

**UNION POLICY  
AND INCENTIVE WAGE  
METHODS**

**BY**

**VAN DUSEN KENNEDY**

**SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS  
FOR THE DEGREE OF DOCTOR OF PHILOSOPHY  
IN THE  
FACULTY OF POLITICAL SCIENCE  
COLUMBIA UNIVERSITY**

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## PREFACE

THIS volume is an outgrowth of a study conducted under the auspices of the Division of Industrial Relations of the United States Bureau of Labor Statistics. The writer was employed as a representative of the Bureau during the investigation and did the bulk of the field work. The subject for study was selected partly as a result of a suggestion made originally by directors of research for several of the major unions. They pointed out that scientific management and, in particular, the problems of wage incentives have received very little first-hand study for the avowed purpose of discovering how these methods actually affect workers and describing labor reactions in terms of worker behavior and union practices. The union representatives noted also that due to the extension of collective bargaining organized labor is certain to have more and more to say about such management methods and that this will require kinds of knowledge and understanding which are all too rare at present on both sides. They felt that there was need for a study under impartial auspices both to call attention to the problem and to gather information which would be indicative of the experience of various unions in different industries and which would be available for study and comparison by managements and individual locals and national unions.

In addition to the initial suggestion from union representatives there were other considerations which impelled the writer to undertake this investigation. For one thing, it is a subject which can throw light on the crucial relationship between unionism and industrial efficiency. Furthermore, it seemed to justify study at this time because of the increasing importance that wage payment methods are acquiring in the sphere of industrial relations. The rapid growth of labor organization and its spread into industries in which the application of scientific management hitherto had faced no hindrances other than questions of theory and technique suddenly raised a whole new set of prob-

lems so far as management was concerned and presented unions with a new range of difficult problems. In other words, although incentive payment systems have long stirred worker animosities, it was not until recently that they have had to withstand the challenge of criticism, modification, and control by unions in the large scale industries. The significance of the resulting conflicts lies in the fact that incentive wage methods frequently become the battle ground on which the differing points of view of capital and labor in regard to the fundamental questions of labor cost, wage policy, and efficiency must be resolved. The conflicts are serious because industrial management has come to believe on so wide a scale that incentive plans and scientific management methods are indispensable means to volume production at low cost, whereas organized labor often finds these methods at odds with its own basic ideas about wage payment and security for workers.

Most of the research work for this study was completed prior to the entry of the United States into the war and the writing was first completed before the war period had advanced very far. During the interval which the author allowed to come between writing and publication union agreements expired or were changed, wage control was made national policy, and other important changes and developments occurred in the industrial relations scene. It would have been desirable to bring this report up to date on all these happenings but it was not possible. Chapter IV has been revised to cover certain aspects of the war period including a brief discussion of the repercussions of the national wage stabilization program on incentive wage questions. One of the most significant developments from the viewpoint of this study was the appearance in 1943 of the *U.E. Guide to Wage Incentive Plans, Time Study and Job Evaluation* issued by the United Electrical Workers—CIO. It is a most timely and useful little volume and it is somewhat ironical that lack of just such a treatment of the subject was one of the considerations which led to this investigation. In the main, however, the following chapters deal with the situation as it was

before our entry into the war. Although the defense program was having its effect, it may be said that, in general, the findings of this study apply to peacetime conditions.

As already noted, the writer carried on the field research for this study under the auspices of the United States Bureau of Labor Statistics. As an accredited representative of the Department of Labor he enjoyed the very great advantages of ready access to union officials and management representatives in the field as well as the guidance and assistance of Bureau personnel and the use of Department facilities in Washington. However, the factual findings as reported in this volume and the interpretation given them are entirely the responsibility of the author. In accordance with the policy of the Department of Labor the names of persons interviewed and of plants and companies visited must remain unidentified. Otherwise the author has been at complete liberty to write up the material as he chose. A summary of the study's findings prepared in the Industrial Relations Division may be consulted in the form of an article entitled "Incentive-Wage Plans and Collective Bargaining" in the *Monthly Labor Review*, July, 1942, Vol. 55, No. 1. The same summary with the addition of illustrative clauses from labor agreements appears as Bulletin No. 717 of the Bureau of Labor Statistics.

