

MANAGEMENT AND MEN

This book is the first comprehensive study of a factor in industrial relationships which may largely determine the pattern of our economic and social progress in the post-war era. The author, himself managing director of a well-established engineering firm, was amongst the first to sense the inevitable growth of a fundamental change in the pre-war relationship between Management and Labour. As a result of seven years' close study and nearly four years' practical experiment in his own business, he has produced a volume which not only analyses clearly the various elements leading up to and necessitating this change, but also provides a complete and very detailed explanation of the methods by which Industry can adapt itself to the new relationship, both at the level of the individual works or factory and also at the National level. The book should be of interest and value not only to the industrialist, but also to the economist, the politician, and all who are interested in the orderly development of community life.

MANAGEMENT AND MEN

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*A Study of the
Theory and Practice of Joint Consultation
at all Levels*

by

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GEORGE STANLEY WALPOLE

OBIT NOVEMBER 14TH, 1944

ALTHOUGH the full story of Stanley Walpole's colourful life would make interesting reading, this is not the place to attempt it. When this book first appeared many readers urged that any reprint should include some brief study of the man himself, and as one who knew him very intimately during the last ten years of his life, I have been invited to provide it.

Walpole, as I knew him, was a many-sided character, but there were three or four traits which ran like a warp through the entire fabric of his personality. Even to a chance acquaintance he radiated an energy so dynamic as almost to frighten more pedestrian souls. A short association was enough to reveal him as a man of vivid and intense enthusiasm, which, when harnessed to a cause, could take that cause a very long way. Alike in business, in public affairs, and in private life, he found it hard to tolerate the second-rate; and for him, to see anything 'just not right', was to start doing something about it.

The terms of reference of the Walpole Group, a common meeting place of politicians, industrialists, trade union leaders, and civil servants which still continues as a tribute to his memory, he laid down as being '... to discuss matters of urgent national importance *about which nothing is being done*'. This impatience with any manifestation of a spirit of *laissez faire* was the keynote of his business success, and the inspiration of his public activities.

Perhaps his most outstanding characteristic was a unique gift of friendship, and this also had much to do with his influence in many fields. It seemed to him the most natural

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thing in the world that politicians of every party should put their feet under his hospitable table and in discreet privacy discuss in an objective way topics on which in public they were fiercely and even acrimoniously divided. So, also, he saw nothing specially revolutionary in getting managers and employees to meet round a Council table to discuss the affairs of the business in which they had a common interest. To him it seemed obvious that this was the way to straighten out prejudice and rectify misunderstanding.

He died a week before the first publication of this book, but I can testify to the wealth of patient research and often disappointing experiment which went into its creation. What he wrote about he knew — because he had lived it. And the correspondence which still arrives from readers all over the world is proof that its influence goes on. It is perhaps ironic that his other great public endeavour, the creation of a clinic for the curative treatment of industrial rheumatism, should also have been crowned with success subsequent to his death.

His sheerly intellectual qualities were often underestimated by people who were dazzled by his somewhat exuberant personality. As a youngster he took his D.Sc., at Queen's College, Melbourne, by sitting every bursary examination he was entitled to sit, and taking or tying first place in every examination he sat. Later, at the Wellcome Laboratories and on the Continent he earned more than the shadow of a name by his researches in the no-man's-land between pure chemistry and medical science. As a business man he made a material contribution to the technique of management. Perhaps he was not a very profound thinker: certainly he was no dialectician. He always saw simple issues, and he followed them through logically to their conclusion. He had the disconcerting habit of being almost always right on the long view, although he might occasionally be proved wrong on the short.

But, above all, he was a great humanitarian. His personal

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benefactions, not invariably bestowed wisely, were very great, even in the days when his resources were limited. His advice and help were always at the disposal of any troubled individual or any worthy cause. For the cause of Joint Consultation, in particular, he stumped the country, and no audience was either too small or too large for him. I have watched him argue the case in which he believed so firmly before audiences friendly, indifferent, or hostile — seeking to transfer to them some of the burning enthusiasm he felt. And he was utterly indifferent to the reception he received, except in so far as it did, or did not, indicate that progress had been made.

Early in 1940 he remarked to me in his characteristic way, 'On the whole, the world has been very kind to me: I am determined, if I am spared, to repay the debt'. The future, more than the present, will reveal how amply he kept faith with his pledge.

N. A. HOWELL-EVERSON

INTRODUCTION

major questions of economic principle and of industrial policy, which could not well be disregarded. Moreover, the examination of Joint Consultation at the level of the individual works seemed to lead inescapably to consideration of the wider issue of Joint Consultation at the National level.

Accordingly, the book was replanned in its present form, comprising three distinct parts — dealing respectively with the Theory of joint consultation, its Practice at Works level (which is the Handbook originally planned), and lastly, an attempt to clarify the issues involved in the application of the same principle at the National level. Certain appendices which appeared to be relevant were added, and an all-too-short bibliography and an index were attached.

It would be folly for me to pretend that what is here written possesses any greater authority than can come from continued personal experience and prolonged study and observation. The book is designed primarily to stimulate constructive thought on an extremely important subject; secondarily, to provide a useful starting point for other men's efforts in practice. Their varied experiences may lead them ultimately to other conclusions than mine, but I shall be more than satisfied if the result is to make the whole question of the inter-relationships of Management and Men a live issue in the industrial thought of to-day and to-morrow.

One minor qualification may perhaps be mentioned here. The exigencies of a world-war tend to make the production and publication of any book a somewhat long-drawn-out process, and it is possible that some of the figures quoted on certain pages of the book may to-day be subject to revision. I am inclined to doubt, however, if any such changes are at all likely to affect either the arguments or the issues.

I wish to acknowledge with sincere gratitude the advice and help I have received on numerous occasions from Sir Frederick Leggett, C.B., and Mr. R. Lloyd Roberts, C.B., of the Ministry of Labour and National Service; from Miss

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Buckley Sharp and Mr. G. R. Moxon, of the Institute of Labour Management, and Mr. L. G. Adams, of the Industrial Co-Partnership Association; and from the following gentlemen, whose advice and experience I have found to be of the greatest possible value, both in the preparation of this book and in the creation of an effective basis for joint consultation in my own business:

Sir George Bailey	Mr. Francis Lewcock
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Mr. D. S. Jessop	
Mr. D. Marsden-Jones	

If I have inadvertently omitted any names which should be on this list, I sincerely trust that I may be pardoned.

Not for one moment can I forget the constant support of my Co-Director Mr. Ralph Defries, B.Sc., F.I.C., of our Works Manager Mr. A. H. Lake, our Personnel Manager Miss Cicely Carter, and our Senior Shop Steward Mr. Harry Crawford of the A.E.U.

The production of this book must itself be considered a happy instance of Joint Consultation. Except for the proposal that it should be written (and for that I am indebted to Mr. Sydney Walton), the general plan, the subject matter, and the provision of the background, the burden of preparing the book and seeing it through the press fell upon my colleague, Mr. N. A. Howell-Everson, who enjoys and merits my best thanks.

G. S. WALPOLE

April 21, 1944

PART ONE

THE THEORY
OF JOINT CONSULTATION

★

CHAPTER I

THE BEGINNING OF A NEW AGE

THE conclusion of the war will usher in the beginning of an era for industry which will be as different from that which preceded it as was the so-called 'industrial age' from the years preceding the development of the steam engine. To say this is not to endorse blindly the more nebulous dreams of our visionaries or to swallow without reservation the nostrums of our industrially-minded clergy or our newer political groups. It is the inevitable result of an inescapable fact: that the old industrial relationship between employer and employee has outlived its usefulness and is due to be replaced by a new one.

It is a common error, in considering this question of industrial relationships, to assume that while science and technology have advanced, and methods and processes developed, the human factor alone has remained static during the past fifty years. Nothing could be farther from the truth. No achievement of the laboratory, and no development of the production engineer, has achieved a change half so startling or far-reaching as the change in the living and thinking habits of the working man. And this change has potentialities, both for good and ill, as tremendous in their way as the potentialities of the split atom.

It is as well to face this fact frankly. For the first time in our industrial history we are dealing with an educated, or

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at least partially educated, working class. The improvements in primary and post-primary education, and the extra-educational facilities of the Press, the radio, and the cinema, have combined to develop in the masses the power of thought and of criticism to a much higher degree. In such a state of affairs those relationships which may have been satisfactory, or at least workable, in the days when employees were 'hands wanted', and nothing more, simply will not do. The employee of to-day is a 'brain' as well as a 'hand': he may not know enough to do his Manager's job, but he *does* know enough to recognize if his Manager (or his Manager's foreman) is making a mess of it.

Further than this, he has become in large measure both politically and industrially conscious. He has developed — originally for defensive, but latterly for more aggressive purposes — a definite class-consciousness which makes him particularly critical of management in all its aspects. For the creation of this critical class-consciousness, Management is itself, I think, largely to blame, a point to which I revert in a later chapter. Here I merely record the fact that the day has passed when Management can hope to claim immunity from the criticism of those it employs.

Parallel with this development, we find an equally vigorous growth of a 'social' consciousness. Labour, more rapidly than ownership, has changed its primary objective from the pursuit of individual wealth to the pursuit of communal well-being. There is no longer any strong appeal for the majority of employees in the idea of isolating oneself from one's fellows by obtaining special status or reward: the tendency is rather to avoid any course of action which may lead to differences in treatment and thus weaken the solidarity of Labour, which feels that in the performance of its work (as also in the conditions demanded for that performance) it is not so much serving its individual interests as carrying out a definite social service. This attitude of mind naturally tends

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to increase resentment against managerial policies or supervisory decisions which appear to militate against the performance of this social duty.' It may go farther by registering emphatic and occasionally effective protest against production activities which it conceives to be unsocial or anti-social in themselves.

I do not, of course, pretend that this kind of idealism, even in a nebulous form, permeates every employee. It does, however, influence the mental attitude of every employee, because of what is probably the most remarkable phenomenon of all — the extreme solidarity and loyalty of Labour to its leaders. Every manager, in times of dispute, has had the experience of being told 'I haven't any complaint myself; but I must be loyal to the Union'. Wise Management, in my view, will not attempt to undermine that loyalty.

Bearing on this is the phenomenal growth of *organized* Labour during the past few years. It is difficult in these times to obtain statistical information sufficiently accurate to justify detailed analysis; but a few outstanding figures may be quoted. The number of people employed in factories and workshops in 1936, according to the Chief Inspector of Factories, was 5,530,189. To-day, under war conditions, it has been variously estimated as between seven and eleven millions — a figure which, in thinking about the future, can be materially discounted, since a very large number of these will undoubtedly leave industry for domestic or other occupations as soon as the war is over.

On the other hand, the membership affiliated to the Trade Union Congress (including non-industrial unions) at the present time is a little less than eight millions, with a further million belonging to non-affiliated unions. These numbers are steadily increasing: indeed, it is only recently that a single union (the A.E.U.) claimed to be enrolling new members *at the rate of 1000 a day*. Much — perhaps most — of this new membership is of a temporary nature, and may be lost

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when the directed labour at present in our factories returns to its normal avocations. On the other hand, it has been estimated that there are approximately a million trade unionists at present in the Services who will in due course replace them. I have seen the proportion of *organized* industrial labour to industrial labour as a whole estimated as high as 80 per cent: never lower than 60 per cent.

This, however, does not complete the picture. Three further factors must be taken into account in arriving at a basis for post-war labour relationships. In the first place, by no means all of the decreasing minority of non-union workers are out of sympathy with the aspirations and ideals of organized labour. Secondly, the majority of juveniles now employed in industry will become loyal trade unionists as soon as they are old enough to qualify. Thirdly, the home influences in households from which dilutee labour has been drawn and to which it will return, will almost certainly be far more sympathetic towards trade unionism and what it stands for than was the case before the war.

There is one further point to be made in this introductory chapter. The Government has now openly recognized the right of organized Labour to represent the views of labour as a whole. An established practice of this kind — which on the whole works very well — has deep roots; and apart from the fact that just now the only predictable alternative Government is a Labour government, the Unions are so closely woven into the texture of the administration that no future government, even of the extreme right, will ever disengage them.

With all this in mind, it is plain folly to imagine that the traditional predominance of the Employer in industry can remain unchallenged. The suggestion still heard in some quarters that the essential *status quo* can be maintained provided certain 'sops' are offered to Labour, and provided the employees are allowed to 'blow off steam', is about as

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sensible as to offer sops to a hungry tiger — and just about as safe.

The fact is that during the next ten years it will be our good or bad fortune to participate in the beginnings of a new era in industry, of which the outstanding characteristic will be that Labour has a status co-equal with Capital, and will unquestionably demand recognition of that fact. We shall have to bring ourselves to recognize that Industry, in truth, is a three-legged stool, on which the prosperity of the community, and all our hopes of social security, are supported by Capital, Management, and Labour — all three of equal importance and equally to be considered.¹

The immediate task of Management is to find the formula by which recognition of this fact can be applied, and to attempt to do this is the primary purpose of this book. Before dealing with this main issue, however, it is important to achieve a clearer conception of the fundamental difficulty which stands in the way, and to do this is the purpose of the next chapter.

¹ There is no need to bring arguments about Private Enterprise versus State Ownership into this. Much as I should personally regret to see the disappearance of private enterprise or private capital, it is fair to say that the essential need for capital in industry applies just as much in a purely Socialist state, where the source of all capital is the state itself, as it does under conditions of the most extreme individualism.

FRUSTRATION—THE INDUSTRIAL
DISEASE OF THE AGE

It is a common error to confuse effects with causes, and in many instances the error is pardonable. Whether excessive drinking contributes to slums more than slums contribute to excessive drinking is an enigma more baffling than that of the hen and the egg. No such difficulty arises in considering the causes of Labour intransigence in the industrial world. Worthy proprietors of businesses who argue that Industry would have been quite all right, thank you, if it had not been for that fellow Karl Marx, or for the now defunct Comintern, miss the essential point — that society, having assumed the responsibility of educating what used to be called the 'lower orders', and teaching them how to think, cannot now deny them the right to exercise that power, or insist that their thoughts shall follow a pre-determined line.

Granted that a man has the power to think, and possesses certain personal aspirations and some sense of social responsibility, he is bound to consider his environment in relation to his aspirations, and where they do not 'match up', to wish to effect changes. Since the power of the individual in a highly organized society is very limited, he naturally tends to associate himself with others in like environment and of similar aspirations. And where the existing social or economic structure appears to present an insuperable barrier against the realization of these aspirations, they are apt to unite in formulating demands for a fundamental change in the structure. Hence trade unions — which are not fundamentally Socialist in concept — and hence Karl Marx and the Comintern.

THE INDUSTRIAL DISEASE OF THE AGE

These facts are, of course, of universal application; but they have a special bearing on the present industrial problem because Frustration — the inability to square one's natural aspirations with the condition of things as they are — is certainly the industrial disease of the age. A detailed diagnosis is an essential preliminary to suggesting a cure, and it is therefore worth while to examine in detail some of the more usual causes of the condition.

Frustration arises whenever a man feels that his job does not provide full scope for his capacity, yet finds himself prevented through circumstances from finding an outlet for the excess. It has been said with a good deal of truth that the majority of people in our factories who are classed as 'extremist' are not really revolutionary-minded, but are people whose mental energy is not fully used up in the jobs they are set to do, and who seek to employ the residue in political activity. They realize that the three major political parties are so large and so highly organized that there is little scope for the contribution of an individual save in exceptional circumstances. The Communist Party, however, or more recently Commonwealth, are relatively small bodies with need and scope for all the individual genius and propagandist energy they can get hold of. By joining them in an active capacity, a man of this type feels that his natural abilities are being used and appreciated, and at the same time — unless his Management handles him wisely — he enjoys the luxury of feeling that he is a martyr to a cause and the last refuge of the oppressed.

A special form of frustration arises when an employee conceives himself to be subjected to incompetence on the part of those who direct or supervise his activities. In this connection it is immaterial whether the incompetence is real or imaginary: if the employee *believes* that it exists, and no steps are taken to correct his belief, the sense of frustration develops, and sours his entire outlook towards his job.

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Akin to this is the overwhelming sense of frustration which arises when an employee makes what he believes to be an intelligent suggestion, or asks an intelligent question about his work, and is refused the courtesy of an intelligent reply. 'You're not paid to think,' as a managerial slogan, dies hard; and still persists as an attitude of mind — particularly amongst the supervisory grades. And its effects on the morale of the modern worker — particularly the man who takes a personal pride in his craft skill — are disastrous.

An even more deplorable cause of frustration is the actual or alleged theft (to put it bluntly) of operatives' ideas by the supervisors to whom they submit them — and who later reproduce them as their own; or the deliberate suppression of such ideas when it is conceived that they may reflect criticism on the supervisors to whom they are referred. Nothing makes the intelligent employee see, and think, redder than this.

We may note finally the form of frustration which develops from the wrong personnel relationships. Reference has already been made to the present-day employee's claim to be a 'brain' as well as a 'hand'; but the matter goes a good deal farther than this. The man who, in his domestic relationships, takes pride in being the 'master of his own house'; the younger man who, at home or at his club, is the centre of family or friendly admiration; and the girl who is the very apple of her mother's or her sweetheart's eye, cannot readily adjust themselves to an impersonal industrial relationship in which they become merely numbers on a time card, cogs in the industrial machine. And they bitterly resent being required to do so.

There is nothing extraordinary about this: in our respective positions and environments we have all felt exactly the same. The blistering feelings with which many an industrial magnate regarded some hierarch of the Civil Service in the earlier days of the war were no different from those of many

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an employee towards his own Management to-day; and arose from precisely the same cause — a feeling of personal impotence in face of what appeared to be incompetence or injustice.

This, then, is the disease which Industry must set itself to cure; and it is to be noted that the cure is not to be found merely, or even mainly, in the provision of material things. It is no longer a question of acting the benevolent despot and providing an adequate wage and hygienic working conditions. These things are only of primary importance in their absence, and to-day there is no special merit in providing them, for the corporate conscience of the nation demands that they should be provided, and that the man who cannot or will not provide them has no right to employ his fellow men.

What will be sought, as Industry gradually settles down to a post-war footing, is a relationship which satisfies the deepest-rooted of all human desires — recognition of the dignity of man as MAN: a relationship in which he can feel that he is, in a fundamental sense, a *full partner* in industry, and not for so-many-hours every day the *servant* of an employer.

I believe that this conclusion is true, and inescapable to anyone who really studies this question; and I have no fears whatever in facing up to it. Alarmist cries that such a recognition would be the beginning of the end, the surrender of the function of management to the workers, and so on, do not frighten me. In other walks of human endeavour it is already regarded as the supreme function of efficient management to use to the full the latent capacity of every employee. It is only in industry that the tradition persists of a high fence between the management and the operative sides; only in industry that the employee is still paid 'not to think, but to do as he is told'.

Moreover, I am inclined to think that this dread of Labour

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usurping the functions of Management is largely illusory, just as, in practice, it would certainly be unworkable. 'We're all seamen here, I should hope,' said young Dick, in *Treasure Island*. 'We're all fo'c'sle hands, you mean,' replied Long John Silver. 'We can all sail a course, *but who's to set it?*'

My trade union friends tell me that it is the hardest thing in the world to persuade the average man to accept responsibility for even the least onerous of trade union functions; and I know of one progressive managing director (Mr. George Dickson, of Wingets, Ltd., Rochester) who went to considerable trouble and expense to provide full and current statistical and other information about his firm's activities in a form which his employees could study — and then found it almost impossible to persuade even the most ardent of them to look at it.

Frankly, I do not believe that the 'worker' has any grave designs on the management function. I have never yet met a trade unionist of any shade of political colour who did not accept the need for expert management in Industry, or who denied that expert management and expert supervision were entitled to appropriate remuneration. I have met many who were quite willing to concede that capital *per se* was entitled to a fair remuneration for its services — though opinions differ widely as to the basis on which that remuneration should be established. Even those who believe sincerely in the wholesale and immediate expropriation of private enterprise (and I do not think they are a numerical majority) are usually prepared to admit that in the stage of transition the special legal and moral obligations of Management to its shareholders must be honoured.

These broad recognitions constitute an ideal ground in which to implant and nurture a new industrial relationship. But I do not think Labour can be expected to go too far all at once. The suspicions and distrust generated in a century of industrialism, during most of which the employee was

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frankly and crudely exploited by his employer, will not be dissipated by the utterance of a few pious platitudes and the establishment of a Joint Production Committee. 'Que Messieurs les assassins commencent' was Alphonse Karr's classic reply to the demand to modify the drastic treatment of terrorists. Those of us who have made a serious study of British industrial history cannot deny that the employee class as a whole has at least a partial title to adopt the same line of argument.

It is completely futile to pretend that this 'gap' of suspicion and distrust does not exist: or that it exists only because of the machinations of an ill-disposed minority. It exists, is general, and is wide: it is my submission that it is not unbridgeable. But it was created, back in the last century, primarily by the employers: it must be their successors who commence to build the bridge. Once built, I am confident that Labour will be willing to cross it, and I am not without hope that Labour may even be persuaded to help in building it.

But the initiative must come from the employer side, and it must come with complete sincerity — not as a finessing move to maintain for themselves the dominating position they acquired in the past. Employers will have to ask themselves bluntly whether they are prepared to face up to an entirely new relationship *vis-à-vis* those they employ — in which their authority and their reward both derive from their *service* in the exalted station to which they are called.

It is perhaps not too much to say that in the post-war age every special interest will be judged, approved or condemned not alone by its accumulated wealth, its profit-making capacity, or its influential ramifications, but also by the extent to which its perpetuation serves to promote the well-being and happiness of the Common Man, whose Century it will be.

CHAPTER III

THE BASIS FOR A NEW UNDERSTANDING

AMERICAN and other visitors to this country of recent years have repeatedly expressed astonishment at the extent to which, under stress of war, the various parties to British industry have sacrificed their respective rights and privileges, and at the high measure of team spirit which has been engendered.

They are right to be astonished, for, when all is said, the achievement has been no small one. Therein lies a potential danger. Surface thinkers are inclined to argue that because a reasonable measure of industrial tranquillity persists at the present time, the possibility of future trouble is receding into the eternal past: that as things are to-day, so they will continue to be. This view, more commonly held by the arm-chair strategists of industry than by those in daily contact with the intimacies of industrial life, ignores the basic and very special reason for the present calm.

That Management-Labour relationships are reasonably satisfactory just now arises from the existence of a transcendent common interest — the winning of the war — which overrides sectional interests of every kind. But this particular common interest will no longer apply after the war is over. Just about the time when far-sighted plans for post-war production are due to get under way, Industry will be faced with an entirely new set of conditions; and the stability of industrial relationships which is so essential if these plans are to fructify will only be achieved if the right decisions are taken now, and the ground systematically worked on from now onwards.

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The salient fact which must emerge from Labour's assumption of a new industrial status is surely that stability will not in the future be achieved by a continuation of the present policy of ownership domination tempered by occasional concessions extorted by threat of force. It will be achieved only in one of two ways: either by a policy of cold-blooded bargaining ('We will concede you *this* right, if you agree to leave us *that* one'); or else by a policy of achieving some new common interest at least as potent as the common interest which we see operating in time of war.

A policy of domination tempered by concessions must inevitably fail in the future, for two reasons. In the first place, the overwhelming majority of those engaged in industry to-day, and of those who will return to it, do not recognize the right of Ownership (in the sense of financial control) to be sole arbiter of the lives of people whose interests (for it is their sole livelihood) may be more intimately tied up in a particular business than are the interests of its so-termed 'owners'. The girl who performs some routine job in a factory may quite well be far more concerned in the running of that factory than is its owner — who may have plenty of other sources of income, and might scarcely notice the difference to his position if that particular factory went right out of business, and its product right off the market. Labour, in its new-found status, is not likely to ignore that aspect of the situation.

Apart from this, however, such a policy — even if fundamentally workable — has the inherent weakness that it merely perpetuates the disastrous pre-war policy of 'rear-guard actions' (reluctant concessions extorted by threat) by which, in the past, organized Ownership has forfeited so much respect. As Rommel and von Arnim discovered to their cost in North Africa, every rearguard action weakens the defenders and lays them open to further attack. Concessions satisfy nobody, but only whet appetites for more.

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Nor is there much to be said in favour of a policy of cold-blooded bargaining. Such a policy has no sort of finality, for it is neither legal nor practicable to ask people to bind themselves for an indefinite period; and there is always the likelihood of a complete reversal of position and demand when the time comes for the renewing of the pact. On sheerly tactical grounds, a bargaining policy could only be entered into with safety by the Ownership/Management combination if they had absolute assurance that their relative position would be as strong or stronger when the time came for renewal. For a policy of this kind does not *eliminate* differences or causes of distrust: at best it does no more than circumscribe the area in which the battle can be fought.

There remains the policy of establishing a 'common interest', shared equally by all parties to Industry. My own experience, and the broad national experience during the war, has shown clearly that the existence of a transcendent common interest does make for stability. It has tended to achieve peace in industry by emphasizing that the common interest of winning the war is better accomplished by harmony than by discord. When the war has been won, however, that particular common interest will cease to operate. The relative stability which it has achieved will only be maintained if it can be replaced by an equally potent common interest applicable to the conditions of a world at peace. I do not think that the basis is far to seek.

It used to be said that the employee's sole interest in industry was the size of his pay-packet. More penetrating study of recent years has shown that there are other motivating interests not less worthy of consideration. Many a man, for instance, has refused a better-paid job because he is happy where he is. Most men possessed of any degree of craft skill take a definite pride in their handiwork, irrespective of the size of their pay envelopes. And despite the croakings of the

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pessimists, there are still plenty of apprentices and improvers who achieve a solid satisfaction out of earning promotion to more responsible and dignified work. Patriotism also, particularly in time of war, is another motive which often outweighs sheerly financial considerations.

Beyond all this, however, most employees to-day possess a more or less vigorous sense of social duty. Behind a good deal of vague and cloudy political wordplay, there is a definite feeling that it is a man's inherent responsibility to put something into the common stock in return for what he takes out of it. The philosophy of Donald Duck — 'The world owes me a living' — is to-day only acceptable to the callow and half-baked in all walks of society. I am convinced, although I did not at first think so, that the enthusiasm with which all classes have seized on the discussion of recent proposals for Social Security is not because of any desire to get something for nothing; but because they feel that when the ideal of Social Security is translated into practice, the world will be a better and a happier place. Stability of industrial relationships is a part of the price to be paid for Social Security. Most employees, in their hearts, recognize this fact, and are prepared to face up to it.

So that the motivating forces which influence the employee's attitude to his job are complex. Nevertheless, in the broadest sense it is not untrue to say that the central directing motive is the fuller life which he will obtain from the full pay-packet and all that it implies of work well done. In a democratic state it is not our business to inquire too closely into what that fuller life involves. With a minority, as with a minority of employers and managers, it means no more than 'wine, women, and song' — or their equivalent in the currency of these modern times. With another, but increasing, minority, it means a fuller enjoyment of the cultural and aesthetic pleasures. With the great majority, it means simply reasonable comfort, freedom from worry, and

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the chance to bring up one's children to a better life than their parents had.

With these thoughts in mind, I submit that the basis for the post-war common interest is simply this: that the full pay-packet, and what derives from it, are more likely to be achieved by industrial stability than by industrial instability.

But in order to obtain general acceptance of this view we must first of all create the atmosphere in which such a common interest can flourish. The right way to do this, as it seems to me, is to substitute for the old generalized distinction between 'Management' and 'Labour', a more specific and logical distinction based on *the actual function of the individual*. If, as I surmise will be the case, Labour takes its stand on the idea of an equal status in Industry, I can foresee increasing objection to the idea of certain persons arbitrarily appointed to favoured positions of control over the lives and work of the operative groups. On the other hand I can see no objection on the part of Labour or anybody else to a new alignment of thought in this matter, roughly definable in the three simple propositions which follow:

1. It is to the mutual interest of everybody concerned in this undertaking that it should prosper and provide continuity of employment: and that those who have contributed to that prosperity should participate equitably in the results of their labours.
2. In order to achieve this prosperity it is essential that people should be employed, some to work operatively and some to direct and control the way that work is done. 'A', for example, is employed and paid as a Fitter, because his past training and experience have been directed towards making him an efficient fitter. 'B', on the other hand, is employed and paid to be a Works Manager, because *his* training and experience have been directed towards making him an efficient works manager.
3. Neither 'A' nor 'B' (nor the groups they represent)

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can do his job with full efficiency unless the other is doing *his* job efficiently as well, so there is no reason at all why 'A' and 'B' should get at cross-purposes, and every reason why they should co-operate to the fullest possible extent, for the ultimate benefit of all concerned.

Elementary as this may sound expressed in this form, it is, I think, unexceptionable as a proposition, and incidentally applies with equal fullness in a world of private enterprise or under conditions of state ownership or public control. It has, for example, an almost perfect application in the industrialized Russia of our day.

WHAT THE PRINCIPLE OF COMMON INTEREST INVOLVES

ACCEPTANCE of the formula presented in the preceding chapter involves a number of implications to which attention must be drawn. In the first place, it establishes as a principle of fact that everyone in an industrial undertaking has a natural and inalienable interest in the activities of everybody else: more than this, it asserts bluntly that the efficiency of everybody in an undertaking is *conditioned* by the efficiency of everybody else—so that the individual (be he owner, manager, or employee) who really wishes to make the undertaking prosper for the benefit of all concerned, not only can, but *must* take a critical interest in the relative efficiency of the rest.

This is, in part, new doctrine. It has always been postulated that the higher orders in industry should be concerned about the efficiency and working methods of those beneath them; but only in isolated instances has the converse been admitted. Nevertheless, with certain minor reservations to which I shall refer later in this chapter, I believe that converse to be true.

If we are serious in asking our employees to make common cause with us in ensuring the success of our businesses, we cannot deny them the double right of bringing forward suggestions which they believe will add to the efficiency of the firm, and of drawing attention to weaknesses which, in their belief, impair it. And as both suggestions and criticisms are liable to be of little worth unless they are based on knowledge, it seems clear that so far as possible they should be taken into our confidence and given all necessary information to enable them to arrive at accurate conclusions.

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This is perhaps particularly necessary because, while the operative group in industry (the 'A's of our formula in the preceding chapter) are responsible only for their own work — and even for that only within the limits of instructions laid down by foremen or charge hands, the 'B' (Management and supervisory) groups are responsible for the work of others, and consequently determine, in large measure, the industrial efficiency of those under their control.

A first implication, then, of our proposed new relationship, is that managers and all minor executives and supervisors must be at least as efficient in the performance of their *management* functions as the employees are in the performance of their *operative* ones. If this is not the case, the employees may rightly claim that they are prevented from making their full contribution to the prosperity of the business because of the incompetence of those who control their activities.

It is a mistake to dismiss this as mere word-play, for the psychological reaction arising from compulsion to do the wrong thing, or to do a thing the wrong way, is dangerous. General experience of the war-time Joint Production Committees shows that a high proportion of the complaints brought forward bear directly on the alleged bad decisions and faulty judgments of the managing and supervisory grades; and every manufacturer knows that too many of these complaints have been justified. In addition, it has to be remembered that within the limits of a department the tone of the personnel relationships is set by the management representatives, and this is an angle of the management function in which efficiency is very specially needed. Every incompetent manager or foreman is a prime source of frustration, and is incidentally a justification of the ultra-extremist claim that these grades should be abolished.

