely to lead to accident or complaint, in order that a letter might be sent to prevent this, and to protect the interests of all concerned.

3. *Proposed bonus for permanent lorry porters :*

Object : To facilitate loading by spacing out arrivals and deliveries, and thus increasing the permanent staff but reducing the more expensive and less desirable casual staff rendered necessary by congestion.

Scheme : If the total wages for the permanent and casual staffs for any week is less than 9/6 per load, divide half this difference equally among the permanent staff.

Staff : The permanent staff includes all those who can facilitate loading and unloading, namely, permanent porters, foremen, clerks and carters. Some visiting carters may be eligible for a half-share.

Notes : (a) The average cost for 29 weeks was 9/6 per load. If the scheme had been in operation during that period the permanent staff would have divided £80 2s., causing, say, 1% increase in the total wage bill, and the bonus would have been earned in 18 of the weeks.

(b) Half the saving in weeks below the average cost would be paid away, but the extra cost in weeks above the average would still have to be paid in full.

(c) Higher production of itself reduces the wages cost per load, but the firm's risk under the scheme is limited, and the extra cost is invested in a very desirable object.

(d) The average cost would be worked out at the end of each half-year as a basis for the next, and thus the half saving could be increased or reduced as experience indicated.

(e) A reduction in the average cost per load should be accompanied by a rise in the individual wages of the men concerned if the scheme is just to both parties. A curve to show both these items should, therefore, be drawn for each half-year.

4. *Proposed bonus for upkeep mechanics.*

Object: To interest mechanics in the success of their work; that is, in preventing and repairing the breakdown of all productive machinery.

Scheme: Take the "running hours" lost by all machines through breakdown each month; if the number of hours thus lost is greater than that of the corresponding month last year pay no bonus, if equal pay half, if less increase the bonus *pro rata*; for example, if the hours lost are reduced from 60 to 50 pay one-sixth more bonus to each mechanic and labourer.

Details: (1) The 'month' would be the calendar month, and the unit payment, say, 10/-. The variation in the months, say, containing Easter and Whitsuntide holidays could be allowed for.

(2) A running hour should include a meal hour for any machine which runs during meal hours.

(3) All machines count alike, because a breakdown in a complicated machine takes longer to repair, and would thus secure its proper attention. New plant would count from a date given in advance. Worn out plant would be included unless a report in writing had been sent to the manager at least one month beforehand.

(4) The labourer shares equally with his mechanic and

foreman *pro rata* to hours worked because his willingness and activity can be increased more than the latter's skill and experience, which, moreover, are already recognised in the higher wage. It might be advisable to give masons, joiners, etc., a whole or half share too.

(5) A totally different dinner hour for the upkeep staff enables machines to be adjusted or repaired for one hour each day while stopped, thus preventing any stoppage of production, and overtime rates of pay, in minor cases. An overlapping dinner-hour might be effective, and more convenient to the men's families; for example, upkeep dinner-hour 12.30 to 1.30, works dinner-hour 1 to 2 p.m.

(6) The scheme automatically draws attention each month to the idle hours of productive machinery, and this requires accurate booking. If no previous record is available take it for one month before mentioning the scheme, then pay on that basis for the following month, and the average of the first and second month for the third month, and so on for the first year.

(7) A bad breakdown loses all the bonus for that month, but makes it easier to earn it with an increase in the corresponding month next year. That is, the bonus is not lost but deferred, though the bonus can never exceed twice the standard unit.

(8) The scheme automatically follows the natural deterioration and renewal of plant, but, on the whole requires a higher standard each year. That is, the staff must beat its *own* record. It should be noted that if the staff knows during any month that the bonus is already lost this scheme would favour delay in repairs in order to make it easier to earn the bonus in a year's time.

(9) Any breakdown not to be counted against the bonus must be recorded in writing by the foreman mechanic, approved by the foreman of the department affected, and sanctioned and renewed by the manager. Such exceptions would be very rare indeed, as they correspond only to similar breakdowns in the previous

year, and the bad luck of the mechanics is only a part of that suffered by the department and the firm through continued stoppage of productive machinery.

HOLIDAY PAY.

Employers find it necessary to close their works at fixed holiday times in order to encourage full production up to and after them. The complete stoppage of machinery is also convenient for repairs and renewals. Productive workers, therefore, cannot earn wages, although they must live. The claim of clerks and higher-paid officials for wages during holidays and a limited period of sickness each year is generally conceded, so that productive workers during holidays suffer from this extension of the piecework idea of a fixed payment for an agreed piece of work, and this counterbalances the benefit from overtime pay, which is lost to clerks and other fixed wage employees.

Some employers have taken advantage of the opportunity thus offered to explore the field of holiday pay to productive workers, so that its limits are known, and its justice and wisdom within these limits are proved beyond question. Employers who have adopted such a scheme as that which follows are convinced that it is a most productive part of their wage bill. The opinion and contrary practice of other firms can be safely ignored, especially if the amount, cause and effect of the ebb and flow of workers have not been investigated by them; the value of their opinion would be less than that of a protest from chemists, teachers, and professors against the existence of argon in the atmosphere on the ground that they had conducted thousands of analyses of the air without discovering that new element!

Scheme of holiday pay for productive workers:—

Holidays. The works are closed as follows:

- (a) Works holiday week, usually August Bank Holiday week.

- (b) December 25th and 26th, 1st January, and $2\frac{1}{2}$ days at Easter.
- (c) Up to $2\frac{1}{2}$ days according to the custom of the works, in Whit-week, Wakes-week, or Bank Holiday week.

Scheme. *Time and pieceworkers* (in profit-earning works and) not already on fixed wages will henceforward be paid their ratals for the above holidays according to the length of their continuous service—namely, after five years' continuous service paid for (a); after 10 years' continuous service paid for (a) and (b); after 15 years' continuous service paid for (a), (b), and any part of (c) for which the works closes according to custom.

Employees eligible for holiday pay as above but required to work will be given their holiday ratals in addition to any wages earned, and allowed an equal time off as convenient without pay. If the works close on Friday before holiday week for the convenience of travelling the extra Saturday will not be paid for.

On the last pay-day preceding the closing of the works an employee will receive his ratal for any holiday as above if the required service is complete upon the day the works close.

“*Continuous service.*” Military service or transfer to another works belonging to the same firm is counted as continuous service if it is without interval. If an employee has given or received notice but has not ceased work the service is continuous. An employee forced to leave merely on account of shortage of work should ask at the time of leaving for the fact to be recorded, so that it may be decided at once whether any future service shall be considered as continuous.

Notes. (1) The qualifications for (a), (b), and (c) can be increased or reduced according to available funds, but it is advisable to announce the whole scheme at its

inception, even if a part cannot be put into operation at once.

(2) In no case should the qualification for (a) be reduced below one year's continuous service, in order to avoid its exploitation by casual, migratory workers.

(3) If one of a series of works is not profit-earning and it was desired to exclude it from the scheme, the latter would still act as an incentive to increase efficiency in order to appear on the profit-earning list. But if the failure to make a profit is due to inferior workers such exclusion would be unwise.

(4) The qualification for holiday pay is not membership of a union, but ability to satisfy the employer's needs. The stimulus is not like that of a pension scheme—too remote to affect the average or youthful worker—but is within reach from the first; it increases for some years, and afterwards is repeated at least three times a year at very convenient seasons. Holiday pay confers distinction and self-respect even on workers who cannot attain by special skill or promotion to higher work, and it is valued accordingly. It has no taint of charity about it, for the standard was set by the employer and has been attained, so the prize cannot be endangered by petty officialdom. It acts as an automatic drag on hasty-tempered workers or foremen, and it is a fitting recognition of experience in those rare contingencies which occur even in the lowest grade of work, but which are realised by those in authority only when a newcomer undertakes a job. Apart from the money value of continuous service there can be no doubt as to the pride in it which is shown by employer and worker *once it has been accomplished*, but what definite steps can be taken to encourage this in the young? As mentioned elsewhere, "security of tenure," or a "regular job," is an object intensely desired by wage-earners from the very conditions which make them such. Unions of wage-earners will eventually secure it in some measure, and

holiday pay as defined above, with a right to a week's notice or a week's pay for every worker will be as truly elevating to the worker as it is profitable to the employer. There is no doubt that the recognition of this fact by employers before the demand is enforced by workers would have a beneficial effect on the relations between the two classes.

PROFIT-SHARING AND CO-PARTNERSHIP.

The "Bulletin" of the United States Bureau of Labour, No. 208, classified American profit-sharing schemes for 1916 as follows :—

(a) *Profit-sharing*, the essential features of which are (1) the amount varies with and depends on the net profits or on the dividends declared. (2) The proportion of profits is determined beforehand. (3) At least one-third of the working staff, as well as executive or clerical employees is included. (4) The method of determining individual shares is known to the participating employees.

The number of such schemes did not exceed 60, of which only seven were in existence prior to 1900, and 29 had been started since 1911.

(b) *Limited profit-sharing*. These schemes have the same essential features as the above, except that less than one-third of the employees were affected, and only executive or clerical staffs were included. The number of such schemes is very large.

(c) *Bonus schemes*. These are popularly known as "profit-sharing," but the divisible fund does not depend upon or vary with the net profits. It is contingent upon the manufacturing cost, the gross or estimated profits, the wages earned, or the length of service, etc.

The objects are stated by various employers to be : (1) to eliminate waste and to foster economy ; (2) to increase efficiency ; (3) to stabilise the staff ; (4) to improve relations between employers and workers. (5) Only three firms stated as an object "To furnish an equitable

distribution of the profits as a matter of justice irrespective of hopes for increased efficiency."

The results. Most firms agreed that the tendency had been to establish more satisfactory relations between employers and workers. All agreed that the staff had been stabilised, but they disagreed greatly as to increased efficiency, only three stating that this had definitely resulted.

These results are confirmed by the 25 years' experience of Mr. Theodore C. Taylor, M.P., head of the firm of J. T. and T. Taylor, Ltd., of Batley, who writes:—

"If an employer is seeking mainly his own profit or ease rather than his workers' good he should leave profit-sharing or co-partnership alone. If profit-sharing is started to make money it may not do so; if it is started to give money it may make it, but it dignifies and ennobles the trivial round, the common task of all engaged in it."

Batley Reporter, 26/1/1917.

CO-PARTNERSHIP.

Welfare work has been described as spending part of the profits for the benefit of workers, and profit-sharing or co-partnership as giving them the money to spend for themselves. The feature which distinguishes co-partnership from profit-sharing is that in the former, a part of the profits is given as shares in the company which may or may not carry votes like the ordinary shares, but in some cases there are limitations as to sale during employment by the firm and as to enforcing the return of the shares at par when the employee leaves the service of the firm. Lord Leverhulme gives as an object of his co-partnership scheme: "To enable labour to take some democratic share in management and some responsibility for the success of the undertaking." The following facts relate to one of the best known and most successful co-partnership schemes—that of Lever Bros., Limited: The

scheme started in 1909, and the co-partnership certificates amount to £1,000,000, of which, by 1915, £500,000 were allotted to 4,000 employees in proportion to wages or salary each year. The minimum age of participants is 22 years, and the minimum service four years. Employees sign the following pledge on their application form for a certificate :—

To the Trustees of the partnership trust in Lever Bros., Ltd.

Gentlemen,

I, the undersigned, request that a partnership certificate be issued to me under the above Trust, and I will in all respects abide by and conform to the provisions of the Trust Deed and the scheme scheduled to it, and will not waste time, labour, materials or money in the discharge of my duties, but will loyally and faithfully further the interests of Lever Bros., Ltd., its associated companies and my co-partners to the best of my skill and ability, and I hand you herewith a statement in writing of the grounds upon which I base this application.

Once admitted, and so long as their record is clean, co-partners receive further certificates each year on a fixed basis in proportion to wages. The certificate dividend is 5% less than on ordinary shares, and is paid in 5% preferred ordinary shares which can be sold at par, but if retained this dividend is made up to the total dividend on the ordinary shares.

The management allots certificates, but co-partners have a right of appeal to a committee of staff and managers, with a final appeal to the chairman either by co-partners or by any employee who has been overlooked. The allotment depends upon the value of service, and varies from 5% to 25% of wages, with a special allotment for special services or helpful suggestions.

This scheme of co-partnership couples up loss-sharing with profit-sharing, for if a man had acquired £200 or

more of co-partnership certificates he would to that extent lose equally with other capital on the reduction of dividends. Lord Leverhulme says to his co-partners: "I will take the co-partnership end and preach it to employers; you take the other end, *i.e.*, to preach the doctrine of whole-hearted, devoted service and to preach against the fallacy of *ca' canny*, or restriction of output." Although profit-sharing and co-partnership are both additional to any standard hours and rates of wages the attitude of trades unions is rather hostile, or, at least, apathetic, because such schemes tend to produce a vertical stratification of the firm's workers and also to remove them from the ranks of possible members, since they are unlikely to pay subscriptions and accept the discipline required to fight for universal terms less than those they are actually receiving.

WAR GRANTS AND ARBITRATION. A NATIONAL SCHEME WANTED.

Grants, bonuses, or war wages have been awarded to nearly all workers for the period of the war, although no definite policy has been arrived at concerning the advisability or method of dropping them. After three years' experience arbitrators had only just begun to abolish the many separate and conflicting decisions, and to deal with the matter by general awards as in the case of mechanics. The chief factors affecting wages under war conditions are:—

(1) *The high cost of living* must be met by higher wages in order to maintain the efficiency of workers, for high production must be maintained in the absence of the majority of able-bodied men. It is generally agreed that piece-rates should not be disturbed by the cost of living increase, because this would demand an incredible number of detailed enquiries, as already the method of working and class of goods have been frequently or profoundly altered by other war conditions. Union

demands tend to concentrate on an increase in wages to *equal* the increase in the cost of living, and simultaneously to bring political pressure to bear on the Government to reduce the price of food.

(2) *The anticipated shortage of work* has not yet been felt. On the other hand, there was speedy evidence of the very decided shortage of labour which has raised wages. This rising tide of wages has naturally benefited the lowest-paid labour first, and it may recede before reaching all classes. The first war grants were added, say, to any week's wages which fell below 35/-, because practically the whole of such wages goes for necessities. This system broke down in practice, because a man who had earned 34/- would lose his war grant by continuing to work, and other workers, more important to a business individually, had to pay the increased cost of living too. Youths and unskilled labourers, therefore, have benefited unduly compared with skilled workers, clerks, foremen, etc., but the value of the man's work cannot be entirely ignored, although the main consideration should be that of providing the essential minimum.

(3) *Employers have found that with restricted competition* the increased cost of materials, labour and interest can so far be recouped from customers with increased profits and additional reserves provided for falling markets and keener competition after the war.

A national scheme wanted.

The above factors became sufficiently clear in 1916 to suggest the following sliding scale to adjust automatically the war grants to the increased cost of living without need for repeated arbitration, and correcting at the same time some of the weaknesses of the present war grants. The proposed scale is given merely to illustrate the *principle*—not to fix the *amount*. The main thing to do is to establish an automatic sliding scale, the amounts of whose increase could be decided by arbitration. It

PROPOSED NATIONAL SLIDING SCALE FOR FLAT WAR GRANTS TO VARY WITH THE COST OF LIVING.

Class of Worker.	Increased Cost of Living over July, 1914.									
	10 % to	20 % to	30 % to	40 % to	50 % to	60 % to	70 % to	80 % to	90 % to	100 % to
A. Men on manual work (18-55 yrs); foremen, and male clerical staff over 18 yrs.	2/-	4/-	6/-	8/-	10/-	12/-	14/-	16/-	18/-	20/-
B. Seniors on manual work (men over 55); youths 16-18 yrs.; females 16 and over	1/-	2/-	3/-	4/-	5/-	6/-	7/-	8/-	9/-	10/-
C. Juniors (under 16 years)	6d.	1/-	1/6	2/-	2/6	3/-	3/6	4/-	4/6	5/-

need not advance throughout by 2/- per 10%. Class "A" might deserve more than twice the amounts for Class "B." The age limit for manual workers in Class "A" might be made 60 years instead of 55, or a special advance in *wages* could be given to exceptional persons above or below the age limit. The whole scale could also be re-opened for discussion as experience of it accumulated, but its immediate benefit would be to do away with the continual sectional arbitrations, as there is no reason why a scale should not be designed so as to apply equally to all classes of employees. If Capital voluntarily shouldered a part of the workers' burden by making war grants in short weeks the concession would be highly valued by workers, and it would tend to keep a nucleus of the best workers together in spite of the immediate attraction of munition work. The scale could also be adjusted to the cost of living in villages and towns as given in the Board of Trade figures just as the Italian scheme is adjusted for this.

PROPOSED NATIONAL SLIDING SCALE.

NOTES.—(1) The scale could be limited to salaries or wages up to, say, £5 per week.

(2) The flat rates are:—Not increased for overtime. Not added to rate before calculating overtime pay. Not reduced for weeks broken by holidays or shortness of work. Not paid for working week in which no wage is due, but are reduced *pro rata* to hours lost for sickness or on workers' own account except in case of fixed wage employees.

(3) Any change in grant would take effect on the first day or first pay day of the month following the announcement in the Board of Trade Gazette of the required change in the cost of living.

(4) Any employers or unions becoming dissatisfied with the operation of the scale would submit details of wages and war grants compared with July, 1914, to the *other party* for checking. The latter must send its figures and reply to the former

and also to the arbitrator for him to decide or to arrange a conference.

REASONS WHY THE PRESENT SYSTEM OF GRANTS IS UNSATISFACTORY.

(1) *It is complicated* for the counting house, *e.g.*, 16 separate entries have been noted for one man's weekly wage, and 44 mistakes have been found in calculating one works' arrears of war grant. Arrears—the bugbear of depleted or diluted wage staffs—should be abolished altogether.

(2) *It is unfairly distributed* to different classes of workers, and gives greatest help when most work is done, and least help in short weeks when help is needed most. Youths who are least deserving and least likely to have family responsibilities have benefited most.

(3) *It encourages discontent*, because no remedy is applied until hardship or agitation has rendered workers irritable or dissatisfied.

(4) *Repeated arbitration is cumbersome*, and costly both in time and money to all concerned. Arbitrations about war grants would be almost abolished as soon as the sliding scale was once in operation.

(5) *Standard wages and piece-rates* should not be removed from the usual trade organisations which have been gradually built up to deal with their technicalities. The separate treatment of the increased cost of living would eliminate a disturbing element from these negotiations.

REASONS WHY EMPLOYERS SHOULD NOT BEAR ALL THE INCREASED COST OF LIVING.

(1) The Board of Trade returns for March, 1917, show that the increased cost of food only can be reduced from 94% to 61% by using margarine, no eggs, and half the sugar and fish of pre-war times. Such economies should be encouraged.