*Acknowledgments.* In addition to the formal advantages of my association with the Bureau I wish to acknowledge my personal indebtedness to Miss Florence Peterson, Chief of the Industrial Relations Division, who directed the study and who was willing to undertake the experiment of combining a piece of doctoral research with a project of her own Division. I am under great obligation also to Fred Joiner of the Division staff who was in immediate charge of the planning and conduct of the study, who participated in some of the field work, and whose helpful judgment and counsel were continuously available to me during the writing of this report. Professor Paul F. Brissenden has been a sympathetic, conscientious, and most helpful adviser throughout the writing process and Professor Leo Wolman was

kind enough to read and make suggestions on the manuscript. I wish I might thank again, also, the many union and management representatives of all ranks who responded so generously to my curiosity and whose information and opinions furnished the basic material for this volume.

DETROIT, MICHIGAN  
FEBRUARY, 1944

# TABLE OF CONTENTS

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	PAGE
PREFACE .....	5
CHAPTER I	
Introduction .....	11
Scope and method of the investigation .....	11
Character of the findings .....	14
Personal viewpoint .....	20
CHAPTER II	
Incentive Wage Systems and Time Study Methods .....	23
Nature and development of the incentive wage principle .....	23
Nature of incentive payment as an industrial relations problem ...	31
Prevalence of incentive wage methods .....	32
Description of incentive plans .....	34
Time study methods .....	39
CHAPTER III	
Union Attitudes and General Policies .....	50
General attitudes .....	50
The union case against incentive wages .....	59
Elimination or modification of incentive methods .....	94
CHAPTER IV	
Union Policies: Restriction and Aspects of the War Period .....	105
Restriction of output .....	105
War production and wage stabilization .....	129
Union attitude on the question of efficiency .....	143
CHAPTER V	
Extent and Nature of Union Participation .....	146
The meaning of participation .....	146
Union representatives in incentive wage matters .....	157
Employer representatives .....	165
Arbitration .....	170
Procedure of union participation .....	172
Union participation in other phases of job analysis .....	190



## TABLE OF CONTENTS

	PAGE
<b>CHAPTER VI</b>	
Union Agreement Provisions .....	195
Regulation of the method of payment .....	196
Protection of bargaining rights .....	199
Incentive rates and standards .....	199
Time study .....	206
Earning safeguards .....	210
Time study safeguards .....	241
<b>APPENDIX</b> .....	<b>249</b>
<b>BIBLIOGRAPHY</b> .....	<b>253</b>
<b>INDEX</b> .....	<b>257</b>

## APPENDIX

### UNION AGREEMENTS

THE following list presents a fuller identification of the union agreements from which pertinent clauses dealing with incentive wage or time study matters have been quoted in the preceding text. It should be repeated that this is by no means an exhaustive list of the agreements which contain such clauses, that it does not cover all the manufacturing industries in which such agreement clauses are to be found, and that it is not even a representative list in that many agreements have been selected for quotation because they deal with incentive rates or time study in unusual detail or in some special manner. Where the information was available, the month and year in which each agreement became effective and in which it expired or was due to expire are given. The letter (R) after an expiration date indicates that such agreement is renewable, usually for a year, unless terminated by either party.

#### United Automobile, Aircraft and Agricultural Implement Workers of America—CIO

Ainsworth Manufacturing Corp., Detroit, Jan., 1942–Dec., 1942 (R)

American Blower Corp., Detroit, effective June, 1937

Automotive Gear Works, Inc., Richmond, Ind., Oct., 1940–Dec., 1941

Bantam Bearings Corp., South Bend, Sept., 1941–Sept., 1942 (R)

Bohn Aluminum & Brass Corp., Detroit, Dec., 1940–April, 1942 (R)

Chrysler Corp., Detroit, Nov., 1939–Nov., 1940 (R)

Clark Equipment Co., Buchanan, Mich., Sept., 1940–June, 1941 (R)

Electric Auto-Lite Co., La Crosse, Wis., Aug., 1940–Aug., 1941 (R)

Toledo, Sept., 1940–Sept., 1941 (R)