A second implication which must be swallowed (this time by the employee class) if the new relationship is to become a reality, applies in the opposite direction. Since the efficiency

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of 'Management' can only achieve its full result when supported by equal competence and reliability in the 'worker' group, the 'managers' must be entitled to demand the maintenance of certain standards of efficiency and of conduct on the part of those whose operative activities they manage.

This sounds like a truism, but it is much more than that. Under the regime which prevailed throughout a great part of Industry before the war, when no common interest between employer and employee was recognized, and when, in fact, it was tacitly accepted by both parties that their interests were essentially divergent, no such claim was admitted. The employee who could 'get by' with the minimum of work, executed with the minimum of skill, recognized nobody's *right* to demand that he should do more or better. Nor did the employee whose tenure of employment was governed by an hour's notice at the whim of his foreman, feel that there was any moral or social obligation on him to maintain particular standards of conduct.

The third implication demands a practical means for carrying the new-found unity of interest into operation. It suggests that effective machinery must be devised to enable people of the employee group to put forward suggestions for the more effective running of the business for the benefit of all concerned — and to ensure that such suggestions receive at all events the serious consideration of those in whose hands decision lies. In this chapter I am dealing only with general principles: detailed proposals are discussed in Part Two. Nevertheless, it may be pertinent here to remark in brief that this implication is not entirely satisfied by the institution of a 'Suggestions Box', unless

- (a) the box is cleared, and its contents considered, frequently and regularly;
- (b) means are taken to advise *all* employees of suggestions which are accepted, and of the sources from which they come;

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- (c) the fullest possible publicity is given to the reasons why unacceptable suggestions cannot be proceeded with.

A fourth implication is of a more controversial character: nevertheless I believe it to indicate a proper course to follow in the light of the conditions referred to in Chapters I and II, and to be a logical and inevitable consequence of the new relationship I have suggested. Broadly, it demands that machinery should exist or be created within an organization whereby open criticism of management policies, decisions, and methods can be ventilated by employees, and can be answered *with equal publicity* by the Management. If the answer is a good one, the employees' confidence in the Management is strengthened. If, on the other hand, the criticism is justified, and it is received with gratitude and appropriate action taken, the employees are satisfied that the 'community of interest' is a reality and not a sham.

There is also, of course, the extremely practical consideration that by the institution of this procedure you minimize the chance of errors in judgment getting by, with resultant wastage and loss. Not all technical wisdom resides in the carpeted offices of higher management, and a good many things are apparent to the worker at the bench or machine which can easily be overlooked by higher management functionaries or their supervisory deputies. Incidentally, then, this procedure is a first-class method of keeping people in the management and supervisory grades 'on their toes'.

And finally, there is the special implication that means shall be provided to ensure that the fullest possible information on all phases of the business shall be given to all employees. Community of interest cannot be a reality when one part of the community is in possession of all the facts and the other has only surmises and suspicions to go on.

There must be, of course, limitations to such a policy. Obviously there are likely to be certain phases of the business which Management must retain as its own prerogative,

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although these may vary with different types of business. As examples of fairly general application, I should say that Management could not admit the *right* of employees to a voice in deciding what contracts were accepted, or at what price. I do not think it would be wise to make public all the facts about staff and management remuneration. And there are certain financial details (I do not refer to Balance Sheets, which, in the case of a limited liability company, anybody can get at who really wants to) which ought to be retained between the Secretary's office and the Board Room.

In citing these examples I do not want to magnify their importance. In claiming for Management the right to keep its own counsel on certain matters, I am not suggesting that it will be wise to insist too rigidly on the maintenance of that right. Management's position in the long run may be seriously weakened if it does so. But the *right* to reserve information on certain matters such as those indicated must be claimed and must be recognized by all parties. In practice I conceive that the best working rule would be to have the fewest possible secrets from the employees: to tell them everything, unless there is a good and specific reason why it should not be told.

Whether all these implications, as such, are acceptable or not, it will be admitted, I think, that their acceptance does go far in breaking down the high wall of suspicion and distrust which has separated Management from Labour in the past, and in turning an illogical disunity of effort into a harmonious effort for the common benefit of all concerned. And this brings us very near to the heart of our subject, because it is in the provision of the machinery to convert these proposals into reality that the principle of Joint Consultation has an important, and indeed comprehensive, part to play.

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FACTORY LEVEL

THE principle of joint consultation at the level of the individual factory is in no sense a new idea. Certain firms have been operating some form of joint consultative machinery for upwards of half a century, and many others can look back on similar experience through periods of from ten to 25 years. Most of this pioneer work, however, has been individual and experimental. Excluding the Whitley Council scheme which, after a brilliant start, has relapsed in many of the larger industries for reasons which it is not our present business to examine, there has been little or no common basis in the various forms of consultative machinery set up. Indeed, it is only comparatively recently that the subject of joint consultation has received serious *objective* consideration, or that real effort has been made to establish guiding principles or standards of practice.

In many instances the idea took shape in the minds of individual employers or managers faced with rapidly expanding personnel, and was originally intended as no more than a substitute, of sorts, for that direct personal contact which is so easily lost when the pay-roll lengthens and the ratio of unskilled and semi-skilled workers increases. Consequently, these earlier efforts have been largely empirical, and essential questions like function and scope, the representation of non-unionists, participation by technical and clerical staff, etc., have tended to be resolved in the individual case on grounds of immediate expediency rather than of any settled principle whatever. Until the outbreak of war there was no sort of formula for joint consultation which would

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meet anything like general approbation, and a majority of employers in most industries saw little that was good in the idea.

The war, however, changed this (as it has changed many other things) by establishing a direct interest on the part of Labour in the way industry was being run. A good deal of the credit for this, particularly since Russia became involved, must in fairness be given to the 'ginger' tactics of the National Shop Stewards' Movement. Whatever their motives may have been, they certainly aroused both employers and the more orthodox trade unionists to the need for facing up to Labour's new interest in production efficiency. The feeling rapidly gained ground that the place to settle difficulties and complaints associated with production was round the table at the works or factory concerned, and not with all the brouhaha of Kingsway meetings, deputations to Ministers, and a subterranean press.

Concurrently, though from different causes, came the introduction of Joint Production Committees in the Royal Ordnance Factories. And at length, on March 18th, 1942, the Agreement for setting up Joint Production Committees in engineering works was signed by representatives of the Engineering and Allied Employers' Associations and of the appropriate trade unions.

This Agreement, the first of its kind, goes a long way to standardize the machinery of joint consultation on the single issue of Production. The terms of reference which it lays down, however, are too narrow to provide a basis for the fuller joint consultation which — if my thesis is correct — the relationships of the future will demand. And I am a little apprehensive lest there may be moves to stabilize this present standardization after the war is over — when I am perfectly certain that it will be altogether inadequate to the requirements of the situation.

After the war has been won, Management can do one of

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two things. Either it can attempt to regain its traditional position of domination — in which case it would probably be wise to have nothing to do with joint consultation: or it can recognize and encourage Labour's claim to a common interest in the prosperity of industry — in which case a full measure of joint consultation must be established, and many old ideas and practices must go into discard.

What, then, is the principle behind real joint consultation at the factory level? In his enlightening paper 'The Human Problems of Management' (1937, revised 1942) Mr. R. Lloyd Roberts provides a clear and concise explanation.

In the first place, [he says] it involves a genuine acceptance of the 'joint venture' conception of enterprise. That acceptance means bidding a final farewell to the autocratic idea of control which in the past has been the dominant characteristic of industrial management. It spoke of the 'hands' and the 'master'; it said 'Can't I do as I like in my own works?' When it wanted labour it put up a notice 'Hands Wanted' — and never was a notice so revealing of mentality. That autocratic idea of management came quite naturally to those who recognized human labour purely as a commodity to be bought in the same way as butter and coal. The relegation to its rightful place of this theory of labour as a commodity is an inevitable corollary of the acceptance of the venture as a joint enterprise. A joint enterprise cannot, by its very nature, be an autocracy — neither can it treat the human element on a purely materialistic basis.

Labour, then, has to be accepted as a *partner* in the enterprise — not in the narrow sense of occasional participation in bonus shares, but in the broad sense of having an equal interest with Capital in the way the business is being run, and a *duty* (more than a right) to contribute its ideas, be they

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constructive or critical, to the achievement of more efficient running.

I have sometimes been told by Employers that they have no need for joint consultative machinery, because 'my chaps all know that they can come to see me personally if they are dissatisfied about anything'. Apart from the fact that an assertion of this kind is seldom altogether true, this argument begs the main question. It is not a matter of a man being accorded the privilege, *although an employee*, of stating a complaint or offering a suggestion; but of his having a recognized responsibility for doing so *because* he is an employee, and therefore a joint partner in the enterprise in which he is investing not his money, but his life.

That is the real crux of the matter. We must face the idea that the workman's effort is not merely a commodity purchased at a price like any other raw material; but is, in addition, an *investment* in the anticipated continuity and prosperity of the business, just as much as is the capital invested by the shareholder.

This fundamental consideration has been stated at the outset because the success or failure of joint consultation at factory levels depends almost entirely on the spirit in which it is conceived. It will almost certainly fail if put forward as a 'sop' to Labour — a piece of window-dressing not permitted to have any real influence on the way a business is run. Certainly it will fail — and deservedly — if it is used by a reactionary management as a back-stairs way of undermining the influence of the trade unions. The only sure basis for success is to recognize it as an entirely new element in industrial relationships: a genuine and sincere desire to have Labour make its full contribution to the success of industry, and in a real sense to participate in the business in which it is so important a factor. This conception, properly understood and applied, does not infringe upon the rights of management any more than does the now common practice of inviting

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departmental managers to attend regular meetings with the higher management for the purpose of expressing their opinions.

So long as a Board of Directors has the legal and moral responsibility that its function confers, and can be held legally accountable for any breaches of law or contract which it may commit, there can be no question of evading either responsibility or liability by transferring it to some joint consultative body. The higher management cannot, either in law or in practice, divest itself of these burdens: therefore, it must retain to itself the ultimate decision in all matters affecting the enterprise. Consequently it follows that the function of a Joint Works Council or Joint Production Committee is clearly *advisory* and not executive—except in so far as the Board may specifically confer executive authority for a particular purpose or occasion, and accept responsibility for the outcome.

What joint consultation does for industry is threefold in character. It provides the higher management with an additional source of information, warning, and advice—particularly valuable because it covers a field in which conventional channels of information and advice are too often biased or ineffective. It also provides the means for transmitting to employees information and explanation without which their attitude towards their work or their Management is liable to be prejudiced. Thirdly, on the psychological side, it canalizes the legitimate aspiration of Labour to have a voice in the industry to which it contributes so much.

Looked at from this angle, its importance becomes manifest, and in order that it may succeed three general conditions must be satisfied. In the first place, its value must be recognized on the Management side from the Board Room downwards. The Directors must be as keen on the success and smooth working of their joint consultative machinery as they are on the increase in their output or the success of their

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sales policy. And they must transmit that keenness through all ranks of their executive and supervisory staff. In a firm of any size, much of the administration of joint consultation will devolve on the labour or Personnel Manager; but it is desirable that at least one active Director should be charged, as a major part of his function, with general responsibility for its effective working, so that the Board is always kept in close touch with its progress.

Some of my employer friends tell me that this is too strong a claim, particularly in the case of a large business: that big companies pay high salaries to competent executives for the express purpose of relieving themselves of worries of this kind. But I do not retract my view. Labour relationships, much more than technical problems, are likely to provide the managerial headaches of the post-war age, and might conceivably prove to be the one rock on which British Industry could founder. At very lowest, they represent one of the two major industrial problems of the new era (the other being finance), and their handling cannot safely be delegated altogether to juniors or to executives of limited authority and uncertain powers.

Secondly, it is at least equally important that the employees in general, and particularly the shop stewards and other union representatives, shall be brought to appreciate the importance of joint consultation and the practical benefit to the workers of a sincere policy of Common Interest or 'joint enterprise', as Lloyd Roberts calls it. Joint Consultation will only succeed if both sides want it to succeed. If they have no conception of a transcendent common interest, and merely want to quarrel, they can do so just as well round the Council Table as anywhere else.

For this reason it is a cardinal mistake to try to produce a Joint Works Council 'out of the hat', so to speak, without careful preliminary planning. The ground has to be made ready, the rough places levelled, and any noxious growths or

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dead roots removed before the sowing takes place. Lack of this preliminary preparation, I surmise, is the reason why so many of the Joint Production Committees established during the stress of war have met with only dubious success. One likes to hope that after the experiences of the past few years no works employing more than 200 people will lack its Personnel Department and Personnel Manager; and it is on the tact and skill of the Personnel Manager that the conversion of the employees to the cause of joint consultation will largely depend.

The third essential is a carefully worked-out scheme of procedure under which the consultative body is to function, and which must be designed to cover every predictable circumstance. In this there is ample room for wide divergencies of practice in accordance with the character of the organization concerned, and I for one would regret any attempt to standardize either the constitution or the practice of joint consultative bodies, whether for all industries, or for all enterprises in an industry. Nevertheless, there are a considerable number of points on which experience suggests an appropriate line of action or provides alternative courses of action for consideration, and these are discussed in some detail in Part Two of this book.

But before transferring our attention from the theory of joint consultation to the study of its practice, it is important to consider in general terms the logical extension of the principle of common interest and the theory of joint consultation from the individual unit to the National level.

CHAPTER VI

APPLYING THE PRINCIPLE AT THE NATIONAL LEVEL

IN the course of an address which I had the privilege of delivering at the Conference of Management Associations in May, 1943, I made the following observations:

I do not think you can make joint consultation a reality unless the ideal of the Common Interest is recognized. But when we consider the question in the higher plane of regional and national intercourse, the transcendancy of the Common Interest is no longer recognized. We have, in almost every production industry, elaborate organization, and sometimes unnecessarily cumbrous machinery of discussion, conciliation, and arbitration, for dealing with matters in which 'the parties register a failure to agree'. But I believe I am right in saying that except for three or four specially favoured industries, there is no machinery whereby the two elements of effective production can take counsel together on questions of common concern until such a divergence of interest has been created and 'a dispute exists or is apprehended'.

At the factory level we are urging the employees to cast aside old suspicions (too often historically well-founded) and to join enthusiastically and whole-heartedly in joint consultation for the sake of the interests common to us both. How can we, as fairly reasonable men, expect them to swallow this without a very considerable grain of salt, when at the National level, where it is popularly supposed that the best brains of both Management and Labour are congregated, there is little evidence what-

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ever of recognition that any common interest (let alone a transcendent common interest) exists. Most major trade union agreements that I have seen do no more than state the rules under which the fight is to be fought: they do not visualize even the remote possibility that both parties might conceivably be on the same side.

I have cited this passage because it expresses a present anomaly in our industrial set-up which, unless corrected, must vitiate any possibility of achieving a useful measure of stability in industrial relationships. So long as the only recognized function of organized Labour is to oppose the viewpoint of Management, trades unionism will be an un-stabilizing force, no matter how far we may go in building up happier relationships at the factory level. It may even bring joint consultation at the factory level to an end: which, with its numerical preponderance in most industries, it could quite easily do, since a general instruction not to participate would unquestionably be obeyed by most trade unionists.

But once organized Labour is conceded, and accepts, a constructive function in the industrial set-up, this danger disappears into the remote distance. A trade union leader will no longer be, as he is to-day, primarily an organizer of discontent (the definition is not mine, but that of an eminent trade unionist now deceased — Jim Larkin): he will become a creative and more or less *objective* thinker, still representing the class which has mandated him, but considering specific industrial problems in their bearing on national and international issues, and in the interests of the community as a whole. It was this conception which inspired the late Ben Turner to the utterance, now little remembered, on which the once famous Mond-Turner conferences were based.

Practically nothing [he said in 1927] has yet been done to establish effective machinery of joint conference be-

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tween the representative organizations entitled to speak for industry as a whole. Such a direct exchange of practical views between representatives of the great organized bodies, who have the responsibility for the conduct of industry and know its problems at first hand, would be of far greater significance than the suggestion . . . for a spectacular national conference under Government auspices to discuss a vague aspiration towards 'industrial peace'. Discussions on these lines would bring both sides face to face with the broad realities of the present economic situation, and might yield useful results in showing how far and on what terms co-operation is possible in a common endeavour to improve the efficiency of industry and to raise the workers' standard of life.

That statesmanlike utterance met with a quick response from Sir Alfred Mond (later the first Lord Melchett), and after inevitable preliminaries a long series of conferences took place between leading employers and leading trade unionists, all sitting in their individual capacity,¹ to explore the field for consultations of a more formal and permanent character. Their conclusions were threefold:

1. Agreement as to the desirability of setting up the machinery for joint consultation on a national basis;
2. Agreement that the proposed new body was not to supersede the ordinary machinery of employers' associations and trade unions;
3. Agreement on a long schedule of subjects² which it

¹ The Employers' panel at these conversations comprised Lord Melchett, Lord Ashfield, Lord Londonderry, Sir Hugo Hirst, Sir David Milne-Watson, Lord Weir, Col. the Hon. Vernon Wilely, Mr. Conway Davies (Secretary) and Dr. A. E. Humphries, as substitute member. The Trade Union panel comprised Mr. Ben Turner, Mr. Ernest Bevin, Mr. (now Sir) Walter Citrine, Mr. J. H. Thomas, M.P., Mr. Arthur Pugh, Mr. Tom Richards, Mr. Will Thorne, M.P., Mr. W. Milne-Bailey (Secretary), with Mr. George Hicks as substitute member.

² This schedule is given in detail in Appendix 1, page 170.

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was considered would be proper matters for the proposed joint body to consider.

These conclusions were deliberated upon, separately, by the British Employers' Confederation, the Federation of British Industries, and the Trade Union Congress, and, with minor modifications, accepted by all three; and the scheme setting up the necessary machinery was ratified by the three organizations. But although that stage was reached in December 1929, the first meeting of the joint body has never yet been held, and the whole scheme has been generally forgotten.

I have never yet been able to discover from any authoritative source why this momentous agreement was never implemented. I have been told variously that both sides felt an air of unreality about the proceedings and were glad enough to drop them, that the succeeding T.U.C. Chairman preferred to run a line of his own during his year of office rather than play Page to Sir Benjamin Turner's Wenceslas; and that the possibility of implementation was killed by some ill-advised commendation by Lord Melchett of the Fascist Corporative State. I do not find any of these explanations altogether satisfying; and my own surmise is that the universal slump and our departure from the gold standard set everybody on both sides to work on the immediate task of salving what could be saved from the apparent wreck; and by mutual consent all dreams and schemes for new worlds in industry were shelved.

Be that as it may, I maintain that in essence the scheme was a good one; and that the vicissitudes of the fifteen years which have intervened since the idea was mooted have only added to the need for bringing something of the kind into being.

The reorganization of British industry on a peace-time footing is not this time going to be an internal, domestic affair. International relationships of all kinds will be factors

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in the ultimate shake-down, and the viewpoints of America, of Russia, even possibly of China, and certainly not least of the Dominions and Colonies, will have to be taken into account. It seems inevitable that the decisions to be taken will have to be of the long-term variety, and not such as can be upset by the accident of a change of the home government to a different political colour. No foreign country would readily enter into reciprocal agreements of a far-reaching character which were liable to be denounced at minimum notice by the mere chance of a general election.

Obviously, then, the Government which has the responsibility of entering into these new international relationships will be immensely fortified in its position if it can claim to be speaking in industrial matters for British industry as a whole, and not merely for that section of it which happens to conform to its own political party. It seems possible, indeed, that the forces of international politics may compel us quite soon to realize what has long been the dream of industrial idealists — a national industrial policy as far removed from partisan politics as, by long tradition, our foreign policy has been taken from the arena of party strife.

But even apart from international relationships, there are many specific reasons why some fusion of all sorts of industrial opinion must be accomplished to serve the needs of the immediate post-war years. They will be a period of intense political activity, in which difficult questions which in the past have been shelved or tinkered with, will call for firm and comprehensive treatment. Most of these issues have a direct or indirect bearing on the future of industry, and as such require that the viewpoint of industry be taken into account in settling them. To cite just a few examples, the problems of town and country planning, educational reform, housing, character and incidence of post-war taxation, reform of the Civil Service, the elimination of mass unemployment, and all the various issues that fall under the heading of Social

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Security: these are all matters on which it is desirable that Industry should speak authoritatively and with a single voice, not with two contradictory ones.

Indeed, the alternative would seem to be disastrous, inasmuch as it must inevitably culminate in a glorious apotheosis of bureaucracy. The bureaucrat, with his limited knowledge and utter lack of experience of industrial matters, when faced with a resolute 'failure to agree' on essential issues by the two main parties to Industry, has no alternative but to ignore both, and to make his own decisions and formulate his own policy — from which most unsatisfactory conclusion both Management and Labour will certainly unite in praying to be spared.

But we must face this issue squarely. Is there a basis for a common policy between Management and Labour at the national level? The Mond-Turner Committee listed thirty-six major questions on which it believed that agreement was at least worth trying for: I myself believe that this number could be very considerably increased, provided that the principle of Common Interest were genuinely accepted by all concerned.

The prosperity of industry, on which the health and happiness of the entire community depends, is surely a more vital consideration than either the vested interest and traditional domination of employers or the doctrinaire theories which inspire the conventional Labour viewpoint. Although I am myself a firm believer in the advantages of private enterprise and properly controlled competition, I cannot regard that particular issue — important though it be — as being the *primary* one. If the welfare of the community is going to be better served by one form of industrial set-up than by another, there is little doubt that the better set-up will ultimately prevail, and I do not think it matters very much what political party is in power when the change is effected. (After all, most of the legislative measures which in their day have been

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termed 'socialistic' have been brought in by either Tory or Whig governments.)

But until it becomes clear to the community that a general overturn of the industrial structure is necessary, the present set-up has to be made to work — otherwise depression and ruin faces us all. None of the practical ameliorations or improved standards of life which we all desire can possibly be realized under any political system whatever if industry has decayed. I suggest, therefore, that it is desirable to make a clear distinction between the purely political issue of rival sociological theories and the purely practical issue of keeping industry in full operation with the greatest possible number of people in employment and the highest possible wages paid.

Perhaps we have all gone wrong over this question of Private Enterprise versus Public Enterprise. According to our several political viewpoints we have tended to stress the adjectives 'Private' and 'Public'; but the really important thing is the noun. As an employer, I see no inconsistency in strenuously supporting the case for private enterprise but at the same time entering into the closest possible relationships with the Employee side to ensure that private enterprise operates successfully for the benefit of everybody. In the same way, if I were a trade unionist employee, I do not think I would regard it as illogical to support the case for public ownership, but at the same time to develop the highest measure of co-operation with the Employer-Manager group to ensure that the industry which I hoped eventually to see taken over by the community might be taken over as a prosperous going concern and not as a bankrupt one.

Coming down to cases, I suggest that such vital questions to industry as the abolition of mass unemployment, the development of social security in all its forms, technical and scientific education for industry, the abolition of restrictive practices, the replanning of town and countryside to fit industrial needs, and the absorption of demobilized Service

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men and women, cannot be handled effectively by fluctuating party majorities. They demand long-term policies, and these policies can only be effective when they express the highest common measure of agreement amongst everybody concerned.

That the achievement of this highest common measure may involve an element of compromise I do not dispute, although I do not believe that there need be compromise on matters or principles which are in any real sense fundamental. But traditional rights, on the one side, may have to go by the board: traditional claims, on the other, may have to be relegated to limbo. The essential thing, if industry is to survive, is to evolve a practical and smoothly working machinery whereby the fullest possible measure of common agreement and common purpose can be given expression for the guidance of those who, in the political field, have the shaping of our national destinies in the days that are to come.

I do not underestimate the difficulty of achieving such a result, but I do not think that the difficulties are unsurmountable. In Part Three of this book — Joint Consultation at the National Level — I have examined these difficulties frankly, and have set out what I conceive to be the broad lines of effective solution. At this point, in concluding my introductory study of general principles, I am concerned only to point out that just as the changing conditions of industry call for a full measure of joint consultation to implement the ideal of Common Interest at the factory level, so also the circumstances and problems of a post-war world will call for a similar common interest and unity of purpose at the National level.

In this year of Grace, 1944, we cannot any longer afford to fumble along with *ad hoc* attempts to achieve intelligent co-operation between the parties to British industry — acclaiming with loud applause the principle of joint consultation at the perimeter, but denying it at the centre.

PART TWO

JOINT CONSULTATION
IN PRACTICE AT THE FACTORY
LEVEL

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INTERMEDIATE NOTE

PART TWO of this book differs from the pages which precede and follow it in so far as it is meant to be a purely practical study of the machinery of joint consultation in practice in an individual factory or works. In writing it, I am guided largely by my own highly satisfactory experience in the creation of a successful Joint Works Council in my own precision-engineering works of some 700 employees, fortified by much valuable information and second-hand experience derived from many sources.

Before attempting the inauguration of my own Council, I carried out a fairly considerable investigation of the various methods of joint consultation of which I had heard, and I was astonished and delighted at the full and kindly co-operation which I, as a humble inquirer after truth in the matter, met on every hand — and which, in the Introduction to this book, I have very inadequately attempted to acknowledge. One thing which surprised me then, though it surprises me no longer, was the unanimity with which employers and managers who had experienced the effects of joint consultation commended it. I met none who wished to revert to the old autocratic system of control, or who feared any consequences from its abandonment.

It is my hope that this section of the book may be of practical value to my fellow employers and managers who have

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not yet attempted to develop this element in industrial relationships; or who, having done so, have encountered what seem to be insuperable difficulties, and are discouraged by the apparent lack of response. The technique of joint consultation is young, and discouragement and lack of response is the common lot of the pioneer. In my own small way, in this field, I have met both, and have discovered their origins and how they can be overcome.

It is now seven years since I took my first step along this particular road, and yet the Maseeley Joint Works Council has not yet completed its third year. But to-day I am proud to be a member of a Council which, in its strict attention to its task, its courage, and its apparently inexhaustible fertility of expedient to overcome difficulties, would put many a more august body to shame. At alternate meetings I take the Chair, with some measure of humility, realizing that although dealing with sincerity no less than my own, I am in Committee with several men whose experience of debate and procedure is to a degree greater than mine. At other meetings I sit as an ordinary member, submitting without reluctance to the ruling of an Employee Co-Chairman who is quite likely to close me or rule me out of order if I transgress the discipline of the occasion.

As Chairman of my Company, I know that the establishment of this Council has been the means of adding immeasurably to the happiness and good-feeling in the Works. By the sheer standards of output, it has coincided with a substantial and progressive increase. Absenteeism has gone down, 'political' troubles and personal frictions have diminished or vanished. What is perhaps still more important is that valuable practical suggestions have come to light which have solved immediate problems and given me far greater hope for the uncharted future of the post-war years. In all sincerity I cannot do better than advise every fellow employer to 'go and do likewise'.

CHAPTER I

PRELIMINARY CONSIDERATIONS

IN an earlier chapter I have referred briefly to the need for a preliminary clearing of the ground before the inauguration of a Joint Works Council or Joint Production Committee is attempted. The first step of all is to see that the doctrine of Joint Consultation, and the principle of Common Interest from which it evolves, is well and truly 'sold' to the Board of Directors.

A Council whose deliberations never had repercussions in the Board Room would be a poor thing — with but little influence on the promotion of industrial stability, and going only a very small way to satisfy the legitimate aspirations of Labour. Yet if the Council does deal (within its terms of reference) with more important questions of principles and policy, the Board must be prepared to expect a certain number of shocks — some of them rude ones. It will from time to time hear facts and opinions which, although well known in the lower ranks of the executive, have been tactfully bowdlerized before reaching the Directors. It will learn of inefficiency in places where it was never anticipated: of discontents which it did not imagine existed; and of its own beneficent instructions disregarded or pared down to a poor shadow of their original intent.

It will also learn — maybe with surprise — that Labour to-day has definite views of its own on many subjects not covered by existing trade union agreements: such matters, for example, as the education of juniors for industry, training and upgrading, and a good many other questions which are fairly remote from the normal considerations of Directors,

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but which are very real issues in the lives of what used to be known as the working classes. In short, it is liable to discover that the Joint Works Council is a disturbing element, compelling attention to a number of things which, prior to its inception, rarely intruded themselves into the Board Room, and which distract attention quite considerably from the more conventional administrative activities of the Board.

Yet if joint consultation is to become a reality, this disturbing element must be welcomed by the Directors — as indeed it should be. If the matters brought forward are substantial, there is every reason why such timely information should be received with gratitude and steps be taken by the Higher Management, in its own interests, to remedy what is amiss. Even if the troubles are imaginary, there is still good reason for gratitude that they have been brought to light; for a mistaken view, sincerely held, is as much a factor in an employee's attitude towards his job and his employer, as a view which is based on facts. It is therefore equally important that such a mistaken view should receive serious consideration, and the illusion be dispelled: and this can only be done by frank explanation of the facts or circumstances which have been misunderstood.

In my own Council, as I shall explain in greater detail later, our practice is for the Council's recommendations to be submitted by the Council Secretary, in writing, to the Board, and for one of the Directors (not a Council member) to reply, with equal formality, indicating which recommendations the Board accepts (and what it is doing or, better, has already done, about them), and explaining in the fullest possible detail the reasons why any of them may have been found to be unacceptable. This system works admirably, and we have never yet had a case where the Board's reasoned explanation was not immediately accepted by the employees.

There is another and broader reason why the Directors

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must be wholehearted in their support of Joint Consultation if it is to become a real factor in industrial stability. The primary implication of the policy of Common Interest is that the employees, by reason of their participation in the joint enterprise, have the clear duty of placing recommendations before the Board which exercises the executive power. Whilst I am all against purposeless window-dressing, I feel that it is not enough for the Board to accept this new relationship: it should go out of its way to demonstrate its acceptance — not only by maintaining a practical interest in the Council's deliberations, but by occasionally referring specific questions for its consideration. And having done so, the Directors must be prepared to give full weight to the conclusions at which it arrives.

As examples of this, our own Board has at various times invited the Council to consider and report on the shopping-hours problem, the training of juveniles and young entrants, the question of petty pilfering, and many other matters, and has delegated to it (subject to final approval) authority to nominate the Appropriate Committee under the Essential Work Order (Absenteeism) of June 1942.

A third reason why the Board as a whole must interest itself actively in this field is the sheer question of example. As will be seen a little later, the co-operation of the executive and supervisory grades is essential — and this will never be achieved if the Higher Management fail to treat the Council with sincere respect. On the other hand, a lively interest on the part of the Directors will almost instinctively be followed by an increased spirit of co-operation on the part of the departmental managers and supervisors with whom they come in contact.

If the sort of relationship I have sketched out is to be maintained, and I can say from experience that it works very well indeed, the liaison between Board Room and Council Chamber must be real and continuous. The Directors must look

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upon the Council as an ally in the fight to win prosperity for the firm and be ready at all times to welcome its aid.