BOARD OF TRADE TABLE OF INCREASED COSTS OVER JULY, 1914.

Prices on	FOOD ONLY		Whole cost of living.		Effect on increased cost of food only.
	Towns over 50,000.	Small Towns and Villages.	Average for the United Kingdom.	On pre-war purchases of working-class families, excluding increased duties.	
1/6/16	62%	55%	59%	40%	59% reduced to 53% if increased duty on tea and sugar deducted.
1/8/16	62%	57%	60%	40-45%	do. 54% do.
1/9/16	68%	62%	65%	45% (about)	do. 59% do.
30/9/16	71%	66%	68%	45-50%	do. 62% do.
1/12/16	87%	80%	84%	60%	do. 78% do.
1/2/17	93%	85%	89%	60-65%	do. 50% by using margarine, no eggs and half [sugar and fish.
1/3/17	97%	88%	92%	65%	do. 55% do.
31/3/17	99%	90%	94%	65%	do. 61% do.
1/5/17	102%	93%	98%	70% (about)	do. 65% do.
1/6/17	106%	98%	102%	70-75%	do. 70% do.
30/6/17	109%	100%	104%	75%	do. 72% do.
1/8/17	105%	98%	102%	75% (nearly)	do. 67% do.
1/9/17	109%	102%	106%	80% (nearly)	do. 67% do.
				(85% if taxes included)	
1/10/17	102%	93%	97%	75% (nearly)	do. 56% do.
				(80% if taxes included)	
1/11/17	110%	101%	106%	80% (about)	do. 59% do.
				(85% if taxes included)	
1/1/18	111%	102%	106%	80-85%	do. 59% do.
				(85-90% if taxes included)	
1/2/18	113%	103%	108%	(about)	
				90%	

Notes.—1. The arrested increase for June, July, August, 1917, is the first effect of Government action in the directions noted above.

2. This arrest, compared with that of the corresponding months of 1916, shows that it is also partly due to seasonal reduction in prices and partly to increased production from allotments, etc.

Increased expenditure on food, however, is only 58, 51, and 54% respectively, owing to more economical consumption. Similarly, of the 90% only 55 to 60% has been expended.

(2) The returns for 1st December, 1916, show that the increased cost of food is reduced from 84% to 78% by omitting the increased duty on tea and sugar. This taxation was intended to be borne by the consumer.

(3) Government allowances, steady work and overtime, or an increase in the number of workers, have yielded larger family incomes.

(4) Government action should be stimulated to reduce expenditure and interest; to increase taxation; to control the production, distribution, price, and use of foodstuffs, and to tax all excess profits during the war. There is no moral justification for allowing *any* class to *benefit* by war conditions.

(5) Employers must collect reserves for falling markets, short work, and after the war competition. They also have to meet their own increased taxation as ordinary citizens.

Sectional Arbitrations.

Case 1. The following is an example of a war grant award given to a section of one trade as interpreted by the employer in works instructions so as to cover also the other workers, and thus prevent irritation and further sectional arbitrations:—

Award of war grant, 6/2/1917.

The following war grants will be paid on all wages due for Friday, 26th Jan., 1917; that is, for the working week ending Wednesday, 24th January, and any balance now owing will be paid as soon as possible:

(1) *Productive dayworkers.* Paid on hours worked, which include extra $\frac{1}{4}$ or $\frac{1}{2}$ time for work done before or after the usual stopping time.

(a) Men (18 years and over), 10/- per 56 hours (2-1/7thd. per hour).

(b) Young persons (under 18) and all females, 6/8d. per 56 hours (1-3/7thsd. per hour).

Hours and overtime as before. NOTE. Tables for

calculations of wages for various hours worked were sent out with the instructions.

(2) *Non-productive workers*: that is, carters, clerks, engine-tenters, engravers and engraving department, firemen and coal-fillers, mechanics' labourers, store-keepers, watchmen, and yardmen. The present flat grants of 7/- are increased to 10/-. Grants to youths and females are increased by 2/-; firemen will receive a flat grant of 10/-, except where now paid on a district rate; carters will receive a flat grant to bring them up to the district rate of wages; hours and overtime as before.

(3) *Pieceworkers*. 10% to be added to all piecework earnings, as before, and in addition men 18 years and over get 6/- flat grant; young persons under 18 and all females 4/- flat grant; overtime as before: that is, 2½d. per clock hour worked after the normal day.

(4) *Foremen*. All present flat grants of 4/- or 7/- to be increased by 3/-.

(5) *Trade journeymen and apprentices* now receiving a flat grant of 7/- will receive 10/-; apprentices under 18 years of age, flat grant to be increased by 2/-.

(6) *Upkeep*. Journeymen mechanics, joiners, masons, etc., who have been paid according to arbitration awards governing their respective operations are not included, but when they are paid on a 56-hour week the flat grant may be increased by 1/- to 3/- as the manager decides upon the individual's merit and local wages in each case.

NOTE. Flat grants are not increased for overtime, not reduced in weeks broken by short work or holidays, but are reduced by time lost on worker's own account.

Case 2. The following figures were prepared for an arbitrator in order to compare with pre-war wages those of the nearest months unbroken by holidays and short time. Foremen, skilled workers, and clerks were excluded, and the remainder were classified as given below:—

		Weekly increase of Oct. & Nov., 1916, over May & June, 1914.		
	No.	Average.	Per Cent.	
(1) Males over 18	... .. 699	13/2	.....	51.97
(2) Youths under 18	... .. 386	8/-	.....	66.67
(3) Females of all ages	... .. 801	6/4	.....	54.46

NOTES.—(1) On 1st Feb., 1917, the average increased cost of food for the United Kingdom was 89%, but this could be reduced to 50% by using margarine for butter, half the sugar and fish, and no eggs, and the increased cost of living—60.5%—would be correspondingly reduced.

(2) The increased earnings are due to (a) increased working hours; for example, men four per week, youths 2½ per week, females three per week; (b) the existing war grant; (c) increased efforts by the workers, which are gratefully acknowledged; (d) improved business arrangements, giving less sampling and other preparation, and thus benefiting the workers.

RESULT.—The award changed the system to one of flat grants, and necessitated the issue of a covering letter with the work's instructions, in order to include any *workers omitted by the arbitrator's award*.

Case 3. This is an employer's "case," as prepared for an arbitrator in reply to a union demand for increased

wages (not war grant) to mechanics at a single textile works after the national award had been paid to them :—

Workers concerned.	Age	Status	Conditions July, 1914. Wage per 56 hours. No. of pieces. (average).	Overtime.	Wage per 56 Hours.	Overtime altered following general revision of over-time rates to all workers.	Net war wage increase per normal week of 56 hrs.
A.	67	Mechanic	34/-	Over 56 hours to Saturday 4 p.m.	49/-	2 hours at Time $\frac{1}{4}$ then	13/-
B.	64	do.	34/-	56 hours to Saturday 4 p.m.	49/-	Time $\frac{1}{4}$ then Time $\frac{1}{2}$ each day	13/-
C.	31	do.	34/-	56 hours to Saturday 4 p.m.	49/-	Time $\frac{1}{2}$ each day	13/-
D.	28	Blacksmith	34/-	Time $\frac{1}{4}$ then to Monday 8 a.m.	49/-	Sat. 2 at Time $\frac{1}{4}$ then Time $\frac{1}{2}$ till midnight Sunday, Xmas Day and Good Friday	13/-
E.	42	Electrician	35/-	Time $\frac{1}{2}$ to Monday 8 a.m.	49/-	2 Time	12/-

NOTE.—These works are situated in a moorland district, and were burnt out some years ago. The firm is anxious to develop a new trade, equipment, and staff of workers to replace those lost. This anxiety will not be relieved until a fuller return to former production is obtained.

The firm, in opposing the union demand for increased wages to the above men, desires to submit the following considerations to the notice of the arbitrator :—

(1) The national award does not apply to textile works, but to the munition work practically universal in federated engineering shops and foundries, the customs and working conditions of which are very different. (See below for the reasons for maintaining the lower "textile" rate.)

(2) The textile and other allied trades employing mechanics were not represented before the Committee which made the national award. Any changed conditions to their mechanics would have a disproportionate effect on other workers equally important and more numerous. The mechanics form about $1\frac{1}{2}\%$ of the workers.

(3) It has been the practice to regulate the wages of these works mechanics by the movements in wage awards to general workers.

(4) From the inception of the trade "textile" mechanics have been paid on a rate usually 2/- below "engineering" mechanics. The national award does not claim to alter the hours and conditions of labour established by custom in the trade.

(5) Textile employers claim a voice in deciding to what "district" their works shall belong. The presence of other textile works belonging to the firm or to competitors is our chief consideration, in order to secure harmonious working.

(6) The advances already given as above equal or exceed the alternative 12/- per week recommended in the national award.

"TEXTILE" MECHANICS AND THE HIGHER RATE FOR "ENGINEERING" SHOPS.

The reasons for maintaining the lower "textile" rate are :—

(1) *Established custom.* The temporary pressure for

men on munitions should not be used to change the established custom in the trade, where conditions are entirely different from munition work. The latter is merely an abnormal form of engineering factory work. Thus, our business competitors are textile producers, and not manufacturing engineers, and our mechanics usually transfer to them, and not to engineering shops.

(2) *The conditions are different.* Textile works are generally in villages, with a lower cost of living than that for large towns. The work is steady all the year round, and from year to year, as there are always repairs to be done, so men are not engaged and discharged with the ebb and flow of orders through a shop, with repeated loss to the men through unemployment or removal. The value of a textile works mechanic is largely due to his knowledge of a particular plant and his general experience of its working—not to his technical experience or speed; hence, the older men remain on and look upon their work as a job for life.

(3) *The work is different.* (a) Textile works mechanics are not engaged on material which is for sale at a profit, hence their work is not suitable for ordinary bonus or piecework pay. The corresponding “extras” for them are due to many repairs which have to be done after hours, at overtime rates.

(b) There is not the same discipline, monotony, speed, concentration, accuracy, and technical specialisation as is essential in the engineering factory.

(c) The machines are comparatively simple, and do not work to close limits. New ones are not made at the works, and it is cheaper to buy them, as well as spare parts for replacement, ready-made from the manufacturer, hence much of the work is of a rougher and more general character.

Conclusion—the proper methods. The proper methods for textile works to adopt in order to meet the temporary pressure for men on munitions are as follows:—

(a) Use the plant on munitions at extra piecework rates to the full capacity of the staff, both in their spare time and overtime.

(b) When the national need for munitions is more efficiently met by the special equipment and factories now coming into operation, drop munitions, and meet the extra cost of living for mechanics by a flat war grant, which is not increased for overtime, not reduced for short time or holidays, but is reduced for time lost on the workers' own account.

NOTE. The Board of Trade Gazette, March, 1917, recorded awards made to plumbers and to carpenters of lower rates than in the building trade of the district. Sooner or later each industry must negotiate a maximum and minimum scale of wages for *each grade of workers employed*, with corresponding hours, overtime, and other conditions of service for each, *based on its own trade requirements* and its own standard of skill required, but not as at present on the strength of the different trades unions, or on the conditions with which each union can establish in some other industry.

Case 4. The following agreement owes little to professional arbitrators, but marks a further stage towards a real *national* treatment of war grants, and has recently been signed by employers and unions in a large industry. It abolishes arrears for the future, but does not materially differentiate between a *wage* and a *war grant*. Its uniform addition to the pre-war wage of July, 1914, boldly assumes the latter to have a workable amount of justice for *war* times, which have disturbed the values, say, of firemen compared with other workers:—

AGREEMENT.

IT IS HEREBY AGREED THAT

- (1) All previous arrangements in respect of war grants or war bonuses are cancelled, but advances given since the war commenced by private arrangement are not

- affected. Overtime arrangements shall continue as hitherto.
- (2) The rates of wages existing in July, 1914, are to be regarded as the standard wage rates.
 - (3) War wages shall be an addition to the basis wages and shall be regulated in accordance with the increased cost of living as compared with the cost of living on July 1st, 1914, as provided by this agreement.
 - (4) The figure published in the *Labour Gazette* by the Ministry of Labour each month as representing the increased cost of living, excluding increased taxation, compared with the cost of living on July 1st, 1914, shall be accepted as a statement of fact and as the *index figure* by which alterations in war wages shall be regulated in accordance with the scale as provided in Clause 7 of this agreement.
 - (5) If the published index figure is qualified by the words "nearly," "over," "about," or other words signifying approximation, the actual number stated shall be accepted without qualification as the *index figure*, and if two figures are published, e.g., 50 to 55, the mean of these two shall be taken as the *index figure*.
 - (6) In the event of the Ministry of Labour ceasing to publish the index figure referred to in Clause 4, or altering the basis thereof in any way a meeting of the parties to this agreement shall take place to consider any re-adjustment of the scale made necessary thereby.
 - (7) The war wages shall be :—

	Per hour.
For all males of 18 years of age and over.....	4d.
For all females of 18 years of age and over	2½d.
For all males and females of 16 and under 18 years of age	2d.
For males and females under 16 years of age	1¾d.
when the <i>index figure</i> as defined in Clauses 4 and 5 hereof is 75%, and the war wages shall be increased or decreased according to the increase or decrease in the <i>index figure</i> as provided for in the sliding scale in the appendix hereto.	

- (8) The hourly rates of war wages shall apply both to time-workers and piece-workers, but piece-workers

working 45 hours or more in any week shall be entitled to receive the full war bonus for the standard week in any given works, except that piece-workers who break time through their own negligence shall, notwithstanding that they have worked 45 hours or more, have deducted from their full war wages a sum represented by the number of hours thus lost calculated at the schedule rate per hour for their class.

During the annual holidays when no payment of wages is made, the time made in the first broken week should be added to the time made in the following week, and if the total reaches 45 hours or over, the full week's war wages shall be paid. For piece-workers on the night turn "45 hours" shall read "41 hours" throughout this Clause.

- (9) A sub-committee consisting of 10 representatives of the employers and 10 representatives of the workmen's societies shall meet in January, April, July and October, and shall examine the *index figure* published in the month in which the sub-committee is sitting to alter, if necessary, the rates of war wages in accordance with the agreed scale.
- (10) War wages fixed by the sub-committee shall take effect as from the first pay day in the following month, and shall be paid in respect of the whole of the week paid for on that pay day. They shall then continue in operation until altered by the sub-committee as provided for in Clause 9 of this agreement.
- (11) All employees who are members of the workmen's societies, parties thereto, are included in this agreement with the exception stated in Clause 12, but all such employees paid by the week irrespective of hours worked, shall not receive an amount per hour but a sum equal to a full bonus for 55½ hours at the rates provided by the schedule.
- (12) The provisions of this agreement do not apply to engravers except where employed in the English works represented by the society of master calico printers.
- (13) The scale shall only operate up to and including an *index figure* of 95%, and and if the *index figure* coming under the consideration of the sub-committee

at the times appointed under Clause 9 is in excess of this the scale shall be reconsidered.

- (14) Payments under this agreement shall come into force on the nearest pay day to November 9th, 1917, and shall be for the full pay week preceding that day.
- (15) This agreement shall remain in force for a period of 12 months from the ninth day of November, 1917, and shall be deemed to continue beyond that period until terminated at any time thereafter by three calendar months' notice in writing from the Allied Trades Association to the workmen's societies, parties hereto, or from the workmen's societies jointly to the Allied Trades Association. If peace terms are signed before the expiry of the aforementioned period, the agreement shall be terminated by three months' notice from either party.
- (16) Any dispute or disagreement arising in connection with the provisions of this agreement shall be referred for settlement to the Ministry of Labour.
- (17) Save as hereinbefore stated all agreements existing between the parties shall not be affected, and it is recognised that these war wages are due to and dependent on the existence of the abnormal conditions now prevailing in consequence of the war, and neither party shall seek to alter them except as provided for by this agreement.

The *Scale* as agreed upon awarded 4d. per hour to men over 18 years, 2½d. to females over 18 years, 2d. to males and females 16 years and under 18 years, and 1¾d. to males and females under 16 years, for an increase of 75% in the cost of living over 1 July, 1914.

Case 5. The 12½% *war bonus to munition timeworkers* further illustrates the present confusion. Skilled and semi-skilled *pieceworkers* equally claimed 12½%, and employers were tempted to agree to save themselves trouble as the extra cost would really come out of "excess profits," and so be borne by the Government. The "Labour Gazette" for January, 1918, announced

that the dispute had been referred to the Cabinet itself, who decided that "pieceworkers are not covered by the 12½%," but that "low piece-rates should be revised." A week later this was reversed in a press announcement that pieceworkers should get 7½%, so that relatively unskilled pieceworkers, whose high wages are already a by-word, remain a source of unrest to others.

This most recent decision is a return to our traditional method of "long and wrong division by 2" as the only solution of wage disputes.

The same number of the "Labour Gazette" shows the growth and complication of sectional or overlapping arbitrations, of which 30 columns (252 cases) are reported that month. Thirty-five individual arbitrators made awards from 15 each downwards for the chief Industrial Commissioner; the special Arbitration Tribunal for Girl and Women Munition Workers made six awards; the Committee on Production completed the total.

There are grave difficulties in applying a really *national* scheme of war grants, especially at this stage of affairs, but it should not be assumed that the first objection that blows into the "open mind" of the casual observer has not been "weighed in the balance and found wanting." Thus, a national scheme for "Daylight Saving" was very desirable as soon as it was proposed, but it took 20 years' agitation and a world war to bring it into operation. Even our most pessimistic critics admit that *England* was the *first to make the innovation!* It is not therefore inevitable that it will take 20 years of war and a world peace to bring into operation a national scheme of war grants in England.

For comparison the same "Labour Gazette" gave in one column the outline of the Italian scheme, which is at once scientific in structure and national in its scope, except that Government employees are dealt with separately.

ITALIAN PRIVATE EMPLOYERS AND THE WAR BONUS.

(A decree in force from 1/10/1917 to six months after the declaration of peace.)

(1) *Every private business* must pay a bonus if any worker's *monthly* wage, commission, etc., do not exceed :

(a) 200 lire (£8) in towns of less than 40,000 inhabitants.

(b) 300 lire (£12) in towns of more than 40,000 and less than 90,000 inhabitants.

(c) 375 lire (£15) in towns of more than 90,000 inhabitants.

(2) *Amount* :

(a) The bonus must not be less than 25% of the first 100 lire, plus 10% of the next 50 lire.

(b) If earnings plus bonus would exceed the wage limit qualified for a bonus (200, 300, or 375 lire respectively), such excess is not paid.

(c) Wage increases after 31/5/15 are merged in the bonus.

(d) A larger bonus already given must not be reduced.

(e) If part payment is in food the bonus is reduced to one-third, or only to half if the worker has a wife and dependents not receiving such food.

