

Comments on Labor Unions and Labor Management

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Business historians have, I think, given too little attention to the question of managing labor. Chandler's brilliant Visible Hand explicitly excludes that question and focuses primarily on product technologies and strategic administration. Yet it is clear that just as hierarchical corporate forms focused on the problem of administrative coordination of the flow of inputs and distribution activities, so these bureaucracies had to concern themselves with the quantity and quality of that critical input, factory labor. Thus Joe Reid's contribution to this conference is a particularly welcome and appropriate one.

Reid divides his presentation into three substantive parts. First, he puts the question of managing factory labor in the wider context of the transformation of the industrial economy in the second half of the nineteenth century. He argues that the creation of regular, dependable distribution systems led managers to focus attention on process management to enhance profits. Second, as a corollary, he suggests that "talented managers sought production processes that would give wide play to their ability to manage labor" Third, he suggests that industrial democracy, or, specifically, company unions, were the obvious answer to the problem of institutionalizing or bureaucratizing work place administration and communication. As such, company unions ought, in Reid's view, be seen as devices primarily intended to enhance productivity rather than to defeat the development of independent unions. In his introduction, Reid also teases his audience with the additional suggestion that employers were reluctant to use this efficacious device because of an apparently unwarranted fear that such company-sponsored organizations would legitimize independent unions. But, as with most other points, the necessary brevity of the paper prevents Reid from giving us full measure.

While business historians have not given sufficient attention to labor management, it does seem that those who have written about labor in this period (1880-1930) have given more recognition to the management objective of efficiency and productivity enhancement that Reid acknowledges. Dubofsky, Green, Montgomery, Taft, Commons, Brody and Nelson all include improved efficiency or productivity as an important management objective, not only in promoting industrial democracy, but in earlier experiments with scientific management and corporate welfare. But seeking enhanced productivity and blocking independent union organization are not mutually exclusive objectives; indeed, they were often intimately connected. Some employers (for example, International Harvester) wanted to demonstrate to employees that the company could be counted upon to provide better working conditions than unions could secure and simultaneously to persuade employees to be loyal to the company and, thus, to work harder for it. Moreover, there was undeniably a broad range of additional policies and programs which management often did pursue that were explicitly anti-union. Labor historians, whose purpose traditionally has been to examine the rise of organized labor, have normally and understandably treated the productivity-enhancing policies of management within the broader context of these specifically anti-union activities. Thus it strikes me that ultimately Reid needs to come to terms with the full complexity of motivations and objectives that lay behind management conduct.

I also think that we need to preserve a stronger sense of the historical evolution of the labor question. Reid is quite correct in identifying management's desire to use unskilled or semiskilled labor in the factory. But he does not acknowledge the systematic attacks on skilled or artisan labor during the 1880s and 1890s, attacks which were clearly intended to degrade the role of skill in the production processes and thereby make factory operatives essentially interchangeable. It was, I think, the failure of this policy to produce a thoroughly compliant and productive work force after the turn of the century that drove management to experiment with scientific management and corporate welfare. These policies proved insufficient in turn -- whether because management devoted too few resources to these projects or because they were inherently flawed -- and led the most progressive company managements to try industrial democracy in one of its various forms. Thus management, throughout the period, was wrestling with the complex issue of managing labor, moving through a series of experiments, and discovering that managing the pace and flow of human work was far less tractable than coordinating the flow of material inputs and administering distribution systems.

Finally, I do not think that any discussion of the history of this period can be blind to the conscious and widespread anti-union activities which employers did support. The LaFollete Committee hearings offer ample examples of the resources management was prepared to devote to anti-union activities and the extent to which it was prepared to resort to extralegal means to achieve its objective. Such activities underline the palpable hostility of much of American enterprise management of this period to any independent labor organization and help explain why strategies such as company unions lacked credibility with workers and, ultimately, the public at large.

Reid's paper reminds us that labor history has been written primarily by the historians of organized labor. It is important that business and economic historians now investigate the question of managing the factory, identify management objectives and policies, and seek to clarify the evolution of industrial relations in conjunction with the development of the large, hierarchical corporate form. In short, it is time to try to bring the history of industrial relations under the broad rubric of the "visible hand."