I have already expressed the view that one active Director should have, as his major duty, the responsibility for the broader issues of personnel relationships — including joint consultation. I think it is at least equally important that a Director — and preferably a senior Director — should sit on the Council itself, and should be meticulously regular and punctual in his attendance, without claiming any kind of privilege of status. The more he shows himself to be a good Councillor, the less will the Employee side be likely to suspect the Board of being a bowless corporation whose only function is to oppose the legitimate aspirations of the men and women who actually do the work (a view which, unfortunately, is still too common).

A second essential preliminary is to obtain the full support of the executive and supervisory personnel. It is an almost hopeless proposition to attempt to initiate effective joint consultation unless it has the approval and support of works and departmental managers, superintendents, foremen, and charge hands or deputies; because unless that approval is forthcoming, the attitude of these key-people in their day-to-day contacts with the employees, may entirely vitiate any good feeling or sense of common purpose which the establishment of the Council may have engendered. Unless you are singularly fortunate in your executive and supervisory staff, this approval and support is not likely to be universally forthcoming at the outset.

The reason for this is not far to seek. In the past it has been fairly generally held that the essential qualities for these positions have been the combination of technical knowledge with 'drive', i.e. the power to impose their will on the people they control. The only duty they have been required to recognize is the duty to increase output and reduce costs; and until very recently they have been permitted to think

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that the introduction of extraneous psychological or humanistic considerations were signs of weakness and had no place in their function. As a consequence, there has developed a deep-rooted tradition of autocratic control which has resented criticism, discouraged suggestion, and in too many cases established a self-protective policy of conveying only the satisfactory intelligence to management superiors — trusting to luck that the less satisfactory items would in due course right themselves and not be brought up as evidence against their own managerial or supervisory efficiency. Within this narrow convention they have done their work conscientiously and well; but in return they have expected to receive the unquestioning support of the higher management in all their dealings with the employees.

I should be the last to suggest that there are not a great many individual managers and foreman who have long ago emancipated themselves from this outlook; but a tradition of this kind dies very hard, and it still has many adherents in the executive and particularly in the supervisory ranks of most production enterprises. Such people cannot be altogether happy at the prospect of a situation in which the representatives of the men and women they dominate sit on terms of equality with themselves, and are not only permitted, but *expected*, to bring forward suggestions and criticisms and to ask for detailed explanations. It is an undoubted corollary of joint consultation in practice that a new conception of the managerial and supervisory functions has to be established — a conception in which the managers and supervisors find themselves the natural *leaders* of the employees rather than — as too frequently happens at the present time — as their natural enemies.

In this connection Mr. Lloyd Roberts, in the course of the address already cited in Part One, Chapter IV, has some pertinent comments. He says:

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It is not enough that there should exist a sort of tacit understanding that the firm is benevolently-minded towards its employees. There must be a deliberate, conscious act and decision, for which the heads of the firm assume direct responsibility, *and the consequences and implications of that decision must be made known and realized right down the management line to the lowest grade of supervisor.* Good industrial relations can never be achieved by the directors without the co-operation and understanding of the foremen, any more than the foremen can achieve them independently of the Board Room. It follows, then, that the labour policy having been adopted, the second stage is to ensure that that policy is thoroughly appreciated and understood throughout the organization.

There are so many possibilities of the good intentions of a firm being vitiated by ignorant and unsympathetic managers or other supervisors, that there is need for emphasis on this point. No one should be placed in a position of responsibility, with control of personnel, without his superiors being satisfied that he knows *and is in sympathy with* the firm's labour policy.

And Mr. Lloyd Roberts adds:

How far is that carried out to-day, I wonder? You will all agree that the usual way is to appoint a man who has the requisite technical qualifications and leave him alone on the industrial relations question unless and until there is threatened trouble. No effort is made either to educate him beforehand on the company's policy towards employees, or to find out whether or not he is in sympathy with it.

I am convinced, for my part, that as soon as the higher Management — the directing brains of the undertaking, as

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Lloyd Roberts terms them — have decided to adopt the policy of Common Interest, they must, as an initial measure, take systematic steps to educate their managerial and supervisory staffs up to the point where the proposed new regime appears to be not only reasonable, but obvious; and where *their* part in implementing it is thoroughly understood. Mere formal acceptance or acquiescence in the new policy is not enough: each of the minor executive must be made to feel that it is an integral part of his job to make that policy work. This calls for careful planning and limitless patience, for some people will be much more receptive to the new doctrine than others. But I go so far as to say that if, after every reasonable effort has been made, there yet remains any member of the management or supervisory staff who cannot or will not accept all that the new doctrine implies, his continued presence in a position of personnel control becomes a menace to the prosperity of the firm.

The method of education adopted must depend on the circumstances of the individual firm, and it would be outside the scope of this work to discuss this question in detail. I have, however, included as Appendix II, a memorandum by Mr. N. A. Howell-Everson, which may encourage constructive thought on the subject.

Although the point will be dealt with in greater detail later, it may be desirable to remark here that there must be no suspicion left in the minds of the supervisory staff that they are being in any way short-circuited by the new procedure. Their antagonism will be real and active (though possibly subterranean) if they feel that Management and employees are discussing matters in which they are intimately concerned *over their heads*. In a small to medium works or factory, where the number of supervisory staff is so small that a fair proportion of them will sit as Management representatives on the Council itself, this is not a matter of great importance. But with larger undertakings, where the supervisory

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staff may number scores or hundreds, this is obviously not sufficient, and it will probably be desirable to organize a separate 'Foremen's Council'¹ to meet concurrently with, or shortly after, the Works Council, in order that the supervisors' point of view can be properly ventilated before Managerial decisions are taken.

The third problem to be faced is the task of selling the basic idea to the employees themselves and to their trade union representatives, and this is perhaps the most formidable of all. The war-time development of Joint Production Committees may have simplified this task for the future; but in the days when I was making my initial efforts in this direction I was confronted, at the outset, with a blank wall of suspicion, based on the belief that our main purpose was to weaken the influence of organized Labour throughout the Works.

It is essential, I think, that the basic idea shall be thoroughly well discussed throughout the works or factory before any concrete proposals are published; and that reactions are carefully noted, so that any reasonable objections or reservations which may emerge can be anticipated and dealt with whilst the scheme is still in the melting pot. This is, in particular, an appropriate field for the unobtrusive activities of the Personnel Manager and his staff. It is enormously helpful if the firm has a live works newspaper or bulletin, in which the scheme can be outlined in general terms, objections answered, and counter-proposals discussed.

At the very earliest stages the matter should be discussed quite frankly with the firm's own trade union representatives and shop stewards, when special efforts should be made to satisfy them that joint consultation is not designed to limit their rightful jurisdiction, but rather to give them an additional channel for the exercise of their influence on the destinies of their fellow-workers. I should not hesitate to

¹ See Part Two, Chap. XIV.

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make a plain request for their co-operation in bringing the scheme into being — if necessary on a trial basis for twelve months. During these preliminary discussions every possible means should be taken to avoid a blank rejection, for it is much harder for a trade union representative to retract a stated decision than for a Management to change an item of its policy — and one should try to avoid the necessity for such a retraction arising.

Depending on the intimacy of the firm's normal relations with district trade union organizers and officials, the idea may also be broached with them at this stage: in any event the concrete scheme will almost certainly have to obtain their blessing before union employees will have anything to do with it, and it is quite as well to obtain some light on their probable reactions in advance.¹

Two specific objections are likely to be raised in this quarter: the practical difficulty of non-union representation, and the more theoretic objection that the aim of joint consultation and of a policy of Common Interest is to bolster up the present so-called Capitalist form of industry, whereas the aim and avowed object of certain trade unions is to destroy it. The problem of non-union representation is discussed in a later chapter, where the constitution of the Council is considered. It has been rather empirically solved for the time being in the R.O.F. scheme and the Engineering Agreement of March 18th, 1942, by allowing all employees to nominate and vote for their representatives, but only per-

¹ It has been represented to me that the idea of a community of interest, finding expression in joint consultation, would be entirely unacceptable on Clydeside or Tyneside. This may be true — I have no special knowledge of industrial conditions in either locality — but if so, I would venture the suggestion that refusal to accept the machinery of joint consultation is the outcome of neglect to promulgate the principle of Common Interest and all that it involves. If such refusal and neglect is persisted in, the ultimate result can only be the gradual extinction of these localities as industrial centres. Neither private enterprise nor State administration in the future will be able to afford to subsidize industry under conditions where sectional or class interests outweigh considerations of the general well-being.

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mitting union employees in good standing to be nominated and elected. How far that solution will satisfy the more complex post-war situation remains to be seen.

The other objection is more likely to be raised by district union officials than by men from Headquarters, where the Webb doctrine of the inevitability of gradualness is well understood; and where, moreover, there is a fairly clear conception of the economic necessity to keep the ship of industry afloat and well-found until the time is ripe to make a change in the command. I have found little difficulty in obtaining acceptance to the view expressed in an earlier chapter, that employee co-operation in measures to promote the prosperity of a business and the present welfare of those who belong to it is not inconsistent with a sincere desire and active political effort to alter the basic structure of industry as a whole.

This stage in the preliminary proceedings is the time to clear up any particular grievances or heartburns which may exist in the business, so that the atmosphere may be set fair when the time comes to put over the concrete scheme. Minor points of difference or difficulty can in many cases be used as a lever for urging the creation of the Council, by showing that, once in being, it would provide an ideal machinery for handling them. With any larger issues, I would recommend a policy of considerable concession where possible. The better relationships which will be quickly established by a Council that starts right are well worth a measure of sacrifice.

After the general principle has been well ventilated, and all appropriate special interests have been consulted and where possible placated, the time is ripe to present the scheme in concrete form. A 'Constitution' has to be drawn up, covering every aspect of the projected Council's activities — in which task it may be advantageous to invite the assistance of the trade union representatives. It must then be printed and

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circulated to every employee other than juveniles. Concurrently, notices should be posted announcing the arrangements for the first election of Councillors, with dates and procedure for nomination and polling. The works newspaper can very properly devote space to building up interest in the elections, and urging every employee to take this new development in the firm's organization seriously, and to use his vote in what he considers is the wisest manner.

The procedure for nominations and elections demands separate treatment, but before dealing with this it will be useful to examine in some detail the essential basis of the Constitution, and this examination will provide the subject-matter for the next chapter.

CONSTITUTION OF A JOINT WORKS
COUNCIL

PUBLICATION of an established Constitution for the Works or Factory Council has two distinct purposes to serve. In the first place, it informs every present employee, and every employee who may be engaged in the future, why the Council exists, the scope of its functions, and the character of its representation, with an explanation of the part the ordinary employee should play in making that representation effective. Secondly, it serves as a permanent reference book for Council members, advising them of their powers and responsibilities, the subjects which they are or are not permitted to discuss, the rules of procedure under which the Council meetings are conducted, the functions and special powers of its officers, and its powers of delegation to sub-committees.

For both these reasons it is important that the wording shall be clear and unmistakable, and that the drafting shall be on comprehensive lines. In this chapter, then, I propose to refer briefly to each subject-heading which my own experience and that of my friends indicates to require inclusion. It is not my purpose to lay down the precise manner in which each item should be handled. The methods of our own Council, for those who may be interested, will be found in Appendix III, where the Constitution and Rules of the Maseeley Joint Works Council are reproduced *in extenso*; but it is quite possible that alternative treatment, possibly on entirely different lines, may be more suitable to the dissimilar circumstances of other organizations. All I am concerned to do is to ensure that the various headings, all of which are important, shall not be overlooked.

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On the very first page of the booklet in which the Constitution and Rules are embodied there should, I think, appear a specific guarantee, over the signature of the Chairman or Managing Director, that no member of the Council will be prejudiced in his personal standing with the Company by reason of any action he may take in good faith while acting in the capacity of a Representative. This may seem an unnecessary promise, but in fact its appearance in print gives much more assurance to the average employee than any amount of verbal promises; and the fact that it appears over the signature of the Chief Executive provides a real protection against the misguided zeal of any minor executive who might conceive it to be his duty to 'take it out of' any Representative who had the habit of raising awkward questions.

At the commencement of the Constitution proper there should be a clear statement of the *Object* of the Council. If its inauguration is to find favour in trade union circles this should commence with an assurance, in appropriate words, that the Council is not intended to supplant or modify existing machinery for dealing with matters which are the subject of trade union agreements. It should then explain that the object is to provide the machinery for (1) free and open discussion between Employees and Management on all topics of common interest *not* covered by specific trade union agreement: (2) constructive co-operation in obtaining greater efficiency, and in ensuring the comfort and well-being of those employed at the works or factory.

Following this general statement, there should be a more detailed and specific statement of the precise terms of reference of the Council. This should be the subject of careful consideration, and I suggest that it may be useful to compare the limited scope and vague wording of the terms of reference laid down in the Engineering Agreement of March 18th, 1942, with the more generous field covered in Article 2 of the

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Masseley Constitution — both of which are given in Appendix III.

It is my considered opinion that the wider the field offered to the Council as ground for discussion, the greater will be the contribution of that Council to industrial stability, and with the exception of what are strictly trade union matters (hours, wages, and general conditions of labour) and the few exclusions to which I referred in Chapter V, I have found it desirable and useful to encourage the widest possible interpretation of even our fairly liberal terms of reference. It will be noticed that we make specific provision for the remission to the Council by the Board of Directors of particular works problems, and, as explained in the preceding chapter, we have repeatedly found it a most useful practice to follow — quite apart from the psychological value of thus manifesting our own faith in the principle of Common Interest.

Having thus indicated the field of operations, the next step is to lay down the specific condition on which such a Council can be permitted to participate in the consideration of management problems — that its functions are *advisory*. To underline this fact we have in our own case specified the procedure — ‘that it will submit its recommendations to the Board of Directors through the Secretary, except only in business formally delegated to it’. On the other hand, we provide that matters of detail, which can be settled on the spot by the appropriate Management representative, being present, can be made effective immediately, and need not be so referred. This last clause saves a good deal of delay and trouble, and at the same time prevents any Management representative from feeling that the exercise of his proper functions is being taken out of his hands.

A word should perhaps be added on the practice of referring recommendations, in writing, to the Board of Directors. In other Councils of which I have knowledge,

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a good deal of dissatisfaction and sense of frustration is often caused by some Management representative present — usually the Chairman — undertaking to raise some point with the Board and then either forgetting to do so, or else forgetting to notify the Council of the result. By submitting the recommendations in writing, on the understanding that a reply will be forthcoming to be read out at the next meeting, this particular trouble is obviated. Moreover, if the Secretary knows his job, he usually has a fairly clear idea of any underlying feeling on the matter in question which may not appear in the actual wording of the recommendation, and can so word his reference to the Board that the spirit as well as the letter of the recommendation is adequately considered.

By way of additional safeguard, we have found it worth while to interpolate a specific Article in our Constitution laying down certain topics as being outside the scope of the Council's deliberations. These exclusions are expressed as follows:

The Council shall not discuss a question which is covered by any operative Agreement with a Trade Union to which the Company is a party, except with the written consent of the Trade Union concerned; neither shall it discuss any matter which is strictly a concern of Management (Purchases, Acceptance of Contracts, etc.), unless such matter has been specifically referred to it by the Management. The discussion of methods of increasing production is, however, within' the province of the Council.

As has already been explained, the Board has, on more than one occasion, voluntarily referred matters for the Council to pass an opinion on. I live in hope that some day a Trade Union will likewise see the wisdom of submitting for the objective consideration of a Joint Works Council some ques-

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tion which it is within their prerogative, strictly speaking, to exclude.

Next for consideration comes the actual make-up of the Council itself, and on this particular subject there is a good deal to be said. In the first place, I suggest that the case for equal representation of Management and Employees is incontrovertible. Meetings at which two or three representatives of the Management meet a much larger number of employees create much more the hateful spirit of the 'deputation' than of the free assembly met for objective discussion; and tend to accentuate the barrier between Management and Employees which every progressive industrialist would like to see lowered. Moreover, this unequal arrangement rather ignores the views of the intermediate management and supervisory staff who may well have their own useful contribution to make to the pooling of opinion on topical problems.

The question of actual numerical strength may present some slight problem. In the Engineering Agreement the maximum number of members is laid down as ten representatives of Management and ten of Employees, and it is unquestionably true that a Committee of twenty is about the largest from which effective work can be expected unless a large number of silent passengers is carried. This number is very nearly ideal for a works of from 500 to 700 employees; but where you have a works whose employees are numbered in thousands the representation tends to become very remote. I have no personal experience of such a situation, but I am inclined to think that the most satisfactory solution would be to create appropriate sectional Councils to deal with affairs which were strictly those of the departments or shops concerned, with a kind of super-Council, to which each sectional Council would send two delegates, to deal on their behalf with matters of general concern. I believe that this policy has been followed with success in the larger Royal

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Ordnance Factories, and it would also seem to be suitable, with some modification, in the case of large works which, owing either to war-time dispersal or to the settled policy of the Board, were tending to decentralize their production and spread it over different parts of the country.

It is fairly general practice that Management representatives should be nominated by the Board of Directors or by some executive designated to act on their behalf. An experiment not without interest, and which I personally should not be averse to trying if any desire for it were expressed, would be to allow the managerial and supervisory grades to elect their own representatives, subject to the reservation of one or two seats for key people whose presence the Directors regarded as essential. A modification of this idea, which is actually practised in some Councils, though not in my own, is for a certain number (three or four) of the Management seats to be held, as it were, in commission, and filled month by month from a rota of those Managers and Supervisors to whom permanent seats have not been allotted.

With regard to the election of Employee representatives, I have already referred to the rather empirical solution laid down for the war-time Joint Production Committees, of allowing all employees to vote, but only trade unionists of good standing to be nominated or elected. This may very well be a satisfactory permanent solution, although it must present difficulties in the case of businesses where there may be a majority of non-unionist employees, or a considerable proportion of employees belonging to non-affiliated unions. It might also present special problems in cases where there was a large over-all majority of trade unionists, but a majority of non-unionists in some key section or department. In such cases I can only commend the fullest and friendliest discussion with the trade union representatives, and with good will on both sides (which will exist if the basic idea has been properly explained to everyone) some workable solution

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will probably be found. It is probable that the number of cases of this sort is tending to diminish with the steadily increasing organization of Labour.

In this particular connection I believe the constitution of our own Council is unique. At the very outset, primarily as a gesture of good faith, we limited voting rights to union members, but after the Agreement of March 18th had been ratified we proposed to embody its rule in this respect. Our Employee representatives were quite agreeable to this change, but it was subsequently pointed out by them that a free vote might result in the return of people on grounds of personal popularity who might be quite useless as Council members, whereas the Shop Representatives committee, which knew a good deal about the 'committee' qualifications of most employees, could provide a useful sieve to separate the wheat from the chaff. They accordingly put up the counter-proposal that the Shop Committee itself should be elected in accordance with the terms of the Engineering Agreement, both union and non-union members being eligible to vote for their shop representatives, and that this Committee, when elected, should *nominate* the employee representatives to the Council in the same way as the Management representatives were nominated by the Board of Directors.

This was a proposition which called for careful consideration, but in the end we found it a practicable one, and we have since found it to possess the best recommendation of all — it works. Some of my friends expressed fears that the result would be we should have the Council flooded with extremist voices, and that possibility was not excluded from our consideration. It did not frighten us, however, because it has long been my view that if a man holds extremist views he is entitled to voice them, and that it is better for him to voice them in open Council, where his arguments can be answered with the thoroughness they deserve, than that they

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should be whispered behind the machines or in the canteen. In actual fact this situation has not arisen, and we have no complaint, but rather the reverse, at the quality of employee representative which our Shop Committee has sent us.

It is a useful provision to give the Council power to invite to its meetings commercial or other members of the staff, or other persons it may desire to consult, as this provides an opportunity for the submission of information which possibly no member of the Council could present with the same authority. Such visitors should not, of course, have any voting power, and I should suppose it to be within the province of the Chair to ask them to withdraw when the matter with which they are concerned has been dealt with.

Should the Chairman of the Council always be a Management representative? A good many of the older school think this is a necessary safeguard of the prerogative of Management, although it is becoming popular to nominate an Employee Vice-Chairman, and to give him occasional opportunities of exercising the chairman's function. In our own case we did not hesitate to follow the precedent of the Whitley Councils by establishing the principle of Joint Chairmen, nominated by Management and Employees respectively, and holding office at alternate meetings. I have learned a good deal about the exercise of the chairman function by sitting under three different Employee Co-Chairmen, and I have not found that I have weakened the prerogative of Management by so doing. On the contrary, I believe I have gained a certain amount of personal respect, and that trust in the sincerity of the Board has been considerably enhanced.

It is fairly usual in joint committees of Employees and Management to appoint two joint secretaries, one from each side. This may be a perfectly sound practice in the case of committees sitting to discuss matters in which 'a dispute exists or is apprehended', but I have always felt that it was

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the wrong policy for a Council whose main purpose was to concentrate on questions which were matters of common interest. We were perhaps fortunate in having available a man of considerable experience in industrial relationships, who had done a good deal of work in bringing our Council into being, and who was known and trusted by both sides. He was nominated at the outset by the Management and accepted by the Employees, and has been our one Secretary ever since. Incidentally, he also acts (at the request of the union representatives) as the Returning Officer at the Shop Committee annual election.

The constitution must include clauses to cover the eligibility of Employees to serve on the Council, the annual retirement of representatives and their eligibility for re-election, and the conditions under which they must vacate office other than at the end of the Council year. In this last connection provision must be made for explaining the procedure for appointing substitute members to fill casual vacancies which may arise.

It is also desirable to lay down a broad rule as to the frequency of meetings — a monthly meeting is usually enough if a full agenda is expected on every occasion — the nature of a quorum, the keeping of minutes, expenses and the remuneration of members, procedure for modifying Constitution or Rules, and the conditions under which the scheme can be terminated by either side.

A few other points we have found it worth while to embody in our Constitution may be indicated. We discourage the practice of taking votes on any and every issue, because this also accentuates the spirit of 'opposing sides' which in every way we do our best to eliminate. We say so frankly in our Constitution, but lay down that where the Chairman deems it desirable for a vote to be taken the normal procedure of show of hands shall be followed, the Chairman to have a vote and a casting vote in addition.

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We have so far found it possible to have a stenographic note taken of the entire proceedings, which, as explained in the Constitution, is made available in triplicate, one copy for each Chairman and one for the Secretary. A summary of the proceedings at each meeting is compiled by the Secretary, submitted for the approval of both Chairmen, and then published in the next issue of our Works Newspaper.

A special function delegated to the Council by the Board of Directors is to nominate the Appropriate Committee under the Essential Work (Amendment) Order of March 25th, 1942, to deal with Absenteeism. The nominations have to receive the approval of the Board, and the Appropriate Committee, once constituted, performs its functions independently of the Council, to whom it is not required to report its decisions.

Finally, we have thought it desirable, at the request of our Employee members, to include a clause in which the functions of the Co-Chairmen, both when in office and at other times, are clearly defined. This is a useful preventative of any sort of clash or misunderstanding between the Employee Chairman and the Shop Stewards in regard to their respective responsibilities towards the employees, of whom they are both, in their respective spheres, chosen representatives.

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ONCE a provisional Constitution has been drawn up, covering, in the manner which seems appropriate to the circumstances, the various essential matters referred to in the preceding chapter, and has received 'general' approval, the time is ripe for the nomination and election of Councillors.

So far as the Management representatives are concerned, this is entirely a matter of nomination by the Board or its delegate, and little need be said here on the matter, except to indicate very briefly a few points which may be worthy of consideration in this connection.

1. As already explained, it is eminently desirable that one senior Director shall be a member of the Management panel — and it will probably be good policy for him to be nominated as Chairman or Co-Chairman.
2. It is *essential* that the Works Manager (co-ordinator of all works control) and the Personnel or Labour Manager (co-ordinator of all personnel and welfare activities) shall be members.
3. If there is a department or shop which is a special or frequent source of trouble, it is desirable that its manager or senior supervisor should be nominated.
4. If night-shifts are worked, the night supervisory staff should be represented.
5. A certain number of foremen and charge hands should be allotted seats, irrespective of whether or not a separate Foremen's Council is maintained. Apart from the value of their own contributions, it is salutary for them to hear the Employees' viewpoint expressed freely, and to observe the higher Management's reactions thereto.

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6. In general, it is desirable that the Management panel should cover every branch of the organization for which Employee representation is provided. This may not be entirely practicable, in which case the Works Manager should regard himself as holding a special watching brief for the departments not separately represented on the Management side.

The election of Employee representatives is a more complicated matter. If things are to go well from the outset, the Management must avoid even the suspicion of attempting to influence the selection of actual personnel. Nevertheless, as the originators of the scheme they have a certain responsibility for ensuring that the basis of election provides a reasonable chance for the adequate representation of all concerned. The first step, then, is to settle the 'constituency' basis, and this should be done in consultation with the trade union representatives, who will almost certainly — and very naturally — find fault with any constituency plan imposed arbitrarily from above.¹

The principle of 'open' election, in which every employee in the works votes for ten names from the total list of nominations, is not satisfactory, as it tends to result in a lop-sided and unrepresentative panel. It is far better to create separate constituencies of departments, or groups of associated departments, aiming (though this cannot always be achieved) that each member returned shall represent approximately the same number of constituents. Separate constituencies should be provided for the night staff in departments where a substantial night-shift is worked.

An example of constituency planning in a works of approximately 600 employees, is given below.

¹ At the time this work is going to press a live issue has been raised in connection with the Joint Production Committees — whether or not scientific, technical, and drawing-office staff should be represented on these bodies; and if so on what basis? A note on this aspect of joint consultation is included at the end of this book as Appendix v.

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<i>Department or Shop</i>	<i>Number of Representatives</i>
Fitting Shop (Day Shift)	2
Fitting Shop (Night Shift)	1
Inspection Department	1
Machine Shops 1 and 2 and Capstan Dept. (Day Shift)	2
Machine Shops 1 and 2 and Capstan Dept. (Night Shift)	1
Toolroom	1
Stores, Maintenance, etc.	1
Type Department	1

A returning officer — preferably somebody right outside the Works organization, and known to be acceptable to the Employees — should be nominated by the Management, and the Employees themselves should be invited to nominate two scrutineers to assist him in the performance of his duties. It is worth mentioning, in this connection, that at our own second annual election, the Employees, of their own volition, invited the Works Manager to act as an additional scrutineer, so that the Management might feel satisfied that everything was straight and above board: an unnecessary gesture which, however, was very much appreciated — particularly so, since (as explained in the preceding chapter) this was an election of the Shop Representatives' Committee and not a direct election of the Council.

Having cleared up these preliminaries, the next step is to publicize them by means of a poster put up all round the Works, giving details of the constituencies, the conditions of nomination and election, and the dates for nominations and polling. Although, at first sight, the point may seem small, I am convinced that the preparation of a well-conceived and well-printed poster has much to do with enhancing the Employees' conception of the dignity and importance of the

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Council. I would deprecate, even in a small works, any attempt to limit the interest-provoking qualities of this announcement by confining it to type-written notices on general or departmental notice-boards. It pays to make a big thing, in both senses, of the election poster — an example of which, much reduced, is shown on the opposite page.

Nomination papers have next to be prepared and made available for all eligible employees on Nomination Day, either at the Personnel Office or through the various shop foremen or trade union representatives. This should be worded in the simplest and most explicit terms, bearing in mind that the intelligence standards amongst the employees will vary quite considerably. The fact that an employee can only nominate an 'organized' employee, and can only nominate an employee working in his own department (or the group of departments which combines to form his 'constituency') must be emphasized. We have found it quite satisfactory to throw on the nominating employees themselves the onus of making sure that their nominee is willing to stand; and this practice plays its part in arousing a lively interest in the forthcoming election.

The nominations having been received and sorted under appropriate 'constituency' headings, the function of the returning officer is to examine these and count them, first eliminating any which may be irregular, either because the signatory is not qualified to nominate, or the nominee not qualified to sit. In this task he will naturally seek the cooperation of the trade union scrutineers, who may be expected to have at their fingertips all details of the qualifications of everyone concerned. It is then the returning officer's duty to declare elected all nominees of departments where the number of people properly nominated does not exceed the number of seats allocated, and in all other cases to announce an election.

I do not think it is possible to lay too much stress on the

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MASSON SEELEY & CO., LTD.

THE MASSELEY ENGINEERING WORKS

WORKS COUNCIL PLAN

Copies of the Constitution and Rules of this Plan are now available and arrangements are being made for their immediate distribution to all Employees.

The Election of Employees' Representatives will be held on Friday, September 19th, 1941.

In accordance with Article 5(a) of the Constitution, eligibility for Candidature is confined to Employees who have had not less than twelve months of continuous service with the Company as at the date of Nomination, who are in its active employ at the date of the Election, who are not less than 19 years of age, and who have been nominated by at least two Employees in the same Shop or Department. For the 1941 Election only, female Employees of less than twelve months' continuous service may be nominated and elected.

The list of those eligible for nomination, together with those eligible to vote, is now available for inspection.

For the purpose of securing adequate representation, the Employees' Representatives at this Works will be elected as follows:

DEPARTMENT OR SHOP	NUMBER OF REPRESENTATIVES
Fitting Shop (Day Shift) - - - - -	2
Fitting Shop (Night Shift) - - - - -	1
Inspection Department - - - - -	1
Machine Shops 1 & 2 and Capstan Department (Day Shift)	2
Machine Shops 1 & 2 and Capstan Department (Night Shift)	1
Toolroom - - - - -	1
Stores, Maintenance, etc. - - - - -	1
Type Department - - - - -	1

All Employees of not less than three months continuous employment with the Company are invited to nominate Candidates for their own Shop or Department, and Nomination Forms may be had on application to their Foremen.

All Nominations received, if in excess of the number of vacancies, will be submitted to a Poll, the Employees to each Shop or Department voting for their own Representatives only.

The Company has appointed Mr. N. A. HOWELL EVERSON to act as Returning Officer, and will appoint Representatives of the Employees to act as Scrutineers if occasion should arise.

Nominations must be received by Mr. Howell Everson, in accordance with the procedure laid down in Article 9 of the Constitution, before twelve noon on Thursday, September 12th, 1941.

For MASSON SEELEY & COMPANY, LTD.,

A. H. LAKE,
Works Manager.

September 12th, 1941.

SAMUEL TEMPLE & CO., LTD., 276 KING STREET, W.4

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importance of arousing the maximum interest throughout the factory in the actual Election. If the Council is going to be recognized as a real factor in industrial relationships, everybody must be made to feel that they have a personal interest in it — if only in the election of its members. Sane management demands that everybody shall cast their vote, and shall think well of the consequences before they cast it. It is, of course, no part of the function of Management to dictate, or even suggest to employees the way they shall vote; but it is, I believe, an important part of Management's duty to instil the idea that everyone should use his or her vote intelligently.