(f) Several employers of the same worker share the bonus *pro rata* to wages paid.

(3) *The bonus does not apply to* :

(a) Casual employment.

(b) Government employees or those on Government contracts.

(c) Persons engaged after 1/1/16.

(4) *Special provisions* are made for :

(a) Dependents of *private* soldiers on active *service*.

(b) Arbitration in complicated cases.

(c) Employers unable to pay the bonus.

(d) Increased bonus if wages are reduced.

- (e) Compensation for dismissal by employers, and half this amount by workers leaving without such notice as is equal to half the period the employer is required to give.
- (f) Cases apparently designed to evade the decree.

EXERCISES.

XIX. What should a manager do when he receives a request for a piece-rate to be increased?

XX. The extra cost of a general advance in wages as estimated on the previous total wages was repeatedly found to exceed the actual result. What conditions, apart from mistakes, would tend to produce this result?

XXI. Compare daywork and piecework payments, and give reasons why one or the other is better, with or without any modification, for the trade you are most familiar with.

XXII. A flat grant of 11/- was awarded as "not reduced for weeks broken by short time, but not paid for holidays." Owing to a shortage of orders a works closed on Thursday night before Fair Week. What grant should be paid for the two working weeks broken into? Thursday morning to Wednesday night constitutes a working week.

XXIII. Should youths under 18 years replacing men receive a man's *war grant*? Give the arguments for and against this, and also a decision which an arbitrator should make on the case.

XXIV. Under what circumstances, if any, should women receive the same wages as men?

XXV. In the Board of Trade "Report on Profit-Sharing," 1894, an employer gives as his experience that "Profit sharing appeals to the steady, intelligent men, but among the less intelligent at first it arouses suspicion, and even later no enthusiasm." Comment on this to show what expectations of employers are reasonable.

XXVI. A union claimed that its pieceworkers should be paid for time lost solely through the breakdown of machinery. Draft rules for a firm that admits some justice in the claim but fears exploitation and wishes to use the stimulus to improve its upkeep of plant.

XXVII. *Wage comparison.* How would you prepare a wage comparison for the arbitrator on a demand for increased war grant? State exactly what returns you would require from the wages staff.

CHAPTER VI.

WORKSHOP COMMITTEES AND WELFARE WORK.

WORKS SICK CLUBS. PENSIONS FOR FOREMEN.
ACCIDENTS. VISITORS' DAYS. SUGGESTIONS FROM
EMPLOYEES. SELF-GOVERNMENT IN INDUSTRY. THE
DRAFTING OF WORKS INSTRUCTIONS AND NOTICES.
RE-EMPLOYMENT FOR PARTLY DISABLED SOLDIERS.

Workshop committees and welfare work are dealt with together because of their intimate relationship. They are merely two approaches from different directions towards the same goal. Workshop committees, as recommended in the Report of the Sub-Committee on Reconstruction, are a development of the old trade union shop stewards' committee, whose object was to force working conditions to conform to their union rules, and the latter expressed the workers' minimum of welfare work. Welfare work so called, on the other hand, was initiated by *employers* to improve working conditions *beyond* the legal, trade union, or customary minima, in fact, to explore new territory at their own expense. Hence, the record of their discoveries is as honourable as that of geographers who pay the cost of their expeditions but share the results with the community. We see Government regulations for munitions works at this moment appropriating the discoveries already made, just as legislation for National Insurance against sickness and unemployment recently took over the ground first explored by friendly societies, sick clubs, trade unions, and employers. This process will go on indefinitely, as nothing can hold up the adventurous, enterprising and philanthropic men within the ranks of the timid, conventional and self-centred.

Welfare work has been described as spending part of

the profits of a business for the benefit of the workers instead of giving them the money to spend for themselves. The justification for this is complete in the experimental stage when initiative, insight, and unity of control are essential, but the ideal is undoubtedly for all employers and employees to have the same enlightened views, and to co-operate together in securing the full advantages of economy in common action, Workers have two objections to welfare work controlled as it is now by the employer. The first is, its stigma of charity ; and the second is, its autocratic though benevolent control. Tact and the historic sense must be shown by both employers and trade unions in working through the transition stage of development. How far can the initiating minds safely hand over to the more submissive or less venturesome the business of exploration and development of social unknowns? Whose money are they to play with?

Anyone with experience of committee work by politicians or business men in municipalities, Cabinets, sports or social clubs, will agree that patience, tact, and training are required to get the same standard of efficiency as that obtained by one strong personality in the control of affairs. The director of a large business said that the chief benefit his workers got from the management of a social club was experience in management and getting *criticised for doing it!* Anything like universal infliction of workshop committees by Government for extensive, vague ideals is doomed to opposition and disappointment. There is precedent for limiting such pressure to Government contractors, and a beginning should be made with some definite object of personal interest to all workers, and to which all may contribute in work or money on some sort of scale with their employer. A works canteen, or such schemes as those appended for works sick clubs and foremen's pensions, are suitable for this purpose. A committee of this kind, once established, could take charge of similar

objects, delegating each to a sub-committee strengthened, if necessary, by specially co-opted or elected members. Working schemes are given with notes to illustrate their main principles, which can be readily adapted to different localities or to different trades.

WORKSHOP COMMITTEES.

Constitution. All departments, including offices, should be represented *pro rata* to the numbers employed, small ones being grouped if necessary. The voting should be by ballot. Three years of continuous service must be followed by one year of ineligibility in order to prevent the growth of new official cliques and to pass the maximum number through the discipline of office. Both men and women should be eligible, but heads of departments should not, as they ought to have their own organisation. The chairman should be nominated by the management. All classes of workers—that is, journeymen, semi-skilled and unskilled men and women—would be most likely to have members elected, but if not, a limited power should be given to the committee to co-opt a representative of any important section not already represented. Any trade union would be sure to secure adequate representation, and one of the trade unionists could report as its delegate to the district meeting. Meetings should be held weekly, say, on the last working hour on the Friday, with one hour's pay to each member. Cups of tea should be set out ready and need not delay proceedings.

Work. The following items are amongst those which could be eventually delegated to shop committees:—

(1) *Reports.* To receive reports of accidents, sickness, absence, lateness, apprentices, and part-time education.

(2) To investigate accidents and recommend safety devices.

(3) To manage any sick club, scheme for convalescent treatment, canteen, shop collection, war saving, etc.

(4) To discuss future holiday arrangements, hours,

meals, travelling facilities to and from work, discipline, shop rules, social gatherings.

(5) To discuss any scheme for dealing with suggestions from employees, and possibly to recommend payments for the same.

(6) To discuss wage scales, bonus, or changes in piece-rates.

(7) To submit *names* for promotion to foremen, or to fill vacancies. These names would be considered by the management along with any others.

WORKS SICK CLUBS.

The following points should be noted :—

(1) They are necessary to supplement the 10/- of the National Insurance Act. A man needs at least as much money when sick as when well.

(2) They give an opportunity for democratic control, for mutual help and goodwill between employers and all classes of employees. Members help themselves and those they know and those who have a claim on them. In the absence of a sick club works collections are spasmodically made for unfortunate fellow-workers, but subscribers have no certainty that there will be a collection for them when they need it. If a club exists members can honourably say to a shop collector: "Is the man a member? Has he helped himself? If not he can scarcely expect others to help him." The training in management is very valuable, and shows up workers who have powers of organisation, or tact in dealing with others.

(3) It is economical, for there are no agents or offices to pay for. It is run to help—not to make a profit like an insurance society—it can therefore be generous in exceptional cases. There is no expense for Parliamentary representation, and no need to spend money for the "good of the house."

(4) It is safer and saves trouble. There is no need to

turn out on wet, cold nights to take subscriptions, as these are stopped out of wages. There is no danger of running out of benefit through forgetfulness, and no danger of the secretary misapplying the funds.

(5) If the scheme is faulty members will find it out first, and they can alter it to suit themselves, without waiting for an Act of Parliament. The committee should have considerable discretionary powers, and if they are misused the members can choose another committee.

(6) Instead of piling up reserves the benefits should be increased, especially for remedial treatment, and for those who have not been a burden on the funds. Employees, as such, are not called upon to provide insurance for their supplanters or successors! The levy is the proper means for providing for a run of sickness, and the current facts and figures are the best proofs of its necessity. Running totals should be kept posted in the works to invite comparison and to cultivate a pride in good health. Intelligent *advertisement* is required to interest all possible "customers." Is it possible for the management and the committee to regard all members of the sick club as "customers" instead of as subordinates?

(7) The employer's contribution to a levy can be safely left to be distributed by a committee which must distribute at the same time twice as much of the members' own contributions. The levy also obeys the rule that taxation and representation should go together, so the management is justified in nominating the chairman.

If the employer pays the cost of all such welfare work out of profits it is more difficult to make out a case for democratic control through a workshop committee. Compulsory stoppage out of all wages, on the other hand, has been made a condition of employment by certain firms, but this is the most objectionable method of all.

The appointment of a works doctor. The arguments

for this in the interests of employers or workers are :—

(1) As a measure of our real earnestness in coping with bad health and accidents on common-sense lines; that is, by prevention or immediate medical attention.

(2) To prevent workers prematurely signing away any right to compensation under pressure from the insurers, and to prevent employers being victims of bogus accidents. It is equally the employer's interest to see that workers get from the insurance company benefits to the full value of the premiums paid.

Duties of a part-time doctor. (1) To call each day for about an hour to initial the report-book, and to see any worker who asks for attention; to deal with any accident then in hand; to see any worker whom the foreman thinks unfit for work; to examine and report on such cases.

(2) To advise about first-aid, ventilation, working conditions, safety devices, etc.

(3) To take one of his first-aid and nursery courses in the works for any employee who wishes to qualify or to keep in practice.

(4) To examine new employees if appointment is subject to this condition. This work must be done with the greatest tact and caution, for a medical certificate from a candidate's own doctor is very different from the regular medical examination of every new employee by a works doctor—a condition which is insisted on in some American works. Such regular medical examination of all candidates can hardly be imposed without offering in return some pension scheme like that for railway, municipal, or Government officials, and present employees should have the option of standing out.

Remuneration. This would depend on varying circumstances, but a fixed salary per annum would be better than a capitation system like that of the old club doctor; a bonus on the reduction of time lost per head through sickness and accident would be interesting. The

value and growth of any experiment depend almost entirely on the tact and helpfulness of the doctor engaged. On the other hand, the value of a part-time engagement of this kind to a young practitioner needs no emphasis.

PROPOSALS FOR WORKS SICK CLUBS.

Object. To encourage provision by time and piece-workers for their immediate and recurrent needs, which are, first money, but, especially, *remedial treatment* when wages are lost through sickness; that is, to set up a standard organisation by which the employers' contributions automatically reward efforts made by each worker and by each works for this purpose, and by which claims are sympathetically dealt with by those who are familiar with the persons concerned, and by which, also, the resources of the cotton districts fund or other philanthropic schemes are made readily available to these workers.

Note. Such a sick club supplements the action of the National Insurance Act, and is more urgently required than pensions supplementary to National Old Age Pensions. It is doubtful how far such workers would be able or willing to contribute regularly to such a remote contingency as a pension, so that long service pensions for selected individuals may always remain a direct charge on the employer, as is the case with railway companies. Experience and success in dealing with sick clubs may suggest some means of dealing with pensions later.

Contributions. (a) The firm, at the end of each club's financial year, December 31st, will add, say, 1/- to each complete pound subscribed by employees at any works, both to a local hospital and to a sick club as outlined here, but the addition will not be made for hospital collections except to a works which has a sick club on these lines.

(b) *Members.* Men (over 18), 2d. per week; women

and juniors 1d. per week, stopped out of wages for any working week in which any wages are due. Junior members after becoming 18 years of age, must pay ten weeks' subscriptions at 2d. before being eligible for the men's rate of sick benefit.

Levy. An extra levy of 2d. per week, women and juniors 1d., may be made by the committee for not more than six weeks in any financial year.

Benefits. (a) *Sick benefit.* Men, after paying ten weeks' contributions may get 9/- per week, that is, 1/6 per working day for six weeks in any financial year; women and juniors 4/6, that is, 9d. per working day. No sick pay is given for one day or two days' absence, but three or more successive working days' absence qualify for 1/6 each, women and juniors 9d., subject to doctor's certificate. No day is counted for sick benefit if any wages at all are earned thereon.

In case of accident, benefit may be reduced or withheld, if, by ballot of the committee, it is considered that the circumstances reflect discredit on the member.

If six weeks' benefit is received in any year no benefit will be paid in the next year unless ten weeks' subscriptions have been paid since the last benefit was received.

(b) *Funeral benefit.* One payment of £1 on the funeral of a member's wife.

(c) *Convalescent benefit.* A member who has paid full subscriptions for any financial year without receiving any sick pay is afterwards entitled to one grant not exceeding 30/-, women and juniors 15/, if he is accepted for three weeks' residence at one of the cotton districts fund's convalescent hospitals. Other members may receive one grant not exceeding 15/-, women and juniors 7/6 for similar treatment. A member eligible for 30/- may take instead a 15/- grant for any child of his under 14 years, but if so he can receive only the remaining 15/- on his own behalf until he qualifies again by paying a year's subscriptions without any sick pay.

These grants may also be made by the committee for resident treatment in any approved convalescent hospital, and, being irrespective of any grant from the cotton district fund, will help to provide for the necessary railway fare, renewal of clothing, upkeep of member's home, etc.

Members. Any time or pieceworkers of three months' standing, proposed and seconded by members, must be elected by a ballot of the committee and receive approving votes from three-fourths of the total committee members. Membership ceases with employment by the firm. Transfer to another works club, together with a member's balance and liabilities for the current year, may be accepted by both committees. If not agreed to, or if no sick club exists at the new works, the year may be completed with the old club at the member's option, and then membership lapses.

Staff members. Staff members, being already entitled to full wages during sickness from the firm, are not eligible for sick benefit until such sick wages legally cease; hence, they pay reduced contributions, namely, 6d. per calendar month or 6/- per annum, women and juniors 3d. per month or 3/- per annum. There is no other distinction between them and ordinary members.

Committee. If the manager and cashier are staff members, they are also *ex officio* committee members, and one member is elected by ballot from each department. One-third of the first year's representatives retire at the end of the first year, and an equal number at the end of the second year, by resignation, ballot or otherwise, and are afterwards ineligible for one year, thus starting a series of three-year periods of representation followed by one year of ineligibility.

The secretary is elected annually by members of the club, and is thus eligible for the committee so long as he is re-elected as secretary.

If a representative of a department is transferred

permanently to another department, he may continue in office till the end of the year, or resign, or the department may elect another representative. The committee will decide what amalgamation of small departments is required to make them fairly balanced.

The committee arrange collections for the local hospital, and allot recommendations to all employees, whether members or not. They may also make one grant not exceeding 10/-, women and juniors, 5/-, towards convalescent treatment to any employee, on condition that the latter at once joins the sick club if eligible. Such money grant to non-members must not exceed in any financial year 50% of the firm's contributions to the club for the previous year. A large reserve fund will not be accumulated, for if the funds in hand at the end of a year and before adding the firm's contributions, are more than 4/- per head, women and juniors 2/-, *the committee must increase the benefits* for convalescent treatment, or the length of sick pay to members who have paid full contributions for one or more years without receiving any sick pay. On any subsequent occasion the minimum six weeks' sick benefit may also be increased. Similarly, if the funds are below 2/-, women and juniors 1/-, a levy of 2d., women and juniors 1d., must be made for a period not exceeding six weeks, or the six weeks' sick pay be reduced to five weeks per annum.

A balance-sheet must be posted in the works at the end of each year, before the new election of the committee takes place.

The Committee will make arrangements for visiting sick members, and may make local rules with regard to fines, but the latter may not be stopped out of wages. Any member's name may be removed from the club list without reason being assigned, if three-quarters of the total votes of the committee ballot in favour of this.

The Ltd. Sick Club.

APPLICATION FOR MEMBERSHIP,

I hereby apply to be elected a member of the above Club, and authorise the stoppage of 1d./2d./ per week from any wages due to me in any working week.

Signed *Date*
No. *Dept.* *Age*
Length of Service
Proposer: Signed
Secunder: Signed
Secretary: Signed

NOTE.—The Sick Club is not an approved society under the National Insurance Act, but a voluntary association of employees, and is controlled by a committee elected by its members. The firm allows the collection of contributions by stoppages from wages until further notice if the above request is duly signed.

The Ltd. Sick Club.

APPLICATION FOR SICK BENEFIT.

This is to certify that I am ill, and in consequence left work at a.m./p.m. on the day of 19.....

Signed *Date*
Department *No.*
Address

NOTE.—A doctor's certificate must be shown before sickness benefit is paid. Doctor's certificate seen and returned.

Signed *Secretary.*
Date

The Ltd. Sick Club.

NOTE FOR DECLARING-OFF SICK CLUB.

This is to certify that I have recovered from my late illness, and that I am/was able to resume employment at a.m./p.m., on the day of 19
Signed *Date* *Dept.* *No.*

NOTE.—In long or doubtful cases a doctor's certificate may be required to show that the member is able to resume work.

Doctor's certificate (not) shown:—

Signed *Secretary.* *Date*

SUGGESTIONS FOR STARTING THE SCHEME.

Post one copy of the scheme in each works, and one copy in the office, with the following notice:—

WORKS NOTICE.

Proposed works sick club.

All employees are invited to consider the above proposals to form a sick club, and send to the manager any suggestions for its improvement in time for consideration before the scheme is finally decided upon.

A copy of whatever scheme is adopted will be posted in each works, to give employees an opportunity of forming a branch sick club for this works.

Change of rules. After any scheme is adopted none of its rules can be changed except at a general meeting, to which two representatives from each club are invited. The proposed changes will be circulated one month before the meeting, and will not be accepted unless they are approved by a majority of all possible representatives. Votes by post will not be considered unless the proposals are voted upon exactly in the form sent out by post to each club.

Convalescent treatment available. (a) *Cotton districts convalescent fund.* The following convalescent homes are limited to patients residing in towns or districts covered by certain Poor Law Unions, for example, Ashton, Bolton, Bury, Chorley, Glossop, Macclesfield, Stockport, etc.

- (1) Southport Convalescent Home, for men and women. Cost, 33/- for the three weeks.
- (2) Southport Children's Home, boys under 14, girls under 17, 24/- for 3 weeks.
- (3) Buxton, for rheumatic cases only, 52/6 for the 3 weeks.
- (4) Cheadle Home, reserved for in-patients sent from certain district hospitals.

Methods of admission. (1) Buy a "recommend" (cost as above), from Messrs. Mottershead and Co., chemists, Exchange Street, Manchester. Get this filled up by your doctor, but send the postcard supplied at the same time direct to the hospital, and wait for an admission ticket. Admissions are made on Thursdays only, so can be prepared for from week to week. In the busy season—1st June to the 1st October—the waiting list may be 6 or 7 weeks long, but vacancies always exist at other times.