Gar Wood Industries, Detroit, May, 1941–Jan., 1942

General Motors Corp., Detroit, Oct. 19, 1942–Oct. 5, 1943

General Spring & Bumper Div., Detroit, Dec., 1941–Dec., 1942

- Nash-Kelvinator Corp., Racine, Wis., Oct., 1940-Oct., 1941 (R)
- Studebaker Co., South Bend, May, 1937, amended through Mar., 1941
- Timken Detroit Axle Co., Detroit, Aug., 1941-Sept., 1942
- White Motor Co., Cleveland, Nov., 1940-July, 1942 (R)
- Willys-Overland Motors, Inc., Toledo, Aug., 1939-Aug., 1940 (R)
- Wolverine Tube Co., Detroit, Dec., 1941-Dec., 1942 (R)
- United Automobile Workers of America, A. F. of L.
- City Auto Stamping Co., Toledo, June, 1940-June, 1941 (R)
- Eaton Manufacturing Co., Massilon, Ohio, May, 1940-May, 1942
- United Rubber Workers of America
- Ace Rubber Co., Akron, Feb., 1941-Feb., 1942 (R)
- American Hard Rubber Co., Butler, N. J., May, 1941-May, 1942 (R)
- Baldwin Rubber Co., Pontiac, Mich., Aug., 1939-Sept., 1940
- Boston Woven Hose & Rubber Co., Cambridge, Mass., Mar., 1941-Mar., 1942
- Continental Rubber Works, Erie, Pa., Sept., 1941-Mar., 1942 (R)
- Electric Hose & Rubber Co., Wilmington, Del., July, 1941-July, 1942
- General Tire & Rubber Co., Akron, June, 1941-July, 1942
- B. F. Goodrich Co., Akron, April, 1941-May, 1942
- Mohawk Rubber Co., Akron, Sept., 1939-Sept., 1941 (R)
- Puritan Rubber Co., Trenton, N. J., June, 1939-Oct., 1940
- Quaker Rubber Corp., Philadelphia, May, 1941-May, 1942 (R)
- Seiberling Rubber Co., Barberton, Ohio, June, 1940-June, 1942 (R)
- Sun Rubber Co., Barberton, Ohio, Apr., 1941-Mar., 1942
- U. S. Rubber Co., Detroit, Jan., 1941-Mar., 1942 (R)
- Ball-Band Plant, Mishawaka, Ind., May, 1940-May, 1941
- Gillette Tire Plant, Eau Claire, Wis., Jan., 1941-Mar. 1942 (R)

**Textile Workers Union of America**

Allegheny Silk Corp., Altoona, Pa., Sept., 1939-Aug., 1940 (R)

American Thread Co., Dalton, Ga., Aug., 1940-Aug., 1942 (R)

Atlas Waste Manufacturing Co., Inc., Glendale, N. Y., July, 1940-June, 1942 (R)

Bigelow-Sanford Carpet Co., Inc., Thompsonville, Conn., Oct., 1940-Sept., 1942 (R)

Clifton Yarn Mills, Inc., Clifton, Pa., July, 1938-July, 1941

Columbia Mills Co., Columbia, S. C., Nov., 1940-Nov., 1942

Edna Mills Corp., Reidsville, N. C., June, 1941-July, 1942

Hart & Foster Co., Philadelphia, Dec., 1937-Dec., 1940

Hellwig Silk Dyeing Co., Philadelphia, Mar., 1940-Mar., 1943

Highland Cotton Mills, Inc., High Point, N. C., Sept., 1940-Dec., 1941 (R)

Imperial Rayon Corp., Gloucester, N. J., Jan., 1940-Jan., 1942 (R)