In this connection, the invaluable Works Newspaper or Magazine, if you have one, comes into its own. If you are also fortunate in having one of the now popular factory loud-speaker installations, this too can be used for a special Managing Director's or General Manager's broadcast, stressing the importance of the part which the new Council will play in the destinies of the Company, and the importance of each employee voting for the person or persons who, in his judgment, will represent his point of view the best. The Personnel staff should be instructed at this time that, without being officious about it, they should have this same idea well to the forefront of their minds in any personal or unofficial talks they may be having with both employees and supervisors.

It is possible, too, for a friendly Management to do something to encourage election activities amongst the employees themselves. I know of one firm where, about election time, a hint is passed to the employees through their foremen that until the election is over no exception will be taken to the display of hand-made posters throughout the shop — and I have been shown a good many witty electioneering slogans which have gone up as a result to commend the qualifications of rival candidates. Where any desire is manifested, the

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Management can also offer facilities for meetings outside working hours, when the various candidates can address their constituents, and deal with hecklers who want to know in advance their attitude towards various subjects in which considerable sections of the employees are interested.

I know this is all very different from the conception of running a business which prevailed twenty years ago; but then conditions are different, too. Believing as I do that a truly representative Council has a great contribution to make to the post-war rehabilitation of an individual firm I commend any and every sort of departure from precedent which will make the election of candidates a really live issue with each employee.

The results of the nominations having been announced, ballot papers have to be prepared and all arrangements made for polling to be carried out under the strictest parliamentary conditions in those departments where an election is called for. It is probable, as a matter of fact, that the departmental trade union representative will have a very good idea in advance of how most of the employees are likely to record their votes, but that fact does not invalidate the responsibility of the returning officer for seeing that the secrecy of the ballot is maintained.

Polling booths, in which employees can register their votes unseen by anyone, and ballot boxes, in which the completed voting papers are folded and dropped, must be made available, and arrangements made for the poll to take place at times convenient to the running of the works or factory. These things demand a certain amount of forethought, and may make some call on the time and effort of the works and maintenance department; but after some experience I am quite sure that any small expenditure in these directions is amply recouped in the enthusiasm and seriousness with which the election is taken up by the employees.

The Returning Officer has a busy life while the election is

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actually in progress, for it is his business to be on the spot at all times, making sure that everything is being carried out in the proper way, and that no undue influence is being exerted from any quarter which might interfere with the free judgment of the electorate. After the poll has closed, the ballot boxes must be taken to a convenient place, opened, and then, with the assistance of his scrutineers, the returning

BALLOT PAPER

Mark a cross in the third column opposite the name of the candidate for whom you wish to vote. **DO NOT SIGN YOUR NAME OR MAKE ANY OTHER MARK ON THE PAPER OTHERWISE IT WILL NOT BE COUNTED.** You can only vote for a candidate nominated for your own department.

Departments to Vote.	Candidates	Mark your Cross here
Machine Shop I. & Capstan Dept. Days	L. FLEMING	
	H. MALLETT	
	R. WILLIAMS	
Machine Shop II. Days	H. BOORMAN	
	R. SUTHERLAND	
Stores, Maintenance, etc.	F. GREGORY	
	F. HAWKINS	
Planning & Drawing Office	J. KERSHAW	
	P. TOFT	

After indicating your vote, fold the paper and place it in the ballot box provided for the purpose.

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officer must proceed to count the votes — each count being separately checked by each scrutineer. It is useful for him to reach an agreement in advance as to the procedure for dealing with any possibility of tie-voting. One such formula that is usually acceptable lays down that in the event of a tie vote in a one-member constituency, the candidate with the greatest length of service shall be declared elected: in the case of a two-member constituency, both the candidates tying for first place shall be declared elected.

And finally: when the results are known they should at once be summarized on a certificate which is signed by the Returning Officer and countersigned by each scrutineer. As many copies should be struck off as may be necessary to display them prominently in all parts of the works or factory by the time it opens the following day. This is the last, but nevertheless an essential step in the proceedings, so that the results will be known to everybody before the interest and enthusiasm generated during the election campaign has died down or been smothered by pressure of other events.

CHAPTER IV

THE OFFICE BEARERS

IN the Constitution of the Maseeley Joint Works Council (see Appendix III, Article 19) the functions of the Co-Chairmen of the Council are laid down in a very specific way. This was done at the request of our Employee representatives, because it was felt that there was some ambiguity in the respective functions of the Employee Co-Chairman and the senior Shop Steward. We discovered, however, that quite apart from this particular issue, it was beneficial to all of us to have the functions of the Chair clearly defined. It may therefore be useful to examine briefly the various responsibilities involved.

First of all, the Chairman must carry out the normal functions of chairmanship at those meetings at which it is his turn to preside. He must be capable of doing this with a clear understanding of procedure, and with complete impartiality. In general, he must strive to conform to Mr. Speaker's definition of his function — not to speak, but to be the cause of speech in others. On subjects which are in the slightest degree contentious, he must be careful to refrain from expressing any personal opinion until the subject has been fully discussed; and any comments he may offer should be designed to clarify the issues rather than to influence opinions.

This is particularly important in the case of the Management Co-Chairman. If the Council is to do a real job of work — and particularly if the Management representatives are to give free expression to their views on specific subjects — it is undesirable that a 'lead' should be given them by a senior member of the company's Administration; while, on the

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other hand, any attempt by the Management Chairman to impose such a lead will almost certainly consolidate the Employee side in opposition.

For the benefit of any who may feel that by refraining from expressing his personal view the Management Chairman is, in some sort, 'selling the pass', I emphasize the recommended procedure of reporting Council recommendations to the Board and receiving from the Board a considered reply. Through this procedure, the Management Chairman, if a Director or in the confidence of the Directors, is in a far better position to express his personal view with weight; and the reply to an unacceptable recommendation will probably be far more satisfying if it is based on a patient and impartial hearing of the various arguments which have been advanced in its favour.

This point is perhaps of special importance on the rare occasions when it falls to the Chairman to give a casting vote. This has only happened twice in three years' history of our own Council; and on the first of these occasions I was in the Chair, and the point at issue was one on which I felt rather strongly. After a moment's quick thinking, however, I cast my vote on the Employee side, explaining as I did so that I was not disposed to use my position as Chairman to prevent the Employees' viewpoint from being brought before the Board.

At the next meeting a fully reasoned reply in the negative to the recommendation in question was received from the Board, and it was accepted without question, since it gave reasoned answers to every point made in the discussion. What is perhaps more important, in so far as it illustrates the spirit which has come to prevail, is that on the second occasion of a tie vote, the *Employee* Chairman delivered his casting vote for the *Management* point of view, explaining in turn that he did not intend to use his position as Chairman to force on the Directors a decision which they were anxious

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to postpone. One of the Management representatives promptly grasped this olive branch by suggesting a small *ad hoc* sub-committee to look further into the matter; and by the next meeting a universally acceptable solution had been found.

It is a part of the Chairman's function to avoid contentious voting whenever possible — for a very practical reason. Until the 'spirit' of joint consultation has really permeated the assembly, which takes time, there will usually be a tendency for Management representatives to 'side' automatically with the view of the senior Executive present, and for Employees to vote solidly with the senior Trade Union representative. Voting on these lines merely creates a succession of dead-locks, and accentuates the idea of *divergent* rather than of *common* interest. The only occasions on which I welcome a vote are those where the preceding discussion has shown that voting will not be on 'party' lines.

The first two or three meetings of a freshly elected Council will reveal that there are certain members who want to talk — long, repeatedly, and on every conceivable subject, and others who are entirely content to sit and listen. It is the Chairman's job, as tactfully as possible, to repress the one type and to encourage the other.

It will also be found that even in the best of Councils issues will occasionally arise which generate strong personal feelings and tend to create a state of tension. This may not be an altogether bad thing, because it is evidence of sincerity: a man does not go all tense about a matter unless he is sincere about it. But this tension should never be permitted to last too long, and in particular the meeting should not be allowed to break up until it has been relieved. This is the Chairman's job, and there are a number of ways in which he can do it: a humorous comment at the right moment, the suggestion to save time by remitting the matter to some sub-committee (the function of sub-committees will be discussed later), or

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the invitation to the Works or Personnel Manager, or to some senior supervisor, to look into the matter and report at the next meeting, are all possibilities, and there are others which will occur to the experienced Chairman.

It is seldom good policy, however, on such occasions, to closure the matter in a peremptory way and proceed to the next item on the Agenda. One of the minor objects of the Council is to enable people with a grievance to get it out of their system; and you don't achieve this if they leave the meeting feeling that they have left unsaid things which they wanted to express. As a rule of practice, it is a good plan to let such a discussion go on, always within the limits of propriety, until people begin to repeat themselves, and then to take whatever steps may seem necessary either to bring the matter to a decision or else to procure its deferment.

Finally, in this connection, I would like to emphasize the need for the Chairman to exercise his powers with discretion. The rules for the conduct of meetings should be a guide, but not a chain; and should be interpreted with liberality, and even occasionally ignored, particularly when dealing with representatives who have no past committee experience — and who are quite likely to put themselves 'out of order', in the technical sense, in every two sentences they utter. The main objective is to keep the meeting in order in the literal sense, and the Chairman can well afford to wink at small technical breaches unless they are upsetting the entire run of the proceedings. If, however, some other representative should raise a point of order, the Chairman has no option but to adjudicate in accordance with his interpretation of the Rule Book, specifying the rule on which he bases his decision.

The Chairman's second function is to approve in advance the Agenda for the meetings at which he presides. It is up to any member of the Council to ask for an item to be included, but it is the Chairman's responsibility, and his alone, to

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accept or refuse them. His decision must be taken, not on grounds of convenience or expediency, but solely on the question of whether the item concerned falls within the terms of reference of the Council as laid down in its Constitution. Here again the heavier responsibility lies with the Management Co-Chairman. Only bad feeling can be expected if there is even a shadow of suspicion that an item is being excluded without justification, or merely because the Management feels that it may be inconvenient or awkward to have it raised. Where there is real justification for this standpoint the wise practice is to let the item appear and then for the appropriate Management representative to explain as clearly as possible *why* it is inconvenient to discuss the particular proposal at this particular moment, and to promise a discussion thereon (and the promise must be kept) at an early date.

If, for any reason, the Chairman desires to call an emergency meeting, it is his business to advise the Secretary or Co-Secretary, who will then ascertain if the demand has the approval of the Co-Chairman, the requisite percentage of members, or whatever other authority the Constitution may lay down. The Council must not be regarded as the Management Chairman's plaything, to be summoned when he feels so disposed, or deferred when he doesn't feel like meeting it.

It is as well also to be quite clear on the fact that on those occasions when the Chair is occupied by his opposite number, the Chairman not in office has no right or privilege other than those of the ordinary Council member. He can claim no privilege of status to entitle him to speak more often, or to transgress any other rule of debate; and while in practice the functioning Chairman may choose to consult him on points of procedure, he is under no compulsion to do so. If, as will be discussed later, it is the practice to publish a summary of the proceedings in the Works Magazine or by wall notice, both Chairmen should approve the summary

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before it is issued. This takes the onus for its accuracy from the shoulders of the Secretary or Secretaries, and the joint approval is an acceptable safeguard against partisan presentation of the facts.

Where the Council is able to adopt the practice of one neutral Secretary, it is a convenience to arrange for the Employee Co-Chairman to collect Agenda items from the Employee representatives, and to advise the Secretary of any data which it may be desirable to have available in order that such items may be properly discussed. The senior Works representative on the Management side, or someone nominated by him, can in the same way collect the items from members of the Management panel. Naturally, where the practice of joint secretaries is followed, this task devolves directly on the two secretaries, who jointly compile the Agenda and submit it to the appropriate Chairman for approval.

The Secretary is the only other member of the Council whose functions call for any special comment. I have no personal experience of working with joint secretaries, and can therefore say but little on this subject beyond urging that they should be selected carefully, as two people who naturally 'get on' with one another. Nothing could be less productive of effective Council work than two secretaries struggling against one another like ill-paired oxen; for the 'secretariat' is in no small degree the king-pin of the entire Council structure. When a joint secretary is nominated by the Employee side, it is only natural that at the outset his conception of his function will be to look after the interests of the people who nominated him: it is therefore doubly important that the Management nominee should be of a tactful and conciliatory disposition — qualities which, in my experience, are always reciprocated from the Employee side.

Where, however, the principle of the single Secretary (which I personally think is infinitely preferable) has been

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found acceptable, he must be chosen with special care. I do not think it matters much whether he is on the full-time pay-roll of the Company, or whether he is merely retained for this special service. What is important, is that he shall be a man of considerable independence of outlook, free from any suspicion of being a 'master's man'. He must be a man of sincerity who can be trusted implicitly by both sides, for he should and will be the recipient of confidences (which he must rigorously respect) from both. He must be a good mixer, and — this is important — must be given adequate opportunities to mix with both the Management and the Employee sections of the business, if he is to do his work properly. He ought to have a first-class knowledge of procedure at meetings, and it is desirable that he should be well informed on questions of industrial history and industrial law. In many respects his qualities are the same as those one looks for in a good personnel manager, although I do not advocate making one's Personnel Manager into the Council Secretary: his proper place is as an active member of the Council.

The functions of the Secretary only begin with the routine preparation of Agenda, meeting notices, and Minutes, and the supervision of reporting. He should be, in a very real sense, the guide, philosopher, and friend of both sections. He is entitled to speak at meetings — though not to vote; but his interventions should be limited to the conveying of information, the elucidation of misunderstandings, or the explanation of points of procedure.

It may well be, however, that his most important function is to act as a sort of liaison officer between the Council and the firm in general, and also between individual members of the Council. For example, when an item is tabled for the Agenda he can (provided he has earned the confidence of both parties) suggest the form in which it should appear in order to achieve the nearest approximation to a common

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viewpoint. He can suggest the wisdom of deleting or deferring items, or of making some other approach to the matter before the item is tabled. If a member feels aggrieved at his treatment by the Chair or by the Council, the Secretary is the man to provide that tactful explanation which will smooth ruffled feelings. He can give a special welcome to new members; and can often draw their attention privately to breaches of rule or etiquette which might cause embarrassment if commented on, in Session, from the Chair.

His job is very much what he makes it. But the right man in the right place, with the full confidence of both Management and Employees: with a genuine desire to make the Council succeed, and with a complete disregard of personal credit in the matter, can do a great deal to make joint consultation a real factor in the development of happier mutual relations in industrial life.

CHAPTER V

THE AGENDA

PESSIMISTS, who have not yet tried out joint consultation, or who, having tried it, have not taken it as seriously as they do the other major activities of the Company, are apt to sneer at the futility of the proceedings. 'Just a succession of lavatories, canteens, and the iniquities of foremen', they say. Where this happens to be true (and it is true in too many cases) the fault is primarily with the Management. We had a spell of this ourselves at one time for one or two meetings, until we discovered where we were wrong, and took measures to remedy the fault.

Inter alia, I do not want to be understood as accepting the view that lavatories, canteens, and foremen's iniquities are not important matters, well worthy of ventilation. In the broadest sense, the business of the Council is to make industrial relations happier, and complaints under these three headings, whether real or imagined, are prime causes of resentment and ill-feeling. Still, I agree that successive Agenda containing these items, and little besides, do give a sense of unreality to the proceedings.

The remedy, I think, is to face the issue fairly by recognizing what joint consultation really implies. I have a strong suspicion that where joint works councils, or the war-time Joint Production Committees, have failed, is where the Management side has presented itself in the unfriendly judicial attitude of 'Well — we are here to listen to you. What are your complaints?' Now to ask a dissatisfied and frustrated man for complaints is to receive them; and because most people tend to intellectual laziness, a high proportion

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of these complaints will be taken from the most obvious sources. It is far easier (and less answerable) to complain of dirty lavatories or slugs in the cabbage than of unnecessary complications in an involved technical process or control system.

The meanings of the words 'joint' and 'consultation' are easily ascertainable from the dictionary. It is clear to me that if a Management does not really want to *consult jointly*, and on a two-way track, with its Employees it will do better to avoid altogether the semblance of consultative machinery. If, however, it recognizes the practical value of knowing the employees' viewpoint, and of considering employee suggestions, it must at all costs avoid this deplorable 'Orderly Officer' attitude. The Management has come to *consult with* the Employees, not, in a superior way, to listen to, and discount in advance, their complaints. It must bring some of its own headaches along; and must be prepared to use the Council as a means for giving out information willingly, and not reluctantly, under pressure.

It is admittedly difficult to get the departmental management and supervisory representatives to see things quite in this light. They argue, logically enough, 'If I can see anything in my department that wants doing, I do it, as part of my job: I don't want to bring it before a Council which knows less about it than I do'. This is true enough, but as an argument it can easily be carried too far. The outstanding practical benefit of Management proposals being discussed in Council lies in the very human fact that employees will always co-operate more willingly and cheerfully in something which they have themselves created, or had a hand in creating, than in something which, however good and however obvious, is imposed peremptorily from above. It is just the same difference as between putting your own cap on your own head and having it forced on your head by someone else.

If this general viewpoint is accepted, and the underlying

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principle adopted, it becomes a relatively easy matter to create an Agenda which is at the same time useful and satisfying to all parties concerned. And it will in general be found to group itself under four distinct classes of item. The first — routine items (minutes, apologies for absence, correspondence, date of next meeting, etc.) — presents no complications and calls for no comment.

The second group may be termed 'Reports'. At any Council meeting you will almost certainly have one or more items which are either referred for consideration and report by a Sub-committee, or are left in the hands of an appropriate member of the Management side to take action on and report. Meticulous care should be taken to see that such items are brought up, and progress reported, even if the report be only interim and inconclusive. It is undesirable that any item raised in Council from any source should be allowed to fall out of consideration until the Minute Book can record some definite action taken or some specific decision of the Management received. And it is desirable that this process of reporting should itself be specific.

To illustrate this point, I cite a private memorandum handed to me by the Secretary of our own Council regarding a question of the ventilation of a particular Shop, over which our maintenance department was held up for an unconscionable time by outside authorities.

'This vexed question,' the memorandum states, 'which has come up so frequently in recent months, has never received what I would regard as an *informative* answer. Never once, I think, has anybody said "We applied to the Glass Control for 142 panes of glass on December 2nd. We received an acknowledgment on January 17th, and have sent a reminder every fortnight since. On March 3rd Mr. X made a personal application at the Control offices, and on April 4th, Mr. Y saw the Con-

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troller personally". Yet that is the only sort of answer which will really satisfy the Employees that Management has done everything in its power. Withholding such details and answering in vague and general terms merely arouses the suspicion that Management has, in fact, done nothing at all.'

It is perhaps an interesting comment that at the next meeting we did provide a detailed answer on the lines suggested, and the Council, *on the motion of the Senior Shop Steward*, expressed its gratitude to the Directors for the efforts they were making to have this particular matter put right.

The third group comprises questions, suggestions, and criticisms with regard to either production, welfare, or some other aspect of management; and we regard these as being of outstanding importance. At risk of repetition, I urge here that items of this kind should on no account be resented by the Management. The one thing you cannot afford to do with the members of a Joint Works Council is to 'high-hat' them; and no person concerned with the control of personnel can too frequently remind himself that a sense of grievance will always affect output; and that an imaginary grievance, sincerely held, will have as much influence on a man's output as one which is fully substantiated.

There is, indeed, every reason to be grateful that such items are brought up. If the criticism is justified — and it frequently is — it is sheer folly to ignore it on a point of punctilio. If it is unjustified, and mistakenly held, it is worth a great deal to the future harmony of the business that it should be ventilated the true facts explained and the misunderstanding exploded. I would myself go farther, and say that where a falsely conceived criticism is put forward knowingly, and with the deliberate intention to embarrass the Management (though I have no personal experience of this) it still pays to have it fully discussed and answered in

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the glare of publicity which the Council proceedings, and their subsequent reporting to the entire Works, provide. At very lowest, it is better thus than to have the same baseless criticisms whispered behind the machines where no effective answer is possible.

It has always been my own policy, then, as senior representative of the Management, to welcome items of this character with sincere enthusiasm, and to encourage their free ventilation, expecting the Management representatives concerned to stand up to the criticism, be their case good, or not so good. If the issue is by way of being a mare's nest it quickly talks itself out in the searchlight of informed reply (I have had more than one experience of a member apologizing for raising an issue under a misapprehension). But if the criticism appears to be a valid one I either suggest that the appropriate Management representative shall do something about it and report to the next meeting, or—in matters where policy is involved—encourage the Council to make an appropriate recommendation to the Directors, which is considered, and a decision taken and explained when the next meeting takes place.

It is appropriate at this point to emphasize the fact that the Joint Works Council is not the place to attempt any 'white-washing' of executives or supervisors who may have fallen down over their jobs. There is something almost pitiable in the spectacle of the Management representatives on a joint consultative body trying fruitlessly to produce a satisfactory alibi for one of their number who has been 'found out', so to speak, in palpable inefficiency or incompetence. It is far more dignified, and in the long run less dangerous, to admit the error and consider ways and means of reform; for the employee—realizing that he is himself not faultless—is inclined to be a lenient judge. But a patent attempt to cover a real fault is always, and quite properly, resented. One of the first, and most valuable, things which a new supervisor

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requires to be taught is the need for ridding himself of the fear of admitting that he is in the wrong.

A rather special feature in this group is the technical production suggestion, and we deal with this in a rather special way. I have already expressed my lack of faith in the conventional Suggestion Box as a means of dealing with employee suggestions. At the same time I do not think it is quite fair to the technical Management representatives (and this is a criticism of the standard J.P.C. terms of reference) to have a technical idea which may involve a dozen different departments fired at their heads by an employee familiar with only one department, and for them to be expected to give a satisfactory answer straightaway. That procedure leads only to promises to 'look into' the suggestion — always an unsatisfying response, and liable, if the promise is not kept, to cause grave dissatisfaction.

Accordingly, I devised a 'Suggestions Form', on which the Employee suggestion, as it arises, is written, *in duplicate*. The top copy goes to the Works Manager, via the foreman or departmental head, and he acknowledges it promptly in writing and allocates it to the proper person for consideration. As soon as a decision is arrived at, this is conveyed to the sender in a note at the foot of the original form. The carbon copies are filed with the Personnel Manager, in datal order, and if a full reply has not been provided within fourteen days, the case is referred again to the Works Manager for review, so that he can send out an interim reply if he thinks it desirable, and deal with any unjustifiable delay which he may find has arisen.

At each Council Meeting, the Works Manager advises the Council of the current position in regard to 'live' suggestions, saying who made them, what — in brief — they are, what action is being taken, and why. The psychological effect of this procedure will readily be understood. The employees have proof positive that their ideas are having the serious

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attention of the Management, and that, in our works at all events, joint consultation on production matters is a reality and not a sham. In these days, when the policy of organized Labour is largely determined outside the individual works, it is easier for employees to appreciate a management's forward move towards the policy of Common Interest than it is for them to reciprocate. A scheme of this kind does, however, provide a convenient channel for practical reciprocation in the form in which it is most valuable.

The procedure has a further value in its influence on morale. One has to remember that if a man devises what he conceives to be a brilliant production suggestion, he will almost certainly canvass it amongst his admiring friends before he submits it to the Management. If, however, the idea is found to be unworkable for any reason — and even if the reason is fully explained to him, he is hardly likely to canvass that reply with equal enthusiasm. Indeed, he will probably say nothing at all about it unless asked by one of his intimates, when he will reply 'Oh, they turned it down' — leaving his friends with the uneasy suspicion that employee genius is being deliberately stifled by reactionary management. This sort of suspicion cannot find roots where our procedure of giving full publicity to all suggestions is applied.

I should add, in this connection, that we have found these suggestions in general to be practical and valuable — some of them very valuable indeed. A brief note of some typical examples is given in Appendix v. And I should like to pay a special tribute to my colleagues on the Employee side who have expressed the strong view that — at all events for duration — they should *not* receive any financial consideration for these suggestions, which are put forward as a part of their contribution towards winning the war.¹

¹ In May, 1944, the Board of Directors decided that the Company should, nevertheless, provide financial recognition for Production Suggestions which were adopted, and this is now being done.

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Reviewing our experience in this field, and the substantial benefits which have been achieved, it is my firm conviction that if the adoption of Joint Consultation had resulted in nothing more than this Suggestions procedure, it would have been amply justified. Actually, it has achieved much more than this, in many directions; but in none has its influence been so immediate and so far-reaching.

The fourth and last category of Agenda item is the extraneous one, which may range from projected social or educational activities or welfare proposals, to the advocacy of some good cause in which the firm and its members might, it is thought, interest themselves. Our Council acts more or less as Management liaison with the Comforts Fund for ex-employees in the Services, run by the employees themselves, but to which the Management makes a substantial contribution. It keeps a fatherly, or avuncular, eye on the War Savings campaign, the Red Cross penny-a-week scheme, the H.S.A., salvage, etc., and on behalf of the Management, it plans the reception and entertainment of members of the Services who occasionally come along to tell us what they are doing with the things we manufacture.

I favour the introduction of these extraneous interests, so long as they do not overweight the Agenda, because they provide concrete illustration of the fact that the interests in which Management and Employees can make common cause are many. Quite recently, as I write, the Council took the lead in planning a successful Blood Transfusion campaign throughout the Works, and I had especial pleasure in the unanimous passage of a resolution to the Ministers of Health and of Labour, urging that a curative treatment of industrial rheumatism which has been applied in our works for a number of years with great success, should be made generally available to industry at large.

Working along the lines of these four groups of item, our Council finds plenty of practical work to occupy its time, and

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in fact it is seldom that we get through our monthly meeting without invoking the clause in our Rules which permits an extension of time. But nobody begrudges the time spent on these occasions — least of all myself — for the results in better output and better feeling are both substantial and tangible.

THE COUNCIL IN SESSION

No study of joint consultation at the factory level would be complete without some consideration of the Council actually in session. If you are lucky enough to have available a large room not in use for other purposes, it is an advantage to turn it into a Council Chamber, reserved exclusively for meetings of the Council and its sub-committees. This adds a certain cachet of importance to Council membership, and also — so child-like is the mind of man — a spirit of interested curiosity on the part of non-members as to what goes on inside. But in time of war accommodation of this kind is hard to come by, and you may have to make do with an office temporarily vacated, or a room in the canteen or social club.

I know of one or two works where the meetings are actually held in the Board Room. Personally, I am not much in love with that idea, as it conveys in a rather subtle way the atmosphere of a deputation of employees being interviewed by the Management — an atmosphere quite contrary to the whole conception of joint consultation. A board-room table, or its equivalent, is certainly an advantage, because it compels everybody to sit 'round the table' in positions of obvious equality, and precludes any tendency to exhibit 'sides'.

We were not able conveniently to manage the board-room table, so we compromised on a horse-shoe formation of dining tables, with a private instruction at the outset to Management representatives to spread themselves so as to automatically prevent the formation of 'left' and 'right' sides. This miscellaneous seating arrangement is, I believe, universally approved. We have no reserved seats in the strict sense of the

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word. The two Co-Chairmen usually sit together at the centre of the horse-shoe, and a convention has grown up (with no authority, but with certain practical conveniences) that the Secretary shall sit on the left of the functioning Chairman, and the senior Shop Steward on the right of the non-acting Chairman. Otherwise we sit as we please and the seating plan varies from meeting to meeting, the only standard feature being a tendency of our lady members to sit together.

The Maseeley Council has another unusual accompaniment in the shape of a Visitors' Gallery, which came about in a curious way. In its early days, our Council came in for a good deal of publicity which was quite unsought by us, but which — because we wanted to push the principle in which we believed — we did nothing to discourage.¹ One result of this was a series of requests from official quarters that we should allow distinguished visitors — mostly journalists — to attend some of our meetings as onlookers; and we had visitors from U.S.A., from Turkey, from Russia, from Canada, and from Greece, as well as one or two well-known London journalists. The idea occurred to one of our Employee members that as we were giving joint consultation a good deal of publicity all round the world, it might not be a bad idea to give it a little more publicity in our own Works, and he suggested a Visitors' Gallery.

There was a certain amount of head-shaking when this proposal came up. Faint-hearts whom we consulted predicted that our Council Chamber would be packed with vociferous extremists who would make the conduct of business impossible: others said that the presence of their own workmates would render our Employee members inarticulate. One authority, in whose judgment I have great respect, feared that we should discover a tendency to talk *at* the audience rather than *to* the subject. Nevertheless, we

¹ It commenced with Anne Scott-James's illustrated article in *Picture Post*, rapidly followed by a Gaumont-British national release, and then a special 'take' for the Russian press.

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determined to try the experiment, and none of these fears have been realized.

By reason of the limitations of space we were compelled to restrict admission to twenty-five at any one evening, but the principle of first come first served was laid down, and no attempt at discrimination has ever been made. Each visitor has a ticket issued by the Personnel Department on application, and signs an undertaking to conform to the requirements of silence and good behaviour, and to recognize the right of the Chair to clear the room if a majority of the Council so desire.

Attendance varies considerably. On one occasion, when a burning tool-room issue was to be discussed, the tool-room day shift turned up *en masse*; but that was exceptional. Generally we have just a sprinkling of our own people — some quite regular in their attendance, others dropping in casually if they have nothing more exciting to do. Their behaviour has always been exemplary.

Meantime we have continued our practice of offering on-lookers' seats to interested outsiders. Amongst recent visitors we have had representatives from the Ministry of Production, a high official of the Trade Union Congress, a representative of the French National Committee, and an observer from the International Labour Office. Recent journalistic visitors have included the industrial correspondent of the *Economist* and the editor of the *New Propeller*.

Our meetings are opened and closed by taps of the Chairman's gavel, about which there is also a small story illustrative of much. When the Council held its first meeting I occupied the Chair, but before the second, when my Co-Chairman was due to officiate, he suggested to the Secretary that it was one thing for the Managing Director to control a meeting at which all present were, in effect, his employees: but quite another for an ordinary worker to do so when many of those present were, in the hierarchy of industry, his superiors. He

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thought we should provide some outward and visible sign of the dignity of the Chair, irrespective of the individual who occupied it, and suggested the provision of a gavel.

We felt that his fears were probably groundless — at least so far as he, himself, was concerned, but we nevertheless agreed to his proposal, and in the second year of the War our Secretary had to scour London for an appropriate implement, running it to earth eventually in a shop which specialized in Masonic regalia. Our meetings have tended to become less formal now that we have got to know and trust one another better, but I think we are all secretly rather proud of our gavel and should regret to see it go, because in some vague way, like the Mace in the House of Commons, it seems to invest the Council with a sort of corporate personality.

This, by the way, is a characteristic of our meetings on which it is right that stress should be laid. I cannot explain it better than by quoting some words of our first Employee Co-Chairman, Mr. Charles Thefaut, at the Council's very first meeting. He said:

Finally, we must all think of ourselves here as a corporate body who are working in the best interests of the Works and everybody in it. While we are here in council we shall of course all express our own opinions on any subject that comes forward, but once a decision has been taken in council I hope we are all sufficiently democratic to accept the decision and stand by it. We have been chosen to represent all the various sides of the business, and when as a Council we have arrived at a decision, we must be prepared to back up, amongst our fellow workers of all grades, the decisions at which we have arrived. . . . The great thing is that when we have taken a decision, we as a Council must stand four-square to everybody to support our decisions.