(2) Apply for a "recommend" at reduced cost from the Cotton Fund, thus: Fill up an application form and get a medical report form signed by your doctor. Send both to Mr. Bowman, 17, Cooper Street, Manchester, and the committee will reduce the cost according to circumstances. Preference is always given to those who are not chronic invalids, and who have young dependents.

Copies of the required forms can be obtained from the office, and one sample is sent herewith.

(b) *Manchester and Salford Hospital Saturday Convalescent Homes* at Penmaenmawr (men) and Arnside (women), are reserved for weekly subscribers (men 1d., women ½d. per week), who must visit the Manchester doctor before being admitted.

Further particulars are supplied to works near Manchester, and to others on application.

(c) *Manchester and Salford Provident and Charity Organisation Homes at Southport.* The Secretary, Mr. Lomax, 133, Deansgate, Manchester, receives applications for admission, and reports to the committee cases suitable for free or assisted treatment.

Why convalescent treatment is preferable to longer sick pay or half-pay.

(1) It is remedial, and preference is given to those who are not chronic invalids and to those who have young

dependents. The chronic invalids get their 6 weeks' sick pay per annum.

(2) It is preventive, and if doubtful cases are sent for treatment in the slack season it may prevent a breakdown later.

(3) It makes existing means readily available, and the special machinery for sifting and helping suitable cases is already organised, and need not be duplicated by us.

(4) It teaches the value of change of air, or change of food and other conditions, suitable for convalescents.

(5) It ensures complete rest for the patient and for those who have had charge of him at home.

(6) The sanatoria contemplated by the National Insurance Act will not be available for years.

Why a doctor's certificate is insisted upon.

(1) An early visit to the panel doctor for diagnosis is best for the patient and costs nothing.

(2) The waiting days for National Insurance benefit count only from the date of the doctor's certificate. Thus we help patients to get qualified for benefit as soon as possible. The certificate is returned to the patient and used for his approved society.

(3) Visits and reports from fellow-members are not so necessary. These savour of spying, and form the weakest point in the management of sick clubs. Fines are objectionable and unnecessary, for they generally fall due when no wage is coming in, and disobedience to doctor's orders can inflict its own fines. A member may argue that certain benefit has been insured for, that is, bought, and he is free to do what he likes with it. Our remedy is, not to accept undesirable members, or to turn out those that prove to be such; also to sell benefit cheaper to others, that is, to give *improved terms* to those who get a long illness if they have *previously kept themselves well* for one or more complete years.

Fellow employees should be sufficiently select, and

sufficiently in touch with one another to prevent the abuse to which a large "inorganic" approved society is liable.

PENSIONS FOR FOREMEN.

Foremen are comparatively few in number in any works. They suffer the direct bearing pressure of any friction with workers, and can hardly be comfortable in meeting their men on a level in the union meetings, so that they are liable to drop their membership soon after promotion. In the time of industrial trouble they can hardly do their duty as unionists by urging their men to join, nor can they honestly urge them to refrain. If they were called out on some trivial ground of dispute they would probably have to start elsewhere as journeymen or to leave their union, thus forfeiting any payments they had made for sickness, burial, unemployment or superannuation. In fact, whatever dividing line there is between workers and management passes through the foremen's grade, so that the above anomaly is inherent in their position. There is a contest between employers and unions to secure the foremen's support, or there is a danger that their interests may be neglected for lack of united action on their behalf. Many unions are now making a special section to deal with this small but important foreman class, but this is not the most desirable solution of the difficulty. If, however, this policy is successful, belated employers will regret their lack of foresight if not their lack of appreciation and sympathy in dealing with foremen's special circumstances. Employers who act on the obvious principle that it is to their own interests to promote the best interests of their workers should not have any difficulty in securing loyal and hearty service from their foremen, while the foremen will reproduce this same spirit in their dealings with the men under *them*.

A pension scheme should not interfere with the personal ambition of a foreman; that is, it should not be

drafted so as to bind him to his employer; neither should it interfere with the freedom of a firm in discharging an unsatisfactory member; nor should it make members into objects of charity, because shareholders, management, foremen and workers will all benefit from a successful foremen's benefit society.

Reasons for immediate action. These may be recapitulated thus:—

(1) The rising tide of wages has benefited the lower grade of workers, and this must be extended to foremanship in order to maintain its attractiveness to the best type of man.

(2) The difficulty of obtaining, training, and controlling labour is increased by its scarcity. Unwise action by a foreman cannot be corrected without danger to discipline; most of their decisions must be given without consultation with the manager; hence, they need wisdom, caution, tact, and force of character. Labour troubles would rarely reach an acute stage if every foreman could be trained to recognise and abolish injustice, and also to check insubordination at an early stage.

(3) A foremen's society is a training school which will discover and reward the right type, and give it the means and the pleasure of expressing itself in social action.

(4) Unless employers deal wisely with the situation at once the unions will deal with it from their own point of view.

(5) A committee formed for the above object could also at regular intervals provide special papers and discussions on matters of technical interest to members, and thus become a nucleus for later growth.

PROPOSED FOREMEN'S BENEFIT SOCIETY

and works sick clubs are drafted to suit a firm owning several works.

Object. To benefit foremen, especially by promoting retiring or breakdown pensions.

Members. Any works employee, male or female, is

eligible if 21 years of age and on a fixed wage of £2 or upwards per week (£104 per annum) provided that his or her duties involve direct responsibility for the work of two or more other persons; in addition to such responsibility the member may be engaged in technical, clerical or manual work. There are three classes of members—

- (a) *Full members, i.e.*, foremen on weekly wage, are eligible for all benefits and for election to the committee.
- (b) *Staff members, i.e.*, foremen on monthly salary, eligible for pension only, and eligible to serve on the committee.
- (c) *Honorary members.* Directors, managers and others interested in the welfare of foremen may pay one guinea per annum and serve on the committee, but receive no benefits.

Committee. Meetings held quarterly at different convenient works, followed by meetings open to all members.

Representatives. (a) *Works.* One elected from each works. One-third of the first year's representatives will retire at the end of that year, and an equal number at the end of the second year, by resignation, ballot or otherwise, and remain ineligible for one year, thus starting a series of three year periods of representation followed by one of ineligibility. A pensioned member is eligible to represent his late works.

- (b) *Honorary members.* Chairman, a director with a deliberative and a casting vote; secretary, from the labour department.

Executive. Three works representatives selected by the committee, together with the two honorary members' representatives. Meetings monthly at the head office.

Third-class railway fare is refunded by the society to works representatives.

Weekly subscriptions by full members and staff members : 3d. for each *complete* 10/- of fixed wage or salary is devoted to each member's own pension ; hence, members' subscriptions are continued during sickness. Example : any member paid from 40/- to 49/- per week inclusive pays 1/- per week for his pension and the firm adds 5% simple interest. These subscriptions and the interest thereon are returnable in full on leaving employment or on death before pension, or the remainder is returned to his assignees on death, after deducting the amount of pension actually received.

Additional fixed weekly sums bearing 5% interest may also be allowed, to increase a member's pension or surrender value.

Levy. See below.

Benefits for full members in addition to pensions as above are paid for by the firm as follows in lieu of the present sick pay :—

(1) *Sick benefit.* Wages up to the nearest complete 10/- of a member's fixed wage is paid for *four weeks in any year.* For example, any member receiving from 40/- to 49/- per week inclusive would receive only 40/- per week sick benefit. Odd days count, but any member who receives no sick benefit for a year gets an extra week's benefit some future year, up to six weeks. An accident in the course of employment does not, in itself, disqualify for an increase of a week's sick benefit the following year, but in case of such accident, the total amount of sick benefit a member is entitled to may be granted by the committee, so as to make up his compensation to a full fixed wage for a corresponding number of weeks of incapacity.

(2) *Unemployment benefit.* (a) If a member is discharged he must get four weeks' notice, or the amount of four weeks' sick benefit in lieu of notice ; similarly, a

member must give four weeks' notice or forfeit *to the Society* four weeks' sick benefit, unless his reduced notice is sanctioned by the manager and directors. (b) If a member's department or works is closed, or if he is transferred to less-paid work, he must receive enough unemployment benefit for each of the four weeks after notice to bring his actual earnings from the firm or elsewhere up to his weekly rate of sick benefit.

(3) *(Men) wife's funeral.* One payment of £5.

(4) *(Women) marriage.* Surrender value made up to £5 if necessary when she leaves the firm on her marriage.

(5) *Gift.* Up to £5 by the committee, for *convalescent treatment*, or in any case of special hardship.

(6) *Loan.* Not less than £1 up to the full amount of a member's subscriptions at any time to meet an emergency; the loan to be repaid out of wages together with interest at $\frac{1}{2}$ d. per £ per week.

Note. Staff members will retain their present sick pay and terms of agreement.

The benefits fund is provided entirely by the firm; that is, $1\frac{1}{2}$ d. for each complete 10/- of each full member's wage is paid by the firm into a benefits fund administered as above by the committee. This payment exceeds that now made each year by the firm in sick pay to such members. At the end of each year the committee will decide whether the length of sick pay can be increased beyond four weeks to those members who have not received sick benefit for one or more complete years. Then the balance must be handed over to the pensions fund. If the committee wish to increase benefits still further they may make a *levy* not exceeding 2d. per 10/- of fixed wages for a period not exceeding ten weeks in any year, and the firm will add to this *an equal amount* for the benefit fund.

Pensions fund. The firm will invest, say, £1,000 *or more* each year partly or wholly in the preference shares

of the firm, and this capital, together with the interest accruing, will be devoted entirely to increasing the retiring or breakdown pensions. Each full or staff member of *ten years' service*, after a report by the committee, will be allotted by the directors a sum from this fund, to make up his own contributions into a sum which will yield a pension of at least 10/ per week. As the fund increases the sum allotted will be increased according to each member's contributions and service. Whenever a retiring or a breakdown pension is allotted, a sufficient sum to produce this will be invested in trustee securities such as redeemable bonds, and this amount cannot be alienated from a member's benefit during his life.

Dissolution. The society can be dissolved only by resolution of the directors of the firm, but in such event superannuated members must continue to receive the pension already allotted to them. Any other member may withdraw his surrender value with interest, or he may be allowed to leave it with the firm at 5% compound interest yearly until his pension age. The remainder of the fund will then be reserved at 5% interest for members until they reach pension age, when they will have allotted to them a sum according to their contributions and service. Any balance then left becomes the property of the firm, but will be expended as the directors decide, *entirely for the benefit of its employees.*

Pension age. For the first few years the number and age of compulsory pensioners will be regulated by the amount of the pension fund, but as this becomes larger the compulsory age may be reduced.

The extension of this pension scheme to all works and office employees could await the experience of a few years' working in order to find what increase of the yearly allotment by the directors such extension would require.

ACCIDENTS AND SICKNESS.

The necessity for prompt, shrewd, yet sympathetic investigation of every accident is increasing yearly, for not only is the number of accidents increasing, but the *percentage* of accidents to the number of workers is also going up and will continue to do so with the increase of machinery, so that the suffering, loss of wages and production is appalling. A systematic attempt should, therefore, be made both by employers and workers to bring the facts of a case to the notice of all concerned by intelligent and dramatic advertisement; *the battle would be half won if the workers could be regarded as customers in this respect.* Seven thousand five hundred shop accidents were investigated by the Industrial Commission, Wisconsin, U.S.A., and revealed the fact that only one-third could possibly have been prevented by any safety device provided by the employers, so that it may be presumed that about twice as many could have been prevented by care on the part of the workers. This is the reason for the "safety first" campaign of the Great Western Railway in recent years. It is unfortunate that an accident which happens produces its own advertisement, but an accident *prevented* does not proclaim the saving thus effected, so that special attention has to be given to this aspect of the question. The following reports of investigations will bring out some features of the work, and some of the difficulties to be overcome.

Report I.

Increase in accidents, 1912, and steps taken in consequence. The attention called to an increase of accidents in a factory for 1912 led to the tabulation of the following facts :—

	1910	1911	1912
No. accidents reported to Factory Inspector	20	24	47
No. of employees	569	620	728
Percentage of accidents to No. of employees	3.51	3.87	6.45
No. of machines	—	1,094	1,180

Legitimate causes of increase. (a) Increased number of employees 108.

(b) Increased overtime, especially in two departments.

(c) Extensive building operations—a cause of many accidents.

(d) Eighty-six new machines.

(e) The new employees were not used to moving machinery, and the rush of orders did not give time to begin new workers on other work, or to give them any preliminary training on machines.

Steps taken to reduce the number of accidents.

(1) Investigations and special reports were made on each accident, with quarterly figures and definite proposals to the directors. The “dangerous departments” were soon identified.

(2) A complete list was made of all machines and operations where additional precautions were possible, and the most urgent of these were put in hand at once on the recommendation of the head of the department concerned.

(3) The first aid and rest rooms were refitted, special instructions and notices were drafted and posted in individual departments, running totals were posted on the works’ notice-board and in each “dangerous department,” and photographs of safety devices were also posted up. It was felt that the most effective method of improving the record was to keep the *workers* interested in it.

Good results of the movement were shown at the end of 1913, as the number of accidents given in all following totals is the *total* number, and includes, for example, the 47 “reported” in 1912:—

Dangerous Departments.	1912	1913
A.	14	—
B.	15	8
C.	10	1
D.	17	12
Total number of employees...	728	830
		(December).
Total compensation paid ...	£118.62	£45.55
		(1 case not complete).

Up to October, 1913, the number of accidents was maintained at its 1912 level (11) in Department "D," only while the number had dropped from 26 to 6 for all other "dangerous" departments. In "D" Department a premium bonus scheme had been started, so it seemed likely that "speeding-up" as a result of the time studies or men taking risks for the sake of the bonus explained the exceptional record. Enquiry showed that in nine cases out of the 11 the worker had never worked on bonus jobs, and in the other two the workers had done so occasionally, but were not so occupied when their accidents occurred. From October onwards the work of providing guards was concentrated on this department. One advertised guard had been provided for a machine, but had snapped three times, and the makers were then asked to prepare a stronger type. No definite opinion was formed whether these breakages were entirely accidental or partly due to a hostile attitude of the operator to any new attachment which might cause him trouble or hinder production—needlessly, as he might think, for he had worked the machine for years without accident.

The final result for 1913 was cheering, but the record up to the end of 1914 shows how incessant is the warfare, for the enemy, almost routed from "D" and other "dangerous" departments, seemed to have gathered strength in the others, but the following report up to the end of 1914 would require many details as to the changes in the number of employees, etc., in order to give a just view of the campaign:—

NOTICE POSTED :

SERIOUS ACCIDENTS—WATCH OUR RECORD.

Dangerous Departments.	1912	1913	.....	(1914 (Quarterly).	Accidents saved in 1913-4.
A ...	14	0	.....	3 2 1 0	..... 22
B ...	15	8	.....	3 6 3 4	..... 6
C ...	10	1	.....	0 0 1 1	..... 17
D ...	17	12	.....	1 2 0 0	..... 19
Totals ...	56	21	.....	7 10 5 5 = 27	..... 64
Other Departments ...	12	13	.....	13 8 7 6 = 34	.....
Grand Totals ...	68	34	.....	20 18 12 11 = 61	... at least 41

NOTICE POSTED :

Accidents to Employees.

A stores-boy in "D" Department recently lost a finger through idly brushing away chips from a moving boring mill to which he had brought a fresh tool. *Don't interfere.*

An employee was discharged for oiling a machine in motion. Others have suffered pain and loss of compensation by taking risks in order to save time. In choosing between speed and safety our motto is *safety first.*

The directors strongly disapprove of such practices, and invite the co-operation of all employees in stamping them out.

LARGE NOTICE POSTED FREELY :

Accidents.

Get *first-aid* and see a *written* report entered for any cut, scratch, strain, etc., before you leave the works. You may save yourself *suffering* and loss of compensation.

Accident Report Card.

For any case causing absence from work for one whole day or more.

Name Age No. Dept.....

Address

Accident occurred at.....m. on.....reported first at...m. on...

Work left at.....m. on.....Work restarted at.....m. on.....

Reported to H.M. Inspectorand to insurance company.....

Reported to district surgeon

Average wageCompensation paid

Treated by doctor Expenses incurred

Probable date of returning to work

Inspector called

(Back).

Employment :—(A) Usual

(B) At time of accident

How accident caused (mention by what part of any machine)...

Degree of injury—slight, severe, or fatal

Precise nature and extent of injury

Any reason, *e.g.*, carelessness, for firm to withhold gift of half wages if compensation is not legally due

Any suggestion to prevent such accidents

Remarks

First aid byWitness

ForemanSigned

INSTRUCTIONS TO FOREMEN.

Accidents. The number of accidents in certain "dangerous" departments fell from 56 in 1912 to 21 for 1913, although the number of employees and machines increased. This should stimulate our efforts to prevent unnecessary pain and loss to all concerned by careful enquiry into the *cause* of any accident, so that we may recognise and remove dangerous conditions *before a calamity occurs*. Heads of departments are specially interested in the welfare and efficiency of their staffs, and should see that all observe the following rules:—

(1) *First aid.* A list of men and women qualified to render first aid should be posted in the department, and one at least, if possible, of these selected to work with any on overtime. No other person should deal with a patient or decide whether a patient is to be removed to the first-aid room. All cases should be properly dressed, even scratches, to prevent blood-poisoning. Unnecessary handling of scrap should be severely reprimanded.

(2) *Telephone number and addresses* to call doctor, cab, infirmary, etc., are posted in the first aid room. Night calls must be made from the first aid room by using the call-key—not by ringing.

(3) *Complaints and reports.* A written report of any complaint, strain, or accident must be made in the accident book before the worker leaves the premises. If absence is caused for one whole day or more an accident report card must also be sent in. If a worker claims compensation the cashier must be informed immediately, whether the accident has been reported before or not. The office is responsible for the general register and for sending in Form 43 to the factory inspector, and (or) to the district surgeon.

(4) *Dangerous places or practices* should be reported in writing, so that preventive measures can be taken and a record of the warning kept. Special attention should

be given to a *second accident* to any person, so that a clumsy or reckless worker may be found a safer job.

(5) *The gift of half wages* in cases too short for legal compensation should not be recommended when carelessness or disregard of instructions occurs.

Report II.