Millbury Woolen Co., Millbury, Mass., expiration Dec., 1942

Mt. Vernon-Woodberry Mills, Inc., Baltimore, Aug., 1939-Aug., 1942

Profile Cotton Mills, Jacksonville, Ala., Jan., 1942-Jan., 1943

**United Steelworkers of America**

Standard Gas Equipment Corp., Jersey City, July, 1941-June, 1942

Symington-Gould Corp., Rochester, N. Y., July, 1941-Aug., 1943

U. S. Sanitary Manufacturing Co., Monaco, Pa., Aug., 1941-April, 1943

Walworth Co., Greensburg, Pa., Mar., 1939 until terminated

Wheeling Steel Corp., Wheeling, W. Va., Mar., 1938-June, 1941

**International Association of Machinists**

Chicago Pneumatic Tool Co., Cleveland, effective Oct., 1940

Cleveland Heater Co., Cleveland, effective Nov., 1940

Cleveland Tractor Co., Cleveland, effective Feb., 1940

Waukesha Motor Co., Waukesha, Wis., Oct., 1941-Sept., 1942

**Federation of Glass, Ceramic, and Silica Sand Workers of America**

Pittsburgh Plate Glass Co., Pittsburgh

Libby-Owens-Ford Glass Co., Toledo

One agreement covers all organized plants, Feb., 1942–  
Feb., 1944

**United Electrical, Radio, and Machine Workers of America**

Westinghouse Electric and Manufacturing Co., April 8, 1943

P. R. Mallory & Co., Inc., Indianapolis, May, 1940–July,  
1942 (R)

General Motors Corporation, Nov. 2, 1942–Oct. 5, 1943

**International Brotherhood of Electrical Workers**

Wadsworth Electric Manufacturing Co., Covington, Ky.,  
Nov., 1938–Nov., 1940 (R)

**United Shoe Workers of America**

Janice Shoe Co., Lynn, Mass., Jan., 1940–Dec., 1940

Shoe Manufacturers Board of Trade, N. Y. C.—standard  
agreement with Joint Council, No. 13, expiration  
Nov., 1942

**International Ladies Garment Workers Union**

National Dress Manufacturers Association, N. Y. C.—stand-  
ard agreement with Joint Board of Dress and Waist-  
makers' Union, Feb., 1936–Jan., 1944

Stern-Slegman-Prins Co., Kansas City, effective Mar., 1940

**Amalgamated Clothing Workers of America**

N. Y. Clothing Manufacturers Exchange, Inc., N. Y. C.—  
standard agreement with N. Y. Joint Board, June, 1941–  
June, 1943

**United Hat, Cap, and Millinery Workers**

Millinery Manufacturers of New Jersey, Inc.—agreement with  
Joint Board of Locals 2, 24, 42, 90, Feb., 1940–Jan., 1943

Midwestern Millinery Association, Chicago—agreement with  
Joint Board of Locals 51, 52, 53, 54, Feb., 1940–Jan., 1942

**New Bedford Textile Council (Independent)—agreement with**

New Bedford Cotton Manufacturing Association, New Bed-  
ford, Mass., June, 1941–Jan., 1943 (R)

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# INDEX

- Agreement provisions dealing with incentive wages, protection of standards during war period, 128; procedure of price settlement, 176; regulation of payment methods, 197; review and negotiation of incentive plans, 198; joint determination of piece rates, 200; right of negotiation over piece rates, 201; advance notice of rate changes, 203; trial periods, 204; right of management to make minor rate or standards adjustments, 205; limitation on frequency of negotiation, 205; participation in time study, 206; review of time studies, 207; joint selection of test operator, 209; management right to use time study, 210; guarantees against rate cuts, 211; management right to adjust rates, 212; rate changes made dependent upon operation changes, 213; treatment of out-of-line rates, 214; protection of high earnings, 216; management differentiation between output and effort, 218; differential earnings for experienced workers, 218; guarantee of previous earnings on new jobs and rates, 219; guarantee of percentage over base rate, 221; management qualification of guarantees, 222; guaranteed minimum earnings, 223; earnings of average worker protected, 224; earnings of proportion of workers protected, 225; earnings related to competitors, 226; retroactive correction of piece rates, 226; sharing of technical gains, 227; incentive earnings guaranteed by the day, 228; incentive earnings guaranteed by the job, 230; guarantee of earnings prior to setting piece rates, 230; protection of earnings during lost time, 231; protection of earnings against loss due to other contingencies, 233-234; equal distribution of incentive work, 235; protection of individual under group plan, 235; management limitation on low production, 237; management right to consider competition, 238; limitations on speed of operations, 239; safeguards against secret time studies, 241; time limitations on rate determination, 243; posting of rates and time study results, 244; conditions required for time study, 245; allowances to be included in time studies, 246
- Amalgamated Clothing Workers of America, 52, 173, 174
- American Federation of Labor, 12, 136, 161
- American Federationist, The*, 161
- Arbitration of incentive wages, 170-172; in the apparel industries, 171; agreement provisions, 208
- Attitudes of unions toward incentive wages, in apparel industries, 52; in automobile industry, 54, 56; in steel industry, 54; in electrical industry, 54; in rubber industry, 55; differences between officials and members, 58; conflict with engineering approach, 76-79; opposition to abuse and mismanagement, 79-81; suspicion of management motives, 81-82; effect of war period, 135-138; educational efforts, 160-162; suspicion of engineering firms, 169
- Barkin, Solomon, 72, 161
- Bergen, Harold, 192-193
- Blair, Jacob J., 45
- Brissenden, Paul F., 7
- Brown, Geoffrey, 157, 161
- Congress of Industrial Organizations, 12
- Cooke, Morris L., 39, 70, 110
- Dickson, William J., 108
- Efficiency, 5, 20; relation to union policy on incentives, 143-145, 236
- Fair Labor Standards Act, 223
- Field study, 11; industries covered, 11; methods employed, 11-14; character and limitations of the findings, 14-20
- Fortune Magazine*, 138