I can only add that this ideal has been well lived up to

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by three generations of Councillors. It is inevitable that questions should sometimes arise in which there is a tendency for Employees to combine in support of a point of view which differs from that naturally held by the Management representatives. But even in such cases — and they have been less frequent than might be supposed — I can recognize the sincerity with which these varying views are put forward. More important still, I have never known a decision of the Council, once taken, even though only by a small majority vote, which has not been loyally supported outside by every Council member, regardless of the particular panel to which he or she belongs.

The proceedings nowadays are quite frequently enlivened by those bursts of spontaneous humour characteristic of the English working man, and the Chair has never yet felt the need to curb the laughter, which, when all is said, lubricates the proceedings. On one or two occasions only have we had anything even remotely resembling an altercation, and the efforts of the Chairman in pouring oil on troubled waters have invariably been backed up by the responsible elements of both sections. Never once has the meeting shown any tendency to get out of hand.

I should perhaps mention, as a detail, that smoking is permitted, and that during the ten-minute break in the middle of our two-hour session we have so far always managed to provide a cup of tea. During this interval, by the way, it is quite usual for members to change their seats in order to talk over with fellow-members particular items which have been, or are to be, the subject of discussion. I personally usually employ that interval for an exchange of views on all manner of subjects with my Co-Chairman and the senior Shop Steward, whom otherwise I do not have the opportunity of meeting as frequently as I should like. When this interval is at an end, however, we return to the more formal procedure which our Constitution enjoins. My Co-Chairmen, Shop

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Stewards, and Secretary have joined with me in maintaining an almost rigid formality in the actual Council proceedings, and this, I think, is essential in order to safeguard the dignity of what we are doing and the sincerity and singleness of purpose with which we are doing it.

This is a convenient place to comment on the relation of the Shop Stewards to the Joint Works Council. In our own case, where the Employee panel is nominated by the Shop Representatives' Committee, the male and female Shop Stewards are in practice always nominated and serve as ordinary members of the Council, without special status, although we often avail ourselves of their special knowledge of their constituents' views. I know of at least one important firm where an entirely different practice is followed. There, the Shop Stewards are not able, constitutionally, to be elected as Council Members, but they share with the Directors of the Company the right to attend, *ex officio*, and to participate in discussions, though not to vote.

Quite frankly, I prefer our system, but I am not sure that the question is one of great importance. What is of importance is that the Shop Stewards shall not be excluded from the Council's deliberations. They are the pivotal points of the opinion of organized labour, and to keep them outside the field of the Council's activities is to invite suspicion and the setting up of unnecessary rivalries. Personally, I have come to have considerable respect for my own Shop Stewards, and I should regret being deprived of their help and advice in matters other than those where 'a dispute exists or is apprehended'.¹

¹ I think that John Buchan's summary of the functions of a Shop Steward, placed in the mouth of one of themselves, is after all the truest: 'It's not been an easy job, and there's plenty of honest folk the day will give me a bad name. They think I'm stirrin' up the men at home and desertin' the cause of the lads at the front. Man, I'm keepin' them straight. If I didna fight their battles on a sound economic ishue, they would take the dorts and be at the mercy of the first blagyard that preached revolution. Me and my like are safety-valves, if ye follow me.'

CHAPTER VII

SUB-COMMITTEES

A PHENOMENON of most joint consultative schemes of which I am aware is the periodic demand for the creation of standing or of *ad hoc* sub-committees, to deal with particular aspects of the various matters which have been remitted for the Council's consideration. This is sometimes made a matter of criticism by the sceptics, who satirically suggest that 'at this rate you will soon have two key men sitting on Committee all day for every man working at the job'.

My own view is that criticism on these lines is altogether too wholesale, though I am quite prepared to admit that it is possible for the sub-committee habit to be carried to excess. That fact, however, does not make it a bad thing in itself, and it seems to me that a general and wholesale condemnation of sub-committees in relation to schemes for joint consultation will only be made by people who have failed to recognize the new conditions which have arisen in recent years as a result of technological progress and the skill of the production engineer in breaking down complicated processes into simple elements.

At our time of day, and still more in the future, the inanimate machine of iron and steel may be considered to be very well 'conditioned' to its task and its environment. It does its job flawlessly and within narrow limits of precision, it operates with the minimum of human attention, its liability to breakdown is becoming less and less, and it does not develop peculiarities at awkward moments. The human element, however — the still more important machine of flesh and sinew and brain — has not reached the same degree of mechanical perfection, and all these faults — and a good many others — still persist. It is this human machine which

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is increasingly becoming the prime cause of headaches and head-shaking in the Manager's Office and the Board-Room.

Undoubtedly it is true that sub-committee meetings take up a certain amount of time — although I am by no means sure that it is either necessary or desirable always to man them with key people, and I think it could usually be arranged, if considered necessary, to hold them outside of working hours. But I dissent strongly from the view that the time thus spent is wasted. You do not call it waste of time when an engine is stopped for somebody to oil its bearings. I believe that sub-committees, standing and *ad hoc*, are in considerable measure the 'oilers' of the human machine, and do much to iron out needless frictions, and to teach not only the members concerned but everybody in the firm, that it is in truth a unity, in which everybody is concerned about the well-being of everybody else.

Actually these sub-committees have also a more concrete value, in so far as they provide a filter through which confused issues can be strained before they are brought before the Council for decision. It is frequently difficult to discuss usefully a matter about which all that is known (except by the mover of the resolution or motion) is an obscure reference on an Agenda sheet. And occasions often arise when the discussion of some item leads to disclosures which enlarge its scope to such an extent as to make general discussion on the spot almost impossible. Reference of such matters to a sub-committee enables the subject-matter to be clarified, the sometimes infinitesimal grain of wheat extracted from the chaff, and clear issues to be presented for the Council's decision. Of the advantages of appointing an *ad hoc* sub-committee to get rid of a contentious issue which seems likely to result in an impasse, I have already written in a previous chapter.

It quickly becomes plain to the observant that membership of a sub-committee, even though that sub-committee meets

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only once, or very infrequently, almost always results in an increased sense of responsibility in the individual, and a more generous and less partisan approach to Works problems. This characteristic is by no means confined to the Employee panel, but seems to affect everybody, and I therefore welcome opportunities, within reason, to give all members of the Council an occasional turn at committee work. We have gone farther, as a matter of fact, by stretching our interpretation of our own Constitution to make possible the co-option on sub-committees of employees who are not members of the Council — so that this desirable increased sense of responsibility can be carried as far as possible throughout all departments of the Works.

The number and nature of sub-committees will of course depend on the character and circumstances of the business. There will almost certainly be a standing Canteen Committee, meeting at regular intervals to deal with all suggestions or complaints about canteen services. Other standing sub-committees may also cover sports and social activities if these matters come within the purview of the Council (in our case the Social Committee, which is older than the Council, continues to run independently, but with the Council's blessing). A standing Accident Prevention or Safety First sub-committee has much to recommend it.

Ad hoc sub-committees, which exist to deal with matters specifically remitted to them and then, having reported to the Council, unobtrusively dissolve themselves, may be formed to deal with every kind of subject. In our own experience I recall such sub-committees being established to report on absenteeism (this was before the Essential Work Order on that subject), the shopping problem — and its particular application, men's haircutting, the function of the Chairman, reception of Service visitors, petty pilferage, education of juniors, constitutional amendments, and so on.

Reference has already been made of the fact that our

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Council nominates (subject to the Board's approval) the members of our Appropriate Committee under the Essential Work Order (Absenteeism); but as this body functions independently, and does not normally report its proceedings to the Council, it cannot properly be regarded as a sub-committee.

We have two other standing sub-committees, both of which remain for the most part in a state of suspended animation, but either of which can be called to active life at any time. One of these is an Editorial Advisory sub-committee of three members, to whom the editor of our Works Magazine can appeal if at any time he wants advice or runs short of matter. The other (unique, I think) is a B.B.C. Relations sub-committee of seven members, created for a purpose which will be described in the next chapter.

When the Council appoints a standing or special sub-committee of its members it should, in the same resolution, define clearly the nature of its terms of reference, and also indicate the Council's wishes in the matter of reporting. It is quite important that a sub-committee should never be allowed to regard itself as being an independent or semi-independent body, or as possessing powers other than those which the Council is pleased to give it. The Council is fully entitled, if it so desires, to nominate the Chairman or Convenor of any such sub-committee, or, at its pleasure, it can authorize the sub-committee to elect its own Chairman.

Some people think it is a good plan in the case of *ad hoc* sub-committees for the Council to impose a specific instruction to the sub-committee to dissolve itself as soon as its report has been made. This is perhaps carrying formality a little too far, although cases have been known of sub-committees finishing the task remitted to them and then obstinately refusing to dissolve themselves, continuing in being and devoting their attention to matters far outside their terms of reference. Foolishness of this kind can always be stamped

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on pretty heavily, but it is always better not to stamp if the result can be achieved in some other way, because the last thing one wants to do is to make keen Council members feel that their efforts are unappreciated or their activities being turned to ridicule.

Normally, of course, the only true function of a sub-committee is to report on its reference to the body that appointed it; but in certain fields, notably Canteen, Sports and Social, and Accident Prevention, it can be very convenient to delegate to the sub-committee certain limited executive powers, provided such delegation has the specific approval of the Board. It would obviously be futile to require an Accident Prevention sub-committee to wait until the next meeting of the Council before taking measures which common sense indicated to be necessary and urgent; and it is going rather far to require a report-back to the Council for authority to adjust some minor complaint about somebody's dinner. Where it is felt desirable to confer executive powers of this kind, the nature and extent of these powers should be clearly laid down by the Council; and if it lays down that the actual executive action should be taken by some executive officer of the Company (as will usually be the case) it must make the special relationship between the sub-committee and that officer perfectly clear.

A final practical point refers to sub-committees whose Reports are likely, by reason of their subject matter, to be lengthy, involved, or of some special value either for permanent internal reference or for reference to authorities outside the Company. In nominating the personnel for such sub-committees, it is most desirable to ensure the inclusion of at least one person who possesses some facility at drafting, and who may be expected to have the time and opportunity to compile the draft report for his sub-committee's approval. If this point is not looked after, the deliberations of such a sub-committee may be very long-drawn-out indeed.

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IN concluding this study of joint consultation in practice at factory level, I want to refer to certain ancillary activities which, if not absolutely essential to its success, at all events help very much in its achievement. I deal first of all with the question of personnel management.

More than three years ago, when I was discussing the possibility of forming a Joint Works Council with that very well-informed and experienced authority Mr. Robert Watson, now Chief Labour Officer of the Metal Box Company, he said 'Get a Personnel Department going first: your J.W.C. won't succeed until you do'. I blush to write that at that time I had not yet realized the importance of this branch of industrial administration, and it came to me rather as a shock when Mr. Watson pointed out what I have already mentioned more than once in these pages: that to-day the human machine is more liable to breakdown than the machine of iron and steel. I felt that he was right, but I did not altogether take his advice, and our Personnel Department and our Joint Works Council came into being almost at the same moment. Looking back, I feel that we were lucky to get along so well in the early days, when our new-born Personnel Department was finding its feet and defining its functions; and I am inclined to think that if I were doing it all over again I should give the Personnel Department at least three months' independent existence before I attempted to bring the Council into being.

A Personnel Department fills a gap which no amount of personal camaraderie on the part of executives, and no amount of high wages or frequent bonuses can even bridge.

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It is not concerned with men's output, but with their health and happiness. It is troubled, not with the Management's troubles only, but with those of the individual worker. It does not even begin to think of them as 'hands', but only as 'minds' and 'souls'. In short, it is the outward and visible sign that the Management is officially making common cause with the employees in the special interest of the latter. And only when that fact has been generally realized will a reciprocal spirit of Common Interest be generated on the other side.

I do not here write about the enormous practical benefits which accrue from the operations of a good Personnel Department: of the saving in the Works Manager's time, the frictions smoothed out, the incipient disputes smothered ere they have come to a head: for this is a book on Joint Consultation, not on Personnel Management. One point, however, I would like to stress. It is useless to attempt to defend the lack of a Personnel (or, if you prefer it, a Labour) Department by arguing that the principals, directors, or managers are always approachable on personnel questions. In a business of any size, this just isn't true — except in a very limited sense. Apart from this, it is quite impossible to achieve satisfactory personnel relationships where you do not have defined responsibilities. What is everybody's business is nobody's business, and has a habit of never getting done; and to place personnel relationships in commission as the joint responsibility of all the works executive is about as sensible as to make all the works executive jointly responsible for the sales ledger.

I have given a good deal of thought to this matter, and have come to the conclusion — from which I fear I should want a lot of shifting — that any works or factory employing 200 or more people ought to have a properly organized Personnel Department, with a qualified manager and appropriate staff: that an enterprise with between 20 and

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200 employees ought to have one person of executive rank charged with personnel relationships as a main if not sole responsibility; and that a small enterprise of under twenty employees ought to have a clear understanding with everybody on its pay-roll that a particular person - either the principal, one of the partners, or some senior employee, is always approachable at certain hours of the working day on personal questions.

I leave this topic, then, with the comment that an efficient and smoothly working Personnel Department is perhaps the most important of all the ancillary activities which go to make new and better industrial relationships possible.

Next, I would like to refer in some detail to the question of the Works Newspaper or Magazine, already mentioned several times in preceding chapters. As a vehicle for conveying information, for providing the means of exchanges of views and experience, and more particularly for generating enthusiasm for, and interest in, the activities of the Council, this is quite invaluable - subject to one condition, that it is read by the employees.¹

The bulletin of 'pep' talk is a commonplace on the Sales side of business, but this is not what is required on the Production side. Here, there is need for a more familiar and reciprocal touch. Workers will not read what they conceive to be a sort of spur or goad imposed on them by the Management - not even if they know that reading it may be to their advantage. The kind of production they *will* read is one which they feel is their own: that chronicles their individual

¹ The importance of having some medium for Council publicity is emphasized by contrast in a letter appearing in the *Coventry Evening Telegraph* in July last, in which the writer asserts: 'At my own place of employment I have never heard a committee member volunteer any information regarding procedure, or any worker ask for it. No reports are made and no interest is shown. Neither has any effect upon production been discernible! If this is typical of J.P.C.s elsewhere, then the whole scheme seems just another sample of window-dressing.' At any works where such assertions can be made and substantiated, the Management is, in my view, very much to blame.

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achievements and their individual opinions: that gives them the opportunity to let off steam occasionally; and — for the instinct of fair play is by no means dead — that provides the Management with a vehicle by which it can answer back to unjustified criticism or unfounded rumour.

A publication of this kind — be it lordly printed compilation or modest lithographed or stencilled sheet — will be read with critical interest by a large proportion of the employees; and with a little encouragement (which may be modestly financial) they can be persuaded to contribute to it, when its readership will expand still further. And thus the opportunity is provided for the publication to do its job of fostering the new spirit.

When we set about forming our Joint Works Council, we started our own bulletin, 'Masseley Matters', but the original 'M.M.' was a dull affair. It used to contain an accurate, but rather colourless, summary of Council meetings, and occasionally some kind of special article — generally from my pen. I do not flatter myself that it did very much good, because I have the best of reasons for knowing that it was read by very few people. So we set about making a change.

We handed over editorial responsibility to one person — actually our Council Secretary: giving him, as already explained, an Editorial Advisory Committee to call on if he needed them. He was authorized to take an independent line, to criticize Management and Employees impartially if he felt so disposed, and above all to humanize the publication. He was also authorized to expend a modest appropriation on paying for articles or letters published; and we developed the possibilities of lithography in the introduction of occasional illustrations. Almost at once we found demands for additional copies coming in, and the flow of articles and letters submitted is clear evidence that our people of all grades are reading it with some enthusiasm.

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Naturally, we still continue to publish our summary of Council proceedings, but this is now written in a 'more flowing and entertaining style. Miscellaneous comments on Council events, and on other works happenings and personalia, appear on other pages; and there are always one or more articles on a wide variety of subjects written by all sorts of people from the Chief Executive to the Yard Sweeper, and occasionally by outsiders, to keep the interest alive.

We have the view that this bulletin is a very proper vehicle for the criticism of management policy by non-Council members, and also for straight from the shoulder replies to such criticism when it arises. Everyone is free to express his or her own opinions, and we quite frequently quit the domain of the parish pump and indulge in serious controversy on national and economic questions. We do not find that the loyalty of our employees is in any way deflected by providing an open platform for any who would like to see radical changes either in our own management or in the national economic and social set-up. In a few months time from now we shall be running a special issue boosting our Annual Elections, and we shall provide a free platform for all candidates.

If you have no facilities for a publication for general circulation, a 'Wall Newspaper' is a second-best alternative. My only comments on this possibility are, first, that it must be edited with the same care as a publication intended for individual circulation: second, that the supervisory staff must be instructed that it is not in any sense a breach of discipline for an employee to stand in front of such a notice and read it.

Where you have loud-speaker installations throughout the factory, these can also be used as valuable ancillary means for backing up the decisions and conclusions of the Council, and for encouraging enthusiasm in its proceedings. I commend the occasional use of this by *employees* — it loses much of its value

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when its employment is restricted to peppering-up or admonitory talks by the Management.

It has always been an idea of mine that members of the Council, and particularly its Chairmen, should be encouraged to feel that their function is an honourable one, and entitles them to some special degree of consideration. For obvious reasons it is difficult to apply this theory in the day to day running of the Works, but I have always tried to rope in the Council in any appropriate outside activities, making it clear that their inclusion is a natural consequence of the high regard we have for the Council as an institution, and for its members by virtue of their office.

For example, representatives of the Council are, whenever possible, invited to join us in attending any meetings or conferences to which we have been invited to send representatives. This is a privilege which is very much appreciated, and is, I believe, educative. (*Inter alia*, I strongly commend the practice of including Shop Stewards or Council Members in delegations to such gatherings as the 'Oxford' Management Conferences, and I wish it were more widely followed.)

When the Gaumont-British Company made their film of our Council in session, representatives of the Council accompanied me to the pre-view, and all members of the Council were specially invited to the first public showing. And when, some months later, I had the privilege of speaking in one of the B.B.C. 'Answering You' programmes to America, we were able to arrange for the entire Council to attend, at Broadcasting House, a special play-back of the discussion. Following this, the Council was invited by the representative of the B.B.C. to discuss the possibility of further presentation of the British industrial situation and viewpoint, and it was for this purpose that our 'B.B.C. Relations sub-committee', mentioned in the preceding chapter, was formed. This sub-committee gave a considered report; and subsequently one of our women employees was invited to broadcast to

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Australia. We have since been consulted by the B.B.C. on various matters concerning industrial relations, and in particular on the functioning of Joint Works Councils, and we feel rather proud of the fact that we are accepted as being specially knowledgeable in this field.

War-time conditions have so far precluded the organization of annual or bi-annual council lunches or dinners, but I am not without hope that in due course something of this kind may become a Masseur institution, when I anticipate that the 'feast of reason and flow of soul' will be both entertaining and instructive.

Finally, I should again refer briefly to a matter I have already mentioned — the Foremen's Meeting in a works where the supervisory staff is too large to be adequately represented on the Management panel of the Council. We ourselves do not happen to need one, but if we did, I should be inclined to run it on identical lines with the Council proper: the same formalities and familiarities, the same freedom of utterance, the same immunities, and as far as possible the same agenda. Where special items were brought up by the foremen, I should urge them to refer these items to the ordinary Council for a second opinion, and vice versa — so that supervisors and employees, though deliberating apart, might eventually come to feel that they really belonged to the same team and were working for the same purpose.

The one thing to avoid, in a Foremen's Meeting designed for this purpose, is the somewhat one-sided atmosphere of the Manager's 'Foremen's Conference' — to which the foremen go to receive instructions or admonition. The regular Foremen's meeting instituted for the purpose we are considering must, in fact, be a *Council* meeting, or else it is a waste of time.

PART THREE

JOINT CONSULTATION
AT THE NATIONAL LEVEL

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CHAPTER I

INDUSTRY'S NEED FOR A SINGLE
VOICE

IN Part One Chapter VI of this book I have stated in general terms my belief in the essential need for machinery which will enable Industry — all sections of it — to speak with a single voice at the national level on questions of both domestic and international policy. In the pages which follow it is my aim to examine this thesis in all its implications, and to attempt some detailed study of its potentialities and its problems.

To avoid any possibility of misunderstanding, I should make it perfectly clear that I am not envisaging a structural organization bearing any sort of resemblance to the Fascist conception of the Corporative State. Industry, in which I include Ownership, Management, and Labour, is the servant of the Community: it is not the Community itself, and it should not be the Community's master. The last word must be with the ordinary citizen — the consumer — exercised in part through his Parliamentary representation and partly through his Parliamentary vote.

If the country wants to eat grass and to wear woad it has the clearest constitutional right to do so. All I ask is that before it makes the fateful decision, some body of representative informed opinion should be available to explain the consequences which are likely to ensue — not in terms of political ideology, but in those of industrial experience: a

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body which can perform the same function for the national legislative and executive authorities as the individual Joint Works Council performs for its own Board of Directors. And I consider the need for this is clamant, because the decisions which will have to be taken in the fairly near future are such as may have long-lasting if not irrevocable effects on the entire future of the nation as a whole.

It seems evident to me that such a 'machine' could only be created on the foundation of the essential principle which we have already considered at the factory level: namely, that there is an over-riding common interest in the continued prosperity of industry which transcends the special and sectional interests of particular individuals or groups of individuals who may be engaged therein. Unless we can achieve some common understanding on this point it is futile to think about Industry speaking with a single voice. All that could possibly emerge from any other basis would be a confused murmur of dissonance, in which the voice of one or other of the contending parties might occasionally achieve temporary audibility, but the general effect would be neither informative nor even coherent. Political decisions which might ultimately be taken as a result, would at best represent a sterile compromise, and at worst a continuous irritant to one or other section of the industrial community.

If this unsatisfactory condition is to be avoided, we must first of all locate and define our basis of common interest, since it is on that foundation that the entire structure must be built up. I should imagine there can be little doubt as to what that basis ought to be.

Whether for good or ill, the welfare of this country, and of every man, woman, and child who lives in it, is indissolubly bound up in its continued industrial prosperity. This statement remains true no matter what changes in the social or economic systems may chance to be thrown up in the as yet unilluminated vistas of the post-war future. A Communistic

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England could no more survive industrial breakdown than could a High Tory England. In either case there would be a catastrophic fall in the standards of living such as would make it impossible for us to survive. And for this essential of industrial prosperity there is no substitute. Agriculture, the only theoretic alternative, could not provide maintenance, even at a low standard, for more than a small fraction of our native population.

On the other hand, our richness in certain essential raw materials and our accessibility to those of the rest of the world, our technical genius¹ and the inherent craft skill of our workers, and our long traditions of industrial experience and commercial leadership, combine to fit us for continued and intensified industrial enterprise, for the ultimate benefit not only of ourselves but of the whole world. We are, and must be, an industrial nation or else nothing at all that counts.

This being the case, it is surely a matter of over-riding importance to everyone, entirely irrespective of the political or economic badge they may have pinned to their coat-lapels, that the industrial machine shall continue to function in a sufficiently adequate fashion to provide the means of life and such social securities and amenities as the Community desires and deserves.

I do not think there is any possible escape from this conclusion, and it is much more than a truism. If it is accepted as a basis for thought and action, it involves recognition of certain implications which must have a decided bearing on the attitudes respectively of Capital *per se*, of Management (which may or may not be a part of Capital), and of Labour. For a start, it demands a genuine recognition of the fact that

¹ An eminent American technologist said the other day, 'When I consider what you British have done in the field of technical progress, *with your research activities in the mess they are*, I feel that if you could only get your research properly planned you could take on all comers and beat them with one arm strapped down'—a generous tribute, but not, I think, wholly undeserved; and with a moral which is, however, outside my present purpose to pursue.

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these three elements are joint partners in industry at the national as at the factory level, and as such are all *entitled* to some kind of voice in the way industry is to be run. But none of them is entitled to say that it shall not run, or shall run only on certain lines, or to sabotage its running: for to do these things would be in the first degree anti-social, a supreme crime against the Community as a whole.

This does not mean that the three sections must of necessity adopt a common political ideology: it *does* mean that they must deny themselves the luxury of allowing their distinctive ideologies to interfere in industrial progress. Consequently they must strive to achieve the highest common measure of practical agreement rather than aim to accentuate such ideological differences as may exist. In short, they must contrive to separate the political from the economic and commercial issues.

Experience at the factory level shows that it is quite possible to do this: at the national level the experiment has yet to be tried. One thing is certain, however. A spirit of over-riding Common Interest cannot co-exist with a partisan conception that Capital (or Management) is the natural enemy of Labour, or vice versa. It has no room for an Employer mentality which stubbornly resists what it is pleased to term 'encroachments' by Labour on its own traditional field, or for a Labour mentality which is prepared to allow the ship of industry to founder because it would prefer to see a different name painted on the stern.

An obvious difficulty presents itself at this point, however. The force of habit is strong, in organizations as in individuals, and it does not do to forget that just as the trade unions were originally created to defend the employees against exploitation by the employers, so, in due season, most of the employers' associations (certainly most of those which have to do with labour relationships) were primarily created to protect and defend employers against exploitation by organ-

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ized Labour. At the national, as at the factory level, there is a common tradition of distrust, suspicion, and antipathy, which is only now beginning to be broken down. I return to this point later, because it has a highly practical bearing on the possibility of achieving effective joint consultation at the national level.

A further implication arising from the basis which I have suggested is the need on both sides of Industry for such forms of organization as will ensure that the combined 'voice', however it be made up, shall be truly representative. And we have some way to go before this essential condition is achieved. As a result of factors which are both historical and psychological — and in part also geographical — by far the greater number of the industrial enterprises of this country are relatively small ones. It may well be — some reputable industrial economists have argued it with force and cogency — that for the purpose of sheer efficiency the optimum size for an industrial undertaking is one that employs under 700 people. This is an issue which I should not feel qualified to debate, and which I do not propose to discuss. The serious fact is that the influence, if not the actual membership, of almost every employers' association or federation in this country is predominantly that of the small minority of 'big' businesses that belong to it, as a glance at the names on any of their Boards of Management or Executive Councils will attest.

If we are thinking of Industry as a unity, it is certain that no basis exists at present for the proper representation of the viewpoint of the 'average' employer. In this matter, in contrast with the clever and flexible organization of the Trade Union Congress, the employers of this country are a disorganized rabble — which would be serious enough (I write as an employer) if the pre-war conception of divergent interests were to be allowed to prevail. I am not sure if it is not still more serious in contemplating the recognition of a new spirit

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of Common Interest, with all the need for clear objective thinking and freedom from the bondage of vested interest and preconceived idea which that involves.

To this point also I shall return in later chapters. Here I am concerned only to state what I believe to be a desirable aim. This I conceive to be some organization and machinery for the exchange of views at the national level between the various parties to Industry, directed towards the common end of maintaining and increasing industrial prosperity; and I postulate as essential conditions of success that this organization must in some way contrive to be divorced from the traditional antagonisms of the past, and that it must, as to its functioning members, be in a true sense representative of industry as a whole.

At the present time a rather empirical and sectionalized form of joint consultation does exist, as a result of the exigencies of war. Associated with almost every Government department whose activities impinge in any way upon industrial questions, a variety of Management-Labour joint advisory committees and panels have been created, and these unquestionably exert a considerable influence on government decisions. For the majority of the men who comprise them we have all, I think, a good deal of respect; and it may be that for the purpose of dealing with the day to day problems of war production in its various forms, such *ad hoc* bodies may be effective, or even possibly the most effective. But I cannot see them, in any kind of permanence, replacing the voluntary and ordered joint consultation which it is my purpose to advocate.

In the first place, I should deprecate permanent joint consultation for such purposes as those indicated in the Mond-Turner proposals being conducted under the aegis of government departments. I think there would be quasi-political influences brought into play: a good deal of log-rolling: unjustified restrictions on terms of reference; at lowest

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a partial strangulation of enterprise and initiative in thought and action by the asphyxiating influence of bureaucracy. Indeed, some people who should know assert that when a business man is brought into a government department, as so many have been for the temporary purposes of the war, he becomes within six months more bureaucratic than his oldest colleague on the permanent staff.

But apart from this, I feel that useful progress in joint consultation at the national level will only be made when those participating are truly representative of the industrial groups for whom they are supposed to speak. I am given to understand that when the various Ministries have appointed these war-time committees and panels, they have selected their personnel on the advice of the T.U.C. on the one hand and of the British Employers' Confederation and F.B.I. on the other. Of the T.U.C. I have no criticism to make in this connection, but for reasons already glanced at, and to which I return in the next chapter, I very much doubt the representative quality, though not, of course, the bona fides, of nominees from the other two bodies.

There would appear to be three possible methods of replacing this present *ad hoc* conception of consultative machinery by something of a more democratic and enduring character. This objective could be achieved, theoretically at all events, by some kind of merger of existing employers' and management associations, with the object of building up a comprehensive structure which would be as representative of organized Management as the T.U.C. is of organized Labour. A second method would be to by-pass all the existing organizations by creating a new and comprehensive organization for the express purpose of selecting and guiding what, at the factory level, we have termed the 'Management Panel'. Or finally, and more drastically, it might be desirable to build up the national consultative body (which for convenience from now on I shall refer to as the National Industrial Coun-

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cil) very much as the T.U.C. Executive Committee is built up — by successive elections, commencing at the factory Joint Works Council, through District and Regional Councils each nominating its candidates for the higher body above it, with the Regional Councils finally electing from themselves representatives of both Management and Employees to sit in consultation at the national level.

Each of these methods has points to commend it, and also points of difficulty which would have to be faced and overcome before any concrete organization could be built up. In the chapters which follow I am proposing to examine each of them in greater detail.

CHAPTER II

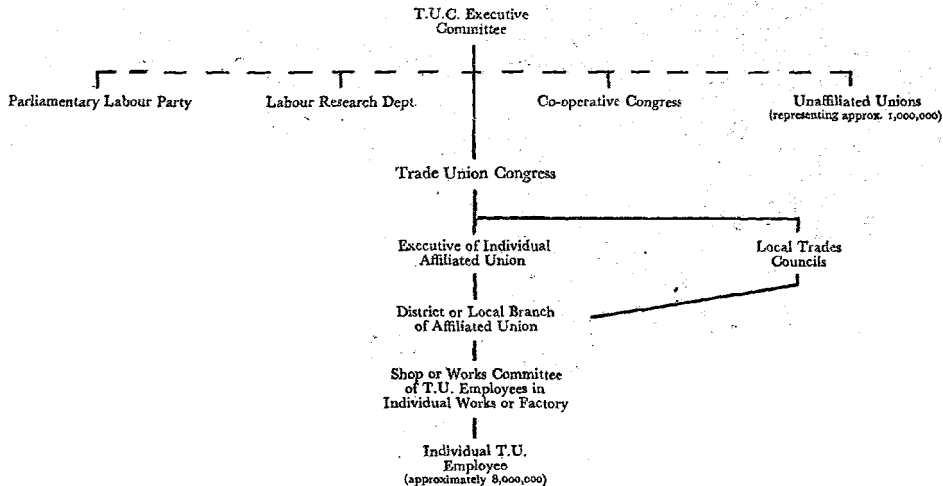
THE PRESENT ORGANIZATIONAL SET-UP IN INDUSTRY

IN order adequately to examine the possibility of establishing a basis for Management representation on a National Industrial Council by process of fusing existing management organizations, we must recognize frankly the chaotic condition of management organization at the present time. When, on an earlier page, I presumed to assert that by contrast with organized Labour, British employers were in the position of a disorganized rabble, this was no flourish of empty rhetoric. Employer-management organization in this country is loose, incomplete, and deplorably unco-ordinated: whereas the comparable organization of Labour is simple, direct, reasonably comprehensive, and, in the full sense of the word, democratic.