Neglect to use new safety guard. M. was using a press with its guard tied back with string. Previous history : Early in 1914 an injury to B. called attention to the lack of guards for these machines, and a requisition for them to be provided was sent in 13/5/1914 and repeated 9/7/1914. Three years earlier the effort to guard these machines had failed, as the type fitted to presses in other departments would not stand the very heavy wear. Those ordered 29/7/1914 had to be stronger and also of a special type in order to be *added* to machines which had been *designed without reference to guards* ; hence, it was possible for M. to put the guard out of action. Similarly two girls had been injured many years ago, when guards were first added to the original type of machine, because in two cases slight irregularities in the size of the machine had enabled the standard guards fitted to existing machines to be put out of action by small metal wedges.

Probable causes. (1) Operators who have practised a cycle of actions until these become almost reflex actions have a special difficulty in following the cycle when it has been modified by the introduction of a new motion to operate the guard. The *modified* cycle may cause more trouble than the original one did, and in the confusion may actually *cause* an accident to a skilled worker if the guard is not always in operation.

(2) Production is certain to be reduced, temporarily at any rate, by the operating of the guard, so the man may lose bonus or be censured for this. M's foreman was absent on holidays, and his substitute was not aware of the need for special vigilance in teaching the operator

the necessity for the guard and in protecting him against loss or censure during the transition stage.

Proposals. (1) Suspend the man for one week.

(2) Instruct all foremen to notify any such case of a loss of production on workers' tickets.

(3) Modify guards if possible so that they cannot be put out of action in any simple way.

(4) *Interest operators in any new series of motions, or get an entirely fresh operator in each case.*

Report III.

*The heating of offices and absence due to sickness :
heating arrangement started 6/10/13.*

Days lost by staff during six preceding weeks, 90½. Days lost by staff during six following weeks, 103. The increase is mainly due to conditions outside our control, *eg.*, bad weather and home circumstances, but there is a reducible margin owing to the following causes:—

(1) Excessive difference between inside and outside temperature. The only one we can control is that inside the office. One afternoon the difference was 33°F., and the office temperature was too high. Excessive dryness of the inside air causes throat irritation and excessive surface circulation of the blood, and consequent chills.

(2) It is difficult to anticipate an unduly high temperature while it is still rising.

(3) The lack of fine adjustment of ventilating apparatus and the large window space tend to a sudden change from a high to a low temperature, and the creation of draughts when the windows are opened.

Proposals. (1) Provide more water pans and keep them supplied with fresh water without a dust skin on the surface such as retards evaporation.

(2) Remove certain steam coils, and provide shields for others which are near to workers.

(3) Provide small fans controlled by switch-gear to draw out the hot air at selected high points so that this will be replaced by diffused infiltration through the partially warm corridors.

(4) Place a thermometer under the observation of someone responsible for action as soon as the temperature rises above a certain point, say 60° F.

Visitors' Days.

A well equipped and efficient works receives many applications from technical or social clubs to look over the works if possible during working hours. Such visits are one of the best forms of advertisement for certain trades, as the possible customers are willing to spend time and trouble in becoming acquainted with the product and processes of manufacture. The minimum of illustrative operations can be arranged for a Saturday afternoon, and expert guides will take some pride in explaining the processes which are familiar to them, and are the medium of their own life's work. This proceeding enhances their appreciation of their work and helps to maintain a high standard.

If the invitation is extended to works and office employees, and each one is allowed to bring a friend, the visitors' day may be a valuable social influence, for it gives to each a proprietary feeling as host, and disseminates useful knowledge of colleagues, materials, and processes, with which their daily work is so closely connected.

Progressive firms who are most likely to have valuable trade secrets know how to keep them, and are precisely those who are most willing to show visitors round their works, because they recognise the benefits they themselves may derive from a practice which is more common in America than it has been in England. The following notes were prepared for a preliminary meeting of guides who had volunteered to conduct over 300 visitors in parties of eight round a works one Saturday afternoon.

REASONS FOR VISITORS' DAY.

We must do something in reply to the many requests we have received, hence, we should do it in the most profitable and interesting way by catering for all visitors on a special day set aside for the purpose, and, having come to this decision, we should try to make it fulfil the following objects:—

(1) To keep us up to our best. To let others know our working conditions, and to learn from their criticisms.

(2) To maintain the standard of our employees—as we increase in reputation we have better applicants. Our employees take some pride as hosts in showing their friends the scene of their labours. Such “proprietary” feeling helps to make workers regard the interests of the firm as their own.

(3) To oblige possible customers, and so impress them with our care for quality that they will ask for our goods. This is more personal and profitable than general advertising. These visitors ask for information and take trouble to come and see for themselves. We send them advertising matter beforehand, so that each will have enough knowledge previous to the visit to make it more interesting. They all, therefore, have our business in mind for a longer period than is given to the reading of our advertisement.

(4) To let our own clerical staff know the men and materials they deal with. Such works experience is essential, and should be increased in every possible way. Our men will stretch a point for others they know, and so our customers will be better served.

(5) To keep our outside staff in touch with the latest methods of manufacture. They come to learn rather than to teach, but act as guides failing others. It is their business to deal with customers and to interest others in our products, so all guides are doing outside staff work on visitors' days.

HINTS TO GUIDES.

(1) Always refer to the man on the floor; ask his help; he is the host for the time being.

(2) The danger of the man who knows little of the works is "swank"—"superiority" to those whose daily work is exhibited—pretending to know. It is much better to confess ignorance and to ask the man at the machine.

(3) The danger of the man who knows a great deal is that he may bore visitors with too much detail.

(4) Keep your eye on all the party—don't lose anybody. Watch for flagging interest and then move on.

(5) Don't overcrowd.

(6) *Telling points*: safety devices; first aid room; hours and working conditions; air; light, etc.; sick clubs and social unions; sports and grounds; total output; number of employees.

(7) *What to avoid*:

(8) Hints from those who have acted as guides to previous visitors.

SUGGESTIONS FROM EMPLOYEES.

There is no more difficult problem in the relationship between employers and workers. Mysterious, one-sided tales of valuable patents filched by employers, workers told to mind their own business and rendered unsettled, or even discharged, for offering suggestions to save material or labour, can be acquired at first, second, or third hand by everybody. A highly-respected trade union leader publicly stated that as a workman he had suggested a method of riveting plates together so as to improve the work and to save nearly half the time previously required, but the only result to him was that the rate was cut. He is convinced that he was the *first* to suggest this method, and that even if the new rate gave a better wage for the time and labour expended on

it the employer and *all other workers benefited at least equally* with himself. No independent inquiry has ever been made into this and hundreds of similar stories, so that public judgment in England has generally gone by default against the employer. Now, whether this verdict is *deserved* or not does not in the least alter its *result* on the great body of workers. If they believe this reputation to be justified they will act and react accordingly. Hence, the necessity for full discussion with the workers involved and a certain amount of publicity as to the results. The reputation of American employers is quite different, though the majority of those who accept this view can hardly have an equal number of confirmatory cases within an equal degree of personal knowledge; hence, we in England are starting behind scratch, and we must *advertise* cases where suggestions are welcomed and paid for, as well as increase the number of suggestions received, which latter can be obtained only by gaining a *reputation* for inviting and rewarding suggestions. It is equally obvious that it is up to employers to make the first move.

Labour relations have become so generally identified with selfish disputes about money, and inventors are so jealous and proud about their first offspring, that personal confidence of the integrity and judgment of someone in authority is essential before suggestions will be freely offered. In the great majority of cases the suggestion is not nearly so fresh as its maker imagines, but that should not reduce the tact and consideration with which it should be received and discussed, in order to convince the man that his suggestion is nevertheless valued and acknowledged, in order that the habit of studying improved efficiency should be continued. Before this habit is general many workers will have to be checked for waste of time in looking for hidden treasure when they should be earning their wages, and such cases will need to be handled tactfully, too.

If a suggestion at this stage appears to be new and worth fresh development a *record* of it should be given and a copy filed, in order to apportion its ground value, and the increment valued by mutual discussion. The merits of publication, concealment, or applying for a patent would then be decided upon. Even if the suggestion is belated or not worth further development the maker should get a receipt or some formal acknowledgment as a spur to further and more successful efforts. In both cases the firms who have workshop, profit-sharing, or co-partnership committees, have a very suitable means of criticising, valuing, and advertising the merit of suggestions, and for checking the growth of those harmful tales of merit unrewarded.

Besides this trusted person in authority for discussion, there is also need for some generally accepted opinion that it is *not a breach of discipline* for a worker to send on a suggestion direct, instead of through his foreman. The latter must not feel slighted or consider it a reflection on him for not thinking of the suggestion himself, and he *must not be jealous*. Thousands of people wore boots who never thought of rubber heels for them! Do they all consider it a slight on their intelligence, or an incentive to them to seize one of the many chances of resource and profit? A man who has spent years on a machine or process naturally at first resents an outsider suggesting some new thing about it. In the great majority of cases the suggestion ignores some essential but not very obvious condition, while in the remaining ones the *user is handicapped* by accepting as second nature a condition which is really not essential at all, but which he has merely become accustomed to. Such a case occurred when a workman suggested an improved method of packing and delivery. Distinct traces of jealousy in several of his superiors were noted. What could he know about the whole operation, when his experience was limited to one stage? Further inquiry

showed that a somewhat similar suggestion had already been tried and abandoned. The discarded apparatus was hunted out, and with a new impetus thus given it was modified and developed until it was successfully put into operation. A few months later the man gave notice and left. He felt that he had been "put upon," and certainly imagined himself a "marked man," and nothing could convince him to the contrary. So the result was some improved departmental efficiency quite clear to all his associates; no pride or credit, but, on the contrary, a sense of grievance resulted to the immediate cause of this improvement! Another case shows how differently the former might have been handled. A youth on bonus was found chalking up in view of the stores the number of any new tool he would shortly require so that the stores-boy could bring it him ready for use, without the machine standing idle between jobs. Instead of getting scolded for laziness or marking the walls he received a present of 10/-. This thoroughly pleased the youth, and acted as a stimulus to others, while the fitting up of small blackboards and electric bells near all machines very sensibly improved the production of the whole department. Thus the firm and other workers benefited as well as the originator, whose chief pleasure, no doubt, was the reputation and ready appreciation he had gained. A very little discussion by a workshop committee would soon disseminate among employees enlightened views on the subject of suggestions, and would check any abuse which might otherwise result from an appeal to workers to offer suggestions.

PATENTABLE SUGGESTIONS.

The most striking fact to men who have registered patents is the enormous number that result in little gain or in a positive loss of money, compared with the few that prove a commercial success. Another important feature is that it is frequently better not to patent a new

process or device, because of the fees and the trouble in detecting and preventing infringement. The publication of drawings and specifications of a patent which is interesting merely to trade rivals may suggest to them a modification or development which will supersede and nullify the original process. Many firms, therefore, depend on secrecy in such a case, and this renders it difficult to assign a value to the service of an employee whose idea is thus restricted in its practical application, for he could scarcely be in a position to approach rivals before resigning his present position, nor could he be given free access to confidential information and to consultation with other specialist employees and afterwards patent the result against his own firm.

Some firms have coped with this difficulty by adopting a patent agreement based on the following rules :—

(1) The firm covers by salary or wages any inventions, whether patentable or not, if they concern the firm's special business. Any advances thus given, however, act as royalties only during service by the firm.

(2) The firm concerns itself only with suggestions referring directly to its own business or special processes, or arising directly out of any work the employee is set to do, but it reserves to itself the right to use without charge any process or device applicable to them and to general manufacture.

(3) The firm records its appreciation of particular suggestions by additional money prizes and formal dated receipts containing the facts of each case.

(4) Every patent is applied for in the name of the inventor and of the firm, and afterwards transferred to the firm, so that a permanent record of the inventor's ability is published.

Like others, the above plan does not smooth away all the difficult complications of the subject, nor does it abolish all chance of abuse or hardship, but it does state its case clearly to every employee on engagement, and a

signed copy is handed to each for future reference. Its success, like that of all other plans for improved relations between man and management, depends in practice on sympathetic and even generous interpretation, and it is the duty of everyone to use this period of national trial to draw together all classes into such terms of better relationship as will increase the happiness of all and the welfare of all our industries.

EXERCISES.

XXVIII. *Suggestions from an employee.* Give any instance within your knowledge of the treatment accorded to a suggestion from an employee. Estimate the credibility of your evidence, the wisdom or purpose of the treatment, and the effect of this treatment on each individual concerned. Would the incident make for increased friction or increased co-operation between the various departments of the business?

XXIX. *Self-government in Industry.*—Give some advice to trades unions by an advocate of class warfare, with any conclusions you would draw from such advice and a debate upon it.

XXX. *The drafting of works instructions and notices.* As this is becoming more important in connection with larger individual works and with the increasing uniformity, especially in wage agreements, between firms in the same trade, state the main considerations involved in the drafting of works instructions and notices. Give an example which will illustrate some of these considerations.

XXXI. *Re-employment of partly disabled soldiers.* Give outline of a practical scheme to prevent the national disgrace of fostering "old soldiering."

CHAPTER VII.

SUGGESTED SOLUTIONS TO EXERCISES.

SOLUTION I.

Leaving work without notice.

The manager should explain to the youth, in the presence of his foreman, why he must work out his week's notice in the interests of the firm and of his fellow workers, but he should promise to let him go before the week expires if a suitable substitute can be found. This position should also be explained by the foreman to the rest of the set, who should not be forced to collect their information from other—possibly faulty or hostile—sources. Malingering or damage should result, according to the gravity of the case, in instant dismissal and legal proceedings, or in a warning given to the youth, and, possibly, by letter also, to his parents. The advertisement thus given to the youth's misconduct would be worth the trouble and outlay. Employers who will not *work* for the establishment of reasonable discipline have little moral right to the enjoyment of it at *other people's expense*. To a large extent, also, each person gets the discipline he deserves, *i.e.*, it is only to a small extent transferable to another. Different degrees of order and discipline existing in classes, departments or works side by side will readily come to mind.

Where security of tenure is conceded to every worker to the extent of one week's notice or one week's pay, the whole force of trades unions can be enlisted to consolidate the ground they have thus won, and, incidentally, to improve discipline, so that an advisory note from an employer to a union secretary will receive attention immediately on such a matter. A union secretary has similar troubles about discipline, and would welcome combined action.

SOLUTION II.

Larking.

(a) *Foreman.* The evidence, as far as it goes, reflects on this foreman's control. Whether the incident occurred in working hours or not, it certainly occurred in his department. If the foreman did not notice the larking before the accident occurred the pair must have known of the presence of the foreman, but this knowledge did not restrain their larking. Every opportunity should be taken, therefore, to strengthen this foreman's hand, and to give him *people less difficult to manage*.

(b) The youth that caused the accident should be sent for to the manager's office, in order to let him feel the indignity of explaining, in the presence of his foreman, such childish pranks. He should also be asked whether he had felt called upon to share the other's loss in wages, and the extra work resulting from his absence. Handled with tact and restraint, such an interview would be a permanent benefit to the discipline of the department.

(c) Unless there is strong evidence to the contrary we may assume that the sufferer did not discourage the larking, so that except for the manager's reminder to his partner he may be safely left to the discipline of events.

SOLUTION III.

Discredited Maxims.

(a) This firm has made the exception into a rule, and is buying "ready made" essential human material which has not yet been standardised or produced in bulk. No firm of any size could calmly contemplate a future dependent on others for such a key industry as the training of its workers and leaders. The two arguments advanced can be met. If outside firms give wider experience, the remedy is to improve the training and experience of present and future foremen *inside* the firm. If inside promotions cause jealousy, that is an excellent result of and check for a wrong choice, but it can be

safely ignored on a wise choice. The remedy is to *learn to choose better*.

No student could ask for a better subject for a speech by a strike agitator than the above theme, but the solution of the difficulty needs long and careful preparation in order to avoid more than an exceptional resort to outsiders for the best posts.

1. Encourage and guide the "travelling journeymen" ambition of all really good apprentices for a year or two after they are out of their time. If they have been well treated they will come home again with their added experience. Transfer and promotion of the right material within the firm will meet the needs of the main body of future foremen.

2. Choose young "travelling journeymen" with the necessary outside training for suitable posts. Test and complete their experience by transfer and promotion within. It should be noted that inside promotions increase the number of changes necessary to fill a post, but each change should be one of *promotion*.

The suggested remedies suit large firms who are capable of enlightened treatment of their workers, and who are prepared to back their own judgment. Other firms will have to discover their own remedies or rely on the "higgling of the market."

(b) This is a rule that is unnecessary and might be evaded by a foreman, as a firm has no reputable means of proving that a man's membership has ceased. It may also cause the loss of a conscientious man who sees no immediate equivalent for the sickness, out-of-work, or superannuation payments he would have to sacrifice when resigning from his union. The firm, therefore, must provide substitutes at least equal in value and as liberal as possible, in case the man should afterwards leave the firm and be unable to rejoin his union. Pension and sick club schemes are outlined in Chapter VI. as preferable to exclusively increased pay, which the

foreman may not have the judgment or the opportunity to invest to equal advantage outside the firm.

A firm which makes such provision, and some additional amenities for foremen, need have no rule against union membership, because the promotion marks a real development in a man's interest and outlook, and these will usually result in voluntary separation from the union to which he belonged as a worker, and which does not sufficiently cater for the interests of foremen.

(c) The half-yearly advance list for foremen is based on the assumption that the manager is conversant with each one's value and work without need for any reminder. An advance given spontaneously, while the foreman's attention is concentrated on developing his usefulness, is worth double the amount given after he has been soured by disappointment, or driven to threats of leaving. If an advance comes only after discontent, self-assertion or threats, it may tempt some individual to short-circuit the process by cutting out the essential first step—that of *deserving* it! No rule of this kind would survive a debate on the subject at a manager's meeting, and opportunities for such mutual aid in evolving the principles of man management should be largely increased.

SOLUTION IV.

Workers choosing their own foreman.

If workers chose their own foremen the outstanding advantage would be a universal watch for qualities required by good foremanship, with the resulting criticism and improvement in selecting and training the best man for it. Supposing that an experiment proved successful, workers would co-operate more heartily in the objects of the management which they share, while the strongest personality might more frequently become foreman. The elected man would be less likely to rely on bullying methods, and would regard himself more as responsible for the true welfare of his workers, yet he

would not relax his zeal for adequate service as the employer's representative. Choosing their own foreman will not suddenly change cunning, lazy workers into industrious, broad-minded citizens, but it will give more room for the exercise of their better qualities, and such exercise leaves less time and energy available for their lower impulses.

These advantages are worth striving for, and there is no fatal objection to a sympathetic employer taking a favourable opportunity for consulting his workers about a new appointment of their foreman. It might be made subject to confirmation at the end of a period of six months. Before doing this the employer should privately record the output and general tone of the department, for comparison at the end of six months; he would also limit candidates to those whose technical qualifications were suitable. A frank explanation of the object of the experiment and the difficulties involved would enlist the interest of average workers in its success. The sporting risk would consist in handing over the selection of their foreman to men who have more intimate knowledge of personal facts necessary to good judgment, but with less knowledge of the difficulties of control and promotion, and without knowledge of the technical requirements of candidates in many cases.