- General Electric Locals Conference Board, 54, 161
- General Motors Corporation, 136-137
- Golden, Clinton, 54, 70, 72, 152
- Green, William, 69, 70
- Hawthorne investigation, 77, 78, 120, 151
- Hook, Charles R., 24
- Hourly rates compared with incentive wages, 103
- Hoxie, Robert F., 68, 71
- Incentive wage methods and principles, attitudes of workers and unions, 16, 52-58, 102; determinants of worker attitudes, 17; nature of incentive principle, 23; as characteristics of American industry, 24; definition of incentive wages, 25; piece work, 26, 35, 52-53; as affected by productive processes, 30; as industrial relations problems, 31; prevalence of, 32-34; influence of power age on, 54; problem of rate cutting, 82-94; elimination or modification of, 94-104; relation to union-management cooperation, 100-101; need for skill in human relations, 193; union agreement provisions, 195-247; effect of union safeguards, 234; importance of time factor, 242
- Incentive wage plans, piece work, 35, 52; differential piece rate, 35; standard hour plan, 36; Gantt task and bonus plan, 36; Halsey premium plan, 36; Bedaux point premium plan, 37, 100, 161, 169; Haynes Manitt system, 38; Dyer plan, 38; Stevens plan, 38; Emerson efficiency bonus, 38; standard time plan, 38; multiple time plans, 38; measured day work, 39
- International Association of Machinists, 12, 70
- International Brotherhood of Electrical Workers, 12
- International Ladies Garment Workers Union, 144, 158
- Job analysis, evaluation, specification, 41, 190; union participation in, 190-193
- Joiner, Fred, 7
- Labor's criticisms, of incentive wage methods, 62; of the incentive principle, 63; exploitation of human nature, 64; creation of friction among workers, 65; fear of unemployment, 65; detrimental to good work, 66; of time and motion study, 68, 74; distrust of management practice, 81-94
- Labor-management committees, 140, 153
- Labor Research Association, 130
- Leiserson, William, 71
- Loose rates, 86-91; connection with rate cutting, 86; importance of time factor, 87; problem in rubber tire industry, 89
- Lynd, Robert S., 142
- McCabe, D. A., 51
- Management representatives in incentive wage matters, 165-170; division of functions, 166; part played by time study men and foremen, 167-168; outside engineering assistance, 168; industry associations, 170
- Massachusetts State Board of Conciliation and Arbitration, 170
- Mathewson, Stanley B., 122
- Miller, Spencer, Jr., 70
- Monthly Labor Review*, 7
- Motion study, 41
- Murray Corporation of America, 138
- Murray, Philip, 39, 70, 110
- National Research Council, Committee on Work in Industry, 21
- National War Labor Board, 130-136, 228; and incentive wage problems, 131-136; policies outlined in Grumman aircraft case, 133-134
- Nelson, Donald, 105, 123, 128
- Participation by unions in relation to incentive wages, 22, 146-182; participation defined, 147, 155; difficulties and hazards, 149-150; importance of sense of participation, 151-153; lack of technical approach, 155-156; union representatives, 157-165; in apparel industries, 162, 173-181; importance of union committeemen, 163; procedure in garment industry, 174-178; in the form of bargaining rights, 183-190; in job analysis, 190-193; union agreement provisions, 195-247; in time study, 206
- Personnel Journal*, 123
- Peterson, Florence, 7