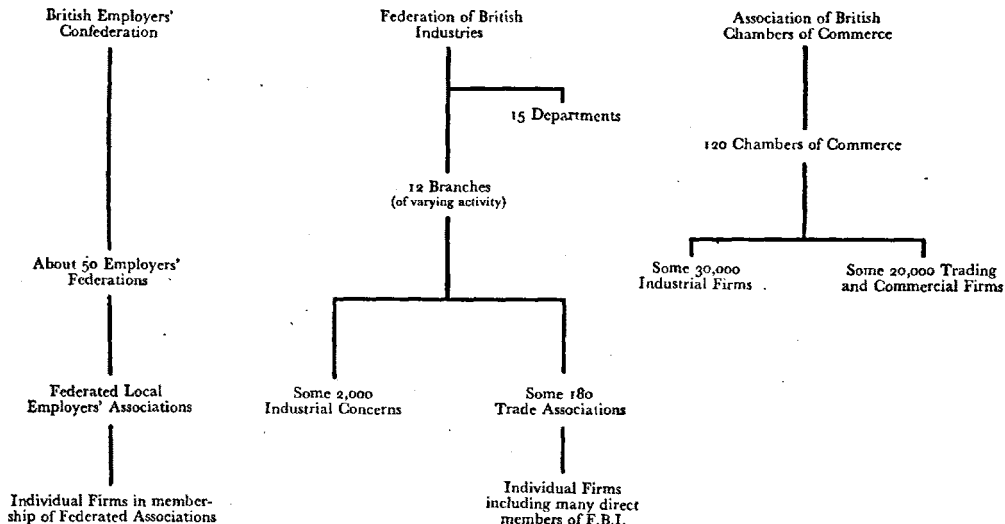
The diagram shown on page 130 expresses the general set-up from which the negotiating authority of the T.U.C. is established, and it is worth studying. All authority, it will be noted, derives from the bottom, the individual trade unionist, who elects his own representatives in his place of employment and confers on them voluntarily quite considerable powers to look after his interests in so far as they are purely localized in his factory, works, or shop. Representation is carried up, by a similar process of free election, to the local branch of the trade union, which, in the same elective way, continues the process vertically to the union Executive, and horizontally to the local Trades Council, where different unions in the same locality can study their common local interests together.

Delegates of the affiliated trade unions (there are approximately 230 affiliated unions) combine at the next stage with

LABOUR ORGANIZATION — BASIS OF REPRESENTATION



MANAGEMENT ORGANIZATION — BASIS OF REPRESENTATION



UNREPRESENTED

1. Federations of Employers not members of Confederation.
2. Trade Associations not members of F.B.I.
3. Specialist Employers' and Management Associations.
4. Industrial Concerns not members of any Employers' Association.
5. Industrial Concerns not members of any Trade Association.

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representatives of the local trades councils at the annual Trade Union Congress, which lays down the broad lines of trade union policy for the forthcoming year, and elects an Executive Committee to translate that policy into practice. Every step in the process is determined by the votes of the group below, and a delegate at any point in the chain continues in office only so long as he retains the confidence of his constituents. Consequently, T.U.C. nominees to a National Industrial Council would be justified in claiming that in a broad sense they possessed a clear mandate from the section of Industry they claimed to represent.

The mandate is not, of course, complete, as it provides no representation of the special viewpoint, if any, of non-union labour. I should be the last to deny the democratic right of the individual worker to decide for himself whether or not he joined a trade union, and any idea of the compulsorily closed shop is to me abhorrent. Nevertheless, in this matter of joint consultation at national level it is difficult to envisage any means of representing the views of the non-union worker, who is necessarily inarticulate for the simple reason that he is unorganized. It is not easy to see how you are to obtain and consider the *individual* opinions of a half-million or a million people on some complex industrial question which calls for an immediate reply. Delegation of powers to trusted representatives seems to be the only practicable solution, and there is no way that I can see by which such representatives can be chosen from amongst people spread all over the country in varying density, so long as they persistently refuse to organize themselves.

Actually, I am inclined to doubt very much whether non-union representation at national level would make any material difference. In my experience of joint consultation at factory level I have yet to meet with a Council decision which did not, in practice, work out as much to the advantage of non-unionists as of their organized brethren. Indeed,

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the case for separate non-union representation would be much stronger if there was evidence of any reluctance on the part of non-unionists to participate in ameliorations of pay or conditions achieved for them by union negotiation. Personally, I would not be disposed to regard the matter of separate non-union representation as being an issue of cardinal importance.

In passing, we may note that T.U.C. nominees to a National Industrial Council would bring with them not only a clear mandate but also, and again by reason of the well-knit character of their organization, some additional qualifications for the job. As will be seen from the diagram, they are fortified, on the one hand, by the very considerable fund of experience and knowledge which the T.U.C. permanent secretariat and the Labour Research Department can provide. On the other, they maintain close liaison with the Parliamentary Labour Party, the Co-operative Congress, and with certain unaffiliated trade unions (mainly those whose affiliation is prohibited by law by reason of the fact that they are the unions of government services).

Critics may claim that this organization does not in practice work out so well as in theory, and they are probably right. Organizations seldom do. Vested interests tend to become created, log-rolling and back-stairs negotiation goes on, and the search for objective reality and truth is clouded by partisan considerations. All this may be true enough, but the broad fact remains that the organization does exist which *can* provide the form of representation we are seeking, and which, I think, would do so once the practical advantage of having the right men in the right place was realized.

When, however, we turn to consider the comparable set-up of Management and Ownership organization, we find a very different state of affairs. The situation is, in fact, sufficiently chaotic to make diagrammatic presentation difficult, but the

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diagram on page 131 provides a basis for the study of the organizational line. In this instance, we can most usefully commence at the top of the diagram, recognizing that such co-ordination as may exist centres round three entirely independent bodies, with distinct terms of reference, and no common organization or purpose. They have no standing machinery for joint consultation amongst themselves, or for the exchange of views on questions of common interest, although in practice such consultation and exchanges do take place on an *ad hoc* basis.

Dealing first with the British Employers' Confederation, this is a confederation of about 50 federations of employers' associations; originally created to co-ordinate the activities of our employer representatives at the International Labour Conferences at Geneva, but now recognized as the supreme negotiating authority on the ownership side in regard to all labour questions other than those affecting black-coated workers. Each of the confederated Federations combines the local associations of Employers in the industries concerned; and these local Associations in turn are made up from the membership of individual industrial units concerned.

It must be remarked that there are several Federations which are not in membership of the Confederation, numerous local Associations which are not in membership of any Federation, and a large numerical majority of the industrial undertakings in the country which do not belong to any Employers' Association at all. It is but fair to admit that most of the largest industrial organizations do, at some stage, come under the aegis of the Confederation: nevertheless its claim to be a body representative of all British employers and their interests can hardly be substantiated, and it would be a fairly safe assumption that the vast numerical majority of employers do not know who represents them in its counsels, or if, in fact, they are represented at all.

The second main co-ordinating body, the Federation of

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British Industries, exists to deal with commercial and economic questions, but is precluded from dealing with questions of internal management or labour relationships — a limitation which has always seemed to me to be futile, and which is beginning to be generally understood to be unworkable. The F.B.I. takes individual firms into direct membership, and also accepts corporate membership from about 180 trade associations, so that a considerable number of its members enjoy a species of double representation. There are, on the other hand, a large number of trade associations, and a very large number of individual industrialists and merchants, who do not belong at all.

It operates through fifteen departments at Headquarters, which do not, however, include any department to handle production questions, and through twelve local secretariats of varying activity; and it has created 24 industrial 'Groups', primarily to deal with export questions.

The third co-ordinating body is the Association of British Chambers of Commerce, combining some 120 local Chambers of Commerce which include in their aggregate membership about 30,000 industrial undertakings and 20,000 trading and commercial concerns, ranging from banks and insurance companies to retail shopkeepers. Here again, actual membership is only a very small percentage of those who are entitled to belong.

Criticism of this odd, haphazard grouping is, of course, easy. These three major organizations together are at best representative of only a small minority of the units which go to make up British Industry. Their membership overlaps, for there is no reason why an enterprise should not belong to all three of them, as many in fact do. Their terms of reference are ill-defined, and these also overlap. Primarily created as co-ordinating bodies, they are themselves unco-ordinated each with the others. They have no common research or planning staff, no common centre of information, no

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common publicity policy, in the main no common purpose: and their practical policy of expediency is dictated by Boards of Management or Executive Committees whose members are, in general, only remotely in contact with the 'average' industrialist whose destiny they powerfully influence, and from whom they derive their powers.

As an employer, I am bound to confess that I look with some envy at the unity of purpose, the close-knit organization, the elaborate machinery for testing the ordinary member's feelings, and the co-ordinated research activities which my colleagues on the Labour side enjoy.

Nevertheless, I do not think it would be fair to blame only the administration of these bodies for what must be regarded as an unsatisfactory state of affairs. The trouble begins with what used to be called the 'sturdy individualism' of the average employer — and especially the small man — who does not realize that union is strength and that the days of extreme individualism are gone for ever. Problems that affect everybody can only be surmounted by concerted action; and the psychological tendencies of the day which have been glanced at in the earlier part of this book, as well as a good many more concrete considerations, limit very strictly the field in which an employer can effectively plough a lonely furrow. When these undoubted truths have sunk into the minds of all employers — particularly of those who to-day are so immersed in the immediate problems of their own businesses that they never come up to take a longer view — we shall see an amazing development in the organization of employers as a class, and the inconsistencies of the present organizational set-up will, by their very magnitude, demand remedy.

I think, too, that those of us who are already in membership of one or more of these co-ordinating bodies are ourselves somewhat to blame. Instead of giving a clear *lead* to our respective Associations, we have been content to be led by

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them: to appeal to them for help when we are in a jam, but otherwise to take no interest whatever in their activities — not even to the extent of studying their policies and letting them know when their actions cease to represent the will of those who keep them in office. In this matter the smaller employer is probably the greater sinner, but his excuse is greater, too. For one thing the calls on his time usually preclude him from actively participating in the work of his Association; and for another he lacks the recognition and backing to enable him to break into the charmed ring of big businesses from which so largely the governing executives of these associations are drawn.

This, indeed, is a problem all of its own, which Industry must somehow solve if its organization is ever to be perfected. There are certainly many matters on which the interests of large and of small employers are identical, but there are many other questions — and in the immediate post-war period there will be many more — on which those interests will diverge. The maintenance of the present practice of drawing association executives almost exclusively from the larger firms (and frequently from their administrative rather than their executive personnel) can only result in the extinction of the small to medium employer as a factor to be considered, despite the fact that numerically he represents more than ninety per cent of industrial ownership.

The question bristles with difficulties, not least of which is the persistent claim that voting strength should bear some relation to either capital value or turnover. I should not presume to assert what the right answer is to this problem, though I suggest that there is a useful precedent in the practice inaugurated, I believe, by the British Commercial Gas Association and later adopted by the British Federation of Master Printers and other bodies, of selecting their Chairman or President alternately from the ranks of big and of small businesses. This practice has much to commend it, particu-

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larly where the functions of the office are clearly defined. Some formula ought to be capable of attainment whereby representation on the Executive Boards could be more effectively balanced as between large businesses and small ones.

Of this I am sure — that any government which accepts the guidance of an Employers' Confederation in which the only effective voices are those of the larger industrial concerns, will run a serious risk of doing grave injustice to a section of the industrial community on which it is not too much to say that the effective rehabilitation of our industrial prosperity depends.

I have dealt at length with this question of organization because it appears to me essential to examine it fully if we are to study how best the creation of an effective National Industrial Council could be achieved. In the next chapter I take the matter a step farther by examining the possibility of attaining the desired basis through some process of merger or fusion of existing organizations professing, in their various ways, to represent and co-ordinate the Management point of view.

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THE possibility of merging; or in some other way of consolidating, the various organizations which represent Management in this country, has frequently been canvassed in recent years. Some kind of combination to enable the British Employers' Confederation and the F.B.I. jointly to represent Management *vis-à-vis* the T.U.C. representing Labour, was envisaged in the Mond-Turner scheme; and repeated attempts have been made, sometimes with a measure of temporary success, to merge the interests of these two bodies for specific purposes. In the same way we have seen the F.B.I. and the Association of British Chambers of Commerce drawing together for particular objects. But no kind of permanent fusion has ever been achieved, and the latest attempt, at the instance of Sir Harry Brand, seems at the time of writing to promise little more success than its predecessors. It seems clear that none of the organizations is prepared to lose its individuality by merging itself in a more all-embracing body.

We need not be surprised at this. The late Lord Newton once commented on the psychological phenomenon which impelled Prime Ministers and Cabinet Ministers to believe with complete sincerity that their individual retention in office was the paramount requirement for the continued well-being of the British nation. In the same way it seems inevitable that a psychological 'vested interest' (if that is the right term) should develop in the existing employers' organizations, who have borne the heat and burden of the struggle for a long season, and who come quite naturally — though as I think, mistakenly — to believe that any alternative form of organization must be a change for the worse.

The justification — that they were created for distinct

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functions and that the flexibility of their machinery admits of easy co-ordination in matters where those functions overlap — is not so valid to-day as it used to be. With the progressive abandonment of the 'commodity' theory of Labour and what follows therefrom, it is no longer possible to draw any clear distinction between economic and labour issues; and in a world where the entire trading relationships of mankind will be in the melting pot, it will become increasingly difficult to draw any distinction between matters which are the concern of industry and those which are the affair of commerce and trade.

On the other hand, the advantages of some effective form of fusion would be considerable. Apart from the obvious convenience of having a single organization to represent the viewpoint of Management to the Government and also to Labour, there would be the highly practical advantage of achieving at long last the basis for a really efficient research organization, and for a co-ordinating General Staff which could perform for Industry all those exploratory and planning functions which a military General Staff fulfils for its Supreme Command.

Nevertheless, the fight to maintain separate identities will probably go on, and I imagine that only the strongest of pressure from the very highest authority would alter the independent attitude of the three bodies primarily concerned. But even supposing some sort of merger of these leading organizations could be achieved, I do not think that by the mere fact of merging they would automatically qualify themselves to succeed in the particular function I am premising.

In the first place, they would be, together, representative only of a minority. One may argue, if one so wishes, that this minority is an *élite*: that it represents the best brains, the most progressive outlook, the greatest capital investment. All this may be true, although I am not sure that I would be disposed to agree without certain reservations. But

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it still remains true that there are thousands of industrial units who remain outside — a much larger number than those within the fold. Admittedly the majority of these un-associated firms are the smaller ones. But until the community, in its folly, determines that the small manufacturer serves no useful purpose and has no right to exist, it is surely proper that this large numerical majority should have adequate representation in any projected Council purporting to crystallize the views of Industry as a whole.

What that adequate representation should be I am not prepared to say, because statistical data on which to base a logical formula has thus far eluded me. Two figures which remain in my mind are that in 1936 roughly 52 per cent of the people in industry were in firms of less than 250 employees and roughly 32 per cent in firms of less than 100 employees. These may provide some rough guidance in the direction of a possible solution, because it is in these groups of smaller companies that the greatest proportion of non-associated firms is found.

I therefore feel that if it is proposed to achieve a Management panel in a National Industrial Council by the process of merging the three existing co-ordinating bodies, a first requirement must be to recruit at least a majority of the industrial units to their membership. Until this has been accomplished they cannot even pretend to speak for industry as a whole.

Another, but almost equally important consideration in this connection arises from the fact that many of the best individual brains in industry stand aloof from these bodies (even though their firms happen to be in membership) and associate themselves independently in the study of special angles of the production and management functions. There are, of course, the established professional institutions which concentrate rigidly on technical problems, but which nevertheless have a plain contribution to make to the solution of

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many of the broader industrial problems. Then there are such specialized bodies as the Institute of Industrial Administration, the Institute of Labour Management, the Staff Managers' Association, and, in a different field, the Incorporated Sales Managers' Association. On a rather different plane are bodies like the Engineering Industries Association, with its astonishingly wide and practical fields of interests; and finally — though these are not in quite the same category — we have those powerful and effective investigatory organizations, the Management Research Groups.

The point is that any one of these organizations could probably provide a more informative and practical point of view on any subject within the scope of its own terms of reference than could any of the three major confederations. It has always seemed somewhat mysterious to me that a closer and more continuous liaison has not been established between these specialist bodies and the larger organizations, if only because they provide the nucleus for a comprehensive research unit such as Management has needed for a long time. In any projected re-constitution of Management organization for the purpose we are considering, I do not see how the specific and specialized viewpoint of these bodies could be ignored.

This, of course, raises an important subsidiary issue. Many of these specialist organizations concern themselves with some phase of management activity, not necessarily identifying this with Ownership. It is a matter of some moment to consider how far it is wise and proper that Management, *per se*, should have a direct voice in the counsels of the Nation on industrial questions.

My own answer to this question would be simple and direct. I should not wish, in my own works or offices, to have managers who were no more than 'yes men', and who made it an article of faith to harmonize their views on all points with those of the shareholders — whose interests, in fact, are quite adequately represented by the Boards of

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Directors which they themselves elect, and with whom they can dispense if they misuse their executive power.

The value to me, as an employer, of an independent representation of the management viewpoint is that it adds to the sum of our guidance in administration by offering a judgment based on entirely different considerations from those which must necessarily be the primary considerations of the direct representatives of the shareholders. I can see no reason at all why these same benefits should not be applied at the national level; and I regard it as being in some measure a weakness in the claims of the Confederation and the F.B.I. to speak for Management, that their executive control is so much dominated by the Board Room and so little representative of the Manager's office.

I do not flatter myself, however, that this view is general, or even commonly held: not even amongst the managers themselves. There is a deep-rooted tradition in British Industry that salaried executives owe their special duty to the Board and the Shareholders rather than to industry or the community at large. Many Boards of Directors still resent any evidence of independence of thought on the part of their salaried executive, particularly in matters of a non-technical character; and I have known more than one instance where a Board has frowned upon participation by its senior officers in even private and informal discussions on the broader industrial issues — supreme examples, surely, of the 'You're not paid to think' mentality run wild at the highest levels of Management.

It is also true, I am afraid, that a good many salaried managers would themselves be loath to accept the responsibility of an independent outlook on broad issues. They are ambitious, at some future date, to join the Ownership group themselves — either by promotion to vacant directorships or else by raising enough capital to set up in business for themselves. Consequently they endeavour, of set purpose,

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or sometimes more or less subconsciously, to assimilate the Ownership viewpoint on all issues, and in a good many instances succeed in becoming more royalist than the king.

For these reasons I can see almost insuperable difficulties in the way of providing direct representation of Management, as such, on any National Industrial Council — at all events until a considerable change of heart has occurred. I incline to the view, however, that a useful purpose might be served by achieving an intimate and regular liaison between the three co-ordinating bodies whose ramifications we have already discussed and the Federation of Management Associations or some equivalent body.

Before concluding this study of the problems associated with the idea of a Management organization fusion, I should refer briefly to one further problem which would have to be surmounted. A merger which did not embody fairly radical changes in existing policies and organization would not, I fear, be of much use in promoting a national spirit of common interest. This is not so much a question of individual personalities as of inevitable mental outlook. The leading bodies in organized industry tend naturally to see problems with a biased perspective or upon a false background. They were in general created as fighting forces: some to fight restrictive legislation, some to fight competition: the strongest of them, frankly, to fight Labour. They have a tradition of warfare, sometimes successful, sometimes not, which is not easy to live down. Their routine activities have been built up on this basis, and it is therefore not altogether astonishing that they are slow to recognize a fundamental change in conditions and a still more fundamental change in the national spirit. Men whose job has for years past been to *oppose* — or at best to take up and maintain an attitude of guarded neutrality — will not be the most satisfactory exponents of a policy of Common Interest expressed in joint consultation and co-operation in the true sense.

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THE immediately obvious alternative to the idea of fusion suggested in the previous chapter is to create an entirely new body of some kind expressly for the purpose of providing machinery for selecting the Management panel of our projected National Industrial Council. This alternative deserves consideration, although it must be admitted that such a proposal envisages a very large steam hammer to crack a single nut.

As a matter of strict fact, I am very doubtful if such a proposal to create a new organization is practical politics. Anyone who knows industry to-day will recognize that it would be hopeless to attempt at this time to create a new organization on such a scale out of the blue, and competitive to existing organizations. We have too many Richmonds in the field already, and it is a common experience to those who canvass for membership of any kind of industrial association to meet with refusal on the ground that 'we belong to two or three already'. This may well be a short-sighted view, but a very considerable educational campaign will be needed before the average employer or manager — particularly the man in a smallish way of business — will be persuaded to change it.

On the other hand, desirable though such an act might be, I cannot imagine the existing national organizations being prepared to commit a graceful and dignified hari-kari by themselves organizing some really representative conference or congress of employers and managers to create a new body designed to supersede them. The instinct for self-preservation is strong in associations as in individuals, and

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is powerfully sustained by that belief in their own indispensability to which reference has been made already.

Nevertheless, even if we can assume that these initial difficulties could be overcome, either by direct suggestion from the Government or by pressure of informed industrial opinion, there would remain a multitude of practical problems to be faced, and we should at least define some of the more important of them.

Assuming that the general aim is to avoid the outstanding weaknesses which characterize the existing set-up of organized Management, it is clear that our new association would have to be created on a democratic basis of some kind. A number of questions immediately arise. Would membership be open to all undertakings — production and distribution alike — or only to manufacturing concerns? Would large and small undertakings join under conditions of equality, or would voting strength be in some way dependent on capital investment and/or annual turnover? Would the basis of the association be one of *Ownership* representation, or would the representation of Management *per se* be embodied?

Equally important, since we are envisaging a panel to sit in conference with a panel chosen by organized Labour, would membership be confined to undertakings that were — through agreement or otherwise — in amicable relationship with the trade unions? If not, we might well see repeated on a national scale the long squabble which has for so many years delayed the progress of joint consultation at the factory level.

Again, we have the purely organizational problem. If this association is to represent up to 800,000 industrial and commercial units of all kinds and sizes in all parts of the country, in what way is its ultimate representation on the National Industrial Council to be achieved? Obviously it would be impracticable to have direct election of the Management panel by individual members' votes. To

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attempt this would merely ensure the return of people whose names are commonplaces in industry, which in effect means that they would be, as they are to-day, exclusively the representatives of Big Business — the big business leaders being the only people whose names have more than a purely local reputation. The alternative would appear to be indirect election through district or regional groups — or some other echelon form of delegated authority — and the question must arise as to whether these echelon formations should be determined purely by locality, purely by trade, or by a combination of both.

Yet another complication arises here. If the aim of the district, and still later, of the regional formations is to elect representatives to the higher bodies, and they have no other common interest or purpose, what measure of unity of selection could be anticipated? Is it not rather probable that each important trade operating in the district would have its own chosen nominee, and that in default of them achieving an adequate measure of support, some well-intentioned nullity might be chosen: a possibility which strikes an almost complete parallel with some of the Papal elections of the seventeenth and eighteenth centuries and some of the French Presidential elections of the nineteenth.

Finally, we must consider the relationships of this proposed new association with existing Ownership and Management organizations. Would the new body have any research or co-ordinating functions other than the mere election of the Management panel for the Joint Industrial Council? Would it maintain any regular contact with the existing organizations? Or would it ignore them, or conceivably compete with and possibly supersede them?

I do not attempt to answer all these questions — each of which involves sufficiently numerous considerations to justify a chapter to itself. I have indicated them — by no means exhaustively — because I think it is well to be fore-

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warned of the complexities involved in a proposal which at first sight appears to possess at least the virtue of simplicity. My own considered view is that this alternative — even if fundamentally practicable — would be slower, more cumbersome, and more unwieldy than even the present set-up, the worst features of which it would nevertheless perpetuate. I have discussed it merely in order to justify its condemnation.

CHAPTER V

A MORE RADICAL ALTERNATIVE

THERE is a third possible method of arriving at our National Industrial Council to which I should like to draw attention. It has the advantages of being logical in conception, and of avoiding the major weaknesses which have been discussed in the previous two chapters. On the other hand, it admittedly suggests something of a new principle in representation, and I am scarcely optimistic enough to imagine that this would meet the ready and immediate acceptance of either my fellow employers or of the representatives of organized Labour. Nevertheless, it is worth exploring.

Stated briefly, this alternative proposes to build up to the National Council from the individual Joint Works Council at the factory level. Presupposing that a majority of the production organizations in the country are impelled by the turn of events to establish the machinery of joint consultation to deal with their own internal affairs, it suggests that every such Council should nominate two of its members (one Management, one Employee) to what the Americans term an 'electoral college', created annually in each of a number of defined 'districts' for the purpose of electing representatives to a *District Council*. This would sit in exactly the same way and under much the same constitution as an ordinary Joint Works Council, to deal particularly with problems which may be common to the District, and especially to synthesize the views of the individual Councils by whom it was appointed. By reason of the limitation of its functions it would probably sit less frequently — possibly at quarterly intervals.

An annual function of the District Council would be to nominate two of its members to a superior 'electoral college',

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for the purpose of electing representatives to a *Regional Council*, and this body, besides providing a further synthesis of unit and District opinion, would directly elect representatives for the National Industrial Council — both Management and Labour panels. These representatives, taken from their own membership, would thus have an altogether exceptional first-hand knowledge of what all parties to Industry throughout the country are thinking and striving for.

Before this proposal is dismissed as being altogether visionary, it is fair to examine some of its practical advantages. In the first place, it has the advantage of being strictly democratic in conception, and by its very nature representative of the highest common measure of agreement in outlook throughout Industry. It is tied to no clichés or shibboleths in regard to the question of Public versus Private enterprise or any other matter, having in its lower stages achieved that separation of industrial from political issues which I have already indicated as being essential. It provides a strong representation of the viewpoint of Management *per se*, which is much more important at the national level (because more objective) than the necessarily biased viewpoint of Ownership. The viewpoint of Ownership is not, however, excluded.

A further advantage, which amply justifies the trouble involved in creating the intermediate electoral colleges, is that the ultimate representation on the National Council is selected with knowledge of the individual representative's attitude towards, and performance in respect of, the development of the Common Interest principle. Those who elect him have seen him at work. No possibility exists for a man to be chosen by people who know nothing about his activities and opinions, merely because his name has a more than local significance. No loophole is available for 'packing' the Council with nominees of any particular interest or group.

Moreover, such a Council would bring to its deliberations

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an altogether first-class knowledge of the conditions and difficulties under which industry was labouring, and an equally valuable knowledge of the mental outlook of its constituents. This last I regard as being a matter of real importance, because the structure of industry is so complex that even the most brilliant leadership cannot take it very far beyond the line to which it is willing to go.

These advantages are considerable. There is one further practical convenience attached to the proposal, in that it does not interfere with the legitimate operations of any existing organization. It does not compete with the Confederation and the T.U.C. in their inter-relationships in regard to wages, hours, and general conditions of labour. It does not supersede the F.B.I. in its activities for the promotion of export trade or the examination of economic problems. It does nothing to modify the work of the associated Chambers of Commerce in their operative functions. All that it aims to do is to provide a means whereby the Government, the Nation, and the world at large, can be kept currently informed about what Industry as a whole thinks on specific industrial questions. In short, it integrates British Industry, and this is something which no existing organization or combination of organizations does, and which has never been attempted since the Industrial Age began.

Let us now consider the obstacles. I think it is probable that the existing Management and Ownership organizations would at the start tend to be jealous of a new body which was created independently of themselves. Such a jealousy would not be justified. The need for the new body has arisen out of the development of conditions which were not recognized at the time these existing organizations were created, and with which they are not constitutionally adapted to deal.

A more powerful objection might be raised by the Trade Union Congress, which, having gained for itself a privileged

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and trusted position in the industrial counsels of the nation, might feel itself to be supplanted by the new Council. In so far as this objection might be based on the claim to maintain this special position for *organized* Labour, the objection would not be valid. Assuming that employee representation on Joint Works Councils continues to be limited to trade unionists in good standing, there would still be complete Trade Union representation in the Labour panel of the National Industrial Council although it would be composed of people actually engaged in the practice of production, and not primarily of Trade Union executives and office bearers. And the T.U.C. Executive Committee, like the executives of the Employers' Associations, could still make its independent representations to the Government 'through the usual channels'.

But there is a question of principle involved here. Our trade union friends, and the existing organizations of employers and managers, must decide whether they really believe that the post-war era is to be one of co-operation and the advancement of the common interest, or not. If they prefer to retain their antagonistic attitude towards those who are really their partners in serving the community, they have the right to object to the whole conception of joint consultation, and to share responsibility for the industrial debacle which will undoubtedly ensue. But if they recognize and accept what appear to be the inevitable tendencies of the day they can have no ground from dissenting from the creation of machinery by which these tendencies can be embodied and developed. To all of them, representative alike of Ownership, Management, and Labour, I commend the words of that notable revolutionary, Georges Danton: 'Let my name be accurst; but let France be saved.' An organization, of whatever party or colour, which sets its own partisan interests above those of the nation as a whole, particularly in times of economic crisis, deserves short shrift at

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the hands of the community — and will, I predict, receive it.

The structural organization indicated in the preceding paragraphs appears to me to be the ideal method of creating the machinery for what I have urged — a body which can perform for the Government and the nation the same service in relation to industrial problems as the individual Joint Works Council performs for the individual Board of Directors. I believe that these are the lines along which we shall commence to move as joint consultation at factory level becomes more general, and as its implications become better understood. But that, I fear, is for the future: in the meantime, the need for some workable alternative — even if only in the nature of a temporary stopgap — is liable to become urgent.

One does not like to confess to defeat, but the problem of how to provide the nation with that advisory industrial voice scarcely seems to admit of any other really satisfactory solution. I cannot feel that it will be good for the future of British Industry in the early post-war years if the State's only mentors are bodies which — if we are frank about it — are very imperfectly in touch with the 'average' of industry in any field; and which, in addition, have by their very constitutions established a *parti pris* which precludes them from the purely objective discussion of new conditions and new problems. Yet apart from my suggestion the only alternatives at the moment seem to be either bureaucratic control or chaos.