Hearsay evidence of the success of two similar experiments is enough to warrant the expectation of agreement with this judgment, within certain limits, if a personal investigation were possible.

1. Some Yorkshire woollen workers are said to choose their own foremen. If they avoid the evils of the butty-collier system, and attain the long views of good employers about their workers' welfare, a detailed report of this system deserves wide publicity.

2. Some day schools and boarding institutions, both in America and England, have handed over the drafting of all rules and the enforcement of all discipline to the

children themselves. If their work and conduct is at all comparable with that of similar institutions under ordinary rule, the result is highly complimentary to the *staffs* in question, and indicates that a works staff of the same calibre would be equally successful.

SOLUTION V.

Foremen's wages.

It has been generally accepted that a foreman should always be paid better than any of his men, but the question has not been debated enough to define its limits. The opinion that the controlling head of a department must be superior to each subordinate in the whole range of human activities is obviously too comprehensive. Similarly, parents and teachers sometimes act as if all the authority of their relationship or position, age and experience, would be lost if they admitted fallibility in some detail, but it would be nearer the mark to say that admitted inferiority on irrelevant matters would promote the "discharge" of aggressive activity by subordinates in these matters, and yield added authority where it was rightly claimed.

In this connection, consider also, the following proposition: Should the highest-paid worker in a department be made foreman? Consider, also the following case, which actually occurred: The principal of an institution proposed for one of his staff a salary higher than his own, and after some pressure obtained sanction for such a novelty.

The rule may be more accurately stated as follows: A foreman should be paid more than the men he directs, but there are exceptions, for he need not be paid more every week than any one of his men may earn in exceptional weeks. The steady permanence of his pay corresponds with the permanence of the need for his supervision, and contrasts with the ebb and flow of his men's work.

SOLUTION VI.

Hints to young foremen.

(1) Watch and learn from other foremen the reasons for their various good points. Don't find out each foreman's bad point and accept *that* as a standard to judge yourself by.

(2). Remember that a good foreman sees merits, but a bad one sees only faults. Also, he is not over familiar, and not sarcastic. He does not assume fictitious perfections and does not delight in exercising his full prerogatives. If anything is wrong with his men or with his department he first examines *his own* character and habits, to find out where *he* has been lacking, for a good foreman is the deciding force which makes the work and tone of a department good instead of bad. Look after the pound and the pence can take care of themselves.

(3) Learn to recognise the *signs of good discipline* :—

- (a) It is regular—not strict one day and lax the next.
- (b) It is strong, not fussy. It can be neither bluffed nor wheedled.
- (c) It is discriminating—not hard and mechanical in treating all offences as equally bad.
- (d) It is thorough, and goes into details.
- (e) Its rules are few and carefully considered. A rule is abolished if it cannot be enforced or if its breach cannot be discovered. Otherwise all rules become discredited.
- (f) It is fair—it has no favourites, no victims of spite, and applies to the foreman himself, who cannot break rules and then check others for doing the same thing.
- (g) It is kind—though not necessarily “pleasant”—to those who deserve correction.
- (h) It is liked—the workers are contented or happy, for they like to be well managed, but despise and re-act against a weak, tyrannical, selfish, or gullible foreman.

SOLUTION VII.

The training of a future works manager should generally resemble that of an officer in the British Navy, since the requirements of character, initiative, decision, leadership, practical psychology or understanding of men, technical knowledge, etc., are very similar. The Admiralty, finding that the public schools, while producing a spirit of community did not produce the necessary keenness and efficiency in *work*, decided to found schools of their own, and selected by oral as well as written examinations candidates of the right class at the early age of 12 to 14, in order to give time to produce the type required. Such special schools are not required for the divergent needs and widely scattered candidates for managership in all trades and businesses, but the same objects should be kept continuously in mind in the training of a future manager.

General education is preferably continued at a large school, at least up to the age of 16, and should result in success at some university matriculation examination about that age. Games, manual work, literary and scientific or mathematical studies should each and all receive adequate attention. Works experience as an indentured apprentice should follow, and should be accompanied by detailed study at some technical school, either in a part-time or sandwich course qualifying for some public examination in the appropriate technical subjects.

This works experience is most valuable at a comparatively early age, when actual sharing of the manual work and mingling with workers is possible *on some terms of equality*, for by no other means can personal knowledge of the feelings and reactions of workers be so usefully gained and stored up for future need. For this reason, too, it is best to select a works where no relative is in command. Having been "through the mill" is one of the great advantages which are possessed by

managers who have risen from the ranks, and there is no reason why young candidates of character, imagination, and sympathy cannot share this advantage too—without some of its narrowing or hardening effects.

As mentioned elsewhere, the opportunity should also be seized to become a member of the trade union and workers' social clubs, in order to understand their necessity and their weaknesses. Such measures, together with social intercourse of other kinds at home, school, and technical school, may be trusted to counter-act narrowing or hardening effects on the character and habits. A manager whose life and training are restricted within one or two circles or classes of people cannot get the required knowledge and breadth of view, no matter how strong his imagination and sympathy may be.

SOLUTION VIII.

Compulsory union membership.

No! An employer should not yield to pressure to force a worker to join a union for the following reasons :

(1) An employer, as such, pays wages to workers for work done. The workers pay their secretary to get members and to see that no worker gets free benefit from union work. Membership of a union is like membership of a political party or a religious sect, and is outside the legitimate sphere of an employer as such. There is no necessity for an employer to do the work for which a union secretary is paid.

(2) If an employer did use such pressure, which union should he favour? He has no control over any union, and cannot guarantee his workers a proper return for their contributions to one or the other.

(3) If, on the other hand, all workers were in one union, the controlling power of such industrial conscription would not always be used with consideration and justice to other interests involved, *i.e.*, that of the trade as a whole; the national part of that trade; that of customers, capital and management. The Sheffield Scissors Grinders, the St.

Helens Glass Bottle Blowers and the Boot Makers Unions furnish examples of this restricted outlook.

(4) Universal memberships, and much less compulsory membership, of a union is *not necessary*, possible or advisable even from a worker's point of view in order to get full benefits from collective bargaining. So long as the majority of workers are in some union all classes of interest will be represented, and other employers must be made to fall into line with the agreements made, by law if necessary. The essential thing is that there should be enough unity of employers and workers to *represent the interests*, to ensure respect for one another and for the agreements come to. Freedom, choice, experiment, are vital elements in the progress of industry, and a universal conformity to trades unionism is just as impossible or harmful as universal conformity in religion. Trade unionism is not the *only* cause in which the pioneers and the public-spirited bear the whole cost but do not reap the whole reward. The non-unionist may do his "pioneer" service in some other way. Who keeps the Post Office going for the occasional user?

(5) It is the employer's interest as well as his duty to consider the true welfare of his workers much more than that of his customers, plant, etc. He therefore wants to hear their grievances ably championed by practised leaders in order that they may receive adequate attention. If trades unions did not exist already they would *have to be invented* to meet this necessity of special representation of such important interests as those of workers.

Policy. An employer should not use nor allow others to use his position as employer in order to force any worker to become, to remain, or to cease to be a member of any particular union. Working hours and working premises should be used for their proper purpose. Similarly, no such pressure should be exerted by an employer on workers outside hours and outside the premises. Any attempt to go beyond this should be met by strong united

action on the part of employers by such an agreement as the following :—

Proposed agreement to be signed by any or all firms represented by the Employers' Federation.

The undertaking.

A. Each signatory firm *undertakes to refuse* either directly or indirectly :

1. *To discharge any employee* who declines to become, or remain, or to cease to be a member of any trade union.

2. To use its position as employer *to bring pressure to bear on* an employee to become, or to remain, or to cease to be a member of any trade union.

B. On the other hand each signatory firm undertakes to declare a lock-out in any or all its works in support of the above liberty of action provided :—

1. That a strike to restrict the above liberty *has effectively closed* any works belonging to a signatory firm.

2. That the employers' federation by an assenting two-thirds majority of the total federation votes has decided to adopt the lock-out policy simultaneously on a date agreed upon.

3. That the employers' federation at the same meeting by an assenting two-thirds of votes then present decides that the circumstances submitted concerning any particular works do *not* justify its exemption from lock-out. Each works is to be voted on separately, and "exempted" works must suspend during the dispute all employees who refuse to resign their membership of any union involved in the dispute.

4. That each signatory firm can count one vote for each works owned by it but not put on the list submitted for exemption, and may vote by post on the lock-out policy, but can vote for any works to be exempted only by a representative present to hear that claim for exemption.

5. That the secretary of the federation give one week's

notice of the meeting to each signatory firm, so that the list of works submitted for exemption and the exceptional circumstances of each works can be brought forward immediately after the lock-out vote has been taken.

6. That work be resumed simultaneously at all locked out works.

7. That any signatory firm can withdraw only after three calendar months' notice, but that the agreement lapse automatically unless it be re-signed by any firm at the end of three years. Similarly, the signature of any firm which joins this scheme after its inception does not bind the federation to a general lock-out on that firm's behalf till three calendar months have elapsed from the date of signature. Any such case would be decided on its merits by a two-thirds assenting majority of the total federation votes.

A manager, therefore, threatened with a strike in the given circumstances, should lose no time in bringing the whole facts before the employers' federation. This body should at once meet the union concerned, and, if necessary, issue printed notices to be posted in the works giving the employers' case for the personal consideration of the employees concerned in the dispute. Every person likely to be *injured by the dispute* ought to have direct access to the *facts on both sides*.

SOLUTION IX.

A carter and his horse : a false analogy.

The anecdote implies that the coincidences of service are complete. Similarly, the employer minds and cares for his machinery during holidays or stoppages of work. His workers must also live during holidays, and be cured when sick in order to be fit for work again, and, therefore, it is implied the employer should pay wages for sickness and also provide medical treatment for his workers. Certain differences, however, may be brought to light by the following questions:—Is the carter the purchased property of his employer? Can the horse

give a week's notice to leave and work for somebody else? Is the horse equally responsible for any carelessness, etc., that might cause his illness? Did the employer get a medical examination of his carter before engaging him? Is the employer's contribution to the carter's health insurance on all-fours with the fee he paid to the veterinary surgeon as an insurance against loss by the horse's illness or death? Is the regulation requiring three "waiting days" before qualification for sick-pay under the National Insurance Act necessary as well as just? Is the amount of sick benefit enough? Does our proposal for works sick clubs meet the merits of such a case apart from the merely legal aspect of it?

SOLUTION X.

Reconstruction a human problem.

The whole manual is an answer to this exercise, so that a precis of our solution can be built up on the contents of each chapter.

SOLUTION XI.

Two extreme candidates for managership.

The dilemma stated in the exercise is the extreme case of a difficulty which is very common in business in various degrees owing to the present unorganised condition regarding the requirements, training, and tests for management. It should not be *possible* for any man to acquire a good technical knowledge of a trade without having increasing opportunities for showing his ability in management at each stage of his advance.

The first candidate is the simpler one to decide about, as his general education, alertness of mind, and interest in the trade should give a clear indication as to his ability to learn up within a convenient period the minimum of technical knowledge, for it may be assumed that this will grow quickly with experience. It is also known what amount of skilled technical knowledge he has available on the staff or from special helpers during a probationary period.

The second candidate is the one more difficult to judge fairly, as the strain of his new position will fall more heavily on his new requirements, which, from their nature, can be less shared with him for a time. It is only personal inquiry into, or knowledge of his character, daily work and habits that can give any basis of judgment as to how he would fill the vacant position. In either case the appointment should be only for a probationary period, to be confirmed or terminated in the light of success or failure, but, if any hesitation about the choice still remain, the first candidate is the more promising appointment, and common American practice justifies such an experiment.

SOLUTION XII.

Maxims for managers.

1. In the daily works rounds carry an oilcan, not a grit-sprinkler; it is better for reducing friction in hot bearings. Praise is a better lubricant than blame. Look for things to praise—the other things will be seen without looking for them. Don't wait till each foreman is dead or gone before noticing and praising his good qualities.

2. Keep up a certain aloofness—do not make yourself too common. There should be only one manager.

3. The "owner's eye" is the first mark of a man worth promoting. Irritability and strain are the first signs that a man has reached his limit of promotion. Find the cause and remove it, or give him help.

4. No man really understands a rule until he knows *when to break it*. Mark a man who does this successfully as one worthy of promotion.

5. Never scold a foreman before his subordinates; it is easier to injure his authority than to establish it again. Respect your men and they will respect you. If anything is wrong with a department put the head right first and the rest will right itself.

6. Faults that cannot be cured need not be endured—if

you make a change. But no matter how bad a man is the one who follows him will not be perfect, and then *his* faults will have to be diagnosed before they can be cured.

7. The bullying of a foreman—and even of a manager—by his men is not unknown, but the bullying of both combined should be impossible.

8. Support or start any club that will bring together your workers for social intercourse. The minimum organised sociability should be a summer excursion or garden party, and a winter tea party to include wives and families.

9. Secretly fine yourself 2/6 to the social club every time you lose your temper. In 99 cases out of 100 you deserve it, in the other case it is *worth* it, and in every case it is worth notice. Your men are sure to notice, and you ought to notice as much as they do.

10. Practise reasoning out every problem on a workman's plane of thought, and then find exactly *why* yours is better. Things are weighed by putting weights in the *opposite* scale pan. It is only the part unbalanced that turns the scale, and it is the argument unanswered that decides our course of action. Boswell's "Life of Johnson" and Sir Henry Hawkins' "Reminiscences" illustrate the successful advocacy of apparently hopeless cases, but wise judgment is a still higher product of the mind, and should be rewarded accordingly.

11. Don't leave all the raising of rates to the union secretary and keep all the lowering of rates for yourself.

12. Do your own explaining—directly to workers, on the lines of the best modern advertising—a messenger may not be able or anxious to convey your meaning precisely. The Report of the Committee on Industrial Unrest says: "Wholly *unfounded* suspicions are often causes of unrest, and can only be allayed by prompt and frank treatment, by publicity and by a readiness of everyone in authority to *offer open explanation.*"

13. Distribute the crushing pressure of any change over as wide an area as possible. The above Report says: "Capital and labour must meet together and carry on the machinery of industry on the principle that they must reject all prospects of *gain which involve loss to others.*"

14. Don't post up any notice which *suggests* a breach of rules or implies that a breach of rules is common, or is *expected* from workers. Don't threaten universal penalties—you may want to forgive an offender. Don't *dare* the sportsmen to risk breaking your rules.

15. Cultivate friendly relationship and check jealousy between heads of departments. "Unite and rule," is the modern, businesslike, statesmanlike, democratic motto—"divide and rule," is an ancient monument to the low cunning of tyrants and autocrats.

16. The most practical thing in a works is a sound theory. It keeps *all practice consistent* throughout.

17. Managers must manage to get a good *tone* as well as a good production in their works. It was the man with the ten talents that was first asked for results.

18. The proper study of managers is man—as the poet should have said.

19. A first-class works is never filled with second-hand machinery, and a first-class manager is never filled with maxims, proverbs, and other second-hand thinking.

SOLUTION XIII.

A managers' seminar.

It is proposed to form a seminar, or society, of employers, managers, etc., irrespective of their business or trade, to discuss labour problems which are common to all and of increasing anxiety to those immediately responsible for the daily conduct of industry. An interchange of views will, no doubt, be beneficial to each member, while a record of general experience, opinion,

or experiment should be a valued contribution to industrial research.

The following items are put forward merely to economise time in coming to decisions as to title, object, and procedure at the preliminary meeting. For the same reason I shall be pleased to tabulate any views previously expressed.

Suggestions.

Members. Employers, departmental or works managers, foremen, cashiers, teachers, professors, and advanced students of technological subjects, officials of a labour exchange, factory inspectors, social workers, etc. First members by invitation, later ones proposed, and elected by ballot at the meeting following the announcement of their names for election.

Meetings. About six or eight per annum at school (college), which supplies accommodation free. The use of the dining-room may be convenient to members from a distance.

Fee. About 2/6 per annum to cover printing and postage.

Officers. President, committee, and secretary elected annually.

Chairman. A member invited by the committee for each meeting, according to his special interest in the subject under discussion.

Papers. Read by members or others by invitation. A precis (or full text) of each paper to be circulated with the notice of the meeting, and preferably with definite resolutions or recommendations to be put to the vote. Each paper to take about half-an-hour to read. Any member may speak once for a fixed time, and the reader may reply. The chairman will complete the discussion and put the resolutions. The secretary will circulate at least these resolutions and the opinion of the meeting upon them along with the notice and precis of the following paper. He will keep a record of all proceed-

ings in case further publication is considered advisable.

Local firms are being asked to co-operate, and you are hereby invited to attend a preliminary meeting at to decide whether to form such a society, and, if so, to agree upon details.

SOLUTION XIV.

An interview.

This exercise can be checked only by means of an interview conducted by some other person. Mutual comparison and discussion of the records should follow.

SOLUTION XV.

Employee's record.

In a large firm, where some reference to former employees is of daily occurrence, it is essential to have at hand the details usually required. These should also indicate the source of further personal items such as are frequently asked for in particular cases. Each employee's record may be in the form of a stiff envelope to hold the insurance card. Both back and front can be used to keep the record up to date, if printed with spaces to record *progressive* changes in the variable items of service, etc.:—Work, status, department, check number, wage agreement or terms of employment, address, age (with date of birth for National Insurance and enlistment purposes), dates of engagement and leaving.

The Pay-Off Note should be put in the record envelope and transferred to the obsolete file for reference if required.

WORKS PAY-OFF WARRANT.
To Cashier.

I declare

Check No.

Dept

clear of the stores and permanent machine equipment.

Date

Signed

(Storekeeper).

.....

(Foreman).

WORKS PAY-OFF NOTE :
To Cashier. Date

Route :—Manager
Employment Dept.
Cashier.

Please prepare to pay off

Check No.

Clock No.

.....Department

REASON :

..... workertimekeeper and I would.....
like him (her) to work here again.

Other remarks

To take effect atM. on

Signed

Approved

N.B.—Wages will not be paid till the Pay-Off Warrant certifies stores clearance.

If all pay-off notes are filed, and a running analysis kept month by month, facts about the stability of workers can be obtained, reported on, and discussed at

suitable intervals at foremen's meetings. If the right to a week's notice or a week's pay is given to all workers the preliminary arrival of a pay-off note sometimes enables an enquiry to be made before it is too late, though as a rule it is not advisable to take action in any particular case if affairs have got to the "pay-off" stage. With this rule generally acknowledged it is found possible to discuss with a foreman how events might have been ordered differently, so that a good worker or a desirable personality might not be lost to his department. Such discussion lays bare the principles of action, and impresses their importance for *future* guidance. When a worker is also known personally an expression of goodwill for his future may lead to valuable suggestions as to the real reasons which have actuated him, as distinguished from the obvious ones put forward, perhaps in good faith.

