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INDUSTRIAL RELATIONS SERIES

SHARING MANAGEMENT WITH THE WORKERS

A STUDY OF
THE PARTNERSHIP PLAN OF THE DUTCHESS
BLEACHERY, WAPPINGERS FALLS, NEW YORK

BY

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DEPARTMENT OF INDUSTRIAL STUDIES
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FOREWORD
TO INDUSTRIAL RELATIONS SERIES

BY MARY VAN KLEECK

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“**W**AGE-EARNERS’ participation in management” is the general title under which the Department of Industrial Studies of the Russell Sage Foundation is carrying forward a series of investigations of new experiments in the organization of relations between employers and employes in industrial enterprises in the United States.¹

The series was planned in 1919 after interviews with a number of persons, including engineers, social workers, investigators, government officials, employers, and representatives of labor, whose advice had been sought as to how the Foundation could most effectively contribute toward the improvement of human relations in industry. The consensus of opinion seemed to be that there was great need to record the experience of those industries in which definite effort had been made to give wage-earners a voice in matters affecting their employment. These efforts had taken forms varying from conferences between employers and employes on wages, hours, and other conditions of employment to genuine participation by the workers in management.

These experiments include many kinds of organiza-

¹The studies thus far made by the Foundation, or in progress, include the Industrial Representation Plan of the Colorado Fuel and Iron Company in its coal mines and in its steel works, the Partnership Plan of the Dutchess Bleachery, the Works Council of Rock Island Arsenal, and the employment policies of William Filene’s Sons in their store in Boston.

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tion under many different names, but roughly they may be grouped into two major types; (1) those which are limited to a single company or to one plant, as are practically all of the forms known as employes' representation plans; and (2) those which may include an entire industry, with machinery for joint negotiation between groups of employers on the one hand and trade unions of employes on the other, such as are found in the women's garment trades and the mining industry.

Neither the typical plan for employes' representation, nor the usual trade union can be characterized as aiming primarily to provide opportunity for wage-earners to participate in management. Nevertheless the object of our interest in all these experiments is the status they give to wage-earners as measured by the workers' opportunity to share in decisions affecting industrial relations. We are not primarily concerned with the conditions established, the rates of wages paid or the hours worked except as these are the result of a larger influence on the part of employes. Our chief concern is to find out by what procedure conditions have been established and, particularly, how effective the voice of the workers has been in the process of determining them. Beyond this lies the important question of how an industrial enterprise can be conducted so that the relations between employers and employes shall square with American ideals of democracy and brotherhood. Co-operation is sometimes a vague word to conjure with, but in its accurate meaning of "working together" it represents not only an ideal but a practical necessity in carrying on the specialized and complicated economic processes of modern industrial society. It is to give the more substantial content of actual experience to our aspirations

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for more satisfactory relationships in industry that studies of typical experiments are needed.

As to the desirability of better co-operation in industry, no important difference of opinion can be found. As to the best methods of bringing it about, however, opinions are many and at times bitterly at variance. A very effective way of stimulating better co-operation between workers and managerial officials in any industry or in any single establishment is to show them how it is being achieved elsewhere. One of the best means of correcting the prejudices of uninformed public opinion, which often increases antagonism between employers and employes, is to focus attention, not upon a particular conflict which may at the moment be distracting men's minds, but upon the practical steps that are being taken to establish the relations of labor and management regularly and permanently on a democratic, just and sound basis, with proper regard also for the interests of the consumer. We are not interested merely in a record of success. An experience which reveals mistakes and difficulties and points the way toward more effective next steps is also a genuine contribution to progress.

To accomplish practical results a study of such experimental steps in human relations must interpret with equal accuracy the attitude of mind of the workers—their aims, their motives and their standards—and the problems and difficulties of management. A true record of actual procedure and its results should make it possible for those who are now responsible for policies in industry to learn from one another's experience. To contribute to that kind of exchange of experience is the aim of the Foundation in these studies of industrial relations.

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INTRODUCTION

THE Partnership Plan of the Dutchess Bleachery at Wappingers Falls, New York, which is the subject of this study, occupies a unique position in this series of reports on wage-earners' participation in management. Not only does the Partnership Plan afford representation to employes in determining the conditions of their employment, but it admits to the Board of Directors a representative of the wage-earners in the mill, turns over entirely to a Board of Operatives the administration of the company's houses, assigns definite responsibility for shop management to a Board of Managers composed of six officers of the company and of six wage-earners, provides employes with information concerning the financial condition and conduct of the business, and includes a representative of the townspeople of Wappingers Falls in the Board of Directors.

The experience of the bleachery in carrying out the Partnership Plan throws light on several important questions: Is it financially safe for a mill to permit its wage-earning employes to vote on questions of shop management? Do the workers desire to have this share of responsibility? Lacking technical training and experience in administration, has their judgment any value in large questions of policy? When they are given power to determine policies, will they use it to advance their own wages and decrease working hours regardless of the financial state of the business? Will they have consideration for the interests of stockholders?

In making this inquiry, Ben M. Selekman, a member

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of the staff of the Department of Industrial Studies, spent several weeks continuously at the plant interviewing managerial officials of every rank and wage-earners in all departments. He examined minutes and other records which were available and attended meetings of committees of the Board of Operatives and of the Board of Managers.¹

From the men and women who work in the shops, from foremen, superintendent and general manager, and from the residents in the town of Wappingers Falls, the members of the staff of the Department who participated in this investigation received constant and hearty co-operation throughout the inquiry. Because of the sincerity of those who devised the plan in seeking a more democratic as well as a more personal basis for human relations in industry than has hitherto prevailed and because of their courage in putting it into operation, the Dutchess Bleachery has achieved a place of leadership. We hope that this record of co-operation and partnership between management and operatives in the bleachery may lead to equally far-seeing experiments in other industrial establishments.

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¹ To supplement his inquiry, a statistical study of hourly output before and after the introduction of the Partnership Plan has been made by another member of the staff of the Department, Miss Sadie Engel. The immediate purpose of this study was to discover what effect a reduction of working hours from nine to eight a day had had upon production. In addition, this statistical inquiry has shown how many factors must be considered in any efforts to appraise the effect on output of a change in hours or in a policy of industrial relations. Reference is made to this inquiry in the following report, page 101. *Representative Government in Industry*, by James Myers (New York, Doran, 1924), was published while this book was in press. It contains information concerning the Partnership Plan. The author is executive secretary of the Board of Operatives of the Dutchess Bleachery.

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