Something might be achieved by a big drive to build up a more representative membership of the existing Management confederations, provided that their respective management boards were at the same time enlarged or developed on a more representative basis. And this, I suppose, might well be a legitimate immediate objective for those who see the problem in a clear light. It would, at least, be some kind of safeguard against an immediate renewal of the wholesale clash between the forces of reaction and those of doctrinaire

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idealism — for truly representative Management associations might sit *vis-à-vis* representatives of organized Labour, and might, with good will on both sides, arrive at something approaching an objective attitude towards current problems.¹

But I have grave doubts whether any form of joint consultation at the national level could really succeed in achieving the integration of the varied interests which make up British industry unless that process of integration commences at the level of the individual factory and builds up systematically therefrom.²

¹ Support is given to this view at the moment of going to press by the announcement of the formation of a Joint Committee of the National Farmers' Union and the National Union of Agricultural Workers to consider 'matters affecting the agricultural industry as a whole'.

² It may occur to some reader that the conception put forward in these last pages bears some kind of resemblance to Whitleyism. It does, and the success of Joint Industrial Councils in those industries like the Printers and the Flour Millers which have worked the Whitley system wholeheartedly is perhaps evidence that the conception is not altogether unreasonable. It may also occur to some that the proposal has some kind of similarity to the Star Plan of Mr. George Dickson, and I think they are right, although I doubt if Mr. Dickson himself would agree. But then he is an engineer, and has no natural fear of standardization, provided its results are in general efficient. For my part, I rather dread standardization, because I become more and more conscious as I grow older of the infinite variety of human nature and human experience. I would prefer to think that my suggested scheme contains the fundamental germ of Star Plan, developed with a greater flexibility which makes it more capable of assimilation in the existing structure of industry. And I hope Mr. Dickson will forgive me for saying so.

PROBLEMS OF ESTABLISHMENT

FOR the purpose of establishing a principle which I believe to be worthy of commendation, I have, in the preceding chapter, deliberately oversimplified the issue. The proposal, however, involves one or two complexities which cannot be disregarded and which are very well summarized in the I.L.O. publication of 1940 entitled 'Methods of Collaboration between the Public Authorities, Workers' Organizations and Employers' Organizations'. In this very informative treatise I find the following:

The question of the methods and machinery of collaboration in the economic field raises a number of important problems, and the Conference might consider some of these on the basis of the following questions:

(a) In order to achieve the necessary collaboration in the economic field, does it seem preferable to set up:

(i) a single national body with general competence to deal with all economic problems, it being understood that this body may have specialized sections for dealing with particular branches of economic activity or particular economic problems, or

(ii) separate bodies for dealing with different branches or problems of economic activity?

(b) Should these bodies act solely in an advisory capacity, or is it possible and desirable to grant them certain powers of decision or certain powers of control over economic activities?

(c) How can liaison be ensured between these bodies and the Legislature? More particularly, is it desirable to provide for the compulsory communication to the

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Legislature of conclusions adopted or plans drawn up by these bodies which may affect the work of the Legislature?

(d) Should the works' and employers' representatives on these bodies be designated by the most representative organizations of workers and employers?

Throughout Part Three of this book reference is made to certain of these questions, but it may be convenient at this point to deal with them specifically, in response to the concise and clear manner in which they are set out in the extract quoted above.

Question (a) presents an issue which is really fundamental. I have postulated that it is possible for Management and Labour to separate political from industrial and economic issues, and to arrive at an agreed point of view based on their Common Interest in the prosperity of industry. I am by no means so certain that the various departments of industry (primary and secondary production, distribution, transport) can so easily arrive at a common viewpoint. It is perhaps too much to hope that, for example, transport undertakings which live by (let us say) the importation of agricultural machinery will see eye to eye on all questions with the undertakings which are concerned in the manufacture of agricultural machinery at home. And similar natural divergencies of outlook and interest between different industries and different groups of industries will readily occur to every reader.

It seems clear that a very considerable job of synthesis will have to be undertaken at some stage of the proceedings if we are ultimately to arrive at our desideratum of a Common Voice for Industry. The question therefore resolves itself specially into this — whether this work of reconciling diverse industrial outlooks should fall within the function of the Council itself, or whether it should be the responsibility of the

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Legislature or of the Administrative Departments concerned. Expressed in another way, the question becomes — Should we aim at a single National Industrial Council covering the viewpoint of the whole of industry, or should we aim at setting up a certain number of separate National Councils, each representing some broad grouping of industry, and each reporting independently to the Executive or Legislative authority in regard to matters which come within its competence.

For a number of reasons I feel drawn to the second alternative. I do not think that effective Committee work is usually done by Committees of more than about a score of members — unless a considerable number of them are prepared to assume the role of 'silent member', and intervene only by casting their vote in the direction indicated by some directing authority or by their own inner consciousness. Certainly a National Council in which every field of industrial effort was represented would be so large that if each member participated in the discussion of every problem remitted to it, progress would be slow indeed — so slow that the Council could be almost useless for the special purpose we have presupposed.

More than this, a Council which contained naturally divergent interests of the kind indicated above would still further slow up its activities by its inevitable attempts to reconcile obvious irreconcilables. We should have, at almost every meeting, that tedious spectacle so well described by Carlyle, 'the one side irresistibly convincing, the other irrefragably refusing to be convinced', to such an extent that — human nature being what it is — the main purpose of the Council and the ultimate Common Interest for which it was created would be lost to sight altogether or only emerge at long intervals.

Thirdly, where real diversities of industrial interest exist, I conceive it to be of real value that such diversities should be

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brought to the attention of the Legislative and Administrative bodies, who alone have any mandate from the general community to weigh one point of view against the other and to take ultimate decisions in the final interest of the public at large.

Accordingly, I visualize not one, but a certain limited number of such National Councils; only I do not think the number need be large. One of the reasons which, in my judgment, limited the success of the Whitley Scheme, was the enormous number of different Councils whose views had to be co-ordinated by the Central Authority. I do not think the same difficulty would be experienced if the number of Councils was limited to about five: say, Agriculture, Primary Production, Manufacturing Industries, Distributive Industries, and Transport. Each of these would be established broadly on the lines suggested in the preceding chapter, and would function broadly on the lines to be indicated in the chapter which follows. I do not suggest a separate representation for Finance, which has its own traditional methods of making its voice heard in the national councils, nor for the Consumer, whose proper representation is through the House of Commons.

In regard to Question (b), I feel strongly that the functions of such Councils should be *advisory* and not executive. Our entire constitutional machinery falls to the ground if we give any executive powers whatever to bodies or individuals who cannot be held accountable by the Community. The purpose of the Councils is not to dictate what actions and decisions should be taken, but to indicate when, and in what directions, decisions are needed, and to forecast the effects of alternative decisions *before they are made*. I revert to this subject in more detail in the next chapter.

Question (c) is also dealt with in detail in the same chapter. Briefly, it is my view that these Councils should have the right to make representations on any subject within their

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terms of reference to the appropriate Government Department or Minister, to receive a considered reply to such representations, and to make public both the representations and the reply. I do not think it desirable that there should be any statutory compulsion on the Government or its Executive to remit questions to the Council, although for reasons which I touch on later, I think they would probably be only too willing to do so in regard to the majority of issues.

Question (*d*) is, in fact, answered by what has already been written. If the organization of industry on both the Management and Employee sides had already been achieved one hundred per cent, or nearly so, there could be small objection to the nomination of National Councillors by the organized bodies concerned. In the absence of that essential condition, I can see no escape from the view that the only truly democratic representation should come, though by indirect process, from the individual factory level.

I do not look with any sort of favour on the idea of Government nominations. Councils such as I envisage must be the real representatives of the particular communities they are supposed to represent. This cannot be the case if the Government of the day has the right either to nominate or to veto the nomination of any of their members.

CHAPTER VII

FUNCTION AND AGENDA

It is always pleasant to turn from a question for which only a partial or unsatisfactory answer can be found to one which lends itself to more comprehensive treatment. If we can assume that, through whatever kind of machinery may be found suitable, our National Industrial Councils have been created, it is permissible to speculate on the nature of their function, the method of their operation, and the scope of their deliberations. At risk of being accused of riding a hobby-horse, I foresee under all these headings the likelihood of a curious similarity to what already operates with such excellent results in joint consultation at the factory level.

In the first place, it must be clear that the functions of our proposed Councils, like those of the individual Joint Works Council, are purely *advisory*, and that there is nothing in their Constitution which gives any right of appeal against an adverse decision by the national Legislature or executive authority. This comes very near to the principle suggested for the Works Council in Part Two of this book, and I would propose carrying the similarity still farther by urging that when an adverse decision is given, the Minister responsible should state categorically the reasons why he has felt himself unable to accept any particular recommendation of a National Council.

The same similarity could usefully be maintained also in such a Council's actual procedure. For instance, I suggest that it should meet at regular intervals, that it should have two Chairmen nominated respectively by the Management and by the Employee representatives; and that they should hold office at alternate meetings. I would recommend a

FUNCTION AND AGENDA

neutral Secretariat in preference to joint secretaries; and I think it is desirable that an effective summary of the proceedings of Council (except for any topics discussed *in camera*) should be made available to the Press and should also be circulated expressly to the Regional, District, and individual Councils by whom the National Council is selected. Specific recommendations to the Government and replies thereto should, in normal circumstances, be issued in the form of White Papers, so that there could be no possibility of ambiguity as to what the Council had recommended or the reasons why its recommendations had not been accepted. The machinery of standing and *ad hoc* sub-committees recommended for the individual Council would be equally applicable at the national level, and the same considerations would apply in regard to their control.

When we come to consider the question of scope, a fairly considerable variation at once becomes manifest, although a similarity in principle persists. Broadly speaking, the field for the consideration of a National Council would seem to divide itself under three main headings or groupings:

- Matters remitted to the National Council by Regional Councils (or through Regional Councils by District Councils)
- Matters remitted by the Government or by particular Government departments
- Matters raised in the first instance by members of the National Council. These headings broadly compare with the items (*a*) remitted by constituents, (*b*) remitted by the Board of Directors, (*c*) raised in the first instance by individual Councillors, at the level of the individual Joint Works Council.

Under the first heading we might expect to find all types of problem, suggestion, or criticism which cannot be effectively coped with at the District or Regional level, but which, after having been sifted through the fine mesh of the National

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Council's objective consideration, could be urged with special force to the supreme authority concerned. In this category we may include, merely by way of example, such items as:

- inadequate facilities for technical education and/or research
- inadequate housing
- inadequate transport facilities
- local unemployment problems
- criticisms of activities or decisions by local or regional representatives of government departments, or by local authorities
- apprenticeship schemes
- taxation problems

and so on. It would not necessarily follow, of course, that every such question remitted by a District Council would automatically be followed up to the highest level. Both the Regional and the National Council would have the function of examining representations, and of referring back any which appeared frivolous or misconceived. Only those of real moment would go forward, and after this double process of refinement they would be advanced with an authority which might not achieve a particular desired action, but which certainly could not be ignored.

The second heading — matters remitted by the Government or by government departments — could cover an infinite field. As I visualize it, all projected legislation affecting industry, commercial treaties, and variations in administrative practice affecting industry, might be included under this heading.

When I first began to consider the possibility of some National 'voice' for Industry, I was attracted by the idea of a House of Industry as an additional branch of the Legislature, having the same restricted veto on industrial legislation as I understand to be exercised by the Church assembly over

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ecclesiastical legislation. Maturer consideration has satisfied me that this would not do. The circumstances are not parallel, for while the Church Assembly (at all events in theory) is the motivating force in ecclesiastical practice, and is accepted by its constituents as the authority on ecclesiastical changes, the same does not apply to Industry, which is, in the nature of things, the servant of the public. Even a limited veto exercised by the representatives of industry would be in breach of the clear constitutional rights of the Community, and a potential menace to the interests of the ordinary citizen — the consumer.

Accordingly, I do not suggest that the Councils should possess any powers of veto or even of delay; but merely that they should possess the power to pass an opinion on matters remitted to them, solely in regard to their practicability from an industrial point of view and their anticipated influence on industrial well-being. Further, while I think it might be a good practice for the House of Commons by resolution occasionally to require the reference of some specific matter to the Councils, I do not think there should be any general statutory compulsion on the Government or on government departments to do so. I would be content to rely on the intelligence of Ministers and their advisers not to ignore the opportunity of obtaining the support, or benefiting from the restraining influence, of an authoritative body, when proposing measures which might have some considerable bearing on their own and their Party's prospects at the next General Election.

In my own small experience of contacts with Ministers and with legislators generally, I have not found them at all averse to the process known colloquially as 'trying it on the dog'; and I have quite often found them only too willing to modify their plans, especially on points of detail, in the light of informed advice. I rather think that once our National Industrial Councils were established, their embarrassment would be

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due rather to the unexpected quantity and variety of the matters remitted to them than to lack of material to consider.

The third heading — matters originating with the National Council members themselves — is, to my mind, important. If you conceive a Council of twenty members, chosen by a process of natural selection as being men (or women — I do not suggest any sex barrier) of critical outlook and constructive imagination, and who have by reason of their continuous contact with their specialized constituencies, an exceptional background of special knowledge: you must assume that their outlook in many directions will be in advance of that of their constituents. They will see problems before they become apparent to the average employer and the average employee, and will smell out a weakness before its disastrous effects are demonstrable.

I rather suspect the word 'leader', as suggesting some veiled form of dictatorship, just as I suspect the word 'welfare', as indicative of a benevolent tyranny. Yet in a sense our National Council members would at least be the Pioneers of thought in industrial relationships and in industrial progress. They would, in a special sense, have their fingers on the pulse of industrial opinion, and would recognize symptoms of dissatisfaction and trends of feeling, long before such symptoms and trends could manifest themselves to the public at large. In these circumstances, I believe they would serve a most valuable purpose in originating discussion and focusing public opinion on matters which were, or were likely to become, of vital interest to the future of the Nation.

CHAPTER VIII

CONCLUSION

IN reviewing this attempt to set down, in coherent form and sequence, certain ideas emerging from the examination of the industrial situation as I see it, I am not unnaturally conscious of some fear lest I may have rushed in, rashly, where angels fear to tread. Yet on reflection, I do not think I could have written other than as I have done.

Surveying the entire field of British Industry, three conclusions appear to stand out inescapably, of paramount importance to any thinker who essays to speculate on the possibilities which the future may have in store. In the first place, I can see no possible destiny for this country apart from the continued prosperity of its industry. The only alternative to that is sheer ruin — not the genteel ruin of adverse trade balances or even national bankruptcy, but the grimmer, starker ruin of individual starvation, disease, and death. I am convinced that our chance of survival, and the possibilities of a full life for our children and our children's children, depends on our success in maintaining a stable industrial fabric: flexible enough to respond to new technical, economic and social impulses, but solid enough to meet every kind of political and international upheaval with firmness, and to absorb their repercussions without weakening.

This is an issue distinct from, and infinitely more important than, any question of political ideologies. If British Industry is to founder we shall all go down with the ship, and in those distressing circumstances it would not matter a great deal whether the name on the stern is Private Enterprise or Public Control. There is no peculiar magic about either the individualist or the socialist conceptions which will conjure up life-

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boats if the ship sinks in mid-ocean. A stable and efficient industrial structure would be as essential in the England of the Communists' imaginings as in any other England.

It is for this reason that in the earlier chapters of this book I have repeatedly urged the separation of industrial from political issues. We have all been drugging ourselves with 'isms' for too long — until our sense of the realities of the situation has become as distorted as an opium smoker's dream. Surely we are at least sane enough to test each tradition of Ownership and each theory of Labour by the simple formula — Does it, as things are, help to maintain a stable and prosperous industry?

This matter could be argued at far greater length than the fast diminishing reserve of space permits. I content myself with a simple example taken from my own experience. When I first took the step of introducing joint consultation on a very broad basis into my own works, I was told by most of my fellow employers that I was selling the pass to the enemy, and that the first result would be that works discipline would go to the devil. I have found, on the contrary, after two years' experience, that works discipline has improved almost out of recognition, and that every other legitimate interest of ownership has also been catered for in a measure which four years ago I would not have believed possible: production is up, absenteeism is down: wastage is reduced, and valuable time is saved. The entire tone of the works is immeasurably better: the traditional viewpoint has been proved to be wrong.

For this reason, I have no sort of fear of my second conclusion, about the *truth* of which I have no doubt whatsoever. It is certain that the old-time autocratic conception of the function of ownership in its relations to both management and labour has outlived its day, and will never again be a predominating factor in industrial relationships.

At a function a little more than two years ago, I heard a gentleman who still holds a high position in the counsels

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of industrial ownership discuss this question. He argued blandly that although, owing to the exigencies of war, Labour was temporarily in the ascendant, yet when peace came again and the laws of supply and demand renewed their operation, we should 'get back to normal', and the supremacy of the owner to do what he liked with his own could once more be reasserted. I doubt very much if this gentleman still holds the same view, but this kind of talk is more prevalent, even to-day, in some ownership circles than intelligent men might imagine. A neighbour of mine at this particular function commented, 'If he really thinks that, he ought to persuade his friends in the Government to pipe down on Commando training'; and the comment was not unjust, for in the post-war era we shall be dealing with men and women who are conscious not only of their rights but also of their strength.

I do not imagine, however, that this fact will necessarily fortify the position of the extremist groups; for men who have been brought up against the eternal verities of life and death, and the essential interdependence of man and his fellows, are not likely to take extremist views. They will expect and demand justice; and I think they will expect and demand co-operation.

I have watched very carefully the trends of feeling amongst employees in the South of England, London, and the Midlands; and I have noted the observations of a number of Army officers taking A.B.C.A. duties in various parts of the country and abroad. All that I have seen and heard confirms me in the view that the time is ripe for a complete realignment of industrial relationships, in which Capital, Management, and Labour are regarded as equal partners, having the rights, responsibilities, and rewards appropriate to their respective functions.

I do not pretend to be alone in this discovery. In a very closely reasoned document from the pen of that distinguished

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and clear-thinking industrialist, Mr. Samuel Courtauld, I find the following:

I advocate (a) admitting that our industrial system has not been faultless in the past (b) admitting that employers have been — at any rate partly — responsible for this (c) acquitting Labour of responsibility for it (d) admitting that changes are needed (e) inviting Labour to share the responsibility in future (f) acknowledging that over-riding control is the function of the Government.

These sentences summarize a policy, and it is one in which I unreservedly concur. My object, in writing this book, is to indicate what I believe to be the right machinery for carrying that policy into effect. It is perhaps not without interest that Mr. Courtauld also says:

With the spread of education, the levelling of social conditions, and the widespread discussion of everybody's business in the press and elsewhere, the working man can now take a lively and intelligent interest in the industrial system, and in the character and functioning of the individual business on which his fate depends. The more intelligent he is, the more interest he will take. If his natural and laudable curiosity is stifled, his intelligence will either atrophy or be forced into subversive channels. Modern industry needs every ounce of intelligence it can lay hold of, and it needs the co-operative goodwill of everyone employed in it. Already workmen have the knowledge and the wit to contribute an untold amount to the common pool in the technical and human fields. The road should be opened to them to rise without favour up the ladder of management and direction with no limit whatsoever imposed in advance — *it being always understood that they were appointed in the first place to represent the workers.*

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Undoubtedly this further step in the education of Labour, and the devising of a system which will ensure the advancement of the best men, will be slow and difficult matters, but it is not too soon to make a start. Moreover, I believe that if such a partnership were offered to Labour, questions of hours and wages, profit-sharing, security of tenure, pensions and many others, would be more easily and more sensibly settled than they are to-day.

My third conclusion is more psychological in character. Although the assertion may be contested from all quarters, I do not believe that the real basis of Labour discontents is the trinity of wages, hours, and general conditions. These are tangible issues on which battles can always be fought; but in fact they are merely the outward manifestations of something very much deeper. In an earlier chapter I have stated the real issue, as I see it, thus:

What will be sought, as Industry gradually settles down to a post-war footing, is a relationship which satisfies the deepest-rooted of all human desires — recognition of the dignity of man as MAN: a relationship in which he can feel that he is, in a fundamental sense, a *full partner* in industry, and not for so-many-hours every day the *servant* of an employer.

Any plans for the rehabilitation of industry will in my view fail — no matter how generous in intent — unless they satisfy this primary demand. If it is satisfied, all other questions will fall into their proper relationship and perspective. It is my sincere faith that the way of Joint Consultation is the solution. It may lead us very far; and in the journey may well bring us to industrial conceptions which would have horrified our grandfathers. But I am sure that it will always lead us to the Heights.

APPENDIX I

THE MOND-TURNER INTERIM REPORT

THIS extract from the Mond-Turner Interim Report, 1929, lists the subjects which in the opinion of the Committee might properly be made the subject of formal discussions between accredited representatives of Management and Labour.

I. THE ORGANIZATION OF INDUSTRIAL RELATIONS

Trade Union recognition.

Collective bargaining.

Security and Status — the formulation of means for increasing security of employment and for raising the status of the industrial worker.

Victimization of employees or employers.

Legal regulation of hours of labour.

Management and Labour.

Works Councils

Information — the provision of information on the facts of industry to all those concerned in industry.

Preliminary investigation — the application of preliminary investigation into potential causes of disputes before their actual declaration.

The extension of the functions of industrial courts.

Factory legislation.

Health and unemployment insurance (National and Industrial).

Provision of machinery for suggestion and constructive criticism.

Maintenance of personal relationship.

II. UNEMPLOYMENT

III. THE DISTRIBUTION OF THE PROCEEDS OF COMMODITIES AND SERVICES

High Wages policy.

The consideration of plans for the participation by all concerned in industry in the prosperity of their industry and in

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the benefits of increased production, including shareholding, profit and cost sharing.

Payment by results.

Minimum Wage principles.

IV. THE ORGANIZATION, TECHNIQUE, AND CONTROL OF INDUSTRY

Rationalization. The advantages to be gained by the scientific organization of industries in production, administration, processes, plant, standardization of product, simplification, scientific costing, elimination of waste in raw materials, power, etc., the greatest possible use of machinery and mechanical power, scientific layout of works. The tendency towards the grouping of industries in large units; the desirability of the development of this tendency towards the promotion of industrial efficiency. The effects upon Labour temporarily and finally of rationalization, and how those effects could be satisfactorily adjusted by mutual arrangement. Interchangeability or flexibility, elasticity and testing of experimental conditions, demarcation, displacement of labour, compensation, and pensions.

The effect of unnecessary internal competition.

Sheltered and unsheltered industries.

Distribution.

V. FINANCE

Monetary technique. Banking and credit systems and policy.

Industrial finance.

Taxation and local rates.

VI. CONSTITUTIONAL

National Industrial Council. The creation of some permanent Standing Committee to meet for regular consultation on matters affecting industry.

The co-ordination of the present and if necessary the provision of further machinery for continuous investigation into industrial conditions.

VII. INTERNATIONAL

Competition of countries with lower labour standards.

International agreements and conventions.

International economic conference.

VIII. GENERAL

Housing.

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Health problems.

Education. To see how far the educational methods in vogue to-day can be best adapted to the modern needs of industry.

Technical education (including apprenticeship).

Research.

[*Author's Note.* One immediately striking thing about the above list is its up-to-date ring. Increasing security of tenure — works councils — provision of machinery for suggestion and constructive criticism — rationalization — continuous investigation into industrial conditions — competition of countries with lower labour standards — housing — education — research: fifteen years later, we are still groping about in the effort to find some formula for dealing with these things in a systematic and intelligent way.

But taking the list as a whole, will anybody deny that *if* these Mond-Turner proposals had been put into operation, and *if* the suggested joint conferences had been attended by men of goodwill on both sides, the entire industrial history of the past decade would almost certainly have been entirely different: those new industrial relationships that we pray for would have been achieved, we should have been far better prepared for the War when it came, and infinitely better prepared for the Peace that is to follow. — G.S.W.]

THE TRAINING OF SUPERVISORY STAFF

(A Memorandum by N. A. Howell-Everson)

PURPOSE OF TRAINING

It may be assumed that the members of any supervisory staff at the time of their engagement or appointment have been passed as satisfactory or at least adequate in respect of their technical capacity and experience. What they need, then, is training in the special technique of 'Supervision' or 'Foremanship', rather than in the technical details of the industry with which they are concerned.

This training will, in general, cover three main fields:

1. They must understand and appreciate the policy of the firm: particularly its Labour policy.
2. They must understand the routine organization of the firm: the functions of departments and of individuals: the inter-relationships of departments; and the channels of information, inquiry, and discussion between them.
3. They must learn how to handle men and women in accordance with the general labour policy of the company.

Equipped with knowledge in these three fields, and possessed of the requisite technical and trade knowledge of their job, they can be expected to carry out their duties as nearly satisfactorily as the idiosyncrasies of their individual characters will permit.

UNSATISFACTORY TRAINING METHODS

It is completely futile to expect them to pick up the necessary understanding under these headings for themselves. Left alone without guidance they will either carry out their duties in the way they have carried them out in the past, or in previous employment, or else as they have seen other people carry them out in the days when they stood lower in the industrial hierarchy. The result will be that in one works or factory you might have a couple of dozen different and contradictory conceptions of the Foreman's function — some of them definitely bad ones — operating at the same time, with chaotic and possibly catastrophic effects.

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Nor do I think that this knowledge can be put over by the mere issue of a manual or book of instructions. Apart from the fact that a good many supervisors will always find excellent excuses for postponing its study, there is no possibility of checking whether they have correctly *understood* it or not. Besides which, it has to be remembered that 'Foremanship' is a technique at least as complex as applied mathematics: you do not hand a copy of 'The Geometry of the Screw Propeller' to an inexperienced man and ask him to go straightaway and create air-screws.

In writing this, I am not advising against the issue of some kind of manual for supervisors. On the contrary, I think something of this kind may have considerable value — but as a work of reference and justification after the training in Foremanship has been completed, not as a substitute for it.

Thirdly, I do not think satisfactory results can be anticipated from a few occasional 'talks', at odd intervals, by the Works Manager, Personnel Manager, or even one of the Directors. The atmosphere in such cases is all wrong, and the essential sense of continuity is broken from the start. Foremen and supervisors are accustomed to attend the Works Manager's Office, or less frequently the Managing Director's Office or Board Room, to receive instructions on specific matters of detail, to listen to new proposals and intentions, to receive admonition or praise, or to hear 'pep talks' — too frequently delivered by people who have less knowledge than their audience of the complexity and worry of the job. Even in the less common case where the supervisors are assembled for a 'pooling of experience' (in itself an excellent thing) the usual attitude of mind is far removed from that required for serious and objective study.

It is, indeed, quite likely that supervisors may resent being called away from their duties for 'training' of this kind. Half their attention may well be centred on the complicated job which they are afraid somebody is making a mess of in their absence, and they are probably wishing the 'old man' would hurry up and finish so that they can get back to their departments. In practice, the man who is giving the instruction in this haphazard form is probably also a busy executive with his own preoccupations, and his attitude of mind may well be similar to that of his listeners.

THE RIGHT ATMOSPHERE FOR TRAINING

I have already suggested that Foremanship has a technique of its own, distinct from any other of the techniques of industry, and

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largely peculiar to the individual works or factory, since it is necessarily built round the policy and organization of the Company concerned rather than on general principles applicable to industry at large. Training in this technique, therefore, is not a matter of receiving instructions, but of mastering a new field of knowledge — a field, moreover, in which past experience has little relevance and may be a positive handicap if the trainee has previously worked with a firm having a different organization or holding different views.

This being the case, it is essential that the training be entered into in the spirit of *technical scholarship*, and every possible means should be taken to recapture the atmosphere in which the participants — perhaps many years previously — grappled with the techniques of applied chemistry, engineering, or textile design. This applies equally to the physical conditions under which the training is given, the methods employed in presenting it, and the actual subject matter of the Course.

PHYSICAL CONDITIONS

First, as regards physical conditions: if the atmosphere of technical scholarship is to be maintained, it is desirable that the Course should take place outside working hours (i.e. when the trainees' thoughts are not milling round the detail work of their respective departments or sections) and, if possible, at some place removed from the works or factory. You are aiming to get your trainees to assimilate a conception of Supervisorship *as a function of Industry*, and to study certain related principles and master a good deal of background information. Anything which reminds them too sharply of their daily work will tend to make their minds work selectively — picking out the facts and ideas which they imagine will affect their present departmental jobs, and ignoring the rest.

On the positive side, there is much virtue in fresh and appropriate surroundings as a means of taking men's minds out of the rut of habitude, and encouraging them to think in a detached, scholastic way. Seebohm Rowntree recognized this when he planned his original Management Conferences at one of the oldest of the Oxford Colleges, and this principle is worth following by the individual undertaking. It is this detached, scholastic attitude — this sense of seeking for the truth though the sky falls — which the surroundings of your Training Course should aim to achieve.

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In some localities, progressive educational authorities will be found willing to make available a room in the local university, technical college, polytechnic, or other educational establishment, and where this can be arranged the right initial atmosphere is automatically created. If this ideal arrangement is not practicable, a room in some hotel (not, most definitely, an unused ball-room, or a reception room surrounded by mirrors) or in some institute or church hall, is usually obtainable. In the extreme case, where the works is the centre of its own community (as in the case of some of our model industrial villages), it may be necessary to conduct the training on factory premises. In such case I recommend it being given in the rooms farthest removed from the normal daily activities of the trainees.

Seats should be strongly built, but not *too* comfortable, since it is all too easy to sink into a state of semi-somnolence while a lecture progresses, especially after a hard day's work. It is an advantage if *individual* tables or desks can be provided, because these offer a means to determine the 'spacing' of the class, and thus make it impossible for cronies to hitch their seats too closely together and divert themselves by maintaining a running commentary on the Course or on other matters of mutual interest.

PLANNING THE COURSE

The Course itself must be very carefully planned in advance. It is authoritative, and goes to the trainees as the official view of the Company as to the attitude they are expected to take up and the procedure they are required to follow. Consequently it is entirely unsatisfactory to invite anybody to participate in the teaching on an extempore basis. The Board ought to be aware of, and approve, the matters of his discourse before he delivers it.

For this reason I advocate the preparation, in advance, of a condensed summary of each section of the Course — to which the lecturer speaks as does a barrister to his brief. These summaries, I suggest, can usefully be distributed to the trainees *after* each lecture, it being made clear to them at the outset that this will obviate the necessity for taking notes and thus enable them to give all their attention to the lecturer. The issue of some kind of folder or binding case to contain them is a handy encouragement to retain them for permanent reference.

Further to the preceding paragraph, and as a result of considerable experience both as student and lecturer, I deprecate note-taking whilst a lecture is in progress. Either the trainee tries to

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concentrate on the lecture, in which case his notes are scrappy, disjointed, telegraphic, illegible, and after the lapse of a few days incomprehensible; or else he concentrates on making a good note, in which case the essential background matter, and all the finer nuances of the lecture, are apt to be missed. Any attempt at a partial note is dangerous, because the trainee cannot know in advance which are the essential points to note, whilst if the lecturer has to keep on pulling up to indicate which points ought to be noted, he never gets into his stride at all. Anyhow, individual notes have a habit of getting mislaid and thus becoming valueless.

SCHEDULE AND TIME TABLE

The Course should be planned to an exact schedule and timetable, which must be rigorously observed. Both lecturers and trainees must realize that there is only a limited amount of time available for the consideration of particular subjects, and that no opportunity can be provided for wandering too far into the flowery by-paths of reminiscence and extraneous discussion. If it can be so arranged, it is good policy to have somebody of fairly senior rank (Works Manager or Personnel Manager) to act as a kind of permanent Chairman, opening and closing each session, introducing the lecturers, maintaining orderly discussion, and above all ensuring that the time schedule is not departed from.