Thus it is personal knowledge that alone decides in special cases what degree of reliance may be placed on the reasons given for an employee's notice, as the circumstances under which they are expressed vary greatly. In the great majority of cases the items may be taken strictly at their face value, and all the elements required for a decision are given on the pay-off note and recorded for future reference.

There can be no doubt as to the value of such a written estimate, which requires the manager's approval before becoming effective. It checks impatient dismissals by bringing forcibly to notice a comparison with the probable successor in items other than the immediate grievance. It enables reliable references to be given without delay concerning former workers, and gives at least a preliminary estimate respecting an application for re-employment.

SOLUTIONS XVI AND XVII.

Promotion within the firm.

The following example of a notice to employees will suggest some of the important points to be considered in

filling vacancies, either by external or internal appointments :—

Vacancy in a Branch Office.

Mr. A. has accepted an offer from our Canadian agents, and applications from employees are invited to fill the resulting vacancy in our branch office.

Work : (a) Letters to customers; (b) reports to head office; (c) estimates; (d) drawings (sketches); (e) interviews with customers at the branch office and occasionally at our customers' works.

Application should be sent in not later than..... and give : (a) any information that will show the applicant to *be specially suitable* for the post; (b) service with the firm—that is, work and length of time in each department; (c) any previous experience in shorthand, typing, correspondence, outside work, interviewing of customers, etc.; (d) record at school, technical school, drawing office, and workshop; (e) present wage (and any advance necessitated by the change), age, whether single, engaged or married, whether of Scotch, English, Irish, or Welsh blood or connections; (f) the reason why this post is specially desired.

The outstanding advantage of an internal appointment is the number of promotions which may result from one vacancy, with the consequent improvement of morale, knowledge, and interchangeability of the staff. This valuable result can be obtained only by the investment of time and trouble in arranging such transfers.

SOLUTION XVIII.

Qualities necessary in a storekeeper. A thorough stores re-organisation having become necessary some years ago, the following analysis was made and circulated among foremen, asking for recommendations, none of which, therefore, were made until each individual had, in the opinion of the foreman familiar with his work and

character, passed each of the tests. This practice would at least prevent the hasty recommendation of a man markedly *deficient* in some essential requirement.

A copy of the particulars was also given to each store-keeper, and no doubt had some effect in creating a standard to be reached or maintained. Some recognition by the management of the difficulties and responsibilities of a man's job is a great inspiration to him to take a pride in its successful accomplishment.

Storekeeping.

Purpose. To supply on demand whatever is needed, such as material or tools for ordinary work or for sudden emergencies.

Qualities necessary in a storekeeper. (1) Knowledge of the number, nature, and uses of all the different grades of material and tools required in his department.

(2) Methodical ways: He must take a delight in having things spick and span, have a right place for everything, and everything in its place. He must take a pride in keeping his stock *and* records neat and up to date.

(3) Backbone: He must be able to stand up for the observance of the necessary rules by all users, even those above him in status.

(4) Obliging nature: His chief pleasure should be in seeing that wants are supplied and the work kept going. His reason for insisting on the rules is in order to ensure this, and not to "score off" people who break the rules.

Combing-out candidates for promotion. The preceding selections for the branch office and storekeeper vacancies illustrates a standard method of combing out from works or offices candidates for promotion. It falls into three stages:—

(1). *Analyse the requirements of the post*, stating also any qualities which indicate marked *unsuitability* for it.

This is the "comb" to be supplied to all heads of departments, and is adjustable to any sort of post. A vague, general request for recommendations, on the contrary, throws the onus of such analysis on busy heads of departments whose duties do not include this task, and whose first thought may be resentment at losing their best men for the benefit of another department. No head when challenged will deliberately "stand in a man's light," but the latter departmental point of view is largely justified unless the whole firm is run consistently from above on an enlightened policy of "unite and rule," so that a temporary loss to a department is sure to be corrected by other transfers; and all deserving workers know that their prospect of advancement is not limited to their own department, as previous cases of inter-departmental advances can be pointed out with pride. Such a movement of progressive workers upwards through a firm needs no demonstration of its merits.

(2) *Advertise the vacancy to all employees* by posting details on the notice boards—each application to go through the head of the department. This "gives a chance" to all who think themselves fitted for such a post. Ordinary vacancies can be added from time to time on the following form, which is kept posted up in certain fixed places both in the works and offices. Here again it is instructive to note the confident, helpful atmosphere of an employee of any grade who mentions an outside friend in response to such *defined* request. It compares very favourably with the atmosphere of begging for charity which surrounds a request for employment for a friend when no vacancy has been announced.

Date

Employees Wanted.
in

Works.

Offices.

Employees Wanted.	Qualifications or Experience.		Employees Wanted.	Qualifications or Experience.	
	Essential.	Desirable.		Essential.	Desirable.

Written applications are preferred, and should deal with requirements mentioned above. Persons *recommended by employees* will be carefully considered. Apply Employment Manager.

(3) *Analyse all applications and interview the best candidates* on the lines of Chapter IV, filing particulars of those likely to fill future vacancies, even of a different kind. The interview should help candidates to correct or confirm the estimate of their merits, and to discuss the best means of improving their qualifications and experience. If the cards are filed away by occupations along with those from ordinary outside candidates they will be considered automatically for future vacancies and prevent loss of time and money in advertising for or interviewing outsiders with a suitable man under your very nose.

SOLUTION XIX.

Request for increased piecerate.

If any complaint about unsatisfactory wages first came from outside, for example, from the trade union secretary, the manager should immediately ask himself: "Why do I first get information about my works from an outsider? Why didn't I find this out first, or why did not the cashier, wage clerk, foreman, leading hand, delegate or one of the men concerned mention it?"

After this important matter has been settled and guarded against for the future the wage complaint should be personally investigated, for a little immediate trouble in such matters gives its return at compound interest.

The attitude towards any complaints should be the interested attitude of a doctor, who makes his living and reputation by curing them, so that curing complaints is his chief work—what he was trained for, what he makes his living out of. Complaints, of course, do not all come at a convenient time, and some are more welcome than others, and in the case of a works manager the patient investigation ideally required is not the only demand on his time, so that such inquiry is often omitted, postponed maybe to a more inconvenient season, or delegated to someone else.

The following items are generally required in order to arrive at sound judgment:—

(1) Get the man's actual earnings and hours worked, so as to show the actual earnings per hour worked for the period complained about, and also for periods of average production, as well as extreme cases of high and low production.

(2) If possible, get similar figures for workers of similar standing in other departments, or even in other works in the same trade.

(3) Test whether the complaint has a *personal* as well as a financial basis. An ambitious, active, or able member of a set who sees "no prospects" for himself gets discontented and creates discontent in others. Such a man should be tried in a better or merely in a different job, with a clear understanding that he must "make good" within, say, three months; that is his chance, and either success or failure on his part will improve the situation for the future.

(4) Look for some change in plant, machinery, or organisation which will of itself give better runs, and, therefore, better earnings. The cause of complaint has

prepared the ground for the workers to co-operate in making such a change.

(5) If one class of goods gives more work than another increase the price paid for this class in proportion to the extra work involved. The price for the whole should not be raised, as a gradual transfer of trade to the easier goods would yield large earnings for the set, and unsettle other workers who were not equally treated by fortune. If the quantity of goods at the higher rate is difficult to count each week, pay the balance on them monthly, or take out the percentage for 12 months and pay on that until a new percentage is taken out at the end of each year or half-year.

(6) If the piece-rate for all goods should be raised find whether the rate in some other set should be lowered, and propose both changes at the same time. All prices are subjected to the gradually accumulated effects of improved organisation, plant, and specialised workers, as well as to changes in the style of goods. Sooner or later these call for adjustment, but it is only an upward adjustment that has its special agents on the job to urge it. The other sort of adjustment should not be overlooked, and should never be proposed except in conjunction with an upward adjustment. The employer's aim is to secure a *fairer* distribution of wages, and not necessarily a lower one.

SOLUTION XX.

Wage estimates.

An estimated cost of a general advance in wages, such as the raising of minimum or maximum scales of wages can very rarely be made accurately, and it is better that the estimate should err on the high side. It was found that the following conditions naturally tended to bring the actual cost under the estimated one:—

(a) Owing to absence from work and individual delays in obtaining advances the latter did not operate over the whole period estimated for.

(b) Workers who left were replaced by those nearest in experience, so that by successive promotions the only new-comer might be a boy at the minimum wage, and the promotion advance in some cases might depend on a month's successful trial.

(c) Only part of those workers at the old maximum rate were immediately advanced to the new maximum.

(d) A special period of grace had to be allowed for advancing some individuals on the old minimum, as some were new-comers, or had been recently promoted and not proved their capacity on the new work. It took nearly two years to get one individual on to the new minimum, as he was just reaching 21 years of age, but looked, worked, and behaved like an irresponsible youth of 16. His father and others of the family had many years of service, so that dismissal in his case had been postponed, but no justification for an advance could be put forward. After several trials better work was satisfactorily done, and the resulting advance with its increased self-respect triumphed.

An increase or decrease in the amount of overtime done affected wage totals, as extra overtime rates of wages were not allowed for in the estimate. A running total for employees engaged and left showed that an over estimate might be exaggerated when the total number of employees was increasing, but might be diminished under the opposite conditions.

SOLUTION XXI.

Daywork and piecework compared.

In almost any trade day work on a wage scale of minimum and maximum rates, together with a bonus for special efficiency to every suitable group of workers, is recommended in preference to straight piecework. The bonus might vary in character from that suggested for motor drivers to those schemes of the Taylor system based on accurate time studies, but the amount of bonus

should not exceed 10% to 20% of the wage. Where, however, the manager is a keen advocate of piecework and takes special interest in its adjustment no change should be made, for even a second-rate system thoroughly understood and enthusiastically applied is far better than a perfect system grudgingly adopted with a secret preference for its failure. On the whole the *defects of the piecework system* seem to outweigh its advantages, and may be summarised as follows :—

(1) It relaxes the oversight and responsibility of foremen generally, *i.e.*, that of those best able to judge and control efficiency of methods and the welfare of workers. For example, the raising of rates under the piecework system becomes almost entirely left to agitation from the men and union officials, who are in a worse position for comparing and judging the value of individual workers. Its success, on the contrary, depends on continual adjustments both up and down to various sets of workers, so that the watchfulness of the management, and the workers' confidence in it, require to be raised to the highest order.

(2) It usually checks recognition of improvement on the part of youths and others, as any extra wages have to be obtained at the expense of their fellows, or by agitating to raise the whole piece rate. Scales of wages for youths and beginners, with fixed intervals for considering advances, would reduce this difficulty to a minimum.

(3) It concentrates attention too much on the immediate productivity of workers, to the neglect of other qualities desirable from the employers' point of view. It should be noted that the majority of trade unions prefer daywork, but others very strongly advocate piecework. This divergence, of course, is due to the different character of work in different trades.

(4) It increases sectional inequalities of earnings, so that there is more risk of stoppage of all work by a small

group of discontented but determined workers, who may thus get preferential treatment, as it is not worth an employer's while to risk loss from a total stoppage for the sake of extra wages to a few men.

(5) It diverts the attention of permanent union officials to sectional matters affecting only a few workers, and from big issues which would benefit all workers and the trade as a whole.

SOLUTION XXII.

A flat war grant.

Pay 11/- flat grant in full for the first week in which works was closed on Friday and Saturday because of shortness of work, but pay only a *pro rata* part of the 11/- for the hours worked in the next broken working week, as no time was lost then for shortness of work.

SOLUTION XXIII.

Union arguments for a youth receiving a man's war grant if he does a man's work.

(1) He does the man's work, and should get the man's full wage, including the grant, - as the employer should not make profit because a man has been called up for military service.

(2) The agreement between employers and trade unions with respect to women replacing men stated that employers should pay the same piece rate for the same amount of work. This principle should apply also to day work and to war grants as well as wages both of women and youths.

(3) The reduced war grant would be a temptation to employers to break the general understanding that enlisted men should be re-engaged on their return.

Employers' arguments against the man's war grant to youths.

(1) All awards definitely state the age and sex limits, and these should be maintained until a new award has been agreed to.

(2) All youths receive a man's grant at 18 years until called up for service, so any hardship would soon be corrected.

(3) War grants were given to cover the increased cost of living, and in the case of all youths this has been already covered by wage advances due to the shortage of labour. The youths replacing men have benefited most of all, and the extension of the grant to all persons alike, irrespective of age, sex, length and efficiency of service, character, or family responsibilities, would increase employers' opposition to all advances.

(4) A youth does not, in general, adequately replace an experienced man, so it is the foreman who gets more responsibility and work. A piece set may also get more to do. Lack of experience or sense of responsibility results in more spoiled work, in which case the employer has to pay to his customer the finished value of the goods, including profit. Any saving made through paying the lower grant should go towards the extra damages, and as extra wages to foremen. It might also be asked whether the union itself gives such a youth a man's benefits and requires him to pay a man's subscriptions.

Suggested award.

(1) The union's claim is not allowed.

(2) The youths in question are as fortunate in getting a chance to earn a man's wages as their employers are in having youths worthy of such promotion, but in cases where a youth is replacing a man on a man's job and is already receiving a man's grant he shall continue to receive it while he continues this job.

(3) In any works where there is a workshop committee representing workers and the management, the arbitrator recommends that the extra award, as above, as well as all balance in future cases, should be handed to the committee to allot to cases of hardship, after con-

sideration has been given to work damaged by the youths in question.

Notes on the award.

(a) Legal reverence for precedent generally emphasises rather than corrects the practical difficulties and friction which result from a *stoppage* of any extra pay by employers, not to speak of workmen *refunding* over-payments, which have probably been spent already. Morally there is no doubt that over-payments made in error ought to be refunded, like excessive change given in mistake by a shopkeeper. The suggested award, however, like many actual ones, would continue some over-payments started in error. A man who had been paying his milkman 6d. a week too much would hardly consider that a good reason for continuing to do so, but he might consider it a good reason for changing his milkman if the over-payments were not refunded.

(b) An expert arbitrator should be able and willing to do more than answer "yes" or "no" to a direct question. He ought to state the general principle underlying the case, and make, for the consideration of employers and unions concerned, any *suggestion which might lead to better practice*. Similarly, he should decide the interpretation of any doubtful points that occur in the administration of an award.

(c) There is no doubt that exceptional youths fully replace experienced men on certain jobs, and should receive the man's full *wage*, but not a man's grant. Every youth replacing a man should get some recognition of this in his wages, which should be reconsidered at suitable fixed intervals, and advanced according to the progress he has made.

SOLUTION XXIV.

Wages of men and women compared.

The intrinsic value of a given piece of work is just the same whether it has been done by man, woman, or child,

and its value would be unaltered whether it was done by a red-haired man or a black-haired man. In engaging labour, however, sex does affect the value of the services, actual or in reserve, because women are on the average more likely to leave when they marry, are more likely to be absent sick, and are limited by law as to the tasks or overtime they can do, however busy the season is. They are also less transferable to other work in emergency owing to defective training, strength, activity, nerve, or unsuitable dress. These contingencies have also reacted on woman's view of the necessity for thorough training and accumulating of experience, as the latter is not likely to be of use. Hence, a woman is not worth as much as a man, even if she answers the immediate purpose just as well.

Apart from this contingent view of women's services, equal pay for equal work, irrespective of who does it, is not the whole matter. There are more men with a wife and family to support than there are women with husband and family to support, even if other occasional dependents are taken as equal. This argument has undoubtedly gained general acceptance for a minimum man's wage to correspond with family responsibilities, and it is to be expected that this last addition to his wage will not be made to that sex which, on the average, does not satisfy the condition. In some cases women with such responsibilities will find employers who yield the claim, but they will be exceptions to the rule.

During the war some trade unions have insisted that youths and women taking men's places in a piece-set should receive the same pay as the men displaced. The rest of the set have had extra work to do and get no extra money for it, because they feel that such a sacrifice on their part will make sure that no opposition will be made to the reinstatement of their original companions. Underlying their action, then, is the tacit admission that women are not on the average worth as much as men on the same job.

In practice value is mainly judged by the market price. When available women are fewer the competition for each one's services will be keener; they will be reserved for jobs they can do best, and the average wage will become nearer that of a man. As a matter of fact few people when offered boots at 10/6 insist on paying 15/- for them—it never even crosses their mind to suggest it. Similarly, employers have paid the market price for women's labour.

An employer, then, should have a scale of wages with at least a minimum for each sex and for each grade of worker. Each person should be put to the work he or she can do best, and receive at least the minimum, or a higher rate according to efficiency. It is for individual women to prove they are equal or superior to certain men by specialising in work for which they are fitted. Thus the rate for individuals and the general average will improve, but, so long as women select or are forced into occupations for which they are less fitted than men, their wages will be lower, and employers will commonly regard the problem as one of getting most value for wages paid to men or women respectively.

SOLUTION XXV.

Extravagant hopes from profit-sharing.

This firm's experience shows that it started profit-sharing with an extravagant expectation of the result. There never has been a device that will stimulate all workers to the same level of attainment, making all dull men intelligent and all lazy men industrious. On the contrary, the intelligent and industrious are much more easily stimulated to a higher level—they are the "willing horses." A reasonable expectation would be that even the dull and lazy would reach a higher level for them, and that all workers, therefore, would show some general improvement.

The following union criticisms of various schemes are

selected from the same official report, and show that some employers are *credited* with unreasonable or even unworthy expectations. If their workers also believe these statements to be true they cannot give loyal and efficient service. It would be worth while for an employer to make known to the union concerned any evidence which would correct a wrong impression. Some things alleged as faults are, on the contrary, laudable ambitions which, if attained, would benefit both parties.

(a) An attempt to conduct their business on different lines from those agreed upon by representative employers and workmen. The scheme was dropped when trade became normal.

(b) It meant low wages to the extent of 9/- a week on the average.

(c) . . . to rob a man of his independence and to remove the scope and field of operation of trade unions.

(d) Two men have to turn out the work formerly done by three.

(e) A worker can be discharged without any bonus; new ones do not share at first; all bear the loss of articles spoiled. It is an incentive to work under-manned.

(f) . . . a scheme to produce a maximum of work with the minimum of hands.

(g) . . . to weaken the hands of trade unions and to induce men to hide or fail to report breaches of trade union regulations.

(h) It deprives the workman of his freedom and entirely binds him to the employer.

(i) Hostility to trade union principles was the reason for the adoption of the profit-sharing scheme.

SOLUTION XXVI.

Wages during breakdown of machinery.