- Piece work, 26, 35, 52-53; individual worker reactions in one plant, 60-62; procedure of price settlement in apparel industries, 174-180; joint determination of rates, 200-201
- Procedure for union participation, 172-182; union representatives, 157-165; price making in garment industries, 174-178; price making in hosiery industry, 178-179; use of price lists, 178-179; price making in shoe industry, 179-180; general agreement provisions, 195-247
- Production standards, 19, 28; hourly rates compared with incentive wages, 103; limitations on speed of operations, 239
- Psychology and industrial relations, 20; importance to study of incentive wages, 21; evidence of Western Electric experiments, 77-78, 120, 151
- Rate cutting, 82-94, 212-215; relation to loose rates, 86, 214; experience in rubber industry, 89-90; agreement safeguards, 211
- Restriction of output, 105-145, 215; as pegging of individual effort, 107; as customary standard of production, 108; as a protection under incentive wage plans, 109; situations giving rise to, 110-119; enforcement within a group, 117-119; as a social practice, 120; as a business principle, 121; effect of war time policies, 122-142; related agreement provisions, 215-216
- Reuther, Walter P., 137
- Roethlisberger, F. J., 21, 108
- Ruttenberg, Harold J., 54, 70, 152
- Scientific management, 5, 14, 24, 26, 40, 68, 71, 173; variation in management practice, 17; contrast between theory and practice, 29; labor's attitudes, 68-73, 76-79, 81-82, 169; incompatibility between unionism and, 71-73; nature of union participation, 148
- Selekman, Benjamin, 63
- Slichter, Sumner, 51, 188
- Society for the Advancement of Management, 48; Committee on Rating of Time Studies, 48
- Stakhanovite system, 130
- Taylor Society, 69, 157
- Textile Labor*, 72, 161
- Textile Workers Union of America, 12, 72, 158, 161, 171
- Time study, 19, 39-49, 72; relation to job analysis, 41; relation to motion study, 41-42; description of, 42; rating or leveling, 43, 47, 48; allowances, 43, 49; technical weaknesses and possibilities of misuse, 45-49; labor criticisms, 68, 74; union participation in, 206; related agreement provisions, 206-209, 241-247
- Union-management cooperation, 101, 152; effect on incentive wage methods, 100-101; labor-management committees, 140, 153; reasons for failure, 152-153
- Union representatives in incentive wage matters, 157-165; lack of technical representation, 159-160; importance of union committeemen, 163
- United Automobile, Aircraft and Agricultural Implement Workers of America, 12, 136, 158, 159; internal conflict over incentive policy, 136-137; official policy on incentive plans, 137
- U. E. Guide to Wage Incentive Plans*, 6, 161
- United Electrical, Radio and Machine Workers of America, 6, 106, 123, 136, 160; publication on incentive plans, 6, 161; program for increased war production, 124-127
- United Furniture Workers, 59
- United Rubber Workers of America, 55, 136
- United States Department of Labor, Bureau of Labor Statistics, Division of Industrial Relations, 5, 7, 13; Bulletin No. 717, 7; Conciliation Service, 171
- United Steelworkers of America, 54, 72, 80, 100, 144, 152, 158, 228
- Veblen, Thorstein, 121
- Wage stabilization, 6, 130-139; effect on union policies, 135-136

- War period and incentive methods, 122-142; program of Electrical Workers-CIO, 124-127; government interest in incentives, 129; effect of wage stabilization, 130-136; conclusion on use of incentives to increase production, 138-139; production drive program, 139-142
- War Production Board, 106, 140-141; labor-management committees, 140; production drive, 140-141; labor representation in production drive, 141
- War production drive, 139-142; government policy on union participation, 139, 142; labor-management committees, 139-140; union representation, 141
- Washington Post, The*, 105
- Western Electric (Hawthorne works) experiments, 77, 78, 120, 151
- Woll, Matthew, 69
- Wolman, Leo, 7

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