Planned on these lines, such a Course might be expected to occupy perhaps five sessions of two and a half hours each, with a short break in the middle of each Session. This could be arranged in either of two ways. If adequate deputy-supervision is available it is probably better to conduct the Course in the day-time — two and a half consecutive days; which has the advantage of getting the trainees entirely away from the routine worries of their jobs whilst the training is in progress. The alternative is to run it in five consecutive evening sessions, by which method it is probably easier to obtain the most satisfactory lecturers — who, whether within the Company or outside it, have probably their own special duties to attend to during the day-time. Either way, it is, I think, desirable that the sessions should be held on consecutive days, so that the sense of continuity is not lost.

Where the decision is in favour of morning and afternoon sessions, it is sometimes suggested that the trainees should look in at their respective departments either before or after the Sessions. This, I think, is wrong. It is a mistake to intrude routine worries into the sequence of study: conversely, it is an

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advantage, in creating the atmosphere of technical scholarship already referred to, that the trainees should occupy their day in an entirely different way — staying a half-hour longer in bed, maybe, having a longer period for the luncheon break, and going home with none of the familiar problems of their ordinary day's routine to disturb their thoughts from the consideration of what they have been hearing.

PLANNING THE SCHEDULE

In planning the schedule, the field of training should be broken up, so far as possible, into distinctive subjects, on such a basis that the presentation of each subject can be accomplished in 30-45 minutes. Very few people except those who have developed the study habit by continuous usage can give concentrated attention to a single subject or speaker for longer than 45 minutes, as parsons and politicians know very well. The change of subject, and the slight break as one lecturer gives place to another, provides the necessary stimulus to revive fading attention.

I do not think it is at all likely that the best results will follow if the entire training is carried out by one person, and I should advocate, within reason, the widest variety of lecturers, including one or two who are not connected with the firm. (For example, the subjects of trade union history and organization might well be handled by a friendly and knowledgeable trade union official.) In selecting the lecturers, it is important to avoid choosing them merely on the grounds of seniority. The man to be chosen is the man who knows most about the particular subject — always provided he has the capacity to 'put over' his knowledge. An inefficient lecturer gets nowhere, not only because his matter is not understood, but more, perhaps, because the attention of his audience tends to be diverted from his matter to his manner — a warning which also applies to the lecturer, however fluent, who indulges in bizarre and extravagant mannerisms. The Course, to be of value, must be an education, not an entertainment.

SCOPE OF THE COURSE

The scope and substance of the Course must depend largely on the individual management's own conception of the supervisory function. Does it want its supervisors to be creative, motivating forces in the development of the Company's policy, or merely that they should double the roles of taskmaster and policeman? Does it want to decentralize executive authority to

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the full length of the chain, or to centralize it in one individual? And so on.

Because of this wide variation of possible concepts, it is impracticable to lay down any detailed synopsis of the desirable training. A more generalized survey can, however, be attempted; and we can assume that the first full Session would be devoted to the study of the Company's policy, with particular reference to its Labour policy. For this purpose an appropriate schedule might be as follows:

Item No.	Period	Subject	Conducted by
1	5 min.	Roll call and general instructions	'Chairman'
2	10 "	General introduction to Course	Managing Director
3	30 "	The Policy of the Firm stated	A Director or General Manager
4	45 "	What this policy implies	Works Manager
5	10 "	Mid-session break	
6	45 "	The Supervisor's part in promoting the Firm's Policy: what his job really is	An appropriate lecturer
7	20 "	Questions on the Session's work	

Such a schedule has the pedagogic merit of working from the abstract to the concrete and from the general to the particular. It commences with a very brief introduction to the whole Course, presented with the full authority of the Board Room — in which its primary purpose (not a conference or explanatory meeting, but a genuine course of training in a *new technique*), its scope, and the importance attached to it by the Management, may all properly be stressed. Next comes a clear and specific statement of the Firm's policy (its basic purpose and principles, and its current policy in regard to production, sales, administration and Labour) expounded by the senior executive — the man who is regarded as the 'big boss' by all the executive personnel. And following this, the Works or Factory Manager — the immediate 'boss' of the factory staff — elaborates this statement of policy by indicating its implications in the day-to-day running of the factory.

After a short mid-session break,¹ the subject is taken up once more from the supervisor's own special angle — a general study of the part which *he* has to play in carrying the Company's stated policy into effect. This section has a secondary value in underlining the importance of the subsequent Sessions, which deal

¹ This break gives trainees the chance to relax, stretch their legs, and generally revive attention. As a practical detail it can also be used for the purpose of opening windows and doors to freshen up the ventilation.

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more particularly with the functions and machinery of supervision as applied in this particular firm. This part of the Session is undertaken by some selected person who, by training, experience, and very close intimacy with the Board's interpretation of its own policy, is best fitted to speak with authority and knowledge on the general issues involved.

The Session closes with a period for questions, and it is worth while to note in this connection that the term 'questions' is appropriate: 'discussion' is not. The purpose of the Course is to lay down the principles and practice of supervision as the Company wishes them to be observed, and while it is proper that questions in elucidation of obscurities should be encouraged, it is an error to allow the concluding periods of the various Sessions to become opportunities for airing contradictory views. The trainees are there to learn what the Company expects them to do, not to explain why they propose to do something different.

It is impossible to attempt, even by way of example, an exact schedule for the remaining Sessions of the Course. Variations in organization and practice, and in conceptions of ideal labour relationships, are too wide to permit of any standardized sequence. Some of the matters which will have to be dealt with if the Course is to be complete can, however, be indicated in broad outline.

Routine Organization

General Departmental Organization: what departments there are: their function: who controls them: their inter-relations.

General Personnel Organization: sequence of seniority: channels of instruction, information, inquiry, censure: functions and responsibilities of individuals.¹

Detailed examination of functions of key-departments: pre-planning: progressing: personnel, etc.

Routine: hiring and firing: pay: disciplinary control, etc.

Relations with the commercial side.

How to Handle Men and Women

Elements of Industrial Psychology:² how the employee looks at his job: frustration, the disease of the age: why workers

¹ Apart from generalized instruction, it is good for each supervisor to receive a written statement of the scope, function, rights, and responsibilities pertaining to his own job. Senior supervisory executives should also have copies of the statements applying to all junior supervisors under their control.

² Only don't call it that. 'How employees think', or some similar title, is far more effective for the schedule as it ultimately appears, and far less terrifying for the trainees.

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become extremists: effects of home and factory environment, industrial fatigue, monotony, etc.

Elements of Industrial History: how the industrial age began: why trade unions were formed: history and organization of trade unions: employers and management associations: current industrial agreements.

Government relations: Powers and duties of inspectors: Factory Acts, Truck Acts, Public Health Legislation, etc.

Industrial Tendencies of the future.

Fitting the man to the job.

Dealing with adolescents.

Discipline and Leadership.

Specific problems of control.

Introduction of Technological changes.

Dealing with Trade Union matters.

The Supervisor's own personality — points which help and hinder.

FINAL TEST

There are two opinions current as to the desirability of concluding such a Course with a Final Examination. In my own view this is desirable, as it gives the trainees something to work for from the very outset of the Course. I do not think that failure to qualify in this examination — if taken after appointment — should automatically disbar a man, or even disqualify him for further promotion later on; but it should be clearly understood that his standing with the company, and in the running for advancement, will in some measure depend on the showing he makes in the examination.

It is perhaps unnecessary to add that in grading the answer papers some formula must be devised to prevent any trainee from being unduly prejudiced because he lacks the ability to express his ideas effectively in writing. This ability is, in fact, becoming increasingly important in modern industry, but we have not yet reached the stage when a uniform standard in this respect can be demanded from everybody in the supervisory grades. A man whose ability in this direction is adequate to the requirements of his job ought not to be placed at a disadvantage in relation to his fellow supervisor who, by experience or natural aptitude, is the possessor of a 'fluent pen'.

APPENDIX III

(A) CONSTITUTION AND RULES

(Masseley Joint Works Council)

GUARANTEE

EACH and every Representative is perfectly free to discharge the duties of his office with the absolute assurance that his personal standing with the Company will in no way be prejudiced by any action he may take in good faith while acting in the capacity of a Representative.

G. S. WALPOLE,
Chairman and Managing
Director, Masson Seeley & Co., Ltd.

CONSTITUTION AND RULES

I. OBJECT OF THE JOINT WORKS COUNCIL

The Engineering Trades Agreement of June, 1922, makes provision for the election of Shop Stewards to represent the Employees in regard to matters which are the subject of specific Trade Union agreements.

This is a satisfactory procedure, and the establishment of the Masseley Joint Works Council does not alter or modify it in any way.

There are, however, many matters which are very vital concerns of every Employee of the Company, on which the practical experience of the men and women at the bench may be of great value in helping to maintain that continuity of success on which the well-being of each of us depends.

The object of the Joint Works Council then, is to provide machinery for:

- (a) free and open discussion between Employees and Management on all topics of common interest not covered by specific Trade Union agreement:
- (b) constructive co-operation in obtaining greater efficiency and in ensuring the comfort and well-being of those employed at the Works.

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2. DUTIES OF THE JOINT WORKS COUNCIL

The chief duties of the Joint Works Council are:

- (a) consideration of methods of increasing production in the National interest;
- (b) consideration of matters affecting working conditions, such as ventilation, lighting, temperature, washing and drinking facilities, etc.;
- (c) consideration of questions arising from accident prevention, protective clothing, first-aid, works cleanliness, health, transport, annual and public holidays, air-raid precautions, etc.;
- (d) consideration of works amenities, such as cloak-room and cycle accommodation, canteen service, organized recreation, etc.;
- (e) consideration of how Works Rules are to be interpreted, proceedings under the Essential Work (Amendment) Order of March 25th, 1942, etc.;
- (f) consideration of such difficulties, personal or otherwise, as may be referred to the Council;
- (g) consideration of any specific works problem which may be remitted to the Council by the Board of Directors;
- (h) election of Sub-Committees to deal with such of the above matters as can be better dealt with by delegation to a smaller body — and the establishment of terms of reference for such Sub-Committees.

3. RECOMMENDATIONS

The Joint Works Council is primarily an advisory and consultative body. Normally, it will submit its recommendations to the Board of Directors through its Secretary, except only in business formally delegated to it. Detail matters, however, which can be settled on the spot by the appropriate Management representative, can be made effective immediately, and need not be so referred.

4. CONSTITUTION

The Constitution of the Joint Works Council shall be as follows:

- (a) Management and Employees shall be represented on the Council by equal numbers;
- (b) Management representatives shall be appointed annually by the Board of Directors or their Delegate at the time of the nomination of Employee representatives;
- (c) Employee representatives shall be nominated annually

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by the Works Committee at its first meeting following the annual Works Committee Election, which shall be carried out under the conditions and in accordance with the procedure laid down in Article VI (6 and 7) of the Engineering Trades Agreement of March 18th, 1942 (see page 190);

(d) The Council shall have the power to invite to meetings commercial or other members of the staff, or any person or persons it may desire to consult, or who may wish to make representations to the Council on any matter;

(e) The Council shall elect two Chairmen from their own number, being representatives of the Management and Employees respectively. These Chairmen shall act in that capacity at alternate meetings or as may be mutually arranged.

(f) The Board of Directors shall nominate a Secretary, who, if he be not a representative member of the Council, shall have no voting power.

5. ELIGIBILITY OF EMPLOYEES TO SERVE ON THE COUNCIL

Eligibility to serve on the Council will be confined so far as males are concerned to Employees who are adult members of a Trade Union, have had not less than two years of continuous service with the Company, as at the date of nomination, and who are in the active employ of the Company at that date. In order however, to ensure adequate representation of Women Employees the requirement of continuous service with the Company will be limited to twelve months.

6. RETIREMENT OF REPRESENTATIVES

All representatives shall retire after one year's service on the Council. Their retirement will not affect their eligibility for re-appointment or re-nomination, as the case may be.

7. VACANCIES

A member of the Works Council, be he Management Representative or Employee Representative, shall vacate office if:

(a) he ceases to be employed by the Company;

(b) he resigns his seat by written notice to the Council;

(c) he be desired in writing to resign by two-thirds of his fellow members;

(d) he absents himself from two consecutive meetings of the Council without proper leave from the Council, or without reason held good and valid by the Council.

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8. CASUAL VACANCIES

Casual Vacancies on the Joint Works Council shall be filled by appointment by the Board of Directors or nomination by the Works Committee in the case of Management or Employee vacancies respectively. A member so appointed shall continue to serve until the end of the Council year.

9. MEETINGS

The Joint Works Council shall meet once every month and at such other times as may be necessary. If both Chairmen, or 50 per cent of the members of the Council so request, a meeting may be summoned at any time.

10. QUORUM

Seventy-five per cent of the members of the Council shall form a quorum at any meeting of the Council.

11. LIMITATION OF FUNCTION

The Council shall not discuss a question which is covered by any operative Agreement with a Trade Union to which the Company is a party, except with the written consent of the Trade Union concerned; neither shall it discuss any matter which is strictly a concern of Management (Purchases, Acceptance of Contracts, etc.), unless such matter has been specifically referred to it by the Management. The discussion of methods of increasing production is, however, within the province of the Council.

12. VOTING AT MEETINGS

Although it is agreed that the habit of voting on everything and anything is to be deprecated, nevertheless if it is moved from the floor of the Council that a vote should be taken, the normal rules of voting procedure will be followed. The Chairman shall have a vote, and in addition a casting vote, to be used in the event of tie voting.

13. MINUTES

Minutes shall be made of all decisions and recommendations. Minutes of any meeting, signed by either Chairman, shall be final and unalterable:

14. RECORD

As far as may be practicable, a verbatim record of the proceedings shall be taken by a stenographer, and shall be transcribed in triplicate, copies to be retained by both Chairmen, and the third, for reference and record, by the Secretary.

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15. EXPENSES

The cost of secretarial services and administrative expenses shall be borne by the Company. Members of the Council shall be adequately reimbursed for remuneration lost by reason of attendance at the Council or any Sub-Committee of the Council.

16. MODIFICATION OF RULES, ETC.

The Constitution of the Council, as herein set forth, and the rules governing Council and Sub-Committee procedure, may be amended by resolution of the Council and with the approval of the Board of Directors.

17. TERMINATION OF THE SCHEME

The Scheme may not be terminated by either Management or Employees until three months after the cessation of hostilities, when three months' notice of intention to withdraw must be given.

18. PUBLICATION OF PROCEEDINGS

A Summary of the proceedings at each meeting shall be compiled by the Secretary, and after its accuracy has been certified by both Chairmen, shall be published in the issue next following of *Masseley Matters*.

19. FUNCTIONS OF CHAIRMAN

The functions of the Chairman have been defined by resolution of the Council as follows:

- (a) to carry out normal functions of Chairmanship at those meetings of the Joint Works Council at which it is his turn to preside;
- (b) to see in advance the Agenda for each meeting at which he is to preside, and to check and approve same;
- (c) to advise the Secretary of any demand which may have been brought to his notice, under the Constitution, for an emergency meeting;
- (d) to carry out his functions as an ordinary member of the Council on occasions when he is not in the Chair;
- (e) in conjunction with his Co-Chairman, to approve the summary of each meeting for publication in the issue next following of *Masseley Matters*;
- (f) as a matter of general convenience, it is agreed that the Employee Co-Chairman may collect from the various Employee Representatives items for inclusion in each Agenda, for transmission to the Secretary, and may advise him of any

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data which it may be desirable to have available in order that such items may be properly discussed.

20. APPROVED COMMITTEE

For so long as the Essential Work (Amendment) Order of March 25th, 1942, shall be in force, it shall be the duty of each newly nominated Council, at its first meeting after nomination, to elect a Committee of five members deemed to be most suitable, irrespective of whether or not they are members of the Council, who, after their names have been approved by the Board of Directors, shall sit, as and when occasion arises, as the 'Approved Committee' established in compliance with this Order. They shall have full powers to take action in accordance with the terms of the Order, and in the event of any such member retiring from the Council or the Committee, the Council shall forthwith appoint another member to serve in his place for the remainder of the Council year.

RULES FOR THE CONDUCT OF MEETINGS OF THE JOINT WORKS COUNCIL

1. Meetings of the Council shall have a time-limit of two hours, subject to the discretionary power of the Chairman to extend the period, should he consider this desirable. If the business of the Meeting as specified on the Agenda is concluded in less than two hours, the Chairman shall have discretion to permit the preliminary discussion of matters not on the Agenda.
2. All members shall submit to the ruling of the Chairman in the conduct of each meeting, and in his interpretation of the following Rules for the conduct of meetings of the Works Council.
3. An Agenda for each meeting shall be prepared by the Secretary, and copies of this Agenda shall be supplied, not less than two clear working days in advance of the meeting, to every member of the Council.
4. Any member of the Council desirous of having some question included on the Agenda shall arrange that the Secretary is notified either direct or through the Employee Chairman, in accordance with Article 19 of the Constitution.
5. Except as provided in Rule 1 above, no subject shall be discussed at any meeting of the Council which does not appear on the Agenda, and it shall be within the Chairman's province to call any member to order who introduces extraneous topics into the discussion.
6. *Exception to Rule 5.* If any member desires, as a matter of

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urgency, to raise a question which has come to light subsequent to the issue of the Agenda, he may, through the Chairman, ask the permission of the Council to do so, and if a majority agree, the question may be raised. It is, however, within the province of the Chairman to set a time-limit to the discussion on any such topic, with a view to its further discussion at a subsequent meeting of the Council.

7. Once an item of the Agenda has been passed, whether or not a resolution was taken thereon, it shall not be raised again at the same Meeting, unless the Chairman, in his discretion, allows the point to be raised anew at the end of the Agenda.

8. The meeting shall be deemed to be open when the Chairman takes his place, and it is the Chairman's function to declare the meeting closed when the Agenda has been dealt with or when the time allotted for the meeting, with any approved extension, has expired.

9. Members will address the Chair, and will do so standing. Two members may not speak at the same time, and the member standing will be assumed to have the ear of the Chair so long as his observations are not out of Order. If, however, a member addresses the Council at undue length, the Chairman may desire him to bring his observations to a conclusion, and in extreme cases may order him to resume his seat. Similarly, if a member desires to speak repeatedly to the same item of the Agenda other than in answer to questions, the Chairman may, at his discretion, refuse to hear him.

10. *Exception to Rule 9.* Notwithstanding Rule 9, any Member may, whilst another member is speaking, raise a Point of Order, on which the Chairman shall forthwith decide. If, however, the Chairman decides that the original speaker is in Order, he must be permitted to proceed.

11. All decisions and resolutions shall be properly recorded by the Secretary in a Minute Book, and such as require submission to the Board of Directors shall be so submitted, in writing, by the Secretary, who shall report to the Council at the next meeting the reply he has received from the Board.

SUB-COMMITTEES

12. It is within the province of the Council to refer a specific subject (e.g., Canteen) to a Sub-Committee of its own members for special or continuous attention. In such case these Rules for the Conduct of Meetings of the Council shall apply equally to meetings of such Sub-Committee, except in so far as they may be

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modified by the terms of reference to the Sub-Committee which the Council may determine.

13. The Chairman may, at his discretion, and shall, on request by a woman member of the Council, refer any matter concerning women employees to a Sub-Committee of women; and may, at his discretion, and for this one purpose only, co-opt on such Sub-Committee women employees of the Company who are not members of the Council.

(B) MEMORANDUM OF AGREEMENT

between

Engineering and Allied Employers' National Federation,
The Amalgamated Engineering Union, The National
Union of Foundry Workers and The Confederation of
Shipbuilding and Engineering Unions

CONSTITUTION OF JOINT PRODUCTION CONSULTATIVE AND ADVISORY COMMITTEES

It is hereby mutually agreed as follows:

I. NAME

1. The name of the Committee shall be 'The Joint Production Consultative and Advisory Committee' (referred to hereinafter as 'The Committee').

II. OBJECT

2. The object is to establish in federated establishments consultative and advisory Committees for the regular exchange of views between the Management and the Workers on matters relating to the improvement of production, to increase efficiency for this purpose and to make recommendations thereon. *Where machinery exists satisfactory to the Federation and the Trade Unions, and where it is agreed that such machinery should be used, no further step need be taken.*

The provision of a Production Advisory Committee shall not be considered necessary, except by mutual desire, in establishments employing less than 150 workpeople.

III. FUNCTIONS

3. The functions of the Committee shall be to submit and advise on matters relating to production and increased efficiency for this purpose, in order that maximum output may be obtained from the Factory. Illustrative of the questions to be considered and discussed are:

(a) maximum utilization of existing machinery; (b) upkeep

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of fixtures, jigs, tools and gauges; (c) improvement in methods of production; (d) efficient use of the maximum number of productive hours; (e) elimination of defective work and waste; (f) efficient use of material supplies and (g) efficient use of safety precautions and devices.

IV. LIMITATION OF FUNCTIONS

4. The Committee shall not discuss matters which are trade questions such as wages, and like subjects, or which are covered by agreements with trade unions or are normally dealt with by the approved machinery of negotiation.

V. MANAGEMENT REPRESENTATIVES

5. The Management shall nominate their representatives who shall not exceed the number appointed by the workers.

VI. WORKERS' REPRESENTATIVES

6. Number. Representatives of the workers shall be elected by ballot conducted jointly by the management and the Union representatives in the shops, and shall cover, as far as possible, the various shops departments, or sections of the factory.

The Committee shall be as small as possible subject to effective representation and shall not in any case exceed 10 on either side.

7. Eligibility

(a) *For membership of the Committee.*

All adult organized workers with not less than two years' continuous service at the factory concerned shall be eligible for election. In the case of establishments which have been in operation for less than two years, the service qualification may be reduced accordingly.

(b) *To vote in the elections.* Workpeoples' representatives on those Committees shall be elected by ballot as outlined in clause 6 and *voting is open to all adult workers.*

8. *Filling Vacancies.* In the event of a worker representative on the Committee ceasing to be employed in the establishment or being transferred to another shop or department or retiring, a successor shall be elected by ballot as provided for in paragraph 6.

9. *Power to co-opt.* The representatives of the management or of the workpeople shall have the right to co-opt, in a consultative capacity, persons employed in the establishment having a particular knowledge of a matter under discussion. Such co-opted persons shall be present for the period only during which the particular question is before the Committee.

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VII. OFFICERS

10. *Chairman.* The Chairman of the Committee shall be appointed by the Management and in the event of his being unable on any occasion to act as Chairman, he shall nominate his Deputy.

11. *Secretariat.* The Management and the Workers' sides of the Committee shall each appoint a Secretary from its respective members of the Committee. Such Secretaries shall act as Joint Secretaries to the Committee.

VIII. MEETINGS OF THE COMMITTEE

12. Meetings of the Committee shall be held once a month. Additional meetings shall be held when it is mutually agreed they are necessary.

13. *Accommodation for Meetings.* Accommodation for holding meetings of the Committee will be provided by the Management.

14. *Payment for Attendance.* Workers' representatives on the Committee shall be paid not less than their time rate of wages including national bonus for the time spent in attendance at meetings.

IX. AGENDA FOR MEETINGS OF THE COMMITTEE

15. Items for the Agenda shall be submitted to the Joint Secretaries not less than four days before a meeting and the Agenda shall be issued by them at least three days before the meeting, except in the case of special meetings.

X. MINUTES

16. The Joint Secretaries of the Committee shall prepare and issue to the members of the Committee minutes of its proceedings.

XI. SUB-COMMITTEES

17. The Committee shall have power to appoint joint Sub-Committees to deal with any particular question.

The Joint Secretaries of the Committee shall function in connection with the work of any such Sub-Committee and prepare a report or minutes of the proceedings of such Sub-Committee for submission to the Committee.

XII. RECOMMENDATION

18. There shall be from the Federation a strong recommendation of these proposals to the Federated Employers.

XIII. DURATION

19. This agreement shall terminate at the cessation of hostilities. The question of any continuance beyond this point shall be the subject of mutual discussion.

APPENDIX IV

PRODUCTION SUGGESTIONS

TYPICAL examples of Production Suggestions put forward by Employees in a medium-sized Precision Engineering Works.¹

<i>Source of Suggestion</i>	<i>Brief Description</i>	<i>Advantages</i>
H. E. CRAWFORD Horizontal Boring Machine Operator	To design and manufacture a Vertical Head to fit the Boring Machine	Enables the machine to be used in a much wider field
A. B. CONLON Milling Machine Operator	To design and manufacture a Double Vertical Head for a Horizontal Milling Machine	Increased output, as this enables two operations to be performed at one setting
L. JEFFERIES Centre Lathe Turner	To manufacture a Double Action Tool Holder for the Planing Machine, to employ two tools, one to cut on forward stroke, the other on back stroke (one for roughing, the other for finishing)	Increased output, as this Tool Holder saves the necessity for two separate cuts
L. H. LYONS Setter	To fit a handle to the Over-head Brackets on Capstans	Facilitates indexing the Turret, and minimizes the risk of operator's hand being trapped between Bush and Pilot Bar
D. STEADMAN Inspector	To modify design of fixing a collar on shaft of one product from 'Taper Pin to 'Mills' Pin	Conserves Assembly Time
F. W. CRISP Machine Operator	To adapt Grinding Wheels when worn down to minimum usable diameter on large machines for use on smaller machines	Extra life obtained from otherwise scrap Grinding Wheels

¹ In a recent issue of this Company's Works Newspaper it is stated 'Since the Production Suggestions system was inaugurated, 57 suggestions have been received from 33 members of the organization. 31 of these have been put into operation, 20 have been found impracticable (in some instances because of objections from the Ministry or the main contractor), 3 are still under consideration, and 3 were considered not to be proper subjects for Suggestion Form procedure'.

THE PLACE OF TECHNICIANS AND SCIENTIFIC STAFF ON THE JOINT WORKS COUNCIL

At the time when the pioneers of joint consultation in industry were formulating their plans, this issue did not really arise. Scientific and technical workers were, in general, unorganized — only the very senior members being members of purely professional organizations. By reason of their superior education, the status accorded to them, and their different hours and conditions of employment, they were usually reckoned either as being definitely 'on the Management side', or else as being a race apart, dwelling in a sort of political vacuum, untouched by the issues which were so frequently the cause of disagreement between the Management and the men at the Bench. In these older schemes for joint consultation, then, it is common to find no place whatever for these important grades of employee, although the heads of their respective departments were occasionally to be found in the Management panel.

To a large extent the conditions which made this a workable proposition no longer apply. The gulfs of education and of status are no longer so wide: the wage variation has operated, if at all, to the advantage of the manual worker; whereas the conditions of employment have tended, under stress of war, to become more generally standardized. More than this, however, there has recently been a marked development of political consciousness in these particular sections of the industrial community, and a strong tendency for them to organize themselves on trade union lines. I do not myself believe that the scientific and technical workers will continue to be happy in their political vacuum under these new circumstances.

Forecasting the fairly near future, it would seem probable that the alternatives to be anticipated are either the alignment of these technical and 'staff' employees with the manual workers on all broad industrial issues, or else a demand for recognition of their function as an entirely separate industrial factor — making Industry not a tripodal, but a quadrupedal structure, supporting the welfare of the community on the four 'legs' of Capital,

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Management, Labour, and Technology. In either event, the repercussions on the practice of joint consultation must be interesting.

The matter has recently come to a head in the demand very strongly pressed in some quarters for participation by these sections in the functioning of the war-time Joint Production Committees; and a good many employers, at the time of writing, are wondering what action they should take in face of this demand. The problem is not easy to solve at this moment, since the organizing of these groups, although proceeding rapidly, covers as yet only a minority; and there are probably very few firms of any size in which a majority of scientific and technical workers belong to any trade union or similar association.

Where such a majority *has* been achieved, it seems logical that participation in joint consultation should no longer be withheld, or provided only through the Management panel, since the separate identity of these groups as distinct from Management has been clearly demonstrated by the very fact of their organization. Whether this participation should be embodied in the normal 'employee' panel (thereby reducing the ratio of *manual* employee representation), or whether the scientific and technical workers should be introduced as a separate and additional element — which would upset the 50-50 balance of the Council or Committee, are questions which, in such circumstances, would have to be faced.

Much would depend, I should imagine, on the relationships existing between the scientific and technical organizations concerned and the parallel organizations of manual workers. If these relations were amicable, the scientific workers would presumably be represented on the Shop Representatives' Committee, and the Masseley precedent referred to on page 73, of having its Council's employee panel nominated by a democratically elected Shop Committee might provide the solution. It would at least have the advantage of leaving the ratio of technical to manual representation as a domestic matter to be settled by the organizations themselves.

If, however, the relations between the two types of organization were not amicable: or if the technical and scientific organization or union represented only a minority of its potential constituency, this simple way-out would seem not to apply. In such cases I do not think Management can do anything about it until some practical *modus vivendi* has been achieved by the parties con-

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cerned — except by the not altogether satisfactory expedient of including hand-picked representatives on the Management panel. Elsewhere in this book it has been urged, as a matter of hard practice, that it is impossible to provide adequate representation for people who refuse to organize themselves; and until organization is effective and co-ordinated, they must be prepared to suffer the penalty of remaining inarticulate in the field of joint consultation — except in so far as they are content to have their identity merged with that of Management.

I anticipate being told that in the above comments I have ignored an issue of principle which is of fundamental importance to Management: the undesirability of identifying our various 'staff' employees with Labour. Such a criticism is, in fact, a little behind the times, since in more than one important industry the principle of recognition has already been accorded by the organized Employers. But I would prefer to answer this criticism by opposing two other principles of at least equal importance.

If the industrial classes concerned want to organize, the fundamental principle of modern democracy demands that they should be free to do so, so long as they are not organizing for nationally subversive ends. If they do *not* want to organize, no issue at all arises. But it is as well to be clear that the fact of organization affects neither the stability of Management nor the status of the persons organized. H. T. F. Rhodes, in the *Journal of the Institute of Chemists*, has recently written:

The fact is that trade unionism has nothing to do with social status at all. It may be, and in fact it is, quite as useful a form of organization for the employer as for the employed . . . It is of the first importance that scientific men should understand that, apart from its merits or demerits, trade unionism does not commit them in advance to any political or social attitude. If this is clearly understood, it becomes evident that trade unionism is largely what the members of a trade union are prepared to make it and that, in the long run, scientific and all other workers will get the kind of trade unionism they deserve.

The second principle I invoke is very near to the heart of everything I have written in this book. If the future well-being of the nation depends on the creation of a unity of interest in Industry, and in each separate industrial undertaking, we cannot afford to have important sections of the industrial community

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suspended *in vacuo*, with no voice in establishing the common purpose, and no status to help in developing the common interest. It is a matter for those directly concerned to decide for themselves, but it appears clear that until some way is discovered for providing the technical and scientific employees in industry with some articulate voice, Joint Consultation — which I conceive to be more important for the future than maintaining the traditional 'respectability' of these grades — will be incomplete.

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