(1) In general the firm, the upkeep staff, and the departmental foreman immediately concerned, recognise

it as their duty and interest to provide the best possible machinery and to maintain it in efficient working order, so that the conditions may enable workers to produce their highest quality and quantity of work. Suggestions for improvements are invited and recognised, according to the notices posted in each works.

Similarly, all workers recognise it as their duty to further the interests of the firm to the best of their skill and ability, avoiding waste of time, labour, materials, or money.

(2) In case of complete stoppage of a works owing to fire or breakdown the week's wage in lieu of notice, as contained in the "conditions of employment," begins on the first complete working day thus lost, and the wage is the ratal per standard week, excluding any bonus or piece rate dependent on output. In such special circumstances workers would be kept in touch with events from time to time by notices posted at the works.

(3) If any stoppage is due to strike or lock-out, to shortage of material or orders, or to any causes which are not completely under the direct control of the firm, no breakdown allowance is payable.

Breakdown allowance.

(4) In cases entirely due to partial or temporary breakdown of machinery in a department the management will transfer as many as possible of the workers affected to work required elsewhere, whether it is worse or better paid. Preference will be given according to the status, age, suitability, or needs of the individual, and the latter will receive his time-rate and any excess beyond this which the total wage for his better and worse paid transfer work may show over his time-rate. If any individual declines the work offered he has no claim to any breakdown allowance, and workers standing by to restart after a short, temporary stoppage, count such time into the pool, at the discretion of the foreman, approved by the manager. Doubtful cases, or breakdowns due to

the negligence or fault of workers will be brought to the consideration of the workshop committee.

Individuals for whom no other work can be found will be paid their time-rate for hours thus lost, but not beyond the number required to make up the minimum hours per week to qualify for the full war grant (at present 45 hours daywork, and 41 hours nightwork).

(5) This experiment can be terminated at the wish of the firm after three months' notice, but it is hoped that, in connection with the bonus to mechanics, it will improve efficiency and reduce hardships to individual workers.

SOLUTION XXVII.

WAGES COMPARISONS—1914 AND 1917.

		GENERAL WORKERS.		
		<i>Males</i>	<i>Youths</i>	<i>Females</i>
		over 18 yrs.	under 18 yrs.	all ages.
Average total weekly earnings, including overtime, bonus, &c.	1914	£1 4 5½	£0 11 8	£0 14 5½
	1917	1 17 8	1 0 4½	1 1 2
Actual increase per week ...		0 13 2½	0 8 8½	0 6 8½
Average earnings per hour worked	1914	5.32d.	2.93d.	3.71d.
	1917	7.92	4.86	5.16
Average <i>clock</i> hours worked per week	1914	55.18	47.81	46.80
	1917	57.06	50.29	49.24
Average number of employees affected	1914	7,356	1,351	944
	1917	5,469	1,735	1,742
Standard week (hours) ...		56	55½	55½
Average earnings per standard week	1914	£1 4 10	£0 13 6½	£0 17 2
	1917	1 16 11	1 2 6	1 3 10
Increase on standard week, 1917 over 1914		0 12 1	0 8 11½	0 6 8
Per cent. of increase on standard week, 1917 over 1914		48.66	66.15	38.83

		MACHINE PRINTERS.	
		Journeymen.	Apprentices.
Average total weekly earnings, including overtime, bonus, &c. ...	1914	£2 9 7	£1 9 2
	1917	3 1 9	2 4 2
Actual increase per week ...		0 12 2	0 15 0
Average earnings per hour worked	1914	11.20d.	6.32d.
	1917	14.00d.	9.29d.
Average <i>clock</i> hours worked per week	1914	52.6	55.4
	1917	52.7	56.97
Average number of employees affected	1914	772	204
	1917	717	83
Standard week (hours) ...		56	56
Average earnings per standard week	1914	£2 12 4	£1 9 5½
	1917	3 5 7	2 3 5
Increase on standard week, 1917 over 1914		0 13 3	0 13 11½
Per cent. of increase on standard week, 1917 over 1914		25.31	47.38

1. *General workers in the calico printing industry, i.e.,* excluding skilled workers and those holding special positions, namely, excluding foremen, machine printers, block printers, engravers, clerical staff, mechanics, blacksmiths, joiners, and other tradesmen.

2. *Machine printers.* These are given as an example of the skilled workers in the industry. Their apprentices show a much larger average increase in wages because their annual advances operate, but very few apprentices are being taken at the lower rates to steady the average.

3. *The periods taken are:—*

General workers, 1914, 2 months June and July.

do. 1917, 10 weeks ending 12/5/1917.

Machine printers, 1914, 13 weeks to end of July.

do. 1917, do.

The periods differ because figures nearest to the different dates of arbitration were required, and holidays or other

stoppages were avoided in order to get unbroken runs at the same trade "seasons."

4. *The workers' corresponding costs* for 30th June, 1917, over 1st July, 1914, given by the Board of Trade Gazette are :—

Increased cost of food (average for the U.K.), 104%, which could be reduced to 72% by using margarine, no eggs, and half the 1914 quantities of sugar and fish. Similarly, other economies would reduce expenditure as distinguished from cost.

Increased cost of living, excluding increased duty, 75%. It should also be noted that wage figures prepared for arbitration are afterwards invalidated if the arbitrator's award, as is usual, is made to date back, to some extent at least, over the period quoted for.

Sample Notes on the choice and limitations of the above statistics :—

1. *Overtime regulations* affect mainly the males under 18 years and all females, hence the above classification. Very few of the apprentices given above are accepted under 18 years.

2. "*Clock*" hours are preferred as alike for time and piecework. It is only day workers whose "total" hours would include the extra time and a quarter or time and half for overtime work.

3. The male employees over 18 years, as given above, fell by 24.8%, but no indication is given as to replacement of men of military age by men *over* military age.

SOLUTION XXVIII.

Suggestions from employees. Enough instances of direct suggestions from employees are given in the text, so a more common and more subtle form of the problem is here examined to illustrate the loss which may be incurred by the absence of any business "etiquette" or "form" of a professional kind towards employees.

An employee whom we will call the suggester in the

ordinary course of his work begins to take especial interest in some item, develops the policy, organisation, or returns relating to it, so that it begins to attract more attention. Another employee whom we will call the supplanter sees that some still further development is possible and desirable. He goes to his chief, who permits or encourages a trial of this development, which comes to the knowledge of the suggester only after it is carried out.

It will be agreed that incontestable evidence of such a case could be brought, so that we can proceed to examine the effect on each individual concerned.

(a) The suggester had a discoverer's joy in the interest added to his "daily round and common task," by a glimpse of future possibilities. It was his own. He began to feel like one of the owners and to develop "the owner's eye." This direct joy is purer and more stirring than the secondary joy that might be bought with any financial return, and the latter was negligible in the cases actually met with. The zeal put into his work is more than had been considered adequate hitherto. He feels more buoyant and of more use in the world and to his firm, but when he learns of the supplanter he may be furious and "kick up a row," or he may lie in wait for him to "get his own back" even if it takes him years to do it. He may or may not regain control of the contested ground, but from that day he is a different man, with less interest in his work, but more sullen, cowed, cantankerous, aggressive, hard, unscrupulous or indifferent as the case may be. He may never even mention the matter so his impression may be a jaundiced one, but there is no doubt as to its permanence and its evil effects.

(b) The supplanter may discover quite spontaneously his development of the original idea, and rightly refers it to his chief. Sooner or later he finds he is in some

measure a supplanter, and may welcome the chance of taking over any "kudos" for his own benefit, or he may think the fair division of the credit is "up to" his chief; his moral standard may be "every man for himself," or "business is business," and sometimes of course a 'dirty business.' If, on any later occasion, he finds himself in the position of one supplanted he can hardly protest to his chief, with whom he is tainted as a confederate in the earlier episode, but, whatever the other results may be, it will hardly lead to willing and closer co-operation with other departments in working out new developments and thus raising the standard of morality, intelligence, and management.

(c) The chief may be thick-skinned as to the feelings of employees although sensitive to those of customers. He may be inured to the standard of low cunning implied in the policy of "divide and rule," and thus welcome an opportunity of preventing the suggester from getting "too big for his boots." Should either of the above alternatives apply, the chief would rightly fear for his own position, if intelligent co-operation of employees were ever encouraged, and further a business career would be rightly graded below the professions. The particular chief may be the humblest leading hand, the head of a large department, or the highest executive in a big works, and he may duplicate the part of supplanter too, but the highest official is ultimately responsible for the tone of all authorities in dealing with suggestions from employees, and he can make or mar the firm's reputation in this respect. He should, therefore, take every opportunity of acknowledging suggestions and giving credit for them in the right quarter, as suggested elsewhere, in order to realise his ideal as a captain leading a team of keen, high-spirited cricketers who work whole-heartedly together for the good of the side. Any fear of deposition may be laid aside, for the all-round result of giving credit for suggestions will be

a higher centripetal equilibrium which will more than counter-balance the centrifugal forces.

SOLUTION XXIX.

SELF-GOVERNMENT IN INDUSTRY.

Advice to Trades Unions by an advocate of class warfare.

1. Aim at *decentralisation* in the management of works production, but *centralisation* as to prices, etc., *i.e.*, in buying and selling for the whole trade.

Note. The latter point is more than covered by the Japanese industrial guilds as established by Government.

2. *Attack the weakest spot, i.e.*, the foreman system, and replace it by the shop steward system.

(a) When any vacancy or dispute occurs demand the appointment, dismissal, and union membership of all foremen.

(b) Cater for foremen and clerks in the union, and prepare for the admission of technical men, managers, etc., and give them a place and status in it. Don't make them uncomfortable. Stop the drain of the best workers out of the trade union ranks and learn from them, converting them from masters' men to men's men.

(c) Amalgamate all unions dealing with each industry. Skilled unions must cater for the admission of unskilled workers, women, etc., *i.e.*, extend downwards as well as upwards, so as to embrace all those engaged, both "hand and brain workers." The present trade union organisation by residential districts for each craft should be replaced by shop steward representatives from each works and from each group of workers in that works.

(d) Go for collective piecework, not individual rates, *i.e.*, quote over-all rates for the work of each department.

(e) Use Whitley Committees to learn management, and, meantime, different unions should meet beforehand to decide their action and present an unbroken front to the employers.

3. *Political action should attack the merchant, employer, or capitalist class from above through Labour and Socialist M.P.'s simultaneously with the attack from below, and thus crush them between the upper and nether mill-stones.*

Note. The policy advocated was frankly hostile—a militarist attitude opposed to the policy of cultivating knowledge, insight, sympathy, tolerance, co-operation, and of “no annexations and no indemnities.” Thus the shop stewards’ or craft guilds’ policy seems to result in merely moving the fighting line from its present position—labour *v.* employer (management)—further back to that of craft *v.* state (or customer). It always aims at fighting and training for fighting.

(4) *Items likely to be mentioned* in the course of debates by various speakers:—

(a) The foreman inside the union is a greater menace than if he were outside.

(b) The operative printers complain that the skilled foreman (unionist) demands to control members of unskilled unions.

(c) The Manchester Typographical Society recently obtained a 10/- advance to foremen, the same as to journeymen’s minimum rates. All foremen are members of the union, and balloted in favour of this method.

(d) *Overtime.* The U.S.A. Typographical Society insist on all overtime being posted in each shop. If any man does more than eight hours in a month any unemployed member can demand his job for a day while he “plays off” the eight hours.

(c) Unions do not invest their own reserves in their trade, nor favour profit-sharing and co-partnership, because these actions would hamper their strike policy and also increase the number of capitalists. The federation of British industries is regarded as an attempt to “noble” trade unionists.

(f) The abolition of leaving certificates was a set-back to the shop stewards movement. The combing out of dilutees either now or at the end of the war would also weaken this movement.

Conclusions. The above opinions were received without protest, and, indeed, with general approval of their hostile spirit. Any defensive policy should deal with the following points:—

(a) *Bad foremen.* These should be definitely trained, or deposed, and suitable tests and recognitions for good foremanship developed.

(b) *Promotion.* Bad workers should be treated like bad foremen, and good workers should not be soured by lack of appreciation and chances of progress. More definite attempts should be made to “comb out” candidates for promotion.

(c) *Workshop Committees.* Direct personal contact of a succession of workers with their management should correct the above hostile, jaundiced opinions as expressed and believed in. Similarly, the aims and intentions of the management should be more openly and directly laid before all the workers, somewhat after the manner of modern advertising bringing the merits of goods before its customers. This would act as a “control” on the collective bargaining through union officials.

(d) *This class hostility* seems as indefensible as organising opposition by scholars against teachers. The very proof of the latter's skill and success is the degree which they attain in the scholars educating and controlling *themselves*. Although this ideal can never be achieved, as at any given moment *all* scholars will never have attained it, this ideal is a perpetual guide to practice both for teachers and managers. The similarity of the two cases is not of course exact in every detail, but with management elevated into a profession, with promotion through all ranks dependent on established tests for merit, and with responsibility for others the fruit and

seed of self-sacrifice, there can be no doubt that the resulting co-operation would make for progressively greater happiness and efficiency than would class warfare.

SOLUTION XXX.

The drafting of works instructions and notices.

(1) The object is to secure uniformity of action and complete understanding, but a perfect instruction is only an imperfect, bovrilised substitute for personal explanations to each official and to each worker. Even the latter must not now be left exposed to the risk of less perfect explanations; hence, the "covering letter" to the executive, and the "notice" for posting in the works should give the general purpose, as well as particular examples for the sake of illustration. Those who wish workers to take a broader view of trade conditions must furnish the materials for better judgment and appeal to better motives themselves.

(2) *The drafter must have imagination* as well as a *critical* knowledge of English, in order to convey to all readers one meaning and exclude all others in a "fool-proof" instruction. He also needs works experience of his own, supplemented by free discussion with and suggestion from the works, so that the terms used are mutually understood. Any misunderstanding should be noted on the file copy to prevent its repetition. Thus standardisation of terms and procedure is attainable under uniformity of direction. Mistakes, omissions, and choice of less desirable alternatives are inevitable at first, but perfection will be approached if the *same* mistake is never repeated. When the office has a perfect drafter the works mistakes will be halved, and when there is loyalty and understanding between the office and works the remaining mistakes will soon be reduced in number.

(3) *The works executives* should be consulted, when-

ever possible, *before* instructions are drafted. They should be encouraged at all times to ask about and discuss doubtful points, and not be treated as timid or presumptuous for doing so. All mistakes should be tracked to their source, not to find a victim, but to guard against repetition. The culprit will soon feel whether revenge or reform is the real object of enquiry, and will be tempted to act accordingly, either towards concealment or towards improvement. Do not make it too difficult for the one who *made* the mistake to help to look for it.

(1) *Draft covering letter to managers* :—

Economy of Cloth.

Dear sir,

It has been suggested that managers could enlist the co-operation of foremen and workers in reducing damages and waste by calling together their foremen for explanation before posting the enclosed notice in each important department of the works. The signature of the foreman would recognise his personal influence in the matter.

A gift of 5/- (or 10/-) to a worker who offered any suggestion worth adding to those given would increase their interest.

Copies of the notice are being sent to the trade union secretaries, and additional ones will be sent to you on request.

Yours faithfully,

Encl.

(2) *Draft of stencilled notice to be posted in the works.*

.....Works,

.....19.....

National Cotton Economy.

The threatening shortage of work in the English cotton industries is due to :—

(a) The shortage of cotton throughout the world.

- (b) Increased consumption in America, India, and Japan.
- (c) Submarine action and shipping shortage.
- (d) The resulting rise in the price of cotton, dyes, coal, labour, etc.

The management therefore confidently appeals to the co-operation of all workers to reduce damages or waste, both in the interests of the trade and of the nation as a whole.

All wages, etc., depend on the cloth *delivered*—not on cloth received.

Suggestions how to save cloth are offered, and others invited :—

1. Reduce rents to a minimum.
2. Sew good seams.
3. Draw seams—don't tear them.
4.
5.
6.

Signed Foreman.

Signed Manager.

SOLUTION XXXI.

Re-employment of partly disabled soldiers.

The working of any practical scheme requires :—

(1) *A record of disablement, injury, etc.*, stating the medical officer's report on what is now (a) *impossible* as to work, conditions, duties, etc.; (b) *undesirable* as to work, conditions, duties, etc.

This is absolutely essential in order to enable foremen to allot duties fairly at the time of engagement, and thus *prevent later suspicions and jealousies* as to laziness or malingering.

(2) *A record of each man's qualifications*, experience, service, and character, to show how the man is likely to be most useful to himself and to the community in

future, either in his own trade or *elsewhere*. The man's best interest is the object in view, but the immediate or *temporary treatment is most urgent*. Hence, the payment of wages for waiting time up to seven days was authorised by a certain firm if any of its returned men gave the first offer of his services to his old firm.

(3) *A list of jobs with such limited requirements* as to be most likely for disabled men, either as temporary or permanent jobs, even if the latter included work suitable only for selected men after probation or *definite training like an "Adult Apprenticeship,"* e.g., watchman; night telephone operator; weighing-machine man; inspector, recorder, or checker of goods (if work mainly clerical); pentagrapher, hand engraver, block printer, machine minder, etc.

The preference for these jobs should be given to disabled employees of each works, and, failing them, of other trades or firms. It should be considered a *sign of national waste or mismanagement* for any such post to be held by a man capable of better work so long as a disabled but competent soldier is in a worse-paid job. Tailoring and watch-cleaning are already being taught by such "Adult Apprenticeship," and a manager reports a similar pre-war case of a young man about to be apprenticed who was disqualified by losing the whole of his right thumb. He was tried at hand engraving, and apprenticed, although considerably beyond the usual age, and he became wonderfully expert in the use of the tool. It is well known that this specialised dexterity under disability can be commonly developed, but *the co-operation of the union concerned is essential*.

(4) *A common wage policy of paying disabled men for the job itself*—exactly as if it were done equally well by an ordinary employee who had fuller abilities which were not *needed* on that job. The *pension should be disregarded*, as it is the duty of the nation as a whole to compensate for lost powers. Thus, if put on a boy's

job as the only one available, he should be paid the boy's rate until a better one is vacant and he is qualified for it. If put on a skilled man's job he should be advanced by stages to the skilled man's rate as fast as he becomes qualified.

(5) *A special fund* to increase wages to the *minimum* required for his support during training, or partial or low-paid employment. Employer and workers (or union) should contribute, and the fund should be administered by the workshop committee, who would be in a position to prevent any exploitation or abuse. In this case the pension *should* be taken into account along with any other source of income and the number of dependents.

(6) *Each man's patience and co-operation must be obtained*, as every hasty or exacting man reduces the goodwill of fellow-workers, foremen, and employers, and thus creates prejudice against *later* candidates. *Disability cannot be overcome as quickly or as independently as it is inflicted.*

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